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SENATE

TUESDAY, *April 29, 1924*

(Legislative day of Thursday, April 24, 1924)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Ernst	Kendrick	Sheppard
Ashurst	Fernald	Keyes	Shields
Ball	Ferris	King	Shipstead
Bayard	Fess	Ladd	Simmons
Borah	Fletcher	Lodge	Smith
Brandegee	Frazier	McCormick	Smoot
Brookhart	George	McKellar	Stanley
Broussard	Gerry	McKinley	Stephens
Bruce	Glass	McLean	Sterling
Bursum	Gooding	McNary	Swanson
Cameron	Hale	Neely	Trammell
Capper	Harreld	Norbeck	Underwood
Caraway	Harris	Norris	Walsh, Mass.
Cummins	Harrison	Oddie	Walsh, Mont.
Curtis	Heflin	Pepper	Warren
Dale	Howell	Phipps	Weller
Dial	Johnson, Calif.	Pittman	Willis
Dill	Johnson, Minn.	Ralston	
Edge	Jones, N. Mex.	Ransdell	
Edwards	Jones, Wash.	Reed, Pa.	

Mr. CURTIS. I wish to announce that the Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I ask that the announcement may stand for the day.

I was requested to announce that the Senator from New Hampshire [Mr. MOSES] and the Senator from Montanta [Mr. WHEELER] are absent from the Chamber attending a hearing before a special investigating committee of the Senate.

The PRESIDENT pro tempore. Seventy-seven Senators have answered to their names. There is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 7962) to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 1831) to loan to the College of William and Mary in Virginia two of the cannons surrendered by the British at Yorktown on October 19, 1781, and it was thereupon signed by the President pro tempore.

PROSECUTION OF CLAIMS AGAINST THE GOVERNMENT BY EX-OFFICIALS—UNITED STATES SHIPPING BOARD (S. DOC. NO. 101)

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the chairman of the Shipping Board, transmitting a report giving the names of former members of the Cabinet, Senate, and House of Representatives who have appeared as attorneys before the board. The Chair directs that the communication itself be printed in the RECORD, and the report as a public document. The matter will lie on the table.

Mr. NORRIS subsequently said: Mr. President, a communication was sent to the Senate to-day from the Shipping Board in answer to a resolution of the Senate. It has already been ordered printed, and I have no disposition to interfere with that order, but I think it ought to be read, and I ask that it be read.

The PRESIDING OFFICER (Mr. LADD in the chair). Is there objection? The Chair hears none.

The reading clerk read as follows:

UNITED STATES SHIPPING BOARD,
Washington, April 26, 1924.

The honorable PRESIDENT OF THE SENATE,
Washington, D. C.

SIR: With reference to the resolution of the United States Senate passed February 26, 1924, directing the Shipping Board to furnish the names of any ex-Members of the House of Representatives or of the Senate, or of any ex-Cabinet officer who within two years after his official service appeared as attorney or agent for a claimant against the board, I have the honor to transmit herewith all relative correspondence, and have the following statements to make in regard thereto.

Hon. William Gibbs McAdoo resigned as Secretary of the Treasury on December 15, 1918. Shortly after his resignation he formed the law firm of McAdoo, Cotton & Franklin, his partners being Joseph P. Cotton and G. S. Franklin, who in 1917 had been law partners in New York. On April 7, 1917, Joseph P. Cotton was retained by resolution of the Shipping Board as special advisory counsel "during the present emergency," at a salary of $1 a year. He was notified of this appointment in May 17, 1917. Shortly after that date he entered upon this appointment and remained in the position until August 11, 1917. During this period Mr. Cotton was the principal legal adviser of the Shipping Board, and worked out the method by which vessels constructed and under construction at shipyards were requisitioned by the Shipping Board and/or Fleet Corporation under the emergency shipping fund provisions of the act of June 15, 1917, and the power delegated by the President under that act by the Executive order of July 11, 1917.

Mr. McAdoo's first appearance with respect to claims against the United States, arising out of the war-time activities of the Shipping Board and/or Fleet Corporation, was in July, 1919. This date, it will be noted, was within two years of the date that his partner, Mr. Cotton, separated himself from his employment by the United States.

This appearance by Mr. McAdoo in July, 1919, was in behalf of the Virginia Shipbuilding Corporation, whom he represented as attorney and counsel before the United States Shipping Board on the presentation of a claim for progress payments under a shipbuilding contract entered into between the United States, represented by the Fleet Corporation, and the Virginia Shipbuilding Corporation. This claim was for approximately $3,500,000, but it was disallowed. The Virginia Shipbuilding Corporation was one of a group of shipbuilding and operating companies controlled through stock ownership and interlocking directorates by Charles W. Morse. These companies included C. W. Morse & Co., a holding company directly controlled by Charles W. Morse; the United States Steamship Co., another holding company, the control of the stock of which was held by C. W. Morse & Co. The United States Steamship Co. in turn had the stock control of two shipbuilding companies; the Virginia Shipbuilding Corporation above mentioned, which had a plant at Alexandria, Va., and the Groton Iron Works, which had a plant at Groton, Conn. The Steamship Co. also controlled by stock ownership the United States transport Co., which was an operating company.

In September, 1919, Mr. McAdoo, acting as attorney and counsel for the Virginia Shipbuilding Corporation, and presumably for the United States Steamship Co., and C. W. Morse & Co., started negotiations with the Shipping Board for a settlement of the claims of and against the Virginia company above referred to arising from the latter's failure to perform the construction contracts. These negotiations resulted in the execution of a contract dated September 25, 1919, by which all these matters in dispute were settled.

In connection with these negotiations Mr. McAdoo also conducted negotiations for the settlement of certain claims made by the Groton Iron Works against the United States, which arose out of contracts for the construction of steel vessels made by that company, and for the settlement of claims which the United States had against the Groton Iron Works. In connection with these negotiations two con-

tracts were made under date of December 20, 1919; one between the Fleet Corporation and the United States Steamship Co., and the other between the Fleet Corporation and the United States Transport Co. In both of these contracts the Fleet Corporation represented the United States. These contracts had to do with the operation of vessels built by the Groton Iron Works. Subsequently, and as a continuation of these negotiations by Mr. McAdoo on behalf of the Groton Iron Works, a settlement contract was entered into between the Groton Iron Works and the United States, represented by the Fleet Corporation. This contract was generally similar in its scope to the contract above referred to of September 25, 1919.

The Groton Iron Works failed to perform the covenants which it undertook under this contract, and shortly after March, 1920, Mr. McAdoo's partner, Mr. Joseph P. Cotton, appeared in behalf of the Groton Iron Works before the Shipping Board, with the purpose of forestalling the action contemplated by the Shipping Board for the appointment of receivers for the Groton Iron Works. The affairs of the Groton Iron Works and the Virginia Shipbuilding Corporation and of the other Morse companies above referred to were so closely interwoven that Mr. Cotton at this time also represented the Virginia company; and as a result of the negotiations which he carried on, and in which Mr. McAdoo personally participated to some extent, a further supplemental agreement was made under date of July 19, 1920, between the United States and the Virginia Shipbuilding Corporation.

The United States brought suit against the Virginia Shipbuilding Corporation, and has obtained a decree of foreclosure under date of March 8, 1923. Ten vessels have been sold thereunder, and upon termination of an accounting before a special master, which is almost concluded, a judgment will be entered in favor of the United States against the Virginia Shipbuilding Corporation for upward of $15,000,000.

The United States has also brought a suit against Groton Iron Works for the foreclosure of a mortgage on its plant at Groton, Conn., and the property has been sold under foreclosure.

Hon. Bainbridge Colby resigned his office as Secretary of State on March 4, 1921. He had been a commissioner of the Shipping Board from August 8, 1917, to March 4, 1919. On or about July 22, 1921, the Shipping Board, acting in behalf of the United States, took possession of certain vessels then under operation by the United States Mail Steamship Co. under charter parties, which gave the United States the right to seize the vessels in the case of default of payment of the charter hire. The following day a suit was brought in the Supreme Court of the State of New York by the United States Mail Steamship Co. against Albert D. Lasker and the other members of the Shipping Board, their counsel, and the United States marshal for the southern district of New York, who had physically seized the vessels. A justice of the supreme court of the State granted a temporary injunction order restraining the defendants from doing anything else with these vessels than returning them to the United States Mail Steamship Co.

In this matter Mr. Colby acted as one of the chief, if not the chief, counsel for the United States Mail Steamship Co., and personally argued the motion for the injunction. Our records do not indicate that Mr. Colby entered an appearance as attorney of record in these proceedings, but the attached contemporaneous excerpts from various New York newspapers show the part that was taken by Mr. Colby in this matter.

It may be of interest to note that in connection with this litigation the Shipping Board realized that if the injunction was fought in the courts, the necessary result would be to delay the sailing of the vessels and to greatly inconvenience the traveling public, so that an adjustment was made under which, in the latter part of August, 1921, the vessels were turned over by the receivers (who had been appointed by the District Court of the United States for the Southern District of New York in a creditors' suit against the United States Mail Steamship Co.) to the Shipping Board, and some of these vessels, with others, have since been operated by the Shipping Board through the United States Lines.

Hon. C. C. Carlin, former Member of Congress from Virginia from 1907 to 1919. Shortly after the organization of the Emergency Fleet Corporation in April, 1917, Mr. C. C. Carlin, then a Member of the House of Representatives, requested the Emergency Fleet Corporation to investigate certain property located below Alexandria, Va., and known as Battery Cove, for the purpose of determining its value as a shipbuilding site. Subsequently, in the fall of 1917, Mr. Carlin was introduced to Mr. C. W. Morse by Mr. Colin H. Livingstone. Mr. C. W. Morse on this occasion stated to Mr. Carlin that he had a contract with the Emergency Fleet Corporation for building wooden steamers for the Fleet Corporation at his yard in Noank, Conn., but that he wanted to build steel ships, and had made application to the Fleet Corporation for a contract, and that he believed that Alexandria, Va., was the place to locate a yard for this purpose.

Mr. Morse at this time pointed out to Mr. Carlin the so-called advantages of Alexandria, Va., as a shipbuilding center, whereupon Mr. Carlin advised Messrs. Morse and Livingstone that he would do everything in his power to aid them in securing a contract if he would specify that Alexandria was the proper place for the location of a shipyard.

Mr. Carlin then called on Admiral Rousseau, of the Fleet Corporation, and advised him of Mr. Morse's desire to locate a shipyard at Alexandria, Va., and further stated that the Fleet Corporation had previously passed favorably on the Battery Cove property. Mr. Carlin, in company with Mr. Morse, subsequently called upon Admiral Capps, the general manager of the Fleet Corporation, at which interview various matters in connection with the proposed contract for the construction of ships at Alexandria were discussed, Admiral Capps advising Mr. Morse that the Fleet Corporation would not agree to letting a contract for construction at Alexandria unless the contractor would agree to furnish his own housing facilities. As a result of these negotiations, the Groton Iron Works, a Morse company, were awarded a contract for the construction of 12 vessels, said contract being entered into on December 7, 1917. The original contract was in the name of the Groton Iron Works and was subsequently assigned to the American Shipbuilding Corporation, the name of which corporation was later changed to Virginia Shipbuilding Corporation.

Subsequent to the execution of the contract Mr. Morse advised Mr. Carlin of certain details in arranging their finances, whereupon Mr. Carlin, in company with Mr. Morse, interviewed Mr. Charles Piez, of the Fleet Corporation, and made application for a loan for the purpose of completing their shipbuilding plant, which, under the contract, they agreed to finance without aid from the Government.

Mr. Carlin during the year of 1918 appeared a great many times before the Fleet Corporation in connection with certain claims made by the Virginia Shipbuilding Corporation for wage reimbursements, and early in January, 1919, appeared before the Fleet Corporation for the purpose of applying for an additional loan on the plant of the Virginia Shipbuilding Corporation. These negotiations resulted in a loan contract dated January 10, 1919, the Fleet Corporation agreeing to loan to the Virginia Shipbuilding Corporation an additional $750,000 for the purpose of completing the construction of their plant.

Subsequent to Mr. Carlin's resignation as a Member of the House of Representatives he was employed by the Virginia Shipbuilding Corporation as counsel on annual retainer, and appeared before the board and the Fleet Corporation from time to time in connection with various matters arising under the contracts between the Fleet Corporation and the Virginia Shipbuilding Corporation. He appeared on certain occasions in connection with the negotiations for the contract of September 25, 1919, which contract was negotiated in its final form by the firm of McAdoo, Cotton & Franklin.

The files of the Fleet Corporation also indicate that Mr. Carlin appeared before the War Department in connection with certain matters arising out of the lease of the Battery Cove property.

Hon. Ernest W. Roberts, formerly Member of the House of Representatives from Massachusetts, appeared as attorney for Maurice Eichberg, trading as the National Timber Co., in a suit against the United States Shipping Board Emergency Fleet Corporation for alleged breach of contract. The amount of the suit is $120,970.80. Mr. Roberts first appeared as attorney for Eichberg in October, 1917. This case is now pending in the District of Columbia. Mr. Roberts died in March, 1924, and the case is now being handled by Mr. Clinton Robb, a partner of the deceased.

Hon. John H. Small, former Member of the House of Representatives, appeared as attorney in presenting the claim of P. Delaney & Co., of Newburgh, N. Y., for wage reimbursement, amounting to $36,520. This claim has been disallowed.

The above named—McAdoo, Colby, Carlin, Roberts, and Small—are the only individuals, so far as disclosed by the search which we have made of our files, who come within the terms of the Senate resolution above referred to of February 26, 1924.

Respectfully,

T. V. O'CONNOR, *Chairman.*

PETITIONS AND MEMORIALS

Mr. PHIPPS presented a petition, numerously signed, of sundry citizens of La Plata County, in the State of Colorado, praying for the full enforcement of the Volstead Prohibition Act, and that it be not amended, which was referred to the Committee on the Judiciary.

Mr. WARREN presented a resolution of the Chamber of Commerce of Evanston, Wyo., protesting against any immediate amendment of the transportation act of 1920, which was referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a resolution of the Business and Professional Women's Club of Great Bend, Kans., favoring an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Natoma, in the State of Kansas, praying for the full enforcement of the eighteenth amendment to the Constitution, which was referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

Mr. CARAWAY, from the Committee on the Judiciary, to which was referred the bill (H. R. 714) to amend section 101 of the Judicial Code, reported it without amendment.

Mr. NORBECK, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2699) to amend an act creating the Custer State Park Game Sanctuary in the State of South Dakota, reported it without amendment and submitted a report (No. 479) thereon.

He also, from the same committee, to which was referred the bill (S. 2559) to establish an Alaska game commission, to protect game animals, land fur-bearing animals, and birds in Alaska, and for other purposes, reported it with amendments and submitted a report (No. 480) thereon.

ENROLLED BILL PRESENTED

Mr. WATSON, from the Committee on Enrolled Bills, reported that on the 28th instant that committee presented to the President of the United States the enrolled bill (S. 1609) to fix the time for the terms of the United States district courts in the western district of Virginia.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WATSON:

A bill (S. 3191) for the recognition of John D. Eldred as second lieutenant, Second Regiment, New York Volunteer Cavalry, in the Civil War; to the Committee on Military Affairs.

By Mr. McCORMICK:

A bill (S. 3192) to provide for an examination of the Chicago River and its branches; to the Committee on Commerce.

By Mr. McNARY:

A bill (S. 3193) to provide for the purchase and acquirement by the United States of certain lands within the Superior National Forest and certain other lands within the counties of Cook, Lake, and St. Louis which lie north of township 60 north and between range 4 east of the fourth principal meridian and range 22 west of the fourth principal meridian, in the State of Minnesota; to the Committee on Public Lands and Surveys.

By Mr. WALSH of Montana:

A bill (S. 3194) granting a pension to Isabelle Culbertson (with accompanying papers); to the Committee on Pensions.

By Mr. SWANSON:

A bill (S. 3195) for the relief of W. B. Doak; to the Committee on Claims.

By Mr. BURSUM:

A bill (S. 3196) to increase the morale of the naval service; to the Committee on Naval Affairs.

By Mr. DIAL:

A bill (S. 3197) to amend section 5 of the United States cotton futures act to enable the buyer of a cotton-futures contract to demand actual delivery in fulfillment thereof prior to the close of the delivery month; to the Committee on Agriculture and Forestry.

By Mr. BRUCE:

A bill (S. 3198) for the relief of the Maryland Casualty Co., the United States Fidelity & Guaranty Co. of Baltimore, Md., and the National Surety Co.; to the Committee on Claims.

By Mr. FERNALD:

A joint resolution (S. J. Res. 117) transferring the possession and control of the Fort Foote Military Reservation in Prince Georges County, Md., to the Chief of Engineers of the Army to be administered as a part of the park system of the National Capital; to the Committee on Public Buildings and Grounds.

CHANGES OF REFERENCE

On motion of Mr. CAPPER, the Committee on Claims was discharged from the further consideration of the following bills and they were referred to the Committee on Military Affairs:

A bill (H. R. 1359) for the relief of J. W. La Bare; and

A bill (H. R. 3453) for the relief of the widow of Warren V. Howard.

AMENDMENTS TO TAX-REDUCTION BILL

Mr. LADD submitted an amendment intended to be proposed by him to House bill 6715, the tax-reduction bill, which was ordered to lie on the table and to be printed.

Mr. SIMMONS submitted an amendment intended to be proposed by him to House bill 6715, the tax-reduction bill, which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 30, beginning with line 21, strike out all of subdivisions (b) and (c), and insert in place thereof the following:

(b) In the case of an individual who is taxed under the provision of section 210 the tax shall, in addition to the credits provided in section 222, be credited with 25 per cent of the amount of tax which would be payable on a total ordinary net income equal in amount to his earned net income as defined in this section.

HEARINGS BEFORE COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. McNARY submitted the following resolution (S. Res. 217), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Irrigation and Reclamation, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-eighth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not to exceed 25 cents per hundred words to report such hearings as may be had in connection with any subject that may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 7962) to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended, was read twice by its title and referred to the Committee on the District of Columbia.

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on April 28, 1924, the President had approved and signed the following acts and joint resolutions:

S. 1704. An act for the relief of dispossessed allotted Indians of the Nisqually Reservation, Wash.;

S. 2798. An act to authorize the leasing for mining purposes of unallotted lands in the Kaw Reservation in the State of Oklahoma;

S. J. Res. 76. Joint resolution authorizing appropriations for the maintenance by the United States of membership in the International Statistical Bureau at The Hague;

S. J. Res. 77. Joint resolution authorizing an appropriation to provide for the representation of the United States at the seventh Pan American Sanitary Conference to be held at Habana, Cuba; and

S. J. Res. 79. Joint resolution to provide for the representation of the United States at the meeting of the Inter-American Committee on Electrical Communications to be held in Mexico City in 1924.

ADDRESS BY SENATOR WILLIS AT PITTSBURGH, PA.

Mr. PEPPER. Mr. President, on the 26th of April the senior Senator from Ohio [Mr. WILLIS] delivered a notable address before the Americus Club of Pittsburgh. I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. FRANK B. WILLIS, SENIOR SENATOR FROM OHIO, AT AMERICUS CLUB BANQUET, PITTSBURGH, APRIL 26, 8:30 P. M.

Ulysses S. Grant was President of the United States at a time when the Nation was beset with all the fads and heresies and real evils that are the inevitable aftermath of war. While civil strife was raging every thought was concentrated on winning the war at any cost. Blood and treasure were poured out without stint—the Nation must be saved at any price—nobody thought of dollars while the life of the Republic trembled in the balance. Necessary war expenditures made the people accustomed to large figures; governmental costs that had been measured in hundreds and thousands came to be counted in millions. When peace came habits of mind continued, and the needful costs of war were almost equaled in the extravagant demands of peace. Tax eaters had developed an appetite in war and sought to satiate it in peace.

Vast and unconscionable profits had been piled up through the necessities of war. The war god begat expenditures; peculation and corruption were the twin offspring of extravagance and wastefulness. Into this seething chaos of financial disorder and national distrust came the calm figure of Grant, the silent soldier of Appomattox. Though sometimes betrayed by false friends on whom he had a right to rely, he sturdily battled on for better things, never once losing confidence in the ultimate success of his country and never forfeiting the love and respect of his countrymen.

Strange cries and weird calls filled the air; pseudo reformers ran rampant; government was denounced by hungry scandal mongers eager to make the people believe that all officials were dishonest and all

government corrupt. The Credit Mobilier investigation disclosed some corruption, much indiscretion, and mountains of suspicion and innuendo. Those were the golden days for the muckraker. He got on the front page of the newspaper and monopolized the editorial columns. Any Senator who had a bad dream at night felt that he had justification and license in telling the country about it in the morning. No matter whether there was any basis in fact for his phantasmagoria—fiction was more popular than truth. Suspicion was more compelling than evidence. The old-fashioned presumption that any man was supposed to be innocent until proven guilty was airily swept aside to give place to the new idea that when the finger of suspicion had once been pointed at any man by testimony however flimsy and untrustworthy he was to be forthwith condemned in the forum of public opinion, hanged, drawn, and quartered unless he immediately shouldered the new presumption and proved himself innocent. It seemed that the world had suddenly grown worse; and then there came an awakening from the ghastly nightmare. The people again realized that the Nation was sound at the core; that its citizens were trustworthy, that the vast majority of its public servants were honest, that on the whole the Nation had been going forward, not backward. The few that had betrayed their trust were brought to justice in constitutional manner; juries functioned instead of courts of inquisition, judges took the place of "committee prosecutors," dark suspicion and cowardly slander fled away before the approaching dawn of orderly justice, and once more, under the calm, courageous leadership of Grant, the Nation went forward to new achievement and wider development.

There has been investigation in our day. Nowhere in any respectable quarter is there any disposition to condone wrongdoing or to permit any criminal to go unwhipped of justice. No matter who is hurt, no honest man of any political faith has any right to complain of orderly, legal inquiry for the promotion of the public good; but the sense of fairness of any decent citizen will inevitably revolt when sincere inquiry after truth for the protection of the public interest gives place to Pharisaical profession of self-admitted virtue on the one hand with attribution of unproven and foundationless charges on the other. The public demands rightfully that no guilty man shall be permitted to escape—but guilt is personal. The faults of the individual can not be attributed to an organization unless that organization condones and adopts the acts of the individual as its own. If Mr. Fall should be nominated for any important office by the Republican Party in face of the disclosures that have been made concerning his official conduct, the Republican Party would properly be held responsible as an organization for its indorsement of his record. If the Democratic Party should name Mr. McAdoo as its candidate for the Presidency it would thereby adopt and indorse as its own his record. Only a few days ago, in response to a Senate resolution of inquiry, the Secretary of the Navy gave the country the following interesting information:

> "An examination of the records of the Navy Department, its bureaus, and offices, discloses that the Hon. William Gibbs McAdoo, former Secretary of the Treasury; the Hon. James Hamilton Lewis, ex-Senator; and the Hon. Hoke Smith, ex-Senator, appeared before this department in advocacy of claims against the Government of the United States, and who at the time of their advocacy came within the provisions as set forth by Senate Resolution 176, above quoted. The Hon. William Gibbs McAdoo appeared in behalf of Albert C. Burrage, owner of the steam yacht *Aztec*, in the advocacy of the claim of Mr. Burrage arising out of the leasing of the steam yacht by the Navy Department during the war. The amount of money involved in the claim was $325,000, as the cost of repairs, plus $60,000 for the loss of the use of the vessel, a total of $385,000. The sum of $300,000 was the final settlement of this claim. The sum has been paid."

There are other interesting chapters in Mr. McAdoo's record that will from time to time be discussed. He was the highly paid attorney of that illustrious Democrat whose name was so eloquently presented to the national convention at San Francisco as a candidate for the Democratic nomination for the Vice Presidency, Mr. E. L. Doheny—the same Doheny that was a member of the Democratic committee on resolutions at San Francisco which wrote the oil plank in the Democratic platform. Mr. McAdoo retained this lucrative employment by Mr. Doheny until an awakening of public conscience advised him of its political inexpediency. Mr. McAdoo had a most interesting, successful, and lucrative experience after he left office in arguing cases and presenting matters before minor departmental officials who were directly or indirectly his own appointees. He obtained fat fees for influence, not legal service. He did not hesitate to accept employment for questionable service to the predatory interests he now so vociferously denounces. If the Democratic Party dares to indorse this devious dollar-chasing record of Mr. McAdoo in June, he will be McAdone in November. Congress is, or at any rate ought to be, a legislative body. So far as investigations in proper form are necessary to obtain basis of fact for legislative action or to bring to light wrongdoing of officials with a view to improvement of the public service, such investigations are justifiable. But when they degenerate into mere muckraking for political purposes, when an innocent chance telegram is greedily seized upon in an effort to besmirch the President, when witnesses of more than doubtful veracity are permitted by suggestion and suspicion to malign the dead and slander the living, when a dragnet is put out to bring in disappointed, discharged employees, convicts, and criminals and they are given free rein and encouragement to wag the slimy tongue of scandal it is time to call a halt. The President's duty is to administer and enforce the law. That responsibility he does not shirk; he is directly and personally responsible to the people for the proper discharge of that obligation. If the Senate is to supervise grand juries and try persons accused of crime, there will be a total subversion of those constitutional balances of power upon which the safety of the people depends. Let us return to constitutional methods; let trials be had before courts and juries where testimony is taken according to the rules of evidence and not given by disappointed disturbers encouraged to tell fairy stories. Without minimizing in any respect any beneficial results that have come from investigations thus far conducted the time has now come for Congress to attend to its own business for a while.

Congress itself is being investigated by the American people—it is being weighed in the balance and, in some respects at least, found wanting. Important constructive legislation is delayed by long-winded speeches delivered for political effect. The country now confidently expects and insistently demands that Congress follow the suggestion of the President that legislation rather than investigation is the imperative demand of the hour. Let the builder's trowel be substituted for the muck rake.

At the head of the Treasury Department is a farsighted financier—the greatest Secretary of the Treasury since Alexander Hamilton. Under his leadership financial order has come out of chaos. Liberty bonds that were lingering around 86¾ cents on the dollar under Democratic mismanagement were brought to par under the Mellon policies. Debts that had piled mountain high under the Democratic policies of extravagance were paid off at the rate of $2,000,000 per day while other nations were piling up more debts every day. The financial record made by the administrations of Presidents Harding and Coolidge is unsurpassed in the annals of history. This success is very largely due to the wise policies and farsighted genius of Andrew W. Mellon, of Pittsburgh. There is widespread demand for the enactment of legislation for the reduction of taxes. The Mellon plan is known in every hamlet in the land and uncounted millions look to Congress for its enactment. It is the hope of the enemies of this plan that one result of the so-called investigation of the Treasury Department will be the crippling of the Mellon tax-reduction plan. By innuendo against Mr. Mellon it is hoped to break down the Mellon plan.

The work which President Coolidge and his Cabinet are carrying forward is the work planned and so well begun by President Harding. Warren Harding—how fine and frank and honorable he was! The poisoned arrows of malice lie broken at his feet. There is only pity and disgust for the cowardly cur who would seek to cast suspicion on his motives, or leave scandal on the doorstep of the tomb. In the few short months of his administration more great problems were grappled with and solved than ever before in a like period of our history.

The 4th of March, 1920, saw our country in the throes of financial depression; 5,000,000 men walked the streets looking for work; industry was at a standstill; debts were piling up; taxes were burdensome; "deserving Democrats" by the thousand thronged every public building and tramped on each others feet in their hungry rush for the taxpayers' money; inefficiency and incompetence stalked boldly through every governmental department.

We hear much in these days of Democratic honesty and faithful service. How did Democratic plans work out during the war? Let history tell the tale. A recent careful summary shows that Democrats bought 41,000,000 pairs of shoes for 3,500,000 soldiers; bought 149,456,611 bread cans, which was 42 for every man under arms; paid out $484,425,566.11 on claims presented after the war, many of them without a contract, most of them without an accounting; spent $20,000,000 on coke ovens which produced no coke, $35,000,000 on picric-acid plants which produced no acid, and $116,000,000 on poison-gas plants which furnished no gas.

Four billion of dollars were spent on ships which took no part in winning the war because they were not in use; it is estimated that half of this sum was wasted, much of it on wooden ships, which proved unseaworthy and rotted at anchor; hundreds of other ships were sold at a small fraction of their cost.

Records were destroyed, papers hid, and documents abstracted from the files in order to make impossible prosecution for criminality.

Eleven billion dollars were loaned to foreign nations without evidences of indebtedness, making collection impossible except by negotiation, of which $1,500,000,000 was loaned after the war was over and $300,000,000 to nations not involved in the war.

Trees were cut down on cantonment sites and lumber hauled for miles to construct buildings on these same sites; corn crops ready for gathering burned and grain purchased to feed the Government's horses; valuable materials dumped in excavations or thrown into

streams; scores of thousands of unnecessary persons employed at excessive wages on cost-plus contracts in order to run up the plus and these persons encouraged to shirk on the job; materials bought at excessive prices in order to swell the contractors' profits on a percentage basis; scores of thousands of motor vehicles permitted to decay and rust exposed to the weather while the Government had acres of covered storage.

For the war 945,000 saddles, 1,000,000 sets of double harness, 1,148,000 horse covers, 2,850,000 halters were purchased for the 391,000 horses and mules used in the Army. If all the orders made by the War Department had been filled they would have required 300,000 more hides than the total output of the United States, which caused a doubling and trebling of the price of shoes and other leather products. A total of 195,000 copper-tipped branding irons were purchased for the purpose of branding the Government's 391,000 horses and mules; $21,000,000 expended for ambulance harness when our ambulances were motorized. For our 391,000 horses and mules there were purchased 1,637,000 horse brushes, 1,148,364 horse covers, 2,033,204 nose bags, and 712,510 sets of spur straps, or 36 sets apiece for every officer entitled to use them.

A total of $206,632,920 was expended for 16 cantonments, built by the cost-plus plan, which could have been built for $128,101,399, or $78,531,521 less money with the waste and graft eliminated. Around $1,200,000,000 was spent for camps and cantonments in which the conservatively estimated waste and graft totaled $400,000,000. These contracts were let without bids. A billion dollars was spent to make artillery that didn't shoot and another billion to construct airplanes that never flew.

Yet in view of this damning record of incompetency, if not graft and corruption, our Democratic friends have the unbridled effrontery to criticize Republican management and sing the praises of Democratic methods.

Into this weltering chaos of incapacity and exploitation came the Harding-Coolidge administration. What are some of the achievements of three years of effort? The records show that in the closing days of a Democratic Congress Republicans prevented the passage of appropriation bills framed by Democratic committees, and because those bills were defeated President Wilson had to call a special session of the new Republican Congress in 1919, which Congress cut about a billion dollars out of the bills before they were passed. Appropriations have been further cut at every session of Congress since that time. They would have been cut further were it not for the high cost of government established during the Democratic régime and the huge fixed expenditures fastened upon the Government during the same period. Constant progress has been made in the reduction of the public debt. Every year that the Democrats were in power, even in time of peace, they ran true to form and piled up larger debt burdens on the shoulders of the taxpayers. When the affairs of government passed into the control of the Democratic Party in 1913 the public debt was $1,193,000,000. By 1916 this debt has grown to $1,225,000,000, and in 1917 to $2,795,000,000. These increases were made in time of peace and are illustrative of the improvidence that has generally characterized Democratic administrations and can not be charged to war expenditures. Of course, the later increase to $25,000,000,000, in 1919, is chargeable to necessary war expenditures, augmented as they were by cost-plus system, waste, extravagance, and other Democratic devices to extract coin from the Treasury. But the constant increase for the years 1913 to 1917 shows the inevitable Democratic tendency. Democrats create debts; Republicans have to pay them, and they do pay them, as the figures clearly show. When Republicans came into power in 1920 the public debt had mounted to the staggering sum of $24,297,000,000.

The first year they were in control of public finance the national debt was paid off at the rate of $1,000,000 per day, approximately $350,000,000 for the year. The next fiscal year $1,012,000,000 of the national debt was paid off at the rate of nearly $3,000,000 per day. The following year $615,000,000 were wiped off the national debt due to Republican frugality, economy, and far-sightedness. Harding and Coolidge in three years paid $2,000,000,000 of the public debt. More reduction was made in the three short years than was made in 80 years following the close of the Civil War. This immense reduction in the debt burden by our Government has been made at a time when every other great nation has found it impossible to balance its budget and reduce its debts. While we have been paying our debts they have been increasing theirs. Republican leadership has instituted the wise economies that made possible debt reduction and at the same time has reduced appropriations of the taxpayers' money. The Democratic Party is the natural friend of the tax eaters. When it is in power it always increases appropriations. When it took control of the finances of the United States in 1913 the annual appropriation was $1,021,000,000.

In 1917, before the war, they had increased the expenditures to $1,628,000,000 per annum. It thus appears that while they were in power in time of profound peace the Democrats increased appropriations and tax burdens at the rate of about $150,000,000 per year, or $500,000 per day.

When Warren G. Harding took the oath of office the annual appropriation was $7,052,000,000. The first year of Republican control appropriations were reduced $3,000,000,000. For the year 1923 the appropriations were cut $240,000,000 lower, and the next year a further reduction of $250,000,000 was made so that while the Republican administration inherited from the Democrats annual appropriations of over $7,000,000,000, by careful economy this has been reduced in three years to $3,700,000,000. In other words, it is costing the Republican administration only a little over one-half of what it cost under Democratic misrule and extravagance to meet the normal peace-time expense of Government.

One factor that has aided in these tremendous Government economies has been reduction in the number of civil employees of the Government. In 1918 this number had amounted to almost a million. On March 4, 1920, the number was approximately 700,000. Under Republican business management it has been found possible to reduce the number of employees as follows:

1920	691,000
1921	597,000
1922	560,000
1923	548,000
December 31, 1923	544,000

In other words, about 150,000 fewer employees do the work now than were kept on the pay roll by the Democrats.

Meanwhile, under Republican administration Federal taxes have been reduced by Republican legislation $850,000,000 per year and further material reduction will be made by the present Congress. Personally, I prefer the plan presented by Secretary Mellon and strongly indorsed by President Coolidge. Tax reduction is the imperative need of the hour—it must not and will not fail. The Mellon plan has the confidence of the country. It will receive my cordial support and, if it can not be adopted in toto, at any rate its general principle will be followed and a substantial lightening of the tax burdens will result.

Muckraking investigations shall not and will not break down the Mellon plan or Secretary Mellon.

The 5,000,000 idle men waiting for jobs when the Republicans came into power very soon found employment under the stimulating influence of a Republican protective tariff law. Mills opened, factory wheels began to move, Republican furnace fires drove Democratic bats out of the chimneys and by pillar of fire by night lighted the way out of the slough of despond into which Democratic guides had led the industry of the country.

Republicans believe in protection to American labor as well as protection to American industry. We can not sell products in a protected market yet buy labor in a free-trade market. In recognition of this principle, the Senate, following the wise leadership of your brilliant young Senator from Pennsylvania, DAVID A. REED, has passed an immigration bill that protects American labor and American standards and, without justly offending any, provides beyond peradventure that America shall remain American. This legislation will not interfere with any right justly claimed by any foreign nation and yet at the same time it asserts as a great American policy the maintenance of the right to determine our own immigration policy.

We shall not enter the League of Nations—that policy is a finality so far as the Republican Party is concerned. We are willing within proper limits to aid other nations, but our country must be the judge of the time, the manner, and the sufficiency of the helping. To join the League of Nations would be putting the determination of these questions into the hands of some authority other than our own Government. This we can not do without a surrender of American sovereignty, and the Republican Party will never consent to any such surrender. If the United States had been an interested member of the League of Nations, it could not have played the controlling part it did in the work of the Dawes Commission. Our very disinterestedness and disentanglement from the league is the very thing that gives us power in world affairs. Let us not surrender this position of advantage in exchange for an entangling alliance which shears us of our power for good and places unbearable burdens on the shoulders of American citizens yet unborn.

When the terms of the Dawes report are finally accepted by Europe there is reason to expect that much good can be accomplished by the calling of another disarmament conference. The Washington conference, called under the leadership of President Harding, was the longest step forward in centuries of history toward peace and better understanding among nations. It limited capital-ship construction, abolished poison gas (except in senatorial debate), put the submarine under bonds for good behavior, and assured peace on the Pacific. But there now is opportunity for larger participation of our Nation in world affairs without surrender of sovereignty or involvement in any alliance.

The functions of The Hague tribunal can be so enlarged as to make it a real instrument of world justice to which we can go but to which we can not be compelled to go. International law should be codified through conference of the civilized nations; and land armaments, as well as fighting ships in the air and beneath the sea, should be reduced

through international common council and voluntary agreement without compulsion or surrender of independence.

It is time these forward steps should be taken.

The sentiment and heart of the American people are with President Coolidge in his determination to go sanely forward in the promotion of international good will and safety.

In this time of turmoil, suspicion, doubt, and unrest how fortunate this Nation is in having as its Chief Executive a man whom it can trust and does trust implicitly. Innuendo and suspicion may snarl at him, hate and envy attempt to hawk and tear, yet in him the people have unfaltering confidence.

He is one of the plain people, from a typical American farm home.

Years of useful public service in exalted station have not dimmed his sense of the viewpoint of the common citizen. "He has walked with kings nor lost the common touch." He is calm and kindly as a June day among the Vermont hills. His courage is unfaltering; his confidence is unshaken in the ultimate success of the fundamental principles of constitutional liberty in which he believes. He thinks much, talks little, acts firmly. He can not be swept away from his moorings by every promising breeze. His face is toward the sunrise of progress, his feet on the solid ground of experience. He is unbossed, uncontrolled, unafraid. The people believe in him and will nominate him for the Presidency in June and elect him in November.

The work of the committee on resolutions at Cleveland will be easy, because, whatever is written by platform makers, the real platform will be our presidential candidate and our slogan of triumphant victory for the Republican Party will be—

Keep cool and keep Coolidge.

SAN CARLOS IRRIGATION PROJECT, ARIZONA

Mr. CAMERON. Mr. President, on April 3 last the Senate passed Senate bill 966 by a unanimous vote. This act on our part was one of justice, righting a wrong of half a century. The House now has this bill before it for consideration. Therefore, I ask unanimous consent to place in the RECORD telegrams I have just received sent by 100 of the most prominent citizens of Arizona, the senders also including 23 full-blooded Pima Indians, commending this just legislation.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

PHOENIX, ARIZ., *April 28, 1924.*

Hon. RALPH H. CAMERON,
United States Senate, Washington, D. C.

On behalf of Arizona and Southwest we desire to congratulate you and the United States Senate upon unanimous passage by the Senate of Cameron bill for the construction of San Carlos project for relief of Pima Indians. We also extend congratulations on favorable report of said bill by Indian Committee of House. Upon this bill becoming a law a great national wrong of many years standing will have been righted. The Pima Indians were raising crops by irrigation on Gila River before Columbus discovered America. They are hard-working, progressive farmers, formerly possessing good homes and farms with plenty of food, grain, horses, and cattle. When first white men came to this country Pimas gave them food, shelter, and safe passage through lands of warlike tribes. The Pimas have unbroken record of loyalty to Federal Government and proudly boast they have never shed a white man's blood. As far back as 1886 Interior Department took up with Department of Justice question of protecting fast-disappearing water rights of Pimas. From time to time ever since sporadic efforts have been made to restore their water rights, but various things have intervened to prevent redress. In the meantime cutting of forests on watershed, overstocking of range with cattle, and upstream diversions by white settlers all combined to transform Gila River from living stream the year round, from which Pimas formerly got all water they needed, to a flashy, flood type of river dry most of the year. The Indian lands became idle from drouth; their ditches dried up; they were compelled to abandon their farms; and finally starvation and ruin drove them to seek aid of Government. The above facts taken from report of Indian Commissioner Valentine to Secretary of Interior on Pima Indians December, 1911. Every person acquainted with history of Pima Indians is sincerely hoping and praying that this bill for restoration of their water rights will be passed by unanimous vote of the House in order that this long-deferred act of justice may have no dissenting voice in the National Congress to detract from sincerity of Government's belated action.

Otis J. Baughn, president San Carlos Association; Dwight B. Heard, publisher Arizona Republican, director United States Chamber of Commerce; George W. P. Hunt, Governor of Arizona; Wayne Hibbs, State treasurer; James H. Kerby, secretary of state; C. O. Case, State superintendent of public instruction; Mulford Winsor, president Arizona State Senate; R. H. Ramsey, State auditor; John W. Murphy, attorney general; A. T. Hammons, superintendent of banks; F. C. Jacobs, United States district judge; John R. Towles, register United States Land Office; L. L. Ferrall, receiver United States Land Office; George A. Mauk, United States marshal; George T. Wilson, assistant United States attorney; Secretary H. B. Watkins and 900 members of Phoenix Chamber of Commerce; Carl W. Gibson, president Rotary Club; Charles F. Willis, president Kiwanis Club; A. L. More, president Lions Club; John Lattimer, president Junior Chamber of Commerce; Eben W. Lane, president real estate board; P. Y. Pendelton, president Hiram Club; F. A. Reid, president Salt River Valley Water Users' Association, with 5,000 members; J. O. Sexson, secretary Young Men's Christian Association; Mrs. H. B. Wilkinson, president Young Women's Christian Association; E. D. Harrington, president Arizona Press Club; Charles Martin, president Merchants and Manufacturers' Association; P. G. Spilsbury, president Arizona Industrial Congress; Dr. Harry T. Southworth, commander American Legion, department of Arizona; Mrs. D. F. Johnson, president Women's Club; Alice Birdsall, Business and Professional Women's Club; Miss Fay Young, president Century Club; C. S. Brown, president Arizona State Farm Bureau; H. Wilkinson; Charles H. McArthur; Edward Rudolph; L. M. Laney; F. Y. Swenson; Vic Hanny; H. W. Daykin; A. W. Liefgreen; O. H. Kerr; G. G. Skiles; J. C. Penney Co.; McDougall & Cassou; C. W. Goodman; B A. Funk; A. L. Boehmer; Regal Cleaners; James E. Lowry; D. H. Burtis; H. W. Krotzer; B. C. Lowry; Aleksander Studio; J. W. Dawson; J. S. Griffin; Frank Shirley; George W. Goggins; Peter Block; W. J. Burns; D. D. Northrup; Roy N. Davidson; W. W. Lane; E. J. Doyle; D. J. O'Sullivan; Reese H. Vaugn; J. B. Failor; H. R. Bland; E. C. Phelps; William G. Young; Dave Goldberg; Frank X. Connally; Stewart Smith; Berryhill Co.; Abe Korrick; Charles Korrick; Harry F. Mitten; F. J. Elliott; Celora M. Stoddard; P. R. Mitten; C. R. Holton; Harold J. Jantzen; Herman Lewkowits; Howard S. Reed; Harold Baxter; Allen C. Elder; Hess Seaman; George D. Christy; D. L. Cunningham; L. H. Chalmers; J. C. Niles; P. H. Hayes; Raymond Alee; W. L. Kolberg; D. B. Morgan; Judge John A. Ellis, Prescott, Ariz.; Eugene Shepher, Tucson; Heinie Schowell, Florence; Ezra W. Thayer; J. C. Adams; R. W. Smith; H. S. Clyne; G. B. Ruiz; M. R. Malcolm; Charles H. Adams; T. J. Duncan; W. P. McNair; F. S. Willets; Paul Dickerson; T. J. Coalter; H. W. Steel; R. E. Schnure; A. M. Monroy; T. B. Mudd; Norman F. Wykoff; Stephen D. Pool; Margaret Hiscox; Katherine R. Oglesby; Helen R. Pepper; A. L. Higgins; W. W. Turesdale; W. J. Hanna; J. K. Stewart; N. A. Lytle, G. J. Conrad, George W. Mickle, J. D. Howell, Glendale; D. D. Taylor, W. R. Hiett, Garland B. Gouch, Shirley Christy, Paul H. Versilus, S. R. Newton, L. E. Roberts, Glendale; C. N. Boynton, C. V. Gulley, Judson T. King, Charles A. Stauffer, general manager, Arizona Republican; C. T. Carpenter, Morris Goldwater, mayor of Prescott, Ariz.; M. G. Bundy, A. E. England, J. A. Goodwin, Conrad Hess, Arthur G. Hulett, Oscar C. Bartlett, J. T. Lewis, Globe, Ariz.; George T. Price, W. S. Norviel, J. G. Jennings, Miami, Ariz.; George Spruce, M. L. Gibbons, Mesa, Ariz.; H. H. Heiner, George M. Bealey, Dr. C. Swackhamer, Superior, Ariz.; L. A. Perrie, Miami, Ariz.; Harry S. Higgins, H. A. Waite, W. G. Detweiler, Fen S. Hildreth, Frank Snyder, Elmer W. Coker, Harry E. Habecker, D. K. Fretz, Paul Farmer, Albert C. Mains, Ellis M. Weir, S. J. Michelson, postmaster of Phoenix, Ariz.; R. W. Slocum, W. E. Waldorf, S. H. Weigle, A. W. Arnold, Sam J. Halderman, L. S. Ogle, G. W. Knorf, S. Siprelle, Harry M. Beck, Emma Logan, Lula Newell, Katherine Rudd, Avis Huck, E. X. Osborn, W. R. McElhaney, L. R. Calahan, J. P. Stout, A. Bans, Joseph M. Lawrence, K. T. Sagerty, F. M. Wurth, E. C. Cromb, Ross Kindley, Priest High, Debruce Grove, W. E. Naylor, William D. Williams, C. R. Rose, Russell R. Young, Tom M. Smith, R. A. Maxwell, A. E. Sevar, Cecil R. Callahan, G. L. McCoy, Burt McCall, Harry M. West, E. P. Donsall, J. W. Harbrock, J. K. Lester, Arnold Blake, M. F. Wich, L. A. Risk, J. H. Whitson, E. D. Raeder, B. B. Balyeat, N. M. Jamieson, B. F. Hensley, C. F. McGuire, C. M. Moore, Frank Thomas, W. T. Sprowls, T. A. Dean, J. M. Gibson, Globe, Ariz.; H. F. Warner, William E. Moore, C. E. Lawrence, Prescott, Ariz.;

Joseph Sobey, Miami, Ariz.; John Davelin, Globe, Ariz.; L. G. Moyers, S. L. Montgomery, H. A. Telford, J. E. Knabb, C. P. Hart, E. L. Williams, Robert Hunsick, L. C. Larkin, W. P. Hogan, M. P. Smith, W. J. Osborn, Peoria, Ariz.; Charles W. Flagg, H. G. Watson, E. W. McFarland, Matt S. Walton, John J. McGrath, John L. Goodson, James H. Allen, John B. Henke, Evan Wilson, William Gleeson, James A. Shea, Hubert Campbell, G. C. Campbell, B. W. Michael, president Paradise Verde District; George W. Johnson, W. A. Clark, B. J. Whiteside, F. W. Avery, president Arizona Citrus Growers' Association; T. B. Benton, A. A. Lillard, D. N. Barrows, Emma Winters, F. W. Avery, A. F. Baxter, jr., Ralph Cameron, jr., Dennis Gleeson, M. L. Fillmore, C. W. Stevens, Bennett Yancy, W. C. Truman, F. G. Lambert, R. H. Benton, Thos. J. Croaff, H. M. Vandenburgh, Martha L. May, E. Stallcup, Jacob C. Erhardt, Charles M. Donohoe, Larry Gleeson, T. L. Lloyd, L. E. Kingman, Julian Holmes, Scott White, Harry Herz, L. W. McAdams, E. M. Allen, E. S. Clark, John A. Lentz, Phil C. Ensign, R. E. Jerould, W. E. Easton, Howard Rollins, J. F. Payne.

SACATON, ARIZ., *April 28, 1924.*

Hon. RALPH H. CAMERON,
United States Senate, Washington, D. C.:

You now have before you Senate bill 966, for the construction of the San Carlos Dam in the Gila River in Arizona for the relief of the Pima Indians. We members of the Pima Tribe and their representatives most earnestly pray that you give this bill favorable consideration. We and our forefathers have farmed and lived on the banks of the Gila for several hundred years. Before the coming of the white people we had plenty of water; we had good farms; were contented and happy. Since the coming of the white people more and more water has been taken out of the upper part of the Gila River, thus diminishing our supply until now there is not sufficient water to raise a crop. We always helped the early white settlers; we escorted the covered-wagon trains of the early white pioneers through hostile country; fed and protected them. We have never shed a white man's blood. During the World War we sent many of our best young men to the Army; we oversubscribed every Liberty loan; in many cases our old folks doing hardest kinds of day labor to secure money to do so. One of our tribe was the first Arizonian killed in Europe. You have provided for the Indians who were enemies of the white people in early days. Will you not now help us who have always been your friends? We are good farmers; give us water and let us be self-supporting; let us make homes for our wives and children. Do not deprive us of water and cause us to become ration Indians and beggars, dependent on our Government for support.

Joseph Jackson, Panjo S. Pablo, George Pratt, Johnson Azule, Juan Apachose, Isaac C. Anton, Mack Sehurs, Edgar Myers, William Stevens, Joseph Achill, Victor Jackson, Antonio B. Juan, Peter J. Osif, Hiram Terry, Charles Porter, Charles Nathan, Calvin Emerson, John Lewis, Alfred Jackson, Jose Padgley, Job Russell, Hugh W. Patton.

TEMPE, ARIZ., *April 28, 1924.*

Hon. RALPH H. CAMERON,
United States Senate, Washington, D. C.

DEAR SIR: On behalf of Arizona and the entire Southwest we desire to congratulate you and the United States Senate upon the unanimous passage by the Senate of the Cameron bill for the construction of the San Carlos project for the relief of the Pima Indians, and also to extend congratulations for the unanimous favorable report of the said bill by the Indian Committee of the House. Upon this bill becoming a law a great national wrong of many years' standing will have been righted. The Pima Indians were raising crops by irrigation on the Gila River before Columbus discovered America. They are hard-working progressive farmers, formerly possessing good homes and well-cultivated farms, with plenty of food, grain, horses, and cattle. When the first white men came to this part of the country the Pimas gave them food and shelter and safe passage through the lands of warlike tribes. The Pimas have an unbroken record of loyalty to the Federal Government and proudly boast that they have never shed a white man's blood. As far back as 1886 the Interior Department took up with the Department of Justice the question of protecting the fast-disappearing water rights, but indifference, politics, and selfishness have intervened to prevent any redress being secured. In the meantime the denuding of the forests on the watershed of the Gila above the Pimas, the overstocking of the range with cattle, and upstream diversions by the white settlers all combined to transform the Gila River from a living stream the year round, from which the Pimas formerly got all the water they needed, to a flashy flood type of river, dry during most of the year. The Indian lands became idle from drought, their ditches dried up, they were compelled to abandon their farms, and finally starvation and ruin drove them to seek the aid of the Government. Every person acquainted with the history of the Pima Indians is sincerely hoping and praying that this bill for the restoration of their water rights will be passed by the unanimous vote of the House of Representatives in order that this long-deferred act of justice may have no dissenting voice in the National Congress to detract from the sincerity of the Government's belated action.

J. T. Birchett, R. L. Finch, H. W. Miller, T. A. Bailey, R. A. Windes, M. A. Windes, Wm. Laird, Hugh B. Laird, R. W. Still, C. M. Achauer, T. A. Anderson, F. E. Ostrander, Papago Motor Co., E. A. Row, R. L. Mullen, G. R. Finch, R. E. Stidham, R. C. Estrada, A. J. Matthews, I. D. Payne, Ira Frankenburg, E. P. Carr, Tempe Milling Co., R. J. Stroud, Ahlquist Garage, Red Front Store, Dads Place, B. Matley, O. C. McNary, E. E. Cell, Price Wickliffe, Leon C. Navarre, Henry Sandos, S. M. Goddard, J. E. Kelly, John E. Michel, Boston Store, W. W. Wade, T. H. Gardner, G. A. Goodwin, H. A. Moore, W. T. Waggoner, Jno. J. Curry, Frank Lamont, C. L. Walmsley, Frank E. Empey, J. F. Peck, T. M. Moulden, H. C. Baber, H. B. Clary, W. H. Thurber, E. D. Raley, E. O. Adams, Chas. C. Woolf, E. O. Brown, J. L. Felton, R. H. Harvey, Curt W. Miller, F. M. Irish, Fred J. Joyce.

Please transmit a copy of the above to the following persons: Hon. HENRY F. ASHURST, United States Senate; Hon. JOHN W. HARRELD, chairman Committee on Indian Affairs, United States Senate; Hon. CARL HAYDEN, House of Representatives; Hon. HOMER P. SNYDER, chairman Committee on Indian Affairs, House of Representatives; Hon. FREDERICK H. GILLETT, Speaker of the House of Representatives.

R. W. STILL.

GLENDALE, ARIZ., *April 28, 1924.*

Hon. RALPH CAMERON, Hon. HENRY F. ASHURST, United States Senate; Hon. JOHN W. HARRELD, chairman Committee on Indian Affairs, United States Senate; Hon. CARL HAYDEN, House of Representatives; Hon. HOMER P. SNYDER, chairman Committee on Indian Affairs, House of Representatives; Hon. FREDERICK H. GILLETT, Speaker of the House of Representatives, Washington, D. C.:

On behalf of Arizona and the entire Southwest, we desire to congratulate you and the United States Senate upon the unanimous passage by the Senate of the Cameron bill for the construction of the San Carlos project for the relief of the Pima Indians and also to extend congratulations for the unanimous favorable report of the said bill by the Indian Committee of the House. Upon this bill becoming a law a great national wrong of many years' standing will have been righted. The Pima Indians were raising crops by irrigation on the Gila River before Columbus discovered America. They are hard-working, progressive farmers, formerly possessing good homes and well-cultivated farms, with plenty of food, grain, horses, and cattle. When the first white men came to this part of the country the Pimas gave them food and shelter and safe passage through the lands of warlike tribes. The Pimas have an unbroken record of loyalty to the Federal Government and proudly boast that they have never shed a white man's blood. As far back as 1886 the Interior Department took up with the Department of Justice the question of protecting the fast-disappearing water rights, but indifference, politics, and selfishness have intervened to prevent any redress being secured. In the meantime the denuding of the forests on the watershed of the Gila above the Pimas, the overstocking of the range with cattle, and upstream diversions by white settlers all combined to transform the Gila River from a living stream the year round, from which the Pimas formerly got all the water they needed, to a flashy, flood type of river, dry during most of the year. The Indian lands became idle from drought. Their ditches dried up, they were compelled to abandon their farms, and finally starvation and ruin drove them to seek the aid of the Government.

Every person acquainted with the history of the Pima Indians is sincerely hoping and praying that this bill for the restoration of their water rights will be passed by the unanimous vote of the House of Representatives in order that this long deferred act of justice may have no dissenting voice in the National Congress to detract from the sincerity of the Government's belated action.

O. D. Betts, mayor, Glendale; Rotary Club, D. H. Bonsall, president; F. S. Heatwolfe, councilman; Glendale Commercial Club, J. McCoy, secretary; C. H. Tinker, manager Valley Bank, Glendale; Harry G. White, postmaster; J. W. Hawks, city clerk; John McCoy, insurance; Glendale Realty and Insurance Co. (Inc.); C. M. Woods, druggist; R. C. Reynolds, merchant; Lemley Ames Motor Co.; D. R. Jones, druggist; Sample & Moore Market; Ray F. Stauffer; Glendale Ice Co.; Glendale Garage; Glendale News, by H. C. Reed, editor; R. F. Zinn, merchant; J. R. McFadden; Walker Service

Station, by C. E. Walker; Glendale Furniture Co.; Caplan & Newman, merchants; C. A. Mikee, superintendent of schools; V. E. Messenger, merchant; D. H. Bonsall; Lon G. Smith; Glendale Milling Co.; O. S. Stapley Co. (Inc.); Jno. D. Davis, manager Pay N Takit; the Glendale Lumber Co.; B. Bean, manager J. D. Halstead Lumber Co.; J. D. Lynch, manager Glendale Motor Co.; Dustys Garage; H. D. Madison; A. W. Lueck.

CHANDLER, ARIZ., *April 28, 1924.*

Senator RALPH CAMERON,
Washington, D. C.:

Federal Government recognized needs of Pima Indians in constructing diversion dams on Gila River for irrigation. These dams are useless for month when river is dry. San Carlos storage dam will provide adequate flood control and insure permanent supply of water for irrigation purposes. Pimas were invaluable allies when assistance was sorely needed. They proved their worth in Spanish war. Arizona's first sacrifice on the battle fields of France was the lifeblood of young Pima Indians. Promises are sacred among Indians. Pimas implicity believe Government will provide water for their lands. Five thousand citizens of Chandler and vicinity petition our Government restore to Pimas waters of Gila for irrigating their lands by the construction of San Carlos storage dam.

CHANDLER CHAMBER OF COMMERCE,
CHANDLER WOMEN'S CLUB,
CHANDLER JUNIOR CHAMBER OF COMMERCE.

Mr. CAMERON. Mr. President, I also present resolutions adopted by the Phoenix District Conference of the Methodist Episcopal Church South, assembled at Phoenix, Ariz., urging the passage of Senate bill 966, making an appropriation for the construction of an irrigation reservoir on the Gila River near San Carlos, Ariz., which I ask may be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolution favoring San Carlos Dam.

Whereas the Pima Indians have always been a peace-loving tribe, never having been at any time in an attitude of hostility to the United States; and

Whereas they are also a thrifty, industrious people as compared with many other tribes of American Indians, having utilized to a very commendable degree the advantages for education and home improvement that have thus far been offered them by the Federal Government, while at the same time they have embraced Christianity, following the teachings of the Christian missionaries that have worked among them to an extent that has few, if any, parallels in the history of mission work among the Indians; and

Whereas the present material condition of this populous and worthy tribe of Christian Indians is such that not only their prosperity but their livelihood is dependent upon the impounding of the waters of the Gila River for the irrigation of their lands; and

Whereas the Senate of the United States has recently passed the bill known as Senate bill No. 966, making an appropriation for the construction of an irrigation reservoir on the Gila River near San Carlos, Ariz., for the above-stated purpose, in keeping with plans approved by Government engineers, and such bill is now pending before the House of Representatives at Washington: Therefore be it

Resolved by the Phoenix District Conference of the Methodist Episcopal Church South, assembled at Central Methodist Church at Phoenix, Ariz.—(1) That we do hereby respectfully memorialize the Congress of the United States, and especially the House of Representatives, earnestly and urgently petitioning said body to pass the said bill before the adjournment of the present session of Congress.

2. That a copy of this resolution, signed by the presiding bishop and secretary of this conference, be forwarded to Hon. CARL HAYDEN, Representative in Congress from Arizona, and to Hon. RALPH CAMERON and Hon. HENRY F. ASHURST, United States Senators, with request that they do their utmost to accomplish the enactment of the bill above referred to.

H. M. DU BOSE,
Bishop, Presiding.
ALVA R. HUTCHINSON,
Secretary.

ADDRESS BY SENATOR WALSH OF MONTANA AT BUFFALO

Mr. PITTMAN. Mr. President, I have in my possession here the manuscript of a speech delivered by the Senator from Montana [Mr. WALSH] on the 26th instant before the convention of the League of Women Voters in Buffalo, N. Y. It is a very able address on our foreign relations and is entitled "Europe's troubles are our troubles." I ask unanimous consent to have the address printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EUROPE'S TROUBLES ARE OUR TROUBLES

In the discharge of the most commendable task the League of Women Voters has assumed of affording the newly enfranchised citizens of their sex an opportunity to acquire a more intimate familiarity with our system of government and with the public questions involved in the elections in which they are to participate, that they may more understandingly exercise their rights in connection therewith, it has been deemed advisable to devote some attention to our international affairs.

The instances have happily been rare in our history when our relations with foreign nations or the policy which ought to be pursued toward them collectively or individually have been so acute as to be of consequence in any election or to exercise any influence in the choice of candidates for either local or national office. The admonition of the fathers against entangling alliances, though apt when uttered or written because of the frequently recurring state of war between Great Britain and France, involving all Europe, and of the passions still smoldering that were engendered by the Revolution that gave birth to our Nation, ceased after the Napoleonic era to have much more than an academic interest to us. The storms that swept over Europe during the century after Waterloo were unfelt in the political atmosphere of America. Our interests were only remotely involved, if involved at all. The Atlantic was an effective barrier against attack from that quarter and no enemy was to be feared from any other. We sympathized with the Greeks in their struggle for independence against the Turks, with the Hungarians in their effort to throw off the yoke of Austria, with the Spanish colonies to free themselves from the dominion of Spain, and with the Irish for a larger freedom, but without any purpose to mix in the controversies and conflicts thus precipitated, except in the case of the last Cuban insurrection. In respect to them, if sentiment was not all one way, the insistence on intervention in any form on the part of our Government was not backed by numbers sufficient to give to the question the dignity of a factor in any national political contest.

Our controversies with transoceanic countries were almost invariably either evanescent in character or of so little consequence, from the standpoint of national feeling, that they cut no figure in national elections, except in the case of the Northwest boundary dispute, of which much was heard in the campaign of 1840, when one of the political parties advanced the slogan "54–40 or fight."

The annexation of Texas and the war with Mexico became a grave issue in the succeeding quadrennial election, a feature of the slavery question which for 60 years engulfed every other so far as political discussion is concerned, holding its place in the language of more recent times as "the paramount issue." The promulgation of the Monroe doctrine was occasioned by events transpiring in Europe and is even said to have been prompted by a hint from the foreign minister of one of the great powers, but it was so in harmony with the general, if not universal, sentiment of America that some evidence of rivalry is exhibited from time to time with respect to its authorship as between the two leading political parties, the one attributing it to President Monroe and the other to his Secretary of State, John Quincy Adams. In short, our country has been so free from agitation over foreign policies and foreign complications, domestic questions have so engrossed the public mind, that there have been no occasion and no disposition on the part of the ordinary voter to look, nor has he acquired the habit of looking beyond our borders in determining the course he ought to take in exercising the sovereign right of the franchise.

A different era, however, is upon us. Our outlook is, or at least ought to be, radically changed in consequence of the World War. The ocean is no longer the barrier it once was or was believed to be. We landed in Europe 2,000,000 armed men, equipped with all the enginery of modern warfare. Hereafter we are bound to contemplate the possibility of a similar invasion of our shores. Despite a resolute purpose on the part of our people to preserve a strict neutrality as between the warring nations of Europe, the desperation of one group of the combatants brought us into the contest, as one by one the states of Europe, with but few exceptions, had become involved. We can no longer regard with unconcern a conflagration in Europe or controversies or policies likely to lead to such.

The hazard of involvement increases daily as the nations are brought closer by discoveries and inventions that annihilate distance and facilitate communication and the horror of becoming involved multiplies through the development of new agencies of destruction that threaten the overthrow of civilization if not the extinction of the human race. Can one set bounds to the destructive effects of lethal gases, the aerial torpedo, the demon ray, and the dissemination of deadly contagious disease germs whose ravages even the cessation of hostilities does not arrest?

The outlawry of war is not a problem of humanitarianism, it is a problem of self-preservation.

Nor is it alone that we may again become involved in a war that may eventuate because of them that we have ceased to regard—that is, some of us have ceased to regard—the controversies that agitate distant nations, and those of Europe particularly, as a matter of indifference to us. That in the wastage of their heritage through war we suffer an incalculable loss has been made painfully plain to everyone who has had occasion to consider the deplorable depression in our great basic industry—agriculture—so acute as to give rise to the introduction in Congress of innumerable relief measures, many of them violative of what has heretofore been considered as indisputably sound, economic principles. Due to the impoverishment of Europe, consequent upon the war and the political chaos that has ensued, the purchasing power of her people has been reduced to a point at which they can no longer absorb our surplus agricultural products, which consequently flood the domestic market, reducing the price below the cost of production.

The conditions under which farmers are expected to "carry on" are disclosed by the fact reported by the Secretary of Agriculture, that whereas for five years prior to 1914 the purchasing power of a dollar in the hands of a farmer was normal—that is to say, a certain quantity of farm products would buy the normal amount of commodities generally—on the 1st day of January, 1923, it would buy but 64 cents' worth. While the price of the farmer's products suffered a rapid decline after the war, the price of everything he must buy, including labor, if one may so speak of labor, has remained stable or has appreciated, so that while the price of wheat in 1913 stood, in the index figures prepared by the Department of Labor, on a parity with the price of other commodities, in February, 1924, the leading cereal was represented by 125 as against 152 for commodities generally.

Another way of expressing the appalling fact is that, if wheat had preserved the equality at which it stood in 1913 with respect to other commodities in the matter of price, it would have brought in 1923, instead of $1.002, the average price, about $1.60.

The seriousness of the situation is but feebly appreciated in the so-called industrial sections that are "fed up" with frequent assurances from influential sources of abounding prosperity. The fact is that no such disaster has ever perhaps befallen the farming industry in this country, certainly not in this or the preceding generation. The gravity of the case is revealed by the official statement of the Secretary of Agriculture to the effect that on the 1st of January, 1923, there had been a decline in the price of real estate in the United States of $13,000,000,000, one-half the expenditure of our Government in the World War.

It is officially reported that 8¼ per cent of the owner-farmers in 15 corn and wheat producing States lost their farms, with or without legal process, between 1920 and the spring of 1923, and that 15 per cent more were in fact temporarily insolvent, but held on through the leniency of creditors. The losses were relatively more numerous in Montana, North Dakota, Colorado, and South Dakota, and less numerous in the east North Central States. A hideous prosperity is in evidence in the case of many newspapers published west of the Mississippi River, arising from foreclosure notices, the number of which frequently necessitates extensive supplements. The alarming state of affairs is reflected in the bank failures throughout the distinctly agricultural sections of the West. From June 30, 1923, to January 31, 1924, 62 State banks failed in Montana, and from the initial date given to April 5, 1924, 19 national banks. During the same periods North Dakota lost 90 State banks and 16 national banks; South Dakota 53 of the one and 15 of the other; Oklahoma, 29 and 13; New Mexico, 13 and 8; Minnesota, 40 and 7. These were in addition to a distressing number which closed their doors each year since the deflation of 1920 set in or was precipitated, the failures occurring in unusual numbers in the South as well as the West. More than a half dozen counties of my State are without any banking facilities.

In Lewistown, a city of 8,000 inhabitants, the county seat of Fergus County, the heart of the fertile and highly cultivated Judith Basin, every bank is closed. Not a few of the banks that have thus gone down were of mushroom growth, puny from their birth, but among those that have gone on the rocks are institutions that have weathered the financial storms of 40 years.

The conditions which these banking reverses imply signify social changes of the most far-reaching nature. The Secretary of Agriculture tells in his report for 1923, recently issued, that the net change in population from farm to town during the preceding year was approximately 1,200,000, accelerating a movement in progress in recent decades that had already excited general alarm.

It is not to be understood that the deplorable condition adverted to is wholly due to the collapse of the foreign market for our exportable surplus, but that the impoverishment of Europe is a serious factor in the widespread depression is acknowledged on all hands. Depressed world conditions and curtailed foreign buying power is given first place by the American Wheat Growers' Association among the causes of the disasters that have overtaken the producers of our principal cereal. It is significant that those engaged primarily in the production of crops consumed at home are comparatively lightly affected and are weathering the storm in safety at least. In illustration the cattle business is in a plight, perhaps not less serious than that of those who must depend upon their wheat crops, while those who are fortunate enough to be running sheep are enjoying a period of reasonable prosperity. We export neither wool nor mutton.

It is necessary to go back nearly 30 years to reach the low level of exports of meats and meat products of last year, except for the year 1914, when shipments were interrupted by the war, and the year 1910, when, for some reason, there was a serious slump.

The Department of Commerce has been advised by commercial leaders of that country that if payment for it could have been arranged, Germany would have used 50,000,000 bushels of American wheat last year more than she took from us. Official figures furnished me show that the consumption of wheat in Europe for the years 1920, 1921, and 1922, respectively, was approximately 500,000,000 bushels less than the average annual consumption for the five-year period ending with 1913, the computation in each case being for the year ending August 1 of the following year. Though there has been a marked increase in the yield from American and antipodean fields, the world production still lags over 400,000,000 bushels behind the average crop of the antebellum period.

The same regrettable showing is made in the case of copper, nearly 50 per cent of our production of which normally goes abroad. The consumption of this metal in Europe has fallen from 645,000 metric tons in 1913 to 273,600 metric tons in 1921. It is popularly believed, and doubtless with justification, that the heavy importations of this metal by Germany during the years immediately preceding the outbreak of the war were in anticipation of that catastrophe, but she remains our most important customer and the percentage of decline in her demands on our exportable surplus is no greater than in the case of most other European countries, including Great Britain and France. It is not difficult for the people of Montana, of whose three principal products—wheat, copper, and cattle—there is always a surplus for export, to realize how intimate is the relation between our prosperity and that of the people of Europe and how immediate is our concern in the restoration and preservation of peace among them. If there is greater indifference to the situation, if there is a less ardent desire among the people of the Atlantic seaboard to see it improved, it must be because they do not feel the pinch. Our total of exports of foodstuffs, crude and processed, has steadily declined since 1920, the decline in 1923 as compared with 1922 reaching the staggering total of $200,000,000, balanced, however, by an increase in approximately the same amount in the value of our exports of manufactures ready or partially ready for consumption. It is significant in this connection that practically none of this gain came from Europe, while nearly every other part of the world contributed to it; South America over $40,000,000, Asia in excess of $60,000,000, Oceania nearly $50,000,000, and Canada nearly $60,000,000.

It will be appreciated that notwithstanding this gratifying increase in our exports of manufactured articles, the total that goes abroad is insignificant as compared with the demands of the domestic market, which rests in the last analysis on agriculture. If that industry can not be carried on at a profit, speaking in general terms, no other can. If the farmer can not buy in normal quantity, manufacturing must abate and unemployment become general and ominous. And yet while our prosperity is so demonstrably bound up in that of Europe, though adversity such as our great basic industry has never known stares it in the face, in consequence of the turmoil there, political exigencies have condemned us to a do-nothing policy from which our Government departs from time to time, as common sense impels, to act in a gingerly apologetic sort of way, receding as the clamor of isolationists threatens to disturb party harmony or that 7,000,000 plurality excites the hope of another political victory in a sweeping denunciation of the League of Nations, and of any activity, however praiseworthy in itself, originating with or indorsed by the league.

The vicissitudes that have attended the effort to secure the indorsement of the World Court by the Government of the United States will serve the purpose of illustration. To the idea represented by it our country gave its official sanction a quarter of a century ago at the first Hague conference. The tribunal by it constituted proved a disappointment because of defects against which our representatives vainly sought to protect it. A special effort to redeem it was again made by the American commissioners at the second conference in 1909, and particularly to devise some scheme by which permanent judges of the court should be selected who should hear the causes as they came before it, instead of arbitrators chosen by the parties from a list of eligibles. The desirability of the change was apparently universally acknowledged as, indeed it is obvious. The attempt failed because it was found impossible to agree on the manner of choosing the judges, the small States insisting upon the right, in accordance with the rule in international conferences, of an equal voice with the larger and more powerful States in the election of the judges. That difficulty has, with the concurrence of States large and small, been obviated in the organization of the now functioning Permanent Court of International Justice, which, in the essential

features of its statute or constitution, is substantially identical with the kind of international tribunal for which the United States stood at the two Hague conferences. If any serious objection or criticism of the statute constituting it, its constitution, as we express it, has been advanced in any responsible quarter it has escaped my notice. Unfortunately it is associated, in its origin, with the League of Nations. Enough! Away with it! The proposal made on the recommendation of Secretary of State Hughes by President Harding to the Senate on February 26, 1923, and approved by President Coolidge in his message to Congress on its assembling in regular session in December last, that the United States subscribe to the protocol creating the court, is as dead as Cæsar unless the country can be in some manner aroused in its support. Singularly enough the proposal thus commended by two Republican Presidents, including the suggestion as to reservations, has the concurrence of every Democratic Member of the Senate save the few who were opposed to the covenant of the League of Nations, and yet it lies moribund before the Committee on Foreign Relations without having any part in any known program of the majority party for the work of the current session or any session for that matter, a subject of jest, indeed, with most of those influential in the framing of such a program.

It may be of some service if the exact nature of the relation of the court to the league is recalled. Article XIV of the covenant provides—

> "The council shall formulate and submit to the members of the league for adoption plans for the establishment of a permanent court of international justice. The court shall be competent to hear and determine any dispute of an international character which the parties thereto submit to it. The court may also give an advisory opinion upon any dispute or question referred to it by the council or by the assembly."

Note that the plan to be formulated by the council is to be submitted to the members of the league for adoption. The council acts simply as a draftsman. The court comes into existence only by virtue of what amounts to a treaty between the members who adopt the plan, each subscribing to a protocol expressing its adoption. The movement to establish a world court might have been set on foot in a multitude of ways. The International Law Association might have prepared a draft of a statute for a world court and proposed to the government of the various nations that they enter into an agreement to constitute such a court pursuant to the plan offered by it. If, then, the leading nations should subscribe to a protocol giving their assent to the plan and judges were elected and the other machinery contemplated by it provided, the court would be ready to function, but it would rest on the protocol, not on any sanction it had from the unofficial voluntary association by which the plan was prepared. It may be here remarked that no nation signing the protocol for the statute drafted by the council of the league assumes any other or greater obligation than it would had it been prepared, as supposed, by the Association of International Law. Let it be recalled how the council proceeded with the work intrusted to it by Article XIV of the covenant. It called to its aid men of eminence as international lawyers, including an American, Hon. Elihu Root, constituting them a committee to draft a plan. It submitted such a plan, that with slight amendments was concurred in by the council, which then submitted it to the assembly of the league, in which every member is represented, great and small, by which body it was upon further slight amendment agreed to by the council, concurred in, and then submitted to the nations interested, 47 of which have indorsed it by subscribing to the protocol pursuant to which the court is constituted, though there are 55 members of the league.

In the work of the drafting committee of experts in international law, it was confronted at the outset with the same difficulty which the two Hague conferences had been unable to surmount, namely, a method of selecting the judges satisfactory to both the large and the small States. Credit is given to Senator Root for the suggestion which solved it. There were at hand two assemblages, in one of which, of comparatively few members, the great powers were represented and dominant, and in the other all or nearly all the small nations had an equal voice, namely, the Council and the Assembly of the League of Nations, respectively. Why not utilize these assemblages for the election of judges? It was accordingly agreed that the choice should be thus made, the successful candidate requiring a majority of the votes in the council and in the assembly. Those institutions are simply convenient agencies which are made use of under the protocol and the statute of the court for effecting the election. One of the reservations proposed by Mr. Hughes contemplates that an arrangement be effected with the interested nations by which the United States shall be represented in each of the elective bodies, when and only when it acts as such, with authority to participate in the choice on the same footing as any other nation represented therein, but without right to any part in any other work in which it may engage and without the assumption of any obligation on the part of our Government under the covenant of the League of Nations or the treaty of Versailles.

The statute of the court goes beyond the limits outlined in Article XIV of the Covenant of the League. It, as shown by the language heretofore quoted, contemplated a plan to be adopted by the members of the league only, but the statute actually framed by the committee of experts, approved by the council and the assembly and adopted by the subscribing nations, opened the way for adherence thereto not only by members of the league but by all States mentioned in the annex to the covenant for the league, whether members or not, including the United States. To that end the protocol recited that it should "remain open for signature by the members of the League of Nations and by the States mentioned in the annex to the covenant of the league." And article 35 of the statute declares that "The court shall be open to the members of the league and also to States" mentioned in the annex to the covenant.

In one other respect the court is associated with the League of Nations. The judges must be paid and the other expenses attendant upon the functioning of the court must be met. Obviously the subscribing nations ought to contribute to the defraying of such expenses in some just proportion. The members of the league contribute to its treasury in the same proportion as the powers contribute to the fund to meet the expenses of the International Postal Union. Why not, accordingly, pay the expenses of the court out of the league treasury? So it was arranged. Again, the machinery of the league—its agencies—are made use of by the parties signatory to the protocol of the World Court.

Finally, the statute provides that the court shall have compulsory jurisdiction over cases of four classes as between any of the signatory powers agreeing that it shall, a particular in which it again departs from the injunction of article 14 of the league, which contemplated giving to the court no compulsory jurisdiction whatever, but only authority to pass on such controversies as the parties chose to submit to it, evidently as they arose, further evidencing the fact that it stands on its own bottom and derives no authority whatever from the covenant. It might be added that only 15 of the 47 States subscribing to the protocol have bound themselves in advance to submit controversies within the enumerated classes to the courts. None of the leading powers have so bound themselves, and it is not proposed that the United States shall obligate itself to do so. It is free to submit or not to submit any controversy to the court. It may say at any time without offense that the particular controversy is of a class which according to the settled policy of the United States is never submitted to the determination of any tribunal or it may decline to submit without offering any reason.

Now, what is the objection to our joining the other nations of the earth in upholding this agency for peace, feeble though it may be? Bear in mind all we are asked for is to give to the court our moral support and to contribute our pittance to the expense of maintaining it, for, as disclosed by that part of article 35 of the statute heretofore quoted, our Nation is now a competent suitor before the court, being mentioned in the annex to the league covenant. We may even now agree with any other nation to submit to the court any controversy in which we are involved, and the court is competent to deal with it. We are asked to give it our cordial approval instead of standing on the side lines and sneering at it. Again the league.

On December 10 last the junior Senator from Wisconsin [Mr. LENROOT] offered a resolution quite like that proposed by Mr. Hughes, but with some additional reservations, in substance to the effect that the judges of the court should be elected after the manner following: Representatives of one group of nations, being the same as those having delegates in the council of the league, should meet. Contemporaneously representatives of all the nations, as another group, should meet, quite as the assembly of the League of Nations, in which 55 nations are now represented. These two groups are to be authorized to elect the judges in substantially the same manner as that provided in the statute as the procedure to be observed by the council and the assembly. By this hocus-pocus the judges are to be chosen by substantially the same electors, proceeding in substantially the same manner, only by the Lenroot plan the elective bodies are to be designated Group A and Group B, while under the Hughes plan they are denominated the Council of the League of Nations and the Assembly of the League of Nations, which, indeed they are not for the occasion because the United States, not a member of the league, would sit. Thus gravely it is proposed to eliminate the poison with which the present statute is infected, to disassociate it, as it is expressed, from the League of Nations. This we are to offer to 47 self-respecting nations which have set on foot this long and ardently desired tribunal as the condition of our lending it the support of our name, to reorganize the whole constitution of the court in order that the offensive name of the league shall not attach to it. More recently the senior Senator from Pennsylvania [Mr. PEPPER], on April 7, introduced a resolution to call a world conference to consider, among other things, "plans for a world court, either through a further development of the present Permanent Court of Arbitration at The Hague, or through disassociation of the present Permanent Court of International Justice at The Hague from the League of Nations." The foremost jurists of the world, acting on the committee of which Senator Root was a member, concluded, for some reason, that

it was impracticable to set up the desired court through a further development of The Hague court in the institution of which he had an honorable part. The eight great powers represented in the Council of the League of Nations thought so. The 55 nations represented in the assembly of the league thought so. What may a world conference be expected to think of the feasibility or the desirability of junking the court indorsed by 55 of the states that would be represented in such a conference? And what would such a conference be likely to reply to a proposal such as that outlined in the Lenroot resolution to disassociate the World Court from the League of Nations, a proposal which in substance is that the name of the elective bodies be changed.

I have dwelt thus at perhaps inexcusable length upon the World Court question to indicate how lamely and haltingly, notwithstanding our professions so oft repeated and the passionate desire of the people of America to promote the cause of peace, we proceed to insure it or to adopt means to make more likely the preservation of peace.

Unwarranted expectations are indulged by many with respect to the World Court. It carries no assurance whatever of continued world peace. It is but a feeble step to that end, a tribunal in which some controversies which might lead to war may be determined and thus war averted. Remember that as between the great powers it will deal with no controversies except such as they may care to submit and from its very constitution will deal only with controversies of a justiciable character, not with nonjusticiable controversies, the more likely of the two to lead to war. So we do not progress very far, even if we should give our hearty approval to the World Court. We hesitate to take even that feeble step, remembering that we were once asked to go much farther. We even refrain from active and open participation in those activities humanitarian and social in character being conducted by and through the league because it is found, by the rest of the world, a convenient agency for the conduct of work of that nature requiring international cooperation. Because there is at hand an organization suited to the purpose, the nations banded together in the league are constantly entering new fields in which to labor for the betterment of world conditions.

Set on foot by the league five international conferences have been held at Geneva during the past year: (1) Conference on obscene publications; (2) consultation on opium traffic; (3) conference on customs formalities; (4) conference on transit and communications; and (5) consultation on a new arms traffic convention. At all of these the United States was represented in an "unofficial and consultative capacity." These are only a few of the lines in which the league operates aside from what may be regarded as the central idea with which it was constituted, the composition of actual controversies between nations and the repression of wars.

At an early stage in its history, obedient to the command of the covenant, it appointed a commission on the reduction of armaments, and extended to the United States an invitation to send representatives to work with the commission, which our Government promptly and curtly declined, preferring, apparently, that there should be no reduction of armaments than that that result should be accomplished on the initiation of the league. It is evidence of some mollification of view on the part of the responsible officers of the greatest nation on earth that the United States was represented by an "unofficial observer" at two meetings of the commission during the current year. The league has instituted a health organization, which in 1921 held in London a conference on sera and serological tests, and in 1923 another at Edinburgh on the standardization of biological remedies. While in the Orient last summer I met a representative of the league, an officer of the medical corps of the English Army, traveling in those parts to promote more uniform quarantine regulations and the collection and publication of more complete and accurate information concerning the existence of contagious diseases in the principal ports.

The International Labor Organization came into existence through the league. It has set up a maritime commission for the study of employment conditions at sea, the anthrax advisory committee for the study and suppression of that disease, a permanent emigration committee, a technical commission of unemployment, and other like committees dealing with related questions of international significance.

This is not a plea for the entrance of the United States into the League of Nations. Events transpiring since 1920 affect quite materially the view one must take of the problem of our relations with that organization we have so often been assured is dead, but which, somehow, refuses to stay dead, and which is, in fact, very much alive and is considered by the nations of Europe as a most valuable agency for the adjustment of the constantly recurring matters of difference among them. I do not plead for a reversal of the verdict through which the United States declined membership in the league. I plead for the active participation by our Government in any effort which may be made through it or any other channel to bring about a restoration of normal industrial activity in Europe and to establish a state of actual pence among them in every case in which it is reasonably safe to do so without entangling ourselves in their quarrels.

To illustrate: Austria was prostrate, a helpless wreck financially. A project for the reorganization of her fiscal affairs was devised through the league and successfully carried out by an eminent Dutch financier, whose services were drafted for that purpose, as were those of Mr. Root in connection with the organization of the World Court, of Mr. Elkus for the settlement of the Aaland Islands dispute, of Mr. Davis for the adjustment of the Memel controversy, of Mr. Morgenthau to promote the establishment of Greek refugees in productive work in Greece, and many other Americans in connection with the less advertised activities of the league. Why should not the United States, in its own interest, have participated in setting Austria on her feet? The league is undertaking a similar task on behalf of Hungary, again intrusting the work to an American, Mr. Jeremiah Smith. Could we not have furnished some brains to conceive and work out these plans as well as to carry them into execution? It may be difficult to measure the extent of our financial interest in a rehabilitated Austria or Hungary, or a pacified Poland and Lithuania, or an appeased Finland and Sweden; but I have labored in vain if you are not convinced that it is neither insubstantial nor remote.

And I plead for a perfectly frank avowal of our desire to be helpful in any way we can in the composition of the unfortunate controversies which survived or originated in the war for the results of which we can not divest ourselves of some share of responsibility and for participation wherever we can safely, without apology and without taking refuge in the sham of denominating our representatives as "unofficial observers" or assuring the world that they appear in an "advisory and consultative capacity."

We have long had an "unofficial observer" on or with the Reparation Commission, a kind of official eavesdropper, if his functions are those only which his title would suggest. If congressional authority is necessary to such participation it ought to be asked and freely granted, subject to such restrictions as may seem necessary to insure us against involvement in schemes of national aggrandizement or like controversies distinctly political in character.

Though they act only in an "advisory or consultative capacity," the system in vogue of sending representatives to have a part in movements which we approve, but to the expense of which we contribute nothing, is intolerable; and to frown on those we would otherwise approve because they are associated with the league argues neither good morals, good sense, nor sound business judgment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1671) to authorize the deferring of payments of reclamation charges.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, the pending question being on the amendment of the Committee on Finance in section 503, page 187, to strike out lines 12 to 22, inclusive, in the following words: "(f) For the purposes of this section a farmer or grower of tobacco or a tobacco growers' cooperative association shall not be regarded as a dealer in leaf tobacco in respect to the leaf tobacco produced by him or handled by such association. As used in this section the term 'tobacco growers' cooperative association' means an association of farmers or growers of tobacco organized and operated as sales agent for the purpose of marketing the tobacco produced by its members and turning back to them the proceeds of sales, less the necessary selling expenses, on the basis of the quantity and quality of tobacco furnished by them" and in lieu to insert:

(f) For the purposes of this section a farmer or grower of tobacco shall not be regarded as a dealer in leaf tobacco in respect to the leaf tobacco produced by him.

Mr. SMOOT. Mr. President, I call the attention of the Senator from Kentucky [Mr. STANLEY] to the pending amendment. I know that he desires to be heard upon it.

Mr. STANLEY. Mr. President, I hope the Senate will not concur in the amendment offered by the committee. I am surprised that it was ever offered.

There was never more talk, more loose, idle, empty profession of interest in the farmer and less disposition to do anything for him. If nothing is to be done for the farmer, certainly nothing should be done to injure him. I readily admit that there is much you can not do for so vast a body. Special privilege in the nature of things is the plunder of the few at the expense of the many.

The farmer has been raising tobacco for a long time. The early Virginians bought their wives with this leaf. Not long ago I had occasion to look over the accounts kept with

wonderful accuracy by Thomas Jefferson. I found that he received more for his tobacco 150 years ago than the farmers of Kentucky and Tennessee were receiving when I assisted in organizing the first cooperative farmers' association that was ever formed in the United States or in any other country, as far as I know. They were receiving about half as much as Jefferson's tobacco sold for at that time.

Tobacco is sold under conditions entirely different from the marketing of any other agricultural commodity. The truck gardener sells his produce to the people. The producer of grain sells to a consuming public. But tobacco is sold, with the exception of a few pounds, only to organized purchasers.

I had occasion to examine this question very thoroughly 20 years ago. Then, as now, all of the tobacco in this country, with the exception of a little tobacco which is sold to small dealers to make cigars, was sold to organized purchasers. Many of those institutions have been dissolved or their dissolution has been attempted by the Federal Government because of the fact that they were monopolies. Some 20 years ago I introduced a resolution in the other House asking for an investigation of the American Tobacco Co., and specifically charging a half dozen violations of the Sherman Act. After a year of endeavor, I secured consideration of those charges. The matter was called to the reluctant attention of the Department of Justice over the open opposition of the then chairman of the Committee on the Judiciary. When suit was finally brought for the dissolution of the American Tobacco Co., Chief Justice White, in his decision dissolving it, sustained every charge I had made.

At the dissolution of the American Tobacco Co. it was simply divided into a number of nominally independent concerns between which there was no competition. One company, like the Lorillards, buys one type of tobacco, the American Tobacco Co. another, Liggett & Myers buy another, and so on; it is like dissolving a packers' combine and leaving one concern in control of poultry, another of pork, another of beef, another of mutton.

In addition to that, purchases of tobacco are made by the Imperial Tobacco Co., of Great Britain, which is a highly organized concern, and by the regies of Europe, which are government monopolies. There are the regies of France, of Japan, Italy, and other European countries; so that when a farmer brings his tobacco to the loose-leaf floor there is practically no competition. The American Snuff Co., the Lorillard Co., the Liggett & Myers Co., the American Tobacco Co., the British Imperial Co., and the regies of Europe know exactly what they want, seldom purchasing the same type of tobacco, and if they do they can exchange. Nor is it difficult for them to have a distinct understanding as to just what they will pay. That condition has been demonstrated so frequently that the tobacco growers have been compelled in self-defense to organize protective associations, to organize a system of cooperative marketing, so that to-day the tobaccos of Virginia, of Tennessee, of western Kentucky, of central Kentucky, the bright leaf that goes into the cigarette, and the dark tobacco that goes into the snuff and the plug, and the tobaccos of Wisconsin and of Connecticut and of Pennsylvania which go into certain kinds of cigars, are sold in great measure through cooperative associations, because one little tobacco tenant coming into town with a load of tobacco under a bedquilt, a few thousand pounds—his year's work—would be utterly helpless to deal with these highly organized and enormously rich concerns.

From the day that the tobacco planters first sent their tobacco over to pay for their wives, from the earliest history of this country, neither the British Government, the charter governments of the colonies, the Federal Government, nor any State government has ever questioned the right of the farmer to sell that leaf of tobacco just as he would sell a head of cabbage or lettuce or a bushel of potatoes; no Government has ever denied the tobacco planters this poor privilege until the Finance Committee—I can not ascertain what Member is responsible—denied that right to the farmer in this bill, and it is an unspeakable outrage.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from North Carolina?

Mr. STANLEY. I do.

Mr. SIMMONS. I wish to say to the Senator from Kentucky, as he has stated that he does not know who was responsible for this proposed legislation, that, so far as I am concerned, I was not present when the House provision was eliminated, I am sure, because if I had been present I should have resisted the proposition very vehemently in the committee.

Mr. SMOOT. Mr. President, the Senator from North Carolina must be mistaken about that, for I allowed the amendment to be passed over while the Senator was away because of the fact that I knew he was interested in the tobacco question.

Mr. SIMMONS. I have no recollection of the matter ever coming up when I was present in the committee.

Mr. SMOOT. But it did come up, I wish to say to the Senator, because I asked that it go over until the Senator's return.

Mr. SIMMONS. Then my attention was not called to it.

Mr. SMOOT. The Senator from Kentucky speaks of the farmer, but it is the pooling associations, not the farmers, who object to this proposition.

Mr. STANLEY. I am coming to that.

Mr. SMOOT. The pooling associations are the only ones who object to it. The farmers are not objecting to it, and the Government favors the existing law, in order that it may get the statistics and know the amount of tobacco which is being raised and sold. That is all we are proposing to do; we are not changing a word of the existing law.

Mr. FLETCHER. Mr. President, may I interrupt the Senator from Kentucky in order to make an inquiry?

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Florida?

Mr. STANLEY. I yield.

Mr. FLETCHER. I inquire of the Senator from Kentucky as to just wherein this proposed legislation works any hardship on the farmer? The proposed amendment is to strike out from line 12 to line 22, both inclusive, on page 187, in the bill as it comes from the other House, and in lieu thereof to insert:

(f) For the purposes of this section a farmer or grower of tobacco shall not be regarded as a dealer in leaf tobacco in respect to the leaf tobacco produced by him.

It would seem on the face of it that it rather removes any restrictions as to the farmer. The restrictions and the requirements apply to the dealers, and the farmers are expressly eliminated from that class.

Mr. STANLEY. Mr. President, I am delighted to have my colleague from Florida ask me that question.

I understand that tobacco is raised in Florida, and I will ask him if in Florida tobacco is sold now through cooperative associations or is the tobacco sold by the individual?

Mr. FLETCHER. The tobacco raised in Florida is mainly wrapper tobacco. We do not produce tobacco for cigarettes and for plug or snuff.

Mr. STANLEY. I understand that.

Mr. FLETCHER. It is a wrapper tobacco.

Mr. STANLEY. It is a kind of Sumatra wrapper.

Mr. FLETCHER. Yes; a type of Sumatra wrapper, and it is a very excellent wrapper indeed and has a good market; but I have an idea that very largely the price is in the hands of the buyer rather than subject to any control by the producer.

Mr. STANLEY. When the Florida tobacco growers sell their tobacco, does each farmer take his own tobacco to the market and sell it or does he sell it through agents?

Mr. FLETCHER. I think they sell it through agents. They put it in the warehouses and cure it and then it is sold through agents.

Mr. STANLEY. Now, I want to call the attention of my good friend from Florida to the fact that the man who raises that tobacco can bring it to town and sell it to whomsoever he pleases and go on about his business, but under this law, under this red tape, if he employs me to take his tobacco and his neighbor's tobacco to town I can not sell it to anybody but a dealer and then I must make out detailed accounts of what I did.

Mr. FLETCHER. But does not this amendment exempt the farmer from having to make out those detailed accounts?

Mr. STANLEY. Exactly; but I do not make myself clear. The farmer does not do that if he sells the tobacco himself, but if he says to me or to you or to a cooperative association "take my tobacco," and we sell it, then he is deprived of every right which the law now vests in him.

Mr. SMOOT. The pooling associations handle over 50 per cent of all the tobacco. The object of the existing law is to keep track of that tobacco and to report it so that the Government may know whether the tax is paid upon it. If we adopt the House provision there will be no possible chance of the department keeping a record of the tobacco; it would not know anything about whether or not the revenue was paid upon the tobacco. If the existing law is amended we will never have the proper statistics and we will never know whether the revenue is paid.

Mr. STANLEY. Mr. President, I do not think there will be any misunderstanding between the Senator from Utah and myself or between the Government representative and myself as to the operation of the law; we will get that clear first. My understanding of the law—and I think I understand it—is that a producer of tobacco can sell that tobacco to an ultimate consumer, but a dealer in tobacco can not sell it to an ultimate consumer. Is not that right?

Mr. SMOOT. Yes; that is right.

Mr. STANLEY. He must sell it to another dealer or to a manufacturer; and if any man except the farmer himself sells a leaf of tobacco, no matter whether it is manufactured or not, to a consumer he must pay a tax and must make report or become liable to heavy fines and liabilities.

Mr. BROUSSARD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. STANLEY. Certainly.

Mr. BROUSSARD. I should like to ask the Senator what becomes of the amendment to the antitrust law which we adopted in order to permit farmers to organize into cooperative associations, and which was intended to encourage farmers in getting together and marketing their crops on a cooperative basis, if, notwithstanding this amendment, they are to be subjected to penalties for failing to make returns such as the Senator describes this bill carries?

Mr. SMOOT. This amendment will not discourage the farmers at all. It simply provides that records shall be kept, so that the Government may be advised as to the amount of the tobacco. That is all that is involved in this provision.

Mr. STANLEY. I beg the Senator's pardon.

Mr. BROUSSARD. I should like to understand that. If the farmer himself sells his product, and not through a cooperative organization, is he not exempted under the amendment which the committee has proposed?

Mr. SMOOT. Yes; the committee proposes the existing law just as it is to-day.

Mr. BROUSSARD. I know that the existing law with reference to the farmer who works upon a cooperative plan of marketing has been changed, and why not permit the organization of tobacco growers to get the benefit of the law which we purposely amended in order to permit the farmer to take advantage of it?

Mr. SMOOT. I just stated why. The pooling associations sell 50 or more per cent of the tobacco, and under the House provision they will not have to make any report. How is the Government of the United States going to know anything about the amount of tobacco produced and where it is produced if we do not require pooling associations to keep any records whatever? All we are asking now is that they shall keep records.

Mr. BROUSSARD. It is not proposed to tax them?

Mr. SMOOT. No; there is no tax here at all. It is the existing provision, and it is the only way in which the Government can ascertain the amount of tobacco produced. That is all there is to the amendment.

Mr. STANLEY. Mr. President, I think the Senator is under a misapprehension.

Mr. SMOOT. I should like to have him do it if I am.

Mr. STANLEY. It is purely a misapprehension. The farmer can sell his tobacco to an ultimate consumer without paying a tax. The tobacco dealer can not.

Mr. SMOOT. Does the Senator know how much tobacco the farmer sells directly to the consumer?

Mr. STANLEY. Little or none, now.

Mr. SMOOT. That is what I say. Therefore this does not affect the farmer.

Mr. STANLEY. Now, let us see.

Mr. SMOOT. He may sell a handful of tobacco to a man somewhere, of course.

Mr. STANLEY. And this is to tax that little?

Mr. SMOOT. No, no. This entirely eliminates the farmer.

Mr. STANLEY. Mr. President, let us stick to one thing at a time. I know the incisive intellect of my able and subtle colleague from Utah, and I hope to get this thing straight as we go. In passing on the value of this privilege, the Senator overlooks the privilege itself. The farmer under the law can sell to whomsoever he pleases. Nobody else has that right; and the minute he sells to a cooperative association under this amendment the cooperative association is deprived of the right given it under the House bill of being subrogated to the rights of the farmer, of being vested with all the rights which the grower had. Under the House bill, as far as the handling and sale of tobacco is concerned, the rights of the grower and of the cooperative association are identical.

Mr. SMOOT. Yes. In other words, he does not keep any record at all.

Mr. STANLEY. Not only that, but he can sell his leaf to the ultimate consumer. The farmers' association—the pooling association, as you call it—can not do that under this amendment.

Mr. SHIELDS. Mr. President, I should like to ask the Senator from Kentucky a question.

Mr. STANLEY. Am I not right in that proposition?

Mr. SMOOT. No; the Senator is not right there. They can sell, but they must keep a record.

Mr. STANLEY. Not only that, but if a tobacco dealer sells he must pay a tax. I think the young man next to the Senator will agree with me as to that. Is not that true?

Mr. SMOOT. Certainly.

Mr. STANLEY. Well, that denies him the right, because he can not pay that tax.

Mr. SHIELDS. Mr. President, if the Senator from Kentucky will yield——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Tennessee?

Mr. STANLEY. Certainly.

Mr. SHIELDS. In the counties where they have these cooperative associations is the producer allowed to sell to the consumer, or must he yield control of his product to the associations?

Mr. STANLEY. The producer of tobacco can take his tobacco and peddle it from Maine to California.

Mr. SHIELDS. Oh, I know that is the law; but under this cooperative association must he turn all of his crop in to the association?

Mr. STANLEY. Exactly.

Mr. SHIELDS. Then it cuts him off from selling directly to the consumer.

Mr. STANLEY. Exactly.

Mr. SHIELDS. So, with this provision, no tobacco can be sold directly to the consumer, either by the producer or by these associations.

Mr. STANLEY. Exactly. That is the situation.

Mr. SHIELDS. That is the point I was trying to bring out. Now, when it is sold by the producer—speaking to the Senator from Utah [Mr. SMOOT]—the producer, under this language, is allowed to do it without keeping a record. Why should we require the keeping of a record when a dozen farmers unite together? Why should the failure to keep a record practically give a monopoly control of the farmer's crop? I want to say, further, here is a corn crop, here are a hundred crops of which no record is kept, and yet the right of the farmers who produce those crops to sell to the consumer is not trammeled in this way.

Mr. SMOOT. Mr. President, they are not subject to tax at all. The individual pays no tax; but here are pooling corporations that sell over 50 per cent of all the tobacco raised in the United States. The existing law is that the association has the same right as the individual has, with the exception that it must keep a record. It must say how much tobacco it purchases. It must say how much tobacco it sells.

Mr. SHIELDS. Mr. President, let me ask the Senator from Utah whether the association is not a dealer?

Mr. SMOOT. Yes.

Mr. SHIELDS. Are not all dealers taxed? The object of this provision was to take the farmer out of the dealer class, so that he would not be taxed. You put him back into it, and he does pay a tax.

Mr. SMOOT. No; he does not pay any tax.

Mr. STANLEY. He would if he sold to the ultimate consumer.

Mr. SMOOT. The farmer does not pay any tax; and we are not putting him back at all, and we are not changing the existing law one iota. The Senate committee reports here the existing law, and I will revert now and finish the answer that I started before. The other change is that the pooling corporation handling millions and millions of pounds of tobacco is taxed just the same as any other man doing business, so far as that is concerned; and there have been no objections to that, that I ever heard of, until this amendment of the House was proposed and put in.

Mr. FLETCHER. Mr. President, does the Senator classify these cooperative associations as pooling corporations?

Mr. SMOOT. Yes; they are so reported, and the only thing that we want to do with those pooling associations is to have them make reports to the Government as to the amount of tobacco they purchase and as to the amount of sales they make.

Mr. BROUSSARD. Is not that for the purpose of taxing them?

Mr. SMOOT. It is not only for the purpose of taxing them; it is for the purpose of having records kept.

Mr. BROUSSARD. I know; but I just wanted to inquire if they were not taxed.

Mr. SMOOT. Why, certainly.

Mr. BROUSSARD. A pooling corporation conducted for profit is one thing; but a cooperative farmers' association which is joined merely for the purpose of marketing members' crops is not in my judgment a pooling corporation which should subject the farmer to a tax when as an individual he is not taxed.

Mr. SMOOT. No; it is only where the association sells directly to the consumer. That is all he is taxed on.

Mr. BROUSSARD. But if the association is not selling for profit, does it not come within the provisions of the law which permits farmers to unite for the purpose of marketing their crops? It is not a pooling corporation, as I understand.

Mr. SMOOT. Under existing law and under the amendment we have here the association is not taxed unless it sells the tobacco directly to the consumer, and it never does that, with the exception of perhaps a handful of tobacco in the United States.

Mr. STANLEY. Mr. President, does the Senator know why it does not?

Mr. SMOOT. It is not because of the tax.

Mr. STANLEY. It is because of the law.

Mr. SMOOT. No; it is because of the fact that he sells to the manufacturer who handles all of the tobacco.

Mr. STANLEY. Exactly; because of this law. He did not do it.

Mr. SMOOT. The gentleman to whom the Senator refers, and also the department, recommend this amendment.

Mr. STANLEY. I do not mean to reflect on him. He is a very able young man.

Mr. SMOOT. They recommend this very amendment, and that is what they are asking for; but they ask it for two reasons.

Mr. STANLEY. Of course they do, from the standpoint of the Treasury.

Mr. SMOOT. The wholesale cigar men want it; the department wants it; we need the information for the records of the Government; and the only people I know anything about who are opposed to it are the pooling associations who sell the tobacco. They do not have to pay any tax at all unless they pay it to sell directly to the consumer, and the farmer can do that, but there are no such sales that amount to anything in the United States.

Mr. STANLEY. Now, Mr. President, I want to tell the Senator something, that I am amazed he has forgotten about the fight made on his side of the Chamber by my great deceased colleague. I did not agree with him about many things, but he was a man of splendid intellect and it was my privilege to cooperate with him in perhaps the last great fight that Senator Bradley ever made in this body, for the right of the dealer, as you call him, for the right of a subsequent vendee to sell tobacco in the natural leaf, unmanufactured, just as the farmer sells other things unmanufactured.

I had secured an amendment to this very law after years of labor. I at last convinced John W. Yerkes, the Commissioner of Internal Revenue, that it could be done without injury to the Treasury. He at last indorsed a bill giving the farmer's agent the same right that the farmer had to sell tobacco in certain quantities in cartons and in the natural leaf. We came to the Senate. Senator Aldrich then was chairman of the Finance Committee. The Senator from Utah [Mr. SMOOT] remembers that. The Senator from Virginia [Mr. SWANSON] remembers it. Senator Aldrich took the identical position that the Senator from Utah takes and that the Treasury Department takes—that it would interfere with their bookkeeping; that it would deprive them of revenue. Every great manufacturing trust that touches tobacco in the United States came here, until these lobbies and these galleries buzzed with the concurrent hum of busy, greedy, and special privilege. There never was a more pitiful sight witnessed in this country than when the farmers of Virginia, of North and South Carolina, of Tennessee, and of Kentucky—who were making at that time less than 20 cents a day—were forced to send their women and children into the fields.

It was the first time in my life that I ever saw a Kentuckian forced to send his daughters and his wife from the shelter of his home to the hardship of a furrow; and she whom but yesterday he permitted not the winds of summer to visit too roughly was driven from dawn until sunset, there in the dusty fields, to assist the half-clad, half-starved father of those children in tearing the skeleton clutch of famine from the throats of their helpless ones. These people were not making more than 20 cents a day, I tell you. The trusts had cut down the price from 10 to 3 cents inside of 90 days on tobacco which had brought 6 cents since the days of Jefferson.

Mr. SMOOT. Mr. President——

Mr. STANLEY. I will tell the Senator all about it. I demanded the right of the farmer to turn his tobacco over to an agent to take it and sell it just as he might do in person. Aldrich fought that right, and the American Tobacco Co. fought that right, and the Imperial Tobacco Co. fought that right, and the regies of Europe fought that right, and the smart, trim, smug, accurate lovers of red tape came in here with their columns of figures and their ideas about bookkeeping and fought that right. At last we won, however, and the records of the department will show that the farmers of Kentucky sold in one year half a million dollars worth of tobacco at 15 or 20 cents a pound, and saved themselves from ruin until they could organize and protect their crop.

I was elected Governor of Kentucky, and the same interests got busy, and that law was repealed. Now I am asking that the farmer shall have the privilege of coming back once more and selling his tobacco under sane regulations through his agents as he now can sell it for himself. There is no tobacco in the natural leaf being sold now by the farmer, but if you will pass this act there will be, and that is the "nigger in the woodpile."

Mr. SMOOT. Mr. President, all the Senator says has nothing whatever to do with this amendment. It is all right to talk about what happened back in 1909. I remember very well the fight that was made by the then Senator Bradley, of Kentucky. He won out in the committee, and the committee reported it to the Senate.

Mr. STANLEY. That is right; we finally convinced them.

Mr. SMOOT. Not only that, but when it came to the floor in the Senate the Senate agreed with him, and the provision was put into the law. But that has nothing whatever to do with this amendment. By this we are simply saying that the present law shall be enforced, because the Government of the United States wants somebody to keep a record, and this would compel these pooling associations to keep records. The farmer raising the tobacco in the United States can sell his tobacco to any consumer, in any quantity, anywhere in all the United States, without any tax whatever. He is not taxed a cent. But if these pooling associations formed for handling tobacco sell it, as agents in any other business would sell the products of the business, they pay the regular tax, and that is all there is to it, Senator. There is nothing else to it. There is no intention of providing that the farmer can not sell his tobacco where he wants to. The farmer does not do it, Mr. President, and he can not do it, as has been proven in the past. That is the reason the pooling associations are formed and that is why they always will be in operation.

Mr. FLETCHER. May I interrupt the Senator? It seems we are narrowing the question down to a pretty definite point. The question then comes as to whether what the Senator from Utah calls pooling associations are operating for profit and as a business on their own account, or whether they are cooperative associations simply acting as agents of the farmers. If they are acting as agents of the farmers and represent the farmers not for profit but simply as agent for the principal producers of tobacco, it seems to me they ought not to be required to pay this tax.

Mr. SMOOT. They would be required to keep records. That is what we want more than anything else. That is what this means.

Mr. SWANSON. Let me see if I understand the Senator. He says that he would permit a farmer as an individual to sell tobacco.

Mr. SMOOT. To the consumer.

Mr. SWANSON. To the consumer?

Mr. SMOOT. Yes.

Mr. SWANSON. If he forms a cooperative association, this would prohibit him from selling——

Mr. SMOOT. He can sell it to the consumer without paying a dollar of tax.

Mr. SWANSON. What does this do with the cooperative association?

Mr. SMOOT. If the cooperative association sells it to the consumer, it is just the same as with the farmer; but if it sells it to a manufacturer, it does not pay any tax.

Mr. SWANSON. You mean the farmer does not?

Mr. SMOOT. No; the cooperative association does not, nor does the farmer.

Mr. SWANSON. Is this legislation adverse to cooperative associations?

Mr. SMOOT. No; it is not, of course.

Mr. STANLEY. It guts them; that is all.

Mr. SMOOT. It does not change the law, except in this one particular, that it requires them to keep a record.

Mr. STANLEY. It deprives them of a right.

Mr. SWANSON. I would like to ask the Senator from North Carolina, who is well posted on this, who represents a large tobacco State, what the effect of this amendment would be?

Mr. SIMMONS. The term "dealer in tobacco" is a technical term. The dealers in tobacco described in the law are upon a different footing altogether from the producers of tobacco who sell through a warehouse. The effect of this amendment would be to continue the farmer's right to sell, and not to be treated as a dealer, but to make the associations to whom he conveys his property technically "dealers in tobacco," as described and provided for in the law. I ask the Senator from Utah if that is not so.

Mr. SMOOT. Let us get right down to this. Is the Senator concerned in relation to the tax imposed? Let us get right down to it.

Mr. SIMMONS. There is not any tax.

Mr. SMOOT. That is exactly the case. There is no tax.

Mr. SIMMONS. I do not understand that it is a question of tax at all.

Mr. SMOOT. The only question involved in this thing is as to whether they will keep records or not.

Mr. SIMMONS. The only question involved is whether the associations shall be technically dealers in tobacco, and subject to the provisions of the law with respect to dealers in tobacco.

Mr. SMOOT. There is not a change——

Mr. SIMMONS. Is not that true?

Mr. SMOOT. The thing is to have them keep records.

Mr. SIMMONS. If the House provision is eliminated, will not these associations be known technically as dealers in tobacco, and have to comply with the law applying to dealers in tobacco? Is not that true?

Mr. SMOOT. Yes; they will have to keep records.

Mr. SIMMONS. It involves more than the keeping of records.

Mr. STANLEY. If a dealer in tobacco sells tobacco in the natural leaf, does he not have to pay a tax?

Mr. SMOOT. If he sells it to a consumer he does; but he never sells it to a consumer, and the Senator knows he does not.

Mr. STANLEY. I know he will if you will give him a chance.

Mr. SMOOT. That is what was said before, but he did not.

Mr. STANLEY. He did. He sold $750,000 worth of it right there in Kentucky and Tennessee in one year, and the records of the department show it. The young man by your side will tell you so. They sold it in cartons.

Mr. SMOOT. The young man tells me differently.

Mr. STANLEY. I am willing to ask him the question as to whether there is not an account in the department showing the amount of natural leaf tobacco sold. I went to the department and inquired about it myself. I know what I am talking about.

Mr. SMOOT. If we do not adopt this amendment, we will never know what is sold to a manufacturer or to anyone else.

Mr. SIMMONS. I think it would be very helpful, in the discussion of this matter, to find out definitely what duties and obligations and restrictions will be imposed upon these cooperative associations in disposing of their tobacco, if they are made technical dealers in tobacco. If the Senator will pardon me, I will take up a little time to discuss that.

Mr. STANLEY. I shall be delighted to have the Senator do so.

Mr. SIMMONS. The provision we are now considering is subsection (f), page 187. It is a part of section 503, which the Senator will find commences on page 183.

Mr. STANLEY. I have it before me.

Mr. SIMMONS. This section reproduces section 3360 of the Revised Statutes and provides:

> Section 3360 of the Revised Statutes, as amended by section 704 of the revenue act of 1918, is reenacted without change, as follows.

This is the whole section, and (f) is a subsection to that. It starts out:

> Every dealer in leaf tobacco shall file with the collector of the district in which his business is carried on a statement in duplicate, subscribed under oath, setting forth the place.

And so on.

The next paragraph is:

> Every such dealer shall give a bond with surety.

And so on.

It provides for a bond of $500. The next paragraph reads:

> Every such dealer shall be assigned a number by the collector of the district, which number shall appear in every inventory, invoice, and report rendered by the dealer.

And there are a great many other provisions.

Mr. DIAL. Will the Senator yield?

Mr. SIMMONS. I yield.

Mr. DIAL. Why is it desired that they keep statistics, if the Government gets no revenue?

Mr. SIMMONS. That is not the question I am discussing now. I am trying to show the restrictions this act will impose upon the cooperative tobacco associations if they are defined as dealers in tobacco, and that will be the effect of eliminating the provision of the House.

Mr. SMOOT. The Senator from South Carolina asked a very pertinent question, and it ought to be answered. The only reason is that when it is ultimately sold by the manufacturer——

Mr. SIMMONS. I do not yield for the purpose of injecting something else into this statement of the restrictions which will be imposed upon these cooperative associations in disposing of their tobacco.

Mr. DIAL. We want them just as free as possible.

Mr. SIMMONS. Just as free as possible.

Mr. DIAL. As a matter of fact, some of these trusts will not buy from the cooperative associations.

Mr. SIMMONS. I am going to show the difficulties under which they must labor in disposing of their tobacco.

Mr. SWANSON. Will the Senator read the first restriction again?

Mr. SIMMONS. The first restriction was:

> Every dealer in leaf tobacco shall file with the collector of the district in which his business is carried on a statement in duplicate, subscribed under oath, setting forth the place—

Of business, and so on. Does the Senator want me to go over all these again?

Mr. SWANSON. I would like to know what the next is.

Mr. SIMMONS. The next paragraph provides that every dealer shall give a $500 bond. The next provides that every dealer shall be assigned a number by the collector of the district, "which number shall appear in every inventory, invoice, and report rendered by the dealer."

There are some other restrictions which I need not read. The next is paragraph (b), which provides:

> Every dealer in leaf tobacco shall make and deliver to the collector of the district a true inventory of the quantity of the different kinds of tobacco held or owned—

And so forth. There are 20 or 30 different kinds of tobacco, and he would have to segregate them all and report.

Mr. STANLEY. Right at that point, there are several different kinds of tobacco on every stalk.

Mr. SIMMONS. Surely. The next paragraph provides:

> Every dealer in leaf tobacco shall render such invoices and keep such records as shall be prescribed by the commissioner, and shall enter therein day by day, and upon the same day on which the circumstances, thing, or act to be recorded is done or occurs, an accurate account of the number of hogsheads, tierces, cases, and bales, and quantity of leaf tobacco—

And so on. I will not read the whole of it. When he ships it, all that has to be gone through with again. The next paragraph provides:

> Every dealer in leaf tobacco on or before the 10th day of each month shall furnish to the collector of the district a true and complete report of all purchases, receipts, and sales and shipments of leaf tobacco made by him during the month next preceding—

And so on.

Now, I come to the important provisions, the conditions and requirements which will be imposed upon these associations, if the language of the House is stricken out and they are made dealers, which will hamper and fetter and in many instances deprive the farmer of an opportunity to sell his tobacco at a profit greater than he could obtain by selling it to a regular manufacturer, which he is required to do under this act. The next paragraph is:

> Sales or shipments of leaf tobacco by a dealer in leaf tobacco shall be in quantities of not less than a hogshead, tierce, case, or bale, except loose leaf tobacco comprising the breaks on warehouse floors, and

except to a duly registered manufacturer of cigars for use in his own manufactory exclusively.

That is except where it is to be used in the manufacture of cigars, and he just makes a report as to the leaf tobacco. But that does not apply to all tobaccos; only to that particular kind of tobacco to be manufactured exclusively by the purchaser. The next paragraph provides:

Dealers in leaf tobacco shall make shipments of leaf tobacco only to other dealers in leaf tobacco, to registered manufacturers of tobacco, snuff, cigars, or cigarettes, or for export.

It limits the customers as to other dealers in leaf tobaccos, to registered manufacturers of tobacco, snuff, or cigars. Of course that is a restriction upon the persons to whom the association may sell its tobacco.

Mr. SHIELDS. Mr. President, I want to ask for a definition of the term "dealers." At present, are the associations classed by the Commissioner of Internal Revenue as dealers?

Mr. SIMMONS. If we struck out that section they would be dealers.

Mr. SHIELDS. But under the present law as administered how are they classified?

Mr. SIMMONS. I do not know how they classify them.

Mr. SHIELDS. I understand this provision is to take them out.

Mr. SIMMONS. This is to take them out just as the farmer himself is taken out.

Mr. SHIELDS. And to make it just as if the farmer was selling it himself instead of selling it through an agent.

Mr. SIMMONS. Exactly.

Mr. SHIELDS. When he employs an agent, as it is now construed—that is, one of these associations—is he then a dealer and does he have to pay the tax?

Mr. SIMMONS. The farmer?

Mr. SHIELDS. Yes. In other words, are the associations now classed as dealers in administering the revenue law?

Mr. SIMMONS. I should not imagine that they were, but I do not know definitely how that is.

Mr. SMOOT. I will say to the Senator that they are.

Mr. SHIELDS. Then they are taxed. The Senator from Utah said they were not taxed. When he says they are dealers, then, of course, they fall within the tax.

Mr. SMOOT. The Senator from Utah has already said that they could sell just the same as the farmer could sell and pay no tax. There is not a particle of difference between the farmer and the association.

Mr. SHIELDS. If he is a dealer he can do that?

Mr. SMOOT. Certainly. He can sell to a consumer and so can the farmer.

Mr. SHIELDS. But we are discussing selling to consumers.

Mr. SMOOT. If he sells to a consumer he pays the tax just the same as the grower. The grower can sell to the manufacturer without paying the tax, and so can the association.

Mr. SHIELDS. The object of the amendment is to allow the farmer, when he has a cooperative agency, to continue to sell to the consumer without paying the tax. That is the gist of it.

Mr. SMOOT. That is all.

Mr. SHIELDS. It is simply taxing a cooperative association by defining it as a dealer, and in taxing it we deprive the farmer of selling to the consumer.

Mr. SMOOT. Not at all, I will say to the Senator. The farmer is not deprived of anything.

Mr. SIMMONS. The Senator is wrong. Directly and immediately the farmer is not taxed, because we permit the farmer to sell without classifying him as a dealer or subjecting him to the requirements of a dealer in leaf tobacco. But the minute that tobacco gets into the hands of his agent, namely, the association—not sold to his agent but turned over to his agent—then the farmer's product is subjected to the same restrictions and requirements of law that apply to dealers.

Mr. SMOOT. I know the Senator does not want to misrepresent the matter.

Mr. SIMMONS. No; I do not.

Mr. SMOOT. I will say now, positively, that the association can sell to the manufacturer of any tobacco anywhere in the United States and does not pay a penny of tax.

Mr. SIMMONS. The trouble about that is that if we make him a dealer we restrict him in his sales to other leaf dealers and to manufacturers of tobacco, snuff, cigars, and cigarettes.

Mr. SMOOT. That is the only way we can have them keep records.

Mr. SWANSON. As I gather it from what the Senator has said, by making the farmer a dealer we treat the tobacco that is held in a cooperative way by an agent for the farmer as the tobacco of the purchaser, and the purchaser of the tobacco himself has to report it. When he turns over the tobacco, under this amendment the cooperative association would be treated as a purchaser of the tobacco that it simply holds in a cooperative way.

Mr. SIMMONS. Yes.

Mr. SWANSON. Is not that true?

Mr. SIMMONS. Yes.

Mr. SMOOT. It makes him keep a record; that is all.

Mr. SIMMONS. It puts him on the same footing as a warehouseman who buys tobacco upon the warehouse floor and subjects him to the same restrictions that are imposed upon the warehouseman.

Mr. SWANSON. When it comes to bonds and reports, which must be made in each district, does the Senator mean to tell me——

Mr. SIMMONS. The warehouseman is a purchaser from the farmer. These are not purchasers from the farmers.

Mr. SWANSON. That is what I said.

Mr. SIMMONS. These are people who simply group the tobacco of the farmers.

Mr. SWANSON. And the amendment would treat them as purchasers?

Mr. SIMMONS. Exactly.

Mr. SWANSON. Does that mean the farmer would have to make a report in every district in which any sales are made?

Mr. SIMMONS. He has to make a report to the collector of every district in which his business is carried on, and he has to give a bond in each State.

Mr. SWANSON. The cooperative associations that cover several States have to make a report in every district in which they have any business and give a bond in every district.

Mr. SIMMONS. Yes. Further it is provided:

Upon all leaf tobacco sold, removed, or shipped by any dealer in leaf tobacco in violation of the provisions of subdivision (c) or in respect to which no report has been made by such dealer in accordance with the provisions of subdivision (b) there shall be levied, assessed, collected, and paid a tax equal to the tax then imposed upon the manufactured tobacco, such tax to be assessed and collected in the same manner as the tax on manufactured tobacco.

That is to say, if he does not comply strictly with all those requirements and confine his sale exclusively to other dealers or to manufacturers he is to be subjected to the tax imposed under the provisions which I have just read. Then for any violation by any of the cooperative associations of the regulations of the department made under the law he would be subjected to a fine of $500 and imprisonment for one year.

Now, the one point I make is that the farmer who makes the tobacco is subject to no restriction in selling. He may sell to anybody who wants to buy; but if the farmer pools his tobacco, if the farmers of a particular neighborhood—for that is what it means—pool their tobacco and put it in the hands of the association to be sold for them and in their name, the receipts from which sales are to be theirs, they have not parted with their property. They have simply designated somebody as their agent to sell it. When sold, they have provided that the money shall be turned over to them, paying a reasonable commission, we will say, for the sale. The farmer has the right to sell as an individual. Why should he not have the same right when he is allowed to pool it and does pool it under the law? The law has given him the privilege, and he is simply exercising his right under the law.

Mr. STANLEY. In other words, why enact laws authorizing the associations and encouraging them and then enact a provision of this kind penalizing them and depriving them of the right to function?

Mr. SIMMONS. If the House provision shall be stricken out—and I want to say that provision was put in the bill, I am advised, by unanimous vote of the House—then the farmer in selling the tobacco through his agent will be subjected to all the restrictions and requirements and limitations imposed in that act, and one of those limitations is that he can only sell to certain customers. One of the chief purposes of pooling the tobacco is to enable the associations to hold the tobacco and market it in an orderly way. A great deal of tobacco is sold not to manufacturers of tobacco, not to the man who is to be the ultimate consumer, but to people who are not engaged in the business of manufacturing tobacco, not engaged in the business of dealing in tobacco, but who buy for the purpose of speculation.

Mr. STANLEY. In addition to that, I want to call to the Senator's attention, because he knows the condition as well as I do, that in the old days, as the Senator well knows, they used to sell tobacco in the hogshead, and they sampled it in three

or four places. Now they sell tobacco in the loose leaf in baskets. If, under this foolish provision, a man should go into a warehouse and want to buy a few hands of tobacco from an association to take home and smoke in his pipe, and the association should sell it to him, they could put the association officers in jail for violating the law.

Mr. SIMMONS. Unless they reported the sale.

Mr. STANLEY. Unless they reported the sale and paid a heavy tax.

Mr. SIMMONS. The tobacco is sold to the manufacturer and is put in a hogshead, a tier, or a bale, as the law provides. But sales are frequently made of the entire lot of tobacco within the warehouse belonging to a certain association to somebody who thinks there is a good speculation in the purchase of the tobacco and holding it in the warehouse unpacked until the demand for it on the part of the purchasers is so great that they are able to obtain a higher price than they otherwise could obtain. That privilege will be denied them. That is one of the most valuable privileges that is now enjoyed by the associations, to sell tobacco in bulk in the warehouse to somebody who is not dealing in tobacco but who wants to buy for the purpose of holding it two or three years and then selling it to a dealer. Great fortunes are made by men who are able to hold the tobacco two or three years and sell it in its cured condition. It is not fit for use in the manufacture of cigars or cigarettes until it is a year old at least. When the manufacturer buys it in the green state, of course he does not pay the same price for it that he would pay if he could buy it fully cured. The farmer has not the house in which to keep and cure it, but the association has. His association can hold the tobacco for a year or two years without selling it in the warehouse. In the meantime, if he can find a speculative dealer who would like to buy it and enjoy the privilege of holding it in the warehouse until it is cured, when it will bring a very much higher price, it is a good thing and he should have an opportunity to sell in that way. But if he is classified as a dealer and subjected to these restrictions, he can not sell it to anybody unless he be a manufacturer or a leaf dealer.

I wanted to make that clear for the Senator, so he would know what were the restrictions imposed by the bill.

Mr. STANLEY. Mr. President, to epitomize what this means, I wish to call the attention of the Senate first to the proposition that having the privilege, the poor privilege, accorded to the producer of tobacco of selling it just as he sells anything else that grows out of the soil—and there is no agricultural product except tobacco that is subjected to such restrictions—if that privilege is of any value, that value has been destroyed by this provision because, as the Senator from North Carolina has well said, the sale of tobacco by the original producer is a thing of the past. The farmer no longer sells his tobacco any more than he sells his milk. The Senator from Utah argues that the farmer is not hurt. Suppose you put a tax upon any dealer in milk or butter or cheese who sold to the ultimate consumer, to cooperative associations selling the farmer's milk or its products for him, what would be the effect upon the farmer? Do you say he would not be hurt? This right is lost. The Senator from Utah says the farmer can still sell his tobacco in the natural leaf. That reminds me of an old nursery song I used to hear when I was a child:

> Mother, may I go out to swim?
> Yes, my darling daughter.
> Hang your clothes on a hickory limb,
> But don't go near the water.

The farmer can sell to the consumer but there are no selling farmers. If this be a worthless right, it ought to be altogether abolished, but if it be a valuable right, the farmer ought not to be deprived of it by this "simple twist of the wrist."

Mr. TRAMMELL. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Kentucky yield to the Senator from Florida?

Mr. STANLEY. I yield.

Mr. TRAMMELL. I desire to state to the Senator that he is correct in saying that the sale of tobacco is through cooperative associations. That is true in my State, where they deal quite extensively in the wrapper tobacco. If this right should be restricted to the individual farmer, I do not believe that our people there would have any protection under the law, as they are compelled to sell almost exclusively in my State and in the Senator's State through marketing and cooperative organizations.

Mr. STANLEY. I am very grateful for the interruption, I will say to the Senator from Florida. At one time I remember, when the fight started for the right of the farmer to sell through cooperative associations, we found that Farrego had given bond to the Italian Government to furnish 30,000 hogsheads of Kentucky tobacco to the Italian governmental monopoly. The Italian Government was paying Farrego 12½ cents a pound for the tobacco, and he bought it for 3½ cents, selecting it from the crops of individual farmers here and there throughout the country. There is not a consumer of tobacco in France or in Portugal or in Spain or in Austria or Italy or in Japan who ever buys a pound of tobacco directly from the producer. It is all purchased from a governmental monopoly. The tobacco that goes into Great Britain pays an initial tax of over 60 cents a pound before it can enter that country, and nobody but millionaires deal in it. So the sale of tobacco is a sale to organized associations, and it is necessary for farmers to organize for the protection of their product. Now the Finance Committee comes in here and says the farmer may have the right to sell his tobacco as he pleases, but that his vendee, his agent, the man who handles the tobacco for him, can not do so.

The reasons given for depriving the farmer of that right are not tenable. It is said that without this amendment the Government will not be able to keep its books properly. The Senator from Utah has stated that, in the first place, the farmer would not sell the tobacco in the natural leaf. Let us assume that that is true; that he would not sell to the ultimate consumer at all; that he would sell the tobacco only to dealers. If he did so the Government, under the law, would have track of every ounce of that tobacco; because, as the Senator from Utah knows, and as the department knows, every dealer in tobacco is bound to keep a detailed account and to make report to the Government. So if the farmer only sells to the dealers, if he sells only to people who are bound to make a report, why require the farmers' agents to make another report? Why, when the Government has one report, compel the making of two?

Mr. SMOOT. That is for the purpose of checking up on it.

Mr. STANLEY. Exactly. We ought not to impose this difficult bookkeeping on the representative of the farmer or on his agency. In order to save to the Government a little money, in order to save the Government a little time, in order to save a few bookkeepers here in the Treasury Department, it is now proposed to deprive 4,000,000 or 5,000,000 tobacco growers of a valuable right, a valuable privilege, and to crush by intolerable burdens and technical exactions associations which are trying to protect the farmers and the growers of tobacco in the hour of their direst need.

In addition to that, the Treasury officials know or ought to know that under proper regulations there is a certain amount of this tobacco which will be sold to the ultimate customer, as it ought to be. Tobacco pays an enormous tax. It used to be 6 cents, though I think it is now 8 cents a pound.

Many of the poorer people use this tobacco in the leaf; laborers, with whom every nickel counts, who buy a "hand" just as it is wrapped up to be sold to the manufacturer, and who take it home with them and crush it up and put it in their pipes. That tobacco will probably sell for 8 or 10 cents a pound. There is, therefore, a 100 per cent tax on it. Such a buyer of tobacco would like to go to the factory or to go to the loose-leaf warehouse and buy a few pounds of that tobacco.

The men who raise this class of tobacco chew it in its natural state. They are the poorest paid laborers perhaps in this country to-day. Do Senators now tell me that it is going to break the Government to give the men who raise such tobacco the right to go and get a few pounds of it and stick it in their pockets, and yet under this proposed law should they do so a heavy prison sentence and a heavy fine may be visited upon the agent of the farmer who would sell a "hand" of tobacco to a man hired to raise it. It is an unheard of proposition. It is technicality and red tape gone mad.

The officials in the Treasury Department seem to think that the only thing to consider is whether the Government might lose 10 cents in revenue or might have to change its system of bookkeeping. They forget that there are human rights at stake; they forget that they are imposing burdens upon thousands of people who have no voice here. It is bureaucracy purblind, stubborn, I might say almost stupid, in its callous indifference to the rights of the people who are asking to be heard; to the rights of the thousands of the farmers who are selling through these cooperative associations and who come here and ask that their agents shall have the right which they themselves have. If it is unwise, if it is wrong, take it away, but do not be in the absurd position of saying that the farmer may have this right, but nobody representing the farmer may be subrogated to it.

Mr. SMOOT. Mr. President, I will say just a few words. The amendment proposed by the Finance Committee of the

Senate is the same as existing law. There are two pooling associations, or tobacco associations, in all the United States that are objecting to this amendment or to the existing law. They came to the House and had the existing law amended, as found in paragraph (f) on page 187 of the bill. There is no tobacco farmer who is interested in this amendment. Not a word has come from a tobacco farmer.

Mr. GLASS. Mr. President, does the tobacco farmer know anything about it?

Mr. SMOOT. I should judge he does.

Mr. GLASS. Why should the Senator judge that the tobacco farmer knows anything about it? I come from one of the greatest tobacco-growing States in the Union, and I did not know anything about it until I read the bill, and this bill has not been sent out to the tobacco growers of the country.

Mr. SMOOT. No; but the pooling associations, the two of which I speak, I presume have notified the tobacco growers. That is generally the case, I will say to the Senator, with practically all the items involved in such a bill as this.

Mr. GLASS. I do not think it is the case in this instance. I do not think there is a tobacco grower in the United States who would not protest this provision here if he should know about it.

Mr. SMOOT. The amendment does not propose to take a single, solitary right away from the tobacco producer.

Mr. KING. Mr. President, will my colleague yield?

Mr. SMOOT. Yes.

Mr. KING. The Senator has said that the amendment embodies the existing law. It seems to me that that should be the crux of the matter, at least as to whether people know about it. If it is the existing law, one would suppose they would know about it. I do not know whether it is the existing law or not; but if it is the existing law, I was about to ask why did the House change it and insert a different provision?

Mr. SMOOT. Because two of the pooling associations wanted it changed, I will say to the Senator. However, the amendment of the Senate committee does not interfere with the rights of the farmer, nor does it interfere with the rights of the pooling associations.

Mr. GLASS. Then why would they want it changed?

Mr. SMOOT. All the amendment means is that records shall be kept, so that when the pooling associations sell tobacco to the manufacturer the Government of the United States may follow it up and ascertain whether the manufacturer pays the tax upon the amount of tobacco which he has purchased.

Mr. STANLEY. Mr. President, may I ask the Senator a question right there?

Mr. SMOOT. Yes.

Mr. STANLEY. The pooling associations can only sell to another dealer under the law.

Mr. SMOOT. Or to a manufacturer.

Mr. STANLEY. Yes; or to a manufacturer. They can not sell under the existing law, unless this provision is put in, to the ultimate consumer.

Mr. SMOOT. No, Mr. President; they can not do that. Not only that, but they never would do it and never have done it.

Mr. STANLEY. But they have done it.

Mr. SMOOT. Perhaps they might sell a "hand" of tobacco such as the Senator has referred to.

Mr. STANLEY. I do not want to go back to that.

Mr. SMOOT. There is not anything of that kind involved in this amendment at all. It is merely a question of keeping proper records. The Treasury Department wants a record of the tobacco.

Mr. STANLEY. I do not want to go back to that question, but there was one little post office in Hancock County, just a crossroads, that was advanced to a second-class post office on account of the tobacco that was shipped out in cartons from that one point. There were men who went into the business and sold thousands of pounds right around that point, and that is the reason the law was repealed. There were hundreds of thousands of dollars of this tobacco sold in the natural leaf at one time.

Mr. SMOOT. That was not the reason the law was repealed, I will say to the Senator.

Mr. STANLEY. Be that as it may, here is what I want to ask the Senator: If he is right and there is no tobacco sold to the ultimate consumer, is there a pound of this tobacco that the cooperative associations can sell that does not go into the hands of a man who is required by law to keep the same kind of books that they keep? There is not a single pound.

Mr. SMOOT. Yes; that is true, but the question is whether there shall be a check against the pooling associations. That is all this amendment means; nothing more nor less than that. If they do not keep proper records, the Treasury Department has no chance whatever of checking up the manufacturer. All this amendment does, Mr. President, is to give the Treasury Department a chance to check up the manufacturer of tobacco and ascertain whether he has paid the tax upon all the tobacco which he manufactures.

That is what this amendment is designed to provide, and, if the amendment is not adopted and the House provision is retained, we will have to take the word as to the tax of the manufacturer alone. It is on him that the tax is imposed. The pooling associations pay no tax; they sell their tobacco without paying a tax to the manufacturer. There is not anything, Mr. President, in this amendment at all with the exception of affording the department a chance of checking up the tobacco that may be purchased and sold by the producers of tobacco of this country.

The Senator says it is the same as if we imposed a tax on milk delivered by a dealer to the ultimate consumer. Mr. President, tobacco is not delivered in that way, and it never has been delivered in that way. The items are not the same in kind, shape, or form, and, not only that, but the farmer can deliver his tobacco to the consumer if he wants to, and does not have to pay a cent of tax.

Mr. SIMMONS. Mr. President, may I ask the Senator from Utah a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. I do.

Mr. SIMMONS. I do not agree with the Senator, but I do not want to discuss that. I do not agree with him that all that is required here is a mere report to the department so that the department may have a record of the amount of tobacco in the warehouses of the association.

Mr. SMOOT. That is all there is to it.

Mr. SIMMONS. There is a great deal more to it, as the Senator will see if he will examine it; but we will waive that. I was going to ask the Senator, if he thinks that is all that is required, why not let the House provision remain in, and amend it by providing that these associations shall make a report to the commissioner setting forth the amount of tobacco purchased by them during the year?

Mr. SMOOT. Has the Senator that amendment ready?

Mr. SIMMONS. No; I have not prepared it.

Mr. STANLEY. Just let this amendment go out, and let the House provision stand as it is.

Mr. SMOOT. The Senator from Kentucky would object to that immediately. That is all there is in this. I am perfectly willing to accept the proposition of the Senator from North Carolina. The Senator from Kentucky will not accept it, but I am ready to accept it. That proves what this means. You can talk yourself blind if you want to, but that is all there is to it.

Mr. GLASS. Mr. President, it looks to me as if the Senator from Utah is about to talk himself blind. Why get excited over as simple a proposition as this and practically impute to other people by manner and tone of voice something unworthy of the Senate?

Mr. SMOOT. Mr. President, I have simply told the truth. I am perfectly willing to accept the suggestion of the Senator from North Carolina.

Mr. GLASS. The Senator has told the truth from his point of view, and other Senators have told the truth from their point of view.

Mr. SMOOT. Certainly. I have not said anything different.

Mr. GLASS. The Senator has intimated it.

Mr. SMOOT. No, Mr. President. The Senator from Kentucky says: "No; do not accept that." I have said here that all this amendment means is that a record shall be kept so that the Government of the United States can check the figures.

Mr. GLASS. That is by no means all that it means.

Mr. SMOOT. Then why not accept the amendment suggested by the Senator from North Carolina.

Mr. GLASS. I have no objection to it. The Senator from Kentucky merely said: "Vote down this committee amendment, and then we can amend the House provision."

Mr. SMOOT. No, no; that is not what he said.

Mr. GLASS. That is what he said.

Mr. SMOOT. I will leave it to the Senator from Kentucky if that is what he said.

Mr. GLASS. I will, too.

Mr. STANLEY. I said, "Let the House provision stand as it is."

Mr. SMOOT. That is right.

Mr. STANLEY. Now, Mr. President, I know I must have done something terrible or the Senator from Utah would not have exploded as he did. I am not conscious of any deep,

sinister purpose, and I am not at all offended at being told about it, because I have caused wrath in a great many different places in fighting for the right of the farmer to sell his tobacco in the natural leaf. He is not the first one I have seen go up in the air when I have been talking about it.

Mr. SMOOT. Nobody is interfering with the farmer.

Mr. STANLEY. Every time I interfere with vested privilege in its efforts to crucify the tiller of the soil some fellow gets up and roars at me, but I do not pay any attention to that. That does not scare me.

If the Senator would be good enough to tell me just what mischief I was up to and what crime I was fixing to commit I should appreciate it.

Mr. SMOOT. Mr. President, I have the floor.

Mr. STANLEY. If the Senator would be good enough to tell me just what mischief I was up to and what crime I was fixing to commit I should appreciate it.

Mr. SMOOT. Mr. President, I have not said that the Senator committed any crime. The Senator has a perfect right to any opinion that he may express. I am telling the Senate what this amendment means, and I am telling the Senate what the Treasury Department wanted when it sought to have this amendment adopted by the Finance Committee; and not a word was said against it in the committee when it was proposed. Not a Senator voted against it.

Mr. GLASS. These associations are required to keep a record now. Nobody objects to that.

Mr. SMOOT. That is all there is to it.

Mr. GLASS. Nobody objects to that. They keep a record anyhow. They could not conduct their business without keeping a record.

Mr. SMOOT. The Senator will find out whether that is so or not. Just require it, and see if an objection will not come. That is all I care about—simply that the record shall be kept.

Mr. McLEAN. Mr. President——

Mr. STANLEY. Is the Senator willing to have it amended in this way?—

For the purposes of this section a farmer or grower of tobacco or a tobacco growers' cooperative association shall not be regarded as a leaf dealer in respect to the leaf tobacco produced by him or handled by such association. It shall have the right to sell tobacco in the natural leaf or otherwise under the same circumstances and conditions as the original grower, provided such association shall report the amount of tobacco purchased by it.

Mr. SMOOT. "And sold, and to whom sold."

Mr. STANLEY. "And sold." Is the Senator willing to accept that amendment?

Mr. SMOOT. Offhand, just from having heard the Senator read the amendment, I must say that I do not know, but I think I will. That would be perfectly satisfactory to me, if I understand it.

Mr. STANLEY. I have no objection to that.

Mr. SMOOT. I could not follow the amendment so as to see just what changes there were; but from hearing it read, I think it would be all right.

Mr. STANLEY. We can come to terms immediately, then; but there will be sore disappointment in some quarters.

Mr. SMOOT. Mr. President, all that the Senate committee wanted, and all that they expressed their opinion about was that they wanted the records kept.

Mr. GLASS. But a record is kept, and nobody can reasonably object to that requirement.

Mr. SMOOT. If the records were kept, the department would not want to have it otherwise.

Mr. SIMMONS. Mr. President, these other provisions are what the department is after.

Mr. GLASS. Let us put in that requirement.

Mr. SMOOT. That is what I want put in, and when that is in I have no other objection at all. In fact, I am perfectly willing to take the House provision with the amendment suggested by the Senator from North Carolina or the amendment suggested by the Senator from Kentucky.

Mr. SIMMONS (reading)—

Provided, That the associations shall make an annual report to the commissioner of the amount of tobacco purchased and sold by them.

Mr. STANLEY (reading)—

Each association shall make one annual report of the amount of tobacco purchased and sold by it.

Mr. SMOOT. I want them to keep records. I do not want them to report without records. I want them to keep records.

Mr. SIMMONS. They keep records.

Mr. SMOOT. Let us say so in the amendment.

Mr. SWANSON. Mr. President, they are bound to keep records of their dealings with the members of the association. All the tobacco that they have is brought there, and they have to make records of the sale of it. They are open to the inspection of anybody, and there can not be any complaint about that.

Mr. SIMMONS. Let us say, "report their purchases and sales as shown by their records."

Mr. SWANSON. There is no use in passing one law encouraging corporations for the relief of the farmer and then coming here with another law that really hampers him.

Mr. SMOOT. The law as proposed here is just exactly what it is to-day.

Mr. STANLEY. Mr. President, for the present I suggest that we cut out the Senate amendment and let the bill stand as passed by the House, and then we can perfect this amendment later on.

Mr. SMOOT. Why not agree upon it while we are dealing with it? If the records are kept, that is all I want, and that is what I am talking about; and when that amendment is agreed to I have no objection whatever to the House provision.

May I ask the Senator from Kentucky which section of the Revised Statutes is objected to? We can add a penalty there and perhaps fix the whole thing.

Mr. SIMMONS. If we put it in there, the penalties in the bill with reference to not making reports would apply.

Mr. GLASS (reading)—

Provided, That such cooperative associations shall keep available records of the sale of tobacco.

Mr. SMOOT. Mr. President, I ask unanimous consent that we pass over this amendment for the present, and then we will get together and have the amendment put in proper shape.

Mr. SWANSON. Mr. President, I may not be here at the time. As I understand, we will accept the House provision with an amendment requiring records to be kept of tobacco handled and sales made.

Mr. SMOOT. Of course, there may be some other provisions here that I shall want to take up with the Senator so as to conform to that. We want to make it so that the different provisions of the bill will agree with the amendment already offered. If it can be passed over temporarily, the Senator from Kentucky will get it in such shape that there will not be any other misunderstanding about it.

Mr. SWANSON. That will be the substance of it?

Mr. SMOOT. That will be the substance of it.

Mr. STANLEY. It is understood that the Senate amendment goes out?

Mr. SMOOT. Yes.

Mr. STANLEY. And that the House provision stands with such amendment as we may agree on?

Mr. SMOOT. With such amendment as we may agree on. I ask that it be passed over for the present, Mr. President.

The PRESIDING OFFICER. Without objection, that course will be taken.

Mr. SMOOT. The next amendment passed over is on pages 194 and 195.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 194, the amendments on lines 4 and 5 have been agreed to. The next committee amendment passed over proposes to strike out lines 10 to 24 on page 194, and lines 1 to 2 on page 195, and to insert the following:

(1) Automobile truck chassis and automobile wagon chassis sold or leased for an amount in excess of $1,000, and automobile truck bodies and automobile wagon bodies sold or leased for an amount in excess of $200 (including in both cases tires, inner tubes, parts, and accessories therefor sold on or in connection therewith or with the sale thereof), 3 per cent. A sale or lease of an automobile truck or of an automobile wagon shall, for the purposes of this subdivision, be considered to be a sale of the chassis and of the body;

(2) Other automobile chassis and bodies and motor cycles (including tires, inner tubes, parts, and accessories therefor sold on or in connection therewith or with the sale thereof), except tractors, 5 per cent. A sale or lease of an automobile shall, for the purposes of this subdivision, be considered to be a sale of the chassis and of the body;

(3) Tires, inner tubes, parts, or accessories for any of the articles enumerated in subdivision (1) or (2), sold to any person other than a manufacturer or producer of any of the articles enumerated in subdivision (1) or (2), 2½ per cent. This subdivision shall not apply to chassis or bodies for automobile trucks, automobile wagons, or other automobiles.

Mr. SMOOT. Mr. President, there are a number of Senators who are interested in this amendment, and I think we ought

to have a quorum before we begin its consideration. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Adams	Fletcher	McKellar	Simmons
Ashurst	Frazier	McKinley	Smith
Bayard	George	McLean	Smoot
Borah	Gerry	McNary	Stanfield
Brandegee	Glass	Mayfield	Stanley
Brookhart	Hale	Moses	Stephens
Brousard	Harreld	Neely	Sterling
Bruce	Harris	Norbeck	Swanson
Pursum	Harrison	Norris	Trammell
Cameron	Heflin	Oddie	Underwood
Capper	Howell	Pepper	Walsh, Mass.
Curtis	Johnson, Minn.	Phipps	Walsh, Mont.
Dale	Jones, N. Mex.	Pittman	Warren
Dial	Jones, Wash.	Ralston	Watson
Dill	Kendrick	Ransdell	Weller
Edge	Keyes	Reed, Pa.	Wheeler
Edwards	King	Sheppard	Willis
Ernst	Ladd	Shields	
Ferris	Lodge	Shipstead	
Fess	McCormick	Shortridge	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, there is a quorum present.

Mr. EDGE. Mr. President, I understand we have reached Title VII, which deals, among other things, with excise taxes on automobile parts, accessories, motor trucks, and so forth. I ask the Senator in charge of the bill if the Senate Finance Committee has in any way changed, and if so to what extent, the reduction in excise taxes under this head made by the House?

Mr. SMOOT. About the only change that is made by the Senate committee is found on page 195, lines 5 and 6, which reads as follows:

and automobile truck bodies and automobile wagon bodies sold or leased for an amount in excess of $200.

In further answer to the Senator, I will say that section 700, paragraph 1, automobile trucks, is the result of a combination of the Senate amendment with the House provision and the present law. The revenue derivable under the same section of the present law is $11,000,000.

Mr. EDGE. Is that confined alone to the automobile excise tax?

Mr. SMOOT. And trucks.

Mr. EDGE. I mean anything relating to automobiles?

Mr. SMOOT. Just trucks. The House provision in relation to trucks would reduce the revenue to $6,300,000. The Senate provision would make it $300,000 less than the House provision by virtue of the addition of the words I have just read, "automobile truck bodies and automobile wagon bodies sold or leased in excess of $200." That makes a reduction of $300,000 from the revenue derivable under the House tax. I will say to the Senator the reason for that is that there are many manufacturers of truck bodies who make bodies alone and have nothing whatever to do with the automobile chassis. The committee felt that wherever those bodies were not in excess of $200 they should not be taxed. It made a difference in the revenue of $300,000.

Mr. EDGE. Has the Senator an estimate of what would have been the loss to the Government if the amendment had included trucks costing in excess of $1,000 as well as those under $1,000?

Mr. SMOOT. What the Senator means is that no tax upon trucks shall be imposed until they reach a price that is above $1,000. In other words, a truck selling for $1,200, under the proposed amendment of the association, would be taxed upon the basis of $200 instead of $1,200. I will say to the Senator that it would take more than half of the revenue provided for under the House text.

Mr. EDGE. What is the approximate revenue?

Mr. SMOOT. The approximate revenue is $6,300,000.

Mr. EDGE. The lowest amount under the amendment eliminating trucks under $1,000?

Mr. SMOOT. It would eliminate at least one-half of that amount.

Mr. EDGE. Then what am I to understand would be the result if the excise tax was eliminated entirely from trucks? It is not whether it is $200 over $1,000, but the entire excise tax, which, in my judgment, is a tax that should be eliminated as rapidly as possible.

Mr. SMOOT. Under the present law the revenue would be $11,000,000, and under the Senate committee amendment it would be $6,000,000.

Mr. EDGE. In other words, the committee has deducted about one-half of it.

Mr. SMOOT. We have deducted $5,000,000 out of the $11,000,000. We gave the trucks a reduction of $5,000,000.

Mr. EDGE. If we eliminate all the excise taxes and motor accessories and trucks and everything associated with the motor industry, what would be the loss to the Government?

Mr. SMOOT. It would be $156,000,000.

Mr. EDGE. What other excise taxes are left in the bill? We have eliminated the candy tax, have we not? What other excise taxes remain in the bill under consideration?

Mr. SMOOT. Cameras and photographic material, firearms and cartridges, and so forth.

Mr. EDGE. They appear on the following page?

Mr. SMOOT. Yes.

Mr. EDGE. They are all in that section?

Mr. SMOOT. Yes; with the exception of special items found in section 800.

Mr. EDGE. Very well. I thank the Senator.

Mr. SMOOT. Mr. President, on page 187 of the bill, paragraph (f), the amendment offered by the Senate committee reads as follows:

(f) For the purposes of this section a farmer or grower of tobacco shall not be regarded as a dealer in leaf tobacco in respect to the leaf tobacco produced by him.

I ask that the committee amendment be rejected.

Mr. FLETCHER. I understand the Senator is separating the two amendments?

Mr. SMOOT. No; I am asking that we disagree to the Senate committee amendment. The House text will then be open to amendment, and we are about to offer an amendment to that.

Mr. STANLEY. That is all right.

Mr. McKELLAR. That is according to the arrangement which has been made with the Senator from Kentucky?

Mr. STANLEY. It is entirely so.

Mr. FLETCHER. Then the Senate should disagree to what has been inserted by the committee.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. STANLEY. Now, Mr. President, I offer to the original House paragraph (f) the following proviso, to come in on page 187, after line 15, and before the period:

Provided, That such cooperative associations shall be required to keep available records of all purchases and sales of tobacco, such records to be open to inspection by the agents of the Government.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Kentucky.

The amendment was agreed to.

Mr. FLETCHER. As I understand, the committee amendment proposing to strike out the clause has been disagreed to?

Mr. SMOOT. Yes; and the amendment to the House text has been agreed to.

Mr. FLETCHER. And the House provision has also been agreed to?

Mr. SMOOT. Yes.

Mr. STANLEY. The House provision as amended has been agreed to?

Mr. SMOOT. Yes.

Mr. FLETCHER. In reference to the excise tax on page 195, which we were discussing a few moments ago, my memorandum states that it was passed over. Has it since been agreed to?

Mr. SMOOT. No; it is now before the Senate, and the question is on agreeing to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment on pages 194 and 195.

The amendment was agreed to.

The next amendment of the committee passed over was, on page 197, after line 4, to insert:

(10) Radio receiving sets, 10 per cent.

(11) Parts and accessories for radio receiving sets sold or leased to any person other than a manufacturer or producer of such sets, 10 per cent.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SMOOT. The next committee amendment passed over is on page 203.

The PRESIDING OFFICER. The amendment will be stated by the Secretary.

The READING CLERK. The next amendment passed over is, on page 203, under the heading "Title VIII—Special taxes,"

to strike out from line 12 on page 203 to line 13 on page 204, both inclusive, as follows:

CAPITAL-STOCK TAX

SEC. 700. (a) On and after July 1, 1924, in lieu of the tax imposed by section 1000 of the revenue act of 1921—

(1) Every domestic corporation shall pay annually a special excise tax with respect to carrying on or doing business equivalent to $1 for each $1,000 of so much of the fair average value of its capital stock for the preceding year ending June 30 as is in excess of $5,000. In estimating the value of capital stock the surplus and undivided profits shall be included;

(2) Every foreign corporation shall pay annually a special excise tax with respect to carrying on or doing business in the United States equivalent to $1 for each $1,000 of the average amount of capital employed in the transaction of its business in the United States during the preceding year ending June 30.

(b) The taxes imposed by this section shall not apply in any year to any corporation which was not engaged in business (or, in the case of a foreign corporation, not engaged in business in the United States) during the preceding year ending June 30, nor to any corporation enumerated in section 231, nor to any insurance company subject to the tax imposed by section 243 or 246.

(c) Section 257 shall apply to all returns filed with the commissioner for purposes of the tax imposed by this section.

Mr. SMOOT. I will simply say that this amendment ought to be agreed to, because we passed upon the normal tax on corporations, increasing it from 12½ per cent to 14 per cent, and we eliminate all provision for taxes on capital stock in this section. I ask that the amendment may be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. The next amendment passed over is on page 231. I should like to call the attention of the Senator from Tennessee to the amendment.

The PRESIDING OFFICER. The Chair is informed that the amendment on page 231 was agreed to.

Mr. SMOOT. Mr. President, is the Chair sure that the amendment on page 231 was agreed to? I think the amendment was agreed to, and that then the Senator from Tennessee asked that it go over. In view of his request, I ask that the amendment be passed over for the present in order to be sure about the matter.

Mr. FLETCHER. My memorandum states that the amendment was passed over.

The PRESIDING OFFICER. The Chair is now informed that the amendment was first agreed to, and that afterwards it went over.

Mr. SMOOT. I will ask that the amendment go over for the present until the Senator from Tennessee [Mr. MCKELLAR], who is temporarily absent, shall return to the Chamber. Then I shall ask to revert to it.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

The next amendment passed over was, under the heading "Title X.—Board of tax appeals," on page 234, after line 13, to strike out the section as follows:

SEC. 900. (a) There is hereby established a board to be known as the board of tax appeals (hereinafter referred to as the "board"), to be composed of such number of members, not less than 7 nor more than 28, as the President from time to time determines necessary. Each member shall be appointed by the President, with the advice and consent of the Senate, without regard to the civil service laws, but solely on the grounds of fitness to perform the duties of the office, for a term of 10 years, except that in the case of original appointments the President, in order to secure rotation in office, may make appointments for two, four, six, or eight years, and except that a member appointed to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. Any member of the board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office, but for no other reason. Each member shall receive a salary at the rate of $7,500 per annum. No member of the board shall be permitted to practice before said board or any official of the Treasury Department, or to be connected, directly or indirectly, with any person or any firm of lawyers, solicitors, accountants, or agents practicing before said board or any official of the Treasury Department on behalf of taxpayers for a period of two years after his term of office terminates, or from the time such member resigns or otherwise leaves the service of the Government. A majority of the board shall constitute a quorum for the transaction of business. A vacancy shall not impair the powers nor affect the duties of the board nor of the remaining members. The board shall designate biennially a member to act as chairman. The board may have a judicial seal, which shall be judicially noticed.

(b) The board and its divisions shall hear and determine appeals filed under sections 274, 279, 308, and 312.

And in lieu thereof to insert:

SEC. 1000. (a) There is hereby established a board to be known as the board of tax appeals (hereinafter referred to as the "board"). The board shall be composed of seven members, except that for a period of two years after the enactment of this act the board shall be composed of such number of members, not more than 28, as the President determines to be necessary.

(b) Each member of the board shall be appointed by the President, by and with the advice and consent of the Senate, solely on the grounds of fitness to perform the duties of the office. The term of office of all members who are to compose the board during the period of two years after the enactment of this act, shall expire at the end of such period. The terms of office of the first seven members who are thereafter to compose the board shall expire, two at the end of the fourth year, two at the end of the sixth year, two at the end of the eighth year, and one at the end of the tenth year, after the expiration of such two-year period. The term of office of each such member shall be designated by the President, and the terms of office of their successors shall expire 10 years after the expiration of their predecessors' terms, except that any individual appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term of his predecessor, and a member in office at the expiration of the term for which he was appointed may continue in office until his successor is qualified. Any member of the board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office, but for no other reason. Each member shall receive a salary at the rate of $10,000 per annum.

(c) No member of the board shall be permitted to practice before the board or any official of the Bureau of Internal Revenue for a period of two years after leaving office.

(d) The board shall at least biennially designate a member to act as chairman. The board shall have a seal which shall be judicially noticed.

(e) The board and its divisions shall hear and determine appeals filed under sections 274, 279, 308, and 312. A majority of the members of the board or of any division thereof shall constitute a quorum for the transaction of the business of the board or of the division, respectively. A vacancy in the board or in any division thereof shall not impair the powers nor affect the duties of the board or division, nor of the remaining members of the board or division, respectively.

Mr. KING. Mr. President, may I inquire of the chairman of the Committee on Finance whether or not there are other amendments which may be taken up at this time? I am preparing an amendment which I wish to offer to the entire provision which is proposed to be stricken out by the committee. I dislike to delay the proceedings of the Senate; but if there are any other amendments which may be taken up at this time I shall be very glad.

Mr. SMOOT. Then I will ask that the amendment may go over temporarily.

Mr. KING. I thank the Senator.

The PRESIDING OFFICER. Without objection, the committee amendment will be passed over temporarily.

Mr. SMOOT. The next amendment passed over is on page 247, Mr. President.

The PRESIDING OFFICER. The next committee amendment passed over will be stated.

The READING CLERK. The next amendment passed over is on page 242, to strike out beginning with the word "provided," in line 6, to the end of line 10, as follows:

provided such regulations shall not enlarge or modify any provisions of this act and of any other law, and all such rules and regulations and all amendments thereto shall be annually reported to Congress.

Mr. SMOOT. That is simply surplusage and is not needed. Therefore the committee reported to strike it out.

Mr. FLETCHER. May I inquire of the Senator from Utah if that is not generally cared for in other provisions respecting regulations.

Mr. SMOOT. No; I will say to the Senator it is not. The committee propose the amendment in order to conform to the usual language throughout the bill and which is found in all other laws of this character.

Mr. FLETCHER. I think that it is a very good provision, but, as I understand, the position of the Finance Committee is that it is the law anyway and does not need to be expressed here.

Mr. SMOOT. It is surplusage.

Mr. FLETCHER. That the department has no power to make regulations which can modify or conflict with the law.

Mr. SMOOT. That is correct.

Mr. FLETCHER. I think that is a sound principle, but I am aware that in construing the authority to make regulations the courts have generally held that the power to make regulations is practically the power to legislate and that they have the effect of law. This is a safe provision to make, but if the Senator feels that it is already the law and need not be expressed here, upon that basis I have no objection to the provision going out.

Mr. SMOOT. There is not any doubt about it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment passed over was, on page 247, line 22, after the word "be," to strike out "assessed at" and insert "assessed, any proceeding in court for the collection of such tax may be begun without assessment at," so as to read:

(b) In case of a false or fraudulent return with intent to evade tax, of a failure to file a required return, or of a willful attempt in any manner to defeat or evade tax, the tax may be assessed, and a proceeding in court for the collection of such tax may be begun without assessment at any time.

Mr. SMOOT. That is to conform to the amendment that was made in section 311 (a) and section 278 (a). It merely makes all three sections harmonize. The amendment is of a clerical nature.

Mr. FLETCHER. Mr. President, I have no objection to the amendment. The objection I have to the paragraph is that it includes "a failure to file a required return" along with an effort to commit a fraud or to make a false or fraudulent return. It seems to me there is quite a difference between the two cases, and I will propose an amendment to strike out the words "of a failure to file a required return." It seems to me that it is all right to provide for summary proceedings where there is an attempt to evade a tax or to commit a fraud, but to impose a penalty of this drastic nature for a mere failure to file a required return I think would be a hardship.

Mr. KING. Mr. President, let me ask the Senator a question. Suppose that a taxpayer neglected to file the required return, does the Senator think that the Government ought to be halted in all legitimate and proper efforts to obtain the tax? Of course the Senator must answer negatively, and, if that is true, then will the Senator kindly point out what objection can there be to the proceeding herein provided? It does not assert, as I read the section, that the taxpayer is guilty of any crime; it does not impute any moral turpitude; it does not cover him with any odium; it merely permits the Government to set in operation the necessary machinery for the purpose of assessing and collecting the tax. The mere fact that he is placed in the same category so far as brackets are concerned—that is to say, being placed in the same section—does not necessarily imply that he is guilty of any serious dereliction of duty, at least any dereliction that involves moral obliquity.

Mr. FLETCHER. The point is that the taxpayer may not willfully refuse or fail to file his return, but such a thing might happen without any real neglect on his part; it might happen through oversight, and yet under this provision, without any assessment being made and without any notification or anything of that sort, he may be sued at once and brought into the Federal court. It may be a case of that sort, and I think the language is rather broad. If we should say "willful neglect," or use an expression of that kind, I should have no objection to it; but it is entirely conceivable to me that a taxpayer in the utmost good faith, and without any intention to evade the tax or any purpose to commit any fraud on the Government at all, through mere oversight, might fail to file his return. It seems to me that in those cases he ought to be notified. He ought to have a right to some sort of notice. The assessment ought to be made against him so as to give him an opportunity to explain without going into court.

Mr. SMOOT. He has that already under the provisions of the act. This is the existing law, and there has never been any complaint made of it. The words that the Senator speaks of now are exactly as the law is to-day, and I think the same provision is in all of the other acts.

Mr. FLETCHER. You are adding to the law, in effect, that proceedings may be begun without any assessment or notice. That you are adding to the present law, I think.

Mr. REED of Pennsylvania. Mr. President, I suggest that in line 22 the wording of the committee amendment ought to be changed. It ought to be "or" instead of "and."

Mr. SMOOT. Yes; it ought to be "or" instead of "and." I was going to call attention to that. On line 22 I move to strike out the word "and" and insert the word "or."

The amendment as amended was agreed to.

Mr. SMOOT. I will say to the Senator that I think the committee did agree to that amendment, and it was overlooked.

The READING CLERK. The next amendment passed over is on page 251——

Mr. SMOOT. Mr. President, the Senator from Tennessee [Mr. McKELLAR] is in the Chamber now; and I should like to return to page 231, to the tax on drafts and checks.

Mr. McKELLAR. Mr. President, I just want to say a word about that. Before I say it, I want to ask the Senator what amount of revenue is derived from this tax now.

Mr. SMOOT. The revenue from this item is $2,150,000.

Mr. McKELLAR. Mr. President, this is a tax on checks and drafts payable otherwise than at sight or on demand, and on acceptances, and on promissory notes. I can not imagine anything that would be more of a nuisance tax so far as business is concerned. It is a real, genuine nuisance tax. I do not think it ought to be imposed, and I hope it will not be imposed, and I am going to ask the Senate to vote it down.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 231, lines 3 to 15, inclusive.

The amendment was agreed to.

The next amendment passed over was, on page 251, line 23, to strike out the word "sum" followed by a quotation mark, and insert the word "sum" and a period, and the following:

(b) Except as provided in section 281 of the revenue act of 1924, claims for credit or refund (other than claims in respect of taxes imposed by the revenue act of 1916, the revenue act of 1917, or the revenue act of 1918) which at the time of the enactment of the revenue act of 1921 were barred from allowance by the period of limitation then in existence, shall not be allowed.

Mr. KING. Mr. President, for the moment I am not clear about the relevancy of that to the matter involved and its effect.

Mr. SMOOT. I will say to my colleague that this prevents any retroactive action being taken. In other words, the revenue act of 1921 had the same provision and we are rewriting the law, and therefore we do not put in "1921" in the first place, because of the fact that it was not in there; but this provision was in the act of 1921, and therefore we have to put it in this law by adding the words "which at the time of the enactment of the revenue act of 1921 were barred from allowance by the period of limitation then in existence, shall not be allowed." In other words, it is the same law, but it is bringing it up to date with this act.

Mr. KING. It does not extend the period upon the part of the taxpayer to make application for refund, or for the Government to pay the refund?

Mr. SMOOT. No.

Mr. KING. The same limitation, so far as time is concerned, is preserved in this bill?

Mr. SMOOT. Just the same.

Mr. KING. But the phraseology of the existing law must be changed because of the passage of time?

Mr. SMOOT. Yes.

The PRESIDING OFFICER: The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment passed over was, on page 252, to strike out lines 6 to 8, inclusive, in the following words:

(b) This section shall not bar from allowance a claim for credit or refund filed prior to the enactment of this act which but for such enactment would have been allowable.

Mr. FLETCHER. Mr. President, before that amendment is agreed to, let me ask whether the matter is taken care of anywhere else in the bill. Why should a claim be barred now, after the enactment of this law, which had proper standing before the enactment of the law, or had been filed prior to the enactment of this law?

Mr. SMOOT. The retroactive provision of the law is taken care of by the amendment to which we have just agreed. Therefore this language is not necessary at all. They both involve the same principle.

Mr. KING. Mr. President, let me inquire about that, because I want to be certain. It would be very unjust by repealing provisions to deny the taxpayer who has invoked all the remedies which the law affords to obtain relief, the relief to which he is entitled. Is it entirely clear that the provisions of the preceding amendment——

Mr. SMOOT. This does not change the act of 1921 in any particular.

Mr. KING. Then the provisions of the act of 1921 still are preserved?

Mr. SMOOT. They are.

Mr. KING. And the rights of the taxpayer to secure refunds are fully preserved there?

Mr. SMOOT. They are preserved there just as they are in the act of 1921.

Mr. KING. I want to examine that.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. SMOOT. The next amendment is on page 262, I think.

The next amendment passed over was, on page 262, line 12, after the words "rate of," to strike out "5 per cent" and insert "6 per cent," so as to make the section read:

INTEREST ON REFUNDS AND CREDITS

SEC. 1119. Upon the allowance of a credit or refund of any internal-revenue tax erroneously or illegally assessed or collected, or of any penalty collected without authority, or of any sum which was excessive or in any manner wrongfully collected, interest shall be allowed and paid on the amount of such credit or refund at the rate of 6 per cent per annum from the date such tax, penalty, or sum was paid to the date of the allowance of the refund, or in case of a credit, to the due date of the amount against which the credit is taken, but if the amount against which the credit is taken is an additional assessment, then to the date of the assessment of that amount. The term "additional assessment" as used in this section means a further assessment for a tax of the same character previously paid in part.

Mr. SMOOT. Mr. President, that amendment should be agreed to, as all other similar amendments have been agreed to under this part of the bill. The committee decided to make the interest rate 6 per cent instead of 5 per cent in all cases, as I have explained on three or four other occasions.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. SMOOT. The next amendment is on page 274, I think.

Mr. KING. What about the one on page 263? Has that been agreed to?

Mr. SMOOT. Yes; that has been agreed to.

The next amendment passed over was, on page 274, line 22, to strike out "except subdivision (d) of section 500, effective on the expiration of 30 days after the enactment of this act."

Mr. McKELLAR. Mr. President, that ought to remain as it is, because the entire tax has been stricken out, so far as the Senate is concerned, up to date.

Mr. SMOOT. Yes; this amendment ought to be rejected, too, if that is to be the final action of the Senate. I gave notice, however, that I should offer that amendment when the bill reaches the Senate, and perhaps it will be just as well to leave it as it is now. However, we shall have to agree to it one way or the other before the bill gets into the Senate. Therefore, in order to conform to the action of the Senate, I ask that this amendment be rejected; but I give notice that if we put back in the bill the telegram and the telephone provision, then I shall ask a reconsideration of the vote by which this amendment was rejected.

Mr. McKELLAR. Of course.

Mr. KING. Mr. President, I should like to ask the Senator from Tennessee [Mr. McKELLAR] and the Senator from Ohio [Mr. WILLIS], who seem to have been triumphant in their attacks upon a provision which gave us $35,000,000 of revenue——

Mr. SMOOT. Thirty-four million dollars.

Mr. KING. Between thirty-four and thirty-five million dollars—I should like to ask those Senators what suggestions they have made to enable the Government to recoup its losses. The Senator from Ohio yesterday very courteously said that if he succeeded in accomplishing his malignant purpose he would then indicate to the members of the Finance Committee, who were struggling to find springs and fountains of revenue, an additional spring from which the copious stream might flow to replenish the exhausted Treasury of the United States.

Mr. WILLIS. But the Senator will remember that there was a condition precedent there. That was that if the Senator would aid in the purpose which I then indicated, I might be able to give him that information. The Senator refused to aid.

Mr. KING. I aided the Senator by making a speech against him.

Mr. McKELLAR. I will say to the Senator that if the Secretary of the Treasury will simply enforce section 220 of the law, either as now written or as rewritten in this bill, there will be far more funds in the Treasury than this takes out.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

Mr. SMOOT. Mr. President, there are two committee amendments here that the committee desires to offer. On page 81, I move to strike out the semicolon in line 20 and all of lines 21 to 24, both inclusive, and to insert in lieu thereof a period.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 81, line 20, it is proposed to strike out the semicolon and all of lines 21 to 24, inclusive, and to insert a period.

Mr. KING. After "Maryland"?

Mr. SMOOT. Yes; strike that all out.

Mr. McKELLAR. Will the Senator make a statement about it?

Mr. SMOOT. This is what the department sent up to me:

In the House bill, section 227 was changed at the request of the Bureau of Internal Revenue to provide that partnership and fiduciary returns shall be filed with the Commissioner of Internal Revenue rather than with the local collector. The bureau has reconsidered the question, and has now decided that in order to have complete records in the collector's office these returns should go through the collector's office. This question is purely one of administration, and one in which only the Bureau of Internal Revenue is interested. This amendment to the House bill goes back to the existing law, and provides that such returns shall be filed with the collector.

That is the explanation.

Mr. McKELLAR. Anyway, it can go to conference and can be worked out there.

Mr. FLETCHER. The Senator proposes to strike out all after "Maryland"?

Mr. SMOOT. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I was about to ask the Senator from North Carolina [Mr. SIMMONS] if he was prepared to go on now with the earned-income provision on page 29.

Mr. KING. May I say to the Senator that the Senator from North Carolina has just gone to the restaurant for a moment, and as soon as he takes his Spartan meal he will be back.

Mr. REED of Pennsylvania. Mr. President, while we are waiting for that may I suggest an amendment which I think will not be objected to by the committee? On page 46, in line 3, there is an exemption given to compensation under the war risk insurance and the vocational rehabilitation acts. We have pending in the Senate and reported favorably by the Finance Committee a new codification, which will take the place of both of those acts, which is called the World War veterans' act, 1924. I suggest in order to carry out the intention of the bill and to take account of that new codification of the law that we insert after the words "rehabilitation acts," in line 3, on page 46, the words "or the World War veterans' act, 1924."

Mr. McKELLAR. Would it not be better to say "or amendment or substitute therefor"?

Mr. SMOOT. Of course, if I had any doubt about that bill passing I should have to object to the amendment at this time, but I have not the least doubt that it will pass, no matter if it does carry $27,000,000. Therefore I should have to propose the same thing later or else have a special act passed; but if it goes in it will make no difference if the bill should fail. It will go to conference, and therefore I have no objection at all to the amendment, even as a committee amendment. It was discussed as a committee amendment.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment at this time? The Chair hears none. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. SMOOT. The amendment relating to earned incomes, an page 29, is the next amendment to be taken up.

Mr. KING. Will not the Senator allow that to be passed over for a moment until the Senator from North Carolina returns?

Mr. SMOOT. We can not take up the normal tax and surtax amendment because the Senator from South Carolina notified me just a little while ago that he is not prepared to go on with them, and I do not intend to crowd him for the consideration of those sections if we have anything else to go on with.

Mr. McKELLAR. Would not the Senator be willing to temporarily lay aside this bill and let us finish the naval appropriation bill? I do not see the Senator from Maine in the Chamber, but I suppose he can be found in a moment.

Mr. SMOOT. I ask unanimous consent that the revenue bill be temporarily laid aside for the consideration of the naval appropriation bill.

The PRESIDING OFFICER. Without objection, the revenue bill will be temporarily laid aside.

NAVAL APPROPRIATIONS

Mr. HALE. I ask unanimous consent that the Senate resume the consideration of the naval appropriation bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6820) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1925, and for other purposes, the pending amendment of the committee being on page 39, after line 17, to insert:

Naval fuel depot, San Diego, Calif.: Storage for war heads, $60,000.

Mr. KING. I ask for a vote on that amendment.

The amendment was agreed to.

The next amendment passed over was, on page 40, line 16, where the committee propose to strike out "in all, $14,590,000," and to insert "for new construction, buildings, and improvements at air stations at a total cost not to exceed $410,000, as follows: Pearl Harbor, Hawaii, $173,000; Coco Solo, Canal Zone, $237,000; in all, $15,000,000."

Mr. KING. Mr. President, I shall be glad to hear the explanation of the chairman of the committee with respect to this amendment. My information is that we should not enter upon the expenditures contemplated in the amendment offered until after an agreement has been reached between the Navy and War Departments with respect to aviation stations. The matter has been the subject of consideration in the Committee on Naval Affairs, and a subcommittee has been appointed to confer with a subcommittee of the Military Affairs Committee of the Senate which has also been named. It is hoped that some general and comprehensive plan may be agreed upon—dealing with aviation in all of its phases. It has been felt by persons cognizant of the defects in our aviation policy that there should be greater cooperation between the two departments, and that a definite policy should be agreed upon before further expenditures should be made for aviation bases or stations. It is certain there is not that coordination between the two departments in respect to aerial defenses and needed stations and the control over the same. The House having considered these items in the bill resolved against the appropriation which the Senator is now asking for.

Mr. HALE. Mr. President, the House Naval Affairs Committee has recently reported favorably a bill recommending the expenditures contained in this amendment. The matter was not acted on in the House, I understand, on account of certain parliamentary reasons. They felt that it would be considered new legislation. The proposed amendment has to do with the building of hangars and runways at these two stations.

These are the two most important aviation stations we have outside of this continent; and I know that the Senator, who is very much interested in aviation and who believes that we should develop aviation, feels, as I do, that we should do everything that is proper to take care of these stations. At the present time they do not have hangars enough either at Coco Solo or at Pearl Harbor to take care of the airplanes that are maintained at those stations.

As far as combining with the Army is concerned, whatever is done, we shall have to have separate hangars for the Navy planes and the Army planes. So the amount recommended to be expended, no matter what plans may be made later on, will not in any way be wasted; and I hope the Senator will not feel that he has to object to this item. I regard it as one of the most important items in the bill.

Mr. KING. Mr. President, there is no disagreement between the chairman of the committee and myself as to the importance of making adequate provisions for airplanes, and I have deplored the ineptitude and procrastination of the Navy Department—indeed, what I regard as its incompetency—in dealing with the question of aviation. But little can be shown for the tens of millions of dollars expended for naval aviation since the war. We have but few planes and but little of genuine experimental value to the credit of the Navy during this period. The present situation, as it relates to aviation, is most unsatisfactory.

Mr. President, whatever criticisms I have suggested in discussing naval bills, I have been actuated by a desire to see reforms which all honest and sincere persons interested in the welfare of our Navy must regard as vital, if the Navy is to properly function and hold a proper place in the protection of our country. A survey of the work of the Navy Department during the past few years can not afford any great degree of gratification. Its machinery has been clumsy and its plans and activities uncertain and confused. I noticed in the newspaper yesterday a biting criticism of the Navy, and statements tantamount to a charge that it was deteriorating if not inefficient. It was declared that the 5-5-3 ratio had been destroyed, and that the United States was now not upon a parity with Great Britain, but had been reduced to the same ratio level or basis as Japan.

An examination of our battleships and auxiliary craft of all types will undoubtedly reveal striking defects and incongruities in the Navy, but the situation is not so serious as stated by the writer, and some of the conclusions reached by him are not in my opinion justified.

Mr. McKELLAR. Was that the criticism which was printed in the New York Times of last Sunday? There was a very extended criticism carried in that paper.

Mr. KING. By Mr. Shearer?

Mr. McKELLAR. Yes; I think it was.

Mr. KING. That is the article to which I am referring. Mr. President, the claim is made by some that there is an undermining process going on which will destroy the ratio of 5-5-3, if it has not already been destroyed. Whether the statements by Mr. Shearer or others are accurate, it is important that the experts and officers of the Navy Department give heed to all constructive criticisms and devote their energies to the development of the Navy along sane and rational lines. It is of vital importance that old fogies shall not run the Navy or that fantastic schemes and experiments shall be undertaken. The development of the Navy calls for scientific work, for the application of expert knowledge, for teamwork, for perfected organization, and for headwork backed by common sense. May I discuss briefly some matters relating to the development of the Navy in the light of the criticism contained in the article referred to.

Under the terms of the Washington treaty the United States was required to sacrifice its superiority in battleship strength, but subject to the condition that there should be such limitation of auxiliary ships as well as capital ships as would preserve the basis of 5-5-3. Of course, the ratio to be preserved permitted the maintenance of the relative aggregate strength of the respective signatories to the treaty, and did not contemplate the development of other forms of fighting ships which would disturb the basis of naval strength.

At the time of the Washington conference the United States had superiority in capital ships, and it was some sacrifice from a naval standpoint to relinquish this point of vantage. The view has been expressed by some that some participating nations have not fully met the spirit of the conference, and have sought, through auxiliary craft and other forms of naval power, a preponderant strength which disturbed the equipoise established by the Washington treaty, and this to the disadvantage of the United States.

The statement has been made by some naval experts that the final situation left the United States below the 5-5-3 ratio in auxiliary ship strength, and, of course, as we know, without limitation with respect to the latter class of vessels competition in aggregate naval power might be continued as before.

May I add, however, without assenting to or differing from the views just alluded to, that the security of this Nation will not be affected in any degree by the claimed departures by other nations from the 5-5-3 ratio. It is not a boastful or arrogant spirit which prompts the statement that this mighty Republic has no fear of any power on earth. Its mission is one of peace; it has no lust for territory or military power. Its ambitions are to develop a true democracy—to promote peace and fellowship in all the world, and by example and precept and in every proper way contribute to the happiness and freedom of the peoples of all lands. If we should lead the way toward the goal of world disarmament, all other nations will follow.

This Republic is in a position to be the moral leader of the world, great and small nations—not only look to the United States for leadership—but they desire that it shall point the way toward universal peace, and the removal of all menacing forces, to international amity, and the reign of law founded upon enduring principles of justice and righteousness.

The terms of the Washington treaty restricted the United States, as well as the other nations signatory thereto, in their battleship power, but it is declared by some naval critics that the other parties to the agreement have greatly strengthened their naval power along other lines. That was indicated in the article to which reference was made by the Senator from Tennessee, and the claim is made by some that all signatories to the treaty except the United States have violated the spirit of the treaty, if not the letter, by increasing the number of auxiliary war craft to such an extent that the ratio established has been disturbed.

In my opinion there have been rather loose statements made upon this subject, and the situation has been exaggerated. I believe that the signatories to the treaty have designed to conform to its terms. But there is some little

basis for the changes referred to when we examine the constructive program followed since the treaty was signed.

My information is that the United States has not laid down, since the naval treaty was signed, any mine layers, or light cruisers, or destroyers, or fleet submarines, or submarines, or destroyers, or destroyer leaders, or what might be denominated miscellaneous war craft.

Upon the other hand, Great Britain has laid down—and, of course, she had the right to do so under the treaty—one mine layer of 7,000 tons. Also she has projected officially, although nothing further has been done in the execution of the plan, 52 light cruisers to be completed in the next 10 years, 3 submarines, 2 destroyers, 1 aircraft carrier, 5 vessels which might be denominated miscellaneous, and 5 light cruisers to be incorporated in the navy estimates of the labor government for this year, and I understand that bids have been called for with respect to the 5 light cruisers.

Japan has laid down since the naval treaty was signed 6 light cruisers, 10 destroyers, 3 fleet submarines, and 10 miscellaneous vessels or craft. She has ordered, but has done nothing in the execution of the order, 4 light cruisers, 2 fleet submarines, 1 submarine, 1 destroyer, 3 light cruisers, 22 destroyers, 18 fleet submarines, and 17 submarines.

Mr. HALE rose.

Mr. KING. Does the Senator from Maine wish to interrupt me?

Mr. HALE. I find in a clipping from an Associated Press dispatch in a newspaper dated April 16 the following statement:

LONDON, April 16.—Since the Washington armament treaty was signed Great Britain has laid down but 1 submarine, as compared, so far as known here, with 6 light cruisers, 17 destroyers, and 13 submarines by Japan. This information was given to a questioner in the House of Commons to-day by Charles Ammon, parliamentary secretary to the Admiralty.

Mr. KING. That information is not in accord with that given to me. My information is that Great Britain has laid down no submarines.

Mr. HALE. I thought the Senator had just stated she had laid down one.

Mr. KING. No; I said one mine layer.

Mr. HALE. I understood the Senator to say one mine-laying submarine.

Mr. FLETCHER. If I may interrupt the Senator——

Mr. KING. Certainly.

Mr. FLETCHER. Here is a statement from William B. Shearer in which he puts the ratio at 5-3-1, the United States being 1, and says:

Not only are we outgunned so far as our battleships are concerned, but we are outnumbered in light cruisers and in fleet submarines. The British are 4 to 1 over us in light-cruiser strength and the Japanese 2½ to 1. Of this class of ships England has 53, Japan has 25, and we have 10. The new Japanese light cruisers outspeed the British light cruisers, and because of that the British Admiralty has asked for 17 more. Not only that, but Captain McNamee, naval expert now under Admiral Robison, is authority for the statement that the British have built 18 flotilla leaders, whereas we have no vessels of this class, none at all.

Mr. KING. The statement is true that we are outnumbered in light cruisers and fleet submarines. Indeed we have no scout or fleet submarines. We have spent, perhaps, one hundred and fifty millions of dollars for submarines—and do not have a single one to accompany the fleet.

But I do not agree with Mr. Shearer as to the ratio which he says now exists. The United States has a preponderating strength in capital ships, and has a treaty ratio in this craft. The fact is that the Naval Board and the Government adhered too rigidly to the 1915-16 naval program and expended too much money for capital ships and was too indifferent to submarines and aircraft.

The "old fogies" and reactionaries in the Navy fought the new methods and developments in naval warfare. They were determined to have the Nation build capital ships. Their prejudices against submarines and some other forms of naval warcraft was unconquerable, and they are in part to blame for our inferior position in various types of imperatively needed naval craft.

Mr. HALE. We have three fleet submarines which will be in commission in a short time.

Mr. KING. The Senator projects himself into the future. I am speaking of things in esse. We have no submarine now that can accompany the fleet. We have no fleet submarines and no scouting submarines. We have three that have been building for many, many months. I do not know when they will be completed. And when they are completed there is no certainty that they will serve the purpose for which they have been designed.

Mr. HALE. When they come out, if they prove in any way successful, they should be superior to any fleet submarines of any other country in the world.

Mr. KING. "If" they prove successful—"if" they are better than any others in the world—they will be better. But the experience of our Government in the construction of submarines is not very prophetic of success in the construction of submarines which will reach the high stage of perfection hoped for by my friend.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. McKELLAR. In view of the widely divergent views as to the relative strength of the British Navy, the United States Navy, and the Japanese Navy, will not the chairman of the committee be good enough to get an accurate statement of the relative strength all along the line of the three navies and put it in the RECORD? I for one am very greatly interested. We read an article in one newspaper, and we think that since the limitation of armament treaty was entered into the American Navy is quite as strong as that of Great Britain. We read another article and we find that it is not only not as strong as the British Navy, but it is infinitely weaker even than the Japanese Navy. The Senator from Maine is chairman of the Committee on Naval Affairs, and I know he has the information or can readily get it. I would like to have him put in the RECORD some authoritative or authentic statement showing the actual strength of the navies to which I have referred.

Mr. HALE. The Senator is laying out quite a program.

Mr. McKELLAR. It will not take long.

Mr. HALE. Would the Senator like to have me give the information that I have on the subject now, or would he like to have me prepare a statement and put it in the RECORD at a later time?

Mr. McKELLAR. I think it would be very much better to have it done at a later time. I hope the Senator will take occasion at a very early date to do it.

Mr. HALE. I shall be very glad to do it.

Mr. KING. In response to the suggestion made by the Senator from Tennessee that the chairman of the Committee on Naval Affairs put into the RECORD a statement showing the relative naval strength of the signatories to the treaty, I venture to observe that there will be found the same disagreements as are daily discussed when laymen and experts discuss the relative naval strength of the various nations and particularly the United States, Great Britain, and Japan.

Returning to the matter which I was considering when interrupted, France has laid down since the naval treaty was signed 3 light cruisers, 6 destroyer leaders, 12 destroyers, 6 fleet submarines, and 6 submarines. Of course, Senators are aware of the difference between a scouting submarine, a fleet submarine, and a submarine. The latter are used principally for coastal defense. France has also projected, but there is no certainty of the project being fulfilled, 6 light cruisers, 15 destroyer leaders, 24 destroyers, 30 fleet submarines, and 9 submarines.

Since the treaty was signed Italy has laid down four destroyers. She has proposed, but the proposition has not been voted upon by the legislative branch of the Government, 5 light cruisers, 20 destroyers, and 20 submarines.

Mr. President, these figures show in rather striking manner the lack of auxiliary craft laid down or constructed by the United States since the naval treaty was signed, and the other nations have given considerable attention to strengthening their submarine craft and their auxiliary craft, including light cruisers. I make the prediction that unless the United States and the other naval powers of the world meet in conference soon and agree to further limitation of naval armament that at the next session of Congress we will be called upon to appropriate not only $300,000,000, the amount carried in the present bill, but a much larger sum for the construction of auxiliary naval craft—submarines, airplanes, airplane carriers, torpedo boats, and swift cruisers. We will be called upon, in my opinion, to authorize or to approve of a plan which will in the aggregate require for its completion perhaps $200,000,000. It is important, therefore, if we are to relieve the people of taxation, if we are to seek to promote world peace and international fellowship, that at an early date a conference be held not only of naval powers but of substantially all nations of the world for the purpose of agreeing upon some rational and effective plan to secure a further limitation of armament—indeed, if it is possible, complete world disarmament.

I might say in this connection that I sometimes think our Republican friends and the administration, including the President of the United States, have exhibited an unworthy hostility to the beneficent purposes of the League of Nations and the auxiliary organizations which it has created. This opposition to the league has led the administration to refuse assent to policies and cooperative activities that would have proven of incalculable benefit not only to the United States but to the world. The League of Nations has, as one of its auxiliary but important bodies, a commission for the purpose of formulating plans to bring about world disarmament. We have been invited to participate in its conferences; and it was understood that if the Government did not participate actively the commission would welcome it in a consultative capacity. We have refused to participate or to join with them in a consultative way. We have refused to associate with 54 nations of the world that now have able men seeking to relieve the world of the burden of armament. We have refused to join with them in trying to devise some rational and practical plan to further reduce the burden of military armament and relieve the peoples of the world from the hundreds of millions of dollars of taxation annually now being imposed upon them under the military policies which obtain. There is now pending before the Senate Committee on Foreign Relations a resolution asking the President of the United States to send representatives to the commission of the League of Nations to cooperate with them in the formulation of a plan of the character to which I have referred, but that committee does not act upon the resolution or upon other resolutions before it which in my judgment, if accepted by the United States, would be conducive to world peace.

I return to the subject which I was discussing.

Our Navy has projected no new auxiliary tonnage since the Washington treaty was signed. In some of our ships we have suffered actual deterioration. For instance, there were approximately 270 first-line destroyers in 1920. Of this number 165 have been laid up practically without crews, and, of course, they will suffer deterioration. I ought to say, however, in what would seem to be the extenuation of that course—and I do not offer it by way of extenuation, but approval—that we had perhaps too many of this class of ships and there was no other course for the Navy to pursue, even if it had desired, than to put in stand-by condition or to decommission a number of destroyers.

The preservation of even an approximate 5–5–3 ratio with respect to auxilliary tonnage existing when the treaty was signed would seem to require that some of the destroyers now laid up be manned with from 25 to 40 per cent complement. It is manifest that if the ratio referred to in auxiliary tonnage shall be preserved the United States will be compelled to engage in a further building program or there must be a cessation of competitive building and competitive projects upon the part of the other naval powers.

Let me say at this point, Mr. President, that if I correctly interpret the meaning of the writer referred to by the Senator from Tennessee [Mr. McKELLAR] and the Senator from Florida [Mr. FLETCHER], I do not agree with his assumption that the Washington treaty required us to maintain a ratio of 5–5–3 in each branch of naval craft. The treaty permits a ratio of 5–5–3 in the aggregate tonnage, or, perhaps, more correctly, in the fighting strength. It did not require, assuming that it called for a maintenance of that ratio, that each of the nations should have the same relative strength with respect to each kind or type of naval craft. It did fix the number of capital ships, but it did not refer to auxiliary craft.

Mr. McKELLAR. As I understand, it was limited wholly to capital ships.

Mr. KING. It dealt with capital ships and cruisers above 10,000 tons and made some suggestions with respect to the use of submarines and poison gases. But it has been insisted by some that the United States must have the full quota of naval craft, of each type, that the other powers possess.

Mr. McKELLAR. Mr. President, if the Senator will permit me again to interrupt him, of course the Senator knows—indeed, I think I have heard the Senator himself argue—that the value of battleships or capital ships is very doubtful at this time. If that is true, if the invention of aircraft has brought it about that capital ships are practically useless in the Navy, then the limitation agreement has no effect on navies.

Mr. KING. Mr. President, I have not taken the position that capital ships were useless or even unimportant in naval warfare. I confess that my knowledge of the subject is superficial; it has been based upon rather extensive reading of submarine literature and modern instruments of naval warfare. I have read the statements of many experts—American, British, German, and French—and have endeavored to ascertain what is the proper place of the capital ship in a well-balanced and powerful navy.

I have felt that the lessons of the war have diminished somewhat the importance of capital ships. It would be folly to abandon battleships. They have their place; but they have serious limitations. The Senator from Virginia [Mr. SWANSON] has frequently called capital ships "the backbone of the Navy." I am not disposed to challenge that statement. My position is that capital ships do not and can not constitute a navy. We must have a three-plane Navy. We must have a Navy upon the surface of the water, a Navy under the surface, and a Navy in the air—a three-plane Navy. Any country that depends alone upon its capital ships will soon discover its weakness if not impotency.

The greatest experts in the world say that we could not cross the Atlantic and fight an offensive naval war, or cross the Pacific and successfully contend against a first-class naval power. Japan could no more invade the United States than she could invade the moon. Her ships could not cross the Pacific and land a combative force upon the shores of the United States. I mean she could not do that in view of the development of airplanes, of submarines, of the mine-laying devices of naval warfare, and the multitudinous instrumentalities which grew out of the experiences of the great World War.

So, Mr. President, in further reply to the Senator from Tennessee, while the battleships do have an important place in the Navy, we are failing to maintain an up-to-date fighting Navy if we neglect submarines and airplane carriers and naval aviation. That brings me to just a few sentences which I dictated upon naval aviation.

I think that even the most enthusiastic supporters of the Navy must feel depressed over the failure of the Navy Department to develop naval aviation. Appropriations have been quite generous since the war, but the progress in naval aviation has been insignificant. There must be coordination between the land and the sea forces, not only with respect to shore stations or aviation bases, but, in so far as cooperation is possible, for the purpose of construction. There is conflict between the Army and the Navy with respect to air stations.

These remarks are prompted by the amendment which the Senator from Maine has just offered.

It is clear that there has been and that there will continue to be duplications in the Army and Navy with respect to the establishment of aviation bases. It is important that attention be given by the Navy Department to aviation questions. Our developments have been unimportant, and, as I have indicated, must bring disappointment to all who believe that our Navy should be a strong and up-to-date fighting, modern Navy.

I now desire to say a few words about fleet facilities, and my remarks are prompted because of another amendment which the Senator from Maine has offered dealing with the Hawaiian Islands. In the event of a war in the Pacific Ocean our deficiencies with respect to operating facilities are great. There are no sufficient dock facilities, particularly if we might be called upon to defend the Philippine Islands.

I know the views of some Senators, and I think I am not betraying any confidence when I say I know the views of the able Senator from Virginia, who for so many years was chairman of the committee.

Mr. President, I think that any attempt to spend money upon the Philippine Islands for the establishment of a great naval base would be more or less of a waste. I think we ought to withdraw our sovereignty from the Philippine Islands, as we promised to do in the Jones Act. Bills are pending now in the Senate and in the House of Representatives calling upon the United States to relinquish its control in the Philippine Islands and to permit the people of that archipelago to establish a government conformable to their own will. But if we shall retain the Philippine Islands and a conflict should ensue in the Pacific, we would find a large number of the American people who would insist that we send our battleships and our auxiliary fighting craft to the Philippine Islands to protect that archipelago from the possible aggressions or invasions of a belligerent power.

Mr. FLETCHER. Mr. President, would it interrupt the Senator if I should again quote a few words from this article?

Mr. KING. I yield.

Mr. FLETCHER. Under the heading "Where Japan leads" it says:

> In ships and bases and fuel stored Japan has the largest naval program of all. She lost only one cruiser in the earthquake. That was the *Naka*. She has 80 new destroyers and 70 submarines under construction. Comparison there is interesting. England has 17 fleet submarines, Japan has 25, and we have just 6.

So that so far as the fleet is concerned not only are we outgunned and outnumbered but the other significant fact is that the Japanese have transferred their fleet from the inland sea to the Pacific.

Our fleets must have bases of operation. Without such bases they can not operate in war. How do we compare there? Well, England has 19 bases, Japan has many, some of them secret, and we have none. On our Atlantic coast the British bases are Halifax, Bermuda, and Jamaica. Each of these has supplies and a garrison. In the Pacific we know the Japanese bases are Sasebo, Ominato, Yokosuga, Kure, and Bako. The first four are to be enlarged and strengthened for quick maneuvers. The base at Bako is a few hundred miles from the Philippines. The American port at Manila is useless and undefended. Bako is defended; Manila is not.

That seems to be the situation so far as ships and bases and fuel stored is concerned.

Mr. KING. The statement of the writer from whom the Senator has quoted with respect to the auxiliary craft being constructed by Japan is at variance with the information which I have received. I believe that the writer is unduly alarmed over naval construction in Japan, and I think he is attributing to Japan a more elaborate construction of naval vessels than the facts justify. I do not believe that Japan has any purpose to materially increase her navy, and certainly, in view of the great disaster which has recently overtaken her, there will be but limited construction during the next few years.

Mr. FLETCHER. Mr. President, on that point may I interrupt the Senator to get his view on another question?

Mr. KING. Certainly.

Mr. FLETCHER. In reading this article I am impressed with the rather serious situation with respect to oil and oil supplies. The Senator has manifested a great deal of interest, for instance, in the merchant marine. There is a great tendency in these days to convert coal burners into oil burners. Economies would be effected by it, it is claimed, and we are making progress in that direction. I have been very much in favor of a program of that sort, but this article impresses me with the idea that perhaps we are going too far. For instance, he quotes Admiral Rodman as saying:

The fleet could not fight a week on its oil reserves—

Meaning the whole Navy.

He gives the location of the oil reserves in this country, and the thought is that while we have an inexhaustible supply of coal—and we all know that for thousands of years we will be using coal—the question arises whether we have an inexhaustible supply of oil.

If we are not able to command an adequate fuel supply for our Navy and for our merchant ships, are we not running a great risk in converting our ships into oil burners and discarding the coal burners? That is another suggestion that comes to my mind from reading this article. I have been in favor of that conversion so far as possible, but we may be doing too much of that sort of thing—getting rid of our coal burners and converting everything into oil burners with the prospect that we may not be able to preserve and store and have available an adequate supply of fuel.

Mr. KING. Mr. President, I think the able Senator from Florida has more information upon the question that he has suggested than I have, and I would not put my judgment against his. I have tried to discover what available fields there are for oil for the Navy and for American vessels. Reports are so conflicting, may I say to the Senator, that it is impossible for us to have any intelligent, matured judgment. I have seen statements from oil men who have made the gloomy prediction that within 15 years the visible oil supply of the world would be exhausted. I know eminent oil men who have been engaged in the oil business for years, and they look with the gravest apprehension upon the approaching day—and they say it will be soon—when the oil supplies of the United States will be entirely exhausted.

England is concerned in this question, and she has been seeking oil reserves in Persia and near the Caspian Sea. Italy has recently negotiated a treaty with the Bolshevik Government of Russia, and one of the objects of the treaty, as I am advised, was that Italy might obtain oil fuel from the great oil fields of Grodno, some few hundred miles northwest of the Caspian Sea, and the oil fields of Baku upon the Caspian Sea. We hear reports of oil discoveries in South America near the Pacific coast. I have no authentic information as to these reports.

But, Mr. President, there is much in the suggestion of the Senator. With the rapidly diminishing supply of oil, and with the enormous consumption, we may well pause in our determination to abolish coal as a fuel and resort to oil as a fuel for our commercial and for naval craft. However, my information upon that matter is so limited that any opinion I might have would have but little value.

I was speaking, Mr. President, of our fleet facilities. Under the four power treaty we are interdicted from strengthening any naval base west of the Hawaiian Islands. It would seem that the only alternative is the use of floating docks, which may be of supreme importance in any contest. Of course, without docks the fleet could not maintain itself for any protracted period in the western Pacific. There is a dry dock in the Philippine Islands and, of course, with our fleet in possession of the harbors of the archipelago the dock is available. There are a number of privately owned floating docks which could be commandeered. We should, however, look to the development of satisfactory caissons which may be employed for repairs to propellers and sections of the underwater bodies of ships. However, there remains a necessity for at least one large dock capable of lifting the largest type of ship. Perhaps two such docks should be built.

Of course, I am presupposing that we shall not enter into an international agreement with the naval powers further to limit naval construction. If we did, much of what I am saying would be irrelevant and the building of many vessels which we should be compelled to construct in the near future would be unnecessary.

There should be a large floating dock immediately constructed on the Pacific coast. It is a very necessary factor in connection with our fleet facilities.

Much could be said concerning the importance of developing an operating base at Oahu. I shall pretermit what I should like to say concerning the situation there. I will say, however, that it is the natural point of initial concentration of the fleet, whether for offensive or defensive operations. Not only that, but it affords the west coast effective protection. Oahu must serve as a major point of call for all vessels engaged in line of supply duty and during any campaign in the western Pacific. Vessels bound to or from Washington, Oregon, California, or east coast ports via Panama, would pass through Oahu. Vessels should be provided to serve the fleet during protracted periods of service as well as to serve a numerous line of supply vessels. These facilities should include machinery for emergency repairs, dry docks, and fuel storage.

Of course, ample anchorage grounds at Oahu affording protection against submarine attacks are indispensable. At no great expense satisfactory deep anchorage can be obtained, and under cover of shore guns full opportunity can be afforded for a concentration, tactically, of all vessels.

There should be some development of Pearl Harbor for the berthing, docking, and repair of battleships and other large ships. There should be further technical examination made of the shores of Oahu, and indeed Pearl Harbor, before important expenditures are made upon this naval base.

In order that the Navy may be properly developed and maintained at a high standard of combative strength, large appropriations must be had. It should be the aim of the Navy Department, in order to obtain funds for the indispensable things, to practice the most rigid economy with respect to land and shore activities. There must be a retrenchment and reform in the conduct of stations and bases. The number of civilian employees must be reduced, and every possible reform inaugurated. Technical men and trained experts must be employed and consideration given to their views and recommendations. If officers of the line are placed in control of stations, yards, bases, engineering construction, and other activities calling for technical and trained scientific men, efforts should be made to secure officers with sufficient technical knowledge; failing which, their assistants should come within this category. Better still, technical and skilled and scientific men should be placed in charge of many activities now committed to the hands of less competent persons. I venture to suggest that it would be wise, also, to modify the selective system; but I shall not enter upon a discussion of that at the present time.

In view of the suggestion made by the Senator from Tennessee as to what we have of submarines, I will state that I am in receipt of a letter from the Secretary of the Navy, under date of April 28, in response to an inquiry from me made on the 24th of April in which certain specific questions were propounded, and in the letter of the Secretary he answers the questions. I ask that the letter be printed in the RECORD without my taking the time to read it. It furnishes a complete statement as to the status of our submarines.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The letter is as follows:

NAVY DEPARTMENT,
ASSISTANT SECRETARY'S OFFICE,
Washington, April 28, 1924.

MY DEAR SENATOR KING: Replying to your letter of April 24, 1924, asking certain specific questions concerning the submarines, I take pleasure in handing you the following information:

Question. Number of submarines now controlled by the Navy?

Answer. One hundred and twenty-six.

Question. Use made of same?

Answer—

In commission:	
Submarines, namely 3 N, 1 R, and 3 S at New London for training and experimental purposes	7
S submarines in the Asiatic Fleet	10
R submarines in the Hawaiian Islands	20
Submarines, namely, 9 O and 4 R in the Canal Zone	13
O submarine being decommissioned in the Canal Zone preparatory to being sold	1
S submarines with the Battle Fleet in the Pacific	12
S submarines with the control force in the Atlantic	17
Out of commission:	
Second-line submarines, namely, 8 H, 8 K, and 8 L	24
First-line submarines, namely, 6 O and 2 R	8
Fleet submarines, namely, 3 T	3
Under construction:	
Fleet submarines, namely, 3 V	3
S submarines	8
Total	126

Question. General character and condition?

Answer. H, K, and N classes—19 submarines. General reliability excellent; would be very useful in time of war for training purposes and for coast patrol.

L class—eight submarines. Four of these recently reengined with satisfactory engines. The other four not considered sufficiently reliable to meet the latest requirements of coastwise work and will probably be sold.

O and R classes, 43 submarines. Thirty of these are satisfactory and their reliability excellent, both surface and submerged. The other 13, while not so good, are creditable enough to be retained in commission.

These submarines are of great military value to the United States in defense of outlying stations and are assigned to the Canal Zone and Pearl Harbor.

S class, 50 submarines. These vessels were designed for independent operation of a general nature, similar to the *U–110* class, are practically 1,000 tons with a radius of 4,000 miles. These boats were authorized in 1916 and the last will be completed this year. They were built with a 7-inch crank shaft, which was not satisfactory, and the contractors substituted 8-inch shafts, which had originally been planned for the boats by the department. The Bureau of Engineering expects that the new crank shaft will eliminate further crank-shaft trouble. Thus far they have been satisfactory.

T class, 3 submarines. Designed in 1914 and finished in 1920 and 1921; were not satisfactory as the tandem type of engine has failed to give the performance expected.

V class, 3 submarines. These boats now under construction, 50 to 70 per cent completed.

Question. The status of the 166 submarines, paragraph 1, your letter?

Answer. Obsolete submarines sold or used as gun targets, 33; lost, 5.

Question. Number of submarines now in commission?

Answer. Eighty-eight.

Question. Number decommissioned?

Answer. Twenty-seven.

Question. Number under construction?

Answer. Eight S's and 3 V's.

Question. Status of the 3 V's.

Answer. Fifty to 70 per cent completed.

Question. To what use will the Vs be put?

Answer. To be assigned and will operate with the Battle Fleet.

Question. Will they be practically obsolete by the time of completion?

Answer. No.

In this connection the V 1, 2, and 3 come under the broad definition of fleet submarines; specifically they are known as cruiser submarines with a speed of 20 knots and a radius of 10,000 miles. The latest design of cruiser submarines which the department is anxious now to have an appropriation for will have a speed of 17 knots and a cruising radius of 18,000 miles.

The other type of fleet submarine is the mine-laying type, which, with a 15-knot speed, will have a cruising radius of 18,000 miles.

One of these mine-laying type has been recommended by the Senate Naval Committee. The Bureau of the Budget authorized appropriation for three of this type. The department is very anxious to secure this type for operation with the fleet as soon as possible, as they consider it a type of very great value.

Sincerely yours,

E. W. EBERLE, *Acting.*

Hon. WILLIAM H. KING,
United States Senate, Washington, D. C.

Mr. KING. Now, Mr. President, in view of the fact that negotiations, as I am told, are pending to bring about cooperation between the Army and the Navy with respect to air stations and air bases, I ask the Senator if he feels that this appropriation is necessary.

Mr. HALE. I do, Mr. President. As I have already said, I do not think this would interfere with any negotiations between the Army and the Navy. It would always prove useful.

Mr. KING. Mr. President, in view of the statement of the Senator, I shall not object, but I am sure the conferees will consider the matter very carefully.

Mr. HALE. Mr. President, I have listened with a great deal of interest to the remarks of the Senator from Utah. As I have said before in the course of this debate, he has given a great deal of attention to naval matters, and his opinions are of value to the Senate and to the country. I am inclined to agree with very many of the things he has said this afternoon; and later on, when we take up these matters for legislation in the Naval Affairs Committee, I believe we can get together on some program that will really be for the good of the country.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment passed over.

The next amendment passed over was, on page 51, line 9, to strike out "$7,500,000" and insert "$8,450,000," so as to read:

The Secretary of the Navy may use the unexpended balances on the date of the approval of this act under appropriations heretofore made on account of "Increase of the Navy," together with the sum of $8,450,000, which is hereby appropriated, etc.

Mr. KING. Mr. President, is that merely a change in the totals?

Mr. HALE. That is simply for the building of a submarine instead of following out the House program of testing out an engine in one of the T-boats.

The amendment was agreed to.

The next amendment passed over was, on page 51, line 17, after the word "treaty" and the semicolon, to insert:

toward the construction of one submarine authorized by the naval act of August 29, 1916.

The amendment was agreed to.

The PRESIDENT pro tempore. The Chair is advised that that completes the committee amendments.

Mr. McKELLAR. I desire to offer an amendment.

Mr. HALE. If the Senator will pardon me, I have several committee amendments which I have been authorized to present on the floor, and I would like to have them disposed of before the individual amendments come in.

Mr. McKELLAR. That is perfectly agreeable to me.

Mr. HALE. I move, on page 14, line 8, after the word "consent," to insert a colon and the following:

Provided further, That members of the Volunteer Naval Reserve may, in the discretion of the Secretary of the Navy, be issued such articles of uniform as may be required for their drills and training, the value thereof not to exceed that authorized to be issued to other classes of the Naval Reserve Force, and to be charged against the clothing and small-stores fund.

Mr. KING. What is the object of that?

Mr. HALE. Certain of the Naval Volunteer Reserves train in the reserves with class 2, which gets retainer pay and uniforms; they should be given their uniforms. Otherwise they can not train.

Mr. KING. Did the House consider that amendment?

Mr. HALE. It was offered on the floor and went out on a point of order.

Mr. KING. Does the Senator know whether the House committee have any fundamental objection to it?

Mr. HALE. I am very sure they have not. In fact, I have talked with members of the House Committee on Naval Affairs, and they assure me that it should be adopted.

Mr. SWANSON. New York volunteers are not members of the Naval Reserve, technically——

Mr. HALE. This is not the case of the New York Volunteers. This refers to class 6 of the Naval Reserves.

Mr. SWANSON. I thought it referred to the New York Volunteers.

Mr. HALE. No; it does not.

The amendment was agreed to.

Mr. HALE. I offer the following amendment, to be inserted on page 14, after the amendment just agreed to:

Provided further, That until June 30, 1925, of the Organized Militia as provided by law, such part as may be duly prescribed in any State, Territory, or for the District of Columbia, shall constitute a Naval Militia; and until June 30, 1925, such of the Naval Militia as now is in existence, and as now organized and prescribed by the Secretary of the Navy under authority of the act of Congress approved February 16, 1914, shall be a part of the Naval Reserve Force, and the Secretary of the Navy is authorized to maintain and provide for said Naval Militia as provided in said act: *Provided further*, That upon their enrollment in the Naval Reserve Force, and not otherwise until June 30, 1925, the members of said Naval Militia shall have all the benefits, gratuities, privileges, and emoluments provided by law for other members of the Naval Reserve Force; and that, with the approval of the Secretary of the Navy, duty performed in the Naval Militia may be counted as active service for the maintenance of efficiency required by law for members of the Naval Reserve Force.

The amendment was agreed to.

Mr. HALE. On page 32, after line 20, I move to insert as a new paragraph the following:

The Secretary of the Treasury is authorized and directed to transfer from the naval supply account fund an amount not exceeding $100,000 for the establishment of a permanent special working fund, which shall be charged with the net proceeds of all sales of surplus and condemned stores, with refunds to bidders at sales and to special depositors, and with all labor, overhead, material, and services incident to work done not chargeable to naval appropriations, and which shall be credited with all funds received as payment or advances for surplus stores, for condemned stores, and for all expenses incident to work not chargeable to naval appropriations.

Mr. KING. I make a point of order——

Mr. McKELLAR. Will not the Senator from Maine explain that?

Mr. HALE. The Navy has to do a good deal of work for other departments, and in some emergency cases it does work for private individuals. There is no fund from which they can make these expenditures, and very often when they are dealing with other departments they can not get the money before the work is done. In the past, in cases of this kind, they have been making the necessary expenditures, and drawing the money from the general appropriation account, but a year ago the Comptroller of the Treasury informed the Secretary of the Navy that that could not be done, that the appropriation account could only be used for expenditures for which the money had been appropriated.

Mr. McKELLAR. Does this provide——

Mr. HALE. If the Senator will allow me to finish, I will be through in a moment. The department then took up the matter, to comply with the comptroller's decision, and they have established this fund of $100,000. It is not an appropriation; it is simply a transfer from the naval supply account of $100,000 to this fund. That will give them $100,000 on which to come and go with this, and they can start the work that is necessary to be done. Then, when the work is paid for, the fund will be reimbursed. In some cases the fund will be increased. For instance, ordinarily where condemned stores are sold, the proceeds go straight into the Treasury. This amendment provides that such proceeds shall go to this fund, and then be paid into the Treasury. It is altogether a matter of bookkeeping.

Mr. McKELLAR. In substance, does this permit the Navy Department to use these funds without their being appropriated by Congress?

Mr. HALE. Not at all. The Navy is doing work for the other departments, for the Shipping Board, for the War Department, whatever has to be done for other departments by the Navy.

Mr. McKELLAR. If it is not to permit the Navy Department to spend money without an appropriation by Congress, I have no objection to it.

Mr. HALE. It is not that at all.

Mr. McKELLAR. I am opposed to any department spending any money except through appropriations from the Treasury.

Mr. KING. May I ask the Senator whether the amendment which he has just offered calls for an additional $100,000 appropriation——

Mr. HALE. It does not.

Mr. KING. Or, to use the Senator's expression, is it merely a transfer, in a bookkeeping way, from funds now in the possession of the Treasury or the Navy Department or which are carried in other items in the appropriation bill?

Mr. HALE. It has nothing to do with any item in the appropriation bill. It simply takes $100,000 from one fund and puts it in another.

Mr. KING. The appropriation has already been made?

Mr. HALE. Oh, yes.

Mr. KING. The $100,000 is in existence as a live fund somewhere in the Treasury Department?

Mr. HALE. I am glad to be able to assure the Senator that that is true.

Mr. KING. I do not want to add another $100,000 to this bill.

The PRESIDING OFFICER (Mr. FESS in the chair). The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. HALE. I have another amendment. On page 32, after line 20, I move to insert as a new paragraph, following the amendment just agreed to, this provision:

The paymaster General of the Navy is hereby authorized and directed to expend from the naval supply account, without reimbursement to the naval supply account fund, issues made by order of the Secretary of the Navy, pursuant to the directions of the President, for the relief of sufferers in Japan following the earthquake which occurred September 1, 1923.

The amendment was agreed to.

Mr. HALE. On page 37, in lines 14 and 15, I move to strike out the following words. I think I will have no difficulty in having this amendment agreed to, as it is a reduction in an item in the bill.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 37, lines 14 and 15, strike out the words "Acetylene gas plant, extension and remodeling, $22,000," and in line 18, strike out "$102,000" and insert "$80,000."

The amendment was agreed to.

Mr. HALE. On page 41, line 4, after the word "airplanes," I move to insert a colon and the following:

Provided further, That the Secretary of the Navy is hereby authorized to consider, ascertain, adjust, determine, and pay out of this appropriation the amounts due on claims for damages which have occurred or may occur to private property growing out of the operations of naval aircraft, where such claim does not exceed the sum of $250: *Provided further*, That all claims adjusted under this authority during the fiscal year shall be reported in detail to the Congress by the Secretary of the Navy.

The amendment was agreed to.

Mr. SWANSON. Mr. President, I desire to offer the following amendment, on page 52, line 19.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 52, line 19, after the word "aircraft," insert a comma and the following:

and the number of men permitted in the respective navies.

Mr. SWANSON. Mr. President, the object of this amendment is to call a conference to perfect naval disarmament, which was not perfected at the last conference held here. As it is recalled no agreement was made respecting ships under 10,000 tons or as to aircraft. This amendment directs the President to enter into negotiations with the four other signatories, Great Britain, France, Italy, and Japan, in connection with reaching an agreement regarding limitation in the construction of all types and sizes of submarines, surface craft of 10,000 tons standard displacement or less, and aircraft.

I do not think we will have a complete system of disarmament until we enter into an agreement as to the number of enlisted men who can be maintained in the respective navies. I believe that if we limit the number of men who may be kept in the navies, as we do the number of men in the armies, it will relieve the apprehension that advantage is being taken of us by other nations by their having men prepared for naval services when we might be unprepared. I simply propose to add as an amendment to this provision in the bill the words "and the number of men permitted in the respective navies."

I believe if there had been a limitation in the number of men permitted in the respective navies at the last conference we would have had an agreement about battleships and aircraft and submarines and ships under 10,000 tons which would have been effective, and I do not believe we are going to have an effective agreement for disarmament until there is a limitation on the number of men who can be permitted in the respective navies. I think this will perfect it.

I would like to say, in this connection, that I am heartily in favor of this conference being called. It is for a naval conference, and not a general conference. But I think this Government has made a mistake for years in not accepting the invitation of the League of Nations to send a delegate to attend

the conference on disarmament fostered by the league. Fifty-four nations are assembled now engaged in trying to reach an agreement upon naval disarmament, aircraft disarmament, and military disarmament of all kinds and character. An invitation has been extended and has been pending for the United States to send a representative to that conference in order to accomplish disarmament in all parts of the world. I think we have been derelict in our duty. I think we have misrepresented the wishes of our people when we have refused to send a representative to that conference to accomplish disarmament. There can be no disarmament in the world until the United States is a party to it.

The strongest nation in the world, the most threatening nation so far as potential political power is concerned, is the United States. The rest of the world will not consent to disarm, either in aircraft, in naval armament, or in military armament of any kind, until they have an understanding with the United States. I believe we should call a naval conference and see if we can not perfect the naval agreement entered into several years ago.

In addition to that I think we are derelict in our duty, derelict in our obligations to the world, in not sending a representative to the conference of the League of Nations which is discussing all phases of armament. The invitation has been extended to us. We should accept, attend, and participate in it without entering the league, as it will simply make a recommendation for the respective governments to ratify. I hope this administration will accept the invitation—if necessary, get the consent of Congress to accept the invitation—and show an earnest desire to accomplish disarmament in the world, which is absolutely necessary in order to reduce taxes and bring back reasonable business conditions.

Mr. PEPPER. Mr. President, it seems to me that the amendment proposed by the Senator from Virginia may very usefully be adopted, so that it will become a part of the recommendation already contained in the bill, in virtue of which the President is advised to call a conference on naval disarmament or limitation of armament to be participated in by certain designated powers. It seems to me it is appropriate that such a conference or any such conference when called should take into consideration limitation of man power as well as limitation of armament. Personally I have not much hope that an effective limitation of man power can ever be agreed upon by convention or treaty for the reason that while we can standardize munitions and equipment there is no way of standardizing human service.

A man employed upon an American ship may be able to render twice the service that a man employed upon a ship of another nation might render. The varying man power of the individual is a permanent obstacle in the way of standardizing along the lines suggested by the Senator from Virginia, but it seems to me there is no reason why the subject should not receive consideration, and I for one hope that the amendment as he has proposed it will be agreed to.

I can not agree with the Senator that the United States has been either derelict or unwise in not participating in the deliberations of the body which is now considering the subject of limitation of armaments. It seems to me that is the best possible illustration of the way in which not to do the thing his amendment contemplates. A commission of experts sitting behind closed doors with instructions to proceed in secret and report in a separate secret report to the several constituent powers is the last way in the world to accomplish the thing which the Senator from Virginia and all Senators on this side of the Chamber are honestly desirous of accomplishing. The only way in which we are ever going to get a limitation of armaments is by calling a conference to meet in the open, a conference which shall command the simultaneous attention of all the world, and when we focus the enlightened opinion of all mankind on the great subject, to focus it effectively.

We can not gather little commissions of experts who, in their heart of hearts, do not want to limit the armament in which they are particularly interested. We can not gather them hopefully to sit behind closed doors. The people whose sentiments are going to control the ultimate policy of the world are the people who suffer when war is waged, and they are the people who are excluded from either information respecting or participation in the conference that is meeting over yonder. We want none of that, but we do want the kind of conference suggested in this measure as proposed to be amended by the Senator from Virginia, or, better still, we want a world conference and not a conference of some powers only.

Mr. SWANSON. If the Senator from Pennsylvania will permit me, it seems to me the only objection the Senator has urged to the conference that is now in session considering the limitation of armament is that it is secret or might be secret. If it were made an open conference, open in all of its deliberations, free and wholly open, would the Senator advise and favor the United States accepting its invitation and participating with the 54 nations in attempting to accomplish a limitation of armament?

Mr. PEPPER. I have already stated my position in the Senate on that subject, which is that any effective conference to consider the limitation of armaments must simultaneously have under consideration the thing upon which we must rely if limitation of armament is to be effective, namely, the development and codification of international law and a court of justice for applying its principles. I shall always favor the attendance by the United States at any world conference held in the open where the agenda include limitation of armaments of all sorts and development and improvement of international law, the strengthening and establishing of courts of arbitral justice and courts of international law for the purpose of enforcing it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I ask unanimous consent that at the close of business to-day the Senate take a recess until 11 o'clock to-morrow morning.

Mr. GERRY. May I ask the Senator from Utah if he has spoken to the Senator from North Carolina [Mr. SIMMONS] about the matter?

Mr. SMOOT. No; I have not.

Mr. GERRY. I think the Senator from North Carolina will want to proceed to-morrow, and I do not know whether he will be ready by 11 o'clock in the morning. I am not sure as to that, and I wondered if the Senator had consulted with him.

Mr. SMOOT. I have not as to time. I complied with his request at about 3 o'clock to-day to let the bill go over until to-morrow.

Mr. GERRY. Will the Senator make the request a little later in the day?

Mr. SMOOT. I have some very important work to do and expect to leave right away if possible.

Mr. GERRY. I should like to have the Senator make the request a little later.

Mr. SMOOT. There are other items in the bill that can be taken up to-morrow morning. There is the earned income amendment to be taken up to-morrow.

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent that when the Senate conclude its business to-day it shall take a recess until 11 o'clock to-morrow morning. Is there objections?

Mr. HARRISON. Mr. President, reserving the right to object, I wish to say that I realize the Senator from Utah desires to press the legislation, but it seems to me it is going along pretty well. The Committee on Agriculture and Forestry is holding hearings on the Ford proposal and the Muscle Shoals matter generally. There is a full attendance of the membership of the committee every morning. It is a very important question we are considering. We hope to close the hearings within two or three days. It is pretty hard on some of us who happen to be members of that committee and who want to be here while the revenue bill is being considered.

Mr. SMOOT. There are very few Senators actually present when we are considering the bill, as the Senator no doubt realizes.

Mr. HARRISON. The Senator knows that when we get here at 11 o'clock there must be a roll call, and we do not really get down to work until half past 11. So we do not save much time by meeting at 11 o'clock, especially when we are having so many committee meetings in the mornings.

Mr. SMOOT. The same thing applies when we meet at 12 o'clock. We have to call a quorum every day.

Mr. GERRY. I do not think the Senator will expedite the progress of the bill by meeting for the next few days at 11 o'clock. I think consideration of the bill is progressing very rapidly anyway. Just at this time I shall have to object to the unanimous-consent request.

The PRESIDING OFFICER. Objection is made.

Mr. SMITH. On page 37, line 24, I move to amend by striking out "$20,000" and insert in lieu thereof "$30,000." I have spoken to members of the committee in reference to it. The appropriation for this purpose has been double this amount up until last year, and it has been reported that the work had

to cease for lack of sufficient funds to do the dredging necessary in front of Government property.

Mr. HALE. In view of what the Senator has said, I shall be glad to accept the amendment and take it to conference.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 37, line 24, the Senator from South Carolina proposes to strike out "$20,000" and insert "$30,000," so as to read:

Navy yard, Charleston, S. C.: Dredging to continue, $30,000.

The amendment was agreed to.

Mr. HARRISON. Mr. President, I desire to offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Mississippi will be stated.

The READING CLERK. On page 54, after line 3, insert the following as a new paragraph:

That every officer of the United States Navy or Marine Corps who was dismissed therefrom solely because he left such service in order to join, or did join, the Confederate forces for service during the War between the States shall be held and considered to have duly resigned and to have been honorably discharged therefrom, and the Secretary of the Navy is hereby authorized and directed to correct the records of such officers in accordance herewith, as of the date of their dismissal.

Mr. SMOOT. Mr. President, I would like to have the amendment reported again.

The reading clerk again read the amendment.

Mr. HARRISON. May I say to the Senator from Utah that a similar amendment has passed the Senate twice before? At the outbreak of the War between the States there were some members of the Marine Corps and Navy who left and joined the Confederate forces. This is merely to amend their records so as to show that they were not dishonorably discharged. Most of them are dead and gone, but it is merely a matter of clearing up their records. I hope the Senator will not object. Twice such amendment has already been agreed to.

Mr. SMOOT. It seems to me that immediately they will come in for pensions.

Mr. HARRISON. Indeed not; there is no pension feature involved in it. If the Senator wants to do so he can offer an amendment providing that they shall not get pensions. God knows they never have and never will get pensions.

Mr. SMOOT. They deserted from the Navy or Marine Corps.

Mr. HARRISON. They did not desert. When the war broke out between the States there were some men in the Navy and Marine Corps who left and went to the other side.

Mr. SMOOT. Is not that desertion?

Mr. HARRISON. If the Senator wants to call it that, very well; but on the record it is shown that they were dishonorably discharged.

Mr. SWANSON. Liberal people now think the War between the States is over, and that if a man made a decision in the cause and chose to go with the Confederate forces, it was all right. This amendment would simply go back to that time and correct the records of some of the men who have made some of the best records ever made in the United States Navy.

Mr. SMOOT. There is no doubt about that.

Mr. SWANSON. Those men considered it their duty to stand by their States and they sent in their resignations. This would simply cure their record and give them credit for the splendid work they did for the Federal Government before the war. It gives them no pension.

Mr. HALE. I do not think it would be advisable to change the record in regard to the action of these men. I think as to the first part of the amendment there will probably be no objection. I do not think it would be possible to change the record in regard to a case of this kind, but I think to the first part of the amendment probably there could be no objection; that is, that these men shall have been held "to have duly resigned and to have been honorably discharged therefrom."

In all cases that have come up with reference to the soldiers of the North, where there has been a question of change of record, such bills have been vetoed by the President, on the ground that statements of fact or records could not be changed.

Mr. HARRISON. Will the Senator not let the amendment go in this form? If he shall desire to strike out the latter part in conference, at the instance of the Navy Department, there would not be any objection.

Mr. HALE. I shall be glad to do so.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. I have already sent to the desk an amendment to come in on page 53 of the bill. I desire to ask unanimous consent to perfect the amendment by inserting in line 3, after the word "moneys," the word "herein," and in line 4, after the word "expended," to insert the words "under contracts hereinafter made." Then I offer the amendment as perfected.

The PRESIDING OFFICER. Is there objection to the Senator perfecting the amendment? The Chair hears none, and the amendment will be perfected accordingly.

Mr. McKELLAR. I now offer the amendment.

The PRESIDING OFFICER. The amendment proposed by the Senator from Tennessee will be stated.

The READING CLERK. On page 53, line 20, after the word "plant" and the semicolon it is proposed to insert:

and that no part of the moneys herein appropriated or made available for the Naval Establishment shall be used or expended under contracts hereinafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement, can be repaired, manufactured, or produced in each or any of the Government navy yards or arsenals of the United States when time and facilities permit.

Mr. HALE. Mr. President, I will accept the amendment.

Mr. McKELLAR. I would rather put it to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Tennessee.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah desire to address himself to the amendment?

Mr. KING. I wish to address the Senate. I ask for recognition.

Mr. McKELLAR. Will not the Senator allow us first to have a vote on the amendment?

Mr. KING. No, not for a moment.

I should like to ask the chairman of the Committee on Naval Affairs whether in the amendment which has just been offered adequate safeguards are provided for the Government, so that in computing costs or in determining whether the Government may do work as cheaply as private yards the question of overhead, capital investment, and all proper factors shall be considered?

Mr. HALE. There is nothing in the wording of the bill in reference to the prices that shall be paid.

Mr. KING. Mr. President, as I understand this amendment, it is a prohibition of the Government or any official of the Government from having any repairs made to any vessel or machinery or to purchase any article or articles where the repairs can be made or the articles purchased in navy yards in the United States when time and facilities permit, regardless of price.

Mr. McKELLAR. Mr. President, I shall be very glad to explain the amendment, if the Senator will permit me, in just a word.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield.

Mr. McKELLAR. The Government of the United States has established navy yards and arsenals all along the Atlantic seaboard, along the Pacific coast, and in Honolulu at enormous expense. For some reason, after having established those navy yards and keeping a corps, or at least a skeleton corps, of workers there, frequently the department has in the past gone out and bought its supplies and had repairs made in private shops when there were ample Government facilities ready to do the work. It is quite remarkable that we should build up arsenals and navy yards at great cost and expense and maintain them at great cost and expense and then decline to use them. There is no doubt in the world that having put them there and having to maintain them anyway the work can be done very much cheaper in those navy yards than it can be done in private establishments.

The real reason that policy is being opposed—not by the Senator, I will say, but by the private institutions—is because the work can be done cheaper by Government facilities. The truth of the matter is that the greater part of the cost of the work which is let to private contractors by the Navy Department is just that much added to the general expense of the Navy. Of course, after instituting these facilities and after paying out the enormous sums which are provided in the pending bill to keep them in running order we ought to utilize them.

Mr. KING. Mr. President, in the discussion of other measures in the Senate the fact was brought to the attention of Senators that at any number of navy yards estimates submitted for the repair and for the construction of vessels, not having been carefully prepared or being drawn by officers or technicians who were anxious to get the work, and not having due regard to that ordinary integrity which should characterize their conduct, were so low as to result in a great deficit, and the Government of the United States was compelled to pay the deficit. The Senator from North Carolina [Mr. OVERMAN] instanced one case where the estimate was $400,000 less than the cost. Who paid it? The Government of the United States. I submit, Mr. President, this is putting into the hands of the navy yards too much unrestricted power.

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Iowa?

Mr. KING. I yield.

Mr. BROOKHART. I think the Senator misunderstands the amendment. Under this amendment, whenever the time and facilities will permit, the navy yards will go ahead and do the work without the Government receiving estimates from private parties at all. The idea of incorporating the phrase as to "time and facilities" is that if a ship is disabled in Europe, away across the water, of course it will be repaired before it is brought home, as it may be necessary to repair it in foreign waters. So the department will have a little leeway in that respect. It may be that there will be times when they will abuse that privilege. I think I cited yesterday some instances where they had done so; but in all previous provisions they were required to get estimates from private parties.

As I understand, all those representing the different elements have agreed to this amendment. I know the Senator from Massachusetts [Mr. LODGE] has agreed to it; I have agreed to withdraw my amendment in favor of this one, and the Senator from Maine [Mr. HALE] has also consented to this amendment. We think it will bring about the reform the Senator from Utah suggested a moment or so ago.

Mr. KING. Mr. President, I knew that the amendment offered by the Senator from Tennessee did not ask specifically for estimates; but I called attention to the fact that heretofore when estimates were required to be submitted or bids to be offered a loss occurred, and I called attention to the fact because the statement has been made, as I understood the Senator—and that has been the argument—that naval vessels can be repaired more cheaply in Government yards than in private yards. In the past when amendments have been offered somewhat analogous to the one now under consideration they have been accompanied by a provision to the effect that the work should be done in Government yards if they could do it as cheaply as it could be done elsewhere. The fact that that provision has been omitted is almost a confession of the inability of the Government yards to construct vessels or to make repairs as cheaply as can be done by private yards. But whether that be true or not, Mr. President, I feel that the discretion ought to be left with the officers of the Navy.

Mr. BROOKHART. I think, Mr. President, that, instead of conceding that the Government can not perform the work as cheaply as it can be performed by private concerns, it is a concession exactly to the contrary. We are now satisfied to go ahead without going to the extra expense and trouble and delay of getting estimates. Everybody now believes that the Government can do the work cheaper, and the showing that I presented to the Senate yesterday on behalf of Admiral McVay was to the effect that the work was done cheaper in the Government yards than in private yards, and that in spite of the fact that the Government yards figured in an unnatural overhead that ought not to be figured in.

Mr. KING. Mr. President, the very fact, I repeat, that the amendment offered by the Senator from Tennessee is shorn of the provision usually accompanying such amendments furnishes at least the basis for a legitimate inference that those who are its proponents, or at least some of them, do not feel that the work can be done as cheaply in Government yards as it can be done elsewhere.

Mr. McKELLAR. Will the Senator yield?

Mr. KING. In a moment. If that be not the case, why should not the amendment contain the provision "if the work can be done as cheaply in Government yards as in private yards"? The Senator from Massachusetts [Mr. LODGE] yesterday said if it could be done for not to exceed 10 per cent above the price that could be obtained elsewhere; but now we find that whole idea swept aside, and the work must be done at the Government yards. It is mandatory regardless of the cost.

If the work costs 100 per cent or 200 per cent more than it can be done for in private establishments, we are making it mandatory upon the part of the officials of the Navy Department to have the work done in Government yards.

Mr. BROOKHART and Mr. McKELLAR addressed the Chair.

Mr. KING. I yield first to the Senator from Iowa.

Mr. BROOKHART. I think the Senator misunderstood the explanation made by the Senator from Massachusetts. The 10 per cent provision that he mentioned, as I recollect, was to reduce this unnatural overhead in Government yards down to 10 per cent, whereas the Senator from Maine claimed it ought to be 30 or 40 per cent, or even more than that, because much of that overhead should not logically be charged to these repairs.

Mr. KING. Whether the Senator is right or I am right, the object of it was to take out of the appraisement one of the factors determinative of the cost of repairs or construction and to give an advantage to the Government yards, which theretofore was not enjoyed by them. Now I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, what I was going to say was this: Heretofore the department, whenever it could, has insisted upon having this work done in private yards, even though it might be done more cheaply, as it appears to many, and as the facts are believed to be. Either for their own convenience or for some other reasons which need not be discussed they have preferred to have this work done in private yards rather than in their own yards. That does not apply to all the officers of the Navy, but it applies to the department.

Mr. HALE. Mr. President——

Mr. McKELLAR. This time they have used the cost feature to give them a real excuse for doing that. That is the reason why the cost feature is taken out. As I understand, the department have concluded that they will give this a trial. It applies to this year. They are going to give it a trial. They are going to see if it can be done more cheaply and if it is better for the Navy Department. For that reason the chairman of the committee has agreed to this amendment, and the members of the committee have agreed to it, and I hope it will be adopted. Let us try it out; and then another year, if it does not work well, we will know that fact, and we will be that far on the road, at any rate.

Mr. HALE. Mr. President——

Mr. McKELLAR. I yield to the Senator from Maine.

Mr. HALE. In spite of what has been said, the bulk of the work that can be done in the yards is done in the yards now. There is no case on record in the Navy where a vessel that has been hauled up for repairs has been hauled up anywhere other than in a Government yard in this country. There are cases when these vessels have been on foreign stations and have had to be repaired at foreign yards but never in this country.

Mr. KING. Mr. President, one of my objections to this provision is this: It is manifest that there is a determination upon the part of some—and I am not complaining or criticizing—to maintain as many as possible of these navy yards, construction stations and arsenals. There will be no excuse for the maintenance of some of these yards and plants and factories, if they may be denominated factories, if we shall limit the amount of work to be done. What ought to be done, of course, is to concentrate, and maintain but a few plants and bases. They should be brought up to the highest standard, so far as mechanical appliances and machinery and efficiency in operation are concerned; but we have too many of these plants, and, as I showed yesterday from the chart furnished me by the Secretary of the Navy, some of these plants are operated at from 15 to 40 per cent only of their capacity.

As long as we have legislation of this kind we will keep alive plants that ought to be closed. There is no question about it; and I am objecting to so many plants, so many organizations, so many shore stations, so many of these extraneous things, things that are not imperatively needed for the building up and maintenance of a good fighting Navy. I want more money for the fighting ships and the naval craft and less for these supernumerary, these unnecesary, organizations.

If we adopt amendments of this character, we are keeping alive organizations that we do not need; we are galvanizing into a condition of semiactivity moribund and decadent organizations and instrumentalities and plants that ought to be permitted silently to sleep away their lives and to be buried with proper solemnity.

Senators, of course, will vote for this provision. I know that opposition to the maintenance of plants, yards, and sta-

tions not needed will prove entirely futile. Senators some day may discover that in these enormous appropriations there is much wastage and that we are perpetuating a system that contributes to the maintenance of bureaucracy and the fastening upon the people of a paternalistic government.

Mr. DILL. Mr. President, I just want to make this observation:

Every year, when these bills come in, for some reason or other this amendment in one form or another must be voted on on the floor of the House and Senate, and always it is adopted. It seems to me that the wise thing to do would be to make it a part of the statute, because it is always adopted, and stop the continual bringing up of this amendment and having it discussed and always carried on the floor.

Mr. BROOKHART. Mr. President, I will say to the Senator from Washington that I have introduced such a bill, and it is now pending, I believe, in the Committee on Military Affairs. I hope we can get a report on it. I think myself that this proposition ought to be determined as a matter of general policy, and that this thing of fighting over it in every bill ought to be ended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR].

The amendment was agreed to.

Mr. FLETCHER. Mr. President, after line 4, on page 41, following the amendment agreed to this afternoon, I move to insert the language which I will ask the Secretary to read.

The PRESIDING OFFICER. The Senator from Florida offers an amendment, which will be stated.

The READING CLERK. Following the amendment heretofore agreed to, on page 41, line 4, it is proposed to insert the following words:

That the Secretary of the Navy is authorized, when directed by the President, to accept on behalf of the United States, free from encumbrances and without cost to the United States, the title to such lands as he may deem necessary or desirable in the vicinity of Pensacola, Fla., for use as a site and right of way for the construction and maintenance of a pumping station, wells, and pipe line to provide a suitable water supply for the United States naval air station, Pensacola, Fla.

Mr. HALE. Mr. President, this amendment was favorably reported by the Committee on Naval Affairs of the Senate. It was also favorably reported by the House Committee on Naval Affairs. I am familiar with the situation in regard to this case, and I shall be glad to accept the amendment and take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I think now I ought to ask the chairman of the committee to agree to another amendment in order to carry into effect this provision.

The report of the Secretary of the Navy on the bill, which was introduced in the language of this amendment, shows the importance of this water supply at the naval air station, Pensacola. Of course, the amendment adopted would authorize the acceptance of land, and so forth, for that supply, but they need the water now. They can not wait for a year without drinking water, and they need good, wholesome water, and it ought to be provided now.

I am going to ask the chairman of the committee, therefore, to agree to an amendment, on line 20, page 40, following the semicolon, to insert "Pensacola, Fla., $150,000." That will take care of the appropriation required to do just what needs to be done at that air station.

Mr. HALE. Mr. President, I think the amendment would be subject to a point of order, but if the Senator insists on it I shall not make the point.

Mr. FLETCHER. I ask that the amendment be adopted.

The PRESIDING OFFICER. The Senator from Florida offers an amendment, which will be stated.

The READING CLERK. On page 40, line 20, after the numerals "237,000," it is proposed to insert:

Pensacola, Fla., $150,000.

Mr. SMOOT. Why does not the Senator make it $250,000?

Mr. FLETCHER. Because $150,000 is all they need.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was agreed to.

Mr. FLETCHER. Now, I ask to have inserted in the RECORD a letter from the Judge Advocate General of the Navy, Admiral Latimer, and the report of the committee on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE JUDGE ADVOCATE GENERAL,
Washington, March 22, 1924.

The Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have the honor to inclose herewith for your information a copy of the department's letter of even date to the Speaker of the House of Representatives, relative to proposed legislation in connection with the water supply situation at the naval air station, Pensacola, Fla.

There is also inclosed a copy of a draft of bill "Authorizing the Secretary of the Navy to accept certain lands in the vicinity of Pensacola, Fla., to assure a suitable water supply for the United Stated naval air station at Pensacola," copy of which bill accompanied the department's letter to the Speaker.

Sincerely yours,

J. L. LATIMER,
Judge Advocate General of the Navy.

(2 inclosures.)

DEPARTMENT OF THE NAVY,
Washington, March 22, 1924.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

SIR: I have the honor to transmit herewith a draft of a proposed bill "authorizing the Secretary of the Navy to accept certain lands in the vicinity of Pensacola, Fla., to assure a suitable water supply for the United States naval air station at Pensacola."

The water supply at the naval air station, Pensacola, Fla., is in a very precarious condition. The commandant of the station reports having only half the amount of water necessary, reduced pressure in the mains, and the probability of failure in the future of the only remaining deep well on the naval reservation.

Careful preliminary studies have been made of the situation. It has been estimated that economy will result by securing pure water from a source about 1½ miles from the naval air station at Pensacola. The land and right of way for a pumping station, wells, pipe lines, and quarters for attendants have been made available to the Government by the Pensacola Chamber of Commerce without cost to the United States. The necessity for this work has been realized for several years, and necessary items have been included in the preliminary estimates from year to year to cover the essential parts of this work.

However, as the situation with regard to the water supply at the naval air station, Pensacola, now appears to have reached a critical stage, the department believes that immediate steps should be taken to acquire title to the land which the city of Pensacola has offered to donate to the Government, with a view to the construction and maintenance thereon of necessary pumping stations, wells, pipe line, etc., to assure an adequate water supply for the naval air station at Pensacola. This matter, affecting as it does the health and sanitation of the station, and also the adequacy of fire protection, is considered of such importance as to warrant early acceptance by the Government of the land in question for the purpose above mentioned.

In order to make the necessary improvements on the land in question, provided it is finally deeded to the United States, it will be necessary at a later date to request an appropriation not to exceed $150,000.

This matter was referred to the Director of the Bureau of the Budget for consideration in accordance with Circular Letter No. 49 of that bureau, and the director, under date of March 13, 1924, advised the department that this proposed legislation had been presented to the President, who instructed the director to advise the Navy Department that this proposed legislation "is not in conflict with his financial program."

This department earnestly recommends that the inclosed draft of bill be enacted into law at an early date.

Sincerely yours,

THEODORE ROOSEVELT,
Acting Secretary of the Navy.

[Senate Report No. 373, Sixty-eighth Congress, first session]

AUTHORIZING THE SECRETARY OF THE NAVY TO ACCEPT CERTAIN LANDS IN THE VICINITY OF PENSACOLA, FLA., TO ASSURE A SUITABLE WATER SUPPLY FOR THE UNITED STATES NAVAL AIR STATION AT PENSACOLA

Mr. TRAMMELL, from the Committee on Naval Affairs, submitted the following report (to accompany S. 2928):

The Committee on Naval Affairs, to which was referred the bill (S. 2928) authorizing the Secretary of the Navy to accept certain lands in the vicinity of Pensacola, Fla., to assure a suitable water supply for the United States naval air station at Pensacola, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment. The water supply of

the naval air station at Pensacola is not at all sufficient for the requirements, and the committee feels that it should be remedied as quickly as possible. The committee feels that this bill should be incorporated as an amendment to the naval appropriation bill, H. R. 6820.

The following letter from the Secretary of the Navy expresses the department's views in the case:

DEPARTMENT OF THE NAVY,
Washington, April 4, 1924.

The CHAIRMAN COMMITTEE ON NAVAL AFFAIRS,
United States Senate.

MY DEAR MR. CHAIRMAN: Replying to the committee's letter of March 28, 1924, inclosing a bill (S. 2928) authorizing the Secretary of the Navy to accept certain lands in the vicinity of Pensacola, Fla., to assure a suitable water supply for the United States naval air station at Pensacola, and requesting the views of the Navy Department relative to this matter, I have the honor to inform you as follows:

The water supply at the naval air station, Pensacola, Fla., is in a very precarious condition. The commandant of the station reports having only half the amount of water necessary, reduced pressure in the mains, and the probability of failure in the future of the only remaining deep well on the naval reservation.

Careful preliminary studies have been made of the situation. It has been estimated that economy will result by securing pure water from a source about 1½ miles from the naval air station at Pensacola. The land and right of way for a pumping station, wells, pipe line, and quarters for attendants have been made available to the Government by the Pensacola Chamber of Commerce without cost to the United States. The necessity for this work has been realized for several years, and necessary items have been included in the preliminary estimates from year to year to cover the essential parts of this work.

However, as the situation with regard to the water supply at the naval air station, Pensacola, now appears to have reached a critical state, the department believes that immediate steps should be taken to acquire title to the land which the city of Pensacola has offered to donate to the Government, with a view to the construction and maintenance thereon of necessary pumping stations, wells, pipe line, etc., to assure an adequate water supply for the naval air station at Pensacola. This matter, affecting as it does the health and sanitation of the station, and also the adequacy of fire protection, is considered of such importance as to warrant early acceptance by the Government of the land in question for the purpose above mentioned.

In order to make the necessary improvements on the land in question, provided it is finally deeded to the United States, it will be necessary at a later date to request an appropriation not to exceed $150,000.

This matter was referred to the Director of the Bureau of the Budget for consideration, in accordance with circular letter No. 49 of that bureau, and the director, under date of March 13, 1924, advised the department that this proposed legislation had been presented to the President, who instructed the director to advise the Navy Department that this proposed legislation "is not in conflict with this financial program."

In view of the foregoing, this department urgently recommends that the bill S. 2928 be enacted into law at an early date.

Sincerely yours,

CURTIS D. WILBUR,
Secretary of the Navy.

Mr. JONES of Washington. Mr. President, on page 38, after line 8, I desire to offer an amendment.

The PRESIDING OFFICER. The Senator from Washington offers an amendment, which will be stated.

The READING CLERK. On page 38, after line 8, it is proposed to insert the following:

Quay wall, extension (limit of cost, $300,000), $150,000.

Mr. HALE. I have no objection to that amendment, Mr. President. It has been authorized by the Committee on Naval Affairs.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, following that amendment, I desire to offer another.

The PRESIDING OFFICER. The Senator from Washington offers a further amendment, which will be stated.

The READING CLERK. Following the amendment just agreed to, it is proposed to insert:

Repair and fitting out pier (limit of cost $1,190,000), $250,000.

Mr. KING. Mr. President, I shall leave that to the chairman of the committee, because I am sure that his devotion to the interests of the Navy and his desire for economy will prompt him not to consent to that amendment.

Mr. HALE. On the contrary, Mr. President, I think the amendment is an extremely good one. It was estimated for and it was asked for by the Navy Department.

Mr. JONES of Washington. It has been recommended by the Naval Affairs Committee of the House.

Mr. HALE. Yes; it has been recommended by the Naval Affairs Committee of the House.

Mr. JONES of Washington. It is a very necessary and a very desirable thing. It is something that we shall have to have.

Mr. HALE. I think it is extremely problematical whether a number of these amendments will be accepted by the conference; but I shall be very glad to take them to conference, and go over them on their merits.

Mr. KING. Mr. President, of course I have great regard for the Senator from Washington [Mr. JONES], and I know that he never advocates here a measure that he does not sincerely believe is necessary.

I have had considerable information concerning the item to which the Senator refers. I have talked with some naval men, and the information I have is not in harmony with the views of the Senator. I think the appropriation is an unnecessary one at this time, particularly in view of the important appropriations which we will need later on, if we do not have a naval agreement with other powers, for the enlargement of our auxiliary craft and the strengthening of the Navy. We are building too many piers, too many bases, too many plants, too many shore stations; and I think this is a needless appropriation. I shall not take the time to present the views which I have from a number of naval men who have spoken to me about it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. ODDIE. Mr. President, on behalf of the committee I report favorably an amendment proposed by the Senator from Oregon [Mr. MCNARY].

The PRESIDING OFFICER. The Senator from Nevada, on behalf of the Senator from Oregon [Mr. MCNARY], offers an amendment, which will be stated.

The READING CLERK. On page 39, after line 19, it is proposed to insert the following:

Submarine and destroyer base, Columbia River: Toward the further development of the submarine and destroyer base at Tongue Point, Columbia River, $200,000: *Provided*, That no part of the said appropriation shall be expended until the Secretary of the Navy shall have approved the further development of the said base.

Mr. WILLIS. Mr. President, it seems to me that is a very large appropriation. I think there ought to be some explanation by the Senator from Oregon before we vote on it. Otherwise, I should be inclined to oppose it.

Mr. MCNARY. Mr. President, to go into the details of the merits of this amendment would take quite a while, but I think it is sufficient to say that the Naval Affairs Committee of the Senate has voted favorably on the amendment. It simply carries out a subsisting contract between the county of Clatsop, in the State of Oregon, and the Federal Government, to continue the development of the naval base. I do not think it is necessary to say anything more. It would require the rest of the day for me to state all the merits of this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. KING. Mr. President, I regret very much to interrupt the majestic procession by which the Treasury is being depleted, but if the Senator will pardon me, he will get his $1,000,000 in a moment.

I would like to have the attention of the Senator from Pennsylvania [Mr. PEPPER], if he is here. We had under consideration a moment ago the provision on page 52 requesting the President to enter into negotiations with the Governments of Great Britain, France, Italy, and Japan with a view of reaching an understanding or agreement relative to limiting the construction of all types of vessels. The Senator from Virginia offered an important amendment to that. I want to ask the chairman of the committee if he does not regard it as important to have another amendment of the following tenor: After the word "Japan," to insert the words "and such other governments as he [the antecedent being the President] may deem proper"?

The Senator may recall that at the time of the last Washington conference there were some reputed heartburnings upon the part of one or two other powers—I shall not name them—because they were not invited to participate in the conference. I express no opinion as to the wisdom of Presi-

dent Harding in limiting the invitation to the powers which did participate in the conference. I do believe, however, that where we are seeking a limitation of auxiliary craft, small craft, submarines, torpedo boats, airplanes, and cruisers the invitation should not be limited to the same powers which participated before. I have that confidence in the President of the United States that I think he should, if he deems it wise, be directed to invite other nations to participate in the conference. Therefore, I beg to offer the amendment, and hope the chairman of the committee will accept it.

Mr. HALE. It seems to me the Senator's amendment is a very reasonable one.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 52, after the word "Japan," the Senator proposes to insert the words "and such other governments as he may deem proper."

The amendment was agreed to.

Mr. KING. Mr. President, I had intended to offer as an amendment to that part of the provision of the bill calling for a conference for the limitation of armaments the text of two resolutions which I have heretofore introduced in the Senate, but I shall not take the time to offer them now as amendments to the bill. I merely ask that they be printed in the RECORD as a part of my remarks in connection with the amendment which I have offered to that provision of the bill.

There being no objection, the joint resolutions were ordered to be printed in the RECORD, as follows:

Joint resolution (S. J. Res. 78) providing for the calling of an international conference on world relations.

Whereas the political and commercial relations between the governments and peoples of the world have not recovered from the dislocations caused by the World War, and there are many outstanding questions which require adjustment before international amity may be restored and international commerce regain its normal course; and,

Whereas the governments and peoples of the world desire and expect that the Government of the United States shall exercise its good offices to bring about a reconciliation of nations and a rectification of conditions which provoke war and preparation for war, prevent the use of work and goods of the world in the production of capital and wealth, and impede the normal course of trade and exchanges throughout the world: Now, therefore, be it

Resolved, etc., That the President is authorized to invite the nations without exception to convene in a world conference to be held at Washington to consider the present state of the world, particularly as affecting the political and commercial relations of the nations in the conference, and for the formulation and acceptance of a convention which shall promote international amity, reduce and restrict offensive armaments on land, sea, and in the air, arrange for the settlement, payment, clearing, and funding of international debts, stimulate production, facilitate international trade, stabilize international exchanges, remove impediments to commerce, and provide for the current settlement and adjustment of all questions affecting international political and commercial relations and the peace of the world.

A joint resolution (S. J. Res. 113) authorizing the President of the United States to appoint a commission to cooperate with the permanent advisory commission of the League of Nations for the limitation of military, naval, and air armaments

Whereas the League of Nations has constituted a permanent advisory commission for the consideration of questions affecting military, naval, and air armaments; and

Whereas said commission has under consideration the formulation of a draft convention for the limitation of military, naval, and air armaments, to which it is proposed all nations shall be signatory; and

Whereas the Council of the League of Nations, upon the recommendation of said permanent advisory commission on military, naval, and air questions, has invited the Government of the United States to name representatives to sit with the commission in a consultative capacity during its study of questions affecting the reduction of armaments; and

Whereas the Government of the United States is committed to the principle of the elimination of the provocation to war which is caused by the maintenance of large and unnecessary national armaments: Now therefore be it

Resolved, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, a commission of five representatives to sit in a consultative capacity with the permanent advisory commission of the League of Nations on military, naval, and air questions, and to advise with said commission with respect to the formulation of a draft convention, to which all nations shall be signatory, to effectuate the reduction and limitation of military, naval, and air armaments.

Mr. SMOOT. Mr. President, the Senator from Rhode Island [Mr. GERRY] is absent from the Chamber, and I am compelled to leave at this time. Therefore, I shall not request that we take a recess until 11 o'clock to-morrow, because the Senator objected; but I do at this time make a request that at the close of the business of the Senate to-day, we take a recess until 12 o'clock to-morrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

Mr. SHORTRIDGE. Mr. President, I offer the following amendment, to be inserted on page 40, after line 2.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 40, after line 2, the Senator from California proposes to insert the following:

Supply Depot, Marine Corps, San Francisco, Calif.: Construction of building, including grading of site, $500,000: *Provided*, That the Secretary of the Treasury is hereby authorized to transfer to the Navy Department a tract of land situated in the city of San Francisco, Calif., consisting of four 50-vara lots fronting 275 feet on the north side of Harrison Street and extending back bounded by Spear and Main Streets, 275 feet, for use as a site for the building herein authorized.

Mr. McKELLAR. Mr. President, has that been authorized, or has it been estimated for?

Mr. SHORTRIDGE. Yes.

Mr. McKELLAR. Has the Budget approved it?

Mr. SHORTRIDGE. I understand they have; and everybody favors it.

Mr. McKELLAR. Why was it not included in the bill?

Mr. SHORTRIDGE. I know not why it is not in the bill.

Mr. McKELLAR. Will the chairman of the committee state whether the Budget has approved this?

Mr. HALE. I do not think there is any estimate in the matter. I think there is merit in the amendment, however.

Mr. McKELLAR. Has there not been a bill introduced about this? What is it for; to establish a new base?

Mr. HALE. We have had this subject up for several years. It is a question of a supply depot.

Mr. SHORTRIDGE. I can explain it in a few minutes.

Mr. HALE. The Government has a lease on the property which is now occupied by the marines at San Francisco, which is about to expire. The marines have no other place to go if they are turned out of their present quarters.

Mr. KING. I have investigated this matter very carefully. As the Senator has said, we have had a depot there for some time. The lease is about to expire, and we have no headquarters, no depot, for the marines on the coast, and we must have some place for them.

Mr. HALE. There is no possibility of getting any other quarters. That has been tried.

Mr. KING. The authorities have tried to rent a place. I think really there has been neglect on the part of the Navy Department in the matter.

Mr. HALE. This matter has come up several times before the Committee on Naval Affairs, but we have not been able to legislate on the matter.

Mr. McKELLAR. If it was so important, why did not the committee take it up and discuss it?

Mr. HALE. We were unable to get the omnibus bill through. The Budget could never estimate on it, because it was never authorized.

Mr. McKELLAR. This property is property under the jurisdiction of the Treasury Department?

Mr. SHORTRIDGE. It is under the jurisdiction of the Treasury Department. The Marine Corps now occupy a building in San Francisco adjoining the Palace Hotel. The building happens to be owned by Mr. William Randolph Hearst. He has given notice to the Government that he can not or will not renew the lease.

Mr. McKELLAR. When will the lease expire?

Mr. SHORTRIDGE. It will expire June 30, 1925, next year. Our Government owns an available piece of property there in the city, and it is a question of erecting a building on property which the Government owns.

Mr. McKELLAR. The Government owns vacant property?

Mr. SHORTRIDGE. It does.

Mr. McKELLAR. Whereabouts in the city?

Mr. SHORTRIDGE. It is on Harrison Street. If the Senator visualizes San Francisco, as you enter, looking west on Market Street, it is to the left or south on Market Street, about three or four blocks from the wharves. The Secretary of the

Treasury, Mr. Mellon, is more than willing to transfer the control of the lot to the Navy Department, and all parties in interest are agreed.

Mr. McKELLAR. Has the Navy Department recommended it?

Mr. SHORTRIDGE. Yes; they all favor it, and it has been the subject of much discussion by individual Senators, and also the subject of correspondence.

Mr. McKELLAR. The head of the Marine Corps has recommended it also?

Mr. SHORTRIDGE. I have in my hand a detailed statement of the matter furnished me by that officer.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, I offer an amendment covering an item which I know the chairman of the committee thinks should not be included in the bill. I am rather inclined to think it ought to be included in the bill, and I am perfectly willing to submit the matter to the Senate. It does not have anything to do directly with the Navy.

There is to be a total eclipse of the sun on the 24th of January next. It will be a total eclipse near New York, and the Naval Observatory people would like to have an observation party authorized. They think there is a certain class of information which only the Government can get over a long period of time. Of course, it is known that private observers will be at various places along the line of this eclipse taking observations, and it may be that they can get all the information necessary. I have no technical knowledge in the matter. I have a brief statement here prepared by an astronomer whom I have known for a great many years, and in whose judgment I have a great deal of confidence, which I want to read.

Mr. McKELLAR. What is the proposal?

Mr. JONES of Washington. To appropriate $3,500.

Mr. McKELLAR. To do what?

Mr. JONES of Washington. To enable them to send a party up there to observe the eclipse. They will have to go up to Connecticut, somewhere near New York.

Mr. HALE. The hearings show that there would probably be from 50 to 100 other institutions making the same observations, and it does not seem to me the Government is justified in going to that expense itself.

Mr. McKELLAR. What relation has that to the naval appropriation bill?

Mr. JONES of Washington. The Naval Observatory officials want to make the trip. I want to read this brief statement from this astronomer stating what he thinks the Government would get out of it. His statement is as follows:

A total solar eclipse offers an opportunity of making a number of observations of great scientific value that can not be made at any other time. Among these are—

1. Times of the four contacts and the direction of the line joining the cusps during the partial phases. These observations furnish the means of correcting the tables of the motion of the sun and moon and therefore of great value to theoretical astronomers.

2. Spectroscopic observations, both visual and photographic, upon the corona, the prominences and the lower atmosphere of the sun.

3. Telescopic observations of the prominences and of the corona.

4. Photometric measurements of the intensity of the light at different stages of the eclipse.

5. Searching the regions near the sun for an intramercurial planet. (This has been given up by some astronomers, while others still hope to find one or more very small ones.)

6. There is an arrangement with the Western Union to observe the magnetic effect of an eclipse on the earth. There are many other observations that can be made by private observers, but those mentioned above should be made by the Government as they should be continued through many years.

As I said, I know nothing about the technical phases of this, but it does seem to me that as the Government maintains a Naval Observatory and gets out a nautical almanac and gives us information with reference to these things it is sort of a reflection for the Government to say, "Oh, well, private parties can make all these observations; private parties can look after these matters." It seems to me it is parsimonious on the part of the Government not to provide a little money to make these observations as long as we maintain the Naval Observatory.

Mr. McKELLAR. What are the elements of cost?

Mr. JONES of Washington. Three thousand five hundred dollars.

Mr. McKELLAR. But for what?

Mr. JONES of Washington. I do not know the details. They send a party—I do not know how many—and I suppose they have to fit up some little arrangement of some kind. This was approved by the Budget and is submitted to Congress. They evidently looked into it carefully, and I simply take their judgment. I will propose the amendment and leave to the Senate to do as it desires in the matter.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 19, after line 22, the Senator proposes to insert the following:

Expenses in preparing for and conducting observations of total solar eclipse of January 24, 1925, $3,500.

Mr. HALE. Mr. President, I have already expressed my views on the subject. This matter was considered by the House and turned down by them; it was considered by the Appropriations Committee of the Senate and turned down by them. I feel that it is an entirely unnecessary expense, which the Government would not be justified in making. I am sorry I can not agree with my friend, the Senator from Washington, much as I should like to do so.

Mr. WILLIS. Mr. President, I do not desire to speak more than a moment on the question; but it seems to me that in a great scientific matter of this sort involving the Naval Observatory, which makes the most important and the most accurate scientific investigations in the world, it is amazing that an important thing of this sort should be left to private persons. If we are not going ahead with this scientific work, then let us stop all of it; if we are going to maintain this sort of an establishment, let us do the thing as it ought to be done.

Mr. HALE. This solar eclipse is going to be observed by a good many other people.

Mr. WILLIS. Why does not the Senator say there are private observatories and that many of the things are going to be observed, so let us close down the Naval Observatory?

Mr. HALE. The data that other people get together will be entirely available to the Naval Observatory.

Mr. WILLIS. I presume it is the same way with other information that others get together. My contention is that the Government owes it to the scientists of the country to take the lead in matters of this kind, and I think it ought to make proper provision to do so.

Mr. HALE. I am sorry, but I can not agree with the Senator and I hope the amendment will not be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was rejected.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

APPROPRIATIONS FOR STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS

Mr. JONES of Washington. I want to give notice to the Senate that as the opportunity presents itself in the consideration of the tax bill I shall call up for consideration the bill (H. R. 8350) making appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1925, and for other purposes.

WORLD WAR VETERANS

Mr. REED of Pennsylvania. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 2257, to consolidate, codify, revise, and reenact the laws relating to the Veterans' Bureau, and so forth. For that purpose I ask that the unfinished business may be temporarily laid aside.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. McKELLAR. I do not see the Senator from Massachusetts [Mr. WALSH] present. He is a member of the committee having that bill in charge.

Mr. REED of Pennsylvania. I will say to the Senator that it is our purpose to take up only the unobjected committee amendments, which the Senator from Massachusetts and the rest of the Finance Committee have agreed to.

Mr. McKELLAR. Very well.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Pennsylvania?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2257) to consolidate, codify, revise, and reenact the laws affecting the establishment of the United States Veterans' Bureau and the administration of the war risk insurance act, as amended, and the vocational

rehabilitation act, as amended, which had been reported from the Committee on Finance with amendments.

Mr. REED of Pennsylvania. I ask that the formal reading of the bill be dispensed with, that the bill may be read for amendment, and that committee amendments may be first considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. McKELLAR. I have no objection, but in the event that any amendment is agreed to, which the Senator from Massachusetts [Mr. WALSH], who is not here, may desire to have reconsidered, there will be no objection to a reconsideration, I presume?

Mr. REED of Pennsylvania. We will have that understanding, although I will say to the Senator from Tennessee that every amendment made by the committee had the concurrence of both the Senator from Massachusetts and myself.

Mr. McKELLAR. Of course, if that is the case, it is all right with me.

Mr. REED of Pennsylvania. We will have the agreement that any amendment may be reconsidered on request of the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Pennsylvania asks unanimous consent that the formal reading of the bill may be dispensed with, that the bill be read for amendment, and that committee amendments be first considered. Is there objection? The Chair hears none, and it is so ordered. The bill will be read for action on the amendments of the committee.

Mr. JONES of Washington. Mr. President, I want to ask the Senator from Pennsylvania a question or two with reference to this measure. I have received telegrams from soldiers in hospitals not only in other States but in my own State, and resolutions from a committee of the inmates of the hospital at Walla Walla, Wash., in which they point out their objection to certain features of the report of the special committee. I want to find out whether those provisions are included in the bill or not.

Mr. REED of Pennsylvania. I shall be very glad to answer the Senator from Washington.

Mr. JONES of Washington. In the first place, after several whereases, the first resolution reads as follows:

Be it therefore resolved, That we go on record as being opposed to paragraph 2 of the committee's report, which limits the period of presumption that a tubercular and a neuropsychiatric disease is of service origin to three years after date of discharge, and that we recommend the extension of this period to five years after date of discharge.

Mr. REED of Pennsylvania. The committee has amended the bill, as the Senator will find on page 27, line 19, to extend the period to January 1, 1924, which is approximately four and one-half years from the average date of discharge. That extension goes almost the whole length to which the service men have asked us to go, but the committee did not feel justified in going to the full five years because of the very great cost.

Mr. JONES of Washington. I read further:

Be it further resolved, That paragraph 9 of the committee's report be so changed that where an insane veteran recovers to the extent that he is again able to resume his former position in society, he be entitled to recover all compensation to which he is entitled under the present laws.

Mr. REED of Pennsylvania. The Senator will find that that is corrected on page 35, lines 17 to 22, where it is provided that if an insane veteran recovers, the amount withheld shall be paid to him upon his discharge from the hospital.

Mr. JONES of Washington. I read further:

Be it further resolved, That we are vigorously opposed to paragraph 10 in its entirety, in that it will not serve as a disciplinary measure in any form but will simply be a cause to drive men from hospitals in order to obtain their full compensation.

Mr. REED of Pennsylvania. I think I remember the provision to which that refers.

Mr. JONES of Washington. Paragraph 10 of the report reads as follows:

A veteran in hospital will be required to allot not more than three-fourths of his monthly compensation to his wife, dependent children, or dependent parents. Any unallotted portion of such three-fourths will be deposited to his credit at interest with the Treasurer of the United States, and will be paid to the veteran on demand when he leaves the hospital. This provision compels of all men the same thrift that the wiser veterans have been employing of their own initiative. The extravagances of some men have retarded their own convalescence and have made discipline difficult.

Mr. REED of Pennsylvania. Most of that criticism is unjust. What the committee provided was a method by which married men might allot a part of their compensation to be paid to their wives. It was not compulsory. The committee further provided or meant to provide that men who had not allotted their pay and who were retarding their own convalescence by their own dissipation could be required by the director in his discretion to save up three-fourths of their compensation until they get out of the hospital. In order to make clear that that is the effect of the provision, we have inserted on page 36, lines 16 to 18, a provision that the compulsory allotment shall occur only where the director finds that the soldier is retarding his convalescence by his own gross dissipation, and in that kind of a case we feel that the money ought to be withheld.

Mr. JONES of Washington. I sympathize very much with the position as stated by the Senator. I read further from the resolutions:

Be it further resolved, That we are opposed to paragraph 13, in that it will be an injustice to many men entering original claims for compensation and many other men entering claims for increases in compensation if the granting of retroactive awards and retroactive increases of compensation were more strictly limited than at present, and that we are apposed to that part of paragraph 14 which prohibits automatic reinstatement of insurance out of retroactive awards for compensation.

Paragraph 13 of the report reads:

Retroactive awards and retroactive increases of compensation are more strictly limited. The opportunity for abuse of this privilege has been too great.

Mr. REED of Pennsylvania. As to that, the Finance Committee feel that the original decision should be retained. One of the greatest abuses in the Veterans' Bureau has been an abuse of the privilege of dating compensation back. In some cases it has gone to an absurd length in order to revive insurance which has lapsed. The Government has been cheated in many, many cases. We are anxious to avoid that abuse.

Mr. ODDIE. May I ask a question just at this point of the Senator from Pennsylvania? Has the fact that many awards have been made which have been unjust to the claimants been considered by the committee?

Mr. REED of Pennsylvania. Of course that is true, and we allow retroactive awards to be made for limited periods on the theory that the average case of injustice is corrected within six months of the time of original decision. I know that it is not always corrected within that time, but I think that the ends of justice in the average case are met by allowing an award to be made retroactive for one year where compensation has been totally refused, or to be retroactive for six months where it is a mere increase of compensation already paid. I know there is a great deal to be said both ways and that in some cases men have been unfairly dealth with, but there are many cases in which the Government has been unfairly dealt with.

Mr. ODDIE. From my observation and after careful study, I think a very, very large number of cases are those in which the men have been unfairly treated from various causes. I know of many cases where six months' time has not sufficed to give justice to the claimants because of the operation of the bureau as now constituted.

Mr. JONES of Washington. The resolutions to which I have been calling attention read further:

Be it further resolved, That we are opposed to paragraph 18 in its entirety unless additional legislation is enacted which will extend to these men, thus deprived in whole or in part of vocational training to which they are or should become entitled, a form of additional compensation equivalent to such training.

Section 18 of the committee report reads as follows:

Vocational training is limited to those who made application therefor on or before June 30, 1923. Training must be begun on or before June 30, 1924. All vocational training must be terminated by June 30, 1926. These provisions, and the conditions that render them necessary, will be fully discussed in the report of the committee.

Mr. REED of Pennsylvania. The committee have decided to recommend an extension of the time mentioned in that paragraph so that training can actually be commenced at any time up to June 30, 1925. We shall offer a committee amendment on page 62, line 21, to effect that extension, but we retain the original date for the termination of vocational training.

Mr. JONES of Washington. I thank the Senator for his clear explanation.

Mr. ODDIE. There are many tubercular cases in the hospital which, I think, will be unjustly dealt with if this arbitrary date is adhered to.

Mr. REED of Pennsylvania. The date is the same that has been in the law for several years. The vocational training experiment has been a great success in some cases. Take the men in the universities and the higher schools. All can feel very well satisfied with the way these men have taken advantage of the opportunity that was given them.

But, on the other hand, vocational training has been a dismal failure in thousands of cases. Men have started on one vocation and have changed to another and then to another and then to another in order to prolong their schooling, not because they wanted to learn anything but because they wanted to keep the monthly training allowance which was larger than the compensation for total disability. A soldier who was 10 per cent disabled would get $8 a month if he were receiving compensation, while if he could get himself ordered to take vocational training of some kind he would be getting $100 a month, and, of course, he has prolonged the training all he could. In some cases men have actually gone from one school to another, and from one occupation to another nine times; and they are still at it.

Mr. FESS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Ohio?

Mr. REED of Pennsylvania. I yield.

Mr. FESS. The Senator from Pennsylvania is touching upon a phase of the vocational training that has given those of us who have favored it from the beginning a good deal of distress of mind. I think it was estimated that the vocational training work would all be completed within three years; that after three years there would not be any more work to be done; and yet I am still getting letters from trainees, who ask that an additional year be given to them even this late after the war.

As one who was originally very much in favor of the proposal, having been one of the first members who advocated attempting this sort of thing, I admit that I am greatly distressed as to whether or not we are getting anything like value received for the expenditure.

Mr. REED of Pennsylvania. I agree fully wih the Senator from Ohio. We started out with the best motive to rehabilitate men whose earning power had been impaired by injuries suffered in the world war. To rehabilitate means to restore a man to a former earning power by enabling him to overcome the handicap incurred in war service. We have actually interpreted that to mean habilitate. We have taken men who have had no earning power, boys who were not yet ready for college, and instead of rehabilitating them we are putting them through college and through professional schools. We have given them professions for which they never dreamed of striving. The United States has been overgenerous, and I am proud to say that it has been overgenerous.

I am also proud to say that most of the young men took advantage of it properly and availed themselves of and bettered themselves by their opportunities; but it is a preposterous thing, Mr. President, to claim that rehabilitation must go on indefinitely after the close of the war. Last year my recollection is that rehabilitation cost us $100,000,000. I shall have the correct figures here to-morrow morning; but I am sure its cost was over $100,000,000.

Mr. FESS and Mr. McKELLAR addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield; and if so, to whom?

Mr. REED of Pennsylvania. I first yield to the Senator from Ohio.

Mr. FESS. When the law was first passed and the first appropriation was made, the appropriation was $2,000,000, and there was tremendous opposition to the appropriation of that amount. Then later the appropriation was increased to $6,000,080, and later it was increased to $10,000,000. It created almost a sensation in the House of Representatives when there was that amount of money asked. Now, long after the war, the appropriation has increased to $100,000,000. The question is now being raised in my own mind as to how long this is going to continue, and what are the definite results we are getting from this enormous expenditure.

Mr. REED of Pennsylvania. I can give the percentages by summarizing them in this way. In all the time since we began this vocational-training effort—and it has been going on for more than six years—less than 50 per cent of the men who have entered training service have completed their vocational training, and until the beginning of the present fiscal year only 35 per cent of them had completed their training; so that six years after the war was over the United States was still training more than 50 per cent of the men who wanted rehabilitation.

Mr. McKELLAR. Mr. President, will the Senator from Pennsylvania yield to me in order that I may ask a question about another matter?

Mr. REED of Pennsylvania. I yield.

Mr. McKELLAR. I desire to ask a question in reference to the first matter which the Senator discussed. A constituent of mine from Nashville, Tenn., who was an officer in the Army and served in France, was stricken with paralysis agitans in 1921. The department has ruled against him every time, though, apparently, so far as I can determine, there is no other reason in the world except his war service for his trouble. I have known the man practically all my life. He was a splendid specimen of manhood, a man about 40 years old, I imagine, at the time he went into the Army. I am wondering whether in a worthy case of that kind, where a man is absolutely down and out and unable to do anything, there is any provision in this bill affording relief, or does the provision on page 27 relative to neuropsychiatric diseases cover that, in the opinion of the Senator?

Mr. REED of Pennsylvania. It should cover that, for paralysis agitans is entirely a psychiatric disease.

Mr. McKELLAR. The department has held, however, that it is purely a contagious or infectious disease that is contracted within a period of about two weeks—a most remarkable holding, as it seems to me. In a case which I know to be meritorious it seems to me that that man and others like him should have an opportunity to present their claims and not be barred by the statute. The bureau also holds that this man is barred because of the present statute.

Mr. REED of Pennsylvania. I fully agree with the Senator that if the disease was incurred while in the military service it is a matter for which the Government ought to compensate the soldier; and I should be glad to join with the Senator in looking into that particular case.

Mr. McKELLAR. I will undertake to-morrow to get the exact facts from the Veterans' Bureau and then submit an amendment. The Senator does not propose to vote on the bill this evening, does he?

Mr. REED of Pennsylvania. Not at all.

The reading clerk proceeded to read the bill.

The first amendment of the Committee on Finance was, on page 4, line 22, to reduce the annual salary of the Director of the United States Veterans' Bureau from "$12,000" to "$10,000."

Mr. REED of Pennsylvania. That is an amendment on which the committee was not wholly agreed, and I ask that it go over until the full committee is here.

The PRESIDENT pro tempore. The amendment will be passed over.

The next amendment of the Committee on Finance was, on page 5, line 1, after the word "prescribe," to strike out "to whom the director may delegate his powers to such extent as to him may seem advisable"; and in line 5, after "prescribe," to insert, "With such exceptions as the President may deem advisable, all employees shall be subject to the civil service law and regulations made thereunder," so as to read:

> There shall be included on the technical and administrative staff of the director such staff officers, experts, inspectors, and assistants as the director shall prescribe; and there shall be in the United States Veterans' Bureau such sections and subdivisions thereof as the director shall prescribe. With such exceptions as the President may deem advisable, all employees shall be subject to the civil service law and regulations made thereunder.

The amendment was agreed to.

The next amendment was, on page 5, after line 8, to strike out:

> That the bureau and its divisions shall have such deputies, assistants, actuaries, clerks, and other employees as may be from time to time provided by Congress. The director is authorized to establish an advisory board consisting of three members skilled in the practice of insurance against death or disability, for the purpose of assisting the division of military and naval insurance in fixing premium rates and in the adjustment of claims for losses under the contracts of insurance provided for in Title III and in adjusting claims for compensation under Title II, compensation for the persons so appointed to be determined by the director, but not to exceed $20 a day each while actually employed.

The amendment was agreed to.

The next amendment was, on page 6, line 2, after the word "act," to insert, "and all decisions of questions of fact affecting any claimant to the benefits of Titles II, III, or IV of this act shall be conclusive"; and in line 5, after the word "herein,"

to insert, "all officers and employees of the bureau shall perform such duties as may be assigned them by the director. All official acts performed by such officers or employees specially designated therefor by the director shall have the same force and effect as though performed by the director in person," so as to read:

SEC. 5. The director, subject to the general direction of the President, shall administer, execute, and enforce the provisions of this act, and for that purpose shall have full power and authority to make rules and regulations, not inconsistent with the provisions of this act, which are necessary or appropriate to carry out its purposes, and shall decide all questions arising under this act and all decisions of questions of fact affecting any claimant to the benefits of Titles II, III, or IV of this act shall be conclusive except as otherwise provided herein. All officers and employees of the bureau shall perform such duties as may be assigned them by the director. All official acts performed by such officers or employees specially designated therefor by the director shall have the same force and effect as though performed by the director in person. Wherever under any provision or provisions of the act regulations are directed or authorized to be made such regulations, unless the context otherwise requires, shall or may be made by the director. The director shall adopt reasonable and proper rules to govern the procedure of the divisions and to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same in order to establish the right to benefits of allowance, allotment, compensation, or insurance provided for in this act, the forms of application of those claiming to be entitled to such benefits, the methods of making investigations and medical examinations, and the manner and form of adjudications and awards.

The amendment was agreed to.

The next amendment was, on page 6, line 24, after the word "duty," to strike out: "to provide such facilities, instructors, and courses as may be necessary to insure the proper training for such persons as are required to follow such courses as herein provided; to prescribe the courses to be followed by such persons; to pay, when in the discretion of the bureau such payment is necessary, the expense of travel, lodging, subsistence, and other necessary expenses of such persons while following the prescribed courses; to do all things necessary to insure vocational rehabilitation"; and on page 7, line 8, after the word "occupations," to insert "The test of rehabilitation shall be employability," so as to read:

SEC. 6. That the bureau shall have the power, and it shall be its duty, to provide for the placement of rehabilitated persons in suitable or gainful occupations. The test for rehabilitation shall be employability. The director is authorized and directed to utilize, with the approval of the Secretary of Labor, the facilities of the Department of Labor, in so far as may be practicable, in the placement of rehabilitated persons in suitable or gainful occupations.

The amendment was agreed to.

The next amendment was, on page 7, after line 13, to strike out:

SEC. 7. That it shall also be the duty of the bureau to make or cause to have made studies, investigations, and reports regarding the vocational rehabilitation of disabled persons and their placement in suitable or gainful occupations.

The amendment was agreed to.

The next amendment was, on page 7, line 19, to change the section number from 8 to 7.

The amendment was agreed to.

The next amendment was, on page 8, line 17, to change the section number from 9 to 8.

The amendment was agreed to.

The next amendment was, on page 9, line 19, after the word "such," to strike out "claims," and to insert "claims, to investigate frauds on or attempts to defraud the Government, or the irregularity or misconduct of any officer or agent of the bureau"; and in line 25, after the word "act," to strike out "Nothing in this section shall be construed to authorize a travel allowance to clerks or persons for transportation or subsistence outside of the district in which they are employed," so as to read:

For the purpose of this act, the director is authorized to detail from time to time clerks or persons employed in the bureau to make examinations into the merits of compensation and insurance claims, whether pending or adjudicated, as he may deem proper, and to aid in the preparation, presentation, or examination of such claims, to investigate frauds on or attempts to defraud the Government, or the irregularity or misconduct of any officer or agent of the bureau; and any such person so detailed shall have power to administer oaths, take affidavits, and certify to the correctness of the papers and documents pertaining to the administration of this act.

The amendment was agreed to.

The next amendment was, on page 10, line 4, to change the section number from 10 to 9; in the same line after the word "assistants" to strike out "authorized to be"; in line 7, after the word "give," to strike out "all necessary," and to insert "such"; in the same line, after the word "render," to strike out "all," and to insert "such," and in line 8, after the word "services," to strike out "upon the request of," and to insert "as may be requested by," so as to make the paragraph read:

SEC. 9. In addition to the legal assistant employed by the bureau, the officers of the Department of Justice, under the direction of the Attorney General, shall give such opinions and render such necessary legal services as may be requested by the director.

Mr. REED of Pennsylvania. Mr. President, in paragraph 9 the committee favors an amendment which was requested by the Department of Justice, and I should like to present it at this point. I offer an amendment so as to make paragraph 9 read as follows:

In addition to the services of the legal assistants employed by the bureau, the director may require the opinion of the Attorney General on any questions of law arising in the administration of the bureau.

The purpose of this amendment is to make the relations of the Veterans' Bureau with the Department of Justice the same as those which now exist in all of the departments, which by the Revised Statutes are given precisely the authority proposed to be given by this amendment.

Mr. McKELLAR. Mr. President, is that a committee amendment?

Mr. REED of Pennsylvania. It is an amendment approved by the members of the committee, including the Senator from Massachusetts [Mr. WALSH].

Mr. WALSH of Massachusetts. The only difference between the amendment printed in the bill and the amendment offered by the Senator from Pennsylvania is that the amendment in the bill gives the Veterans' Bureau authority to call upon the Department of Justice for legal services, while the amendment offered by the committee simply gives them authority to call for the opinion of the Attorney General.

Mr. REED of Pennsylvania. Yes; that is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was agreed.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 10, line 10, to change the section number from 11 to 10.

The amendment was agreed to.

The next amendment was, on page 12, after line 13, to strike out "The President is hereby authorized, should he deem it necessary and advisable for the proper medical care and treatment of beneficiaries under this act, to transfer to the director the operation, management, and control of specifically designated hospitals now under the jurisdiction of the Public Health Service. Such hospitals when transferred shall be used exclusively for beneficiaries under this act and shall be under the operative control of the director for such period of time as the President may prescribe," and in lieu thereof to insert:

There are hereby permanently transferred to the Veterans' Bureau all hospitals now or formerly under the jurisdiction of the Public Health Service, the operation, management, and control of which have heretofore been transferred by the President to said bureau pursuant to the authority contained in section 9 of the act entitled "An act to establish a Veterans' Bureau and to improve the facilities and service of such bureau and further to amend and modify the war risk insurance act, approved August 9, 1921."

The amendment was agreed to.

The next amendment was, on page 13, line 7, to change the section number from 12 to 11.

The amendment was agreed to.

The next amendment was, on page 13, line 21, to change the section number from 13 to 12.

The amendment was agreed to.

The next amendment was, on page 14, line 10, to change the section number from 14 to 13.

The amendment was agreed to.

The next amendment was, on page 14, line 19, to change the section number from 15 to 14.

The amendment was agreed to.

The next amendment was, on page 14, after line 21, to strike out:

SEC. 16. That the director shall submit annually to the Bureau of the Budget estimates of the appropriations necessary for the work of the bureau.

The amendment was agreed to.

The next amendment was, at the top of page 15, to strike out:

SEC. 17. Complete individual record of each beneficiary shall be kept by the bureau.

The amendment was agreed to.

The next amendment was, on page 15, line 3, to change the section number from 18 to 15.

The amendment was agreed to.

The next amendment was, on page 15, line 19, to change the section number from 19 to 16; on page 16, at the beginning of line 9, to strike out "in the Court of Claims or," and in line 10, after the name "United States," to insert "or in the Supreme Court of the District of Columbia," so as to read:

SEC. 16. All sums heretofore appropriated for the military and naval insurance appropriation and all premiums collected for the yearly renewable term insurance provided by the provisions of Title III deposited and covered into the Treasury to the credit of this appropriation, shall, where unexpended, be made available for the bureau. All premiums that may hereafter be collected for the yearly renewable term insurance provided by the provisions of Title III hereof shall be deposited and covered into the Treasury for the credit of this appropriation. Such sum, including all premium payments, is made available for the payment of the liabilities of the United States incurred under contracts of yearly renewable term insurance made under the provisions of Title III, including such liabilities as shall have been or shall hereafter be reduced to judgment in a district court of the United States or in the Supreme Court of the District of Columbia. Payments from this appropriation shall be made upon and in accordance with the awards by the director.

The amendment was agreed to.

The next amendment was, on page 16, line 13, to change the section number from 20 to 17; in line 20, after the word "judgment," to strike out "in the Court of Claims or," and in line 21, after the name "United States," to insert "or in the Supreme Court of the District of Columbia," so as to read:

SEC. 17. That all premiums paid on account of insurance converted under the provisions of Title III hereof shall be deposited and covered into the Treasury to the credit of the United States Government life insurance fund and shall be available for the payment of losses, dividends, refunds, and other benefits provided for under such insurance, including such liabilities as shall have been or shall hereafter be reduced to judgment in a district court of the United States or in the Supreme Court of the District of Columbia. Payments from this fund shall be made upon and in accordance with awards by the director.

The amendment was agreed to.

The next amendment was, on page 17, line 9, to change the section number from 21 to 18.

The amendment was agreed to.

The next amendment was, on page 17, after line 15, to strike out:

SEC. 22. That all commissioned personnel detailed or hereafter detailed from the United States Public Health Service to the bureau shall hold the same rank and grade, shall receive the same pay and allowances, and shall be subject to the same rules for relative rank and promotion as now or hereafter may be provided by law for commissioned personnel of the same rank or grade or performing the same or similar duties in the United States Public Health Service.

The amendment was agreed to.

The next amendment was, on page 17, line 24, to change the section number from 23 to 19; in the same line, after the word "attorney" to insert "except the recognized representatives of the American Red Cross, the American Legion, the Disabled American Veterans, and the Veterans of Foreign Wars"; in line 8, after the name "United States," to strike out "either in the Court of Claims or," and to insert "either in the Supreme Court of the District of Columbia or"; and in line 20, after the word "paid," to insert "All persons having or claiming to have an interest in such insurance may be made parties to said suit, and such as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication as the court may direct. The procedure in such suits shall otherwise be the same as that provided for suits in the district courts by the act entitled, 'An act providing for the bringing of suits against the United States,' approved March 3, 1887, as amended." so as to make the section read:

SEC. 19. That no claim agent or attorney except the recognized representatives of the American Red Cross, the American Legion, the Disabled American Veterans, and the Veterans of Foreign Wars shall be recognized in the presentation or adjudication of claims under Titles II, III, and IV, except that in the event of disagreement as to claim under a contract of insurance between the bureau and any beneficiary or beneficiaries thereunder an action on the claim may be brought against the United States either in the Supreme Court of the District of Columbia or in the district court of the United States in and for the district in which such beneficiaries or any one of them resides, and that whenever judgment shall be rendered in an action brought pursuant to this provision, the court, as part of its judgment, shall determine and allow such reasonable attorney's fees, not to exceed 5 per cent of the amount recovered, to be paid by the claimant in behalf of whom such proceedings were instituted to his attorney, said fee to be paid out of the payments to be made to the beneficiary under the judgment rendered at a rate not exceeding one-tenth of each of such payments until paid. All persons having or claiming to have an interest in such insurance may be made parties to said suit, and such as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication as the court may direct. The procedure in such suits shall otherwise be the same as that provided for suits in the district courts by the act entitled, "An act providing for the bringing of suits against the United States," approved March 3, 1887, as amended.

The amendment was agreed to.

The next amendment was, on page 19, line 4, to change the section number from "24" to "20."

The amendment was agreed to.

The next amendment was, on page 19, line 8, to change the section number from 25 to 21; in line 12, after the word "payment," to strike out "shall" and to insert "may," and in line 14, after the words "by the," to insert "laws," so as to read:

SEC. 21. That where any payment under this act is to be made to a minor, other than a person in the military or naval forces of the United States, or to a person mentally incompetent, or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian, curator, or conservator by the laws of the State or residence of claimant, or is otherwise legally vested with responsibility or care of the claimant or his estate, etc.

The amendment was agreed to.

The next amendment was, on page 20, line 7, to change the section number from 26 to 22.

The amendment was agreed to.

The next amendment was, on page 20, line 23, to change the section number from 27 to 23.

The amendment was agreed to.

The next amendment was, on page 22, line 7, to change the section number from 28 to 24.

The amendment was agreed to.

The next amendment was, on page 22, line 21, to change the section number from 29 to 25.

The amendment was agreed to.

The next amendment was, on page 23, line 10, to change the section number from 30 to 26.

The amendment was agreed to.

The next amendment was, on page 23, after line 21, to insert a new section, as follows:

SEC. 27. That all payments of compensation and insurance heretofore made pursuant to a regulation permitting permanent and total disability to be presumed from hospitalization or ratings of less than permanent total disability shall be deemed valid and no recovery thereof shall be made: *Provided*, That nothing herein shall operate to validate insurance not in force on the date of award thereof was approved, except where premiums have been thereafter accepted.

The amendment was agreed to.

The next amendment was, on page 24, after line 4, to insert a new section, as follows:

SEC. 28. There shall be no recovery of payments from any beneficiary, who, in the judgment of the director, is without fault on his part, and where, in the judgment of the director, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience.

The amendment was agreed to.

The next amendment was, on page 24, after line 10, to insert a new section, as follows:

SEC. 29. The director is authorized, in his discretion, to sell, lease, or exchange surplus equipment, supplies, products, or waste materials belonging to the bureau or any of its plants or institutions; and to lease for a term, not exceeding three years, lands or buildings, or parts or parcels thereof, belonging to the United States and under the control of the bureau. The net proceeds of all such sales, leases, or exchanges shall be covered into the Treasury of the United States to the credit of the appropriation from or on account of which the subject of such sale, lease, or exchange was purchased or is maintained to be available for the purpose of such appropriation.

The amendment was agreed to.

The next amendment was, on page 24, after line 22, to insert a new section as follows:

SEC. 30. That all files, records, reports, and other papers and documents pertaining to any claim for the benefits of this act, whether pending or adjudicated, shall be deemed confidential and privileged, and no disclosure thereof shall be made except as follows:

(a) To a claimant or his duly authorized representative, as to matters concerning himself alone, when in the judgment of the director such disclosure would not be injurious to the physical or mental health of the claimant;

(b) Where required by the process of a United States court to be produced in any suit or proceeding therein pending; or when such production is deemed by the director to be necessary in any suit or proceeding brought under the provisions of this act;

(c) In all proceedings in the nature of an inquest into the mental competency of a claimant, and in all other judicial proceedings, when in the judgment of the director such disclosure is deemed necessary and proper;

(d) The amount of compensation or training allowance of any beneficiary shall be made known to any person who applies for such information.

Wherever the production of a file, record, report, or other document is required or permitted by this section a certified copy thereof may be produced in lieu of the original, and such certified copy shall be received in evidence with like force and effect as the original.

The amendment was agreed to.

The next amendment was, under the heading "Title II.—Compensation and treatment," on page 25, line 26, after the words "in the," to strike out "line of duty" and insert "military service"; on page 26, line 2, after the word "aggravation," to insert "or recurrence"; in line 5, after the word "in," to insert "or such recurrence was caused by,"; in the same line, after the word "the," to strike out "line of duty" and to insert "military service"; in line 16, after the word "disease," to strike out "or"; in the same line, after the word "aggravation," to insert "or recurrence"; on page 27, line 7, after the words "have had," to strike out "within three years after separation from the active military or naval service of the United States" and to insert "prior to January 1, 1924"; in line 10, before the word "an," to strike out "or"; in the same line, after the word "disease," to insert "or encephalitis lethargica"; in line 13, after the words "shall be," to strike out "considered" and to insert "conclusively presumed"; in line 14, after the word "service," to insert "between April 6, 1917, and July 2, 1921"; in line 16, after the word "neuropsychiatric," to strike out "disease" and to insert "disease"; in line 17, before the word "tuberculosis," to strike out "or"; in the same line, before the word "in," to insert "or encephalitis lethargica"; in line 18, before the word "but," to insert "between said dates"; in line 23, after "of this act," to strike out "at a date more than three years after separation from such service," and to insert "on or subsequent to January 1, 1924"; and on page 28, line 1, after the word "claim," to strike out the colon and the following proviso: "*And provided further*, That compensation as hereinafter provided may be paid for disability resulting from personal injury or disease contracted in line of duty prior to April 6, 1917, or for aggravation of a disability existing prior to examination, acceptance, and enrollment for service for such aggravation suffered and contracted in line of duty prior to April 6, 1917, by any member of the military or naval forces in active service on April 6, 1917, who was discharged subsequent to April 6, 1917. With the exception of members of the military and naval forces whose injury was suffered or disease contracted prior to April 6, 1917, this section shall be deemed to be in effect as of April 6, 1917," so as to read:

TITLE II.—COMPENSATION AND TREATMENT

SEC. 200. For death or disability resulting from personal injury suffered or disease contracted in the military service on or after April 6, 1917, and before July 2, 1921, or for an aggravation or recurrence of a disability existing prior to examination, acceptance, and enrollment for service, when such aggravation was suffered and contracted in, or such recurrence was caused by, the military service on or after April 6, 1917, and before July 2, 1921, by any commissioned officer or enlisted man, or by any member of the Army Nurse Corps (female) or of the Navy Nurse Corps (female) when employed in the active service under the War Department or Navy Department, the United States shall pay to such commissioned officer or enlisted man, member of the Army Nurse Corps (female) or of the Navy Nurse Corps (female), or, in the discretion of the director, separately to his or her dependents, compensation as hereinafter provided; but no compensation shall be paid if the injury, disease, aggravation, or recurrence has been caused by his own willful misconduct. That for the purposes of this section every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department who was discharged or who resigned prior to July 2, 1921, and every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department on or before November 11, 1918, who on or after July 2, 1921, is discharged or resigns, shall be conclusively held and taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, disorders, or infirmities made of record in any manner by proper authorities of the United States at the time of, or prior to, inception of active service, to the extent to which any such defect, disorder, or infirmity was so made of record: *Provided*, That an ex-service man who is shown to have or, if deceased, to have had, prior to January 1, 1924, a neuropsychiatric disease, an active tuberculous disease, or encephalitis lethargica developing a 10 per cent degree of disability or more in accordance with the provisions of subdivision (4) of section 202 of this act shall be conclusively presumed to have acquired his disability in such service between April 6, 1917, and July 2, 1921, or to have suffered an aggravation of a preexisting neuropsychiatric disease, tuberculosis, or encephalitis lethargica in such service between said dates, but nothing in this proviso shall be construed to prevent a claimant from receiving the benefits of compensation and medical care and treatment for a disability due to these diseases of more than 10 per cent degree (in accordance with the provisions of subdivision (4), section 202, of this act) on or subsequent to January 1, 1924, if the facts of the case substantiate his claim.

The amendment was agreed to.

The next amendment was, on page 29, at the beginning of line 5, to strike out "$76" and to insert "$75," so as to read:

SEC. 201. That if death results from injury—

If the deceased leaves a widow or child, or if he leaves a mother or father either or both dependent upon him for support, the monthly compensation shall be the following amounts:

(a) If there is a widow but no child, $25.

(b) If there is a widow and one child, $35, with $5 for each additional child.

(c) If there is no widow, but one child, $20.

(d) If there is no widow, but two children, $30.

(e) If there is no widow, but three children, $40, with $5 for each additional child.

(f) If there is a dependent mother (or dependent father), $20, or both, $30. The amount payable under this subdivision shall not exceed the difference between the total amount payable to the widow and children and the sum of $75. Such compensation shall be payable whether the dependency of the father or mother, or both, arises before or after the death of the person, but no compensation shall be payable if the dependency arises more than five years after the death of the person.

The amendment was agreed to.

The next amendment was, on page 31, after line 6, to strike out:

(7) That this section shall be deemed to be in effect as of April 6, 1917: *Provided, however*, That before compensation thereunder shall be paid there shall first be deducted from said sum so to be paid the amount of any payments such person may have received by way of gratuities or payments under pension laws in force and existence between April 6, 1917, and October 6, 1917: *And provided further*, That no changes in rates of compensation made by this act shall be retroactive in effect.

The amendment was agreed to.

The next amendment was, on page 31, after line 15, to insert:

(7) That this section shall be deemed to be in effect as of April 6, 1917: *Provided, however*, That the receipt of a gratuity, pension, or compensation by widow or parent on account of the death of any person shall not bar the payment of compensation on account of the death of any other person: *Provided*, That before compensation under this section shall be paid there shall first be deducted from said sum so to be paid the amount of any payments made under any other law on ac-

count of the death or disability of the same person: *Provided further*, That no changes in rates or compensation made by this act shall be retroactive in effect.

The amendment was agreed to.

The next amendment was, on page 32, line 6, after the word "amounts," to strike out the colon and to insert a comma and the following words: "payable monthly or semimonthly, as the director may prescribe," so as to read:

SEC. 202. That if disability results from the injury—

(1) If and while the disability is rated as total and temporary, the monthly compensation shall be the following amounts, payable monthly or semimonthly, as the director may prescribe.

The amendment was agreed to.

The next amendment was, on page 33, line 6, after the words "one eye," to insert "or the loss of hearing of both ears"; in line 7, after the word "becoming," to insert "permanently"; and in the same line, after the word "helpless," to strike out "and" and to insert "or," so as to read:

(3) If and while the disability is rated as total and permanent, the rate of compensation shall be $100 per month: *Provided, however*, That the permanent loss of the use of both feet or both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the loss of hearing of both ears, or becoming permanently helpless or permanently bedridden shall be deemed to be total, permanent disability: *Provided further*, That for double, total, permanent disability the rate of compensation shall be $200 per month.

The amendment was agreed to.

The next amendment was, on page 35, line 10, after the words "six months in a," to strike out "neuropathic" and to insert "neuropsychiatric;" in line 11, after the word "hospitals," to insert "and shall be deemed by the director to be permanently insane"; in line 14, after the words "bureau in a," to strike out "neuropathic" and to insert "neuropsychiatric"; and in line 17, after the word "patient" to insert a colon and the following proviso: "*Provided, however*, That if such patient shall recover his reason and shall be discharged from such hospital as cured, an additional amount of $60 per month shall be paid to him for each month the rate of compensation was reduced as provided by this subdivision." so as to make the paragraph read:

(7) Where any disabled person having neither wife, child, nor dependent parent shall, after July 1, 1924, have been maintained by the bureau for a period or periods amounting to six months in a neuropsychiatric hospital or hospitals, and shall be deemed by the director to be permanently insane, the compensation for such person shall thereafter be $20 per month so long as he shall thereafter be maintained by the bureau in a neuropsychiatric hospital or hospitals; and such compensation may, in the discretion of the director, be paid to the chief officer of said hospital to be used for the benefit of such patient: *Provided, however*, That if such patient shall recover his reason and shall be discharged from such hospital as cured, an additional amount of $60 per month shall be paid to him for each month the rate of compensation was reduced as provided by this subdivision.

The amendment was agreed to.

The next amendment was, on page 35, after line 22, to insert:

The compensation of any inmate of an asylum or hospital for the insane, or any part thereof, may, in the discretion of the director, be paid to the chief officer of said asylum or hospital to be used for the benefit of such inmate.

The amendment was agreed to.

The next amendment was, on page 36, after line 2, to insert:

After June 30, 1927, the monthly rate of compensation for all veterans (other than those totally and permanently disabled), who are being maintained by the bureau in a hospital of any description and who are without wife, child, or dependent parent, shall not exceed $40.

The amendment was agreed to.

The next amendment was, on page 36, line 16, after the word "compensation," to insert "and in case the director shall find that by gross dissipation he is retarding his own progress to recovery, then"; in line 19, after the words "case of," to strike out "neuropathic" and to insert "neuropsychiatric"; in line 20, after the words "terms of," to insert "the first paragraph of"; and in line 22, after the word "compensation," to strike out "may" and to insert "shall," so as to read:

(8) The director shall prescribe by regulation the conditions and limitations whereby all patients or beneficiaries of the bureau who are receiving treatment through the bureau as patients in a hospital may allot any proportion or proportions or any fixed amount or amounts of their monthly compensation for such purposes and for the benefit of such person or persons as they may direct.

In case such patient has not allotted three-fourths of his monthly compensation and in case the director shall find that by gross dissipation he is retarding his own progress to recovery, then regulations to be made by the director may provide that (except in the case of neuropsychiatric patients who are within the terms of the first paragraph of subdivision (7) hereof) any unallotted portion of such three-fourths compensation shall be deposited to the patient's credit with the Treasurer of the United States, to accumulate at such rate of interest as the Secretary of the Treasury may determine but at a rate never less than 3½ per cent per annum, and when such patient shall be discharged by the bureau from hospital care, the said deposit and interest shall be paid to such patient if living, otherwise to any beneficiary or beneficiaries he may have designated, or if there be no such beneficiary, then to the executor or administrator of the estate of such deceased person, etc.

The amendment was agreed to.

The next amendment was, on page 38, line 16, after the word "diseases," to insert "encephalitis lethargica or the loss of sight of both eyes"; and in line 20, after the word "act" and the period, to insert "The director is further authorized, so far as he shall find that existing Government facilities permit, to furnish hospitalization and necessary traveling expenses to honorably discharged veterans of any war, military occupation, or military expedition since 1897, without regard to the nature or origin of their disabilities, if such veterans have no adequate means of support, and by reason of their disability are incapable of earning their living," so as to read:

(10) That all hospital facilities under the control and jurisdiction of the bureau shall be available for every honorably discharged veteran of the Spanish-American War, the Philippine insurrection, the Boxer rebellion, or the World War suffering from neuropsychiatric or tubercular ailments and diseases, encephalitis lethargica or the loss of sight of both eyes regardless whether such ailments or diseases are due to military service or otherwise, including traveling expenses as granted to those receiving compensation and hospitalization under this act. The director is further authorized, so far as he shall find that existing Government facilities permit, to furnish hospitalization and necessary traveling expenses to honorably discharged veterans of any war, military occupation, or military expedition since 1897, without regard to the nature or origin of their disabilities, if such veterans have no adequate means of support, and by reason of their disability are incapable of earning their living.

The amendment was agreed to.

The next amendment was, on page 39, after line 2, to insert:

Any veteran mentioned in this subdivision who is not then receiving any other pension, gratuity, compensation, or training allowance shall be paid by the bureau a monthly allowance of $10 while in such hospital.

The amendment was agreed to.

The next amendment was, on page 39, line 13, after the word "treatment," to strike out "either by allowing the patients to retain the same or by selling the articles and depositing the money received to the credit of the appropriation from which materials for making the articles were purchased" and to insert "or to allow the patients to sell or to retain such articles," so as to read:

(11) The director shall have the same power, and shall be subject to the same limitations, in the sale of surplus or condemned supplies, material, and other personal property as now pertains to the Secretary of War. The director is authorized to make regulations governing the disposal of articles produced by patients of such bureau in the course of their curative treatment, or to allow the patients to sell or to retain such articles.

The amendment was agreed to.

The next amendment was, on page 41, line 7, after the word "pension," to insert a comma and the following words, "except as provided in subdivision 7 of section 201," so as to read:

(15) That any person who is now receiving a gratuity or pension from the United States under existing law shall not receive compensation under this section unless he shall first surrender all claim to further payments of such gratuity or pension, except as provided in subdivision 7 of section 201.

The amendment was agreed to.

The next amendment was, on page 41, line 20, after "(17)," to strike out "That this section shall be deemed to be in effect as of April 6, 1917: *Provided*," so as to read:

That no changes in rates of compensation made by this act shall be retroactive in effect.

The amendment was agreed to.

The next amendment was, on page 43, line 10, after the word "retroactive," to insert a comma and the following words: "and no reduction or discontinuance of compensation shall be effective until the first day of the second calendar month next succeeding that in which such reduction or discontinuance is determined," so as to read:

SEC. 205. Upon its own motion or upon application the bureau may at any time review an award and, in accordance with the facts found upon such review, may end, diminish, or increase the compensation previously awarded, or, if compensation is increased, or if compensation has been refused, reduced, or discontinued, may (subject to the provisions of section 210 hereof) award compensation in proportion to the degree of disability sustained as of the date such degree of disability began, but not earlier than the date of discharge or resignation. Except in cases of fraud participated in by the beneficiary, no reduction in compensation shall be made retroactive, and no reduction or discontinuance of compensation shall be effective until the first day of the second calendar month next succeeding that in which such reduction or discontinuance is determined.

The amendment was agreed to.

The next amendment was, on page 44, line 12, after the word "enemy" and the period, to insert "A dismissal or discharge by sentence of court-martial from the service shall bar and terminate all rights to any compensation under the provisions of this article for the period of service from which such discharge is given," so as to read:

SEC. 208. That no compensation shall be payable for death inflicted as a lawful punishment for crime or military offense except when inflicted by the enemy. A dismissal or discharge by sentence of court-martial from the service shall bar and terminate all right to any compensation under the provisions of this article for the period of service from which such discharge is given.

The amendment was agreed to.

The next amendment was, on page 45, line 13, after the word "therefor," to strike out the comma and the word "except," so as to read:

SEC. 210. That no compensation shall be payable for any period more than one year prior to the date of claim therefor, nor shall increased compensation be awarded to revert back more than six months prior to the date of claim therefor. Except in case of fraud participated in by the beneficiary, no reduction in compensation shall be made retroactive.

The amendment was agreed to.

The next amendment was, on page 45, line 16, after "SEC. 211," to strike out "That compensation under this title shall not be paid while the person is in receipt of active service or retirement pay," so as to read:

SEC. 211. Compensation because of disability or death of members of the Army Nurse Corps (female) or of the Navy Nurse Corps (female) shall be in lieu of any compensation for such disability or death under the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916.

The amendment was agreed to.

The next amendment was, on page 46, line 7, after the word "applicable," to insert a colon and the following: "*Provided, however*, That the laws relating to the retirement of persons in the regular military or naval service shall not be considered to be laws providing for pensions, gratuities, or payments within the meaning of this section: *And provided further*, That compensation under this title shall not be paid while the person is in receipt of active service or retirement pay," so as to make the section read:

SEC. 212. This act is intended to provide a system for the relief of persons who were disabled, and for the dependents of those who died as a result of disability suffered in the military service of the United States between April 6, 1917, and July 2, 1921. For such disabilities and deaths no other pension laws or laws providing for gratuities or payments in the event of death shall be applicable: *Provided, however*, That the laws relating to the retirement of persons in the regular military or naval service shall not be considered to be laws providing for pensions, gratuities, or payments within the meaning of this section: *And provided further*, That compensation under this title shall not be paid while the person is in receipt of active service or retirement pay. Titles II and IV of this act shall not be applicable to any disability or resultant death in the service if such disability occurred as a result of service prior to April 6, 1917, or after July 2, 1921.

The amendment was agreed to.

The next amendment was, on page 46, after line 17, to strike out:

SEC. 213. (1) That if an injury or death for which compensation is payable under this article is caused under circumstances creating a legal liability upon some person other than the United States or the enemy to pay damages therefor, the director, as a condition to payment of compensation by the United States, may require the beneficiary to assign to the United States any right of action he may have to enforce such liability of such other person; or if it appears to be for the best interests of the beneficiary, the director may require him to prosecute the said action in his own name, subject to regulations. The director may require such assignment or prosecution at any time after the injury or death, and the failure on the part of the beneficiary to so assign or to prosecute said cause of action in his own name within a reasonable time, to be fixed by the director, shall bar any right to compensation on account of the same injury or death. The cause of action so assigned to the United States may be prosecuted or compromised by the director, and any money realized or collected thereon, less the reasonable expenses of such realization or collection, shall be placed to the credit of the military and naval compensation appropriation. If the amount placed to the credit of such appropriation in such case is in excess of the amount of the award of compensation, if any, such excess shall be paid to the beneficiary after any compensation award for the same injury or death is made.

If a beneficiary or conditional beneficiary shall have recovered, as a result of a suit brought by him or on his behalf, or as a result of a settlement made by him or on his behalf, any money or other property in satisfaction of the liability of such other person, such money or other property so recovered shall be credited upon any compensation payable, or which may become payable, to such beneficiary or conditional beneficiary by the United States on account of the same injury or death.

(2) The bureau is hereby authorized to pay the beneficiary or other person or persons in whose name an action may have been commenced or prosecuted and to all witnesses in such action fees and mileage the same as is now paid and allowed to witnesses in the United States courts in going to, remaining at, and returning from place of trial and without any regard to whether the action, if any, is brought or prosecuted in a court of the United States or some other court.

In all cases of assignment of causes of action under this section, whether the assignment be heretofore or hereafter made, where it shall appear to the director to be to the best interests of the beneficiary so to do, the director, acting for and in the name of the United States, may assign the cause of action back to the beneficiary or to his personal representatives.

(3) The bureau shall make all necessary regulations for carrying out the purposes of this section. For the purpose of computation only under this section the total amount of compensation due any beneficiary shall be deemed to be equivalent to a lump sum equal to the present value of all future payments of compensation computed as of the date of the award of compensation at 4 per cent true discount, compounded annually. The probability of the beneficiary's death before the expiration of the period during which he is entitled to compensation shall be determined according to the American Experience Table of Mortality.

A conditional beneficiary is any person who may become entitled to compensation under this article on or after the death of the injured person.

Nothing in this section shall be construed to impose any administrative duties upon the War or Navy Departments.

The amendment was agreed to.

The next amendment was, on page 49, after line 9, to insert:

SEC. 213. That where any beneficiary of this bureau suffers or has suffered an injury or an aggravation of an existing injury as the result of training, hospitalization, or medical or surgical treatment, awarded to him by the director and not the result of his misconduct, and such injury or aggravation of an existing injury results in additional disability to or the death of such beneficiary, the benefits of this article shall be awarded in the same manner as though such disability, aggravation, or death was the result of military service during the World War. The benefits of this section shall be in lieu of the benefits under the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916; and from any payments due hereunder shall be deducted all amounts paid by any person other than United States as damages or compensation for such injury, aggravation, or death: *Provided*, That application be made for such benefits within one year after such injury or aggravation was suffered or such death occurred or after the passage of this act or whichever is the latest date.

The amendment was agreed to.

The next amendment was, on page 50, after the word "resignation," to insert a colon and the following:

Provided, That application for insurance must be made by cadets of the United States Military Academy and midshipmen of the United States Naval Academy within 120 days after admission to such

academy or 120 days after the approval of this act, whichever is the later date.

The insurance shall be payable only to a spouse, child, grandchild, parent, brother, sister, uncle, aunt, nephew, niece, brother-in-law or sister-in-law, or to any or all of them, and also during total and permanent disability to the injured person.

The United States shall bear the expenses of administration and the excess mortality and disability cost resulting from the hazards of war. The premium rates shall be the net rates based upon the American Experience Table of Mortality and interest at 3½ per cent per annum.

The amendment was agreed to.

The next amendment was, on page 54, line 5, after "Sec. 303," to strike out "If no person within the permitted class of beneficiaries survive the insured, then there shall be paid to the estate of the insured the monthly installments payable and applicable under the provisions of this title" and to insert "If no person within the permitted class of beneficiaries survive the insured, or if before the completion of payments the beneficiary or beneficiaries shall die and there be no surviving person within said permitted class, then there shall be paid to the estate of the insured the present value of the monthly installments thereafter payable under the provisions of this title commuted at 5 per cent interest with annual rests," so as to read:

SEC. 303. If no person within the permitted class of beneficiaries survive the insured, or if before the completion of payments the beneficiary or beneficiaries shall die and there be no surviving person within said permitted class, then there shall be paid to the estate of the insured the present value of the monthly installments thereafter payable under the provisions of this title commuted at 5 per cent interest with annual rests: *Provided*, That in cases where the estate of the insured would escheat under the laws of the place of his residence the insurance shall not be paid to the estate of the insured, but shall escheat to the United States and shall be credited to the United States Government life insurance fund or the military and naval insurance appropriation, as may be proper. This section shall be deemed to be in effect as of October 6, 1917.

The amendment was agreed to.

The next amendment was, at the top of page 56, to insert a new section as follows:

SEC. 305. Where any person has heretofore allowed his insurance to lapse while suffering from a compensable disability for which compensation was not collected and dies or has died, or becomes or has become permanently and totally disabled and at the time of such death or permanent total disability was or is entitled to compensation remaining uncollected, then and in that event so much of his insurance as said uncollected compensation, computed in all cases at the rate provided by section 302 of the war risk insurance act as amended December 24, 1919, would purchase if applied as premiums when due, shall not be considered as lapsed; and the United States Veterans' Bureau is hereby authorized and directed to pay to said soldier, or his beneficiaries as the case may be, the amount of said insurance less the unpaid premiums and interest thereon at 5 per cent per annum compounded annually in installments as provided by law.

The amendment was agreed to.

The next amendment was, on page 56, line 18, to change the section number from 305 to 306.

The amendment was agreed to.

The next amendment was, on page 58, line 22, after the word "premiums" to insert "and subject to the provisions of section 23," so as to read:

SEC. 306. All such policies of insurance heretofore or hereafter issued shall be incontestable after the insurance has been in force six months from the date of issuance or reinstatement, except for fraud or nonpayment of premiums and subject to the provisions of section 23.

The amendment was agreed to.

The next amendment was, on page 59, line 10, after the word "in," to strike out "line of duty" and to insert "the military service," so as to read:

SEC. 400. That every person who was enlisted, enrolled, drafted, inducted, or appointed in the military or naval forces of the United States, including members of training camps authorized by law, and who has resigned or has been discharged or furloughed therefrom, having a disability incurred, increased, or aggravated after April 6, 1917, and before July 2, 1921, in the military service and not the result of his own willful misconduct while a member of such forces or later developing a disability traceable in the opinion of the director to service during said period with such forces in line of duty and not the result of his own willful misconduct, and who, in the opinion of the director, is in need of vocational rehabilitation to overcome the handicap of such disability, shall be furnished by the bureau, where vocational rehabilitation is feasible, such course of vocational rehabilitation as the bureau shall prescribe and provide.

The amendment was agreed to.

The next amendment was, on page 60, line 6, after the words "be paid," to strike out "monthly"; and in line 7, after the word "bureau," to strike out "from the appropriation hereinafter provided," and to insert "monthly or semimonthly, as the director may prescribe," so as to read:

SEC. 401. The bureau shall have the power, and it shall be its duty until June 30, 1926, to furnish the persons included in section 400 hereof suitable courses of vocational rehabilitation, to be prescribed and provided by the bureau; and every person electing to follow such a course of vocational rehabilitation shall, while following the same, be paid by the bureau monthly or semimonthly, as the director may prescribe, such sum as in the judgment of the director is necessary for his maintenance and support and for the maintenance and support of persons depending upon him, if any.

The amendment was agreed to.

The next amendment was, on page 61, after line 16, to strike out:

Any trainee who shall suffer physical injury in and by reason of his vocational training shall receive compensation therefor in accordance with the terms of an act entitled, "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and any amendments thereto.

The amendment was agreed to.

The next amendment was, on page 61, line 25, after the word "vocational," to strike out "rehabilitation," and to insert "training," so as to read:

SEC. 402. That until June 30, 1926, the courses of vocational training provided for under this act shall, as far as practicable, and under such conditions as the director may prescribe, be made available without cost for instruction for the benefit of any person who is disabled under circumstances entitling him, after discharge from the military or naval forces of the United States, to compensation under Title II hereof and who is not included in section 400 hereof.

The amendment was agreed to.

The next amendment was, on page 65, after line 6, to insert a new section, as follows:

SEC. 505. Every guardian, conservator, curator, or other person having charge and custody in a fiduciary capacity of the compensation or insurance of his ward, or any other benefits, payable to his ward by the bureau, who shall embezzle the same in violation of his trust, or fraudulently convert the same to his own use, shall be punished by fine not exceeding $2,000, or imprisonment at hard labor for a term not exceeding five years, or both, at the discretion of the court.

The amendment was agreed to.

The next amendment was, on page 66, at the beginning of line 17, to strike out "section" and insert "sections 313 and," so as to read:

(5) An act entitled "An act to amend an act entitled 'An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department,' approved September 2, 1914, and for other purposes," approved October 6, 1917; saving and excepting from repeal sections 313 and 314 of Article III of said act.

The amendment was agreed to.

The next amendment was, on page 67, after line 4, to strike out:

The incorporation in this codification of any general and permanent provision taken from an act making appropriations shall not repeal or in any way affect any appropriation contained in any of said acts, but the same shall remain in force.

The amendment was agreed to.

The next amendment was, on page 67, line 12, after the word "right," to strike out "accruing"; in the same line, before the word "accrued," to insert "liability"; in the same line, after the word "suit," to strike out "or proceeding had or"; in line 13, before the word "before," to strike out "in any civil cause"; and in line 14, before the word "rights," to insert "such," so as to read:

SEC. 602. The repeal of the several acts as provided in sections 600 and 601 hereof shall not affect any act done or any right or liability accrued or any suit commenced before the said repeal, but all such rights and liabilities under said acts shall continue and may be enforced in the same manner as if said repeal had not been made; nor shall said repeal in any manner affect the right to any office or change the term or tenure thereof.

The amendment was agreed to.

The next amendment was, on page 68, after line 6, to strike out:

SEC. 605. The arrangement and classification of the several sections of this codification have been made for the purpose of a more convenient and orderly arrangement of the same and therefore no inference or presumption of a legislative construction is to be drawn by reason of the title, chapter, or section heading under which any particular section is placed except where specifically provided.

The amendment was agreed to.

The next amendment was, on page 68, line 14, to change the section number from 606 to 605.

The amendment was agreed to.

Mr. REED of Pennsylvania. Mr. President, I ask unanimous consent that the Secretary be authorized to make all necessary corrections in paragraph and section numbering and lettering.

The PRESIDENT pro tempore. Without objection, the Secretary is authorized to make these changes in the relettering of paragraphs and the renumbering of sections.

Mr. REED of Pennsylvania. Mr. President, I have three small amendments agreed to by the committee but not shown in the draft of the calendar print.

First, on page 12, line 25, after the words "Public Health Service," I move to amend by inserting the words "or of the Treasury Department."

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 12, line 25, in the committee amendment heretofore agreed to, after the words "Public Health Service," it is proposed to insert "or of the Treasury Department."

The PRESIDENT pro tempore. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

Mr. REED of Pennsylvania. On page 13, line 1, in the same committee amendment, I move to strike out the word "and" and insert the word "or."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. REED of Pennsylvania. On page 45, line 4, I move to strike out "one year" and insert "two years."

The amendment was agreed to.

Mr. REED of Pennsylvania. On page 62, line 21, I move to strike out "1924" and insert "1925."

The amendment was agreed to.

Mr. REED of Pennsylvania. The committee amendments are now completed.

Mr. CURTIS. Mr. President, if that completes the committee amendments, I understand that there will not be a final vote on the bill to-night, and I therefore ask that the unanimous-consent agreement be carried out.

Mr. REED of Pennsylvania. There is only one committee amendment left, and that is the one relating to the salary of the director, which was passed over. I think it ought to be voted on by a full Senate; so I have no objection to the request of the Senator from Kansas.

RECESS

Mr. CURTIS. I move that the Senate take a recess, the recess being, under the unanimous-consent agreement, until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, April 30, 1924, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, *April 29, 1924*

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

In the blush of a new day, gracious Heavenly Father, Thou hast spoken unto us again. Thy mercy fills the earth with promise, which no sorrow can repress. It works for righteousness, it makes the just cause prevail, it secures moral progress and spiritual growth. We therefore say with reverent and grateful breath, "God is good." Glory be to Thy name, O Lord most high. Help our purposes and plans to develop into new deeds, and may Thy blessed Holy Spirit give direction to the whole day, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

DEFERRING PAYMENTS ON RECLAMATION CHARGES

Mr. SMITH of Idaho. Mr. Speaker, I call up the conference report on the bill (S. 1631) to authorize the deferring of payments on reclamation charges, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Idaho calls up the conference report on the bill S. 1631, which the Clerk will report by title.

The Clerk read as follows:

Conference report on the bill (S. 1631) to authorize the deferring of payments on reclamation charges.

The SPEAKER. The gentleman from Idaho asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The statement accompanying the conference report was read.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1631) to authorize the deferring of payments of reclamation charges having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with amendments as follows:

In lieu of the matter inserted by the amendment of the House insert the following:

"That the Secretary of the Interior is hereby authorized and empowered, in his discretion, to defer the dates of payments of any charges, rentals, and penalties which have accrued prior to the 2d day of March, 1924, under the act of June 17, 1902 (32 Stat. L. p. 388), and amendatory and supplemental acts, or prior to that date as against water users on any irrigation project benefiting Indians or being constructed or operated and maintained under the direction of the Commissioner of Indian Affairs, as may, in his judgment, be necessary in or concerning any irrigation project now existing under said act: *Provided*, That no payment shall be deferred under this section in any particular case beyond March 1, 1927: *Provided*, That upon such adjustment being made, any penalties or interest which may have accrued in connection with such unpaid construction and operation and maintenance charges shall be canceled, and in lieu thereof the amount so due, and the payment of which is hereby extended, shall draw interest at the rate of 5 per cent per annum, paid annually from the time said amount became due to date of payment: *And provided further*, That in case the principal and interest herein provided for are not paid in the manner and at the time provided by this section, any penalty now provided by law shall thereupon attach from the date of such default.

"SEC. 2. That where an individual water user, or individual applicant for a water right under a Federal irrigation project constructed or being constructed under the act of June 17, 1902 (32 Stat. L. p. 388), or any act amendatory thereof or supplementary thereto, makes application prior to January 1, 1925, alleging that he will be unable to make the payments as required in section 1 hereof, the Secretary of the Interior is hereby authorized in his discretion prior to March 1, 1925, to add such accrued and unpaid charges to the construction charge of the land of such water user or applicant, and to distribute such accumulated charges equally over each of the subsequent years, beginning with the year 1925, or, in the discretion of the Secretary, distribute a total of one-fourth over the first half of the remaining years of the 20-year period beginning with the year 1925, and three-fourths over the second half of such period, so as to complete the payment during the remaining years of the 20-year period of payment of the original construction charge: *Provided*, That upon such adjustment being made, any penalties or interest which may have accrued in connection with such unpaid construction and operation and maintenance charges shall be canceled, and in lieu thereof the amount so due, and the payment of which is hereby extended, shall draw interest at the rate of 5 per cent per annum, paid annually from the time said amount became due to date of payment: *Provided further*, That the applicant for the extension shall first show to the satisfaction of the Secretary of the Interior detailed statement of his assets and liabilities and probable inability to make payment at the time required in section 1: *And provided further*, That

in case the principal and interest herein provided for are not paid in the manner and at the time provided by this act, any penalty now provided by law shall thereupon attach from the date of such default: *And provided further*, That similar relief in whole or in part may be extended by the Secretary of the Interior to a legally organized group of water users of a project, upon presentation of a sufficient number of individual showings made in accordance with the foregoing proviso to satisfy the Secretary of the Interior that such extension is necessary."

And the House agree to the same.

ADDISON T. SMITH,
N. J. SINNOTT,
CARL HAYDEN,
Managers on the part of the House.
CHAS. L. MCNARY,
W. L. JONES,
LAWRENCE C. PHIPPS,
JOHN B. KENDRICK,
KEY PITTMAN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1631) entitled "An act to authorize the deferring of payments of reclamation charges," submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

The date prior to which accrued charges may be taken care of under the pending bill is extended from March 1, 1924, to March 2, 1924.

The bill as it passed the Senate contained a provision that relief should be afforded settlers on irrigation projects on Indian reservations. The House eliminated the words "upon irrigation projects on Indian reservations." The Senate disagreed to this amendment, and the conference committee which was appointed has agreed upon the following language in lieu of the language stricken out by the House "or prior to that date as against water users on any irrigation project benefiting Indians, or projects being constructed or operated and maintained under the direction of the Commissioner of Indian Affairs."

Under this provision the settlers on Indian irrigation projects would be afforded the same relief as those upon the United States reclamation projects, evidence having been submitted by the Secretary of the Interior to the chairman of the Committee on Indian Affairs, as contained in House Report No. 569 on H. R. 8581, providing for extensions of water charges in connection with Indian irrigation projects, which bill is on the House Calendar, that this relief is necessary to enable these water users to carry on their farming operations.

The conferees have also agreed upon the elimination of the following words in section 2: "Excepting operation and maintenance charges for drainage on the Boise, Idaho, project for the year 1923, or prior thereto." This provision was carried in the relief act approved March 28, 1923, at the request of the Boise Water Users' Association, as this organization had made arrangements to pay the drainage charges for the year 1922, but as the charges for drainage have been carried into the construction charge this language is not now necessary, and the drainage charges will hereafter be included in the construction charges, and the pending relief legislation will apply to the delinquent drainage charges as well as to the other charges.

ADDISON T. SMITH,
N. J. SINNOTT,
CARL HAYDEN,
Managers on the part of the House.
CHAS. L. MCNARY,
W. L. JONES,
LAWRENCE C. PHIPPS,
JOHN B. KENDRICK,
KEY PITTMAN,
Managers on the part of the Senate.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

ENROLLED JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following joint resolution:

H. J. Res. 163. Joint resolution authorizing the Secretary of War to loan certain tents, cots, chairs, etc., to the executive committee of the United Confederate Veterans for use at the thirty-fourth annual reunion to be held at Memphis, Tenn., in June, 1924.

EXTENSION OF REMARKS

Mr. JACOBSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks on the child-labor amendment.

The SPEAKER. All Members of the House have that privilege for five legislative days.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8839, the District of Columbia appropriation bill; and pending that motion, I will ask the gentleman from Kansas [Mr. AYRES] if he can not agree on the time for general debate. I have suggested to him heretofore four hours. If that is not satisfactory, we shall have to agree on something else.

Mr. AYRES. I suggested five hours, but I should think about four hours and a half would be a fair compromise.

Mr. DAVIS of Minnesota. Four hours and a half?

Mr. AYRES. Yes.

Mr. DAVIS of Minnesota. That will be satisfactory to me, I to occupy one half of the time and the gentleman from Kansas the other half?

Mr. AYRES. Yes.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that the general debate be limited to four and a half hours, one half the time to be controlled by himself and the other half to be controlled by the gentleman from Kansas [Mr. AYRES]. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Minnesota, that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8839, the District of Columbia appropriation bill.

The motion was agreed to.

The SPEAKER. The gentleman from Illinois [Mr. GRAHAM] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8839, the District of Columbia appropriation bill, with Mr. GRAHAM of Illinois in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8839, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District of Columbia for the fiscal year ending June 30, 1925, and for other purposes.

Mr. DAVIS of Minnesota. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. DAVIS of Minnesota. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. TINCHER].

The CHAIRMAN. The gentleman from Kansas is recognized for 15 minutes.

Mr. TINCHER. Mr. Chairman and gentlemen of the committee, I propose to take these 15 minutes to discuss the bill which is to come before Congress under the new rule next Monday, known as the Barkley bill. Under the terms of that bill there are four adjustment boards.

The first one has 14 members; 7 named by organized capital, and 7 by organized labor, at $7,000 per year.

The second one has 14 members; 7 named by organized capital, and 7 by organized labor, at $7,000 per year.

The third has 6 members; 3 named by organized capital, and 3 by organized labor, at $7,000 per year.

The fourth board has 6 members; 3 named by organized capital, and 3 by organized labor, at $7,000 per year.

Each adjustment board has a secretary at a salary of $4,000 a year. In addition to this, each adjustment board shall employ and fix salaries of such employees as it may deem necessary. Thus we see that we have forty $7,000-a-year Government employees, four $4,000-a-year Government employees, and God only knows how many employees in all.

The Board of Mediation and Conciliation is composed of five members at $12,000 a year each. This board has the power

"to employ and fix the compensation of such attorneys, assistants, special experts, clerks, and other employees as it may from time to time find necessary." This Board of Mediation and Conciliation has no power, except that which the parties to the contest agree to give it. No doubt this board would expend more than the half a million dollars authorized in the act every year after the first year.

There is positively no limit to the number of men that may be appointed.

The problem of capital and labor has occupied the best thought of thinking men for a great many years, and the tendency in recent years has been to recognize the right and interest of the public, of the 100,000,000 people not directly involved in that immediate controversy or the question involved. This is natural, because every strike and every controversy affects the price of the necessaries of life, and affects not only the price of the necessaries of life, but affects our ability to get them at any price; and the tendency of the best thinkers has been toward giving the American public, the people interested, some rights. [Applause.]

But this bill departs from the ordinary rule of our Government, that judicial officers must be impartial. It makes the sudden and rapid and revolutionary departure of making it obligatory upon the judicial officer to be partial and partisan.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. TINCHER. Yes.

Mr. BLACK of Texas. And the man also, as I understand it, if he represents the labor end of it, must be a member of the union, and can not be on the board unless he is a member of the union?

Mr. TINCHER. Yes; he must be a member of a union affiliated with the American Federation of Labor.

I am fond of my good friend the gentleman from Kentucky [Mr. BARKLEY], but I do not like the title of the bill which he has adopted, especially since the speech of the gentleman from Alabama [Mr. HUDDLESTON] who said the other day, "We did not introduce this bill to be considered by a committee. We introduced it to use the new rule on, and now you indorse it, and now you take it." I do not think that bill ought to bear the name of my friend Mr. BARKLEY. The right name for the bill is "the resumption of strikes bill."

Mr. BLANTON. Will the gentleman yield right there?

Mr. TINCHER. Certainly.

Mr. BLANTON. I understood the gentleman from Kentucky [Mr. BARKLEY] to say that this bill had been drawn by the representatives of the railroad employees?

Mr. TINCHER. That is right.

Mr. BLANTON. Now, may I ask this: If all these boards have equal rights, half of railroad employees and half of railroad capital, does not that embrace most of the membership of the House, so that we few fellows who are looking after the people's interest have no chance at all?

Mr. TINCHER. It not only does that, but it effects a tie during which time the public must suffer. Let me tell you what happened. The exploiters of labor who are behind this bill are the same bunch that double-crossed labor in the West in the strike of 1922. They are the crowd that settled the strike on the eastern railroads and left the poor devils in the West to fight their own battle.

Lots of good men with good families and owning their homes in little towns were left out by these exploiters and some of them are now awakening to the fact that the strike is not their remedy, and they are awakening to the fact that they have been paying too much of their hard-earned money to the paid exploiter and walking delegate, who is the man behind this bill.

I just wonder what they have been thinking about. Here is agriculture. The other day before our committee stood a representative of the American Federation of Labor—the Committee on Agriculture—a fair man of intelligence. He said to us, "I want you to pass a bill for the relief of the American farmer because I realize that the present existing prosperity and high wages that the American Federation of Labor members are enjoying to-day can not continue unless you bring about some relief for agriculture." I did not know then that they were planning to absolutely kick out of Congress any chance for the consideration of agricultural relief by bringing onto this floor, by petition, a bill longer than any bill we have been considering, and we have had one under consideration in that committee of 21 for three months—a longer bill than any we have been considering to be voted on without any hearing and without any consideration. Just one of two things will happen when the Barkley bill comes before this House. They will take four months in perfecting it and do nothing else—because it will take that long to consider this bill in this House—or the House will take the dictation of the gentleman from Alabama [Mr. HUDDLESTON], who told us the other day that this is labor's bill; you must vote for it or you are against labor. I am going to vote against it and I am a friend of labor. [Applause.] And I do not believe the American Federation of Labor ought to put itself in this attitude.

My friends, this bill creates more offices and puts more men on the Federal pay roll than the salary of the President of the United States, the Vice President of the United States, and all the Cabinet officers combined. They are permanently placed on the Federal pay roll and they are not impartial men but men put there because of their partiality.

In the Committee on Interstate and Foreign Commerce they have been considering a bill to reduce freight rates, a bill to give the shipper some chance. Is that to be supplanted by the petition route by a bill to create strikes and to return to that old form of government by force? Under such a bill we shall have strikes, and I think the average laboring man has had about enough of them. He ought to wake up as to what is happening to him through his representatives here if this is their demand.

Think how ridiculous Congress will be if next Monday we decide to forget what is on the calendar for agriculture, if we forget what is on the calendar and has been regularly considered by the Committee on Interstate and Foreign Commerce for the reduction of freight rates—forget all those things. There are members of the committee qualified and ready to explain every little provision in these bills. Are we going to forget the rights of 100,000,000 people and take up a proposition which has for its purpose the getting of the votes of those at the head of the American Federation of Labor and who tell you how to vote? Ah, my friends, Congress did that eight years ago and four years ago the Executive did it, but surely this Congress is not going to put itself in the attitude of going before the people this fall and saying, "We did not have time to consider agriculture; we did not have time to consider the matter of a reduction in freight rates, but all the time we had we used in obeying the demands that were made on us to pass the Barkley bill"—not a little bill but one to create more executive officers than we already have. Not only will there be more offices created and more expense incurred than the expense of paying the President, the Vice President, and all of the Cabinet, but these men will have more power under the Barkley bill, or the strike bill, to hire help than any Cabinet officer has, and will have more power to spend the Government's money than any member of the Cabinet has or the President himself has under any existing law.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. TINCHER. Yes.

Mr. BLANTON. I just want to suggest to the gentleman that if he were to attempt to offer an amendment to the Barkley bill they would get a rule and pass it without debate.

Mr. TINCHER. I do not believe that at all. I do not believe they will ever get a rule from the present Rules Committee to consider a bill that ought to be considered in committee, and I believe if this bill is considered it will be by the petition route, because 150 men filed up there and signed the petition when the gentleman from Alabama [Mr. HUDDLESTON] said that this was a demand of organized labor and told them to sign it. Members signed that petition who have told me since that they had not then read the bill and they have not read it since. Members of Congress signed that petition to consider a 40-page bill, and said they had not read the bill then and they say they have not read it since.

Mr. HERSEY. Will the gentleman yield right there? With all the power that these four new organizations are given they have not a single power, have they, to settle a labor strike or anything else, because they can not enforce anything?

Mr. TINCHER. Certainly not. This bill is not to go back to the brotherhood of government; this bill is to go back to the strike system and let the mighty win in the strike, and its purpose is to restore the right to settle all labor disputes by the strike method. I believe the best thinking part of organized labor, if they were cognizant of the fact, would be against it.

Mr. McKEOWN. Will the gentleman yield?

Mr. TINCHER. Yes; I yield.

Mr. McKEOWN. Does the gentleman favor continuing the present Labor Board which has been functioning in these matters?

Mr. TINCHER. I introduced a bill to abolish the Labor Board and give its power to the Interstate Commerce Commission. I am opposed to having one board fix prices for the men and another board fix rates for the farmers to pay. [Ap-

plause.] So long as you have that system you will have trouble, but I am not in favor now of repealing the only agency that seems to have any interest in the public and turning it over to the warring factions, and I hope it will not pass.

Mr. McKEOWN. Will the gentleman yield further?

Mr. TINCHER. Will the gentleman answer me a question? Did you sign the petition?

Mr. McKEOWN. Yes.

Mr. TINCHER. Have you read the bill?

Mr. McKEOWN. Yes.

Mr. TINCHER. How many offices does it create?

Mr. McKEOWN. Quite a good many of them.

Mr. TINCHER. Do you like that? Do you know that it costs more every 12 months to pay those officers than to pay the President of the United States, the Vice President, and every member of the President's Cabinet, and there is no limitation in the bill on the number of employees they can hire?

Mr. McKEOWN. The gentleman knows that this bill makes compulsory the settlement of disputes——

Mr. TINCHER. I say the bill does not. It absolutely takes that power away from the board which it has now.

Mr. McKEOWN. The gentleman is wrong about that.

Mr. TINCHER. This bill restores the right to strike, and it recognizes that right and recognizes that means of settlement of labor disputes, and I have too many men in my district who are homeless to-day by reason of it not to know that.

Mr. HERSEY. Have not the highest courts decided in a number of decisions that there is no such thing as compulsory arbitration?

Mr. TINCHER. Certainly they have.

Mr. McKEOWN. If the gentleman will yield there, I would like to state that this bill does not affect any power in any bill to require the individual to work, but this bill does settle the proposition of the organization continuing a strike. That is the distinction.

Mr. TINCHER. No. I want to give the gentleman credit for having read the bill because he signed the petition, but if he keeps on I will wonder whether he has read it. This bill takes away from the board the power to enforce an order, gives that power to another board, if the order is satisfactory to both sides. That is what this bill does.

Mr. McKEOWN. The order is filed with the court.

Mr. TINCHER. This bill should not be called the Barkley bill. This bill should be called the great-return-to-the-right-to-strike bill. This bill is not a step backward; this bill is a mile and a half backward. [Laughter and applause.]

Mr. RAYBURN. Will the gentleman from Kansas yield before he takes his seat?

Mr. TINCHER. Yes; I will yield.

Mr. RAYBURN. Did the gentleman vote for the discharge rule?

Mr. TINCHER. I voted to amend the discharge rule to make it as ineffective as possible, and I do not remember whether I voted for it or not; but I voted in favor of crippling it in any way I could. I suspected then, as I know now, that it would never be used for any good purpose. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. AYRES. Mr. Chairman, I yield one minute to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, the gentleman from Kansas [Mr. TINCHER] has stated that this may prevent the consideration of agricultural bills. I want to say that if he will examine the list of those who signed the discharge petition, the gentleman will find that in the vast majority of cases they are the men who will also vote for measures to relieve the situation in the agricultural districts.

Mr. TINCHER. Will the gentleman vote to take up the agricultural legislation first?

Mr. KVALE. I have been here for four months looking for a chance to vote for relief for agriculture, and I will vote to take that up any time the gentleman is ready.

Mr. TINCHER. It has been before the committee during all that time, and it is on the calendar now, having been reported within the last two or three days. The committee has worked on the bill and has absolutely given consideration to it——

Mr. KVALE. I know it has.

Mr. TINCHER. Regardless of party, every day, and it is not as long a bill as the Barkley bill and will not cost the Government one-twentieth as much as that bill.

Mr. GARRETT of Texas. Could the gentleman get a rule for the Agricultural bill?

Mr. KVALE. Let Congress remain in session until some relief measure for agriculture has been enacted into law, even if it has to stay here all summer.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. DAVIS of Minnesota. Mr. Chairman and gentlemen of the committee, it is again my privilege to present for your consideration the annual District of Columbia appropriation bill. I say privilege advisedly, for, in my judgment, it is a privilege to be your intermediary in ascertaining and proposing for your consideration the money requirements of the Capitol City of the Nation—the Capitol City of your constituents and of mine—toward the support of which they contribute in generous measure.

Before proceeding with a discussion of the bill I wish to say to the House that three of my colleagues on the subcommittee had had no previous experience with the fiscal affairs of the local government. I refer to Mr. FUNK, of Illinois; Mr. AYRES, of Kansas; and Mr. EAGAN, of New Jersey. I found, however, that their business training and natural ability peculiarly well fitted them for the assignment; and I am sure my friend, Mr. TINKHAM, who has served on this subcommittee before, will bear me out that their sound judgment was of inestimable value in shaping the bill which you have before you.

TOTAL APPROPRIATIONS

The appropriations proposed amount in the aggregate to $23,770,517. This sum is $803,465 less than appropriated for the present fiscal year. At first blush that may sound as if I were bearing down on the District of Columbia, but before this discussion is over I will show you that I am not and have not any such design on the District of Columbia. Of the total sum proposed $1,152,860 is payable wholly out of the water revenues, $183,490 is payable wholly from the revenues of the District of Columbia, $13,460,500.20 represents the District of Columbia's portion on the 60–40 method of dividing expenses, and the Federal Government's contribution or share is $8,973,666.80. The activities to which it is proposed the Government shall not contribute, apart from the appropriations proposed on account of the water service, are the public employment service, playgrounds, other than sites, and community center activities. This is in agreement with the practice which heretofore has obtained.

I shall not in the limited time at my disposal attempt to analyze the numerous increases and decreases which the bill proposes. These are set out in great detail in the report on the bill which you have before you. I am inclined to believe that it would be better to give the reasons which prompted our action when the various items are considered under the five-minute rule. Perhaps I should say, however, with respect to the proposed reduction below the current appropriation, that while it is the net of a number of increases and decreases, it will not be sufficient to offset such increases as later may be provided to take care of increased or additional compensation in one form or another for those employments under the local municipal government which are specifically exempted from the provisions of the reclassification act.

EXEMPT FROM RECLASSIFICATION

I refer to teachers, librarians, school attendance officers, and employments under the community center department, all under the Board of Education; to officers and members of the police and fire departments, and to the park police. The $240 bonus for these employees alone creates a demand of more than $1,000,000. So it is manifest that if legislation be enacted dealing with the pay of such employments it will most likely involve a sum not less than is now occasioned by the $240 bonus.

AMOUNT FOR RECLASSIFICATION CARRIED IN BILL

While alluding to reclassification I might at this point remark that as to the employments not excepted from the operation of the law the appropriations proposed in this bill to follow the form employed in the annual appropriation bills previously presented at this session, and their application is proposed to be similarly restricted. The total amount carried in the bill on account of reclassification over the present basic pay plus the $240 bonus is $322,033.80, or an increase of 12.28 per cent. This increase is distributed over 2,230 employments.

I will say right there that continuing the bonus alone for policemen, firemen, and teachers will bring the bill above the present law, while the special pay laws dealing with such employments will carry it about a million and a quarter above the sum total of the current appropriation.

Mr. LAZARO. Will the gentleman yield?

Mr. DAVIS of Minnesota. I will.

Mr. LAZARO. Several editorials have been written in one of the papers of the District criticizing the committee for not appropriating enough money for the District of Columbia, and when the gentleman comes to deal with the proposition I thought we ought to get a little information on that and in relation to the suits that are pending in which four or five million dollars is involved. They complain that they have not been provided with assistant attorneys to meet the legal advisers on the other side. Will the gentleman explain that?

Mr. DAVIS of Minnesota. I will say to the gentleman that that is vital in many ways, and I understand my associate, Mr. AYRES, of Kansas, is going to explain that fully in detail. He can do it as well as any living man, and he is fully informed. When he gets through I think the gentleman will be perfectly satisfied on the proposition.

Mr. LAZARO. I want the gentleman to understand that I am not criticizing the committee. I am merely trying to get information.

Mr. DAVIS of Minnesota. The gentleman knows that sometimes arrangements are made between members of the committee whereby members discuss various subjects, and that particular subject my friend from Kansas [Mr. AYRES] will discuss.

THE 3.65 BONDS

The committee was confronted by two new sizeable appropriations not carried in the current appropriation act. I refer to the sum required finally and fully to close out the old 50-year 3.65 bonds which mature next August, and to the proposition to make an annual appropriation out of the policemen and firemen's relief fund and to have the Government appropriate 40 per cent of the sum required for such purpose.

The 3.65 bonds amounted originally to $15,000,000. They have been reduced to $4,589,250. The sinking fund assets held for the liquidation of this indebtedness amounted to $4,423,640.91 on June 30 last, or $165,609 less than the outstanding debt on the same date. The estimate is that by August 1 next, when all of such outstanding bonds mature, an appropriation of $300,000 must be available to supplement the sinking fund and accrued interest thereon fully to satisfy the maturing debt. The bill carries an appropriation in that amount.

POLICE AND FIREMEN'S RELIEF FUND

With respect to the policemen and firemen's relief fund the proposition to have the Federal and District Governments contribute in the 60–40 proportion to the support of this fund admittedly perplexed the committee not a little. However, when it is considered that the District, by the terms of the District of Columbia appropriation act for 1923, was required to divide with the Federal Government the receipts from police court fines—and such fines amounted last year to more than $460,000—and that such fines supplemented the District revenues which were drawn upon to supply any deficiency in the regular revenues of the policemen and firemen's relief fund, the committee felt that there was considerable equity in the proposition and has acceded to the recommendation.

ADDITIONAL POSITIONS

Taking the main headings of the bill seriatim, I shall briefly outline the major changes which are presented for your action. The committee was asked to provide for additional positions apart from teachers, policemen, and firemen. The committee is recommending 47 of these positions at an additional expense of $53,540. Twenty-nine of the 47 are engineers, janitors, and so forth, for new public-school buildings; six are for duty on account of the new school for white girls, maintained by the National Training School for Girls; three are for duty at the free Public Library; and the remainder are distributed among seven different activities. Included in the number is a new business manager, to be in charge of the business administration of the public-school system, at a salary of $3,750 per annum. Such a position has the strong indorsement of the Bureau of the Budget, the commissioners, and the board of education. Properly filled, the amount required for the pay of this position should be money well expended. The employments refused for the most part were requested for new branch libraries and for augmenting the clerical force of the schools.

Mr. LAZARO. Will the gentleman yield for a question?

Mr. DAVIS of Minnesota. I will.

Mr. LAZARO. There was some criticism made also that the committee did not make sufficient appropriation for new buildings for the children of the District. Is there anything in that?

Mr. DAVIS of Minnesota. Absolutely nothing. We have given a number of items here amounting to over a million dollars—eight hundred and eighty thousand for buildings alone, and the balance for equipment and for repairs and improvements. I will get to the schools in a minute.

LIBRARIES

With respect to libraries, the Budget includes provision for the establishment of three branch libraries in public-school buildings, for which purpose $25,520 was specifically allocated. The committee felt that if this request were acceded to it would prove the forerunner of a demand to have circulating libraries provided as an adjunct to many more if not all of the schools throughout the District. There probably is no city in the country better equipped with library facilities than Washington. We have here the Congressional Library, with its countless volumes and a splendid free public library, situated in the center of the city, with a branch in Takoma Park, another in the southeast section of the city, and a third about to be built in the Mount Pleasant section.

STREET IMPROVEMENTS AND REPAIRS

We next come to the matter of street improvements and repairs. There are but few of the many other items in this bill which arouse a greater degree of local interest. I think I speak the sentiment of the entire House when I say that all of us are desirous of seeing local thoroughfares properly paved, but, at the same time, I believe that there is a unanimity of thought among us that few, if any, cities can boast of better streets than will be found in this city. Just at this time the principal needs are in the newly built areas. Building operations have been proceeding here during the past two or three years on a scale never before paralleled, and the consequence is that in these newly built sections there is an unprecedented amount of paving work to be done. The Budget this year included quite a number of specific projects, three or four of the number being grading items. Each of these and a number of others besides were inspected personally by the members of the subcommittee in charge of this bill, and they were sufficiently impressed with the merits of 50 of the items as to present them to you in this bill. Some of the projects recommended in the Budget involve the replacement of permanent pavement, while a temporary covering had been applied to a number of others which rendered them, in the judgment of the committee, less pressing than a number of streets which it examined or noticed during its inspection trip for which no estimates were submitted. We have provided for one item not included in the Budget, to which, perhaps, I should direct your especial attention. That is the one to widen Thirteenth Street NW. from F to I Streets, from 40 to 80 feet. There is an item of prime importance to abutting property owners or tenants of such property. It is also a project that will greatly benefit traffic conditions, and in a section, it is submitted, where relief is badly needed. This item is urged by the entire Thirteenth Street Business Men's Association, which has proposed that abutting property owners be charged with 40 per cent of the entire cost, and the appropriation proposed provides for such a distribution of the expense. Under the law abutting property owners would be assessed for but 25 per cent of the cost, excluding street intersections.

REPAIRING STREETS, URBAN AND SUBURBAN

For repairing streets, urban and suburban, the bill provides appropriations corresponding with those made for this present fiscal year, which amounted to $825,000. This would seem to be a generous allowance. I might remind you that a year ago these appropriations were increased over $100,000.

SEWERS AND GARBAGE

For sewers and for the collection and disposal of refuse the appropriations proposed exceed the current appropriations by $176,900. Additional funds are necessary to keep pace with the city's growth.

SCHOOLS

I will now turn to the appropriations for schools. At first blush it would appear that the committee is proposing rather drastic action, but an analysis of the figures will show quite the contrary. As I have previously pointed out, teachers, librarians, school attendance officers, and community center employees are exempted from the provisions of the classification act. They have been estimated for at their present basic salaries without increased compensation of any kind. To pay such employees the $240 bonus this year requires an appropriation of $629,320. As we are obliged, you might say,

to provide increased compensation in one form or another for these public servants in some subsequent measure, it is apparent that, instead of the proposed appropriations aggregating less than the current appropriation, we are in reality, assuming that the increased compensation later to be provided will amount at least to the sum now required to pay the $240 bonus, proposing appropriations approximately $80,000 in excess of the current appropriations.

Mr. McKENZIE. Will the gentleman yield?

Mr. DAVIS of Minnesota. I will.

Mr. McKENZIE. In the matter of schools I have understood that we have a school here in Washington for the teaching of foreigners, and in that school there was a pupil 80 years of age.

Mr. DAVIS of Minnesota. That is the fact.

Mr. McKENZIE. I would like to know if that school is still in existence, and if that pupil is still there.

Mr. DAVIS of Minnesota. I can not say whether the pupil is there, but we have made an appropriation for the school which is now in existence. We have given it considerable money, and there was a good deal of pressure to keep it. In the hearings a year or two ago I asked the age of the pupils and they said both young and old, and I asked how old is the oldest one and they said 80.

Mr. DYER. Mr. Chairman, referring to the courts——

Mr. DAVIS of Minnesota. I shall come to the courts in a few minutes.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Minnesota. Yes.

Mr. BLANTON. In view of the fact that the Washington Times on Saturday last criticized the gentleman very severely, I want to say that I think the work done by the gentleman and his colleagues on this bill deserves the commendation of the entire Congress and of the people of the country. [Applause.] With regard to Mr. Syme, over whom the Times criticized the gentleman from Minnesota, I wish that the chairman would get an accurate statement of what the Supreme Court said to Mr. Syme when he was attempting to represent the people of the District as against the utilities board and put that criticism by the Supreme Court into the RECORD. If he does that, I think then that these Washington newspapers will let the gentleman alone.

Mr. DAVIS of Minnesota. If the gentleman will wait for about 15 or 20 minutes, he will hear the gentleman from Kansas [Mr. AYRES] explain that fully. It will be seen from the table accompanying the report that a number of substantial increases are proposed over the current year. The bill provides for 84 additional school-teachers required for new buildings, for teaching special subjects, conducting kindergartens, and so forth. It provides for 29 additional building attendants for new schools or additions to existing schools. It provides $152,169 more than was appropriated for the current fiscal year for furniture and equipment for new school buildings and additions to existing buildings; and it provides $875,000, as requested in the Budget, for continuing work on buildings under construction. Now, I do not believe any fair-minded person can say we have not been liberal with the schools. The committee is not proposing any appropriations for the purchase of additional land for school purposes.

Mr. SPROUL of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Minnesota. Yes.

Mr. SPROUL of Illinois. How many new schools have been erected in the last year in the District?

Mr. DAVIS of Minnesota. I will enlighten the gentleman on that subject in a moment.

Four additional tracts have been acquired for which no funds have been requested for erecting buildings thereon, namely:

New McKinley Manual Training School	$215,000
For elementary school in Woodley Park section	40,000
For new junior high school between Twentieth Street and Rock Creek and K and O Streets	50,000
For site for remodeling and building addition to Garnet and Patterson Schools	50,000

No funds were requested in the Budget for erecting buildings on any of these four sites.

Since July 1, 1920, the following amounts have been appropriated on account of additional school facilities:

For school building sites alone	$789,500
For additions to buildings	2,015,000
For new buildings	2,230,000
For replacement of buildings	545,000
Total	5,579,500

Mr. SPROUL of Illinois. Does not the gentleman think it was a good idea to buy this property while it is low instead of buying it now?

Mr. DAVIS of Minnesota. Yes; I do, when you have sufficient classroom accommodations, but when the contention is made in many quarters that classroom facilities are inadequate, then, if that be true, I think we should forego the purchase of land and put the money into needed buildings. The appropriations on account of buildings—that is, $4,790,000—supplemented by the $875,000 carried in this bill for completing certain construction now under way will provide a net increase of 164 schoolrooms for elementary pupils and additional accommodations for about 3,000 high-school pupils. While there is much clamor in some quarters respecting the inadequacy of school accommodations, when the Budget includes provision for the acquirement of an athletic field at a cost of $125,000 to the exclusion of any additional elementary schools it is difficult to believe that an alarming situation prevails.

The high-school situation has not been neglected by Congress, either. Since the school year terminating in June, 1920, provision has been made for the—

	Capacity.
New Eastern High School	1,500
Addition to Western High School	500
Addition to Armstrong High School	850
Total	2,850

Also two new junior high schools have been built—the Macfarland and Langley—and the old Eastern High has been converted into a junior high and likewise the Randall School. Plus the Shaw and Columbia Junior Highs heretofore established, we have now in operation six junior high schools, and they, while given over largely to elementary classrooms, aid in a large measure in relieving the high schools.

POLICE AND FIRE DEPARTMENTS

Both the police and fire departments have been adequately taken care of. The salary appropriations for members of these departments include nothing on account of increased compensation. This year there is required to pay the $240 bonus in these departments $410,880. An appropriation will have to be provided later to cover increased compensation for the policemen and firemen or else to continue the $240 bonus, which, of course, will have the effect of making the appropriations for 1925 go well beyond those proposed in this bill and in the Budget as well. We are providing for 20 additional policemen and 4 additional firemen, precisely as recommended in the Budget.

COURT ITEMS

The court items, with one exception, are devoid of anything unusual or out of the ordinary. The employees of the supreme court and the court of appeals were construed to be field-service employees and have been provided for in this bill at their present rates of pay without any provision to take care of the $240 bonus which they are now receiving. This is a matter, of course, which must be taken care of in a later measure. With respect to the municipal court the committee, of its own volition, is providing $300 extra compensation for presiding judge. There are five judges of the municipal court, each of whom is scheduled to receive $5,300 under the classification act. The committee is proposing that the presiding judge shall receive $300 more than the other judges of the court.

CHARITIES AND CORRECTIONS

For charities and corrections the appropriations proposed total $2,570,890, being $57,319 more than current law. This is made up of a multiplicity of items, the largest of which is $850,000 for the care of indigent insane. For the Florence Crittenton Home, the Southern Relief Society, the National Library for the Blind, and the Columbia Polytechnic Institute for the Blind it will be observed the committee has gone beyond the Budget proposals. I have not heard and I can conceive of no good reason which could be advanced that would not warrant the amounts the committee is proposing for these four charities. Their field of usefulness is well known to you; the good which they do is immeasurable, and never with my sanction shall they be denied the full measure of support which they richly merit.

ANACOSTIA FLATS

The usual amount and as recommended by the Budget is $150,000. In former bills all appropriations were provided for the money to be expended below Benning Bridge. Much work still remains to be done in this section. On October 1 last the expenditures amounted to $1,610,647.45. Approximately $900,000 will be required to finish this part of the project. You will recall that in the current appropriation act a report was required to be submitted on the desirability or undesirability of continuing the project above Benning Bridge. That report was submitted, as appears in Senate Document No. 37, Sixty-eighth Congress, first session. The report recommends that the

project be proceeded with, but on a modified scale. The total cost of the work above Benning Bridge under the revised plan is $1,806,000.

REGARDING CONNECTING PARKWAY BETWEEN ROCK CREEK AND POTOMAC PARKS

Regarding the connecting parkway between Rock Creek and Potomac Parks, funds have been made available for purchasing all but 12.68 acres of the 92 acres which have to be thus acquired. These 12 acres, it has been estimated, will cost around $500,000. They are situated chiefly in the built-up section in the vicinity where Pennsylvania Avenue crosses Rock Creek. Condemnation proceedings will have to be instituted, and it is, of course, difficult to approximate what the awards will aggregate.

The committee in this bill proposes to appropriate $75,000, which the commission can use in purchasing certain very small tracts or parcels of land which may become necessary to properly make the connection between Rock Creek and Potomac Parks.

WATER SUPPLY

I have acquainted you in a general way with our action, I believe, on all of the matters upon which interest largely centers with the single exception of the project for increasing the local water supply, and for this purpose your committee proposes an appropriation of $800,000, which accords with the Budget estimate. I believe it will suit the Members of the House better if I should defer making a more particular statement regarding this undertaking until the item is reached when we are reading this bill under the five-minute rule.

CONCLUSION

Before concluding there is a matter which I wish to bring to the attention of the House and particularly the members of the District Committee. There is an urgent and pressing need that there be enacted some well-studied, comprehensive school development program for the District of Columbia.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Minnesota. Yes.

Mr. CHINDBLOM. If the committee were to undertake that, it could not give so much time to passing model legislation for the balance of the country. Surely the gentleman does not feel that the schools are more important than the passing of model legislation for the rest of the country?

Mr. DAVIS of Minnesota. Oh, the gentleman must remember that this is the capital of the Nation, and we must make this a model city, and everything else must be modeled upon it, our buildings, our laws, our conduct, and everything else. Surely, the gentleman must have read the newspapers published here in the city, and if he has, he will have noticed, I have no doubt, at some times some slight reference to the great need there is for making this the model city—I was going to say of the country, but let me say of the whole world.

Mr. CHINDBLOM. I am in entire accord with the gentleman. I think we ought to have legislation here pertaining more to the particular needs of the District as a municipality.

Mr. DAVIS of Minnesota. And particularly with respect to the method of handling and locating our schools, and so forth, because this city is building up in a peculiar way, and there ought to be some legislation along that line. We have been proceeding here for a number of years to appropriate for a building here and a building there and for a site here and for a site there, none a part of any legally recognized plan to build up a system which will properly and adequately serve the various communities. This is a most unbusinesslike way to proceed and one that should not be longer tolerated. In recent years what is termed the junior high school has come into existence. We have six of them now. I am not aware that any committee of Congress has considered whether or not a junior high school should be a part of the school system. I am certain the question as to the number of them which should be provided has not been considered or the localities in which they should be built. I submit it is time to call a halt on this haphazard method of providing for local educational facilities, and I earnestly hope that the District Committee will call on the school authorities to present a program, to extend over a period of years, and give it consideration and bring in a bill here by which the Appropriation Committee can be guided in considering the requests which are presented to it for funds.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Minnesota. Yes.

Mr. DYER. I want to ask the gentleman a question or two on the subject of the bonus.

Mr. DAVIS of Minnesota. Yes.

Mr. DYER. The bill provides for the Supreme Court of the District of Columbia and the Court of Appeals of the District of Columbia. The gentleman does not state there that the salaries of the clerks and the employees of these courts are in accordance with the classification act of 1923.

Mr. DAVIS of Minnesota. No; they are not.

Mr. DYER. The matter I want to call to his attention is the fact that the employees of the Supreme Court of the District of Columbia and the Court of Appeals of the District are left out of the classification act.

Mr. DAVIS of Minnesota. They come in under what is called the field service.

Mr. DYER. They do not come under classification which gives them salary in lieu of bonus, which is to be chopped off on the 1st of July. Did the gentleman's committee consider that question?

Mr. DAVIS of Minnesota. They were construed to be field-service employees. They are now receiving the $240 bonus.

Mr. DYER. On the 1st of July that comes off.

Mr. DAVIS of Minnesota. Yes.

Mr. DYER. They are not provided for.

Mr. DAVIS of Minnesota. They will be taken care of.

Mr. DYER. They will not unless there is legislation.

Mr. DAVIS of Minnesota. What is the matter with the deficiency bill? We will have to provide for all employments not heretofore taken care of either in that or some special bill.

Mr. DYER. That is the question.

Mr. DAVIS of Minnesota. It can and will be done.

Mr. DYER. A bill has been presented to the Committee on the Judiciary of the House asking for increases of pay for certain courts, including these. Of course the gentleman knows the difficulty of getting general legislation through. I invite his attention to this apparent oversight so that his committee will take care of these other courts.

Mr. DAVIS of Minnesota. I shall endeavor to see that they are taken care of. I am also on the subcommittee which has charge of the deficiency bill.

Mr. DYER. It includes the Supreme Court of the District of Columbia, the Court of Appeals of the District of Columbia, the United States Court of Claims, and the United States Court of Customs Appeals. None of these are taken care of in the classification act.

Mr. DAVIS of Minnesota. They will certainly be taken care of.

Mr. DYER. Certain salaries there are very meager; for instance, stenographers to the court of appeals and the supreme court at $1,100. The gentleman knows that no competent stenographer can be found for that salary.

Mr. DAVIS of Minnesota. Yes. I thank you very much, gentlemen, for your attention. [Applause.]

The CHAIRMAN. The gentleman from Kansas [Mr. AYRES] is recognized.

Mr. AYRES. Mr. Chairman and gentlemen of the committee, I want to make a brief statement regarding this appropriation bill, at least to a few of the items, and I particularly want to call attention to one of the greatest items of increase in this appropriation bill. It is that of salaries of Government employees of the District of Columbia. This is due to the classification act of 1923, which expressly provides that the reclassification of salaries shall be applicable to the municipal government employees of the District. It does apply to all except teachers and librarians in the public schools, members of the Metropolitan police force, the fire department, and the United States park police.

The total amount carried in this appropriation bill on account of the reclassification of these employees is $322,113.80. This is considerable of an increase over the present pay plus the $240, which has been paid for several years. I might say there has been passed by the House bills which are now pending in the Senate, known as compensation adjustment bills which care for the teachers and librarians of public schools, the firemen and policemen, in the way of salaries, and which it is estimated will require a further appropriation of approximately $2,200,000.

REGARDING PUBLIC SCHOOLS

The proposed appropriation carried in this bill for educational purposes or activities is $6,974,007. This is $1,044,463 less than proposed in the Budget. But as already stated the classification act does not extend to teachers or librarians, and basic salaries provided for in this bill remain the same, or unchanged. If the rates of pay should be increased, which no doubt they will be if the bills I have already referred to should pass the Senate and should become effective June 30 next, it would very materially reduce this amount which the

committee is proposing below the Budget estimate. The committee has appropriated for 84 more teachers than now provided for and 15 less than recommended by the Budget. There is no question but that the 84 additional teachers are needed on account of new rooms which are used to relieve the congestion.

The committee, however, did not feel justified in making appropriation for the employment of teachers in schools for buildings not yet erected; in fact, they have not been contracted for, and but little prospects of completion of the buildings before the beginning of the school year of 1925. This accounts for the reduction in number of the teachers asked for by the Budget. We were asked to appropriate for the hiring of teachers and attendants and the purchase of equipment for such as the Raymond School, which has not as yet been contracted for, and the John F. Cook School, where there has to be at least two parcels of property obtained and the plans for the school building completed before the school authorities can even think of starting the buildings.

On the question of furniture and equipment for new school buildings and additions to existing buildings the committee made a decided cut in the appropriation recommended by the Budget. We propose $182,351, while the Budget recommended $287,000, being $104,649 more than we propose. Of the amount requested by the school board to be appropriated for furniture and equipment for these new buildings, $160,000 was for the Armstrong Manual Training School. We felt this was unreasonable, so we arbitrarily cut that amount to one-half, or $80,000; and while the cut may seem a little drastic, the committee is unanimous in the opinion a much less sum than $160,000 should be estimated. The balance of the reduction of appropriation for equipment is on account of schools not completed and which will not be during the fiscal year. We did not deem it necessary to appropriate for equipment and furniture for contemplated school buildings.

Mr. Chairman, I want at this time to make a statement regarding the furnishing and equipment of some of these schools. I want it understood I will go just as far as anyone in the way of expenditures for education and for all necessary equipment to carry out fully and thoroughly any reasonable idea pertaining to the interest and advancement of education and its institutions. Let me say, however, that during these times, when the individual is admonished daily it is necessary to economize, and when business all over the Nation is endeavoring to economize, when national and municipal governments everywhere are asked to economize, when the taxpayers all over the country are appealing for a reduction in their taxes, and Congress should be doing its utmost to heed that appeal, knowing full well it can be done only by reducing governmental expenditures, I feel it is unnecessary to put into a school building a $2,500 grand piano. I also feel there are many other articles enumerated in the items of equipment of some of these schools that might cost less, and many that could be dispensed with at this time and wait, at least, until we can get back on our feet again, so to speak. I must say, until that times comes, so long as I remain a member of this committee it is going to be a difficult matter to convince me that I am wrong.

REGARDING TAXATION

Regarding taxes I want to say that I tried to develop at the hearings the method of arriving at the value of real property in this city for taxing purposes. While I did not succeed very well, at least not to my satisfaction, I did find that from all appearances there are two values placed on real property in the city. One is a rental value, or value for rental purposes, and the other is a taxing value, and it is needless to say there is a vast difference in many cases in these values. For instance, the assessor's office depends largely on the consideration shown in the instrument of conveyance, coupled with the amount of revenue stamps placed thereon. That, of course, is by no means a safe or reliable way to arrive at a fair value in all cases. I appreciate it is a little difficult to get the actual value of residential property for taxing purposes, especially when occupied as a home by the owner. It is a question of judgment of the assessor largely based on sales made of like property in the immediate vicinity. It seems to me, however, this difficulty is obviated when it comes to apartment houses and other properties used for business and rental purposes.

I asked the question of the city assessor what his method was in case an owner of an apartment house should go before the Rent Commission and value his property at a million and two hundred thousand dollars for the purpose of convincing that commission he should be permitted to charge his tenants so much rent in order to be able to receive an 8 per cent income on his investment, as I understand that is what he is allowed, and then when it comes to valuing his property for taxing purposes he insisted that it was worth not to exceed $750,000; which value would the assessor take? His only explanation was that when there were two or three values placed on a piece of property they had to equalize it as best they could. It would seem to me, so long as they are making the assessment on the full value of the property, as they say they are doing at this time, it would be an easy matter to arrive at the true value of an apartment house for taxing purposes where the owner has already fixed its value for rental purposes. I think if that method should be pursued for a while it will have one of two effects—either increase taxes on real estate and the amount of revenue derived therefrom, or it will be the means of reducing the unconscionable rents every poor devil not owning a home has to pay. For one I want to see if there is not some way to get at it and equalize it. If I have to pay a third to one-half more rent than I should pay, I want to know that my landlord is paying taxes accordingly. Putting it another way, I do not feel that a Washington landlord should be permitted to play both ends against the middle, and more particularly when I am the middle. The taxpayers of the Nation as a whole pay 40 per cent of the expenses of running the District of Columbia. The property owners of the District pay the other 60 per cent. The less revenue they receive from taxes in the District, the greater the appropriations will have to be on the part of Congress and the more there will have to be taken from the Treasury of the United States.

GRADING STREETS AND ALLEYS

I have a purpose in calling attention of the House to this item. It is a small item, only $50,000. However, $15,000 more than the current law, and at that rate of increase, with the present growth of the city, it will amount to much more each year. Besides, it is the numerous small items that go to make up a large appropriation. The engineer of highways stated to the committee that this $50,000 appropriation would be sufficient to do only a small part of the grading that should be done at this time. The method of carrying on this work, in my opinion, is an injustice to the taxpayers as a whole. This money appropriated is practically all expended upon requests of property owners for sewer and water mains to be extended to their properties where homes are intended to be built. In order to extend these mains along the thoroughfare of the property the streets must be graded. This work is spread all over the District. Under the present law neither the property owners requesting this work nor the property owners along whose property the mains run pay for any proportion of this work or expense, and that notwithstanding the fact it enhances the value of their property. It seems to me that when water and sewer mains are placed along the property of an owner there should be declared a benefit district the same as in other cities and the owner be required to pay his portion of the costs entailed in creating those benefits. Until some law of that kind is passed Congress will have to appropriate thousands of dollars each year to bear such expenses.

REGARDING SEWER AND WATER MAINS

In this connection I want to call attention to the law regarding sewer and water mains. Section 5 of the act passed in April, 1904, authorizing the laying of water mains and service sewers in the District of Columbia and the levying of assessments therefor, and for other purposes, provides that property in the county of Washington, not subdivided into blocks or lots or both, shall not be assessed for water mains or service sewers until subdivided. It is estimated since the passage of that act that there has been advanced for sewer mains alone, where no assessment has been returned, the amount of $384,000. This amount, it must be understood, does not include large trunk or storm water sewers constructed under general appropriations, or out of specific appropriations made for particular sewers.

An examination of the records of the water department since the passage of the 1904 law, referred to a moment ago, will show that the water revenues have been depleted to approximately $216,725, because under the law it was impossible to levy assessments against abutting unsubdivided property. It seems to me the District Legislative Committee should amend the act of 1904 so as to create a benefit district just as soon as these mains are laid. It is the only fair and just method of handling this matter.

WITH REFERENCE TO HOSPITALS

I want to say a word about hospitals and appropriations for same. In addition to our Government hospitals we are appropriating amounts annually from $5,000 to $20,000 and up for 10 to 11 privately owned hospitals, and in view of what

was shown in the hearings it seems there is no way of getting out of it. These appropriations are made principally to take care of the indigent patients which fall to the lot of the District.

I am inclined to the belief that a thorough investigation would reveal the fact that many States, and especially those close to Washington, are relieved to a great extent of the responsibility and expense of caring for their needy and indigent people. My limited experience on this committee for the past few months, consisting of just one hearing before the committee on the needs of the District of Columbia, has convinced me that, owing to the fact those in charge of the administration of affairs of the District are so generous and kind-hearted, they are woefully imposed upon. I am thoroughly convinced the District of Columbia and the National Government are expending thousands of dollars taking care of helpless, diseased, indigent people who are in a sense floaters; that is, they have not received the attention probably they should have received in their own States and municipalities, so they become floaters, and naturally float into Washington, where they know they will be cared for at the expense of the District and National Governments, as I have said. As a result not only our Government hospitals are filled, but some 10 or 11 privately owned hospitals are crowded taking care of these unfortunates.

In the Middle West if an insane or a diseased or a helpless person from any cause should conclude to find a more considerate community than that in which he lived, and journeyed to another State, or even another county or city in the same State, and became a charge on the State or municipality of his new abode, he would be bundled up and sent back from whence he came. While that may seem hard-boiled, it is the only fair and just method to pursue. These unfortunates have to be cared for, that is true; but each State and municipality should care for its own indigent and not shift them or permit them to be shifted for the care of some other government. That, in my opinion, is what is being done to an alarming degree here in Washington, simply because of the generosity and kind-heartedness of the authorities of the city. As one member of this committee, I not only urge but insist that a close inspection be made of these floaters as they come here and they be sent back to where they belong. The city of Washington should not be made the dumping ground and asylum for the unfortunates of other municipalities and States.

In this connection I want to say I am also opposed to using prisoners or jailbirds as help in hospitals in the manner as shown by the hearings in the Gallinger Municipal Hospital. These prisoners might be used for some purposes around a hospital, like menial labor, but they should not be used as orderlies or in any manner waiting on the sick, nor should they be used to guard the mentally afflicted patients. The hearings developed the fact that some of these prisoners were trusted to the extent of letting them have the keys to the doors of the ward. Some of the women prisoners are used as maids in the nurses' home. I do not know of any good reason why refined women, such as I have always found considerate nurses to be, should be compelled to have to be served by such a class as this when they are off duty trying to get needed rest. It is an injustice to a class of good women engaged in a self-sacrificing work, and they are entitled to the best that can be given them during their hours of rest.

In this particular I am not in agreement with this bill and wish at this time to give warning that when the next appropriation measure is considered by this committee for the District of Columbia, unless the Budget allows a sufficient amount for the employing of efficient or at least decent help in this hospital and the nurses' quarters, I shall do my best to put it in the bill anyway.

WIDENING THIRTEENTH STREET NW.

The business men and property owners on Thirteenth Street NW., between F and I Streets, are asking that this street be widened. At the present time the roadway is only 40 feet wide. The sidewalk from building line to curb is 70 feet; that is, 35 feet on each side. Anyone driving over that street will appreciate there should be more street and less sidewalk. These people want the street widened to 70 feet, leaving 20 feet of sidewalk on each side. It has been estimated that this will cost $80,000, of which the adjoining property owners will pay 40 per cent and the remaining 60 per cent will be met by the District and National Governments at the rate of 60 and 40 per cent, respectively. The committee felt, in view of the congestion in that particular locality, that these requests should not be ignored and made the appropriation for the amount of $80,000.

One of the most difficult problems the committee had to decide was the question of street improvements. We were compelled in some instances to refuse to appropriate for these improvements where they were to a great degree needed, and this because there were many places where they were needed much more. At best the appropriation will be large. Some places in the older parts of the city had to be refused, while new parts of the city were allowed these improvements. The explanation for this is in the old part of the city, where such improvements were requested, the pavement can be repaired and used for some time to come, while in the newer sections, where street improvements were allowed, there was no pavement at all and the streets and roads were at times impassable. The committee was careful not to appropriate for any improvements on streets where it was, you might say, possible to use the streets without any great inconvenience. There were some streets where we would be glad to replace the old cobble-stone pavement with up-to-date pavement, but we knew the present pavement would keep the traveling public out of the mud, and under the circumstances it could stand the jolts for awhile longer, at least, until the Nation as a whole recovers from the financial jolt it is receiving at the present time. It begins to look as though patches will be a badge of honor in the near future and will be pretty generally displayed the Nation over unless some change in conditions is brought about soon; therefore the committee felt it was no disgrace to the property owners on some streets clamoring for new pavement to be content to use patches for the time being at least.

I want to say, further, that the bill which passed the House a few days ago, what is known as the automobile-tag reciprocity bill, putting a tax of 2 cents a gallon on gasoline, carried with it, as I understand, a proviso to the effect that that money derived from this tax is to be used on the streets and highways of the District of Columbia. It is estimated that that law will probably create a fund anywhere from a half million to three-quarters of a million dollars. That will bring the amount for the coming fiscal year for street purposes to a sum more than is available for the present fiscal year under the last appropriation.

Mr. YOUNG. The gentleman thinks it would not be necessary to have an appropriation?

Mr. AYRES. That is my understanding. It may be used under the present arrangement by the District authorities for street improvements. If not, it will be an easy matter to have it appropriated for that use.

Mr. Chairman, my serving on this subcommittee, which has been only this session of Congress, has been sufficient to convince me that the present arrangement between the District and National Government as to revenue and expenditures is not fair and equitable to either. From the view of the District government it can be seen that there are many improvements that should be made but can not be because the National Government, through Congress, will not permit. The item, or items, of street improvements is a fair illustration. Some of us represent congressional districts containing fairly good-sized cities wherein pavement is badly needed or repairing of streets is badly needed, but owing to hard times, scarcity of money, and the desire to economize the city dads of those municipalities are saying, "No; we will get along for a while." It is rather hard for us to say to the city of Washington, "Notwithstanding the fact my city at home can not have these improvements, I am willing for you to have them, even though the taxpayers of my city help pay for yours and are denied them at home." That is an illustration that can be applied to many other things along the same line.

Owing to the rapid growth of the city of Washington within the past few years and phenomenal real-estate development which should at least increase the taxable value of all property, but which apparently has not kept pace with expenditures of the city made necessary by such developments and increase in population, it has made it impractical in fairness, at least, to continue the present proportional policy of receipts, or rather distribution. In fairness to the city government of Washington, it should be placed in a position where it could keep pace with the remarkable growth of the city in improvements of all kinds, made imperative because of this growth. This means street improvements, such as widening many streets, such as proposed in this bill as to Thirteenth Street NW., between F and I Streets, also the extension of streets, paving many streets now unpaved, the removal of old, out-of-date pavement and replacing it with up-to-date pavement, extension of water and sewer systems, enlargement of park systems, the reclamation of land for park purposes along the river, and hundreds of other matters that could be mentioned

necessary to be done in a growing city, but which can not be done so long as her guardians live in Illinois, Minnesota, New Jersey, Massachusetts, Kansas, and some other States. They are not thinking alone of the city of Washington when getting up an appropriation bill for Washington. They are thinking of the taxpayers back in their districts who help pay this appropriation at the same time they are thinking of the city of Washington. They are constantly comparing their own cities with this one; that is to say, their wants which have been denied.

That is natural, and I can not see where they are to be blamed for so doing. Yet it is not fair to the citizens of Washington. Men charged with making up an appropriation to meet the actual needs of Washington, who come from districts where taxes in their cities are anywhere from $2.50 to $4 per hundred because of these improvements a growing city demands, can not be entirely unbiased when confronted with the fact that the rate of taxation here is only $1.20 per hundred. It is such things as this that are apt to make such men unfair in their judgment as to what is right and just to all concerned.

It would seem there is no question but that the National Government interests, so far as property is concerned, have reached the maximum. Therefore it would seem that it should not be a difficult matter to arrive at about what the National Government should appropriate for its holdings here in the District. Beginning with 1915, when I first came to Congress, the appropriations on the part of the National Government for the District have varied some, but not as much as you might expect.

1915 it was	$6,590,431.56
1916 it was	6,103,615.57
1917 it was	7,059,603.79
1918 it was	7,871,136.99
1919 it was	8,316,221.74
1920 it was	9,456,956.84
1921 it was	8,322,931.07
1922 it was	8,868,778.21
1923 it was	8,660,747.92
1924 it was	8,631,745.20

While this bill proposes to appropriate for the National Government's share $8,973,666.80, which is about $1,800,000 less than allowed by the Budget for the District, you can see for the past eight years our proportion of the total appropriation for the District has been around the $8,000,000 mark. I have no suggestion to offer so far as a form of government for the District is concerned. That is a matter than can or should be worked out, if necessary, by those who are on legislative committees. I do feel, however, like offering a suggestion that a committee composed of Members of both branches of Congress, a committee from the citizens of the city of Washington or District, should be appointed, and see if some kind of a plan could not be effected so that the National Government could be assessed a fixed amount as its proportion in meeting the expenses of the government of the District, to be paid annually, and the balance, whatever it might be, be raised by the District of Columbia, and be expended as its officers may be authorized for the benefit and progress of the city of Washington. This is the only fair and just method to pursue.

Now, Mr. Chairman, regarding a few items that I want to speak of other than the statement that I have already made, there has been considerable criticism in the newspapers recently in regard to the lack of appropriations on the part of this committee that we did not make an appropriation to care for the employment of special counsel for the Utilities Commission to prosecute, or rather to complete, the case that is now pending in the Supreme Court regarding the Potomac Electric Co. I asked the clerk of this committee to ascertain just what had been paid to this special counsel up to date, and he said this man was designated as special counsel for this purpose soon after he ceased to be corporation counsel, and I want to give to the committee at this time a statement of the amount paid. In 1920 this special counsel to the Utilities Commission was paid the sum of $5,000. That was in 1920, for the work of carrying on this lawsuit on the part of the Utilities Commission against the Potomac Electric Co. In 1921 he was paid the sum of $4,000. In 1922 he was paid the sum of $3,000; in 1923 the sum of $1,500; making a total of $13,500 that this special counsel has been paid for this supposed work.

In 1924 the appropriation was cut out and we felt there had been enough paid this special counsel to cut it out in 1925, and as one member of this committee I want to say it will continue to be cut out. I think plenty could be said and probably will be said before this bill is finished concerning this special counsel. He has been paid amply for the services rendered in this matter.

Also there has been a criticism offered relative to the item of trees for park purposes.

Mr. LAZARO. Before the gentleman leaves the other proposition I would like to ask him this question: How much is involved in this suit?

Mr. AYRES. Well, that question I can not answer. I do not know whether the chairman of the subcommitee can answer the question or not—how much is involved in this suit?

Mr. LAZARO. As I remember, according to the newspaper editorial, there is something like $5,000,000 involved. What will become of the suit if there is no special counsel who is well versed in the case? Is it not dangerous to separate the District at this time from this special counsel?

Mr. AYRES. No. I think not; nor does the committee think it is dangerous for this reason: We have a corporation counsel and he has a number of assistants who are provided for in this bill. All of the preliminary work of this suit has been done, and all in the world that is necessary is to keep track of it in the Supreme Court, which I understand has already been done in a way which I do not propose to discuss at this time. But, as I say, practically all of the work has been done; the trial has been had, briefs have been prepared, and the matter has been presented. If the corporation counsel has not already familiarized himself with this particular litigation, he should do so, so that if it should become necessary for any further preparation or for any further presentation of the matter before any of the courts of this District he will be in a position to attend to it, and call some of his assistants in to take his place in some of the matters he is giving his attention at this particular time. It seems to me unnecessary to continue each year to carry an appropriation for special counsel in order that he may follow this particular litigation, litigation which has been pending now for six years.

Mr. LAZARO. What I had in mind was this: If it was necessary at all to employ special counsel to prosecute this suit, is it not logical to believe that he should be continued until the suit is finally disposed of?

Mr. AYRES. I do not know as to that, and I do not care to go into the discussion of that because I do not want to embarrass anyone connected with this suit. I have the idea that will be gone into pretty thoroughly by the gentleman from Texas, who is more familiar with this litigation and the present special counsel than I am and the handling of this suit. Therefore, I do not feel like going into that matter further. I am only saying that I think the expense we have been carrying for some time is not justified under the circumstances.

Now, regarding this item of trees for park purposes. It was reported in one of the papers a few days ago that we had been very stingy with regard to this particular appropriation. I want to call attention to the fact that we have appropriated, or, rather, recommended the appropriation of, the same amount in this bill that was carried in the current appropriation, namely, $55,000, which is ample.

Now, regarding an appropriation to which the chairman of the subcomittee has already called to your attention, namely, an appropriation for school purposes. We have been severely criticized because we have not appropriated more for school purposes. I do not intend to dwell on that, but your attention has been called to the fact that we have failed to appropriate for the securing of new sites for junior high schools, the amount being $600,000. As a matter of fact that $600,000 appropriation for high schools was intended for the purpose of a junior high school to be located within a mile of the Eastern High School which we have at this time, and it was absolutely unnecessary.

I think, gentlemen, that as a whole the subcommittee has been very fair. We have tried out level best to treat all concerned fairly and impartially, at the same time keeping these appropriations within the limits of what we considered reasonable and just for all concerned, the national as well as the District taxpayers.

I thank you. [Applause.] Mr. Chairman, I reserve the balance of my time. How much time did I use?

The CHAIRMAN. The gentleman used 42 minutes.

Mr. AYRES. Mr. Chairman, I yield 30 minutes to the gentleman from Kentucky [Mr. JOHNSON].

The CHAIRMAN. The gentleman from Kentucky is recognized for 30 minutes. [Applause.]

Mr. JOHNSON of Kentucky. Mr. Chairman, it is not my purpose upon this occasion to discuss this bill, for the reason that there is another matter about which I wish to say something and concerning which until now I have been denied the

opportunity. It is the Army appropriation bill to which I now wish to address my remarks.

When the Army appropriation bill came before the House it contained two limitations upon the pay of officers—active and retired. During the consideration of the bill another limitation upon the pay of officers was adopted.

The first of these limitations applied to two officers—one active and one retired—both of whom, Major Cresson and Colonel Hunt, had been found by a properly constituted committee to be unworthy of our country's uniform or gratuity.

Another limitation was placed upon the gratuity granted by Congress to retired officers; the limitation providing that no part of the money appropriated by the bill should be paid to any retired officer who engaged in selling any kind of goods or merchandise to the Government, no matter how honorable or upright the transaction might be.

The other limitation was placed upon the bill by the House. The one to which I now refer is the one which directs that no money appropriated by the bill shall be paid to any officer who participates in recruiting a soldier under 21 years of age without the consent of the parent or guardian.

I wish, briefly, to invite attention to the inconsistent and even paradoxical reasons, or rather, excuses, made by some in opposing one of the limitations and favoring another, although the two were parallel in principle.

For instance, the gentleman from New York [Mr. STENGLE] bitterly opposed the "principle" of withholding salary or gratuity from those who had been found by a committee, appointed by the present Speaker of this House, to have been part of a conspiracy to turn Grover Cleveland Bergdoll loose. Yet he complacently acquiesced in the adoption of the limitation which forbids a retired officer to accept honorable employment. He said he opposed such limitations "on principle."

However, he stood by the "principle" in the latter case and abandoned it in the other, principally because one of the officers at whom the limitation was aimed was the "buddy" of a friend of his.

The gentleman from New Jersey [Mr. BROWNE] discriminated between the two limitations because, as he said, one of the parties had been his personal friend for 30 years.

The gentleman from Illinois [Mr. MCKENZIE] said that the limitation as to Cresson and Hunt "was not an attempt to legislate by limitation but by confiscation."

Only the other day the Secretary of War, while testifying before the Senate committee relative to this very bill, stated that the annuity of two officers had just been withheld under one of the limitations in the bill, not because either had participated in a conspiracy against our country but because they had merely accepted honorable employment from concerns which have business transactions with the Government.

If one of these limitations is "confiscation," the other also must be. Yet the gentleman inveighs against only one of them. How wonderfully strange it is that the discrimination is in favor of the conspirator and against the other to whom even no suspicion of offense detrimental to our country has been laid.

The gentleman from Texas [Mr. WURZBACH], possibly from Eberbach, consents to the limitation which forbids payments to officers who accept the enlistment of those under 21 years without consent of parents or guardian. He also accepts, without murmur, the limitation which forbids the payment of an annuity to the two officers mentioned by Secretary Weeks, at page 234 of the Senate hearings on this bill, but he balks at another limitation which would deny payment to his "schoolboy friends."

The gentleman from Tennessee [Mr. FISHER] said:

> It is such an unusual procedure to have provisions cutting off the pay of officers * * * that it is beyond comprehension.

To the gentleman the proposition to cut off the pay of an officer is "incomprehensible." Yet the gentleman has given his support to the proposition to cut off the pay of officers for less offenses, if offense at all, than conspiracy to aid desertion to the enemy of our country.

The gentleman from Delaware [Mr. BOYCE] said:

> Assuming all that the gentleman from Kentucky has said to be true, the provision in the bill under consideration is unthinkable.

It is to be hoped that the gentleman, while assuming that the charge against Colonel Cresson be true, that he was one of several conspirators who turned Bergdoll loose, did not really mean to say that to withhhold the pay of Colonel Cresson was "unthinkable," while to withhold the pay of another for enlisting a young man under 21 years or to withhold the pay of one who did no more after his retirement from the Army than to accept employment from a business concern that sold Army supplies to the Government was "thinkable."

The gentleman from Nebraska [Mr. SIMMONS] told how Colonel Cresson had appeared before the American Legion in Nebraska and related to the Legion how vigorously he had prosecuted the Bergdolls. No one that I have ever heard of has said that Cresson did not properly prosecute the Bergdolls. The charge against Cresson is that he did not in good faith prosecute Colonel Hunt, who was one of the conspirators who turned Grover Bergdoll loose. It would have been equivalent to suicide had Cresson not properly prosecuted the several Bergdolls.

Regardless of his motives I commend him for prosecuting the Bergdolls, but blame him for making only a pretense toward the prosecuting of Hunt.

Cresson's conduct or attitude is comparable to that of Benedict Arnold while marauding through Virginia after he had become traitor, when upon capturing a young officer in our Army and while deliberating upon what punishment he should inflict upon the young captain, asked:

> What would you do with me if you had taken me prisoner?

The young fellow quickly replied by saying:

> While storming Quebec you received an honorable wound in the leg. Again while forcing the British at Saratoga you were wounded in the same leg. If you were my prisoner, I would bury that crippled leg with the highest of our military honors, but the rest of that damned carcass of yours I would hang on an ignominious scaffold and afterwards throw it to the dogs.

Just here I feel that I should speak of the attitude of two other Virginians toward limitations on appropriation bills. One is the delightfully genial gentleman, Mr. MONTAGUE. The other, Mr. TUCKER, I understand, left a kindergarten class in constitutional law at one of the colleges or universities in Virginia to succeed in this Chamber the lamented and beloved Hal Flood.

The former, Mr. MONTAGUE, while discussing and opposing the limitations aimed at Colonel Cresson, arose in all his splendor and pomp, assumed an imposing attitude and tragically exclaimed:

> What power has this House to convict Major Cresson?

My answer is that it has the same power to "convict" Major Cresson for corruptly conspiring to let Bergdoll escape as it has to "convict" the officer who takes boys under 21 years into the Army. It has as much right to "convict" Cresson for conniving at the acquittal of Hunt, the traitor, as it has to "convict" another retired officer for accepting honorable employment from an honorable business concern having honorable dealings with honorable officers of our Government. Of the former proposition the gentleman complains; of the latter proposition he approves.

Congress has authorized the employment of Colonel Cresson in the Army and has fixed his pay. Congress by the same authority can stop that which it has authorized. Congress giveth and Congress taketh away. It is not necessary to "convict" one of crime in order to stop paying a salary, as in Colonel Cresson's case, or to stop an annual gratuity, as in Colonel Hunt's.

To stop the salary of Cresson or the gratuity of Hunt without "convicting" either of crime is just as logical as it is to stop the pay of an officer who enlists boys under 21 years of age, or to stop the gratuity of a retired officer who engages in business with a firm or corporation that sells to the Government.

And just here I may refer to the remarks of the gentleman from Minnesota [Mr. NEWTON], who spoke of the attempt to take salary from Cresson and gratuity from Hunt "without a trial of any kind." I can not but wonder what kindly spirit moved this gentleman to oppose a limitation which would deprive one class of officers of their pay "without trial of any kind" when an ominous silence overwhelms him when it comes to depriving another class of officers of their pay "without trial of any kind."

But, back to Mr. MONTAGUE's question: "What power has this House to 'convict' Major Cresson?" Already I have given my answer. There is yet another answer: It is the power given by resolution to a committee of this House to investigate and report to the House those who committed the crime of unlawfully liberating Bergdoll. The power to withhold Cresson's pay and Hunt's gratuity lies in Congress and is recommended in the report of that committee, one of whom was a noble Virginian who then occupied a seat in this body. If his lips were not forever closed, the gentleman from Vir-

ginia need only to ask the question of him both as to the power of Congress and the guilt of Cresson and Hunt.

The other gentleman from Virginia [Mr. TUCKER] in repudiating Hal Flood's findings of fact and in defending the traitor to his country's flag, opened his address with the admission: "I know nothing in the world about this case or about this officer." What a pitiful admission that is coming from one who is the successor in this body of him who knew all about it, and over his signature named Cresson as one of those who conspired to turn Bergdoll loose; and who, as one of his last official acts, detailed the circumstances which established the guilt of both Cresson and Hunt.

The predecessor of Mr. TUCKER was a capable, a brave, an honorable, and a just man. He realized a duty when responsibility was placed upon him; he possessed the judgment to discern that duty; he had the courage to discharge it; he was just enough to do no wrong to another; he was patriotic enough to permit no wrong to his country's flag to go unrebuked. By the report made to this House, a report which he helped to write and to which he put his now hallowed name, it was recommended that this man Cresson, so lately defended by Mr. TUCKER, should be stripped of his uniform, and that a patient people might not be further taxed to pay Colonel Hunt an annuity of $3,600.

He, of whom the Old Dominion was so proud, sent a large number of that report to his constituents; the papers of his State carried its condensed findings and recommendations. No doubt those who love country and detest the unpatriotic; no doubt those who are nauseated with the thought of being taxed so that he who conspired against his country's honor may live in affluence, unlike the gentleman who came to his defense, can not join him when he says: "I know nothing about this case or about this officer."

If Hal Flood had been spared, his voice would not have been heard in this Chamber discussing a proposition about which admittedly he knew nothing whatever.

Knowing nothing about the question before the House the gentleman from Virginia [Mr. TUCKER] took for his subject another matter about which he knew no more.

The real question was whether or not Colonel Cresson should, during the ensuing fiscal year, draw salary as an officer in the Army, and whether or not Colonel Hunt, a retired Army officer, should during the next fiscal year be paid a gratuity of $10 a day.

As Mr. TUCKER admittedly knew nothing about the subject, notwithstanding that Hal Flood, his predecessor, was one of the authors of the report that told all about it, undertook to impart information upon subjects about which he knew nothing, made a speech on a section of the Constitution which has to do with "attainder, the corruption of blood," and the right of trial by jury, although neither "attainder" nor the corruption of blood, nor the trial by jury had anything whatever to do with the question as to whether Congress could repeal, in whole or in part, an act which it had passed, that act relating only to the pay of officers. If, as he contended, an officer's pay for services not yet rendered, or the gratuity of a retired officer for a period not yet reached, could not be stopped without "corruption of blood," without the denial of the right to inherit, without the trial by jury, then may I ask why the gentleman's ardor arose in behalf of those whom his distinguished predecessor had found guilty of a crime against our country, and yet remained so placidly willing that the pay of an officer who participated in enlisting a boy under 21 years of age be stopped; or that of one accepting, as I have said, honorable employment from a business concern that has not and probably will not undertake to deal dishonorably with our Government.

In the Army men are not tried as in the Federal or State courts. Only a little while ago 12 or 15 negroes were hanged by Army authorities in Texas without the intervention of a jury. We are told—and no doubt it is true—that during the recent war members of our Army were shot or hanged after court-martial trial only. The Supreme Court of the United States and every other court in the land recognizes this as legal. Everybody in the whole country, with one possible exception, knows that such is the law.

The seismograph recently recorded an earth shock somewhere. At first it was thought to be another shock in far-away Japan, then it was found to be a disturbance near here. Some said it was nothing more than John Marshall turning over in his coffin to catch the new doctrine of applying "attainder and corruption of blood" to the question as to whether or not Congress could, in whole or in part, repeal its own made laws relative to the pay of soldiers, either active or retired. Finally, however, the disturbance was located as a rattle in Hal Flood's shoes.

Then, next, the gentleman from Massachusetts [Mr. ROGERS] appeared with a letter from General Bullard giving a final approval of Major Cresson's prosecution of Colonel Hunt.

This final letter from General Bullard no doubt became necessary to clear up the original statement given out by him, which in its original form was used by Cresson with House Members for the purpose of giving himself a clean bill of health as to his prosecution of Hunt, but which had been garbled and changed by him to the extent of becoming a real forgery, he believing that necessary in order to get an indorsement from the American Legion, which he succeeded at last in doing.

The remarks of the gentleman from Massachusetts [Mr. ROGERS], together with the correspondence referred to by him, suggest a somewhat peculiar situation.

Thereby it is disclosed that General Bullard appointed the court to try Hunt; that he also appointed Cresson to prosecute him; that somebody—unnamed—reported to General Bullard that Cresson was disposed to prosecute Hunt too vigorously; and that General Bullard warned him not to be too zealous in the prosecution.

It is possible that this interference with the case by the highest military authority in that corps area may be one of the two reasons why Cresson did not prosecute, and also one of the two reasons why General Bullard gave the letter acquitting Cresson of a lax prosecution.

It is not far-fetched to believe, from these disclosures, that General Bullard has defended himself no little for having interfered with a judicial proceeding conducted by a court and prosecutor of his own making. If he has done that, and I sincerely hope he has not, it would be but one of the human frailties for him to defend the prompted actions of his creatures.

But another factor entered into the giving of the first statement by General Bullard. I use the word "statement" advisedly instead of the word "letter," for such a "letter" was not written. Instead, a "statement" was written and handed to one in distress, who was appealing to his sympathies and gallantry in manner like unto the words attributed to Ulysses when he said:

> A suppliant bends. O, pity human woe,
> 'Tis this the happy to the unhappy owe.

Mr. Chairman, I yield back the time I did not use.

The CHAIRMAN (Mr. RAMSEYER). The gentleman yields back nine minutes.

Mr. DAVIS of Minnesota. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HUDSON].

Mr. HUDSON. Mr. Chairman and gentlemen of the committee, I ask your indulgence this afternoon not to speak upon the bill before us, but upon House bill 7524, and the other bills commonly known as the beer bloc or beer bills.

Michigan was the first State with a great industrial city in its borders to adopt constitutional prohibition. Michigan adopted prohibition in 1916 by a majority of 68,624 in a total vote of 638,132. At the same election Michigan defeated a proposed constitutional amendment which would have legalized the manufacture and sale of beer and wine by a majority of 122,599, out of a total vote of 635,143. It is an interesting thing to note in passing that at the same election 3,000 voters were more interested in the question of the total abolition of the liquor traffic than they were in any modification of the manufacture and sale thereof.

The state-wide constitutional prohibition amendment went into effect May 1, 1918—the end of the State license year. The liquor forces submitted another amendment to the State constitution which would have legalized the manufacture and sale of 2.75 beer and light wine at the April election of 1919—one year after prohibition had been in effect and one and one-half years after the first vote on prohibition. This proposed constitutional amendment was defeated by a majority of 207,520, in a total vote of 852,726.

Here again is an interesting incident to be noted. At this election there was an increase of the total vote cast of 217,583. The majority against the policy of beer and light wine was increased from 122,599 to 207,520, or nearly 100 per cent. The arguments used throughout these campaigns both in 1916 and 1919 was the same as being used now by the proponents of the modification of the Volstead law, namely, that the electorate in the adopting of the State constitutional amendment wished only to abolish the licensed saloon and the sale of so-called hard liquor. The vote, if not in the first instance, certainly in the

second instance, is a conclusive refutation of such claims. In nine-tenths of the State the law is well enforced and conditions constantly improving. The great metropolis of Detroit presents grave enforcement problems, but even there prohibition has been made a great factor in the city's prosperity. With the determined cooperation of the State executive and the State police powers Detroit's enforcement problem has been greatly reduced.

When the State of Michigan adopted constitutional prohibition in November, 1916, the same taking effect May 1, 1918, there were 3,285 licensed saloons and 62 breweries in the State. Since then the State's population has increased at the rate of more than 30 per cent, and Detroit, our metropolis, at the rate of 113 per cent. Yet here are a few figures of the first years of prohibition in that same metropolis; remember, too, that no great city of the Nation presents more problems for enforcement than the border city of Detroit, with 90 per cent of its population foreign born or of foreign-born parentage.

The number of arrests for drunkenness the last year of saloons in Detroit were 18,488. At the end of three and one-half years the number of arrests for drunkenness had decreased to 6,346, despite the city's growth of over 113 per cent in population.

The sheriffs of the State reported in the last wet year 34,834 confined in county jails; in 1921, 29,552; a decrease of 5,282. Six hundred and six banks in 1917, the last wet year, reported 1,944,936 depositors, with an average of $386.86 per depositor. In 1921, after three and one-half years of prohibition, 690 banks and trust companies reported 2,543,107 depositors, with an average of $589.88 per depositor, an increase of 84 banks, 598,171 depositors, and $203.02 per capita depositor.

The proposition before the committee allowing the manufacture and sale of beer with a 2.75 alcoholic content would be impossible of regulation or enforcement. If the proponents of such a measure contend that the Volstead law can not be enforced, it is surely not within their province to contend that the proposed modification of the Volstead law would be enforceable.

There is a great deal written by the associations against prohibition organizations, which are the strong backers of the beer bills before the Judiciary Committee about the revenue for the Federal Government that might be obtained in passage of such legislation and taxing the output of the breweries. It is such a false sophistry that it scarcely needs to be considered at all. The real answer is that it would be a false revenue, simply a scheme to make the brewers of the Nation its tax collectors. They would create no new product on which a tax is levied, but simply collect it from the public. Instead of reducing taxation it increases it to the masses who must become patrons of drink to enable the brewer to collect the same. No people can prosper on the revenue received from taxing the weaknesses of its people.

The proposal to modify the Volstead law to the extent desired in the proposed legislation would be to admit a degree of intoxicable liquors that would defeat the amendment to the Constitution. This proposed legislation would defeat the Constitution by means of unconstitutional law. The judicial policy of the States from the beginning in handling this question has made that issue very clear. The pronouncement of doctors and chemists and scientists and even the common experience of mankind all reveal the fact that to pass such legislation would mean the defeat and nullification of the eighteenth amendment. If there are any changes to be made in the Volstead law, they should be changes to strengthen and not to weaken it.

It should be as unlawful in law as it is in the marts of trade for the buyer as the seller. There should be a clear determination of section 6 of the Penal Code so as to establish beyond dispute that when A goes to B and says, "Can't you get me one case of liquor by Saturday night," and B gets it from C and delivers it to A, that there has been a conspiracy to defeat the law. It is a situation caused by a certain public difference of opinion in regard to the liquor laws. This situation is real and present, but there is only one way out; if it takes a whole generation we must follow that way. Every man who surrenders, every man who tries to lead in another direction only lengthens the period of corruption and demoralization and helps to weaken our institutions.

Proponents of modification of the national prohibition law to admit manufacture of wines and beer all state that the saloon should not return. In its place they suggest various systems of so-called regulation—all having but one goal, namely, the return of the old-fashioned saloon. We do not even have to speculate as to what the result would be. The Province of Quebec gives a remarkable example of actual conditions under a "temperance" law which provides for government-controlled liquor stores, limited sale, and regulation of alcoholic content. Briefly the law is this: The provincial government controls the manufacture and sale of liquors under a commission. It sells the privilege of manufacture to certain concerns and the retail sale to others who purchase licenses under this vicious political system. Three hundred and seven licensed beer saloons are in Montreal. In addition to these there are 500 grocery stores that sell beer in bottles to families. Investigators report the same old smells, same old maudlin songs, same old quarreling and wrangling, and the same old drunks as of other liquor days.

Recorder's court shows 12,048 persons came into that court dead drunk in two years—not just maundering drunk, not just shouting drunk, not just singing drunk, not fighting drunk, not staggering drunk, but helplessly dead drunk, lying in a public street or public place.

When the brewers were making their drive for this legislation the promise of the Government was that 2.51 per cent of alcohol would be the limit. It has now been forgotten, and there is no limit to the alcoholic content of beer. The greater part contains from 6 to 8 per cent, and much of it 10 to 12 per cent. Light wine has been forgotten, too, and most of it contains 15 per cent and more of alcohol.

One of the provisions of the new law was that all saloons, hotels, restaurants, and grocery stores should close at 7 o'clock, but the brewers have edged up on that, too, and the friendly liquor commission permits them to stay open until 10 o'clock.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. HUDSON. Certainly.

Mr. BLANTON. The gentleman spoke of Michigan having passed on this question definitely and decisively. I wish the gentleman would put in his remarks the facts concerning the big State of Ohio having passed on it in the last election, definitely and decisively, by nearly 189,000 votes.

Mr. HUDSON. Not only once, but, I believe, four times, with increasing majorities every time.

Mr. BLANTON. And also at the last election.

Mr. HUDSON. Yes.

Mr. BLANTON. And when Michigan and Ohio pass on such questions the country ought to sit up and take notice.

Mr. HUDSON. It ought to be conclusive.

A striking recent demonstration of what prohibition can do when properly enforced has been given in Philadelphia. The saloons which have been masquerading as soft-drink parlors have been closed, and the results are seen in the records of the alcoholic wards of the hospitals and in police courts. The Philadelphia North American of March 24 said:

> The most extraordinary result of the aridity is shown by the fact that after 6 o'clock Saturday night not a case of intoxication was treated at the famous "intoxicating ward" of Hahnemann Hospital. So far as hospital records show this has never happened before in the years Hahnemann has been the headquarters for treatment of bad "hooch" cases picked up in the city's toughest section.

On Saturday, March 22, police stations in the two central police districts reported from two to nine drunks taken into custody. Previous to prohibition it has not been uncommon to report between 200 to 300 on a single Saturday night.

In the present crisis the call of patriotism that comes to every voter admits of two intelligent answers. First, "I will observe the law and use all my influence to have the law enforced and obeyed."

Second, "The sacrifice is too great; let the country go to the dogs; I am going to have my liquor." All other answers come from the twisted logic of honest people or self-deception or intentional subterfuge.

The issue of to-day, therefore, has gone beyond prohibition. It is supremacy of law. All personal rights and property rights are left out in the question of the ability of the Government to enforce its mandates. Anything else is anarchy.

In this connection I desire to bring before the Members of the House the pertinent facts contained in a recent communication received personally by me from Dr. Samuel W. Small, a journalist of international fame and a student of economic and moral questions for many years. His findings are so important that I am impelled to insert them in my remarks to-day:

WASHINGTON, D. C., *April 12, 1924.*

HON. GRANT M. HUDSON, M. C.,
Washington, D. C.

MY DEAR HUDSON: I am constrained to write you on some recent discussions in Congress.

The antiprohibition speech recently fired off in the House of Congress by General SHERWOOD, of the Toledo district, has not been honored with proper attention by us prohibitionists. Though the old war hero delivered it in solemn and heroic style, it yet happens to be

the most unconsciously humorous speech ever made against prohibition on the floor of Congress.

The good old veteran loves to spend his leisure hours in the lobby of Congress Hall Hotel reciting Civil War stories and getting stuffed with the wild romances of the wet lobbyists who hover about him and flatter him as the Ajax of alcoholism. It is no wonder, then that he persuades himself to believe that it was up to him to go out with his battle-ax and demolish the refuge and remnant of the fanatical prohibitionists.

It sounds funny, but that is exactly what he thought he did; and the Association Against the Prohibition Amendment is now sending his speech, under his frank, to many hundreds of thousands of men and women all over the Union. In the opinion of the A. A. P. A.—Association Against the Prohibition Amendment—the Sherwood speech is their own; they supplied its substance and call it "A Thunderbolt of Jove."

SHERWOOD ON THE STAND

General SHERWOOD began by boasting that when 12 years old he signed a temperance pledge and has kept it ever since, which may account for his being alive and active now in his eighty-ninth year.

He said he went through four years of the Civil War, was in over 40 battles, and "never took a drink of whisky in all those four years," which is rich proof that liquor is not a necessary of life and heroic efficiency to a soldier. This adds to Pershing's testimony that the unbeatableness of the American Expeditionary Forces in France was because his army was "not only peerless but beerless!" He then said, "We have the murder and suicide record of the world," but he did not go on and confess that we Americans have held that record for more than a hundred years. It is no new phenomenon brought about by prohibition. What then was the big idea in advertising that century-old fact, unless to falsely charge our murder and suicide record as the result of prohibition?

General SHERWOOD also is horrified that 10,000 more cases of violations of the Volstead Act were discovered by the law enforcers in 1923 than in 1922, which is greatly to the credit of the officers and gratifying to the friends of prohibition enforcement. The more violations prosecuted and punished the fewer there will be to prosecute, perhaps, hereafter. A Volstead law violator in jail looks safer than one at large and busy.

BIG SMUGGLING RECORD

The dear old general is likewise given a pain in his periscope by the reports of whisky smuggling from Nassau and Glasgow and other places, which he says amounted in 1923 to 25,000,000 gallons and cost the American people $550,000,000 of bootleg prices—"wasted money that goes to a foreign country." But General SHERWOOD failed to state that in 1917, before the prohibition amendment was ratified, our American output of hard liquors was 161,012,068 gallons and our total consumption of all kinds of alcoholic beverages was 2,095,535,005 gallons, or over eight times 25,000,000 gallons. Does he claim that domestic production is now supplying the other seven-eighths with moonshine and home-brew hooch? It is ridiculous.

In 1917 our whisky consumption was officially reported as 1.60 gallons per capita; in 1923 the best estimate is 0.21 per capita.

Besides all that "wasted money that goes to a foreign country" really doesn't go there—only about 20 per cent of it gets over there to stay, while 80 per cent goes to our own rum runners, bootleggers, and high-jack robbers on the highways.

If smuggled rum costs us over half a billion now, our unsmuggled rum several years ago, at low American prices, cost us over two and a half billions. Some saving, I'll tell the world, on our "wasted money" account.

THE DETROIT RIVER DELUGE

General SHERWOOD complains that the beer smugglers from Canada import 400,000 bottles of beer across the Detroit River weekly. "That" he says, "represents a cost of $5,000,000 a year to the people of that one city and the small towns within 20 miles of Detroit." Well, Detroit has more than a million people in it and the towns within 20 miles of it have at least 200,000 inhabitants, making 1,200,000 in all; so that 400,000 bottles of beer weekly would give one bottle per week to each of one-third of the total population. Wonderful supply for a mob of thirsty Michiganders, what?

Especially when one recalls the official record that in 1917 Michigan breweries turned out 2,338,521 barrels of high-power beer, 31 gallons to the barrel. Compare that with 20,800,000 bottles per year for 1,200,000 people, each bottle holding only one-fifth of a gallon. And then in 1917, Ohio helped Michigan some out of the buckeye output of 5,458,368 barrels of beer, much of it produced in General SHERWOOD'S own town of Toledo. Instead of the Sherwood figures being dismaying they are wonderfully revealing of the good results of prohibition.

A BLOOMING DETROIT LIAR

General SHERWOOD trots out "a reliable citizen of Detroit," who says, "instead of 1,500 saloons we have anywhere from 3,000 to 10,000 blind pigs, spawning loafers, thieves, and murderers." Would not that be an awful condition if truthfully stated? But is it true?

The realtors who know tell us that Detroit has some 70,000 residences, small dwellings, tenement apartments, and boarding rooms inside the city limits. Let us average the 3,000 to 10,000 figures of "a reliable citizen" at 7,000 "blind pigs," and we come to the amazing conclusion that every tenth dwelling place in Detroit is "spawning loafers, thieves, and murderers," and the only relief in sight is to set up against 1,500 open saloons that formerly turned out only hard workers, honest men, and pacifists.

THE MEDICAL MOLOCH

Another horrible discovery by General SHERWOOD is that last year 50,000 of the 150,000 physicians in America took out books of prescription blanks from the Internal Revenue Bureau, each prescription to be for 1 pint of liquor to suffice each patient for 10 days. The general recites with terror that there were issued 11,268,614 such prescriptions, and he says the doctor charged $2 for each prescription, realizing $22,536,938; and he exclaims, "No wonder there are so many ambitious young men seeking the medical profession."

Consider now that 11,268,614 prescriptions allowed each of 50,000 doctors just 225 prescriptions for 365 days in the year. That left each one of them 140 days when he had no prescription to issue to anyone.

And if the $2 prescription was new velvet added to his income wholly by virtue of prohibition, he got an increase of $450 per year; and that is the temptation that is causing a grand rush of "ambitious young men seeking the medical profession." Why, in two months they could make that much money as carpenters or brickmasons. It is to laugh with contempt when such silly arguments are made to prove the inefficiency of prohibition and the ruin of the morale of the Nation by its operations and its violations.

VICTIMS OF POISON LIQUOR

General SHERWOOD deplores, as we do, that "3,000 persons lost their lives from poison liquor during the past two years." Perhaps most of those persons would have been alive to-day if they had observed the law and let illicit liquors alone. They were the victims of their fellow lawbreakers and not of the Volstead Act.

When Congressman Hobson charged hundreds of thousands of untimely deaths against alcohol, the liquor apostles denounced him bitterly and produced their own figures to prove that not more than 68,000 deaths per annum could be laid to alcoholism through the liquor trade. That can be found in the CONGRESSIONAL RECORD proceeding from the mouths of the opponents of the Hobson national prohibition amendment. But what a contrast now. Three thousand deaths from poison liquor in 1922 and 1923 to 68,000 deaths per year from poison liquor bought in American saloons before prohibition.

OLD PURITAN GEORGIA

Just one thing more, passing by a dozen vulnerable errors in General SHERWOOD'S speech. He jeers at Representative UPSHAW, of Georgia, perhaps the most persistent dry in all the Congress. Of him he says: "He is the reincarnation of the old Puritans of the seventeenth century, who hung Quakers in Connecticut and burned witches in Massachusetts"; and the gallant GALLIVAN and terrible TINKHAM, both of Boston, applauded that slander upon the State that boasts proudly of culture and Coolidge, well knowing, both of them, that no witches were ever burned in Massachusetts.

Besides, Georgia was the first and only American colony that began its life by prohibiting traffic in slaves and rum, and to provide a fine for those who failed to vote in public elections.

General SHERWOOD adds no honor to his long career as soldier and statesman of this Republic when he joins the alien cry against the eighteenth amendment that it is un-American and contrary to the principles of the fathers of the Constitution. He forgets the counsel of Washington, who presided over the convention that framed that instrument, that any changes in it should be sought by the peaceful method of amendment provided in the document itself. Madison, still called the "Father of the Constitution," in the Federalist, No. 40, declares: "The transcendent and precious right of the people to abolish or alter this Government as to them shall seem most likely to effect their safety and happiness, since it is impossible for the people spontaneously and universally to move in concert toward their object, it is therefore essential that such changes be instituted by some informal and unauthorized propositions made by some patriotic and respectable citizen or number of citizens."

James Wilson, a powerful member of the convention of 1787 and afterwards justice of the Supreme Court of the United States, said: "The people may change the Constitution whenever and however they please. This is a right of which no positive institution can deprive them." (Wilson's Works, vol. 3, p. 293.)

Justice Iredell, of the Supreme Court, leader in the North Carolina convention for the ratification of the Constitution, said: "The people * * * may remodel the Government whenever they think proper, not merely because it is oppressively exercised but because they think another form is more conducive to their welfare." (Story's Com., vol. 1, p. 326.)

Judge Story himself refers to the final sovereignty of the people and "their right to change the form of government whenever necessary for their safety and happiness." (Story's Com., vol. 1, p. 198.)

John Marshall, "the great Chief Justice," said: "Surely the question whether they (the people) may resume and modify the powers granted to Government does not remain to be settled in this country." (4 Wheat. 405.)

Justice Patterson, of the Supreme Court, said: "A constitution is the form of government delineated by the mighty hand of the people, is paramount to the will of the legislative, and is liable only to be revoked or altered by those who made it." (2 Dallas, p. 304.)

"Rowle on the Constitution," page 17, quotes Vattell, that "the best constitution which can be framed, with the most anxious deliberation that can be bestowed upon it, may in practice be found imperfect and inadequate to the true interests of society. Alterations and amendments then become desirable. * * * So the people may at any time alter or abolish the constitution they have made."

And in the famous Bill of Rights of the Virginia Constitution, extant to this day, it was and is declared "that government is or ought to be instituted for the common benefit, protection, and security of the people, nation, or community. And that when any government shall be found inadequate or contrary to these purposes, a majority of the community hath an indubitable, inalienable, and indefeasible right to reform, alter, or abolish it in such manner as shall be judged most conducive to the public weal."

That may be truthfully called the ancient American principle of popular sovereignty, and it was on that principle that the eighteenth amendment was based and is fixed, we may well believe, for all American ages yet to come. How absolutely false, then, is the raucous outcry of the liquor bellowers that it is a wide departure from our constitutional doctrines and was forced into existence by the un-American and unconstitutional trickery of a minority cabal of Puritan fanatics!

Yours in the battle of righteousness.

SAMUEL SMALL.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. AYRES. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. MANSFIELD]. [Applause.]

Mr. BLANTON. Mr. Chairman, I think my colleague should have a better audience, and I make the point of no quorum.

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] makes the point of order there is no quorum present. The Chair will count.

Mr. BLANTON. Mr. Chairman, now that the Members have come in from the cloakrooms, I withdraw the point.

Mr. MANSFIELD. Mr. Chairman, the bill before us carries an appropriation of $22,434,167, the estimated cost of running the municipal government of the District of Columbia for the coming year, including the cost of its public free schools. It is proposed that 60 per cent of the sum carried in the bill shall be paid by the people of the District and 40 per cent by the taxpayers of the United States.

Since the year 1874 Congress has appropriated money from the Federal Treasury to pay a portion of the cost of maintaining the local government of the District of Columbia. For the first four years of such payments no definite plan was adopted, but the appropriations ranged from 40 to 50 per cent. By the act of June 30, 1878, it became the fixed and definite policy of Congress to annually pay 50 per cent of the cost of the local government. This plan was kept in operation until the year 1922, when the share to be paid by the Federal Government was reduced to 40 per cent, and this latter plan is still in operation.

Under the sharing plan inaugurated in 1874 Congress appropriated to the District for the four years, 1874 to 1877, sums aggregating $10,725,141.39. For the 44 years under the 50-50 plan—1878 to 1921—the appropriations amounted to $178,871,480.58. For the three years under the 40-60 plan—1922 to 1924—the sum of $25,860,375.11 was appropriated. In all, 1874 to 1924—51 years—the direct appropriations to the District from the Treasury of the United States amounted to the enormous sum of $215,456,997.20.

These sums, enormous as they may appear, do not by any means represent the sum total of the appropriations to the District from the Federal Treasury. These are simply the amounts that have been carried in the annual District appropriation bills. In addition to all this, many of the departmental bills carry large sums for the District to which neither the 50-50 nor the 40-60 plans have ever been applied but which have been paid in full out of the Treasury of the United States.

Under the War Department bills so many millions have been expended in the District that it would require an expert in figures to estimate the totals. Much of this, however, was for a national purpose, to which no objection should be raised. I take for granted that it was the duty of the Federal Government to provide the water transportation which has been made available here, though at an enormous cost. It might also be considered its duty to provide the necessary docks, harbors, and turning basins, although Washington is the only city in the country where the Federal Government has paid in full for such facilities.

The reclamation and improvement of the Potomac Park section, including the tidal basin, Speedway, golf and polo grounds, which, with the many miles of stone retaining walls inclosing the entire water front, costing several million dollars, was largely, if not exclusively, for the local benefit. Still we might accept all that as a Federal liability.

The water system of Washington, including the aqueduct from Great Falls, the artificial lakes, reservoirs, and filtration plant, costing many millions, while furnishing water to the Federal buildings, also constitutes the water supply for the entire city and District. The appropriations for this purpose have in most part been carried in the bills of the War Department. The aqueducts alone, costing more than $4,000,000, were paid for in full by the Federal Government. Improvements to the extent of $6,150,000 were authorized in the Army bill of 1922. In all, the Federal Government has paid approximately 90 per cent of the cost of the water system, while its use and purpose have been at least 90 per cent local. So far as I am informed, this is the only city in this country whose water supply has been furnished by the Federal Government.

As early as the year 1841 Congress commenced making provision for the care of the insane, whereby the District was relieved of that burden. At first the patients were kept in Baltimore and the expenses paid by the Federal Government. In 1852 grounds were purchased and the erection of a hospital was commenced. In this institution, now known as St. Elizabeths, the insane of the District were merged with the insane of the Army and Navy. The expenditures for the joint purpose, paid by the Federal Government up to the year 1874, amounted to $2,595,000.

Since 1874 large additions have been made to the hospital, both as to grounds and buildings, the cost of which has run well up into the millions. These appropriations have been carried in the Interior Department bills, to which the 50-50 plan of payment was never applied. They are still being so carried, but in recent years a nominal charge for the District patients has been paid out of the 50-50 and 40-60 funds.

In the year 1866 Congress inaugurated a school-building program for the District, and from that date up to the year 1874 had expended for sites and buildings the sum of $178,588. This was also under the Department of the Interior. Since 1874 the cost of school buildings, as well as the salaries of the teachers, have been paid jointly by the District and Federal Government under the 50-50 and 40-60 plans. The Federal Government has never relieved the respective States of the cost of their free schools. The taxpayers of the District have been peculiarly blessed in this respect.

On May 22, 1878, Hon. John Sherman, Secretary of the Treasury, in response to a resolution of the Senate submitted a statement of appropriations and expenditures from the National Treasury for public and private purposes in the District of Columbia from July 16, 1790, to June 30, 1876. This report was made a public document and was known as Executive Document No. 84, of the Forty-fifth Congress, second session.

By reference to this document it will be seen that Congress made contributions to the District even before the sharing plan inaugurated in 1874; but for the first half century very little if anything was given for strictly municipal purposes. This is conclusive evidence that the founders of our Government never contemplated that the people of the United States would ever be taxed to pay the local expense of the District. It was after the deaths of Washington, Jefferson, and Madison that this system developed. Through the influence of the local lobby the evil has continued to grow and expand. It will doubtless continue to expand until the District is abolished or else diminished in size and segregated from the local inhabitants.

It might be pertinent to compare the tax rates in Washington with those of other cities. My distinguished colleague from Texas [Mr. BLANTON] recently inserted in the RECORD, a statement of the rates of taxes being paid in 46 cities, reasonably comparable with Washington. The lowest rate reported from any of those cities was far greater than the rate in Washington, while some of them were six and seven times as high.

For the purpose of this comparison I will eliminate the great cities of New York, Cleveland, Detroit, Pittsburgh, Philadelphia, Chicago, Boston, and Baltimore. On account of the large population and commercial importance of those great

cities, the claim might be made that the comparison was unfair. I will simply say that the lowest rate paid in any of those cities is more than double the rate paid in Washington, while the average rate for the eight cities named, is $5.16¼ on the $100 valuation. In Washington the rate is $1.20.

According to the figures given by my colleague [Mr. BLANTON] as certified to him by the mayors of the respective cities, the rate in San Francisco is $3.47; Portland, Oreg., $4.52; Peoria, $6.58; Houston, $4.29½; Wichita Falls, $5.05; Boise City, $4.52; Duluth, $5.79; Minneapolis, $6.52; Oakland, $4.02; Mobile, $3.40. The average rate for these 10 cities is $4.70⅞ on the $100.

Mr. BLANTON. Will my colleague yield there?

Mr. MANSFIELD. Yes.

Mr. BLANTON. That is the total tax which those people pay.

Mr. MANSFIELD. Yes.

Mr. BLANTON. Not merely the city tax that the people in those cities pay.

Mr. MANSFIELD. That is what I understand. The gentleman from Texas will also bear in mind that the $1.20 rate for Washington is the total for all purposes.

Mr. BLANTON. Yes; it is the total tax as compared with the others.

Mr. MANSFIELD. Yes.

Members of the Committee on Rivers and Harbors will recall the hearings held by that committee a few weeks ago, when it had under consideration the question of the diversion of water from Lake Michigan into the Des Plains and Mississippi Rivers through the Chicago Sanitary Canal. The question of taxation was incidentally involved in the investigations.

It was shown that the tax rate in Chicago was not uniform but that the city was divided into a number of taxing districts, or taxing towns, as they are called, the rates being different and in some instances varying considerably. The rate in Hyde Park, one of those taxing towns, was shown to be $7.72 on the $100. In another, Evanston, where a 50 per cent valuation was required, it was $15.50, or the equivalent of $7.75 on the $100 if full valuation had been required.

This is but an illustration of what Washingtonians might expect in the way of taxation if they should be required to pay the cost of their municipal government as the people of Chicago and other cities are required to do.

I believe it can be asserted with truth and accuracy that there is not another incorporated city or town in the United States, regardless of size or commercial importance, whose ad valorem tax rate for State, county, district, and municipal purposes is as low as is the tax rate in the city of Washington for like purposes. It can be further asserted with truth and accuracy that there is not another city or town in the United States, regardless of size or importance, whose inhabitants enjoy, in equal proportion with those of the city of Washington, the benefits, blessings, and pleasures afforded through public expenditures.

In addition to the extremely low tax rate which prevails in the District, the charge has been made that the assessed values are also extremely low. The gentleman from Texas [Mr. BLANTON] recently gave a number of instances where large properties were assessed at figures far below real values. The gentleman from Maryland [Mr. ZIHLMAN] replied by giving a few instances where smaller properties had been assessed at full value. Each of these gentlemen may have been correct in the cases referred to, and still the property of the District as a whole may be fairly well assessed.

In official capacities I have had more than 30 years' actual experience in dealing with this question of tax assessments. I know that it is simply impossible to have the law strictly complied with in the matter of tax values. Where full values are required the average of assessments is frequently only about 50 per cent of full value. If the assessor here can succeed in getting the assessments up to that average, I am willing to accord him the credit due for being an able, zealous, and efficient officer. A four-year membership on the District Committee afforded me the opportunity of judging of the ability and resourcefulness of the tax dodgers with whom he must deal. Instead of criticizing him I more frequently have occasion to remember him kindly in my prayers.

This question of taxation was fully discussed before the Joint Committee on Fiscal Relations of the District and Federal Governments in the year 1915. Two distinguished Members of the present Congress, the gentleman from Illinois [Mr. RAINEY] and the gentleman from Wisconsin [Mr. COOPER], were members of that joint commission.

At the hearings then held the Washington representatives ignored altogether the question of comparative taxation as based upon assessed values. They admited that their ad valorem tax rates were low, but claimed that this was not the true test, as there was no way of fairly comparing the assessed values of one city with those of another city. These tax values, it was claimed, were made under varying conditions by men of differing views, of differing judgments, and for differing purposes of taxation.

It was contended that the officers might more nearly approach real values in one city than would those of another city, and that therefore the per capita tax rate would afford a far more accurate test of true comparison. This contention was not without a degree of reason. It also has the indorsement of the Census Bureau and the Department of Commerce. I will read a few extracts from the hearings in 1915, showing the contention of the Washington representatives at that time upon this question.

On page 67, volume 1, of the hearings Mr. Henry B. F. Macfarland, representing the District, spoke as follows:

In measuring the tax burdens of cities the census authorities approve, as the best standard of measurement, per capita comparisons of actual tax levies and receipts. There is no factor of irresponsible guesswork anywhere in this calculation to develop erroneous and deceptive results. No other method of measurement enables comparisons to be made between cities of widely varying population, differing more or less from each other in respect to their systems of raising revenue, and no other method promises equally accurate and equitable results. In our inquiry that was all we desired. We desired to show the results accurately and equitably. We went to the best authority we could obtain. We secured the best person for the purpose of compiling these facts.

Beginning on page 257 of the same volume will be found statements of Mr. Theodore W. Noyes, editor and owner of the Washington Star:

What is the accurate standard of measurement of comparative tax burdens? It is not the tax rate modified by the application to it of the reported relation of assessed to true value. The census authorities and common sense and practical experience unite to discredit this standard of maintenance. The approximately accurate standard of measuring comparative tax burdens is the per capita of taxes actually paid in the various cities.

The method of measuring the comparative tax burdens of cities which accepts as accurate the census-reported relations of assessed to true values, and on this assumption declares that the Washingtonian's tax burden is much lighter than that of the residents of the average American city, is based on a false premise and leads to a false conclusion. It is discredited as unreliable by the census authorities and by comparisons of assessments with true values, as ascertained from sale prices in many cities, and is reduced to a logical absurdity when the attempt is made to apply it practically.

What I say under this heading answers further the question that Mr. COOPER put to Mr. Macfarland when he was discussing this matter. And I consider it of extreme importance to convince you, if I can, of the utter unreliability and worthlessness of that standard of measurement which has been used so seriously to our detriment and which has spread the idea in Congress that we are the lightest taxed among American cities. This standard of measurement is discredited as unsound and misleading by the census authorities themselves. Its foundation is confessed to be unreliable by many of the cities and States.

Again on page 259 he says:

Shall we disregard the real measure of tax burdens, the total and per capita tax levy, commended as accurate by the census authorities, and apply to the tax rate this confessedly grossly misleading factor of calculation? The result will be worthless as a measure of comparative tax burdens.

Still further discussing this question, on page 263 he says:

In calculating the actual tax burden the assessment alone is of no value, the tax rate alone is of no value, and the application to the tax rate of the unreliable reported relations of assessed to true value to measure comparative tax burdens gives results that are confessedly erroneous.

The only reliable standards of measuring the tax burdens of the various cities are the tax levies or total tax receipts, the dollars actually raised by taxation, and the per capita tax levy or per capita tax receipts which distributes the total tax burden among the persons constituting the taxed community.

Clearly, then, the comparative tax burdens of cities are most accurately measured by comparison of tax levies and tax receipts, in the aggregate and per capita. There is no factor of irresponsible guesswork anywhere in this calculation to develop erroneous and deceptive results. No other method of measurement enables comparisons to be made between cities of widely varying population, differing more or less from each other in respect to their systems of raising revenue, and no other method promises equally accurate and equitable results.

Mr. Noyes and Mr. Macfarland, distinguished Washingtonians, representing the District, quoted from Bulletin No. 126, issued by the Census Bureau, showing that the per capita revenue receipts in the District for the year 1913 were above the average of that year for cities of comparable size and importance. The committee accepted this per capita test as the true basis for comparing the rates of taxation in Washington with those of other cities, and specifically so stated in its report.

I have here a more recent bulletin of the Census Bureau, and from which it will be seen that tax conditions in Washington at this time are very different from what they were claimed to have been in 1913. This bulletin is what I judge to be the latest report issued, showing the financial statistics of all cities in the United States of 30,000 population and over for the year 1922. It was mailed out only a few weeks ago.

Under this report, 261 cities are listed and divided into five groups. Group I contains those with a population of more than 500,000. There are 12 cities in that group. Group II contains those with a population of 300,000 to 500,000, and includes 11 cities. Washington comes under this group. The list of this group is as follows: Milwaukee, Washington, Newark, Cincinnati, Minneapolis, New Orleans, Kansas City, Indianapolis, Seattle, Rochester, and Jersey City.

Excepting Washington, the lowest tax receipts in any of these cities was $44.46 per capita. The highest, $93.85 per capita. The average for the 11 cities was $58.62 per capita. Washington is listed as having per capita revenue receipts of $57.27, which is $1.35 less than the average in Group II. But these figures do not represent the true condition. In arriving at these figures, Washington is listed as having revenue receipts for that year of $25,059,692. This included not only the taxes paid by the people of the District but also the appropriation to the District for that year from the Federal Treasury.

Observing this fact, I wrote to the Director of the Census, calling his attention to it, and requesting to be informed as to the per capita tax receipts, minus the subvention or appropriations made to the District by Congress. I have here his reply, which I will request the Clerk to read.

The Clerk read as follows:

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, March 21, 1924.

Hon. J. J. MANSFIELD,
House of Representatives, Washington, D. C.

MY DEAR MR. MANSFIELD: In reply to your letter of March 17, in which you call attention to the financial statistics of all cities of the United States of 30,000 population and over for the year 1922.

You quote the total of revenue receipts $25,059,692, this being a per capita of $57.27 for the city of Washington for the year ending June 30, 1922, and wish to know the portion of the revenue which comes from the National Government. We report $9,187,793 as a subvention from the Federal Government, and deducting this amount from the total of revenue receipts there is left $15,871,899 revenue receipts, or a per capita of $36.27, derived from the District of Columbia.

The population requested for the cities in Group II is the estimated population as of the middle of the fiscal year reported. For Washington, D. C., it would be January 1, 1922. The estimated population of the 11 cities embraced in Group II for the year 1922 are as follows:

Milwaukee, Wis.	477,103
Washington, D. C.	437,571
Newark, N. J.	431,792
Cincinnati, Ohio	404,865
Minneapolis, Minn.	400,970
New Orleans, La.	399,616
Kansas City, Mo.	338,787
Indianapolis, Ind.	335,012
Seattle, Wash.	315,685
Rochester, N. Y.	311,548
Jersey City, N. J.	305,911

Very truly yours,

W. M. STEUART, *Director.*

This bulletin from the Census Bureau discloses further facts of significance. I call attention to pages 4 and 5, showing the per capita tax of the 261 cities embraced in the five groups. In Group I, embracing 12 cities of over 500,000 population, the average per capita tax is $61.33. In Group II, embracing 11 cities of from 300,000 to 500,000, the average per capita tax is $58.62. In Group III, embracing 52 cities of from 100,000 to 300,000, the average per capita tax is $43.37. In Group IV, embracing 79 cities of from 50,000 to 100,000, the average per capita tax is $39.38. In Group V, embracing 107 cities of from 30,000 to 50,000, the average per capita tax is $38.41. The average for the entire list of 261 cities is $51.81 per capita.

Here, gentlemen, are some facts that ought to put this Congress to thinking. Here we have listed in an official bulletin every city in the United States with a population of 30,000 or over, divided into five groups, according to population, and in each and every group the per capita tax rate is higher than it is in the city of Washington. The average rate in the highest group is $25.06 higher than it is in the city of Washington, while the average in the group in which Washington is embraced is $22.25 higher. Even the small towns of from 30,000 to 50,000 have an average per capita tax rate of $2.14 higher than Washington, while the average for all the 261 cities as a whole is $15.54 higher.

Mr. BLANTON. Will my colleague yield?

Mr. MANSFIELD. Certainly.

Mr. BLANTON. A distinguished Senator told me recently that on his home place, in his home State, which he has been trying for some time to sell for $7,000, he pays more taxes on that $7,000 home in his own State than he pays on a residence here in Washington that is worth approximately $25,000.

Mr. MANSFIELD. That is an illustration of the tax conditions as they truly exist.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. AYRES. Mr. Chairman, I yield five minutes more to the gentleman from Texas.

Mr. MANSFIELD. This per capita test is the rule which the Washington representatives have demanded shall be applied in comparing their tax burdens with those of other cities. When we apply this test to the taxation of the District we find that the disparity is even greater than that shown by the tax rates upon assessed values. Like Haman, they have erected their own gallows.

But, Mr. Chairman, there is another significant fact disclosed by this bulletin from the Census Bureau. By reference to page 5 we find that every city in the United States, except Washington, has a large indebtedness hanging over its taxpayers. The cities in Group I have an average per capita debt of $121.72; Group II, $95.99; Group III, $72.89; Group IV, $59.76; Group V, $58.19. When we come down to Washington we find that her per capita debt at that time was 36 cents, and that little debt has been practically wiped out since then. If the Federal Government should be as generous to all the other cities in the United States as she has been to Washington and assume and pay off their indebtedness for them, instead of tax reduction we would now be faced with the proposition of practically doubling the Federal taxes of this country.

The act of June 30, 1878, has frequently been referred to in the hearings by the Washington representatives as the "organic act." They seem to look upon it as a sort of "Magna Charta" or charter of liberties. That they should so personify it is not to be wondered at. It was truly the act that liberated them from the payment of taxes.

In 1874 when the Territorial government was abolished the local tax rate was $3 on the $100. Soon after Congress commenced the payment of a portion of the cost of the District government the rate was reduced to $2, then to $1.50, and later to $1.20. One or two more steps will complete the evolution to the millennium of a zero tax, which is the goal they expect to reach, as evidence clearly indicates.

The historian, Bryan, tells us that after the act of 1874 many people in Washington refused to pay any taxes at all, believing that Congress would eventually pay the total cost of the local government at the National Capital. In 1915, when the Joint Committee on Fiscal Relations was conducting its hearings, the contention was seriously made that Congress had no constitutional right or authority to tax the people of the District except for Federal purposes, and that this Federal tax could not exceed that which was laid upon those residing in the several States.

I will read you a few extracts from the statement of one of the gentlemen of Washington who appeared before the committee at that time, Mr. B. M. Seibold. On page 740, volume 1, of the hearings, appears the following colloquy:

Mr. COOPER. Do you claim that under that provision of the Federal Constitution, construed in connection with the deeds of Maryland and Virginia, the Federal Government has no right to tax the people of the District of Columbia except for purely Federal purposes?

Mr. SEIBOLD. That is it, exactly. That is my contention, and I shall prove that later on, disregarding the decisions by the Supreme Court of the United States, by which some claim that the Supreme Court had decided to the contrary. I deny this, and I shall prove that the question has never come before the Supreme Court of the United States, and therefore could never have been decided.

On page 742 this witness quotes from the Constitution the following:

The Congress shall have the power to levy and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

Upon this he comments, as follows:

Here we have in plain language the taxing power of Congress and the specific purposes for which it has a right to tax. There is nothing in this clause which gives to Congress the power to tax the inhabitants of this District separately for only local purposes.

Upon page 744 appears the following colloquy:

Mr. COOPER. Will you stop there for a moment? You admit that Congress has the power to tax the people in the District of Columbia, the residents of the District of Columbia, in common with all of the mass of their fellow citizens for Federal purposes?

Mr. SEIBOLD. Yes, sir.

Mr. COOPER. I understand you to contend that to impose an additional tax upon the people of the District of Columbia for purely local purposes would be for Congress to tax them more than it taxes the rest of their fellow citizens?

Mr. SEIBOLD. Yes, sir; and that is what Congress has been doing since 1874.

And on page 745 the following:

Mr. GARD. What is it that you claim are proper exemptions that the Government may not tax for?

Mr. SEIBOLD. For nothing that is for local purposes.

Mr. GARD. What are those purposes? In the city of Washington, what do you call local purposes as distinguished from Federal purposes?

Mr. SEIBOLD. The affairs of a municipal corporation which does not exist, only in name. It is for local purposes, and it is for what Congress illegally to-day levies taxes for, and I shall prove that if the gentleman will give me time.

Mr. GARD. I will give you plenty of time. Your contention is that the levying of taxes to support the expenses of a commission form of government, and the courts, and the things like that, is illegal?

Mr. SEIBOLD. Yes, sir. This District is to be Federal property, just the same as the Treasury Department. In fact, it is a part of the Federal Government; it belongs to the Federal family and should be supported entirely out of the Federal Treasury as any other department. I repeat—the power of Congress to lay and collect taxes has been thoroughly discussed in the constitutional convention, every object for which this power has been granted was carefully gone over by the members of the convention, and not once has it been mentioned that Congress would or shall have the power to tax the inhabitants of the 10-mile square for the upholding of the Federal District.

On page 746, after again referring to the Constitution, Mr. Seibold says:

The power to tax the people of the District, as to be selected as the seat of government, is not expressly given in this clause, and therefore those who help Congress in its fraudulent taxation for selfish reasons claim it is an implied power.

On page 749 this witness further says:

If the intent of the framers of the Constitution had been to give to Congress the power to tax the people of this District for other purposes than stated hereinbefore, it could not have escaped them to provide for such a power. Why did they not do it? Because they had too much common sense to think about such a ridiculous proposition.

This program of paying a portion of the administrative costs of the District out of the United States Treasury, first inaugurated in 1874, was based upon the ground that the Federal Government was the owner of a large estate in the District, which was not subject to taxation. The claim was made that without this property upon the tax roll the District was being deprived of a large amount of revenue to which it was justly entitled.

The District officials demanded that the United States either pay a tax upon the Government-owned property or else pay to the District a subvention in lieu of taxes. Congress gave a willing ear to this demand and complied. The question arose as to what proportionate share the Federal Government should be required to pay. Mr. James L. Shepherd, at the head of the Board of Public Works, demanded that Congress pay one-half the cost of the District government, as he claimed the Government-owned property was equal in value to that of the property privately owned.

This contention by Shepherd was first made in 1873, but after placing a very exorbitant valuation upon the Government property it was still about $33,000,000 under the value of the property privately owned. In 1874, after scheming for another year to justify a higher valuation for the public property, he figured it out. He found that by considering the land in the streets as Federal property and placing a valuation of 30 cents a square foot upon it the value would be raised to $96,000,000, which was approximately the assessed value of the property privately owned at that time.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. DAVIS of Minnesota. Mr. Chairman, I think I have four minutes that I have not parceled out, and I will yield the gentleman four additional minutes.

Mr. MANSFIELD. Before the joint committee on fiscal relations in 1915, prominent Washingtonians contended that the Federal Government should still continue to pay a subvention to the District equal to the total taxes paid by the people of the District. Some of their estimates of the public property were rather amusing. For instance, Potomac Park, which the Federal Government, through the War Department, had reclaimed and converted from a death dealing morass into a place of health, beauty, and pleasure, was estimated at a value of $66,000 per acre, or $41,000,000.

Rock Creek Park, consisting of 1,606 acres, was valued at $3,600,030. The Government purchased this property in 1892 for $1,125,215, and previous to its purchase it was assessed to those who owned it at only $133,334. These are illustrations of the methods resorted to for the purpose of securing a continuance of the subvention, or "half and half" policy as they termed it. The value of Rock Creek Park, as estimated for the purpose of the Government subvention in 1915, was 2,700 per cent higher than its assessed value when privately owned.

On page 125, Volume I, of the hearings in 1915, will be found the statement of the estimated values of the Government property upon which they claimed the "half and half" policy should be continued. The District assessment rolls for that year showed a total valuation of $390,098,849, while they claimed that the Government-owned and other exempt property was worth $396,550,898, or approximately $6,000,000 more than the value of the property privately owned.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. MANSFIELD. Certainly.

Mr. WILLIAMSON. Does the gentleman think that the average small home in the city of Washington is under-assessed at the present time?

Mr. MANSFIELD. I do not think it is. The small homes everywhere are usually well assessed as compared with the larger properties.

Mr. WILLIAMSON. You think they are under-assessed at the present time?

Mr. MANSFIELD. The average small home, no, sir.

Mr. WILLIAMSON. I know that out in my section they are assessed at a pretty fair value—at Fourteenth and Farragut Streets.

Mr. MANSFIELD. I will say to the gentleman that small property owners are assessed higher proportionately all over the United States than the big ones.

Mr. WILLIAMSON. As a matter of fact, is it not true that the small property owners are assessed 100 per cent higher than the large property owners upon the actual value of the individual properties?

Mr. MANSFIELD. I agree with the gentleman in that contention.

In this statement it will be found that they included as Government property not only the property owned by the Federal Government, but also property owned by the District of Columbia; also the Soldiers' Home, a private corporation consisting of over 500 acres; also all charitable, benevolent, educational, and religious institutions in Washington. In other words, they would tax the Federal Government for fostering education and encouraging religion at the National Capital.

It is practically impossible for a congressional committee to secure a full, fair, and impartial hearing upon matters pertaining to the affairs of the District. There is at all times a thoroughly equipped lobby here to represent the District, and no one to represent the opposing side. The District has its able lawyers and prominent business men always on the ground and thoroughly familiar with every detail of the situation. No one opposing them has the inclination or the means to employ attorneys to investigate and present the facts and arguments in opposition to the contentions of the District's representatives. I will read from the hearings in 1915 what Senator Works, of California, said about this matter. On pages 1559 and 1560, Volume II of the hearings, appears the following language:

Senator WORKS. Mr. Macfarland, I believe that is one of the misfortunes of this hearing. It has been very badly one-sided. There has been no organized effort to present the other side of the question at all. While there are here and there citizens who have come here upon the invitations of the committee who have freely expressed their views on the subject, that is about the only help the committee have had to arrive at the views of the people here on the other side of that question. I think it results, from what I can learn; a good deal from the

timidity of these people or fear of making themselves unpopular, because they feel these great organizations that you represent are opposing their views, and we have pretty nearly had to drag them in here for the purpose of getting their views on the subject. I can say to you that that is one reason why I participated in the effort to have some of these people come in here who would express themselves freely and who were not organized with one particular thing in view. You may be right about it in saying that it is one-sided because of the people that take the other side of the question.

The District of Columbia was established by act of Congress of July 16, 1790, amended by the act of March 3, 1791. As is well known, the territory was ceded by the States of Maryland and Virginia, respectively, and those States also made large donations in money as a further inducement to have the National Capital located upon the Potomac.

Various forms of government for the District have, from time to time, been prescribed by Congress, none of which, it seems, proved satisfactory to the people. For the first 10 years, by act of Congress, the laws of Maryland and Virginia were kept in operation in the territories respectively ceded by those States. For many years after that period there were three incorporated cities in the District—Washington, Georgetown, and Alexandria—each operating under a separate charter. Rivalries and jealousies soon resulted, and many petitions and memorials were presented to Congress setting forth their respective grievances.

In 1846 the territory south of the Potomac was retroceded to the State of Virginia, after submission of the question to a referendum of the people. The election resulted in favor of retrocession by vote of 763 to 222. Retrocession of the territory north of the Potomac to the State of Maryland has also been frequently agitated. Georgetown, we are told, in the year 1851 would have returned to the State of Maryland but for the economic results that would have obtained. Mr. W. B. Bryan, at page 268, Volume II, of his History of the National Capital, speaks of this matter as follows:

> But opinion was divided. Citizens were warned of the burden of taxes which they would be obliged to assume when they leave the District. For, unlike other towns, they were free from State taxation.

That, gentlemen, expresses it in a nutshell. The people of the District of Columbia, unlike other American citizens, are entirely free from the burdens of State and county taxes. They have nothing to pay but their Federal taxes, and a mere pittance of $1.20 on the $100 for municipal purposes. This historian, Mr. Bryan, was himself a Washingtonian and held many important positions here.

To give you the purport of this act of Congress, which not only changed the form of government for the District but assumed the indebtedness of the former régime, I will read you a paragraph from a letter from the Secretary of the Treasury of date March 8, 1924. Among other things, the letter says:

> The act of June 20, 1874 (18 Stat. p. 116), abolished the Territorial form of government for the District of Columbia and established a commission form of government, the members of which were appointed by the President. This act continued the sinking fund commission and authorized it to continue the application of the sinking-fund revenues to the payment of the bonded and floating debt. The act also authorized an issue of 50-year bonds in the face amount of $15,000,000, dated August 1, 1874, bearing interest at the rate of 3.65 per cent per annum, payable semiannually. The act pledged the faith of the United States to make the necessary proportional appropriations to cover the interest on the bonds and to provide a sinking fund for their retirement. It was also pledged to levy taxes against the property in the District of Columbia to provide the necessary proportional revenue. The sinking-fund commissioners were authorized to exchange these 3.65 per cent bonds at par for like sums of the indebtedness of the District of Columbia, and a sufficient amount of the bonds were thus utilized by said commissioners to refund the outstanding indebtedness of the District of Columbia.
>
> The act of March 3, 1879 (20 Stat. p. 410), provided the first appropriation for the retirement of the 3.65 per cent bonds, and there is inclosed for your information a statement showing the appropriations provided by Congress since that time for "interest and sinking fund of the District of Columbia," 50 per cent of which was payable from the revenues of the District of Columbia and 50 per cent from the Treasury of the United States.

I have here the statement referred to in the letter showing the payment of the bonded indebtedness of the District, one-half by the people of the United States, amounting in the aggregate to $47,550,774.44. I will insert this statement in the RECORD.

In locating the National Capital, New York, Philadelphia, Baltimore, and other large cities were rejected as being unsuited for such a purpose. Instead, the location selected was in a wilderness, almost without habitation. In the act of Congress there is no reference whatever to a city.

The idea of a Federal district was due to a single historical incident, and without that incident there would not to-day be such an entity as the District of Columbia. When Congress was in session in Philadelphia in 1783, 250 soldiers of the Revolution, who had not received the compensation to which they deemed themselves entitled, mutinied and marched upon the city from Lancaster. They surrounded the State House and made an armed demand upon Congress, then in session. Under conditions existing at that time the State of Pennsylvania and the city of Philadelphia, both of which were appealed to, were powerless to grant protection against the armed and infuriated mutineers.

To this incident alone is due the idea of locating the seat of government in a Federal district, where, as it was contended, the Federal authority would be supreme for the purpose of affording protection against unlawful violence. In those days the rights of a State were evidently more highly regarded than at this time. The idea of the United States Government now appealing to a State or a city to protect Congress from violence would be amusing, to say the least of it.

There being but one reason for the establishment of a Federal district in the first place, and that reason no longer existing, then why further continue in operation this useless and expensive institution? The deliberations of Congress are certainly no longer in danger from soldiers who have not received the consideration due them, as the circumstances conclusively show. Instead of 250 soldiers of the Revolution who felt themselves aggrieved, as was the case in 1783, we now have more than 4,000,000 young men, recently returned from a conflict no less memorable, who have not received as much consideration as has been accorded to speculators and tradesmen who merely suffered financial loss on account of the war. Still, we are not in danger of personal violence, and Congress can hold its sessions with impunity.

This of itself shows conclusively that the single reason which existed for the establishment of a Federal district in the first place does not now exist, and, as based upon that reason solely, the District of Columbia might with propriety be abolished. If there should be serious objection urged to the complete abolishment of the District, then Congress might reasonably consider the question of curtailing its dimensions.

The northern boundary line should in no case extend beyond Pennsylvania Avenue, except to include the necessary public buildings and grounds now in use in the vicinity of the Capitol and White House. The entire southern portion of the city, now an eyesore, should be condemned and converted into a grand and beautiful parkway in which should be located in symmetrical order all the public buildings necessary for housing the governmental activities.

Not only should this new territory be completely and forever divorced from the municipal affairs of the city of Washington, but from private interests as well. Let it be scourged of speculators, tricksters, and tradesmen, as Christ scourged the Temple. The Federal Government should be the sole owner of the property of the District. This "triple alliance," or "dreibund," which has grown up here by which the affairs of the Federal Government have been mingled with the municipal affairs of the District of Columbia, and with the private affairs of realty speculators, and by which the sancity and interests of the Federal Government have been subordinated to both, should be completely and forever dissolved.

The size of the Federal District, in the first place, was a matter upon which Mr. Washington and Mr. Jefferson did not agree. Jefferson's plan was to have a district no larger than necessary to house all the activites of the National Government. He thought that about 1,500 acres would be sufficient for that purpose.. Washington thought it should be about four times that large. As finally laid out, it embraced a territory nearly ten and a half times as large as that first contended for by Mr. Washington, and nearly forty-three times as large as Mr. Jefferson thought was necessary.

The District, as originally laid off, embraced 100 square miles. In 1846 approximately one-third of the area was retroceded to the State of Virginia upon the ground, as recited in the act of retrocession, that it was not used or needed for the purposes of the National Capital. Less than one-sixth of the territory in the District as it now exists is owned by the Federal Government, and not more than one-twentieth of it is used for the purposes of the national seat of government. If

it was right and proper to return to the State of Virginia that which was not used or needed, then why withhold from the State of Maryland a large amount of territory likewise not used or needed?

Mr. Chairman, as a Member of Congress, I am not in favor of withholding from the National Capital anything that is necessary for the national use. I am in favor of the expenditure of every cent necessary for that purpose. I believe in the erection of the buildings necessary to that end, and in the beautification and adornment of all the contiguous grounds needed for the public use. I am opposed, however, to the further mingling of the public affairs of the Nation with the private affairs of the inhabitants of the District of Columbia, or, as to that matter, with the private affairs of the people of any other section of the United States. I want the people of the District to be treated by the Federal Government just as all other citizens are treated; no better, no worse.

I want them to be free to tax themselves, just as others are privileged, and to enjoy the exclusive benefits of their taxation, except that for Federal purposes, in which they should be treated in common with others. But I want a divorce from this unholy alliance which now exists.

I want the people of the District to have the privilege of voting and electing their own officers and to be represented in Congress by Representatives of their own selection. They will never be contented or satisfied as long as they are deprived of the ballot, even though they may not then fare so well as now. They feel naturally and make the claim that they have "taxation without representation." Yet an investigation of the facts will show that they have had representation without taxation. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MANSFIELD. I ask unanimous consent, Mr. Chairman, to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. COLE of Iowa. Mr. Chairman, I am preparing some data on the manufacture of sugar from corn, and when I get it assembled I would like to have unanimous consent to insert it in the RECORD, together with some letters I am receiving on the subject.

The CHAIRMAN (Mr. RAMSEYER). The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. COLE of Iowa. Mr. Speaker and gentlemen of the House, it was once said "Blessed is the man who makes two blades of grass grow where but one grew before." But now twice blessed is the man who finds a market for the surplus blade.

Science applied to the soil has greatly multiplied man's dominion over the earth. Production has been increased amazingly. In a single year the number of hogs offered in the American markets was increased 14,500,000. Has it not made the theories of Malthus obsolete?

We now have surplus products to deal with. Scarcity makes a seller's market, but abundance makes a buyer's market.

But the surplus of products is really a world fiction. It is not so much overproduction as it is underconsumption. There are no surplus foodstuffs in the world to-day. There are more empty stomachs than there are superfluous loaves and fishes. The real problem is one of distribution and of ability on the part of the hungry to pay the costs of production and transportation.

But in America, at least, we seem to have surplus products. We are anxious to find an outlet for them. We would be willing to forego profits on them. Yes; we are willing to sell the surplus products of our farms for the costs of production or even less. We have even talked of "dumping" them somewhere so that they may not distress the home markets.

Foreign trade is an excellent thing. It has been a civilizing influence. The great nations have been trading nations.

But, with our eyes fixed on foreign markets, let us not lose sight of the markets at home. Our home markets are our own. Others can not despoil them. Only we ourselves can spoil them. Is it 90 or 95 per cent of our products that we sell at home?

The American people are the best customers, because they are the best consumers in the world. They have the money with which to buy to gratify their tastes and their desires. They are the superconsumers of the world and the world's best spenders. Take the particular and single item of sugar. The world's production of this staple in 1922 was 20,448,334 tons, according to Willett & Gray's estimates. Of this immense aggregate the American people consumed 5,703,889 tons, or at the rate of 103.2 pounds per capita. The United States, with hardly 6 per cent of the world's population, consumed nearly 30 per cent of the sugar produced.

Of all the sugar we consumed, we produced in the United States proper in 1922–23 only 919,000 tons, of which 244,000 tons was from cane grown in Louisiana and Texas—Texas supplying only a "trace"—and 675,000 tons was made from beets grown in 16 or more States. During 1922 we imported 4,580,000 tons of dutiable sugar, nearly all from Cuba, and 1,209,000 tons of free sugar from our so-called insular possessions—Hawaii, Porto Rico, the Virgin Islands, and the Philippines. Our total imports were 5,788,900 tons, which is in excess of our total consumption, for we exported 918,000 tons in the form of refined sugar and sugar used in manufactured products.

Can we not supply a larger proportion of this excessive sugar consumption out of the labor on our own farms and by the labor in our own factories? That is the question that I want to discuss to-day.

The production of cane sugar can not be increased materially except on our islands. We have neither the soil nor the climate for it within the continental United States. The culture of the beet might be increased enormously, for we have both the soil and the climate for it, but it is necessarily limited by available labor.

There is one other source of sugar, and that is a source unlimited as to either soil or climate, and with ample labor. That source is corn—the maize of the Indians. It is to this subject that I want to devote my time and direct your attention especially.

SUGAR, ITS NATURE AND ITS SOURCES

Sugar is sunshine sweetened and stored. That is what it is, poetically considered. In the processes of nature something taken from the soil is mingled with something taken from the air and, under the magic of the sun, the two are converted into sweet saps from which man makes sugar. The cane among the grass plants, the beet among the root plants, and the maple and the palm among the trees are most rich in the sugar-bearing saps and juices. But sugars are derived from many other sources. In Washington the Bureau of Standards has made fucose from seaweed, raffidose from cottonseed meal, arabinose from dahlias, and manose from ivory nuts. From 6 to 8 per cent of sugar has been realized from cornstalks. The hygienic laboratory of the Public Health Service is now experimenting with a sugar called xylose, which is made from corncobs, which yield from 8 to 10 per cent of this product.

Saccharine matter is found also in the mineral world. The best-known mineral saccharine is a white crystalline substance that is manufactured from the toluene of coal tar. Its chemical formula is different from all vegetable sugars, but it is used as a substitute for sugar and is so used especially by those suffering from diabetes. It is antiseptic, and from three hundred to five hundred times as sweet as cane sugar. It has no food value whatever.

Chemically, all the vegetable sugars are known as carbohydrates. That means that they are composed of carbon, hydrogen, and oxygen, variously combined and constituted. The two most abundant sugars are known as sucrose and dextrose. Sucrose is derived chiefly from cane and beets, while the chief source of dextrose now is corn, or Indian maize.

Sucrose and dextrose have different chemical formulas. The actual difference may be described as that of a single molecule of water, which is present in dextrose and absent in sucrose.

SUGAR CANE, ITS ORIGIN AND SPREAD

It is in Hindu records that we find the earliest references to sugar cane. It is therefore assumed that the plant had its origin in India. It is not mentioned in any of the books of the Old Testament, nor in the Talmud. But the Hebrews were not without sweets. They gathered wild honey from the hollows of trees and the crevices of the rocks, as is still done in Palestine, and their dreams of an earthly paradise pictured a land of milk and honey. In the early Greek writings, the sugar cane is called "the honey-bearing reed of India." References to it are found in Chinese books written 800 years before Christ.

We are told that the soldiers of Alexander the Great carried this "sweet reed" from the Indus to Europe, where the product of the cane was first called saccharum, a word derived from the Sanskrit. The word sugar itself is derived from the Persian shakar.

In both India and China they developed crude ways of pressing out the sap and boiling it. Originally, they may have used

it in the form of sap. What is known as solid sugar is not mentioned until about 500 years before Christ. Its refinement is credited to the Egyptians, who were then an advanced people. Throughout the eastern world it gained great repute, both as a food and as a medicine. But it was so costly that its use was confined largely to the rich.

The Mohammedans carried sugar with their religion over wide areas of the medieval world. The Crusaders carried it to Europe. The Moors added it to the civilization of Spain. In time, Venice became the sugar market of the world. The Venetian traders took it to England, where they exchanged it for wool. In the time of Elizabeth it had become an article of considerable household use in England.

Some writers believe that sugar cane was native in the West Indies, but it is more likely that Columbus and his followers transplanted it to the American islands and to the countries of South America. It found its way to Louisiana in the eighteenth century, but it was not commercially produced there until about 1830. The sugar plant thrived on the islands more than it did in Louisiana, where the season is only eight or nine months in length, while the cane requires about 12 months for full maturity.

The botanical name for sugar cane is saccharum officinarum. It is a giant-stemmed perennial grass, growing to heights of from 8 to 24 feet. The tassel alone is from 2 to 4 feet in length. The plant germinates from the buds which grow on the stem around the joints, but practically little cane is propagated from its seed. The sap from which sugar is made is in the pith. The average sugar content is around 16 per cent, with about 2 per cent more in the form of invert sugar, from which sirup is made. The sugar realized from the cane varies greatly. The average for Louisiana is given as 143 pounds from a ton of cane. It is highest in Hawaii, 245 pounds per ton. In Cuba the average is 229 pounds, and Porto Rico, 221.

THE SUGAR BEET AND ITS DEVELOPMENT

The presence of sweet juices in certain root plants, especially in what is botanically the beta vulgaris, was known among the ancients. Herodotus says that the builders of the pyramids subsisted largely on beets.

But it was not until 1747 that Andreas Marggraf, in Germany, made the discovery that these beet juices could be crystallized into sugar. His discovery seems to have lingered long as a chemical curiosity. But developments followed, and in 1799 the manufacture of sugar from beets was seriously undertaken. The first factory for such purposes was built in Silesia.

The wars of Napoleon gave an impetus to this industry. An embargo was placed on colonial imports. This was intended to cripple England, with whom Napoleon was at war. The embargo closed continental Europe to colonial sugar. What they could not get from overseas they sought in their own soil. In France they established schools to promote beet culture and sugar making. They paid bounties for such sugar. They even made the culture of beets compulsory. In Germany and Austria, as well as in France, the industry was rapidly developed. By scientific culture the sugar content of beets was increased from 6 and 8 per cent to 12 and 18 per cent. The humble beet became the rival of the luxurious cane.

THE SUGAR BEET IN AMERICA

The first attempt to make sugar commercially from beets in the United States was made in 1830. It was not very successful. In 1838 the attempt was renewed at Northampton, Mass., with the help of one Isnard, who had served in this industry under Napoleon. The first real financial success in the making of sugar from beets was attained at Alvarado, Calif., in 1870.

In America soil and climate were both favorable for the growing of beets, but from the first the supply of manual labor required has been more or less lacking. The American machine-using farmer does not take kindly to doing such hand labor. Mr. James Wilson, who in Iowa was known as "Tama Jim," when Secretary of Agriculture, from 1897 to 1913, did more than any other one American to promote and develop this industry. Under his stimulating influence $80,000,000 was invested in the erection of 76 beet-sugar factories. Bounties were paid on beet sugar in the States of Idaho, Kansas, Minnesota, Michigan, Nebraska, and New York, while in Iowa beet-sugar manufacturers were exempted from taxation. These bounties and exemptions, however, have all been abandoned. The protective tariff on sugar has aided this industry, and without this tariff the industry could not exist to-day.

COMPETITION BETWEEN CANE AND BEET SUGAR

For the year 1912–13 the total world production of sugar was 20,308,958 tons of 2,000 pounds. Of this total, 10,397,603 tons were derived from cane and 9,911,355 tons from beets. In percentages, 51.2 from cane and 48.8 from beets. At that time the beet had almost overtaken the cane.

But the World War, which soon followed, interrupted the growing of beets in all the European countries. This gave a new stimulation to cane growing. In 1922–23 the world production of sugar was about the same as in 1912–13, to wit, 20,448,334 tons, of which 14,692,609 tons were derived from cane and only 5,755,725 tons from beets. In percentages this was 71.9 from cane and 28.1 from beets. In 11 years the output of cane sugar had been increased around 50 per cent, and the output of beet sugar had been decreased in like per cent.

In the continental United States there was but a slight increase in cane sugar during the same 11 years, and no material increase can be looked for in the future. Of beet sugar, there were produced in the continental United States in 1912–13, 698,952 tons, and in 1922–23, 689,848 tons, showing a slight decrease in spite of all the inducements and encouragements extended to this industry. The highest production was in the year 1920–21, when it was 1,085,749 tons. From this slow increase we may conclude that we can not look to beet culture as a solution of our sugar needs. However, we are deriving around a million tons of sugar from what we may call the American islands. The exact figures are, for 1922, from Hawaii, 523,040 tons; from Porto Rico, 379,071 tons; and from the Virgin Islands, 6,720 tons. We derive also around 300,000 tons from the Philippine Islands.

Of the total sugar consumed in the United States in 1922, 5,700,000 tons, 42.5 per cent, was of what we call domestic production, including the islands in domestic sense, and 57.5 per cent was derived from foreign countries, the bulk of it from Cuba.

This brings me back to my subject—that is, sugar made from corn. The question involved is, Can we make from corn any considerable part of the sugar that we now import, adding thereby to the development of American industry and to the commercial value of this important product of our farms?

DISCOVERY AND DEVELOPMENT OF CORN SUGAR

The Napoleonic embargo on colonial imports, which led to the founding of the beet-sugar industry, may also have had something to do with the discovery and the development of sugar made from starch.

A Russian chemist named Kirchoff, according to the records, was the first to discover the saccharine substance in starches and to develop processes for converting it into crystalline sugar. For this work he was decorated by the Russian Government in 1812 and given a pension for life. Kirchoff used the starch of the potato, and the product was called potato sugar. Cornstarch was then little known in Europe, if it were known at all.

A few years later a French chemist named Saussure developed a process of making sugar from starch by the use of sulphuric acid as a catalizer. The product of his process, because of its sweetness, was called glucose, from the Greek word glucus, meaning sweet. However, but little progress was made in the manufacture of sugar from potato starch. Commercially it was not successful.

In 1830 a patent was granted to Amable Brozier, of Philadelphia, for a process that was called the saccarification of grains, including especially corn and rice.

In 1848 Thomas Kingsford established at Oswego, N. Y., the first cornstarch factory. His experiments and efforts were so successful that the names of Oswego and Kingsford are still associated with this important American product.

The Civil War in America, like the Napoleonic wars in Europe, created one of those necessities out of which new ideas and developments are born. The internal-revenue taxes on distilled spirits were so high that they interfered with the manufacture of vinegar, in which high wines were used. A Government chemist directed the attention of two manufacturers of Buffalo, N. Y., to the conversion of starch into a sirup that could be used as a basis for vinegar.

In 1880 Dr. Arnold Behr, a noted chemist of that time, took a further step and patented a process for the manufacture of what he called anhydrous sugar from cornstarch, using what was called the centrifugal process for crystallization. Faith in his process and product was expressed in the form of a million-dollar factory which was erected by the Chicago Sugar Refining Co. In spite of the fact that this sugar was 98 per cent pure, but little demand was found for it, one of the reasons being that the process was too expensive.

Doctor Behr may be considered the real founder of the new industry. Mr. A. W. H. Lenders, now vice president of Penick & Ford (Ltd.), Cedar Rapids, Iowa, himself a chemist of note

and a successful manufacturer of corn products, in a personal letter to me says:

With the exception of Doctor Behr, there was no one who had a process for the manufacture of high-grade corn sugar until recently.

Mr. Lenders, let me state, was associated with Doctor Behr in some of his experiments and may be regarded as one of his pupils.

In due time one Charles Ebert developed another new process, called the pressing process, as a substitute for the centrifugal process of Doctor Behr, which cheapened the manufacture of such sugar. I believe that the Ebert product was first called cerelose.

Considerable development in the manufacture of sugar from corn followed these inventions, but no effort was made to refine these sugars. They were what are called 70 and 80 sugars, and were used largely and mostly in making vinegar, also by breweries before these were closed, and in the curing of leathers.

About 1902 a factory at Peoria, Ill., began to make sugar 92 per cent pure dextrose. This product was soon used by bakers, ice-cream makers, and by the manufacturers of various food products and candy. But it had a bitter taste, and in sugar the "taste is the test."

New research work followed. "Doctor Behr's anhydrous sugar," says Mr. Lenders in his letter, "was the product they were aiming at." The research work proved successful, and that in a comparatively short time. The United States Government, through the Bureau of Standards and its various experts, including such men as Mr. F. Bates, Dr. R. F. Jackson, and W. B. Newkirk, rendered valuable assistance. In due time the desired taste was attained and the processes cheapened so that factories could be commercially operated.

The Corn Products Refining Co., one of the largest corporations of its kind, has placed all of its resources back of the development of this new sugar. They are now making several kinds—cerelose, 99.5 per cent pure dextrose on a dry basis, and also a 92 sugar called, I believe, argo. Mr. George K. Burgess, Director of the Bureau of Standards, in a letter to me on this subject, under date of May 6, says:

We have recently had occasion to examine some dextrose manufactured by this process and have found that the purity of the sample submitted was above 99.9 per cent.

This bureau is at present engaged in problems incidental to further refinement of the process, such as an accurate system of color measurement, the details of chemical analysis, identification of impurities, and crystallographic studies.

From first to last the Bureau of Standards has rendered most valuable service to this new industry.

So far only a few manufacturers have undertaken to make this supersugar from corn. "Most of the large corn-products manufacturers," writes Mr. Lenders, who, let me state, has given me much valuable assistance in my consideration of this subject, "including ourselves (that is, Penick & Ford (Ltd.), Cedar Rapids, Iowa), are making the 70 and 80 sugar to-day in large quantities."

THE HISTORY OF AMERICAN CORN

The development of this industry will have an important bearing on what is America's premier agricultural product—that is, corn—and therefore it may be well to consider briefly its history.

In England and continental Europe the word "corn" is applied to the edible seeds of many cereal plants, including wheat, barley, rye, and so forth. In the United States the word is restricted to Indian maize. Here maize is corn and corn is maize.

What the Indians called mahiz and the Spaniards maiz was found growing on the West India Islands in great abundance when Columbus made his discovery. He spoke of vast fields of maize. When Cortez conquered Mexico, he marched through fields of this maize. De Soto found it in Florida and on the banks of the Mississippi. Joliet and Marquette, when they discovered the Iowa country in 1673, found it growing on the banks of the Iowa River, where it still grows in its greatest luxuriance.

The Indians believed that corn was bestowed upon them by some special act of Providence. It was at least providential to them. Black Hawk in his autobiography relates quite seriously that once upon a time when three Indians were out hunting a beautiful woman came down out of the sky. She was hungry. They gave her the best portions of venison. Having eaten, she thanked them and told them to return to the place of their meeting one year later. When they so returned, they found growing there corn, beans, and tobacco, but chief was corn.

The legend of the Winnebagoes was a little different. They believed that when the first woman had been created many suitors came to woo her. Among them was one Mondamin, or Corn, who was so strong that he slew all the other suitors, and through him Corn became the father of all the Indians.

CORN AS AMERICA'S PREMIER CROP

In 1922, according to the Yearbook of the Department of Agriculture (p. 572), 102,428,000 acres were planted to corn in the United States. The yield that year was 2,890,712,000 bushels. (The yield has since been as high as over 3,000,000,000 bushels.) The estimated value of the crop of 1922 was $1,900,287,000. These figures leave no doubt as to the premiership of corn in American agriculture.

Corn is grown in every one of the 48 States of the continental United States. In 1922 the smallest acreage was in Nevada—1,000 acres; the largest was in Iowa—10,123,000 acres. In Iowa there was produced that year 455,535,000 bushels, or almost one-sixth of the entire corn product of the United States. The estimated value of Iowa's corn that year was $255,100,100.

Illinois ranked second in corn in 1922, that State having 8,819,000 acres, yielding 313,074,000 bushels, the estimated value of which was $187,844,000. The third State in corn was Nebraska, with 7,419,000 acres, 182,400,000 bushels, valued at $105,792,000. That year three other States—namely, Missouri, Kansas, and Texas—had corn acreages in excess of 5,000,000. Of the Southern States, outside of Texas, Georgia stood first, with over 4,000,000 acres, and the two Carolinas followed, each with more than 2,000,000 acres.

Iowa's preeminence as a corn State is due to ideal conditions of soil and climate, rainfall, and sunshine for such production.

For 300 miles east and west, from the Mississippi to the Missouri, and for 200 miles north and south, practically every acre is susceptible and responsive to the culture of corn. On these facts and figures is based the popular refrain:

We're from Io-way, Io-way,
That's where the tall corn grows.

But corn in its growth is not restricted to the American States. It is grown in many other lands. The total world production is now in excess of 4,000,000,000 bushels. But three-fourths of all the corn is still grown in the United States.

Among foreign countries, Argentina ranks first in corn production. In 1922 its acreage in that country was in excess of 8,000,000, or about four-fifths of the acreage in Iowa alone. But in that year the product of Argentina was only about one-half of that of Iowa, proving Iowa's superiority in this respect. The exact figures for Argentina were, 1922, acres, 8,090,000, and bushels, 280,423,000.

Of the American corn crop 40 per cent is fed to hogs and converted into pork products, 20 per cent is fed to horses and mules, and 15 per cent to cattle. These three uses account for 75 per cent of all American corn. Ten per cent more is used as human food direct. When all its uses, including beef and pork and mutton and poultry and so on, fed on corn, are taken into consideration corn becomes the principal food product of the American people. It is that by which they chiefly subsist.

Corn is almost wholly a commodity of domestic commerce. Very little is exported—that is, in the form of grain. The average exports for the past 20 years have not exceeded 3 per cent of the total. In only one year since 1900 have the exports exceeded 100,000,000 bushels. Of corn exported, one-half goes to England and a sixth to Germany, and if Canada and Holland are added we have three-fourths of our exports accounted for. Our largest imports of corn were in 1914, when under a favorable tariff, we received 15,821,000 bushels from Argentina for use in the Atlantic seaboard industries.

THE WONDERS IN THE KERNEL OF CORN

Corn, like cane, belongs to the grass family. It grows to an average height of about 10 feet, more or less. It is a semi-tropical plant. It is matured in from 90 to 120 days.

The seed or grain grows on a cob and is incased in husks that overlap it. From the tip of the cob and projecting beyond the husk are many tiny silks, one for each kernel, upon which the fertilizing pollen falls from the tassel which crowns the stalk. The long rows of grain on the cob are always even numbered. From a single grain of seed planted a thousand may be produced, and corn is therefore a thousandfold crop, a wonder in productivity.

At the tip of each kernel there is a little germ which is the new life. Nature has guarded and protected this germ most carefully. It is incased in a bit of oil to protect it against drought and moisture, heat and cold, and their changes. The main substance in the kernel is starch, which is the food upon which the new life subsists until it can put forth roots in the

ground and leaves in the air to sustain itself. It is all a wonder wrought in some fairyland of nature.

THE OIL OF THE CORN

Before proceeding with the development of the starch of the corn into commercial sugar I must make a brief reference to the oil in which the germ is protected. This is a precious oil, and it is now successfully extracted and refined, running about 1½ pounds to the bushel of 56 pounds. It is an article of commerce. In 1922 in excess of 11,000,000 gallons were manufactured.

The oil is of a soft golden coloring. It is used in many manufactured foods. As a salad dressing it has displaced many minor oils and has become a competitor of olive oil. In cooking it has many advantages over all other oils and some over lard and even butter. It has a high burning point, 650°, compared with 425 for lard and 250 for butter. The advantage in this lies in the fact that corn oil can be brought to a high heat without either burning or smoking. When the meat to be fried is immersed in this oil at a high heat, which may be 600°, the pores of the meat are immediately sealed and the natural juices, together with the flavoring and aroma, are retained. In other words, the meats so cooked are not soaked or saturated in grease.

GLUCOSE, MALTOSE, AND DEXTROSE

The starch that is extracted from the corn is converted into a raw sugar by a process of cooking under pressure. Dilute hydrochloric acid is used, which is later neutralized by soda, and the liquors decolorized with carbon. The raw sugar is 90 per cent dextrose and corresponds to the raw cane sugars that are imported and refined in this country. The two processes of refining are said to be absolutely identical.

Maltose sugar is made by a different process. The ground corn or grits are mixed with a certain amount of malted barley. By this process the starches are converted into what are called simpler forms of carbohydrates, namely, dextrins and maltose, and, if the action is carried far enough, into complete maltose.

The present commercial corn sugar is dextrose. The manufacture of maltose has not been deemed commercially successful, but the chemists of the Department of Agriculture are at the present time carrying on experiments, already highly successful, I am told, to perfect and cheapen this maltose sugar. They have reached a result of 33 pounds of sugar from a bushel of 56 pounds of corn.

Of the two corn sugars, maltose has the higher calorific value, practically as high as cane or beet sugar; while dextrose ranks lower in that respect. In the element of sweetness the corn sugars are deficient compared with both cane and beet sugar. Dextrose at its best is about three-fourths as sweet as sucrose—that is, cane sugar—and it may run lower—three-fifths. The food values of all these sugars are about the same. As a preservative the corn sugars are probably 30 per cent more effective than either cane or beet sugar. Of all the sugars dextrose is probably most easy of digestion and assimilation.

DEXTROSE CALLED IDEAL SUGAR

The chemical formulas of sucrose and dextrose differ slightly. They are elementally the same, but in different combinations. The difference has been described by one as that of a single molecule of water. In the processes of human digestion, I am told, this molecule of water must be added to the sucrose. That is, the sucrose must be converted into the dextrose, which is called blood sugar, and as such is ready to be absorbed and assimilated in the human system. On the processes of digestion, Dr. M. C. White, Assistant Surgeon General United States Public Health Service, writes me as follows:

> The starch ordinarily consumed with the diet is split during digestion in the gastro-intestinal canal into glucose, and is absorbed by the blood in this form. After being carried by the blood to the organs of the body it is burned to carbon dioxide and water. Part of the absorbed glucose is stored in the muscle and liver as a complex carbohydrate called glycogen. On the basis of our present knowledge there is no reason to assume that sugar (glucose) made from corn is digested and utilized by the body in any different way than glucose derived from other sources.

Dr. M. S. Fine, director of the research department of the Postum Cereal Co., Battle Creek, Mich., a recognized authority on food products, writes me as follows:

> Both maltose and dextrose are valuable sugars. Maltose is often tolerated by sensitive gastrointestinal tracts when cane sugar and other forms of carbohydrates are not so well tolerated.
>
> Dextrose one might almost consider as the ideal sugar. It requires no digestion whatever in the gastrointestinal tract. It is absorbed into the circulation as such, and it is precisely in the form of dextrose that sugar circulates in the blood normally. In other words, dextrose is immediately available.
>
> Dextrose, like maltose, has recently found much favor in connection with the feeding of babies. * * *
>
> There is, as you probably know, a prejudice against the use of dextrose, or, as it is more commonly known, glucose. The prejudice arose, no doubt, because this material was at one time used as an adulterant.

AS A FOOD FOR CHILDREN

Children are said to require more heat units than adults. This is due to their activities and to a more rapid radiation of heat from their bodies. They therefore both crave and need sweets. They find these first in milk. Two quarts of milk contain 3 ounces of milk sugar. In using cane sugar, or sucrose, the amount must not exceed the capacity of the child to convert it into dextrose. But corn sugar is taken in the form of dextrose, and is therefore said to be less harmful. On this subject I will insert herewith in full a letter written by Dr. McKim Marriott, a recognized pediatric, which is the science of the hygienic care of children:

> Hon. CYRENUS COLE,
> *House of Representatives, Washington, D. C.*
>
> DEAR SIR: This is in reply to your letter of May 10, relative to the use of corn as a source of sugar.
>
> I have, for a number of years past, been using and advocating the use of corn sirup in the feeding of infants. Corn sirup is prepared from cornstarch by hydrolysis and consists mostly of dextrin, maltose, and glucose. I have found this form of sugar to be the most suitable for infant feeding. It is digested better than cane sugar or milk sugar and does not lead to diarrhea. It is by far the safest form of sugar to give a bottle-fed baby. Corn sirup is an economical food as well. It is much cheaper and certainly as good, or better, than many of the advertised dextrin and malt sugars used in infant feeding, such as Mellin's Food, etc. As a food for older children corn sirup has a considerable advantage over cane sugar because it is more easily digested and is not as sweet, and can, therefore, be taken in larger amounts.
>
> In the St. Louis Children's Hospital and in the Children's Dispensary of Washington University practically no other form of sugar is used in the feeding of infants, and since the adoption of this policy the mortality rate among babies has been lowered markedly.
>
> Trusting that this is the desired information and that you will not hesitate to call upon me if you wish any further particulars, I am,
>
> Sincerely yours,
>
> McKIM MARRIOTT, M. D.,
> *Physician in Chief St. Louis Children's Hospital,*
> *Dean and Professor of Pediatrics,*
> *Washington University School of Medicine.*

From another source I learn that when children—and the same is true of adults—eat too much candy made from the sucrose sugars—cane and beet—it distresses them, due to the fact that there are not enough of the molecules of water and of the saliva acids to convert this sucrose into dextrose in the processes of digestion. The mass lies unacted upon awaiting the necessary secretions for the processes of digestion, or fermentations set up, adding to the distress.

In the case of the dextrose sugars—corn—no such distress ensues, for this sugar is already in the form in which it must be to be taken up by the system. The processes to which the stomach and the associated organs are subjected in the use of cane and beet sugar are performed in the laboratories in the case of corn sugar. On this, however, I express no expert opinion, merely repeating what has been told me by those who pretend to know more about such matters.

THE CALORIFIC AND FOOD VALUES COMPARED

As to the calorific value of corn sugar compared with other sugar, I have a statement from Mr. A. C. Browne, who wrote to me as Acting Chief of the Bureau of Chemistry, of the Department of Agriculture, under date of May 7, as follows:

> The calorific value of cane sugar—that is, the heat units formed by the complete combustion of a unit quantity of sugar—is known to be 3,955.2 calories per gram of sugar. In the case of maltose sugar the calorific value is 3,949.3 calories per gram. In the case of dextrose the calorific value is 3,742.6 calories per gram.

In this respect, as I have already said, maltose sugar is practically on a par with cane sugar. Dextrose sugar would seem to suffer in comparison with both maltose and sucrose; but, as a matter of fact, I am assured upon good authority this is not really so, for "while its actual calorific value is somewhat less than cane sugar the human system expends considerably less energy in its digestion, so that the final result

is about the same." In the case of sucrose the 200 calories by which it exceeds dextrose are fully consumed in the processes of converting the sucrose into dextrose, into which it must be converted before digestion and assimilation can proceed.

As to the nutritive and food values of these sugars, so far as I have been able to learn, they do not vary greatly. All the authorities that I have consulted seem to place corn sugar on as high a plane as either cane or beet sugar as food. Mr. A. C. Browne, of the Bureau of Chemistry, from whom I have already quoted, in the same letter says on this subject:

All evidence points to the fact that in the case of normal individuals these sugars are all digested completely in the human body and have approximately the same nutritive value, weight for weight.

THE UTILITY OF DEXTROSE SUGAR

The process of converting cornstarch into sugar has been described as "practically identical with the digestion of starch in the human body * * *. In the factory hydrochloric acid corresponds to the enzyme in the human saliva." Dextrose has been styled predigested starch, a sugar that is "taken up in the blood stream and is known as blood sugar." Because of ease in digestion and of assimilation a very high value has been placed on this sugar by dieticians and by experts in such matters.

Dr. Cyrus Edson, at one time president of the board of health of New York, has left a record of his opinion that on a diet of corn sirup a man can perform more muscular work than under any other single diet.

Dr. Harry Gideon Wells, at one time dean of medical work in the University of Chicago, in a hearing before the Illinois State Food Standards Commission, gave like testimony. Speaking of corn sirup, and other sirups and sugars, he was asked if he would prefer glucose, "as far as digestion is concerned." He answered:

Yes; for the purpose of feeding a child or an adult, for that matter. If you had to limit your carbohydrates to cane sugar or glucose, you would find a person would get along much better on commercial glucose than on sugar (cane), because he would get sick of the amount of sweetness that he would get with cane sugar as the sole source of carbohydrate foods. That is why we eat bread, starch, and such things instead of cane sugar.

Dr. John C. Olson, professor of analytical chemistry, Polytechhnical Institute, Brooklyn, N. Y., has said:

When starch is rendered soluble it passes into other sugars which are less sweet, such as dextrose and maltose. They are fully as nourishing as cane sugar and pass into the blood more quickly, because cane sugar must first be broken up into the two simpler sugars called dextrose and levulose.

Dr. Henry C. Sherman, of Columbia University, speaking on the same subject, has said that "from frequent free use of sugar it occurs repeatedly some injury to the stomach must be anticipated." He ascribed this to certain fermentations which are apt to result from the use of the highly sweetened cane and beet sugars and to the "distinct abstraction of water from the mucous membrane" which occurs in the processes of converting sucrose sugar into dextrose sugar when it is taken into the human system.

THE DEFICIENCY IN SWEETNESS

One of the somewhat adverse facts that corn sugar will have to contend with is its admitted deficiency in sweetness. Compared with the best cane sugar it is ranked from 60 to 75 per cent in this respect. The sugar consumers of America are accustomed to the sweeter sugars. They have an abnormal taste for them, just as Americans have had an abnormal taste for the stronger alcoholic liquors.

This deficiency in corn sugar, however, is all in the taste and is without bearing on the food value of the sugar. If sweetness were the test, then the saccharine substance which is derived from coal tar would be the best sugar in the world. In sweetness it has from three to five hundred times the strength of cane sugar. But this mineral sugar has no food value whatever. It is sweet to the taste, but it is neither digested nor assimilated.

But in any event in such matters the "taste is the test," and to satisfy the taste all that is necessary is to use more for given purposes of corn sugar than of cane sugar, and as its manufacture is cheaper this will be no real handicap.

THE COST OF MANUFACTURING CORN SUGAR

The ultimate cost of manufacturing corn sugar has not yet been wholly determined. That will depend on quantity of output, and also upon the development of processes that are still new. In a general way it is stated that dextrose can be manufactured for as much as a cent and a half less per pound than beet sugar, which now competes successfully with cane sugar.

I submitted this question to the bureau of the Department of Agriculture which is now perfecting maltose sugar. The reply is that it is hard to answer, for "the final cost could only be determined by actual operation on a large scale." A tentative estimate of the cost of production is around 3 cents per pound or less for pure maltose sugar based on corn around 70 cents a bushel, the present market price. In this process 33 pounds of sugar are realized from a bushel of 56 pounds of corn. There is also left the oil from the corn and, theoretically, from 15 to 20 pounds of dry material or by-product which can be used in stock foods.

THE PRESERVATIVE VALUE OF CORN SUGAR

Sugar as a preservative is used in canning fruits and certain vegetables and in condensing milk. It is also used in preserves and jellies.

As a preservative the sweetness in sugar is not a factor. Corn sugar with a lower saccharine content has a higher preserving potency than cane sugar. This higher efficiency is placed over 30 per cent. On this subject the following statement is apropos and I am told authoritative:

It is well known that the preserving power of sugar solutions depends largely upon the osmotic pressure of the solutions. Statistical information shows that the osmotic pressure of 15.2 per cent of dextrose solution is equal to the osmotic pressure of 24.3 per cent sucrose solution, and from this it is logical to conclude that, when applied to the same material and the same organism, a 15.2 per cent dextrose solution will have the same preserving value of a 24.3 cane-sugar solution.

According to this statement, the preserving efficiency of corn sugar will make it a desired article in such processes, which account for a large part of the consumption of sugar. It would be especially useful in preserving such fruits as have naturally a high sweetness.

At the present time, under official rulings, where corn sugar is used in manufactured products, the fact must be stated on the labels, which is said to operate as a discrimination.

THE ALLEGED DISCRIMINATIONS UNDER FOOD ACT

The labeling referred to has led to some differences and disputes between manufacturers and the Department of Agriculture, which interprets the food and drugs act. In its rulings the department has, of course, no desire to discriminate against corn sugar. On the contrary, it is anxious to promote the manufacture and use of such sugar, and, as already stated, it is now carrying on experiments to perfect the processes for making maltose sugar from corn. This is in consonance with the purposes for which the Department of Agriculture was created; that is, the promotion of agriculture.

The manufacturers complain that the labels required when corn sugar is used in prepared foods operate as a prejudice. The very fact that the designation "corn sugar" is required, they say, in the minds of many implies an inferiority, or at least a substitution. They argue that competitors call attention to such labelings to arouse the prejudices of would-be purchasers.

This alleged discrimination on the part of the Department of Agriculture in the interpretation of the food and drugs act arises from a definition of sugar laid down many years ago, and which is still adhered to. This definition is as follows:

Sugar is the product chemically known as sucrose (saccharose), chiefly obtained from sugar cane, sugar beets, sorghum, maple, and palm. *

Under this definition, sugar made from corn is not sugar per se, for it is dextrose and not sucrose. The modern dictionaries give a more comprehensive definition of sugar. The Standard Dictionary says:

Sugar is "any of many sweets or sweetish carbohydrates which are ketonic or aldehydic derivatives of the higher alcohols * * * formerly divided into the glucose group and the saccharose group."

The use of the word "formerly" in this definition may imply that they are not now so divided. But the Department of Agriculture officially still insists on such a division, and that is why it requires special designation on labels when corn sugar is used. Secretary Wallace, in a letter on this matter, says:

The question of whether or not the law requires products ordinarily sweetened with sucrose to bear a declaration of dextrose, or so-called corn sugar, when this substance has supplanted sucrose, is not one involving the department's authority to promulgate food standards. It rests solely upon the fundamental requirements of the Federal food and drugs act, which define a food product as adulterated if any substance has been substituted wholly or in part for the article, and misbranded

if it bear any statement, design, or device that is false, misleading, or deceptive in any particular.

Dextrose has an entirely definite, different identity from sucrose, and this difference in identity is reflected in the lower sweetening power and lower solubility of the first-named product.

He says also that usage determines the designation on the labels. In preparing commercial food products, such as jam, for instance, sucrose or cane sugar has so long been used that the purchasers have a right to expect, and do expect, that it has been used, unless a statement is made to the contrary.

As to sweetness, to which reference is made by the Secretary, that difference is not material, for it is true that "the taste is the test," and when a sugar of lower saccharine content is used, all that is necessary is to add enough more to meet the required taste. Such additions of corn sugar in prepared foods would at the same time mean additions to the total food values of the product.

Corn sugar is so wholesome that it might well be capitalized on the labels of manufactured food products. Instead of printing the fact that corn sugar is one of the ingredients in the form of an apology, or even as an explanation, why not print it as a label of superiority, a badge of purity, of healthfulness, and of nutritiousness? May it not be possible that the labels officially required may be converted into advantageous advertisements? If corn sugar is what the chemists and dieticians whom I have quoted have found it to be, why not emphasize its superiority on every label? Secretary Wallace suggests the same thought in the letter from which I have already quoted, as follows:

Frankly, I do not believe that the present requirements * * * will work any unnecessary hardship on industries manufacturing and employing dextrose or decrease its possible use to any material extent. * * * The employment of a label conveying exact information to the consumer concerning the identity of the article creates public confidence in the article, if it has merit that is decidedly advantageous. * * * I am sure no one really interested in the increased production of dextrose will concede that this substance does not possess the merit necessary to justify its increased consumption.

Let me renew to you the department's assurances of its interest in the increased consumption of products of corn, which will insure to producers of corn a more equitable return. I am convinced, however, that the marketing of corn products on the basis of their merit alone and with full knowledge of the public of their identity is the only certain way of accomplishing this object and making such increased consumption of any enduring character.

The Secretary may be right. Corn sugar must be sold on its merits, and I believe it has merits on which it can be sold. All it needs is publicity. Advertising is the magic wand that will put it across, to use a commercial phrase. The skill and the potency of the advertiser are the things desired. There is in this sugar itself the inherent quality that can not be overstated. Make the labels now required the hallmarks of that quality in food products.

THE MANUFACTURER'S VIEW OF THIS DISCRIMINATION

Having set forth the views of the Secretary of Agriculture on this alleged discrimination in the labeling of corn sugar, I will reprint herewith a letter which I have received from Mr. Moffett, whose efforts to promote this sugar are entitled to the praise of all corn growers and sugar consumers, dealing in part with these discriminations. He is vice president of the Corn Products Refining Co.

The letter, aside from setting forth these views, is worth printing for the information it gives, in reply to a series of inquiries submitted by me, on the processes of making this new sugar, its uses, merits, and so forth. The letter in full is as follows:

Hon. CYRENUS COLE,

House of Representatives, Washington, D. C.

DEAR SIR: Referring to yours of the 29d, I will try to answer your questions in the order that you have asked them.

First. The preserving power of any sugar depends on the osmotic pressure of the solution. The recognized authorities show that a solution of corn sugar containing 15 per cent has the same osmotic pressure as a cane-sugar solution containing 25 per cent of sugar. As a practical demonstration this has only been established so far absolutely in milk-condensing experiments carried on at Grove City, Pa., in cooperation with the Bureau of Animal Industry, Department of Agriculture.

The fruit-canning experiments have been carried on, using the same amount of corn sugar as is customary with cane sugar. In the case of the fruit it was considered superior to ordinary fruit canned with cane sugar, inasmuch as there was more of a fruit flavor and less of plain sweetness than usual. In a report made by the California Packing Corporation they say as follows: "Unfortunately we can not use this material in our products because we would have to mark on the package that they contained," etc.

The Beacon Chocolate Co., of North Tonawanda, N. Y., advise that in the manufacture of chocolate coatings this sugar is very desirable, but they can not use it because a regulation of the Department of Agriculture requires that if anything except cane sugar is used it must be marked on the package. This is ridiculous. I would call your attention to the fact that chocolate coatings are used in the manufacture of confectionery, and in confectionery there are no standards that call for specific naming of any sugar; corn sugar, corn sirup, cane sugar, or any other kind of sugar can be used at will, providing it is wholesome.

Second. In canning processes deficiency in sweetness is not a factor to be considered since the amount of sugar used for preserving is generally accepted to be much in excess of what is really required so far as the taste is concerned. This is particularly exemplified in canned fruits, which are so sweet that the fruit flavor is obscured, and as for condensed milk, you no doubt have the same opinion as nearly everyone, that it is so sweet it is sickening.

Third. The principal use of corn sugar in manufacturing ice cream is to give body and texture and in order to reduce the sweetness, which is too great under the ordinary formula. In the baking trade corn sugar is used as yeast food. In general corn sugar sells at a price in relation to cane sugar, so that the cost per unit of sweetening is the same. The cost per unit of food value is about 25 per cent less in the case of corn sugar.

Fourth. The success of the use of this sugar by ice-cream makers and bakers is absolutely established. These trades are now using about 400,000 bags a year, and this volume is steadily growing. There is no use of it by the canners as yet. They are afraid to use it on account of the present regulations.

Fifth. We have no desire to sell corn sugar as anything except corn sugar when it is sold to the consumer straight. The consumer in that case is perfectly able to determine for himself the value of the sugar; but we do consider that it is an unwarranted discrimination that where this sugar is used as an ingredient in the manufacture of such articles as jams, jellies, preserves, condensed milk, chocolate, etc., the regulations require that it be specifically named, inasmuch as it is admittedly a perfectly wholesome product, possibly better from this standpoint than cane sugar. No manufacturer is going to use it as an ingredient if he thinks it deteriorates the quality of his goods, but the mere fact that he has to put a notation on the label appears to him that he is being forced to warn the buyer that his goods are not standard, and the buyer will think the same way, too, for unless there is something wrong, why is this warning necessary?

Advertising is perfectly all right, and we are doing this and going ahead with it, but educating 100,000,000 people is some job and will require years. Can anyone give any good reason why this handicap and discrimination is put on a perfectly wholesome, legitimate, American agricultural product? The more natural thing to expect from our Government would be cooperation in exploiting such a product instead of obstruction.

Sixth. With reference to the percentage of sweetness, unfortunately there are no instruments for determining sweetness. The tests are entirely comparative. I have had made many tests, the results of which indicate to me that this corn sugar is approximately 75 per cent as sweet as cane sugar. It is fair to say that every individual will get a different ratio, but I think we can demonstrate to everyone's satisfaction that on the average 75 per cent is about correct.

Seventh. This industry is growing right along, principally in increasing the quantity sold to the ice-cream and bakery trade. We are at present starting the marketing of this sugar direct to the consumer in central Illinois and in certain parts of Iowa. The actual consumption of this sugar is running at the rate of approximately 50,000,000 pounds per annum, a part of which this company consumes in the manufacture of other products—table sirups.

I wrote you some time ago that our capacity was approximately 400,000 pounds a day. On account of certain technical improvements in the method of operating the process, with our present equipment we can probably produce 600,000 pounds daily, or 200,000,000 pounds a year.

Eighth. Powdered cane sugar is pulverized and a small amount of cornstarch is added to prevent the sugar from caking. Pulverized corn sugar is an extraordinarily good substitute for powdered cane sugar. The addition of cornstarch to corn sugar in order to prevent it caking is not necessary.

If there are any other questions that I can answer, please let me hear from you.

G. M. MOFFETT.

We who are deeply interested in the development of this new sugar industry, because we are interested in the men who grow corn; hope and trust that the manufacturers and the authorities may soon iron out these differences. No discriminations that interfere with such a desirable industry should be continued. The one sugar is as wholesome as the other, and they may, therefore, be used interchangeably, it would seem, without

either harm or deception. Whether sucrose or dextrose, sugar is sugar, just as "pigs is pigs."

Or perhaps a "Heil and Maria" Dawes commission may be called into being to work out the differences that are, I believe, more imaginary than real. Or the food and drugs act may be amended to suit the new conditions. There is an industry at issue, and markets for the farmers of America who grow corn on 100,000,000 acres.

PRESENT AND PROSPECTIVE PRODUCTION

No statistics are available as to the manufacture of corn sugar. A bulletin issued by the Department of Commerce states that in 1921, 152,055,736 pounds of grape sugar were produced. The grape sugar of commerce is largely derived from corn.

The Corn Products Refining Co. has been pioneering in the manufacture of corn sugar. It now has in operation a plant at Argo, Ill., that is turning out 300,000 pounds a day.

I have just received word that Penick & Ford (Ltd.), operating in Cedar Rapids, Iowa, my home city, has let a contract for the first unit of a large plant, to consist of six units, for the manufacture and refining of corn sugar. They have deemed the matter of time so important and so urgent that under the contract the factory must be completed by the 1st of August.

I am proud of the fact that the second factory for this new industry is to be located in my home city, Cedar Rapids, Iowa, which is one of the cereal centers of the country. Fifty years ago two Scotchmen, George Douglas and John Stuart, started in that city, then a village, the manufacture of oatmeal in the "Scotch way." They have left as a monument to themselves a factory that converts, per day, 100,000 bushels of oats into products fitted for human food. Quaker Oats are sold around the world. Agents go to all lands and to the remote islands of the seven seas hunting markets in which to dispose of the surplus products of the farmers of the Middle West. I want, in this connection, to pay a tribute of respect to men of such vision, men who build factories and create markets, and who are the greatest benefactors of their fellow men. The Penick & Ford plant is one of the offspring of Quaker Oats.

It was George B. Douglas and Walter D. Douglas, sons of the pioneer Douglas, who founded the starch industry in Cedar Rapids, out of which the Penick & Ford plant was evolved. Because two men pioneered in "the Scotch way" in Cedar Rapids, 50,000,000 bushels of cereals are now converted into food products in that city annually, wholesome human foods made out of oats and corn and wheat and barley and rice.

Mr. G. M. Moffett, vice president of the Corn Products Refining Co., writing to me under date of April 25, says that his company "holds itself ready to supply whatever plant equipment and capital is necessary to develop this product to its utmost." As to the outlook, he says:

From an economic standpoint it appears that there is every reason to believe that this product can and will develop a very large market, and very possibly one of such a size that the consumption of corn in its manufacture will be perhaps the greatest single factor in the disposal of the surplus corn produced by this country.

The working out of all the details was a matter of years of experimentation, with the result that two years ago we put into operation a small but practical plant, and subsequently, in September, 1923, a large plant for the manufacture of this product. This plant has a capacity of over 800,000 pounds of sugar daily, and is uniformly and economically producing this sugar. From a manufacturing standpoint, there is no limit to the amount of this sugar that can be produced, it being entirely a question of how much can be sold. By this process of manufacture, we produce approximately 25 pounds of pure corn sugar from a bushel of corn.

THE POSSIBLE MARKET FOR CORN SUGAR

There are now consumed in the United States 5,700,000 tons of sugar per year. Reduced to pounds this is 11,400,000,000. Sugar consumption is still growing, and that much more rapidly than population. Sugar is an American habit and diet.

This sugar reduced to bushels of corn, counting 25 pounds of sugar in a bushel, stands 456,000,000 bushels. That was almost exactly the whole corn crop of Iowa of 1922, the product of 10,000,000 acres. This corn, if loaded into standard railroad cars, would make a train of cars reaching from San Francisco to New York. I reduce these figures to such terms so that you may visualize America's consumption of sugar, and with it the possibilities of sugar made from corn.

Of course, I know as you know, that we are not going to make all the sugar we consume out of corn. That is not what we desire to do. It would not even be desirable. We have an expanding beet-sugar industry and we want to promote its larger expansion.

In California and in Colorado, and other States as far east as Iowa and Michigan, we have soils admirably adapted to the culture of the sugar beet. The only retarding element is that of the labor required, and in this the new immigration law will become an important factor. We want to continue the manufacture of beet sugar, and we shall always have a large demand for sugar made from cane because of its saccharine content. In many uses there will never be a substitute for cane sugar. But the field is so large that we may well seek in it a place for this newer sugar. To find and fill that possible market will be a great achievement not only for the farmers but for all the people.

Of the sugar we consume, including what we export in manufactured products, we now produce 919,000 tons within the continental United States, two-thirds of it from beets. Another almost equal amount, 931,000 tons, is termed "domestic" because derived from islands under the American flag—Hawaii, Porto Rico, and the Virgin Islands. And we also draw large quantities—over 300,000 tons—from the Philippine Islands, from which our flag will ultimately be withdrawn.

But the bulk of all our sugar is at the present time derived from Cuba under the terms of a favorable reciprocity treaty, negotiated in 1903, granting a 20 per cent reduction of the full sugar tariffs. The amount so derived is largely in excess of 4,000,000 tons.

Let us do a little assumptive computing. If we transferred to corn sugar one-fourth of our total consumption, it would require 114,000,000 bushels of corn; or if one-fourth of the sugar that we now import from Cuba were transferred to corn as a source, it would provide a market for more than 80,000,000 bushels of corn.

Surely such a consumption of corn sugar is not an impossible and certainly not a preposterous assumption. On the contrary, it is very reasonable, considering the merits of this new sugar, its wholesomeness, and its nutritiousness as food.

And let me emphasize the patriotic appeal there is in this new sugar. It is an American, an all-American product. Is not the corn produced by American labor on American farms, and is not the sugar from it produced by American labor in American factories? Shall anyone say that it contains no patriotic appeal to the American consumers of sugar?

There is also a self-interest—call it a selfish economic interest—in the development of this new industry. A well-developed corn-sugar output will operate to hold down sugar prices for all time. With such competition it will never again be possible, either through artificial manipulations or natural causes, to increase sugar prices as in the past. We still have within our financial and household memories 20 and almost 30 cent sugar. With an abundant source at our own command, with factories competing for the market, no such absurd conditions could ever arise again.

Taking all these things into consideration, I can come to no other conclusion than that there is a bright future for this new industry. To me it looks like the dawn of another new industrial era. It spells progress, too.

But the way is not wholly cleared as yet. There are inertias and prejudices to overcome. The cane-sugar interests are well intrenched in business and the use of cane sugar is deeply ingrained in the people. Campaigns of education must be carried on. Promotive advertising is presented with great opportunities in this field.

PRESENT AND POSSIBLE USES

The superrefined corn sugar is just now making its bid for public favor. But corn sugar in its cruder form has already come into general use. At the present time it is used in bakeries and in ice-cream factories and for condensing milk. In the manufacture of food products well over a million tons of sugar are now used per annum, and, in the opinion of an expert, "in a very large percentage of these uses corn sugar can displace cane and beet to advantage." Speaking of maltose sugar, the experts of the Department of Agriculture say that "in confectionery it is, for some purposes, preferable to cane sugar, and for that reason might command a price slightly in excess" of what is indicated as the ratio price between cane and corn sugar, a price based on comparative saccharine contents. Speaking of the household use of sugar, Mr. Moffett, in his letter, says:

At the moment we are sanguine that we shall make considerable headway, with only the usual difficulties coincident with marketing a new and unknown product. Of course, the primary use in the household for sugar is for sweetening solely, and while this sugar is less sweet than cane or beet sugar, the price at which it can sell is sufficiently less to offset this, so that the consumer will receive equivalent sweetening power and more food values for a given amount of money.

For sweetening tea and coffee corn sugar is less desirable than cane or beet sugar, but in the so-called soft drinks it can be and is being used advantageously. For the sweetening of

fruits on the table, such as oranges and grapefruit, it is very desirable. Wherever so-called powdered sugar is used corn sugar can be substituted very properly. In powdered sugar raw cornstarch is added, while in corn sugar this raw starch has been reduced to dextrose, to which the stomach must reduce both the cane sugar and the raw starch composing the powdered sugar.

It may also be possible to make blended sugar, using cane or beet sugar to supply desired sweetness and corn sugar for nutritiousness. Such blends would not be adulterations, or even substitutions, but dietetic combinations. In sirup we already have such blending of corn and cane, blendings that are at once pleasing to the eye and to the taste of even the epicures.

AND NOW, IN CONCLUSION

As an Iowa Member of the Congress, conscious of the needs of agriculture, and seeking to promote the health and the welfare of all the American people, I have found pleasure in the study of the possibilities of this new product. It is with that pleasure, and I hope also with profit, that I present my conclusions to my colleagues in this House, and through them, to the American people.

I have sought diligently for that market which we covet for that additional blade of grass—and corn is only a glorified form of grass—that the husbandman is now bringing forth from the soil through the practices of scientific farming.

To find and to develop such a new market for an old product is worth while. It is worth doing more than is the enactment of another new law. We already have laws too many for doing impossible things in impossible ways, and laws that too often only lay new burdens on one class for the benefit of another class. The finding of markets is more than the making of laws.

When we get this new industry under way, as I believe we shall get it under way, the tribute which the late Gov. Richard J. Oglesby, of Illinois, paid to corn at a banquet in Springfield in 1894 will have a newer meaning. Let me quote the vital paragraph of that historic and literary address:

> Aye, the corn, the royal corn, within whose yellow heart there is of health and strength for all the nations. The corn triumphant, that with the aid of man hath made victorious processions across the tufted plain and laid foundation for the social excellence that is and is to be. This glorious plant transmuted by the alchemy of God sustains the warrior in battle, the poet in song, and strengthens everywhere the thousand arms that work the purposes of life.

In the form of sugar may this "royal corn," which was contemporaneous with America when Columbus reached its shores, and which is contemporaneous still, sweeten alike the labors of the farmers of the Corn Belt and the tables of all the people, the tables of plenty in a prosperous land.

Mr. AYRES. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. DAVIS of Minnesota. Mr. Chairman, I also yield the gentleman from Texas 15 minutes.

The CHAIRMAN. The gentleman from Texas is recognized for 30 minutes.

Mr. BLANTON. Mr. Chairman, on our Appropriations Committee there are 35 distinguished Members of Congress. With bills providing revenue for the various departments of the Government it was necessary, of course, that this committee should be divided up into subcommittees to consider and frame the various supply bills. I want to specially commend the subcommittee that has had in charge this bill involving $24,000,000 now before the Committee of the Whole. As one Member of Congress I want to commend the chairman of the subcommittee, the gentleman from Minnesota [Mr. DAVIS], and also the gentleman from Kansas [Mr. AYRES], the ranking minority member. I think they have performed a laborious, patriotic service.

You know it is rather a thankless job to frame any bill that affects the people of the District of Columbia. If you do not give them all that they ask for, they curse you privately; they have their mouthpieces—the newspapers—which curse you publicly, and they once in a while sit in the gallery of the House and hiss you. To do your duty you must be impervious to all these influences. You have got to stand like the Rock of Gibraltar and perform your duty, which is under arduous, trying circumstances.

I think it was unfair and uncalled-for criticism that the Washington Times last Saturday alleged against this subcommittee. They criticized the committee because it did not employ special counsel for the Utilities Commission. Congress provides the corporation counsel here, and we already had an attorney to take care of all the public business for the District and the Government and all of the legal business of the Utility Commission. But the newspapers wanted one particular individual to be employed as special counsel. They wanted him to do the business that some other man was paid for doing. The newspapers insist that this committee should continue to employ a certain, particular gentleman and pay him $5,000 per annum. I do not know the gentleman; I do not know that I ever saw him; I have nothing in the world against him, but I know why this committee did not employ him. If the newspapers that have so unjustly criticized the committee would go down to some regular attendant at the sessions of the Supreme Court and get him to relate what happened to their favorite when he was attempting to argue a case before the Supreme Court, it would be unnecessary to say anything further on the subject.

But, Mr. Chairman, I want to take up my time in the consideration and discussion of another subject that is to come before this House shortly, and which is one of the most important subjects, in my judgment, that this House has considered since I have been in Congress, for seven years.

On the 15th day of April our friend the distinguished and able gentleman from Kentucky [Mr. BARKLEY] discussed what is now known as the Barkley bill before the House, although in his opening remarks he showed that it is not his bill. He claims no pride of authorship in it. It was prepared by representatives of certain railroad employees. He merely introduced it for them.

Mr. SPROUL of Illinois. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SPROUL of Illinois. I would like to ask the gentleman from Texas if he would not like to have a quorum present.

Mr. BLANTON. No; let us not waste the time.

Mr. SPROUL of Illinois. I do not think it is a waste of time.

Mr. BLANTON. I am seeking primarily to get these remarks into the RECORD. There are 40,000 copies of this RECORD that will go into the various States of this Union to-morrow.

Mr. SPROUL of Illinois. But I am afraid the Members will not read the RECORD.

Mr. BLANTON. That is true; many will not. But some will; and I want to say to my colleague that the people of the United States in the 48 States of this Union are now reading the CONGRESSIONAL RECORD like they never read it before, because they are vitally interested in what we do here, and when our people at home find out what is going on in Congress, whether we read the RECORD or not, we will hear from them.

We are reliably informed that this bill of 35 pages of printed matter was prepared by one class of people in the United States. We are reliably informed that it was specially prepared by representatives of the railroad employees. We may presume, therefore, if we knew nothing more about it, that it specially represents their interest; that it represents their views as they may be antagonistic to the views of all other classes of people that live in this country.

When the distinguished gentleman from Kentucky [Mr. BARKLEY] was discussing the bill he said that to prevent the bill from being a partisan measure, on the same day he introduced it in the House, it was also introduced in the Senate by a Republican. He being a Democrat and it being introduced in the Senate by a Republican was to keep it from being partisan. His idea of a partisan measure therefore seemed to be confined to a political standpoint. He thought if a Republican could introduce it in the Senate and a Democrat in the House, there would be no partisanship about it. Well, there are several kinds of partisanship. Partisanship is not confined merely to politics. There could be a partisanship that would favor one class over another. And there is such partisanship in this bill to a superlative degree. While the distinguished gentleman from Kentucky was speaking he kindly yielded to me. I then said to him that he had intimated that the ideal situation on the settlement of disputes between railroad employers and employees was for them to sit across the table, the railroad employers on one side and the railroad employees on the other, with no other parties present, and for them to settle it in that way. I then asked him what about the other very important and very vitally affected third party to the transaction, the public, the 110,000,000 people of the United States, who had a just right to be at that settlement table, and what was going to be done in respect to them. I asked him why they too should not be at that council table, when their interests above all others are mostly involved, because they are the ones for whose benefit all railroads are operated, and who pay the traffic tolls that are inaugurated and fixed by the Interstate Commerce Commission. They are the ones who pay the bills. The gentleman from Kentucky said "I will discuss that a little later." But he devoted only one short sentence to a discussion of the public's rights. I want to show you what his discussion

was. I have looked through his entire speech for a reference to the public, and find just one line, and here is what he says:

There are some here who may think that the public only has an interest.

He stopped there and said nothing else. That is as far as he went in his argument concerning the rights and interests of the American people, and that is just as far as the 35 printed pages of his Barkley bill go with reference to the interests and rights of the 110,000,000 American people.

Let me show you just what this Barkley bill does, which 150 of you colleagues have taken from a committee of Congress, and which you are going to force on the floor of this House next week for passage without due consideration by any committee. I feel sure that not over 25 of you have read it. Do you remember that petition which a member of the Republican steering committee, Mr. DARROW, brought in here, which covered that stand there, from 350,000 actual dirt farmers scattered all over the United States, telling you that they did not want you to create any more boards; telling you that they did not want you to create any more commissions; telling you that they did not want you to raise any more salaries or expenses of Government; telling you that they demanded that the expenses of the Government should be reduced? Do you remember that petition? It will pay us to remember it. Keep that in mind when you consider what this Barkley bill does, which was specially drawn up by the representatives of only one class of employees in the United States—certain employees of railroads, and for their especial benefit. It creates an adjustment board No. 1, to consist of 14 members, 7 railroad employers and 7 railroad employees. There is no public interest represented, no place whatever is made for the public, although it is most concerned; there is no looking after and providing for the interests of the general public at that round-table session. It is only a two-sided table, with the railroad employees on one side and the railroad employers on the other, and both willing to let the general public pay the bill. Each one of those 14 members of that adjustment board No. 1 is to receive a salary of $7,000, aggregating $98,000 alone for that one board. They are given a secretary at $4,000 a year, and they are given the right to employ just as many employees, including private secretaries, clerks, stenographers, and janitors, and messengers for each, as they want, and they are further given the authority to fix their salaries at whatever sum they deem expedient.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In a few moments, if the gentleman from New York will kindly excuse me. I prefer not to yield until I state these facts consecutively. The bill also provides that these 14 members of this adjustment board No. 1 shall have a central office at Chicago, but that they may sit anywhere in the United States they desire. They may junket into every one of the 48 States. They can divide themselves up and sit anywhere over this big Nation at your expense and at mine.

Then there is also provided an adjustment board No. 2, likewise with 14 members, 7 from the railroad employers and 7 from the railroad employees. The public has been given no representation at all; the public has no representation whatever at this second two-sided counsel table or in its settlements. Each one of these 14 members of adjustment board No. 2 is to receive a salary of $7,000 a year, or an aggregate of $98,000. A secretary is provided for them also, at $4,000, and they, too, can employ just as many employees, including secretaries, clerks, stenographers, janitors, and messengers, as they want and fix their salaries at will without any limitation whatever as to salary or number. They, too, can sit anywhere in the United States that they want to and junket regularly into every one of the 48 States at will.

Then we have provided in this bill an adjustment board No. 3, composed of six members, three railroad employers and three railroad employees. Again the public has no representation. The public has no look in; the public has not a right to say a word about their deliberations or settlements although it will pay the bill. Each one of these members of adjustment board No. 3 is to receive a salary of $7,000 per year, or an aggregate of $42,000. They are also supplied with a secretary, at $4,000 a year, and may employ all private secretaries, clerks, stenographers, janitors, and messengers they want at salaries they fix, and they can sit anywhere in the United States and junket regularly into all of the 48 States of the Union at public expense. We have to pay the bill out of the tax money in the Treasury that we levy upon the already tax-burdened people of our country.

Then there is provided in this Barkley bill an adjustment board No. 4, to be composed of six members, three railroad employers and three railroad employees, with the American public again given no representation whatever. The public is given no voice in the settlements, yet it will pay the bill. Each one of these members of adjustment board No. 4 is to receive a salary of $7,000 per year, or an aggregate of $42,000. They are given a secretary at $4,000 a year and they, too, are given all of the employees, including private secretaries, clerks, stenographers, janitors, and messengers, they want at salaries fixed by them. There is no limitation as to salary and no limitation as to kind or class or number of employees. It is within their discretion alone, and they, too, can sit anywhere in the United States that they desire and junket regularly into all of the 48 States at will, at the expense of the taxpayers of the country.

Do they stop there? Do you know how many members of boards that already makes? That already makes 40 high-salaried members of these various boards, and their salaries alone amount to $280,000 per annum, not counting the salaries of the army of their employees and their expenses. Do you not know that every one of these 40 commissioners will have to have a private secretary? That means 40 private secretaries; and don't you know that when they are not restricted as to fixing salaries they will pay them at least $5,000 a year each, which will amount to $200,000 more?

Then each one of these 40 commissioners of these four adjustment boards will have to have a clerk or two and a stenographer or two, and a messenger or two, and a janitor or two to sit outside of their front door. I say to you that before you get through, under the provisions of this bill, you will be putting at least 500 new, high-salaried employees on the pay roll of this Government, with a pay roll ranging up to several million dollars.

Mr. MACLAFFERTY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In a few moments. I regret I can not now yield. That is not all. The Barkley bill then provides for a board of mediation and conciliation to consist of five members. Their salary is fixed at $12,000 a year each, or $4,500 more than a United States Senator receives, which is $60,000 per year for this board, and ultimately to hold office for seven years. It is provided that this board shall have authority "to employ and fix the compensation of such attorneys, assistants, special experts, clerks, and other employees" as they deem necessary, without any limitation whatever by Congress, either as to number of employees or the amounts of their salaries. You will have another Shipping Board situation, with an army of high-salaried, worthless employees. You will have another Department of Justice situation, with an army of high-priced attorneys and worthless employees on the pay roll that even they, themselves, can not count and keep up with.

After you appoint them all, what has been accomplished? Absolutely nothing! I was rather interested in the speech of the gentleman from Kentucky [Mr. BARKLEY]. He is a very distinguished Member of this House. He is an able man, and when he speaks on this floor he speaks with authority. When he speaks his audience is interested in what he says. He is a man of eloquence, when he attempts eloquence, necessary to convince his audience. He is a man of high standing in his own State, but I say to him concerning this bill he has introduced for one class of employees only, that if he would carefully study this bill he would not force it to be torn away from that distinguished committee that should give it consideration before it comes on the floor of this House, no matter how many railroad employees there are demanding its passage. I gathered from what he said that we were going to have a workable means of adjustment that would force a final settlement, that would force a settlement upon all these men, employers and employees, with the public safeguarded; but when I looked through this bill and gave it careful study I found it was simply a makeshift, a sham, something that is as useless and worthless and decisionless, far more so than even the present board which we have. There is no improvement whatever.

It does not prevent strikes. On the contrary, just as many strikes as ever are possible under it. And in providing them these five boards, 40 of whom draw $7,000, and 5 of whom draw $12,000 each per year, we are granting to these railroad employees about ten times as many ways and means of forcing their will upon the railroads, which means forcing their will upon the public, for the public eventually and ultimately pays the full bill every time. When there is a raise in salary, it is always passed on to the public. When there is an added expense put on the railroads, it is always passed on to the public. It is the public, the 110,000,000 American people who have to pay the bill.

FOUR ADJUSTMENT BOARDS ABSOLUTELY WORTHLESS

When controversies are submitted to any of these four adjustments boards, and they decide the issue, there is no way whatever to enforce the decision against the employees. It is possible that it could be enforced against the railroads. But it is very clear that the employees are given the privilege of disregarding and disobeying it at will. So what is the use of having these four boards of 40 members, each drawing $7,000 per year, and each having a horde of high-salaried employees, and each authorized to incur huge expenses against the Government each year, when a decision made by any of them is absolutely worthless in that it is not enforceable against any employee? It is buncombe, pure and simple.

But when any of these four boards fail to decide a controversy submitted to them, which in ninety-nine cases out of every hundred they would do, as no board composed equally of railroad employees and railroad employers would ever agree, unless they could pass the burden of the agreement on to the public, the bill provides that in such cases such board would so notify the parties. And that is an end of action by such four boards of 40 members. A notice is sent to the parties that the board has failed to decide the issue.

AND THEN THE FIFTH BOARD FUNCTIONS

When the notice is given that the adjustment board has failed to decide the controversy, then the parties submit the matter to the Board of Mediation and Conciliation, and through all of its gyrations provided for in the bill, in the end there is no way whatever to force any employee to abide by any decision. He is allowed to disregard and disobey any decision at will. No penalty whatever is placed on him.

AMPLE MEANS OF ESCAPE PROVIDED

And throughout the bill, where means of arbitration are provided, whenever the employees become dissatisfied with the deciding arbiter, they are given many ways to have him sidetracked before final decision is made.

COURT APPEALS PROVIDED ARE FARCICAL

And the provisions in the bill providing for appeals to courts are futile and worthless, as the only thing the court decides is whether a decree is upheld or not, and when upheld the decree is not worth anything, as it can not compel any employee to abide by it, and employees will disregard and disobey it at will, as there is no penalty provided.

ATTEMPT TO CONTROL INTRASTATE AFFAIRS

In line 24 on page 2 and line 1 on page 3 the expression "or between points in the same State" is used in defining what "commerce" as controlled by this bill means, and such term clearly embraces intrastate railroads. And this would specially affect practically every short-line railroad in the United States.

WOULD MAKE RAILROADS HELPLESS UNDER STRIKE

In subdivision (2) on page 3 the following language is used:

It shall be deemed a violation of the obligations herein imposed upon carriers for any carrier or its officers or agents to interfere with or attempt to influence or control, directly or indirectly, the organization of employees, or participate in the functioning thereof, or the designation of employees.

And so forth.

The above could be construed to prevent railroads from attempting to run their trains with other employees during strikes, and would make railroads absolutely helpless whenever a strike occurred. This would allow employees to force their will upon railroads, and thus force the public in the end to bear the burden and expenses of all forced settlements.

EACH AND ALL OF THE 40 MEMBERS GIVEN UNUSUAL POWERS

Subdivision (f) on page 12 has the following provisions:

(f) When necessary to the efficient administration of the functions vested in any adjustment board created by this act, the board or any member thereof shall at any time, for the purpose of examination, require the production of, or have access to and the right to copy any book, account, record, paper, correspondence, or memoranda relating to any matter which the board is authorized to consider or investigate. Any person who upon demand refuses any member of any adjustment board such right of access or copying, or hinders, obstructs, or resists him in the exercise of such right, shall upon conviction thereof be liable to a penalty of $500 for such offense. Each day during any part of which such offense continues shall constitute a separate offense.

There will be 20 representatives of railroad employees on these four adjustment boards, and any one of them, and every one of them, is given the right to force every railroad and every railroad officer to turn over to them upon demand every book, account, record, paper, correspondence, or memoranda that any one of said 20 members might be seized with some insane desire to see, and would provoke endless worry, expense, dissatisfaction, annoyance, and trouble, all of which ultimately is visited upon the suffering public, which has to pay the bill and all expenses.

PRESENT PAY FIXED AS MINIMUM

Under section 6 the present pay to employees is fixed as the minimum, and can not be changed except by decision of the board provided for in this bill. And note that subdivision (B) of section 6 provides the following:

(B) Any attempted change of rates of pay, rules, or working conditions by the carrier without notice, or prior to final action as heretofore provided, shall be void, and the offender shall be liable in damages to each and every party aggrieved to the amount of double any loss occasioned by such unlawful action. Such damages shall be recoverable by appropriate proceedings in the United States district court for the district wherein the offense was committed, which proceeding may be brought by individuals or by representatives of classes of individuals aggrieved.

You will note that a penalty is fixed by the bill, should the carrier attempt to change the rates of pay, rules, or working conditions, but no such penalty is fixed on the employees, who may attempt any changes they desire, when, where, and how they desire, with no penalty against them whatever. We did not have to be told that this bill was specially drawn by representatives of certain railroad employees. Even a casual reading of it would reveal who drew it.

ARBITRATION ONLY BY AGREEMENT

Section 7 provides that there shall be arbitration only by agreement. As stated the other day by the distinguished gentleman from Maine [Mr. HERSEY], parties now can arbitrate by agreement without all these expensive 45 commissioners drawing salaries from $7,000 to $12,000 each. We do not have to have these expensive boards to make parties arbitrate "by agreement." They can do that now. What we need is a board to make them arbitrate, whether they want to or not, when the rights and interests of 110,000,000 people are vitally involved. And note the following proviso in section 7:

Provided, however, That the failure or refusal of either party to submit a controversy to arbitration shall not be construed as a violation of any legal obligation imposed upon such party by the terms of this act or otherwise.

The above clause alone ought to condemn this bill as a makeshift, a sham, and absolutely worthless.

MORE ADDITIONAL EMPLOYEES

In addition to the army of employees already mentioned as provided for in this bill, note that the following subdivision (7) of section 7 provides more employees and lets the board fix the salaries:

(7) The board may employ such assistants as it deems necessary and proper in carrying on the arbitration proceedings and fix the compensation of such employees. Whenever practicable, the board shall be supplied with suitable quarters in any Federal building located at its place of meeting or at any place where the board may conduct its proceedings or deliberations.

INDICATION OF WHAT THIS BILL WILL COST

In violation of the rules of the House, this bill attempts to make an appropriation. That is subject to a point of order. Just to cover the time between when the bill becomes a law and June 30, 1924, this bill appropriates $500,000 as an initial appropriation, which indicates what it is to cost hereafter.

In the first place, you can not force these men to arbitrate unless they want to. It is a voluntary matter with them. It is a matter that they can do or not do, according to their own preference. And then, after they submit to arbitration, and a decision is rendered, and all the appeals are gone through that they are given a right to resort to at great expense to the public, before the decision becomes final, the decision is not worth anything after it is rendered, as it carries with it no penalty.

Listen to this last paragraph. Let me read to you the last paragraph, which absolutely makes it a nullity. It says:

Nothing in this act shall be construed to require an individual employee or subordinate official to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor or service by an individual employee or subordinate official an illegal act, nor shall any court of the United States or of any State issue any process to compel the performance of any employee or subordinate official of such labor or service without his consent.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield there?

Mr. BLANTON. In just a few moments. And that is the kind of a measure now offered the country, when it effects nothing but added expenses. We are to provide five boards of 45 members, drawing salaries from $7,000 to $12,000 each, and given unlimited authority to employ all the employees they want and pay them all the salaries they want and go to all the expense they want, and have their vouchers paid on their own signatures, without acts of Congress; and then it is all worthless after we provide it. The decision is absolutely worthless.

And this is the bill that 150 of our colleagues have recently taken away from a regular committee of this House by signing a petition to make it in order without consideration by a regular committee, and they are to bring it upon the floor of this House for early passage next week and railroad it through the House. Are you going to be a party to the transaction? Are your already tax-burdened people at home in favor of it when they now have to pay more in freight charges frequently to carry their products to market than they receive, and they thereby lose a whole year's work. Are you going to pass it just because certain railroad employees demand it? The infamous Adamson law was thus passed, and many men have been ashamed of it ever since.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield there for a moment?

Mr. BLANTON. In just a few moments. I must present some facts first. If you will read this bill from beginning to end, there may be a few men in the House who will vote for it; that is, if they vote their own sentiments. But I doubt if there will be many unless some outside influence would actuate them.

I have no feeling against railroad employees. I have no bias for a railroad employer. One of the best friends I have got on earth, a man with whom I fish and hunt every time I get away from Congress, a man with whom I have been fishing and camping out, sleeping on the ground and looking up at the blue sky together for 30 years, is a railroad conductor.

I have not a dollar's worth of corporate stock to my name. I never have owned a dollar's worth of corporate stock in my lifetime. I am 51 years of age, and I have no connection with any corporation in the United States. I have never been on the pay roll of any corporation in my life, and during the time I was actively engaged in practice before the courts I believe I tried as many cases as any man in this House in the courthouse, and I have always represented the individual against the corporation. My whole feeling has been for the individual, not the corporations. But I have a feeling and an instinct in my breast that you can not take out, and that is an instinct for the whole people of my country, not for any one class as against any other.

This is a fine bill for the railroad employees. This is a fine bill, I will say to the able gentleman from Kentucky [Mr. BARKLEY], for the railroad employers. What do they care what increases they have to pay if they can pass them on to the public? Why, the history of these matters is that your Interstate Commerce Commission is not going to permit any of the railroads in this land to do business at a loss. It is not going to do it. Whenever you increase wages you can just bet your head that the Interstate Commerce Commission is going to grant a corresponding raise for the railroads in freight tariffs, or enough to enable them to make a living investment on their money. That is certain, and you know it as well as I do. They are not going to be permitted to do business at a loss; and every time there is a raise in wages there is going to be a corresponding raise in freight rates, to be visited on the agriculturists of this country more than anybody else. Why, a farmer or a stockman is helpless unless he can get his products to market.

If he can not get his products to market, his whole year's work has been done for nothing and he is absolutely at the mercy of the railroad carriers. And whenever you pass a bill that increases a freight rate you put that burden upon the neck of the farmers and the stockmen of this country. I am thinking of them when I am passing upon a bill of this character.

The railroad men sit on one side of the table; the employees on the other. The railroad men know they are not going to lose, for the public will pay.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. To the author of the bill I have to yield. It would not be courteous to do otherwise.

Mr. BARKLEY. I want to call the gentleman's attention to the fact that on these four boards where men sit on both sides of the table they do not deal with wages at all. They deal only with disputes that arise out on the road.

Mr. BLANTON. The Board of Mediation and Conciliation deal with that, do they not?

Mr. BARKLEY. Yes; and that is made up altogether of those drawn from the public, and there is no representative of the roads or the men on this board.

Mr. BLANTON. But section 6 makes present wages permanent as a minimum. Let me tell you this: If you want to have any kind of a board to settle disputes, you should have one that can settle them and put their decisions into force and effect, decisions which will have the power of a court behind them, with penalties provided. I will vote with my friend if he will give each one of these boards the right to decide questions and enforce their decisions.

Mr. BARKLEY. Would you enforce them by criminal prosecutions?

Mr. BLANTON. I would enforce them by forcing those men to keep a contract and do right by the public.

Mr. BARKLEY. How would you do it—by putting them in jail if they did not keep their contracts?

Mr. BLANTON. No; here is what I would do. Do you know what this bill does?

Mr. BARKLEY. What would the gentleman do? The gentleman said he would tell us what he would do.

Mr. BLANTON. I would make them keep their contracts.

Mr. BARKLEY. How would you do it?

Mr. BLANTON. Whenever a man does not keep his contract I would give the railroad the right to kick him out and put somebody else in his place, destroy his seniority, and let the roads of the country say they would not have him any more; that he had not performed his contract and they would not keep him.

Mr. BARKLEY. They have that right already.

Mr. BLANTON. I can not agree with my colleague. Employees quit work, make all sorts of demands, attempt to prevent railroads from operating, attempt to prevent other men from taking their jobs, resort to assaults, intimidations, threats, and even murder to prevent railroads from operating, and then when they finally settle, they force the railroads to take them back with full seniority restored.

By reason of the public interest in transportation and the Government's interest in same, I would force railroads and all of their employees to arbitrate all differences, and I would prevent all strikes by law, and I would give the public a right to sit at the council table and take part in the settlement of all differences, and I would make the decision binding and effective on all parties. If the gentleman from Kentucky and the 150 men who have signed this petition taking this bill away from its jurisdictional committee would propose constructive legislation like that, I would support it, and they would render signal service to their country.

But I have taken up too much time already. But I felt that some Member should make this speech and present these facts to the country. Putting these remarks in the RECORD does not cost anything extra, except the cheap paper it is printed on, as all of the Government employees in the Printing Office are paid regular salaries anyway, and they had just as well be printing these remarks as any others.

I am one of the economists of the House. I would not do one thing that would cause extra expense to the Government, except in hoping to save greater expense.

Yesterday I printed numerous pages of facts connected with the Rent Commission bill that was passed. If the Government printers had not been engaged in printing this matter, they would have been engaged in printing matter less important, for every line that I put in the RECORD will be considered by the Supreme Court of the United States as pertinent, vital, controlling evidence showing that no war emergency now exists authorizing a Rent Commission, and the Supreme Court will hold that such law is unconstitutional and will knock out this worthless Rent Commission and thereby save the Government and the people of the United States and the tenants of Washington several hundred thousand dollars each year.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. AYRES. Mr. Chairman, I yield 30 minutes to the gentleman from North Carolina [Mr. ABERNETHY].

The CHAIRMAN. The gentleman from Kansas will please give heed. The timekeeper advises the Chair that the gentleman from Kansas has 21 minutes remaining.

Mr. AYRES. There must be some mistake about that. The gentleman from Minnesota [Mr. DAVIS] yielded me 20 minutes.

Mr. DAVIS of Minnesota. I yielded 20 minutes of my time to the gentleman from Kansas [Mr. AYRES].

The CHAIRMAN. You did or do now?

Mr. DAVIS of Minnesota. I did.

Mr. AYRES. Which would make me remaining 41 minutes.

The CHAIRMAN. The gentleman yields how much time to the gentleman from North Carolina?

Mr. AYRES. I yield 30 minutes to the gentleman from North Carolina.

Mr. CHINDBLOM. Mr. Chairman, how much time is left for general debate?

The CHAIRMAN. Fifty-seven minutes. The gentleman from North Carolina [Mr. ABERNETHY] is recognized for 30 minutes.

Mr. ABERNETHY. Mr. Chairman and gentlemen of the House, it will not be amiss, under the privilege granted under general debate during the consideration of the present bill, to speak to the country about the great State of North Carolina, which I, in part, have the honor to represent, of its history, its glories, and its material progress among the galaxy of States.

When Amadas and Barlowe hove in sight of the North Carolina coast in 1584 and took possession of the land in the right of the Queen, to be delivered over to Sir Walter Raleigh, then was the birthday and the birthplace of our great Anglo-Saxon empire. It was the beginning of a new order of things in the world. Another and hardier race was springing into existence which was to people the New World from the Atlantic to the Pacific and was to perpetuate and carry forward the torch of freedom and liberty and to found a Government upon a lasting and permanent basis to be the greatest of all the world.

Upon the sacred soil of North Carolina the first white child of America was born, around whose departed spirit was woven the beautiful Indian legend that took the form of a beautiful white fawn of more than natural beauty, which at times could be seen lingering around the place of its birth, and at other times could be seen standing on the edge of the ocean gazing over the waters as longing to cross over to the home of its forefathers; and according to another Indian legend was killed with an enchanted arrow by a young chief who loved Virginia Dare during her life, believing if he shot the fawn with the magic arrow the animal would be changed back into the lovely form of his lost Virginia.

Notwithstanding the unsuccessful attempts of Sir Walter Raleigh to colonize the territory which is now comprised within North Carolina, the history of which attempts are so well known, the lure of its richness caused others to attempt its colonization. Charles I of England first granted a charter to Sir Robert Heath, of the southern part of Virginia, latitude 31° to 36°, under the name and in honor of the King, as Carolina. But Heath did nothing under the charter, and a renewal was granted in 1663 to eight lords proprietors two years afterwards with an enlargement of the territory, the first permanent settlement being called the county of Albemarle. The proprietory government under the eight proprietors lasted until 1728, when seven of them sold their interest to the Crown. Lord Carteret, afterwards Earl of Granville, turned over the right of government to the Crown, but retained his one-eighth interest in the land, and in 1774 he received a grant for about half of North Carolina next to the Virginia line.

The history of the early settlers of North Carolina is one of great dangers, sacrifices, and hardships. The cruel Indian wars of 1711 and following, when so many of the early settlers were massacred; the horrible story of how John Lawson, surveyor general, who was tortured by having his naked body filled with fine splinters and burned, are but some of the many things which can be related as illustrative of that period of time. These colonists were considered by some as being turbulent in character, but their real grievances were the cause for such a reputation. They had wisdom to discern their rights and could take care of the attacks made upon them. Our population took a most formal part in resisting the arbitrary aggressions of England. The first pitched battle of the Revolution was at Alamance on May 12, 1771; and at New Bern on August 25, 1774, the legislature openly defied the royal governor; and on May 20, 1775, the patriots of Mecklenburg met in convention and declared the independence of the Colonies; and at Moores Creek Bridge the Tory Highlanders were crushed in February, 1776; and on April 25, 1776, North Carolina, first of all the Colonies, empowered her delegates to the Continental Congress to vote for independence.

The Battles of Kings Mountain and Guilford Court House are written in emblazoned glory upon the pages of history. The part played by North Carolina in the Revolution was second to none of the original thirteen Colonies.

The steady increase and population of our State after the Revolution was phenominal. This remarkable growth was only arrested by the Civil War. We were backward in adopting secession, but when we finally decided to enter the conflict our State with a military population of 115,369, yet furnished 125,000 Confederate soldiers, and the impartial historian has so written of our deeds in the great war that we can proudly boast that we were "first at Bethel, fartherest at Gettysburg and Chickamauga, and last at Appomattox."

The ravages of the internecine conflict left our fair land despoiled and in gloom. The story of this terrible situation has so often been told that a repetition now would serve no useful purpose. But Phœnixlike, our State arose from the ashes of direful and dreadful desolation and with a cheerful courage began the rebuilding of the new North Carolina, having to overthrow the reconstruction government forced upon her in order that she might in an unfettered and untrammeled manner take her place along with her sister States in the making of the new South.

Has she kept the pace? Has she been laggard in the onward march of progress? I declare to you that she has not only kept the pace but she has rushed forward in leaps and bounds until to-day she stands at the forefront among the States of the Union.

North Carolina from east to west is 503½ miles, with an average breadth of 100 miles, with an area embracing 52,286 square miles, of which 48,666 is land and 3,620 is water, and with a population of 2,559,123 at the present time. It has its mountains the equal of the Alps of Switzerland, its western boundary containing mountains constituting a part of the great Appalachian chain which attains its greatest height, the highest peak east of the Rocky Mountains, with the towering Mount Mitchell.

The topography of our State may be pictured as a declivity sloping down from an altitude of nearly 7,000 feet from the Smoky Mountains to the Piedmont Plateau, to the coastal plain, and to the Atlantic Ocean.

No better climate can be found anywhere. We are on the same parallel of latitude as the Mediterranean. As has been said of our State, "All the climates of Italy from the Palermo to Milan and Venice are represented."

The natural resources of North Carolina compare favorably with any other State in the Union. We have a soil so diversified and so composed in connection with such favorable climatic conditions as to offer the greatest agricultural possibilities.

North Carolina in 1923 retained fourth rank in the United States in crop values. The total value of the principal national 22 crops being $375,710,000, and the total value of all the crops raised in North Carolina for 1923 was $431,500,000. The rank of the State's crops in 1909 as compared with other States was twenty-first in crop value, and in 1922 and 1923 it ranked fourth in crop values as compared with other States of the principal national 22 crops.

We find that in 1923 the average accrued value of crops in North Carolina was $59 per acre, and that in 1922 it was $48.60 per acre. In comparison with this showing we find the Middle Western States averaging in 1922 as follows, according to their national rank in the value of their 22 principal crops: Texas, $27.50; Illinois, $20.15; Ohio, $23.60; Missouri, $18.50; North Carolina, $48.60.

North Carolina has the largest hosiery mills in the world.

North Carolina has the largest denim mill in the United States.

North Carolina has the largest towel mill in the world at Kannapolis.

North Carolina has the largest damask mills in the United States.

North Carolina has the largest aluminum plant in the world at Badin.

North Carolina has the largest underwear factory in America.

North Carolina has the largest pulp mill in the United States.

North Carolina has more mills that dye and finish their own products than any other southern State.

North Carolina leads the world in the manufacture of tobacco.

North Carolina has a total of more than 6,000 factories.

These factories give employment to 158,000 workers, whose total annual wages amount to more than $127,000,000.

North Carolina has $669,000,000 invested in manufacturing establishments.

North Carolina leads every southern State in the number of wage and salary earners.

Again, she leads the Southern States in values added to the raw materials after process of manufacture: North Carolina,

$417,000,000; Texas, $296,000,000; Virginia, $269,000,000; and Georgia, $263,000,000.

North Carolina has the second largest hydroelectric power development in the world.

North Carolina consumes one-fourth of all the tobacco used in manufacture in the entire United States.

North Carolina pays one-fourth of all the tobacco taxes of the Union.

In 1921 North Carolina paid the Government $80,000,000 tobacco tax, more than any other State in the Union. New York, the next State, paid only $45,000,000.

North Carolina manufactures more cigarettes than any other State in the Union.

Mr. BLANTON. Will the gentleman yield?

Mr. ABERNETHY. Certainly.

Mr. BLANTON. Is that why the gentleman was so assiduous in getting his amendment passed to the bill we had in here not long ago?

Mr. ABERNETHY. That was one of the reasons, because I knew it would be very detrimental to our tobacco farmers to increase the tax on cigarettes $1 a thousand.

Mr. BLANTON. I knew the gentleman had a good reason, but what are the women going to say about it?

Mr. ABERNETHY. Women do not mind the taking of taxes off of the farmers; they do not object to that at all. I thank the gentleman for the interruption.

One North Carolina city manufactures more tobacco than any other city in the world.

North Carolina leads the South in the number of furniture factories; in the capital invested; the number of operatives employed; the variety of products, and the value of the annual output.

North Carolina has more cotton mills than any State in the Union. We are second in the value of cotton manufactures.

Only one other city in the United States manufactures more furniture than does one of our North Carolina cities.

North Carolina ranks fifth in the value of agricultural counties in the Union.

The North Carolina tobacco was of more value last year than any other State.

North Carolina ranks third in the production of sorghum, peanuts, and sweet potatoes in the United States.

North Carolina has grown more corn to the acre than any other State in the Union.

North Carolina leads the Union in the number of debt-free homes.

North Carolina ranks first in the value and quantity of mica produced, mining 15 per cent of all mica mined in America.

North Carolina ranks first in the value and quality of millstones produced in the United States.

The talc mined in North Carolina demands the highest price per ton of any mined in the United States.

Western North Carolina is world famed as a tourist and health resort. Our unequaled year-around climate; our healthy balsam-laden mountain air; our pure crystal water; the beauty and grandeur of our mountain peaks, help make this section foremost of any other in America as a playground for pleasure and health-seeking tourists. North Carolina is a great place for sportsmen. Such famous sportsmen as Rex Beach, Irvin Cobb, Bud Fisher, and others look upon eastern North Carolina as the greatest hunting ground in America. Eastern North Carolina has famous seashore resorts, and the health resort and playgrounds at Pinehurst and Southern Pines are known all over the country.

The forests of North Carolina are incomparable. Nineteen million six hundred thousand acres and 43,000,000,000 feet of timber. There are more varieties of trees than in any other State in the Union.

The commercial value of the fisheries as estimated by the North Carolina Fisheries Commission is something over $4,000,000 per year. Of this amount $677,775 was due to shellfish, such as oysters, clams, scallops, and so forth.

There are 50,758 miles of public roads in North Carolina. We are well to the forefront on the good roads movement. In 1921 the State appropriated $50,000,000 for good roads, and supplemented this amount in 1923 with $15,000,000 more. No other Southern State can compare with us in this matter. We are to-day building more than 6,000 miles of hard surface and dependable roads.

When I speak of the mineral wealth of North Carolina I feel sure very few appreciate it fully. It is not generally known that we have in North Carolina 184 different varieties of native minerals. Practically every known mineral in the United States and some not found elsewhere can be found in North Carolina. Our mineral production has amounted to many millions yearly.

We possibly have more inland waterways than any other State in the Union and the Federal Government has recognized their value by spending millions of dollars upon them for their improvement and development.

As far as can be ascertained there is at the present time water power development in North Carolina of approximately 450,000 horsepower. Of this amount 80,000 horsepower is transmitted for use outside the State; 113,000 horsepower is used chiefly by the producer locally, leaving approximately 257,000 horsepower available for general industrial and public use. This output of water power in North Carolina has increased about 40 per cent from 1919 to 1922. There is probably an equal amount of power produced by steam plants. The demand for power is rapidly increasing and North Carolina should furnish a considerable percentage of this future demand, and it can if the streams are investigated so as to determine the most efficient method of developing their power, and then develop it in accordance with this method.

While several of the larger water powers in North Carolina have already been developed there still remains large available undeveloped powers. The maximum potential water power of North Carolina is estimated at 875,000 horsepower, and the maximum power with storage at 2,000,000 horsepower. (This interesting data was furnished me by Col. Joseph Hyde Pratt, former State Geologist of North Carolina.)

Mr. BLANTON. Will the gentleman yield?

Mr. ABERNETHY. Gladly.

Mr. BLANTON. I notice the gentleman refrains from mentioning one subject.

Mr. ABERNETHY. What is that?

Mr. BLANTON. Have you no bathing beach beauties in North Carolina?

Mr. ABERNETHY. The prettiest in the world! I thought I was dealing with statistics and not with the things which beautify the earth. But we have some very beautiful women in North Carolina.

Mr. BLANTON. Those are the most important statistics any State has.

Mr. ABERNETHY. We do not call them statistics in North Carolina; we call them by a different name. We call them bathing beauties. I thank the gentleman again for the interruption, as he brought out something I had overlooked, although I did not intend to overlook it.

North Carolina and South Carolina have far outstripped all the other States of the southeastern group in the development of hydroelectric power, according to 1923 figures compiled for industry. In these two States the total development is 911,400—North Carolina 458,400 and South Carolina 453,000. The total for the remaining eight States, including Georgia, Alabama, Tennessee, Virginia, Kentucky, West Virginia, Florida, and Mississippi, is 1,007,900. Thus it is shown that the electricity developed by water power in the Carolinas almost equals the combined output of the eight other States. Conservative estimates give the potential horsepower of the two Carolinas as 1,552,000—North Carolina 875,000 and South Carolina 677,000. Of the States east of the Mississippi, North Carolina is led only by New York in hydroelectric development. Unprecedented industrial growth is largely responsible for this remarkable development and use of electric power in the two States, according to a statement by the North and South Carolina Public Utility Information Bureau. Expansion of industry has reached such proportions as to attract comment from authoritative sources throughout the United States. In its latest issue the Textile World says:

> The first impression the visitor gets en route from Danville, Va., to Atlanta, Ga., is that the South is on a constructive spree. Particularly in North Carolina is this evident. Every hundred yards or so one sees a new mill or a new school or a new bridge. Mr. Thorndike Saville, of the University of North Carolina and hydraulic engineer of the North Carolina geological and economic survey, in his review of the water-power situation in the State, says:
>
> "A sudden metamorphosis has occurred in North Carolina within the past decade, by which the State has moved from twenty-third to fifteenth place in the value of its industries and from nineteenth to about fourth in the value of crops, as well as becoming the greatest industrial State in the South. Accompanying this has come a tremendous demand for power to meet the needs of

our growing water-power business. Even so, there is a dearth of power in the State to-day and the hydroelectric industry is bound to be greatly extended within the next decade."

Mr. Saville estimates that power demands for the year 1930 will be approximately 1,000,000 horsepower in North Carolina alone.

How much time have I remaining, Mr. Chairman?

The CHAIRMAN (Mr. GRAHAM of Illinois). The gentleman has eight minutes remaining.

Mr. ABERNETHY. With the permission of the committee I will insert in the RECORD some very interesting statistics furnished me by the Income Tax Unit through the courtesy of Hon. D. H. Blair, Commissioner of Internal Revenue.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The data referred to follow:

DATA SHOWING THE ECONOMIC POSITION OF THE STATE OF NORTH CAROLINA IN RELATION TO THE STATES AND TERRITORIES OF THE UNITED STATES, AND ITS POSITION IN RELATION TO THE SOUTHERN STATES.

For the purposes of this memorandum the Southern States comprise the following: North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Tennessee, and Virginia. By the United States is meant all the States, including the District of Columbia, and where so stated the Territories of Hawaii and Alaska.

ESTIMATED WEALTH

The Department of Commerce has compiled figures on the estimated wealth of 23 States, showing the estimated wealth for 1922 as compared with 1912. Of these 23 States the per cent of increase in the wealth of North Carolina (175.7) was the highest. The estimated tion of North Carolina in relation to the other Southern States shows that in regard to the total wealth its rank was fifth in 1912 and first in 1922, as shown by the following detailed figures:

Estimated wealth for the Southern States

Southern States	1912	1922	Increase	Per cent of increase	Rank, Southern States		
					Total wealth 1912	Total wealth 1922	Per cent of increase
North Carolina	$1,647,781,000	$4,543,110,000	$2,895,329,000	175.7	5	1	1
South Carolina	1,235,541,000	2,404,845,000	1,169,304,000	94.6	6	7	4
Georgia	2,117,410,000	3,896,759,000	1,779,349,000	84.0	1	3	5
Florida	921,796,000	2,423,602,000	1,501,806,000	162.9	8	6	2
Alabama	1,977,218,000	3,002,043,000	1,024,825,000	51.8	2	5	8
Mississippi	1,204,267,000	2,177,795,000	973,528,000	80.8	7	8	6
Louisiana	1,957,074,000	3,416,860,000	1,459,786,000	74.6	3	4	7
Arkansas	(1)	(1)					
Tennessee	1,844,630,000	4,228,253,000	2,383,623,000	129.2	4	2	3
Virginia	(1)	(1)					

[1] Not available.

Estimated wealth for the United States—States for which data are available

States	1912	1922	Increase	Per cent of increase	Rank for the United States[1]		
					Total wealth 1912	Total wealth 1922	Per cent of increase
Alabama	$1,977,218,000	$3,002,043,000	$1,024,825,000	51.8	14	17	20
Alaska	(2)	(2)					
Arizona	(2)	(2)					
Arkansas	(2)	(2)					
California	(2)	(2)					
Colorado	(2)	(2)					
Connecticut	2,346,118,000	5,281,559,000	2,933,441,000	125.1	11	10	4
Delaware	304,012,000	629,430,000	325,418,000	107.0	23	23	6
District of Columbia	(2)	(2)					
Florida	921,796,000	2,423,602,000	1,501,806,000	162.9	20	18	2
Georgia	2,117,410,000	3,896,759,000	1,779,349,000	84.0	13	14	12
Hawaii	(2)	(2)					
Idaho	(2)	(2)					
Illinois	15,294,979,000	22,232,794,000	6,937,815,000	45.4	2	2	22
Indiana	5,301,506,000	8,829,726,000	3,528,220,000	66.6	7	7	18
Iowa	(2)	(2)					
Kansas	4,543,785,000	6,263,058,000	1,719,273,000	37.8	8	9	23
Kentucky	2,235,353,000	3,582,727,000	1,347,374,000	60.3	12	15	19
Louisiana	1,957,074,000	3,416,860,000	1,459,786,000	74.6	15	16	16
Maine	(2)	(2)					
Maryland	(2)	(2)					
Massachusetts	6,279,286,000	12,980,839,000	6,701,573,000	106.7	4	4	7
Michigan	(2)	(2)					
Minnesota	(2)	(2)					
Mississippi	1,204,267,000	2,177,795,000	973,528,000	80.8	19	20	14
Missouri	5,634,808,000	9,981,409,000	4,346,601,000	77.1	6	6	15
Montana	(2)	(2)					
Nebraska	(2)	(2)					
Nevada	(2)	(2)					
New Hampshire	649,881,000	1,374,135,000	724,254,000	111.4	21	21	5
New Jersey	5,956,414,000	11,794,101,000	5,837,687,000	98.0	5	5	9
New Mexico	(2)	(2)					
New York	25,031,447,000	36,986,638,000	11,955,191,000	47.8	1	1	21
North Carolina	1,647,781,000	4,543,110,000	2,895,329,000	175.7	17	12	1
North Dakota	(2)	(2)					
Ohio	9,011,026,000	18,473,316,000	9,462,290,000	105.0	3	3	8
Oklahoma	(2)	(2)					
Oregon	(2)	(2)					
Pennsylvania	(2)	(2)					
Rhode Island	(2)	(2)					
South Carolina	1,235,541,000	2,404,845,000	1,169,304,000	94.6	18	19	10
Tennessee	1,844,630,000	4,228,253,000	2,383,623,000	129.2	16	13	3
Texas	(2)	(2)					
Utah	(2)	(2)					
Vermont	498,318,000	840,076,000	341,758,000	68.6	22	22	17
Virginia	(2)	(2)					
Washington	(2)	(2)					
West Virginia	2,404,346,000	4,677,919,000	2,273,573,000	94.6	10	11	11
Wisconsin	4,277,569,000	7,866,081,000	3,588,512,000	83.9	9	8	13
Wyoming	(2)	(2)					

[1] Rank of the 23 States for which data are available.

[2] Not available.

The position of North Carolina as a manufacturing State is based on the census figures for 1919. These more nearly reflect the magnitude of the industrial activities of that State and of the United States than the 1921 figures, which latter represent conditions at the trough of the industrial depression, and if taken as the basis would be misleading both as a measure of the magnitude or the economic trend of the manufacturing industry of the United States. Detailed figures for the Southern States are given below:

Manufactures for 1919, Southern States

Southern States	Number of establishments	Rank		Number of wage earners	Rank		Value of products	Rank	
		For United States	For Southern States		For United States	For Southern States		For United States	For Southern States
North Carolina	5,999	13	1	157,659	13	1	$943,808,000	15	1
South Carolina	2,004	36	10	79,450	28	7	381,453,000	32	7
Georgia	4,803	20	3	123,441	17	2	693,237,000	21	2
Florida	2,582	32	8	74,415	29	8	213,327,000	35	8
Alabama	3,654	23	5	107,159	21	4	492,731,000	26	6
Mississippi	2,455	34	9	57,560	33	9	197,747,000	37	10
Louisiana	2,617	31	7	98,265	22	5	676,190,000	22	3
Arkansas	3,123	25	6	49,954	34	10	200,313,000	36	9
Tennessee	4,589	21	4	95,167	23	6	556,253,000	25	5
Virginia	5,603	16	2	119,352	18	3	643,512,000	23	4

As a taxpayer to the Federal Government, the State of North Carolina stands sixth highest of the total States and Territories in the amount of internal revenue taxes paid for the calendar year ended December 31, 1923. The total internal revenue taxes paid by North Carolina to the Federal Government in that year amounted to $153,576,801, which was more than $11,000,000 in excess of the aggregate paid by the following 24 States and Territories: Oklahoma, Florida, District of Columbia, Nebraska, Maine, Oregon, Delaware, Alabama, South Carolina, Arkansas, New Hampshire, Hawaii, Mississippi, Utah, Vermont, Montana, Idaho, South Dakota, Wyoming, Arizona, North Dakota, New Mexico, Nevada, and Alaska.

In relation to the Southern States, North Carolina was not only first in rank but actually paid more by $13,397,190 than all the remaining Southern States put together, as shown by the following:

Federal internal revenue taxes, calendar year ended December 31, 1923

Southern States	Income and profits taxes	Total internal revenue taxes, including income and profits taxes	Rank as to total internal revenue taxes		Aggregate collections by groups
			For the United States	For the Southern States	
North Carolina	$19,309,566	$153,576,801	6	1	$153,576,801
South Carolina	6,393,606	7,654,137	36	8	
Georgia	13,066,664	18,069,266	24	5	
Florida	7,077,931	14,507,386	29	6	
Alabama	7,036,854	8,446,852	35	7	
Mississippi	3,568,405	4,400,000	40	10	
Louisiana	12,183,580	18,807,414	22	3	
Arkansas	5,444,003	6,443,666	37	9	
Tennessee	11,894,501	18,393,124	23	4	
Virginia	15,786,931	43,457,766	12	2	140,179,611

Federal internal revenue taxes, calendar year ended December 31, 1923, by States and Territories tabulated in the order of magnitude

States and Territories	Total internal revenue taxes including income and profits taxes	Rank as to total internal revenue taxes	Aggregate collections by groups	States and Territories	Total internal revenue taxes including income and profits taxes	Rank as to total internal revenue taxes	Aggregate collections by groups
New York	$711,231,341	1		Oklahoma	$15,247,439	28	
Pennsylvania	261,004,978	2		Florida	14,507,386	29	
Illinois	232,800,024	3		District of Columbia	[1] 11,250,000	30	
Michigan	199,007,914	4		Nebraska	10,995,796	31	
Ohio	155,811,479	5		Maine	10,717,920	32	
North Carolina	153,576,801	6		Oregon	10,618,261	33	
Massachusetts	147,467,492	7		Delaware	9,405,034	34	
California	123,351,325	8		Alabama	8,446,852	35	
New Jersey	113,870,844	9		South Carolina	7,654,137	36	
Missouri	68,764,229	10		Arkansas	6,443,666	37	
Indiana	46,471,166	11		New Hampshire	5,286,653	38	
Virginia	43,457,766	12		Hawaii	5,106,828	39	
Wisconsin	40,265,411	13	$123,032,087	Mississippi	4,400,000	40	
Maryland	[1] 39,308,910	14		Utah	4,276,602	41	
Connecticut	37,678,661	15		Vermont	3,331,421	42	
Texas	35,760,398	16		Montana	3,301,419	43	
Minnesota	29,900,089	17	153,965,857	Idaho	2,193,152	44	
Kentucky	27,356,693	18		South Dakota	2,093,241	45	
Kansas	23,270,016	19		Wyoming	1,986,859	46	
Rhode Island	21,654,206	20		Arizona	1,880,694	47	
West Virginia	19,034,432	21		North Dakota	1,384,614	48	
Louisiana	18,807,414	22		New Mexico	1,087,079	49	
Tennessee	18,393,124	23		Nevada	716,069	50	
Georgia	18,069,266	24	147,490,848	Alaska	[1] 190,000	51	142,521,122
Iowa	17,560,700	25					
Colorado	17,115,186	26		Total	2,780,367,507		
Washington	[1] 16,856,520	27					

[1] Approximated.

The latest available figures of the United States Department of Agriculture as to the value of farm products, by States, are its estimates for the calendar year 1922. These figures show North Carolina as first for the Southern States in the total value of farm products for that year and fourteenth for the whole United States. Detailed figures showing separately the value of crops and animal products for the Southern States and for the entire United States are given below:

Estimated value of farm products, by States, for 1922, United States Department of Agriculture

SOUTHERN STATES

	Crops	Rank		Animal products	Rank		Total	Rank	
		For United States	For Southern States		For United States	For Southern States		For United States	For Southern States
North Carolina	$361,000,000	5	1	$67,100,000	21	3	$428,100,000	14	1
South Carolina	171,500,000	26	8	33,200,000	37	8	204,700,000	26	8
Georgia	223,700,000	23	6	65,300,000	22	4	289,000,000	22	5
Florida	74,000,000	33	10	13,500,000	45	10	87,500,000	36	10
Alabama	242,900,000	16	3	51,600,000	29	6	294,500,000	21	4
Mississippi	238,600,000	17	4	49,300,000	30	7	287,900,000	23	6
Louisiana	146,700,000	27	9	22,200,000	42	9	168,900,000	29	9
Arkansas	245,700,000	15	2	60,200,000	25	5	305,900,000	19	3
Tennessee	229,100,000	21	5	131,600,000	16	1	360,700,000	17	2
Virginia	180,800,000	25	7	93,000,000	18	2	273,800,000	25	7

THE UNITED STATES

Alabama	$242,900,000	16		$51,600,000	29		$294,500,000	21	
Arizona	28,400,000	42		14,900,000	44		43,300,000	44	
Arkansas	245,700,000	15		60,200,000	25		305,900,000	19	
California	441,400,000	4		148,400,000	14		589,800,000	5	
Colorado	111,700,000	29		84,500,000	20		196,200,000	28	
Connecticut	38,500,000	40		23,800,000	41		62,300,000	40	
Delaware	15,500,000	46		7,100,000	47		22,600,000	46	
District of Columbia	1,100,000	49		200,000	49		1,300,000	49	
Florida	74,000,000	33		13,500,000	45		87,500,000	36	
Georgia	223,700,000	23		65,300,000	22		289,000,000	22	
Idaho	77,600,000	32		45,600,000	31		123,200,000	32	
Illinois	442,100,000	3		361,200,000	2		803,300,000	3	
Indiana	238,200,000	19		234,200,000	9		472,400,000	13	
Iowa	479,300,000	2		476,700,000	1		956,000,000	2	
Kansas	305,300,000	6		251,500,000	7		556,800,000	8	
Kentucky	231,200,000	20		127,900,000	17		359,100,000	18	
Louisiana	146,700,000	27		22,200,000	42		168,900,000	29	
Maine	41,200,000	39		36,200,000	35		77,400,000	39	
Maryland	68,100,000	35		36,600,000	34		104,700,000	34	
Massachusetts	46,500,000	37		38,700,000	33		85,200,000	37	
Michigan	225,700,000	22		161,600,000	13		387,300,000	15	
Minnesota	300,100,000	7		188,100,000	12		488,200,000	11	
Mississippi	238,600,000	17		49,300,000	30		287,900,000	23	
Missouri	291,100,000	10		325,900,000	3		617,000,000	4	
Montana	92,500,000	31		61,300,000	24		153,800,000	31	
Nebraska	273,900,000	12		228,000,000	10		501,900,000	10	
Nevada	11,300,000	47		10,700,000	46		22,000,000	47	
New Hampshire	20,400,000	44		19,400,000	43		39,800,000	45	
New Jersey	58,800,000	36		34,800,000	36		93,600,000	35	
New Mexico	19,100,000	45		29,600,000	39		48,700,000	43	
New York	291,800,000	9		256,700,000	6		548,500,000	9	
North Carolina	361,000,000	5		67,100,000	21		428,100,000	14	
North Dakota	238,400,000	18		57,000,000	27		295,400,000	20	
Ohio	296,200,000	8		272,700,000	5		568,900,000	6	
Oklahoma	251,600,000	14		133,100,000	15		384,700,000	16	
Oregon	93,600,000	30		61,800,000	23		155,400,000	30	
Pennsylvania	266,300,000	13		213,400,000	11		479,700,000	12	
Rhode Island	3,900,000	48		5,800,000	48		9,700,000	48	
South Carolina	171,500,000	26		33,200,000	37		204,700,000	26	
South Dakota	191,200,000	24		86,100,000	19		277,300,000	24	
Tennessee	229,100,000	21		131,600,000	16		360,700,000	17	
Texas	755,000,000	1		246,500,000	8		1,001,500,000	1	
Utah	34,800,000	41		25,400,000	40		60,200,000	41	
Vermont	44,200,000	38		38,800,000	32		83,000,000	38	
Virginia	180,800,000	25		93,000,000	18		273,800,000	25	
Washington	142,200,000	28		58,800,000	26		201,000,000	27	
West Virginia	69,900,000	34		52,700,000	28		122,600,000	33	
Wisconsin	283,800,000	11		273,900,000	4		557,700,000	7	
Wyoming	25,100,000	43		32,600,000	38		57,700,000	42	
Total	8,961,000,000			5,349,200,000			14,310,200,000		

Comparative data of the value of farm products for the year 1919 with 1909, published by the Bureau of the Census, show that North Carolina was second for the whole United States in the per cent of increase in the gross value of its farm products for 1919, as compared with 1909, and first for the Southern States. Its increase in the value of its farm products for that decade was 248.4 per cent.

Value of farm products for Southern States, 1909 and 1919

Southern States	1909	Rank		1919	Rank		Per cent of increase	Rank	
		For United States	For Southern States		For United States	For Southern States		For United States	For Southern States
North Carolina	$176,261,942	21	3	$614,084,854	16	2	248.4	2	1
South Carolina	156,350,420	24	6	489,979,710	20	4	213.4	8	2
Georgia	257,351,095	13	1	638,430,053	15	1	148.1	20	7
Florida	43,689,425	39	10	101,204,046	38	10	131.6	31	9
Alabama	170,939,250	23	5	383,178,279	25	8	124.2	35	10
Mississippi	172,702,838	22	4	407,499,799	24	7	136.0	29	8
Louisiana	90,401,857	28	9	237,628,052	29	9	162.9	16	5
Arkansas	153,834,875	25	7	424,486,802	22	6	175.9	14	4
Tennessee	192,931,905	19	2	492,407,214	19	3	155.2	18	6
Virginia	150,872,046	26	8	425,199,212	21	5	181.8	13	3

The value of farm property (land, buildings, implements and machinery, and livestock) for North Carolina in 1920 is given by the Bureau of the Census as $1,250,166,995 as compared with $537,716,210 in 1910, showing an increase of 132.5 per cent. This percentage of increase was third largest for the Southern States and eighth largest for the United States.

Value of farm property, 1910 and 1920

Southern States	1909	Rank		1920	Rank		Per cent of increase	Rank	
		For United States	For Southern States		For United States	For Southern States		For United States	For Southern States
North Carolina	$537,716,210	23	4	$1,250,166,995	21	3	132.5	8	3
South Carolina	392,128,314	28	7	953,064,742	27	6	143.0	4	1
Georgia	580,546,381	22	3	1,356,685,196	19	1	133.7	7	2
Florida	143,183,183	43	10	330,301,717	36	10	130.7	10	5
Alabama	370,138,429	29	8	690,848,720	31	8	86.6	25	10
Mississippi	436,314,634	26	5	964,751,855	26	5	126.3	12	6
Louisiana	301,220,988	33	9	589,826,679	32	9	95.8	21	8
Arkansas	400,089,303	27	6	924,395,483	28	7	131.0	9	4
Tennessee	612,520,836	21	2	1,251,964,585	20	2	104.4	16	7
Virginia	625,065,383	20	1	1,196,555,772	22	4	91.4	23	9

The number of farms in North Carolina in 1920 was 269,763, the State ranking fifth for the United States and third for the Southern States. The number of acres in farms in 1920 was 20,021,736, which as relating to the Southern States was only exceeded by Georgia with 25,441,061. Detailed figures for the Southern States are given below:

Number of farms and acreage, 1920, Southern States

Southern States	Number of farms	Rank		Land in farms by acres	Rank	
		For United States	For Southern States		For United States	For Southern States
North Carolina	269,763	5	3	20,021,736	21	2
South Carolina	192,693	17	7	12,426,675	31	8
Georgia	310,732	2	1	25,441,061	13	1
Florida	54,005	32	10	6,046,691	36	10
Alabama	256,099	8	4	19,576,856	22	3
Mississippi	272,101	3	2	18,196,979	26	6
Louisiana	135,468	23	9	10,019,822	33	9
Arkansas	232,604	11	6	17,456,750	28	7
Tennessee	252,774	9	5	19,510,856	23	4
Virginia	186,242	20	8	18,561,113	25	5

The farm population of North Carolina in 1920 was 1,501,227, which represented 58.7 per cent of the total population of the State. The number of farm population was second highest for all the Southern States, and as to the percentage of farm population to total population North Carolina was fourth highest.

Farm population, 1920, Southern States

Southern States	Number of farm population	Rank		Per cent of farm population to total	Rank	
		For United States	For Southern States		For United States	For Southern States
North Carolina	1,501,227	3	2	58.7	5	4
South Carolina	1,074,693	12	7	63.8	3	3
Georgia	1,685,213	2	1	58.2	6	5
Florida	281,893	30	10	29.1	29	10
Alabama	1,335,585	4	3	56.9	8	6
Mississippi	1,270,482	7	5	71	1	1
Louisiana	786,050	23	9	43.7	17	9
Arkansas	1,147,049	9	6	65.5	2	2
Tennessee	1,271,708	6	4	54.4	9	7
Virginia	1,064,417	13	8	46.1	14	8

The total population of North Carolina by the census of 1920 was 2,559,123. Its foreign-born population was only 7,272. This State had the least foreign-born population with the exception of South Carolina of any State in the Union, and in the per cent of foreign born to total population, it had the lowest, only three-tenths of 1 per cent; having a smaller percentage even than South Carolina, in which the per cent of foreign born to total population was four-tenths of 1 per cent.

Population of the Southern States, census 1920, showing proportion of foreign-born to total

Southern States	Total	Rank		Foreign-born population	Rank		Per cent of foreign born to total population	Rank [1]	
		For United States	For Southern States		For United States	For Southern States		For United States	For Southern States
North Carolina	2,559,123	14	2	7,272	2	2	0.3	1	1
South Carolina	1,683,724	26	9	6,382	1	1	.4	2	2
Georgia	2,895,832	12	1	16,364	7	6	.6	4	4
Florida	968,470	32	10	53,864	19	10	5.6	15	10
Alabama	2,348,174	15	3	18,027	8	7	.8	7	7
Mississippi	1,790,618	24	7	8,408	3	3	.5	3	3
Louisiana	1,798,509	22	6	46,427	18	9	2.6	11	9
Arkansas	1,752,204	25	8	14,137	4	4	.8	6	6
Tennessee	2,337,885	19	4	15,648	5	5	.7	5	5
Virginia	2,309,187	20	5	31,705	14	8	1.4	9	8

[1] Rank as to lowest.

Mr. ABERNETHY. Very interesting data have been furnished me by the courtesy of the Secretary of Commerce, Hon. Herbert Hoover, and Hon. W. M. Steuart, Director of the Census, and by Mr. Emmet, of that department, as follows:

North Carolina, which at the last census (1920) was outranked in population by 13 States, was outranked by only 10 States in respect of numerical contribution to the increase in the population of the United States between 1910 and 1920. That is to say, although 13 States exceeded North Carolina in population, only 10 contributed a greater number toward the total increase in population during the decade. North Carolina's rate of increase for the period 1910–1920 was 16 per cent, a rate somewhat higher than that for the United States as a whole, which was 14.9 per cent. But it must be remembered that North Carolina's growth was due almost entirely to natural increase, whereas the growth of the United States as a whole resulted in considerable measure from immigration. The birth rate of North Carolina for the year 1922—30.2 per 1,000 population—was greater than that shown for any other State from which the Census Bureau collects data as to births. Data were collected in 1922 from 28 States and the District of Columbia, whose total population constituted about three-fifths of the total for the United States. The average birth rate for the 28 States from which data were collected was 22.7, a rate only three-fourths as large as that for North Carolina. The death rate for North Carolina—11.5 per 1,000 population—was slightly below the average for the registration area—11.8.

North Carolina can take especial pride in the knowledge that it still leads all other States in the purity of its native stock. Of its 1,783,779 white inhabitants in 1920, no fewer than 1,778,680 were born in the United States, and of this number 1,765,203 were born of parents who were native to the United States. Of its total white population, 99.6 per cent were born in the United States and 99 per cent were born

of parents who were native to the United States. Of the total white population of the United States, only 85.5 per cent were native and only 61.6 per cent were native of native parents. North Carolina's nearest competitors in this respect are South Carolina, Tennessee, and Mississippi. In each of these States the native whites constitute more than 99 per cent, and the native whites of native parents more than 96 per cent of the total white population.

In the value of tobacco grown North Carolina leads all other States. According to the last decennial census, it grew tobacco to the value of $151,288,264 in 1919. Its nearest competitor, Kentucky, reported $116,414,639, and no other State reported as much as $50,000,000.

Although in 1919 South Carolina, Georgia, Mississippi, Arkansas, Oklahoma, and Texas all reported greater cotton production than North Carolina, the statistics of cotton ginned from the crop of 1923 show North Carolina as second only to Texas, and if the comparison took into account the difference in area North Carolina would outrank even that State, for with an area of less than one-fifth as great as that of Texas, it produced one-fourth as much cotton.

In school attendance for 1920 North Carolina ranked ninth for the United States and first for the Southern States.

School attendance, Southern States, 1920

Southern States	Total	Rank		Per cent of total population	Rank	
		For United States	For Southern States		For United States	For Southern States
North Carolina	626,981	9	1	24.50	4	2
South Carolina	427,962	23	7	25.42	2	1
Georgia	624,776	10	2	21.57	18	7
Florida	196,979	33	10	20.34	26	9
Alabama	527,595	16	4	22.47	14	6
Mississippi	437,365	22	6	24.43	5	3
Louisiana	356,690	26	9	19.83	31	10
Arkansas	410,853	24	8	23.45	8	4
Tennessee	528,993	15	3	22.62	12	5
Virginia	495,674	20	5	21.47	19	8

In the following table there is summarized the population, industrial and vital statistics relating to North Carolina, and the State is compared with the United States and its rank among the other States:

Subject	Census year	Number or amount	Per cent of United States total	Rank among States
Population	1920	2,559,123	2.4	14
Agriculture:				
Total value of farm crops	1919	$503,229,313	3.4	12
Total value of livestock products	1919	$35,860,056	1.3	21
Tobacco	1919	$151,288,264	34.0	1
Cotton and cottonseed	1919	$177,974,734	7.6	6
Cotton ginned	1923	1,028,998	10.3	2
Manufactures:				
Total value of products	1921	$665,117,738	1.5	15
Number of wage earners	1921	135,833	2.0	13
Cotton manufactures:				
Total value of products	1921	$190,989,590	14.4	2
Wage earners	1921	66,316	15.6	2
Lumber industry:				
Total value of products	1921	$37,795,655	2.5	15
Wage earners	1921	17,807	3.7	11
Births:				
Number	1922	79,920		
Rate per 1,000 population	1922	30.2		
Deaths:				
Number	1922	30,446		
Rate per 1,000 population	1922	11.5		

Mr. ABERNETHY. In cotton manufactures North Carolina leads all other States except Massachusetts. This State led all other Southern States in spinning spindles in place on January 1, 1924, the State of Massachusetts alone having more spindles in place on this date. It is worthy of note also that on that date the active spindle hours were the greatest for any Southern State, being exceeded in this activity by Massachusetts only. On this date, a total of 1,642,000,000 active spindle hours were reported for spindles in place in Massachusetts against 1,363,000,000 active spindle hours in North Carolina.

The American Exchange National Bank, of New York, in its monthly letter in January, 1924, had the following to say about North Carolina cotton mills:

During the 20 years from 1899 to 1919 the value of the product of North Carolina cotton mills increased from $28,373,000 to $318,368,181, and the value added by manufacture increased from $10,986,000 to $131,588,466. The number of workers employed increased 123 per cent, and the capital employed increased 712 per cent.

The Department of Commerce of February 8, 1924, had this to say about the State of North Carolina:

The Department of Commerce announces for the State of North Carolina, its preliminary estimate of the value, December 31, 1922, of the principal forms of wealth, the total amounting to $4,543,110,000, as compared with $1,647,781,000 in 1912, an increase of 175.7 per cent. Per capita values increased from $724 to $1,703, or 135.2 per cent.

All classes of property increased in value from 1912 to 1922. The estimated value of taxed real property and improvements increased from $337,960,000 to $2,209,432,000, or 246.3 per cent; exempt real property from $62,340,000 to $161,933,000, or 159.8 per cent; livestock from $85,068,000 to $103,397,000, or 21.5 per cent; farm implements and machinery from $20,315,000 to $33,853,000, or 66.6 per cent; manufacturing machinery, tools, and implements from $85,120,000, to $238,327,000, or 180 per cent; and railroads and their equipment from $204,606,000 to $251,694,000, or 23 per cent. Privately owned transportation and transmission enterprises, other than railroads, increased in value from $44,411,000 to $81,257,000, or 83 per cent; and stocks of goods, vehicles other than motor, furniture, and clothing from $507,961,000 to $1,359,438,000, or 174.7 per cent. No comparison is possible for the value of motor vehicles, which was estimated in 1922 at $67,779,000, because no separate estimate was made in 1912.

Hon. C. A. Webb, of the city of Asheville, N. C., recently in making a speech on North Carolina had this to say:

If all the chewing tobacco manufactured in one year in North Carolina were made into one big, succulent plug, and a man standing on the top of Mount Mitchell bit a chew from its thick corner, his voracious chin would drop so far that it would break the back of a somnolent shark at the profoundest bottom of the Gulf of Mexico, while his anticipative mustache, standing out like the quills of a fretful porcupine, would make the silk-clad ankles of the flappers on New Jersey's northernmost verandas shrinkingly suspect the sting and bite of a new and unconquerable mosquito.

[Applause.]

If all the towels made in one year in North Carolina were fastened together fringe to fringe into one great towel, the man who dried his feet with one end of it on the rocky coast of the Straits of Magellan would, with an agitated elbow, overturn a pearl fisher's sampan in the calm, warm waters of the Indian Ocean, and find himself wiping his surprised and distant face with the other end of it on top of the highest peak of Greenland's frosty, famous, and far-flung mountains.

If all the stockings woven in one year in North Carolina were made into one big stocking, its imperishable foot would hold all the toys Santa Claus has brought down the chimneys of America since the ride of Paul Revere; its leg would contain all the dear, dim dreams of romance that sweetly thronged the corridors of men's brains in the time of the long provocative skirt, and its soft and silken top would reach up into the heavenly vault where Venus, tiring of her flirtations with the militant Mars, would with discriminatory fingers and appreciative thumb form flattering judgment of its filmy and caressing texture and its deathless, undarned durability.

[Applause.]

If the North Carolina apple could be grown all over the world with its original and irresistible flavor, it would be substituted by the Latin-Americans for their garlic and by the Mongolians for their rice, and by the Ethiopians for their watermelons; its brown and bubbling cider would be the world's champagne, dirt cheap at a thousand dollars a quart, and doctors would prescribe its pungent, powerful, and puissant brandy as the elixir of life, the fountain of youth, a substitute for a futile and antiquated pharmacopœia, and a sudden, sure, and sweeping destroyer of the dumps, death, and disease.

If all the cigarettes manufactured in North Carolina in one year were rolled into one great, long cigarette, a young sport leaning nonchalantly against the South Pole would light it with the everlasting fire in the tail of Halley's swift and restless comet, use the starry dipper as its ash tray, blow smoke rings which, unbroken by all the hurricanes which lash the seven seas, would hide the circles around Saturn for a thousand years, and with the immeasurable inferno of its stub blot out and usurp the glowing fame and place of the hitherto quenchless morning star.

[Applause.]

If all the tables manufactured in one year in North Carolina were made into one great table, and if that table were covered with one vast tablecloth consisting of all the tablecloths woven in one year in North Carolina, there would be a banquet board under which could be hidden, piled one on top of the other, all the festal tables under which men have thrust their feet from the days of the round table of King Arthur to the time of the fiasco of the Genoa conference.

Representing as I do such a great State, I feel sure that my colleagues will forgive me for trespassing upon their valuable time. [Applause.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD on the Barkley bill.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the RECORD on the Barkley bill. Is there objection? [After a pause.] The Chair hears none.

Mr. AYRES. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Twelve minutes.

Mr. DAVIS of Minnesota. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. O'CONNOR].

The CHAIRMAN. The gentleman from Louisiana is recognized for 15 minutes.

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, I wish to thank the gentleman from Minnesota [Mr. DAVIS] for his kindness in granting me the 15 minutes he has allotted to me.

I appreciate it very much. I did not think I had any call on him, and he has extended the courtesy in such a splendid and gracious manner that I feel I am obliged to extend my thanks to him for having done so.

I want to talk about the Mississippi River, gentlemen of the committee. As a matter of fact, I propose during the balance of this session, whenever I get the opportunity and the time is appropriate, as clearly as I can, to bring a situation to the attention of this country which, in my judgment, is one of the most pressing situations that ever confronted the United States in all their history.

From the sunrise of Roman history the shores of the Mediterranean Sea have been occupied and populated by splendid people. Not far from the shores of the Mediterranean is the great volcano Vesuvius, and not a great distance from Vesuvius is Etna. One of the singular things about these great volcanoes, which every now and then, if I may use centuries as "now and then," send out their lava to devastate the lands around them and to bring the people into terror, is the fact that after each eruption the people, saddened, tear-stained, broken apparently in spirit, will come back and attempt to uncover their lands and again till the soil that was tilled by their ancestors.

It is one of the pathetic traits of human nature, and we on this side of the ocean are inclined to marvel at that instinct of humanity to drag itself back, after the tragedies of human existence, to its cradle, and begin life all over again, and yet down in the southern reaches of the Mississippi River we find a people living behind enormous levees and embankments, levees and embankments which scare the visitor from the North when he first sees them dwelling light-heartedly under the same if not more terribly menacing condition. A visitor can not understand why on earth a people should live behind these great mud structures that are their only defense against the roaring waters of the Mississippi, and notwithstanding crevasses, and crevasses which sometimes create a roar that would make the thundering of Niagara Falls seem a whisper—but notwithstanding these crevasses, these terrible inundations, these devastations, the people will always come back and get behind the banks of the old Mississippi River; and during most of the months when there is no fear, when there is no panic, when there is no agony, when there is no stress, most of them love to think of the old river as a grand old friend, as a splendid means by which all of the song in their heart is expressed. You know the old lines:

I am tired of striving in the crowded haunts of men,
Heart weary of building and spoiling and spoiling and building again;
And I long for the dear old river, where I dreamed my youth away,
For a dreamer lives forever and a toiler dies in a day.

[Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. O'CONNOR of Louisiana. Yes.

Mr. BLANTON. I notice that the gentleman from time to time quotes many little verses for us and I want to tell him that a lady who lives over 2,000 miles away visited in Washington not long ago and called my attention to a little poem that the gentleman quoted and said she would like to meet him, but I did not get an opportunity to bring her to see the gentleman.

Mr. O'CONNOR of Louisiana. Born and reared in the grand old State of Louisiana, adjoining the Lone Star State of Texas, I am glad to have such a message conveyed to me and to tell the gentleman from the State of the single star I long for the pleasure of that day when I will bow before the gracious lady to whom he refers.

But we are at a time when in all probability the magnificent song that river inspires will be temporarily stilled in the soul suspense of the days and nights of strain and watching attending the May rise. The old river has a song when rolling on to the Gulf serenely and tranquilly. Abraham Lincoln, standing on the wharf immediately over the banks of the Mississippi at New Orleans, said on a moonlight night that he heard its song. You know he went to New Orleans twice, once as a worker on a raft and subsequently as the owner of a raft. In those days it looked as if New Orleans were destined to be the greatest city in all the world's history and would have been had it not been for the invention of the locomotive, the first one of which was placed on the Baltimore & Ohio tracks in 1828. That changed the destiny of the Mississippi Valley, for if all of its commerce had been brought to the Gulf of Mexico by water craft instead of over the Alleghenies by rail, unquestionably New Orleans would have surpassed any city that the world has ever seen.

But back to our story, as Kipling says. Lincoln said he could hear the songs sung by every raindrop that fell from the heavens between the peak of the Rocky Mountains and the peak of the Allegheny Mountains, and he could hear the gurgling and bursting joy of every spring that sprung up throughout that great valley, because through tributaries, through affluent streams and the majestic connecting rivers like the mighty Ohio and sweeping Missouri, the grand old Father of Waters carries every drop that falls from the clouds and every jet that comes from mother earth pass the city of New Orleans. [Applause.]

It was a wonderful thought for even the Great Emancipator with his poetic and dream soul. It must have been an inspiring sight to him in those nights when he stood as a lad under the starlit skies on the banks of this great stream years and years ago, and, my friends, is it not a wonderful thing also to conjure that this lowly and humble lad, standing in front of his raft on the Mississippi River became one of the greatest figures in all the world's history—a flight that human imagination can hardly follow—from the poor boy on the banks of the Mississippi to the great Executive of this Nation.

But we are at a time when the river does not inspire song. We are nearing the end of April. You know the ice and the snows are beginning to melt in the far north. The song is leaving the river for us who live in the bottoms. The rushing waters are becoming a mighty roar, and restless and uneasy will be our nights for weeks to come. Gentlemen of this House, listen. A brave people—your own in blood, flesh, and bone—ask your attention to a national problem that threatens the very existence of your kinsmen along the lower Mississippi. Listen! Levees, embankments, mud walls, however great and strong, alone can not protect us against unspeakable disaster, for the farther and farther down into the Gulf of Mexico the river runs the less and less able does the soil become to support the superstructure put upon it. As we approach the Gulf, Mother Earth along the big river shows less and less resistance and gradually falls into the embrace of the waters that wash it from the moment they leave their far-off Itasca home and goal until they joyfully mingle with their blue kinsmen of the Gulf as it swirls on its way to the eternal sea.

You must have a subsoil; you must have a foundation upon which to erect the superstructure. We can not go any higher with our levees. My friends, let me endeavor to bring home to you the facts concerning the flood menace of the Mississippi. With that end in view I am going to ask the privilege of incorporating two papers in these remarks in hopes they will attract the attention of the engineering profession throughout the country to the tremendous problem that is comprehended in that part of the United States which lies between the Alleghenies and the Rocky Mountains. I hope that they will contribute their views to that subject and write me, because it means much to us, because we have got to have relief and we are not getting it. These letters I will have put in digested form and submit to the Committee on Flood Control. My friends, the engineers assure us that the embankments, being standardized, will protect us; yet I have seen crevasses—which mean breaks in the river banks—where fish would drown, turned over and over by the force of the water, their gills forced open.

Down in New Orleans lives a gentleman by the name of Peter Lawton. He has reached the age and rendered such splendid service to our people that they are glad to look upon him not only as an individual but as an institution.

I hope that I will live long enough to render such service to my people and that I will reach that enviable position. Not long since he took part as a witness in a celebrated case that forms a part of the legal history of the country to-day. During his testimony he said that the crest of the Mississippi River

had risen in front of New Orleans since the Battle of New Orleans was fought 19 feet and 6 inches. In other words, our high-water mark is approximately 20 feet higher to-day than the high-water mark of 1815. Gentlemen, when you realize that the city of New Orleans is about on a level with the Gulf of Mexico and a little higher than the Mississippi River at its lowest, you can understand what 19 feet and 6 inches of rise in the waters of the Mississippi River means during the period mentioned. Should that rise continue proportionately even, the end is inevitable.

Gentlemen, the principal things I want to get into this address—and I ask unanimous consent to extend my remarks in the RECORD—are the two great papers written by magnificent men down there—men who love their city because it is their own and scorn to give aught other reason why—men who have labored for it unceasingly without hope of reward or fear of punishment. But before closing my own remarks in connection with this reference to hope of reward or fear of punishment I am going to ask my friend from Virginia, Mr. TUCKER, to look into this story and the origin of it. To my good friend from Kansas, Judge LITTLE, I also direct a similar request. I understand the phrase has a wonderfully inspiring history behind it. I am going to ask the engineers of this country who may do me the honor to read this preliminary address, and the thoughtful papers made part of it, to send me their opinions on the control of the Mississippi in order that I may submit them in a digest form to the Flood Control Committee. I know that I can ask these engineers to submit their views, because they are of a noble profession and have always responded when the occasion required it.

True to my habit I am going to tell you a story. I have searched libraries and many great papers, and failed to find anyone who was able to tell me the origin of the beautiful story which, I think, carries the point that I have in mind splendidly, and that is to pay a deserved tribute to all of our great professions. They have always responded to the call of duty when any part of the country sounded the bugle.

Years ago, when I was a law student in Tulane University, in the city of New Orleans, a celebrated law professor in that famous university tried to bring home to us the value of an oath taken in a judicial proceeding. He said:

> You take it without hope of reward or fear of punishment, and you testify to the truth, the whole truth, and nothing but the truth.

Then ruminatively, as if he were trying to think, when he had read or heard it himself, he said:

> In all probability the origin of that phraseology may be found in the beautiful story of the vestal virgin who walked on the walls of an ancient city carrying in one hand a pail of water and in the other a torch, chanting and singing, "With the torch I will burn the heavens, and with the pail of water I will extinguish the fires of hell, so that God may be loved for himself alone without hope of reward or fear of punishment."

I always thought it was a beautiful story and conveyed a sentiment that would adorn any story most felicitously and pleasingly, but I have never been able to ascertain whence it came. The nearest approach to it I ever got, and that was a sort of false light, came one night when I was addressing a labor organization in New Orleans in the labor hall. I told this story of the vestal, and I called for inspiration as to its origin. A young man walked over to me and he said, "I think you will find the information you are looking for in the chapter on the vestal virgins, by Gibbons, in the Decline and Fall of the Roman Empire." I looked it over several times, but never did find it.

That is the thought I had in mind, that by printing these papers as a part of my speech, calling attention to the tremendous menace the Mississippi River is.

I might, to repeat, be successful in securing opinions that may prove of great value in working out a solution of the problem of the lower valley. My fellow citizens, before reading the two great papers below, stand in front of a map of the United States, look at the vast space covered by the Mississippi Valley. Then look at the streak down its middle, the Father of Waters; then connect with its tributaries. Speculate for a moment upon this drainage system and the rapidity of that drainage in view of the clearing of the wilderness, the disappearance of the forests, the building of great cities along the banks of connecting streams. Then think of the rainfall over that vast area, then read—

STATEMENT SUBMITTED BY JOHN KLOREK, CITY ENGINEER, NEW ORLEANS, LA.

APRIL 27, 1923.

To His Excellency WARREN G. HARDING,
President of the United States, Washington, D. C.

MR. PRESIDENT: May I be permitted to say, by way of introduction, that the views I hold on the Mississippi River flood problem are opinions formed after 20 years' experience in the construction and maintenance of the levee system in Louisiana? Twelve of those years were in the United States engineer service as junior engineer in the fourth Mississippi River district, and eight years were in the service of the State as a member of the Board of State Engineers of Louisiana.

As far as the lower part of the Mississippi Valley is concerned, I wish to state, with all seriousness, the problem of adequate flood protection is as far removed from satisfactory solution to-day as it was 20 years ago.

Flood protection by means of levees alone is a justifiable procedure only if the end of levee raising is in sight. Such is not the case on the lower Mississippi River. The president of the Mississippi River Commission, at a public hearing before the Flood Control Committee last December, stated that no man could tell how much higher than the 1922 flood height the river would go to pass a stated flood discharge that was reasonably probable and which unquestionably should be provided against.

There is every reason to believe that if the Mississippi River Commission persists in its policy of reclaiming areas now being used as flood-retarding basins, without providing increased facilities on the lower river for removing the extra amount of water thus sent to the lower river, the present grades for levees will be insufficient, and will have to be superseded by higher grades before many years.

The city of New Orleans, with its half a billion dollars of assessed values behind the levees, can not become reconciled to a policy of progressively increasing levee grades. The levee crowns in front of the city constitute paved roadways from 50 to 100 feet wide, that serve the docks over which $500,000,000 of domestic and foreign commerce is annually handled. The levee crown and slopes in places are occupied with railroad tracks, also serving this water front, and many of the rail connections between the levee and the street elevations are at the present time at limiting grades and curvatures for practical railroad operation. There will have to be expended by the Board of Port Commissioners of New Orleans Harbor—which is an agency of the State of Louisiana—approximately $4,000,000 to reconstruct low wharves and docks to conform to the present grade.

The people of New Orleans are agreeable to the plan of completing all the levee protection in front of the city to the present approved grade of the Mississippi River Commission, but we want levee raising to stop then. We want to see a change of policy from the present policy of giving protection against flood heights that are created artificially, and we want to see some effort made to give us flood relief rather than flood protection.

The flood problem of the lower valley is simply a problem of safely conducting to the sea the drainage run-off that originates in the vast territory to the north of us; but the Mississippi River Commission is intent on taking all of that run-off by the longest and most circuitous route to the sea, notwithstanding the fact that nature has provided a topographical condition just below New Orleans favorable to spilling the excess water into the Gulf through a short route of 5 miles, as against the present route of 100 miles.

A committee of engineers working in the interest of better flood protection for the city of New Orleans has recommended a spillway as a flood-reducing device, but the Mississippi River Commission objects, and prefers higher levees to take care of the higher floods, which it classes as "tried methods wholly feasible and much cheaper."

The main objection of the Mississippi River Commission to the spillway is the cost of the structure, which in its judgment is incommensurate with the flood relief that will be obtained. The weighing of the cost of enlarging the existing levee line to take care of 4 feet additional flood height, as against the cost of a structure designed to accomplish a reduction of flood height of 4 feet, while interesting as an academic proposition does not meet the issue fairly. There is the human element to be considered, and the human element should be of first importance in the instance when nearly a half million of people have their homes on ground elevations of from 10 to 20 feet below present flood heights.

We people of New Orleans and of the lower river believe we are being sacrificed on the altar of consistency, and we are asking your kind offices to help us in our predicament. We would like to see the flood problem on the lower Mississippi studied and solved in the comprehensive manner that the flood problem was solved in your own State by the Miami Conservancy District. We would like to see the Mississippi River Commission take counsel with eminent hydraulic engineers, such as, for example, Mr. John R. Freeman, of Providence, R. I., Mr. C. E. Grunsky, of San Francisco, or Mr. Daniel W. Mead, of

Madison, Wis., in the consideration of a flood problem that is of vital interest to a community of 400,000 persons, to see if some means can not be found to lessen the hazard by reducing flood heights to such a stage that breaks in the levee can be closed should crevasses occur, and not be permitted to run unchecked for months until the river falls below the bank-full stage, as is the case now.

On account of lack of time to discuss this matter at greater length I should like to leave with you Mr. President, a copy of a paper that I had the honor of reading before the spring meeting of the American Society of Civil Engineers, which was held in New Orleans last week, and which attempts to give a brief statement of the flood problem on the lower Mississippi River. I believe that the contents, supplemented by what you have heard to-day, will give you a fairly good idea of the situation that confronts us.

ADDRESS DELIVERED AT THE CONFERENCE HELD AT NEW ORLEANS SEPTEMBER 17, 1923, AND ATTENDED BY VARIOUS LEVEE BOARDS, THE BOARD OF STATE ENGINEERS, THE SAFE RIVER COMMITTEE OF ONE HUNDRED, AND OTHER PARTIES INTERESTED IN FLOOD CONTROL OF THE LOWER MISSISSIPPI

(By John Klorer, chairman Subcommittee of Engineers, Safe River Committee of One Hundred)

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There is little that is new that can be added to the previous presentations made of the merits of a spillway as a flood relief device. It is by no means a simple task to prove a proposition that is elemental or axiomatic, and the proposition of lowering the flood heights by taking some of the water out of the river is an axiomatic proposition. The old school of Mississippi River engineers will admit that you can reduce flood levels on the Ohio River by taking some of the water out of it, or on the Allegheny or on many other rivers, but the Mississippi River, they explain, is different in that the Mississippi River is a sedimentary stream flowing in a bed of its own formation. It has been so long held up to us as being in a class by itself and not amenable to the laws of physics and hydraulics, that the majority of us were accustomed to accept unquestionably statements concerning the river's characteristics that were as amazing as they were paradoxical.

In the consideration of the various problems presented by the Mississippi River the cold calculating reasoning powers of the engineer seemed at times to yield to a realization or a fear that he was not dealing alone with a physical force in the shape of water in motion, but was dealing as well with a personality that was governed by moods and whims and notions. On one occasion that I remember distinctly one of the old school of Mississippi River engineers described the river as being almost organic in its behavior, as being the nearest approach of inanimate matter to a living organism that he knew of. It had to be coaxed and coddled, and any regulation of its behavior should be applied gently, very gently. If any lateral opening were introduced to remove surplus water, the river would choke itself.

According to the old school of Mississippi engineers, this sedimentary stream flowing in a bed of its own formation was so responsive to any additional burden placed upon it that you could go so far as to deprive it of a natural outlet like the Atchafalaya that took off 30 per cent of the total river discharge, and it would adjust itself to carry this extra amount of water without raising the flood heights appreciably in the lower river.

It matters not that levee grades have had to be repeatedly raised to take care of increased flood volume, and in some instances to take care of an equal flood volume, the doctrine that the river will automatically adjust itself to carry increased flood volume still persists unshaken as an article of faith with the old school. With this sort of attitude toward the problem and with deep-rooted opinions like these prevailing among the levee authorities, it is not surprising that the proposition to lower flood heights by means of a spillway should encounter opposition.

The advocacy of a spillway by the Safe River Committee of One Hundred is based on one assumption—the correctness or incorrectness of which is left to the individual judgment of those that have given some thought to the subject.

The safe river committee assumes that the record-breaking flood of 1922 is not the highest flood that will visit the lower river; not the highest flood by 3 or 4 feet. It does not base this assumption on the probability that some of these days, all the tributaries will be in flood simultaneously, which statement is often referred to as a possibility and then brushed aside as being so remotely probable as not to merit consideration.

The safe river committee believes that higher flood elevations are certain in the future even with floods of no greater volume than some of those of the past. The facts that form the basis for such an opinion are these:

First. There has been an impairment in the discharge capacity of the lower river, indisputably proven by the fact that less water now passes down the river each second or each hour during flood stages than passed in former years at the same gauge readings.

Second. The further reclamation of areas now subject to overflow and serving as detention reservoirs can not possibly have any other effect on future flood heights than the raising of these heights to greater elevations than those that obtained in the past for floods of the same volume. In an official statement prepared by Capt. Edw. N. Chisholm, Corps of Engineers, United States Army, and secretary of the Mississippi River Commission, and published in the Engineering News-Record, January 18, 1923, the admission is made that "the increased height of the flood line below the mouth of White River can be attributed only to the closure of the gap between the Arkansas River levees and the Mississippi River levees at Cypress Creek." The closure of the gap, completed in 1921, withdrew from the available reservor capacity of the river approximately 687 square miles of territory previously flooded in the southern part of Arkansas and the northern part of Louisiana.

There is a similar flood-water reservoir on the east side of the river at the lower end of the lower Yazoo levee district, immediately north of Vicksburg, and which is approximately 1,000 square miles in extent during great floods. This area is flooded through an unleveed gap of about 20 miles, known as Brunswick Gap, and the closure of this gap has been undertaken with construction now in progress. Can any expectation other than higher flood levels be counted on following the elimination of this reservoir?

Third. Greater flood heights than past records are also clearly indicated by an analysis of the flood volumes of the 1912 high water. The amount of flood water that was passing the latitude of Red River Landing in 1912 was slightly over 2,300,000 cubic feet per second. The distribution of this quantity was as follows: Approximately 1,500,000 cubic feet per second went down the Mississippi River; approximately 400,000 cubic feet per second went down the Atchafalaya; approximately 250,000 cubic feet per second went through Torras Crevasse into the Atchafalaya Basin, and approximately 150,000 cubic feet per second through the Moreauville Crevasse (see Report Chief of Engineers U. S. Army for 1912, p. 3700). The total of 2,300,000 cubic feet per second is further corroborated by the discharge measurements taken at Columbus, Ky.—21 miles below Cairo—and at Helena and Arkansas City, all of which recorded over 2,000,000 cubic feet per second, and to which quantity there should be added proper allowance for tributaries south of these points. Had there been no crevasse at Moreauville and at Torras, the Atchafalaya River and the reservoir at the lower end of the fifth Louisiana levee district would have taken possibly 600,000 cubic feet per second and the Mississippi River at Red River landing would have been discharging 1,700,000 cubic feet per second instead of 1,499,000 cubic feet per second. Making liberal allowances for the reservoir effect of that part of the river below Red River landing and assuming that there had been no Hymelia crevasse, it is within the range of reasonable deduction to conclude that the discharge at Carrollton would have been approximately 1,500,000 cubic feet per second, instead of 1,350,000.

The discharge of 1,500,000 cubic feet per second at Carrollton is what the safe river committee believes should be used as a minimum in determining the estimated flood heights in front of this city. To have passed 1,500,000 cubic feet per second during the 1912 high water the gage-discharge relation indicates that the river would have read 24 feet on the Carrollton gage, instead of 20.7, and to have passed that same amount during the 1922 flood the gage-discharge relation for that year indicates that the Carrollton gage would have read slightly over 25 feet, instead of 21.3, which was the highest reading, the day before the Poydras crevasse occurred.

The question accordingly presents itself: How shall we meet this certainty of future increases in flood heights? Shall we meet it by raising the levee grades again, or shall we resort to some flood-reducing device that will keep future floods from reaching higher elevations?

This community has spent and is spending millions on our river front in a type of levee that serves as a protection against floods and that must also serve the needs of commerce. The crown of this levee varies from 50 to 100 feet in width and is occupied with freight sheds, through which pass high-class modern roadways. The floors of these sheds are of reinforced concrete and rest directly on the crown of the levee. Raising the low levees under these sheds and placing thereon the necessary rat-proof concrete floor and the high-class roadway pavement costs approximately $200 per linear foot of shed, or $1,000,000 per mile. It is apparent at a glance that this type of levee does not easily lend itself to future increases in grade.

The safe river committee believes that the levees should be built to the existing Mississippi River Commission grade, but the necessary flood protection beyond what is thus afforded must be obtained by some other means. It believes the levee system has reached and passed the practical limit of height to which a levee system should be built. When levees are so high that a crevasse in the levee line from any cause whatsoever can not be closed, regardless of money and men available, the practical limit of levees has been reached.

Following the Poydras crevasse in 1922, the engineering committee of the safe river committee made a study of the practicability of a spillway being used to reduce flood heights on the lower river and

reported favorably thereon. The report of the engineering committee demonstrated that the Poydras crevasse had a lowering effect of 2.7 feet on the Canal Street gauge, if allowance be made for the additional estimated height of seven-tenths that the river would have reached had there been no crevasse. The report of the committee also demonstrated that the effect of the crevasse was felt as far up the river as Donaldsonville and as far down the river as Fort Jackson.

At the request of the Safe River Committee of One Hundred an engineering brief was presented to the Mississippi River Commission inviting attention to the continued smaller discharge for the same gauge readings at New Orleans; and that judging by the river's performance in that respect it was not reasonable to expect that future great floods, such as should be provided for, could be passed between the levees at the elevation assumed by the commission, and that consequently the approved grades were too low. The difficulty of building levees to higher grades was touched upon and many cases of subsiding levees referred to, indicating that the limit of the supporting power of the soil upon which levees were built was being reached by levees built to the present grade.

A spillway was recommended, to be located about 6 miles below the lower limits of the city, discharging into Lake Borgne, an arm of the Gulf and only 5 miles distant. It was to be 6,600 feet wide, with a crest elevation placed about 6 feet below flood height, and to have removable shutters that would permit the passage of a river flood 3 feet higher than the crest of the weir without operating the spillway, if so desired. The last feature was a concession made to the anticipated objection that the operation of the spillway would cause shoaling of the main channel below, and the purpose of the removable crest being to minimize the frequency of operation of the spillway without reducing its relief capacity when it was needed. At the same time it was pointed out that there was no relation between gauge heights and the amount of sediment carried in suspension, and as a matter of fact the maximum sedimentary load was carried at stages lower than the bank-full stage. Consequently if the river was capable of carrying in suspension its maximum load of silt, with slopes such as it had at stages 6 or 7 feet below the maximum height, the fear that it may drop its sedimentary load as a result of lowering its height below the spillway may justly be questioned. Particularly should a spillway with a crest 6 feet below flood stage be considered in a different light from a crevasse or outlet discharging from the main river at low stages and low velocities and with the high turbidity content accompanying these conditions.

A table of the relief expected at varying stages of the river was submitted which indicated that a flood that normally would reach 25 feet on the Canal Street gauge could be passed at a reading of 21 feet, with a discharge of 250,000 second-feet over the weir. The high reading in front of New Orleans in 1922 was 22.6. With the spillway in operation and with the levees brought up to present approved grade, it was concluded that adequate flood protection would be provided.

The answer of the commission to this brief was to the effect that—

> "In view of the comparatively slight reduction in stage, the increased jeopardy incident to increasing the length of levee lines, and the bad effect of the spillway on the river itself, it would seem wise first to make the city safe by tried methods which are wholly feasible and much cheaper."

It is not admitted by the safe river committee that a possible reduction of an anticipated 25-foot flood stage at Canal Street to a 21-foot stage on that gauge can by any means be considered a "comparatively slight reduction in stage." The flood height of 20 years ago at New Orleans was 2.3 feet lower than that of 1922, and the proper yardstick with which to measure the benefit of even 2.3 feet reduction in flood height is the money and activities expended during the past 20 years by the levee interests for additional protection to take care of an increase of 2.3 feet in flood heights after making proper deduction for the construction of new levees caused by caving banks.

Nor can it be admitted that there would result any bad effect of the spillway on the river itself. The reported shoaling of 7 per cent that took place in the main river below Poydras Crevasse was probably the result of sedimentation at lower stages of the river than that at which the crest of the proposed spillway was placed and during low-velocity periods and high-turbidity content. At any rate, the significant fact is that the river completely recovered its lost cross-sectional area, as was determined by a resurvey in the early spring following the crevasse.

A former president of the Mississippi River Commission, in a criticism of the proposed spillway (see Engineering News-Record, vol. 90, No. 1), questions the practicability of safely conducting a flow of 250,000 second-feet between parallel levees 6,600 feet apart over a bed of alluvium such as forms the banks of the Mississippi River and with an average slope of 4 feet to the mile. As a matter of fact, the slope is less than 4 feet to the mile and probably will not average 3 feet to the mile if the cataract action at the crest of the spillway is taken into account. Also it should be stated that there is at the present time on the left descending bank of the Mississippi River about 60 miles below New Orleans a stream known as Baptiste Collette Bayou flowing between parallel levees and connecting the Mississippi River with an area of the Gulf with a high-water slope in excess of 4 feet per mile and none of the dire consequences predicted in the article referred to has materialized. The Baptiste Collette Bayou was diked across at a distance of about 3,500 feet back from the river, but the dike was blown up or out during 1915 and the river has been going through ever since with no protection works to prevent the enlargement of the bayou.

The distinguished engineer above referred to has stated that, if an additional spillway to the Atchafalaya outlet is required, a spillway in the vicinity of Bayou Manchac is the least dangerous location for it and the one that will produce the maximum lowering of flood heights on the lower river, and by giving it ample width scour can be reduced to a minimum. He realizes that such a location would necessitate the construction of levees along the shores of Lake Maurepas and Lake Pontchartrain, a consideration which in the opinion of the safe river committee engineers makes this suggested location impracticable.

The advocates of the Lake Borgne spillway did not contemplate that it would be possible to maintain the bed of the spillway channel without erosion. It was recognized that erosion would follow, and as an attempt at directing the location of the erosion it was believed that in building the side levees these should not be built from excavations taken near the berme, but should be built by hydraulic dredge, digging a pit along the axis of the proposed channel to induce, as much as possible, the scour to take place midway between the side levees. Manifestly it would be desirable to permit the discharge from the spillway to dig a channel for itself and depress its bed or entrench itself for the entire 5 miles from the lake to the weir. It is also evident that with the erosion of the bed of the spillway channel there will follow an increase in its flood-carrying capacity. The deeper the scour and the more capacious the channel the slower the water will flow and a point will be reached when erosion will stop. By bringing Gulf level from Lake Borgne to the flexible concrete mattress apron provided for at the rear of the weir, the problem of maintenance could be localized and better handled.

As to the danger of the structure washing out on account of the character of the foundation and insufficient dimensions, which was also referred to in the article mentioned, this is a question open to discussion after examination of a suggested plan that was prepared for the consideration of the Government authorities.

The engineering committee anticipates no such treacherous soil conditions as are feared by the distinguished engineer who criticized the plan submitted. The general permanency of the river bank at the suggested location leads the committee to believe that the underground material is not of that character as would readily flow from underneath the proposed structure into any erosion of the spillway channel.

When a condition like this exists the liquid or slushy material is just as likely to flow into the channel of the river itself and is evidenced by actively caving banks.

Certainly no structure of this kind should be undertaken without investigation being made as to the character of the subsurface conditions to be encountered and modifying the foundation plans accordingly. The safe river engineering committee did not have the necessary funds at its disposal to have borings made to determine exact data of this kind, but drew on its general information as to the soil conditions along the river front in the preparation of the suggested plan.

The shape of the rear surface of the weir was admitted not to be final but should be dependent on the outcome of observed results on experimental models constructed to scale. The question as to the proper width of the flexible concrete mattress beyond the rock cribs while shown as being 200 feet wide was also recognized as being a detail open to further discussion. A combination of the rigid type of structure typical of American practice and of the flexible type of structure as practiced in Egypt and India was chosen, since both types seem to have desirable features.

With reference to the boldness of the undertaking to relieve the Mississippi River of 250,000 second-feet over a weir 6,600 feet long constructed on a clay foundation, the job does not rate in magnitude with similar structures successfully executed by English engineers in India, notably the Dehri Weir (on the Sone River), which is 12,500 feet long and constructed on a sand foundation and with a discharge of 830,000 second-feet.

Let it not be said that the spillway can not be constructed on account of inability to build a structure that will not wash out. Such a challenge to the engineers and contractors of this country will be quickly accepted. There was a time when "quicksand" was a word to terrorize both the engineer and the contractor, and many a worthy project never got beyond the blue-print stage by reason of the fear that that word engendered. That was before we realized that quicksand was not a material but rather a condition of a material, and once the water was removed from quicksand it was stripped of its terror. The most ambitious engineering structure in this city has its foundation in a bed of so-called "quicksand."

Many years ago, a very competent and able engineer of the United States Army, Capt. John Millis, who was then in charge of the fourth Mississippi River district, in reporting on a proposed spillway into Lake Pontchartrain or Lake Borgne used these words:

"I also believe that whatever may be the standard of height and strength to which the levee system below Red River is finally completed, some such provision as herein proposed for relieving the river in the event of an extraordinary flood will be a judicious and economical measure."

And in 1893, three of the seven members of the Mississippi River Commission, General Comstock, Colonel Ernst, and Mr. Henry Flad, submitted a minority report which contained the following statement:

"Concurring in the inadvisability of an attempt to create new outlets from the Mississippi River which shall be large streams at all stages of the river, we do not wish to be understood as condemning the use in levees of long waste weirs to take off the top of the flood if it shall be found that at certain places on the lower part of the river the further increase in flood flow which will come from raising the levees at points farther up the river can be controlled in whole or in part by such weirs more economically than by higher levees."

It will therefore be seen that a spillway as a flood relief device on the lower river does not lack the sanction or approval of United States engineers high in authority on matters referring to the Mississippi River.

Then read, as a close to this feeble attempt on my part to get the views of our eminent men of New Orleans to the country, this excerpt from a paper by Mr. Lawton:

It is a great pity that honorable Senators and Representatives do not take up this river problem along the lines originally laid down by the engineers, now that the levees are nearly completed, so that the second and final phase of this great work could be pushed vigorously toward completion.

I refer to the mattressing of the banks from low water down, the riprapping of the battures, and the revetting of the levee beyond the high water line, which work all of the engineers agree must be done before the Mississippi can fairly be said to be under control.

Whether this colossal undertaking of putting this lawless river in a strait jacket from Cairo to The Passes will require a half billion or a billion, or whether it will take a half century or a century to complete the job, it will have to be started, and properly started, now pretty soon if the American people mean to actually solve this problem for the coming generation. If this work had been undertaken 40 years ago, when the Mississippi River Commission in its initial report outlined this plan, and had been uninterruptedly and properly prosecuted ever since there would be a relatively clear-water condition in the river to-day, when the engineers would be hard at work widening the Atchafalaya, opening the Lafourche and Plaquemine, while digging spillways at every available site below the Red. All river engineers agree that were it not for the vast amount of silt carried by the Mississippi, very nearly all of which comes from the caving of its own banks, there would be no trouble about lowering its level except at the cost of laterals and their available sites along its banks.

In this connection the Mississippi River Commission in its report above mentioned (February, 1880, Report Chief of Engineers, United States Army, 1881, p. 2725), in discussing outlets, said:

"This method would undoubtedly be effective if the flood waters of the Mississippi were not highly charged with sedimentary matters which are held in suspension in the water by the current."

The engineers of the river boards mentioned, as well as all of our Army engineers, most of whom have been graduated from West Point, represents undoubtedly the highest type of American citizenship. Progressive, efficient, and unpurchasable, they would, if given the means and their work was freed from the malign interference and influence of the professional politician, such as the railroad lobbyist, build from the Mississippi as it stands to-day the grandest transportation medium in all the world.

Why not, then, try to get for the engineers, say, $10,000,000 a year for the next 50 years and permit them to finish this job, as they know how to finish it and as they would finish it if they simply got the money and the mandate and were let alone? Why not, even at this late day, reorganize the present commission into a Panama Canal commission and permit them to transform this presently crude, uncontrolled, and costly river into the great low-level productive highway they are going to give us some day? Why not begin shaping things with a view of getting some water out of the lower river instead of trying to force more into it, at the unknown cost of raising the flood heights at New Orleans?

Mr. AYRES. Mr. Chairman, I yield two minutes to the gentleman from Missouri [Mr. RUBEY].

Mr. RUBEY. Mr. Chairman, a favorable report on the McNary-Haugen bill has been ordered by the House Committee on Agriculture. That report will be made to-day or to-morrow, so that within the next few days you will have an opportunity to examine the provisions of the measure as reported. This bill was introduced in the Senate by Senator MCNARY, of Oregon, and in the House by Mr. HAUGEN, of Iowa, the distinguished chairman of the House Committee on Agriculture. These bills were introduced in the early part of the present session of Congress. In the House Committee on Agriculture exhaustive hearings were held, extending over several weeks. After the hearings closed the committee took the bill up, considered it paragraph by paragraph, and for more than a month, meeting every day, gave it most thorough consideration. Many amendments were offered; some were rejected, but many were adopted. The bill has indeed been completely revised by the committee, so that the measure ordered reported may well be called the revised McNary-Haugen bill. I urge every Member of this body to study carefully the provisions of this new bill before passing judgment upon it.

It is not my intention at this time to make an argument in favor of the McNary Haugen bill, but rather to call the attention of the Members of the House as briefly as possible to its provisions. Later on, when the bill is brought up for consideration, I shall seek the opportunity to present my views and my arguments and to tell the House why I think the bill should be passed just as speedily as possible.

THE PURPOSE OF THIS LEGISLATION

Before proceeding with a detailed outline of this bill let me state in a few brief words the object to be attained.

By the passage of the McNary-Haugen bill we seek to place agriculture upon an equality with the other industries of America and to restore the dollar which the farmer gets for the sale of his commodities to its pre-war purchasing power. This bill will give the farmers increased prices for their basic agricultural commodities and consequently fairer and better returns for their toil and labor than they are now receiving.

THE EXPORT CORPORATION

A general emergency is declared to exist in respect to agricultural commodities. To relieve that emergency the United States agricultural export corporation is incorporated. The board of directors of this corporation is composed of the Secretary of Agriculture, who is the chairman of the board, and four persons appointed by the President, by and with the advice and consent of the Senate. The 12 Federal land bank districts of the United States are divided into four groups, and the President appoints one director from each of these groups. Each of these directors receives an annual salary of $10,000 and shall hold office during the corporate existence, which shall not exceed five years. Not more than two of these appointed directors shall be members of the same political party.

CAPITAL STOCK

The capital stock of the corporation shall be $200,000,000, subscribed by the United States, the subscription to be called for as needed. The funds thus secured constitute the original working capital of the corporation. According to the plan of the bill, protected by the equalization fund, to be described later, these funds are in the end to be returned to the Treasury unimpaired.

ISSUANCE OF SECURITIES

The corporation may borrow money and issue its notes or bonds therefor. Its obligations shall not at any one time exceed five times its capital stock.

UNITED STATES NOT LIABLE

The United States shall not assume any liability directly or indirectly for any notes, bonds, or any other indebtedness of the corporation, and each note, bond, or other evidence of indebtedness shall so state upon its face.

COMMODITIES DEALT WITH IN THIS ACT

The only agricultural commodities that can be dealt with under this act are wheat, flour, rice, corn, wool, cattle, sheep, swine, or any food product of cattle, sheep, or swine. Whenever the corporation finds that there is a surplus of one or more of these commodities and that the domestic price of the commodity is below the ratio price—this ratio price will hereafter be explained—the corporation shall notify the President and it shall be the duty of the President immediately to declare by proclamation that a special emergency exists as to such commodity. Only after such a proclamation has been made can any of the commodities listed above be handled by the corporation. Provision is made for the termination of the special emergency as to each particular commodity when the conditions which brought about the emergency no longer exist. After a special emergency is proclaimed as to any particular commodity, and until it is terminated, such commodity,

to distinguish it from the rest, is called a "basic agricultural commodity."

RATIO PRICE

The act provides how the ratio price of an agricultural commodity is to be determined and further provides for its timely publication. The ratio price of a basic agricultural product for any ratio period shall bear the same relation to the pre-war price of such basic commodity as the current average all-commodities price in effect for such period bears to the pre-war average all-commodities price. These wholesale price indexes of all commodities are now based on 404 different commodities.

The Secretary of Labor computes the average price (the index number) of all commodities for the period 1905 to 1914, inclusive. This computation is made from data in the hands of the Bureau of Labor Statistics. This figure for these 10 years represents the pre-war average all-commodities price, and is used as a constant unchanging figure in determining the ratio price for each commodity. It is taken as 100.

The Secretary of Agriculture and the Secretary of Labor compute the average price of each basic agricultural product for the period 1905 to 1914. This is the pre-war basic commodity price, and is constant and unchanging for each basic agricultural commodity. The Secretary of Labor after the end of each month computes and publishes the average price (the index number) of all commodities for that month. This average price is the current all-commodities price and changes from month to month, but the change normally is not very great.

From the information furnished by the Secretary of Agriculture and the Secretary of Labor the ratio price of any commodity can be readily ascertained, and the ratio price of each basic agricultural product will be published each month at every terminal market.

RATIO AND ACTUAL PRICES OF A FEW COMMODITIES

Some will be interested in additional information as to how ratio prices are arrived at and what the prices would have been on some of the important basic commodities named in the bill during recent months.

Index numbers of wholesale prices of all commodities, as described above under "Ratio price," are prepared regularly by the Department of Labor. They use as their basis the year 1913, instead of the 10-year average, 1905 to 1914. Having all the necesary figures, it is very easy to convert the average prices of one basis period into another. In fact, this is already done monthly by the Department of Agriculture for many of the products named in the bill.

Actual and ratio prices of basic agricultural commodities for 1924 on 1905 to 1914 basis, and current all commodities price index compared with pre-war

Month	Actual price	X ratio price	Pre-war basic commodity price (1905–1914 basis)	Current all commodities price	Prewar all commodities price
Wheat:					
No. 2 red winter, Chicago—					
January	1.13	1.50	$0.987	161.3	100
February	1.13	1.60	.987	162.4	100
March	1.09	1.58	.987	160.3	100
No. 2 hard winter, Kansas City—					
January	1.13	1.51	.936	161.3	100
February	1.11	1.52	.936	162.4	100
March	1.09	1.50	.936	160.3	100
Average No. 1 northern and No. 2 red winter, Chicago—					
January	1.12	1.61	1.001	161.3	100
February	1.16	1.63	1.001	162.4	100
March	1.13	1.60	1.001	160.3	100
Corn:					
Contract grades, Chicago—					
January	.76	.97	.602	161.3	100
February	.80	.98	.602	162.4	100
March	.769	.97	.602	160.3	100
Hogs:					
Average of heavy and light—					
January	7.20	11.45	7.10	161.3	100
February	7.08	11.53	7.10	162.4	100
March	7.36	11.38	7.10	160.3	100

Given the information contained in the various columns of the above table and remembering that the basis period, 1905 to 1914, always equals 100, with which current all commodities are compared in each case, it is easy to figure the ratio price given in the third column. The actual price given in the second column is merely put in for purpose of comparison. It is not used in any way in computing the ratio price.

Let us now compute a ratio price for hogs for March, 1924:

X equals the ratio price when determined.

$7.10 equals the pre-war basic commodity price, namely, the average price of hogs for the 10 years, 1905 to 1914.

160.3 equals the current all-commodities price for March, 1924.

100 equals the pre-war all-commodities price.

We now have the following proportion to solve:

X : $7.10 : : 160.3 : 100.

Multiplying the means, $7.10, by 160.3, and dividing by the extreme, 100, we get the ratio price of hogs at Chicago that the corporation would use from April 15 to May 15, namely, $11.38 per hundred, in event the monthly ratio period was decided on by the corporation for hogs.

The actual average price that did prevail during March at Chicago was $7.36, based on the average of light and heavy hogs. The prevailing price, of course, plays no part in the calculation of the ratio price. It is mentioned only to show how out of line the present price is compared with the 10-year pre-war average purchasing power.

We can now define very simply what the ratio price at which the corporation will buy is. It is that money price of a given basic agricultural commodity that will give a unit thereof the same purchasing power now in terms of all commodities as such unit had on the average in the 10 years, 1905–1914. In order for 100 pounds of live hogs to buy as much as they did then the price would have to be $11.38, not $7.36. The reason for this condition is obvious. The prices of other things have gone up out of proportion to the prices of hogs, wheat, and other farm products, particularly those we export to foreign countries.

For convenience the expressions "current all-commodities price," "pre-war all-commodities price," are commonly used. Of course, there is no such thing as a price of all commodities, but the idea to be conveyed is, nevertheless, a very definite one. If you could fuse the 404 commodities now included in the Bureau of Labor Statistics' wholesale price index, you would have a single commodity to which a price known as an "all-commodities price" might be assigned. The following table shows the groups included in the wholesale index, their importance in percentage, and the valuation in exchange based on the 1919 census:

Relative importance of commodity groups as measured by their wholesale computed value.

Group No.	Group name	Percentage of aggregate value of all commodities	Computed value
I	Farm products	26.80	$8,322,081,000
II	Foods	22.19	8,051,100,000
III	Cloths and clothing	9.48	2,944,360,000
IV	Fuel and lighting	17.37	5,391,300,000
V	Metal and metal products	7.61	2,357,094,000
VI	Building materials	5.28	1,914,067,000
VII	Chemicals and drugs	1.67	529,244,000
VIII	House-furnishing goods	3.35	1,044,975,000
IX	Miscellaneous	6.25	1,939,799,000
	Total computed value	100.00	32,494,089,000

MAINTAINING THE RATIO PRICE

The bill in effect says that any quantity of a basic agricultural commodity that must be removed from the domestic market in order to maintain the price at the level of the ratio price is export surplus. So the corporation goes into the domestic market and buys the commodity at the ratio price and thus maintains the domestic price and keeps it at the level of the ratio price.

The corporation exports and sells its purchases in the foreign markets at the best prices obtainable, or it may sell in the domestic market under certain conditions and for certain purposes.

If for any reason the corporation deems it advisable to have a basic commodity processed and then to export the processed products, or to have them exported, the law gives it power to do so. In such case it may sell the raw commodity to the processor at the highest prices obtainable, and he may be required to give a bond to insure the exportation or other agreed disposition of the processed commodity.

After a special emergency ends the corporation in winding up its affairs may sell either in the domestic or foreign markets, whichever will pay the highest prices.

POWERS OF THE CORPORATION

The corporation in the transaction of its business shall utilize, as far as it is possible to do so, existing facilities, agencies, and associations of producers. In order that it may be unhampered in its transactions, it is by this act given special powers. It is authorized to lease, maintain, and operate storage warehouses and facilities for the processing of agricultural commodities. In functioning through mills, elevators, packing plants, and other facilities it may make such agreements and enter into such contracts as are necessary for the transaction of its business. The corporation may make advances to any person, provided the notes, bonds, or other evidences of indebtedness are properly secured by warehouse receipts, shipping documents, or other adequate securities.

It is given such powers as are necessary to conduct in accordance with approved business methods the business of trading in basic agricultural commodities.

EQUALIZATION FEE—PURPOSES

It is intended that in the operation of this act the producers who are the ones benefited by its provisions shall pay the losses and the expenses of the corporation. In order that the producers may pay ratably their equitable share of the losses and the expenses there is created what is known as an equalization fee. This act provides what shall constitute a sale of each basic agricultural product. It also provides what shall not be a sale under this act. We seek, as far as possible, to exempt trading among farmers from the provisions of this act.

AMOUNT OF FEE—HOW DETERMINED

The corporation is required to make a careful estimate of export surplus of each basic agricultural commodity, the probable losses from the export of each commodity, and the estimated expenses of the corporation. It shall ascertain the standard unit of weight or measure by which each commodity is sold or traded in and make a careful determination of the amount to be collected from the sale of such unit. The amount thus determined is the equalization fee. The amount of the equalization fee of each commodity when determined shall be published in each terminal market.

EQUALIZATION FEE—HOW COLLECTED

The corporation is directed by this act to collect under such rules and regulations as it may promulgate the equalization fee due in respect to the basic agricultural commodities. The corporation is authorized to enter into agreements or make contracts with any individual purchaser or any agency of trade or commerce, and the corporation may call to its assistance any executive department of the Government in the collection of this fee.

In the main this fee will be collected by or through the purchasers of the various commodities. The act requires that a receipt be given to each producer, and this receipt will be evidence not only that he has paid the fee, but at the end of the year, if the corporation finds that it has accumulated a surplus in the fund of any commodity, this receipt will show each producer's participating interest in that fund. The corporation is given broad powers in collecting from the producers of the country these equalization fees so as to meet the losses and expenses of the corporation, and is at the same time given authority to redistribute equitably to the producers any surplus in any fund.

EQUALIZATION FUND—DIVIDENDS

The corporation is required to keep a separate equalization fund in its treasury for each basic agricultural commodity, into which the proceeds for the respective commodity shall be deposited.

The corporation is directed to distribute ratably any balance remaining in any of these funds to the persons by, or on account of, whom such equalization fees have been paid.

ADJUSTMENT OF IMPORTS

The purpose of this act is to provide a means whereby the producers' prices of basic commodities are increased. When this is accomplished, we do not propose to allow the farmers or the handlers of farm products of other countries to come in and take advantage of the high prices of the American farmer. Provision is therefore made in the act which will permit the President to increase the duty on basic agricultural commodities whenever necessary, or to exclude during the emergency the importation of these commodities.

INFORMATION FOR PRODUCERS

The corporation shall cooperate with and encourage the formation of associations of producers. It shall keep producers informed, as far as possible, of world-wide production of basic commodities and shall impress upon them the evil results which may follow from overproduction in our own country.

PENALTY SECTIONS

The last few sections of this bill contain the penalty provisions which were thought necessary by the committee to prevent violations of the act.

CONCLUSION

In conclusion I may say that the McNary-Haugen bill has been discussed far and wide throughout the country for the past three months. Much has been said in opposition to it by editorial writers in our large daily papers and in pamphlets sent to Members of Congress. A careful reading of many of these editorials and pamphlets by anyone at all acquainted with the provisions of this bill will disclose the fact that the writers thereof had not given careful study to the measure before setting forth their views thereon. I sincerely hope that the new bill presented to this House will receive fair and courteous consideration by everyone. I know that that kind of treatment will be accorded it by Members of this House. Let us hope that the same fair and courteous consideration will be given this proposed legislation by the press and by all others, even though they may be opposed to its enactment.

Mr. AYRES. Mr. Chairman, I yield the remainder of my time to the gentleman from Nebraska [Mr. HOWARD].

Mr. HOWARD of Nebraska. Mr. Chairman, if I should forget all I intend to say, may I now ask permission to extend my remarks in the RECORD?

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOWARD of Nebraska. Mr. Chairman and gentlemen of the House, I secured from my kindly manager a little time here this afternoon to speak on a rather serious subject. Oh, but how may I speak seriously, following the soulful conversation of the gentleman from North Carolina [Mr. ABERNETHY], and then having been translated into the ethereal zone, almost, by the whispered eloquence of my friend from Louisiana [Mr. O'CONNOR]? Having been drawn so far away from sordid things I feel that I ought to speak just a little about that wonderful Nebraska of mine. I grant that all is true that the gentleman from North Carolina has said about his wonderful Carolina, and I know that all is true that the gentleman from Louisiana has said about the Mississippi River, and the mouth of it particularly. What may I tell you about my own Nebraska? Aside from its women, I think the most beautiful thing in Nebraska is a prairie sunset. Did any of you ever see a prairie sunset in Nebraska? Oh, you have seen them in other places, but I want to know if you have ever seen a real prairie sunset. I have never been privileged to travel over the seas. I do not know what visions an artist beholds when he views an Italian sunset. I have never seen anything of that kind. I have never been privileged to see the great orb of day sinking into the limpid waters of the Mediterranean, but I have seen a Nebraska sunset, and I know what a Nebraska dreamer sees sometimes when he views a Nebraska sunset, more beautiful than any other clime has known. I remember particularly one sunset there. The great orb of day was flooding the landscape with a radiance of unspeakable beauty. I tried to count the colors in that sunset. Did any of you ever ask yourselves how many colors God hangs in the sky when he paints a beautiful sunset? I tried to count the colors.

I could not, but I made a wonderful discovery. I made the discovery that there is in that sunset I beheld colors sufficient to bear to me every fragrant flower from my own conservatory of memory. Sometimes I saw the peach-blush bloom on the cheek of my boyhood sweetheart, and often I saw the golden gleam of my true chum's friendship, and sometimes I saw or thought I saw the carmine tint of holy mother love. I could not surely count the colors, but there they were in number sufficient to plead with me more earnestly than orators' words or authors' lines to struggle along the upward way, with promise sure that at the end of the journey it may be my privilege to behold upon the horizon of Paradise another sunset, and in the radiance of it to count the colors of a welcome smile.

My friends, I would much prefer to talk along the lines which lift me off the floor rather than to talk along the sordid lines which hold me close to earth, but I have a mission to perform here and right now, and that mission is to call attention to a sad situation and to try to carry to you and to the country a knowledge of the blame for that situation.

My friends, we came here, every Member of this House, I think, nearly six months ago with a firm knowledge of the fact that the instant need of our country was some sort of legislation to relieve distress in all the agricultural regions. We are here to-night, and we have not plowed one furrow in that direction. [Applause.] Many of you, perhaps, will recall that I

offered here yesterday morning a little resolution. You did not hear it read. Objection was made to the reading of it. Well, of course, that was all right, because the rules of the House do not permit it, except by unanimous consent. But I asked that unanimous consent be given in order that the contents of the little resolution might be conveyed to the ears of the House for its information. I did not attempt to take anybody by surprise. My friends on the administration side of the aisle often seem to anticipate that I am going to surprise them.

I do not like surprises myself, and I never try to surprise anybody; and so in the effort not to surprise anybody I had borne a copy of this little resolution to the ear and to the eye of the generalissimo on the staff of the administration leader, the leader himself being absent for the moment, and he told me that, however much he loved me, he would have to object to its reading. That is all I asked. I asked permission then that it might be read by the Clerk. May I ask that same permission now, Mr. Chairman?

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to extend his remarks by including——

Mr. HOWARD of Nebraska. Oh, no; by having it read right now——

The CHAIRMAN. To have read from the Clerk's desk the resolution that he offers. Is there objection?

There was no objection.

Mr. HOWARD of Nebraska. He can read it more distinctly than I.

Mr. LONGWORTH. I am afraid my friend's voice is giving out.

Mr. HOWARD of Nebraska. Oh, no. My voice is so softened by the lilting tones of my literary friends preceding me that I can not speak as harshly as I should upon the mission of my resolution. [Laughter.]

The CHAIRMAN. Without objection, the Clerk will read the resolution.

The Clerk read as follows:

House Resolution 273

Whereas the probable date for adjournment of the present session of the Sixty-eighth Congress is now a subject for daily discussion among the Members of this House, not open discussion upon the floor, but privately, in the cloakrooms and hotel lobbies; and

Whereas the generally admitted chief need of the country—legislation to relieve the ills of agriculture—has not been in any wise accomplished by the Congress: Therefore be it

Resolved, That it is the sense of this House that the problem of fixing a day for final adjournment shall be held in abeyance until the prime problem of the hour—legislation to relieve distress in agricultural zones—shall have been accomplished by legislative enactment.

Mr. HOWARD of Nebraska. I thank you.

Mr. BLANTON. It never would adjourn.

The CHAIRMAN. The time of the gentleman from Nebraska has expired. The gentleman from Minnesota has one minute remaining.

Mr. DAVIS of Minnesota. Mr. Chairman, I will yield that one minute to the gentleman from Nebraska.

Mr. HOWARD of Nebraska. No. I was perhaps too long in speaking. My leader was very magnanimous with me. That is very sweet of you, but I do not need it.

Mr. DAVIS of Minnesota. Mr. Chairman, I yield to the gentleman from Washington [Mr. SUMMERS] one minute.

Mr. SUMMERS of Washington addressed the committee, and asked permission to extend his remarks in the RECORD.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD by including the matter suggested by him. Is there objection?

Mr. HOWARD of Nebraska. Reserving the right to object, will the gentleman kindly tell us whether the argument is in favor of agricultural legislation?

Mr. SUMMERS of Washington. It is. It is the strongest appeal I have heard.

Mr. HOWARD of Nebraska. I will do anything I can to help my friends on the other side, and so I withhold objection.

Mr. BLANTON. Reserving the right to object, Mr. Chairman, although I will not object, I do not think the gentleman ought to state that that is the Democratic standpoint. I do not know of any one man in the United States who is now authorized to discuss any subject under that category.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. SUMMERS of Washington. Mr. Chairman, I desire to bring to the attention of Members the best discussion of the situation of agriculture throughout the United States that has come to my attention. This is captioned "Agriculture is dying." It is from the publisher of the Missouri Farmer. I want to bring it especially to the attention of our friends on the other side of the aisle, since the author of this article is Mr. William Hirt, one of the leading Democrats of the State of Missouri. He discusses some of the features of the McNary-Haugen bill from the Democratic viewpoint. I ask the privilege of extending my remarks by inserting a part of this in the RECORD.

The matter referred to is as follows:

AGRICULTURE IS DYING

[An open letter from the publisher of the Missouri Farmer]

It may be said that the one and only purpose of the McNary-Haugen bill is to place the farmer on an even footing with organized industry and labor and to have the Government do for him in these premises what in his present unorganized condition he is not able to do for himself!

IS THIS LEGISLATION NECESSARY

No doubt the first question the average Member of Congress will ask himself is, "Is this legislation necessary—is the condition of agriculture so desperate that Congress will be justified in a time of peace in taking a step as far-reaching as the one contemplated in this act?" And as one who is, as you know, quite intimately acquainted with agricultural conditions not only in Missouri but in other of the great Corn Belt States, my unequivocal answer is that it is. In fact, I will go further and say that American agriculture is to-day facing the greatest crisis in its history; and even if the McNary-Haugen bill is passed, thousands of farmers will be sold out by the sheriff and hundreds of country banks that are considered solvent to-day will close their doors before aid can possibly come from legislation or from any other source.

And in saying this I need only point to the foreclosure sales on farms and the great number of banks that have gone upon the rocks in the great farming States during the last two years. Here in Missouri—one of the greatest agricultural States in the Union—we have thousands of farms that have been abandoned during the last three years because their owners could not rent them, and thus despairing of what they considered a hopeless and useless struggle they turned them over to the mortgage holders and moved to some town or city in the hope of getting hold of some of the "easy money" which has been so plentiful in these quarters since the time when the World War reached its crest.

"What is the trouble?" you ask. Fundamentally, it is very simple. When the World War came to an end, and when the frenzied demand for the surplus food products of this country ceased, the American farmer was suddenly thrown back completely upon the world markets; and thus for the last four years the price of American wheat, pork, beef, and other surplus farm products has been determined, not on the basis of the American farmer's production costs, not on the basis of our so-called American "living standards," but purely on the basis of the competitive value of these commodities in Liverpool and in other world clearing ports where the peasant and peon farmers of the four corners of the earth dump their yearly surplus. And these world price levels govern not only with reference to our surplus but they fix the price of these commodities in our home markets; and thus we have the remarkable situation where the daily wage of a bricklayer or plasterer during 1923 equaled the value of an average acre of wheat or of a 230-pound hog which it took seven months of the farmer's care and feed to produce. Mind you, I am not saying that the bricklayer or plasterer should accept less, for this precipitates a question which I do not care to discuss at this time. I am merely citing the cold facts as they are and why there is serious trouble out at the "crossroads."

On the other hand, while the conclusion of the World War suddenly threw the farmer back completely upon the world markets, both industry and labor, which are powerfully organized, were able for the most part to "hold their first-line trenches"; and thus to-day industry is fighting its battles from behind the great protecting walls of the Fordney-McCumber Act, while labor has not only held to most of the advantages it obtained during the war but in the aggregate I think I am safe in saying that the Nation's pay rolls have been increased to the extent of hundreds of millions of dollars since the armistice was signed, and this isn't taking into account the tightening up of our immigration laws. And thus the American farmer finds himself between two fires: On the one hand, the selling price of his commodities is determined by the peasant and peon farmers of the wide universe, while on the other hand his living and production costs are determined under the highest merchandise values, freight rates, and taxes ever known in this country and under the highest wage scales that obtain in any nation in the world. And thus, like a great ship, American agriculture is being pounded to pieces on the reefs of low world price levels; and in these premises one of two things must happen: Either industry and labor will have to reduce the cost of their wares and service to the level of the farmer's living and production costs or, as certain as the sun shines above, the destruction of agriculture will follow.

IS THIS MEASURE "WORKABLE"

Already, as was to be expected, the critics of this bill say it isn't "workable" for a thousand different reasons, more or less. But why is it necessarily not a practical proposal?

When a governmental agency takes the surplus wheat, pork, or beef out of the domestic markets and fixes a definite tariff which will protect these commodities against the importation of cheaper similar commodities from the outside, then why will not such a tariff fix the domestic price? From time out of mind our great manufacturing enterprises that enjoy protection have charged a price within the United States, up even with the tariff wall—and when the export price lost them money they curtailed their output. But the farmer has never been able to "collect the tariff," because, unlike our great manufacturers, he is not in position to concentrate his selling—he is not in position to separate those of his commodities which are consumed in the domestic markets as against those which are exported, and therefore a tariff on wheat or other surplus farm commodities is as meaningless to him under existing conditions as the number of spots on the sun. And under these circumstances the fixing of tariff duties on surplus farm commodities has been nothing less than a ghastly political joke. Nor is the farmer in position to abandon the production of a surplus, as are our great manufacturers, first, because droughts, floods, and insect pestilence may disastrously affect his acre yields, while disease may devastate his flocks and herds. Again, with no organization or central directing force, about all our 6,500,000 farmers can do is to use their own best individual judgment, whether with reference to the production of grain or livestock.

But that a tariff can be made 100 per cent effective when the surplus of a given farm commodity is taken out of the domestic market, of this there is not the slightest question; and therefore we come back to the proposition which I made before, namely, that under this bill the Government would assist the farmer in doing what he is not now in position to do for himself.

And, furthermore, the Government can do this without the loss of a single penny. To illustrate let us assume that the world price level on No. 2 wheat will be $1 per bushel f. o. b. Chicago on July 15 of this year. Unless the McNary-Haugen bill or a similar measure is passed, this is all the wheat grower could hope to receive under any circumstances. But if the "ratio price" established by the proposed export commission should say that No. 2 wheat is worth $1.50 per bushel f. o. b. Chicago, then the farmer would receive this amount less his proportionate loss on the exportable surplus and the expense of the export corporation. To illustrate further, suppose we produce 800,000,000 bushels of wheat during 1924, and that 600,000,000 bushels of this is required for home consumption, leaving 200,000,000 bushels for export; next let us assume that the "ratio price" within the United States is $1.50 per bushel while the world price is only $1 per bushel, thus representing a loss of $100,000,000 on the surplus, and this loss charged up against the domestic price would mean a reduction of approximately 17 cents per bushel; next, in order to play perfectly safe, let us assume that it will cost 3 cents per bushel to operate the commission, or a total charge off of 20 cents per bushel, which would still leave the wheat grower 30 cents per bushel "ahead of the hounds" at the end of the equalization period as against existing conditions.

And now here occurs the most serious difference of opinion I entertain against the McNary-Haugen bill; instead of attempting the issuance of "scrip" as a means of finally clearing up the transaction I would simply require the elevators, mills, and grain buyers throughout the country to keep a record of the amount and grade of wheat purchased from each grower and then as soon as the loss on the surplus and the costs of operation had been ascertained I would pay the balance due in the form of a patronage dividend.

And while I am stating my opinion on this phase of the matter in very general terms, I have no doubt that it could be worked out—and thus the final windup of the whole matter would be that the farmer would receive a "ratio price" based on the all-commodity price, less his share of the loss on the surplus and costs of operation and the Government would not have lost a cent in the transaction. Therefore why isn't the plan "workable?" And why can not the commission and the packers arrive at a similar arrangement on pork and beef? And why can not the millers and packers of the country adjust themselves to this kind of a program if they really have a desire to do so? In the meantime, our choice lies between trying to make the thing "workable," or sending agriculture to certain destruction. There is no other alternative!

Moreover, those who insist that this bill is not "workable" ought to get busy and bring forth some other measure that is, for certainly agriculture has a right to expect something more than a mere "dog in the manger" attitude from them. If they think the farmers' present cry for help is unwarranted—that actual conditions have been overdrawn—then let them have the courage to say so frankly. But if they do not desire to assume this attitude, if they do believe that something needs to be done, then let us remember the old saying that, "where there's a will, there's a way!"

The suggestion that the Government may under this bill invest "billions of dollars" in packing plants, warehouses, etc., is to me the purest claptrap. My personal view is that the commission should not invest a single dollar in such facilities and if there is any doubt on this score as the act now stands it should be amended and made "fool proof" in this respect—for why acquire such facilities when they are already in existence and when all that the owners have a right to expect is fair compensation for their use?

AS TO "PRICE FIXING"

I am perfectly aware that this measure is being assaulted on the theory that it is "price fixing" and also that it seeks to "defy the law of supply and demand." But when a great manufacturing industry demands a tariff which shuts out foreign competition and when it then proceeds to collect a price in the home markets up even with the tariff wall which surrounds it (often selling for less in the foreign markets)—in Heaven's name, what is this but "price fixing" and in such premises what becomes of the sacred law of supply and demand?

And likewise when the great labor unions through their organized might demand and enforce the payment of stipulated wage scales, again what is this but "price fixing"—and what chance has the farmer who stands at the end of the line to escape these superimposed burdens which come down to him in the form of inflated prices for farm implements, building materials, clothing, dry goods, shoes, transportation rates, etc.? For he is the "Jones" who "pays the freight"—he is the fellow to whom everybody else "passes the buck" and who can not pass it on to anybody else.

Therefore what is the fairness of raising our hands in virtuous horror at the idea of "price fixing"? What is the fairness of delivering profound platitudes about the law of supply and demand—a sacred white ox that departed "to where the woodbine twineth" for lo, these many years? And when I say this I do not concede that the McNary-Haugen bill is a "price-fixing" measure as that term is generally understood. On the contrary, it merely seeks to establish a fair "price ratio" between certain great basic surplus farm commodities and the current cost of living which forms the inevitable basis of the farmer's production costs.

And again let me say that I am not pronouncing an indictment in these premises against the Fordney-McCumber Act nor against the wage scales of organized labor, regardless of what my views concerning them may be, were they under discussion on their merits. What I am trying to do is to show that through the exactions of these forces the farmer is confronted by a "condition and not a theory"—that while he himself is helplessly chained to the world-wide law of supply and demand, there is no such animal, so far as American industry and labor are concerned—and there isn't an intelligent or fair-minded student of economic conditions in this country who doesn't know that this is the simple truth.

As the sorely perplexed farmer realizes that the purchasing power of his dollar (as expressed in the fruits of his toil) has been knocked into a cocked hat, and when he thinks of the fact that it takes $2 of his money to pay off an old debt, while industry and labor can still retire their obligations on an even basis—in these circumstances when supercritical gentlemen prattle about the law of supply and demand, let them not believe that they are fooling the farmer who knows perfectly well that he is getting the "hot end of the poker" and who is pretty apt to demand an accounting from those who continue to make him do it.

"WORKING ITSELF OUT"

This chatter that we should not seek to "defy the law of supply and demand" comes chiefly from the boards of trade and certain big grain exporters who pose as "experts" in these premises. Of course, the boards of trade don't want dealing in futures interfered with, for this is one of their chief sources of income. And, even so, certain eminent grain exporters don't want a commission to step in and perform functions which, under existing conditions, are a source of great profit to them—but if the time has come when Congress must make a choice between these gentlemen and the preservation of American agriculture, should it find that choice very difficult?

These same critics who prattle about the inviolability of the law of supply and demand say that the farmer is the victim of "natural causes" and that "everything will come out all right if we will only be patient," etc. And if Congress takes them at their word, it will do so at the peril of the whole Nation. For where is there a sane man who believes that either industry or labor will or can submit to a deflation during the next two or three years that will bring them down to a level with agriculture? And remember this is the issue—to assume that "everything will come out all right for the farmer" is predicated upon the idea that just as the peon and peasant farmers of the wide universe are fixing the price of American farm products at home and abroad, that in a like manner the American manufacturer and the American workingman will consent to get down on an even basis of remuneration with the manufacturers and workingmen

of Germany, France, and England. And I believe you will agree with me that if such a suggestion were seriously made it would produce a riot in industrial and labor circles within 24 hours.

LIVING IN A FOOLS' PARADISE

Since the armistice was signed our cities have been living in a sort of fools' paradise—in other words, we have been speeding on the "gas" that we inherited from the World War period during which time construction work of all kinds had largely ceased and also the rolling stock of our great railroad systems was so nearly shot to pieces that hundreds of millions of dollars had to be spent for its rehabilitation—and this isn't saying anything about the enormous amount of other repair work that had to be done. And thus things have been going along as merrily as a marriage bell, and we have paid little attention to the tragedy that is taking place out at the "crossroads" and which is becoming more serious with each passing day.

But during recent months there has been a perceptible slacking up in business circles, and there is every indication that we will soon "catch up with the hounds," if, in fact, we have not already done so—and the reason is that the American farmer is out of the game, as in truth he has been for the best part of the last four years. In other words, he is out on a "buyers' strike," not because he wants to be—not because he doesn't need billions of dollars worth of new building materials, farm implements, fencing, etc., but because since the deflation following the war struck him his one thought has been to keep his farm from falling into the clutches of the sheriff, and therefore interest and taxes have had his first consideration.

Of course, the passage of the McNary-Haugen bill will somewhat increase the cost of the commodities it touches, such as bread, pork, beef, etc., and yet if the handlers of these commodities do not use this measure as a profiteering pretext, then that increase will not amount to enough to seriously affect a single family in the country, for our so-called "high cost of living" comes, not from food costs, but from the output of our mills and factories.

In the meantime the fact that the American Federation of Labor has sent some of its leading representatives to the Agricultural Committees to urge the passage of the McNary-Haugen bill should be a tremendous eye opener to every Member of Congress. And back of this action are three exceedingly pertinent reasons—first, having compelled the passage of the Adamson law during the war, labor knows that it has greatly benefited by specific congressional action, and this isn't saying anything about the favors it expects to continue to receive with reference to the matter of immigration; second, it knows that if it expects to continue to enforce its present exceedingly generous wage scales, then the 40,000,000 people who reside on our farms must be placed in position to once more become aggressive buyers of merchandise, and, lastly, it realizes that if farmers continue to flock to our great industrial centers by the tens of thousands the soup house will be the final answer and that this time is not far away.

EMBARRASSING TO A DEMOCRAT

And now I have no doubt that the average Democratic Member of Congress who is deeply grounded in the old idea of a "tariff for revenue only" will find some difficulty in reconciling himself to a measure which so strongly invokes the principle of protection—but like the farmer we are confronted by a "condition and not a theory" in these premises. In the past, or before the World War, no one believed more steadfastly in the historic position of our party on the tariff than I did—and in proof of this I wrote from beginning to end the last Democratic platform adopted in this State under the old delegate convention system (in the latter part of the Folk administration), and I doubt whether the party ever gave out an expression in Missouri that contained a more deliberate arraignment of the protective system.

But the World War has changed many things and even if Democrats were in undisputed power in Congress to-day I doubt very much whether we would have the hardihood to place the country upon a purely "tariff for revenue only" basis—and I say this because with our inflated wage scales I seriously question whether American industry is in position to hold its own against the low wage scales of Germany, France, England, and other foreign countries at this time. In other words, it is going to take time for both industry and labor to get down off the high horses they are riding, even should they honestly and earnestly strive to do so and for the time being therefore it may be the part of practical wisdom to regard the Fordney-McCumber Act as more or less of a necessary evil. And by this I don't mean that it does not contain many iniquities which should be eliminated at the first opportunity.

And this makes the situation from the farmer's standpoint appear all the more alarming to me—the fact that if agriculture is to live, the farmer must be provided with a dollar of as great purchasing power as the dollar of industry and labor (which is the basis of his production costs) and the deep-seated conviction that, considering the manufacturing profit margins and wage scales of Europe, American industry and labor will not and in fact can not place themselves on a level with our foreign competitors at this time. Therefore it brings us back to the starting point—namely, that if agriculture is to be preserved, then either the price of farm commodities must be raised or the wares and service of industry and labor must be brought down to a level with them—and the latter hope seems to me an idle dream for some years to come!

Therefore as a Democrat I would take the position that so long as industry and labor are beneficiaries of the protective system, the farmer is entitled to his share of the spoils—and I would demand that if the Republicans think so, they make it more than an idle farce—that having given the farmer a tariff, they make it possible for him to collect it! And in these premises let me say that the McNary-Haugen bill is the "acid test," it is the greatest challenge to the sincerity of protectionists in the history of Congress!

AMERICAN AGRICULTURE IS DYING

Never in my humble opinion has Congress been confronted (in times of peace) with a question more profoundly grave than the one that is involved in the McNary-Haugen bill. If the measure is defeated, there will be no loud outcry at the "crossroads"—for the "crossroads" has long since grown accustomed to being told that its pleas are "impractical" for one reason or another and therefore with stoical resignation it will accept its fate, whatever it may be. But in the meantime, the sheriffs' sales will multiply, country banks by the hundreds during the next two or three years will close their doors and the steady stream from the farms to the towns and cities will continue—make no mistake on this score, for the rising and setting of the sun is not more certain!

And if Congress believes that we can safely run the gantlet—if our great captains of industry and our eminent bankers think they can keep our mills and factories in full-time operation and that the buying power of the 40,000,000 people who reside upon our farms is no longer necessary to this end—if they believe that our railroads can pay the present price of fuel, steel, and labor without hauling merchandise out to the "crossroads," as well as grain and livestock away from it—in short, if they believe that agriculture has ceased to be the great "basic industry" of the Nation and that it is no longer necessary in compelling favorable international trade balances, why, then perhaps the fate of the McNary-Haugen bill is of no great consequence! But let gentlemen make sure of their ground—let them be willing to accept the consequences if they have guessed wrongly.

And then there is another side to it. During recent years the tendency toward socialism and radicalism in our great centers of population has grown apace and it is from these realms whence comes evermore insistently the demand that the Government shall operate the railroads and the coal mines and that the decisions of the Supreme Court shall be subject to congressional review—and unless laughter and the joy of contentment is brought back to the "crossroads," unless the deadly decay which is eating its way deeper and deeper into the heart of American agriculture can be arrested in the not distant future, then instead of our myriad farm homes continuing to be the great bulwark against this ever-increasing tide of radicalism which they have been through all the years of the past, let no one be surprised if farmers shall be found in increasing numbers among those who are striving with might and main to destroy our venerable institutions of government which have made the history of the Republic as wonderful as an Arabian Night's dream. Under normal conditions the farmer is a wholesome conservative, intensely proud of his country, and a firm believer in individual effort and responsibility—in fact the latter tendency is chiefly responsible for his present condition of helplessness. But the farmer is also human and as he contemplates the contentment and comparative luxury of those who fix his living and production costs and who seem to have no great difficulty in obtaining the ear of Congress, who will blame him if he voices the pitiful plea of Shylock, "If you tickle us, do we not laugh? If you prick us, do we not bleed?"

If the Republic of Washington and Lincoln is to remain anchored to its moorings in the years to come—if the sinister prophecy of Carlisle is not to be fulfilled—if in the future, as in the past, the farmer is to remain a wholesome "balance of power," who will say "Hands off" to those who would destroy the glorious handiwork of the fathers—then let Congress lose no time in directing its attention to the tragedy that is taking place out at the "crossroads," for as certain as God reigns above, American agriculture is dying!

CONGRESSMAN RAINEY'S OBJECTIONS

The files of old Egypt were not more numerous than the objections raised against the McNary-Haugen bill by Congressman HENRY T. RAINEY, of Illinois, in a letter to S. H. Thompson, head of the Illinois Agriculture Association, and I shall therefore endeavor to answer only the more pertinent ones:

No. 1. "Will not the 'scrip' bring about an 'expansion in our currency' and increase our 'circulating medium without increasing our gold base'?"

Answer. The "scrip" should not affect our circulating medium in the slightest degree, for in substance it is nothing more than a "due bill" upon which a future dividend will be declared, and if there is any

doubt on this score because of the present wording of the bill, it should be amended. Surely it is not intended that the "scrip" shall be "circulating medium."

No. 2. "Do you think farmers will be satisfied with 'scrip'?"

Answer. Well, in view of the fact that they will be just that much "ahead of the hounds"—that the "scrip" or whatever is decided on will pay them the difference between the "ratio price" and the world price, less the loss on the surplus and the commission's costs of operation, certainly they shouldn't raise any "kick" on this score.

No. 3. "Will it not make it necessary for the Government to slaughter food animals and to invest in packing plants, stockyards, etc., involving perhaps an 'expenditure of billions of dollars in railroad switches, terminals, refrigerator cars, warehouses, etc., etc.'?"

Answer. No. Why should the commission invest a single dollar in these facilities which are already in existence? All on earth the bill seeks to do is to require existing agencies to operate under the "ratio price." If the intention was to have the Government finance such facilities and to build up an enormous pay roll, I would be against it unqualifiedly.

No. 4. "Is it not time to keep the Government out of business as much as possible?"

Answer. You bet your life; and whenever you take it "out of business" in such premises as the Fordney-McCumber Act and with reference to tightening up the immigration laws, then perhaps farmers will not ask for legislation like the McNary-Haugen bill. But since this would be a horse of decidedly different color—since, in fact, Congress could possibly not safely do this at this time—in these circumstances hasn't the farmer a right to expect the Government to "go into business" as much for him as it already has for the other fellows?

No. 5. "Do you not think that in the end the farmer will become the greatest sufferer from its imposition, should it become a law?"

Answer. With the peasant and peon farmers of the world fixing his prices at home and abroad, how can it make the farmer a worse "sufferer" than he already is? And if a fair "ratio price" is enforced in the home markets, as I have already said, won't he be just that much "ahead of the hounds"?

No. 6. As to Mr. RAINEY'S reference to wool and cotton and how to apply the "ratio price" to meat products, and the charge that it is only intended to help the wheat grower, I have already covered these points in my answer to Congressman ANDERSON'S objections.

No. 7. "Isn't it time to ask what benefits farmers have received from the alleged remedial legislation demanded by the farm organizations, etc.?"

Answer. Well, the organizations have demanded very little specific legislation, and about all Congress has done is to expand credit facilities, and what the farmer wants and needs is not additional credit so much as prices that will enable him to pay debts and to buy sorely needed merchandise.

No. 8. "Has the farmer benefited by the protective tariff Congress has given him on practically everything he produces?"

Answer. Not so that you could notice it with an ordinary magnifying glass. On a commodity like wool, of which we only produce about half enough to supply our home needs, it "brings home the bacon," while on such surplus commodities as wheat it is a delusion and a snare; and all farmers, as well as most Members of Congress, know this.

No. 9. "I notice hogs are going up on the Chicago market. Is this due to the protective tariff, inasmuch as there is no protective tariff on hogs?"

Answer. No; the tariff has nothing to do with it. The heavy winter runs are over, and most likely the packers are "stiffening" the market so as to unload the hogs purchased at a low price and which are stored away in their coolers, at a good profit. This is one way the big packer has of collecting a "ratio price" of his own.

No. 10. "Would it not be advisable (for farmers) to advocate a reduction in the tariff on all articles the farmer buys?"

Answer. Well, why not try it out on the dog? Why not put it up to the industries which only a few short moons ago insisted that the Fordney-McCumber Act was the only thing that could save them from destruction? Very likely they would say that to place them on the world price level, along with Germany, France, England, and other foreign countries, that this would put them out of business—and no doubt there would be much justice in this contention. But if this is true, then how can Congress expect the farmer to exist on the world-price level and carry protected industry and organized labor on his back, to say nothing of enormously increased taxes?

No. 11. "How will the 'ratio price' be reflected back to the farmer through the local elevator?"

Answer. I would say that the local elevator would pay the farmer cash in hand such a part of the "ratio price" as would put the commission safe on the loss on the exportable surplus and its costs of operation, and then later on it could authorize the elevator to pay the remaining dividend when the season's business had been wound up.

No. 12. "Is there any authority in the bill by which the miller can be indemnified against possible loss?"

Answer. If the "ratio price" is applied to seasonal periods in the home markets, it will be a "lead-pipe cinch" for the miller, for then there will be no occasion to "hedge." As to export flour, this will have to be equalized on the world-price basis, just as export wheat itself; and it won't make any difference to the commission or to the farmer as to the form in which the surplus is gotten out of the country.

No. 13. "How many employees will there be?"

Answer. There ought not to be very many, if the law is applied so that existing private agencies can perform its functions.

No. 14. "Can you point to any method so far adopted by this Government in the matter of controlling food prices which has been successful?"

Answer. You bet! During the World War the Government fixed the price of wheat at $2.26 f. o. b. Chicago, and it held it there, despite the fact that the price in Europe was as high as $4.50 per bushel.

No. 15. "Is it not true that the only way to maintain a price is to have a buyer willing and able to take everything offered at the price specified?"

Answer. Under existing conditions the American consumer is buying the farmer's food commodities on the basis of the world-price level, while in turn the farmer's living and production costs are determined by our so-called "American living standards," which were created and which are being maintained by organized industry and labor, and the farmer has no choice except to "dance to the music." And under the McNary-Haugen bill the consumer would have to "dance to the music" also; he would have to pay the "ratio price," while the surplus would continue to be dumped onto the world market. If the farmer has nothing to say about the cost of merchandise, freight rates, etc., then why should the consumer have any greater immunity with reference to the price of farm commodities? Why shouldn't he be fair, and who has any right to assume that he doesn't want to be fair?

No. 16. "What is a Member of Congress to do when two agricultural organizations—equally important and equally interested—reach absolutely different conclusions?"

Answer. Except for some of the smaller units of the wheat growers, there is no appreciable disagreement over this matter—the Farmers' Union and the American Farm Bureau Federation and other of the leading farm organizations are for it—in fact never before have the farm organizations been in as complete agreement as they are in demanding the passage of this bill or a similar one that will accomplish its purpose.

No. 17. "Would not the McNary-Haugen bill put the Federal Government actively into the grain business?"

Answer. The only difference between what the Government would do for the farmer under this bill and what it has been doing for industry for years under the protective system is that it would make the tariff mean something for agriculture—after having given the farmer a tariff it would help him to collect it and it would do this without the loss of a penny! Therefore it is just as fair to say that the Government goes into the steel business when it gives steel the benefit of a tariff as that it is going into the grain business when it gives the wheat growers the benefit of a tariff—except that under this act it will go one step further and help the wheat grower to do what, in his present unorganized condition, he is not able to do for himself. Hence the real question is not whether the Government should take this extra step but whether the producers of wheat, pork, and beef really need this assistance! If they do, then why should the Government hesitate to make this assistance effective?

No. 18. "Do you not think the Russian experiment with its dead numbering over 7,000,000 ought to dissuade our people from proceeding in that direction?"

Answer. Good Lord—if it is half as bad as this, by all means kill the bill!

OBJECTIONS OF MR. ROBERTS, VICE PRESIDENT NATIONAL CITY BANK, NEW YORK CITY

In an able address delivered at the University of Ohio on February 6, 1924, Mr. Roberts made certain observations which may come to the attention of Members of Congress, and therefore I offer the following comment:

No. 1. Speaking against governmental "price fixing," Mr. Roberts among other things said: "There is no remedy for the situation except by reducing the production of wheat. Any form of Government aid, such as price fixing above the market, which has the effect of inducing farmers to continue wheat growing on the present scale would be a mistake, because wheat growing on this scale is not needed."

Answer. The farmer isn't kicking on having to accept the world price on the yearly surplus of 150,000,000 or 200,000,000 bushels—what he is sore about and what he has a right to be sore about is having to accept the world price on the 600,000,000 bushels that are ordinarily required to supply bread for the consumers of the United States. And with the uncertainty of acre yields because of flood, drought, winter killing, and insect pestilence how is the farmer to plan a wheat crop that will exactly meet our national needs?

But remember that under the McNary-Haugen bill the "ratio price" will merely apply to domestic consumption and from this price will be deducted the loss on the surplus and the commission's

costs of operation. Therefore the surplus is not an issue; the issue is, Is the American wheat grower entitled to a fair price for the bread he supplies to American consumers?

No. 2. "The remedy is simply for some of them to stop growing wheat and go into something else, or for them as a whole to scale down the production of wheat to such an extent as will bring the situation back into balance."

Answer. With 6,500,000 farmers scattered between the two oceans such teamwork would be extremely difficult, considering the farmer's present unorganized condition, for unlike the manufacturer the farmer can not regulate his production with exact precision. But for argument's sake, let us assume that such regulation had been practiced with reference to the 1924 crop and that we would produce a round 600,000,000 bushels, or just enough to supply our home demands; if this were true, let us suppose next that the spokesmen of the wheat growers would go to Congress and say, "You have extended protection to industry and labor with a generous hand, and turn about is fair play, therefore we ask that you give us a tariff that will make No. 2 wheat sell at $1.75 per bushel f. o. b. Chicago"—and could Congress consistently deny their plea and wouldn't this be "price fixing" with much greater vengeance than the McNary-Haugen bill has in view? The point I want to drive home is that if the wheat grower was in position to do what Mr. Roberts implies he should do, then he would ask Congress to "deliver"—to give him his "pound of flesh," and it could not consistently deny him!

But because the farmer is helpless; because he is forced to come to Congress with a plea rather than a demand; this is why he is told in substance, "We are sorry for you—we know you are in a mighty tight place—but we can't do anything for you."

Also it may be said if Mr. Roberts's advice is sound for the wheat grower, then it must be equally sound for the hog and cattle raiser, for the latter find themselves in an even worse position; and if these tens of thousands of farmers are to quit raising wheat, hogs, and cattle, then what are they to do? Would Mr. Roberts suggest that they take to raising peanuts, onions, and cauliflower? Well, these things don't grow very well in the Corn Belt, and anyway the country is already surfeited with them. Far be it from me to become facetious in these grave premises, and yet if out of sheer desperation these farmers go to raising h—— instead, let Mr. Roberts and certain gentlemen who dread the "ides of November" not be surprised! And in these premises I respectfully remind them of one MAGNUS JOHNSON!

No. 3. "If the Government is to guarantee a price for wheat, the natural question is, Why not for copper, cotton goods, and everything else?"

Answer. Well, if Mr. Roberts doesn't think as the song had it some years back that "Everybody's doing it," let him get hold of the Fordney-McCumber Act and also take a squint at our immigration laws—and last but by no means least, let him contemplate the present wage scales of organized labor.

No. 4. "One might think from much that is written on the subject that there was danger of general desertion of the farms unless artificial means of some kind were adopted to improve the returns, etc."

Answer. And this is exactly what is taking place at this very moment. As I have said elsewhere, thousands of farms here in Missouri have been deserted and thousands of others will be sold by the sheriff before aid can possibly come. Therefore if Mr. Roberts means that this fact might cause him to view matters in a more serious light, his change of front is in order.

No. 5, "The Government could not for long continue to buy and store such commodities upon terms that would encourage their production above the rate of consumption."

Answer. The farmer doesn't ask this. All the McNary-Haugen bill seeks to do is to maintain a "ratio price" in the home markets, letting the surplus bring what it will in the world markets, meanwhile charging the loss and costs of operation up against the said "ratio price"—and the only "buying and storing" the commission would have to do would be through the process of getting the surplus out of the country and in determining the amount of such surplus.

No. 6. "Finally, if the plan was workable at all, it would divide society into warring factions, emphasizing conflicting interests instead of mutual interests. It would be worse than socialism, for it would be syndicalism, the end of individual liberty and of reward for individual efficiency."

Answer. If it is as bad as all this, then why doesn't the protective system which can not be applied with scientific precision or equity "divide society into warring factions"? And even so, when through organized action our bricklayers and plasterers demand and receive two or three times as much per day as tens of thousands of school teachers, clerks, bookkeepers, etc., why doesn't this "divide society into warring factions"? What eminent business men like Mr. Roberts and the Members of Congress must do and do quickly is to get themselves "located" on agriculture. If it has ceased to be the Nation's great "basic industry"—if we can afford to let it shift for itself and still keep our mills and factories going and our railroads running, why, then all right. But let them make sure that they know what they are doing in these premises!

OBJECTIONS OF MR. ANDERSON

I now propose to briefly answer the criticisms of Congressman SYDNEY ANDERSON, which have been widely published:

First, Mr. ANDERSON says that the bill applies to flour, corn, cotton, wool, swine, cattle, sheep, or any of the food products of these commodities and then he doubts its practicability in these premises.

As to flour that is exported, undoubtedly the world price of wheat will have to be taken into consideration in behalf of the miller—and there is no reason why the difference between the domestic and world price can not be practically applied to export flour for the miller's protection. As to wool, he is correct when he says that we are an importing rather than an exporting Nation and this item should therefore be stricken from the bill, for the present wool tariff is 100 per cent effective. As to cotton, the future alone can tell whether an emergency should be declared with reference to it and therefore why not let the future decide? In any event, why not leave the door open if the cotton grower should need assistance? Manifestly any bill of this kind must apply to all the great staples of agriculture, should they be menaced in the world markets. With reference to corn, I am again inclined to agree with Mr. ANDERSON, not only because our corn exports are negligible but also the price of hogs and cattle very largely regulates the price of corn and would do so (in my opinion) almost absolutely under the operation of this measure. I do not, however, agree with him with reference to rye, oats, and barley, which are merly incidental and related crops.

Mr. ANDERSON next concludes that the bill is intended only to pull the wheat grower out of the hole and that the inclusion of hogs and cattle is for "political purposes only"—and if I thought so I would be against it. That its application to hogs and cattle will be more difficult than on wheat is undoubtedly true—and yet why should a commission made up of the Secretaries of Agriculture, Commerce, and the Treasury, together with the other able gentlemen whom it is assumed the President will appoint—why should not such a commission be able to reach a workable understanding with the meat packers of the country that will preserve a "ratio price" in these premises? At least why not try? In any case, we can not make things worse than they already are—for the farmer can not continue to supply the Nation's meat at a tremendous loss to himself and therefore the price must be raised by one means or another, if the meat producing industry is to live!

NEXT, Mr. ANDERSON concludes that to establish a "ratio price" between wheat (or any other farm commodity) and the all-commodity price is a "fundamental weakness"—that the "appropriate price for agricultural commodities depends upon economic factors, etc.," and of course this is the well-known red herring about the law of supply and demand—and the simple answer which I have already given is that the farmer can not continue to pay tribute to organized industry and labor according to their standards of value and then permit the peasant and peon farmers of the world to fix a price on the products of his toil.

This is the foundation of this bill and it can not be waived aside by producing a smoke screen of mere technicalities!

As to the charge that the operation of this measure will make the all-commodities price go up, I do not think so to any appreciable extent—first, because a fair "ratio price" chiefly applied to wheat and meats will not perceptibly increase the "cost of living" and, second, the fact that prominent labor leaders are championing the McNary-Haugen bill without "saving their exceptions" would indicate that they are willing to "stand the raise"—that they prefer to see the farmer get back in the buying game, rather than to welcome the coming of soup houses.

As to his conclusion that a "ratio price" is "absolutely unsound" and "unworkable," why is this true? Has not the farmer the right to receive a dollar for his toil of as great purchasing power as the dollar of those who determine his production costs and whom he therefore helps to sustain, and is not this the equilibrium which the "ratio price" seeks to establish? As to Mr. ANDERSON'S suggestion that the "ratio price" must be determined by anchoring it to certain great terminal markets, in this he is, of course, correct; but why not assume that the commission and the handlers of the commodities in question will be able to arrive at a "workable" understanding in this respect?

As to his statement that the commission would have to ascertain production "a year in advance," this would not be possible nor would it be necessary. With reference to wheat, once the crop is made we will know measurably where we stand, whether the exportable surplus will be around 200,000,000 or 150,000,000 bushels; therefore if the commission removes a safe quantity from the domestic markets through export channels, why should it not warehouse for the time being a sufficient additional quantity until it knows where it stands, and why should it not, through the aid of the great meat packers, pursue the same tactics with reference to pork and beef? I do not pose as an authority in these premises, but why assume in advance that practical problems of marketing are impossible of solution? The statement that we have different grades of wheat, hogs,

and cattle is of course true, but why should not the "ratio price" be applied accordingly?

As to Mr. ANDERSON'S objections to the issuance of "scrip," this I have already covered elsewhere. As to his statement that the purpose of the McNary-Haugen bill is as "old as history itself," this also is partially true, and the reason it is true is because for many years under the protective system the great industries of this country have made the farmer stand for this principle whether he liked it or not, and even so our workingmen have been and are at this hour protected against the so-called "pauper labor of Europe." Therefore, can anybody blame the farmer for also hankering after a little of the "pie"?

And, finally, his suggestion that it will lead to "overproduction"; in the first place every intelligent farmer will realize that this would "kill the goose that laid the golden egg," and also the commission is empowered to withdraw its support whenever the menace of overproduction becomes manifest with reference to any given commodity. In the meantime, to oppose the bill on this score is a good deal like advising a starving man against eating on the theory that he might die of indigestion!

Trusting that you will consider these views for what they may be worth, I am, with best wishes,

Sincerely yours,

WILLIAM HIRTH,
Publisher The Missouri Farmer, Columbia, Mo.

The CHAIRMAN. All time has expired. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1925, 40 per cent of each of the following sums, except those herein directed to be paid otherwise, is appropriated out of any money in the Treasury not otherwise appropriated, and all the remainder out of the combined revenues of the District of Columbia and such advances from the Federal Treasury as are authorized in the District of Columbia appropriation act for the fiscal year 1923, namely.

Mr. DAVIS of Minnesota. Mr. Chairman, I move that the committee do now rise.

Mr. CRAMTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CRAMTON. I was on my feet, prepared to offer an amendment to the first paragraph.

The CHAIRMAN. The gentleman can defer that until the consideration of the bill is resumed. The gentleman from Minnesota moves that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. TILSON as Speaker pro tempore having assumed the chair, Mr. GRAHAM of Illinois, Chairman of the Whole House on the state of the Union reported that that committee, having had under consideration the bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Speaker, in this morning's RECORD of yesterday's proceedings we find the gentleman from Texas [Mr. BLANTON] extended his remarks to the extent of 12 pages, 5 pages of which had been previously printed as committee hearings; and then again, without permission as I can find in the RECORD, 15 pages of advertisements taken from the issue of the Washington Star. I maintain that that is contrary to the use of the RECORD, and it is an expense of $1,042, estimated by the Government Printing Office. I maintain that that is an expenditure that the gentleman from Texas ought not to inflict on the House.

Mr. BLANTON. Mr. Speaker, I ask leave to proceed for half a minute.

The SPEAKER. The gentleman asks unanimous consent to proceed for half a minute. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, the gentleman from Massachusetts [Mr. TREADWAY] is entirely mistaken. "The gentleman from Texas" got leave to extend his remarks, and he extended them under that leave. That matter is as important a matter as is ever seen in the RECORD, because the Supreme Court will pay more attention to those advertisements of property for rent on the issue of emergency than to any part of the debate on the bill when they come to construe the language of the bill and the debates thereon.

Mr. TREADWAY. They do not need it.

LEAVE TO ADDRESS THE HOUSE

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes to-morrow, to discuss the question of the West Virginia mine disaster, and I wish to bring the matter to the attention of the country.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. LONGWORTH. Reserving the right to object, Mr. Speaker, has the gentleman consulted with the chairman of the Committee on Foreign Affairs?

Mr. ROBSION of Kentucky. It has no relation to that subject.

Mr. LONGWORTH. Except that the Committee on Foreign Affairs has the call to-morrow, Calendar Wednesday, and I understand they have a number of bills of large importance, and they might object.

Mr. ROBSION of Kentucky. It is only 15 minutes and it is a matter of great importance to the country. We are having so many great mine explosions and disasters that I want to bring just a few facts to the attention of the country which I have gathered from those who know. I think the people ought to know them and perhaps some of these explosions and disasters may be avoided.

Mr. LONGWORTH. I shall offer no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. TYDINGS, for five days, on account of important business.

To Mr. WINTER, for 16 days, on account of important business.

ADJOURNMENT

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p. m.) the House adjourned until to-morrow, Wednesday, April 30, 1924, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 466. A bill to amend section 90 of the Judicial Code of the United States, approved March 3, 1911, so as to change the time of holding certain terms of the district court of Mississippi; without amendment (Rept. No. 594). Referred to the House Calendar.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 6860. A bill to authorize each of the judges of the United States District Court for the District of Hawaii to hold sessions of the said court separately at the same time; with amendments (Rept. No. 595). Referred to the House Calendar.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 8657. A bill to amend section 98 of the Judicial Code, providing for the holding of the United States district court at Shelby, N. C.; with amendments (Rept. No. 596). Referred to the House Calendar.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 8711. A bill to authorize the consolidation and coordination of Government purchases, to enlarge the functions of the General Supply Committee, and for other purposes; without amendment (Rept. No. 597). Referred to the Committee of the Whole House on the state of the Union.

Mr. ABERNETHY: Committee on the Public Lands. S. 807. An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.; without amendment (Rept. No. 598). Referred to the Committee of the Whole House on the state of the Union.

Mr. SHERWOOD: Committee on Military Affairs. H. R. 3669. A bill to provide for the inspection of the battle fields of the siege of Petersburg, Va.; without amendment (Rept. No. 599). Referred to the Committee of the Whole House on the state of the Union.

Mr. PORTER: Committee on Foreign Affairs. H. J. Res. 248. A joint resolution to provide for the remission of further payments of the annual installments of the Chinese indemnity;

without amendment (Rept. No. 600). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBSION of Kentucky: Committee on Mines and Mining. S. 2797. An act to authorize the payment of claims under the provisions of the so-called war minerals relief act; without amendment (Rept. No. 601). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CABLE: A bill (H. R. 8956) to prevent corrupt practices in congressional elections; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. SUMMERS of Washington: A bill (H. R. 8957) amending sections 1, 2, and 14 of an act entitled "An act extending the period of payment under reclamation projects, and for other purposes," approved August 13, 1914, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 8958) to amend section 194 of the Penal Code; to the Committee on the Judiciary.

By Mr. TAYLOR of Colorado: A bill (H. R. 8959) to add certain lands to the Grand Mesa National Forest, in the State of Colorado; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON: A bill (H. R. 8960) granting a pension to Bettie Short; to the Committee on Invalid Pensions.

By Mr. DEMPSEY: A bill (H. R. 8961) for the relief of Frank Stinchcomb; to the Committee on Naval Affairs.

By Mr. GOLDSBOROUGH: A bill (H. R. 8962) for the relief of John C. Hines; to the Committee on Claims.

By Mr. HAMMER: A bill (H. R. 8963) granting an increase of pension to Eliza Lemmond; to the Committee on Pensions.

Also, a bill (H. R. 8964) for the rembursement of Emma Pulliam; to the Committee on Claims.

By Mr. HOWARD of Nebraska: A bill (H. R. 8965) for the relief of the Omaha Indians of Nebraska; to the Committee on Indian Affairs.

By Mr. JOHNSON of West Virginia: A bill (H. R. 8966) granting a pension to Lula E. Winans; to the Committee on Pensions.

Also, a bill (H. R. 8967) granting an increase of pension to Mary E. Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8968) granting an increase of pension to George W. James; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8969) for the relief of John B. Canter; to the Committee on Claims.

Also, a bill (H. R. 8970) for the relief of James Monroe Caplinger; to the Committee on Claims.

Also, a bill (H. R. 8971) for the relief of Joseph P. Jones; to the Committee on Claims.

By Mr. O'CONNOR of Louisiana: A bill (H. R. 8972) for the relief of Lieut. (Junior Grade) Thomas J. Ryan; to the Committee on Claims.

By Mr. ROSENBLOOM: A bill (H. R. 8973) for the relief of George W. McKeever; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 8974) granting a pension to Sarah Mobley; to the Committee on Invalid Pensions.

By Mr. SPEAKS: A bill (H. R. 8975) for the relief of Joseph Maier; to the Committee on Claims.

By Mr. WILLIAMS of Michigan: A bill (H. R. 8976) granting a pension to Jane S. Gillingham; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2562. By Mr. BIXLER: Petition of Presbyterian Church of Utica, Pa., protesting against proposed bills legalizing 2.75 per cent beer; to the Committee on the Judiciary.

2563. Also, petition of citizens of Elk County, Pa., against enactment of law nullifying the enighteenth amendment, and against legalizing 2.75 per cent beer; to the Committe on the Judiciary.

2564. Also, petition of citizens of Elk County, Pa., protesting against enactment of law nullifying the eighteenth amendment and against legalizing 2.75 per cent beer; to the Committee on the Judiciary.

2565. Also, petition of citizens of Kersey, Elk Co., Pa., protesting against act nullifying eighteenth amendment and legalizing 2.75 per cent beer; to the Committee on the Judiciary.

2566. By Mr. BLOOM: Petition of residents of the nineteenth congressional district, favoring increase in salary for postal employees; to the Committee on the Post Office and Post Roads.

2567. By Mr. FENN. Petitions of Emma Hart Willard Chapter, Daughters of the American Revolution, Berlin, Conn., favoring the passage of Senate Joint Resolution 64, being a joint resolution to change the name of "Mount Rainier" to "Mount Tacoma," and for other purposes; to the Committee on the Public Lands.

2568. By Mr. GALLIVAN: Petition of the Bar Association of the city of Boston, Mass., protesting against Senate bill 624 and House bill 3260, which purpose amending the practice and procedure in Federal courts; to the Committee on the Judiciary.

2569. Also, petition of Miss Ella M. Clarke, 27 Milton Avenue, Dorchester, Mass., recommending favorable consideration of Dill radio bill; to the Committee on the Merchant Marine and Fisheries.

2570. By Mr. McDUFFIE: Petition of executive committee of the Chamber of Commerce, Mobile, Ala., supporting the national defense act of 1920, and urging Congress to appropriate money sufficient to carry out the purpose and intent of said act, and for other purposes; to the Committee on Military Affairs.

2571. By Mr. RAKER: Petition of Shelton F. McGrath, Peoria, Ill., opposing waterway on the Illinois River provided for by House bill 5475; to the Committee on Rivers and Harbors.

2572. Also, petition of Ex-service Men's Antibonus League, Montclair, N. J., in opposition to the soldiers' bonus bill; to the Committee on Ways and Means.

2573. Also, petition of C. A. Simmons, 1910 Union Street, San Francisco, Calif., indorsing Senate bill 5 in re ex-service men incapacitated for work; to the Committee on Pensions.

2574. Also, petition of E. L. Baker Camp, No. 71, United States War Veterans, Department of California, Los Angeles, Calif., indorsing Knutson bill (H. R. 5934); to the Committee on Pensions.

2575. Also, petition of the Sacramento Chamber of Commerce, California, urging the organizatton of an independent board of tax appeals separate from the Treasury Department; to the Committee on Appropriations.

2576. Also, petition of United States Customs Service Openers and Packers Association, New York City, indorsing Lehlbach bill to increase salaries of customs service employees; to the Committee on the Civil Service.

2577. Also, petitions of Patients Publicity Committee, United States Veterans' Hospital 72, Helena, Mont., indorsing Johnson immigration bill and opposing the Reed bill (S. 2257); and the Loyal Orange Institution, U. S. A., Oakland, Calif., resolutions indorsing passage of Johnson immigration bill; to the Committee on Immigration and Naturalization.

2578. Also, petition of Colonel Liscum Camp, Spanish-American War Veterans, Dayton, Ohio, extending vote of thanks to Senators assisting in passage of Bursum bill; to the Committee on Invalid Pensions.

2579. Also, petitions of Building Owners and Managers Association, San Francisco, Calif., and Apartment House Owners and Managers Association, Stockton, Calif., opposing passage of House bill 7962 in re Rent Commission; to the Committee on the District of Columbia.

2580. Also, petition of National Bank of D. O. Mills & Co., Sacramento, Calif., indorsing House bill 6855 permitting national banks to make real-estate loans; to the Commitfee on Banking and Currency.

2581. Also, petition of the Board of City Commissioners, Trenton, N. J., relative to cost and advisability of deepening the channel of the Delaware River from Philadelphia to Landing Street, N. J.; to the Committee on Rivers and Harbors.

2582. Also, petition of Orange County Farm Bureau, Santa Ana, Calif., opposing increase in parcel-post rates and rates on fourth-class mail matter; to the Committee on the Post Office and Post Roads.

2583. Also, petition of Montana Wheat Growers' Association, Lewistown, Mont., indorsing McNary-Haugen bill; to the Committee on Agriculture.

2584. Also, petitions of C. H. Coar, Los Angeles, Calif., opposing Smith-Towner bill, and Anna Anderson, chairman legislative committee, San Francisco Grade Teachers' Association, indorsing Sterling-Reed bill; to the Committee on Education.

2585. Also, petition of directors of the California White and Sugar Pine Manufacturers, resolutions in re subdivision C of section 201 of the proposed internal revenue law; to the Committee on Ways and Means.

2586. Also, petition of C. C. Thomas Navy Post, No. 244, San Francisco, Calif., relative to hydrographic surveys; to the Committee on Naval Affairs.

2587. Also, petition of Tacoma Conference of Commercial and Port Organizations of the Pacific Coast of the United States, Tacoma, Wash., in re section 28 of the merchant marine act of 1920; to the Committee on the Merchant Marine and Fisheries.

2588. Also, petitions of the Ebell Club, Long Beach, Calif., in re Senate bill 2313 in re Five Civilized Tribes of Oklahoma, and in re Senate bill 966, for the relief of the Pima Indians of Arizona; to the Committee on Indian Affairs.

2589. Also, petitions of the Woman's Civic League, San Fernando, Calif., indorsing Senate bill 2015, for welfare of the Pueblo Indians, and Beverly Hills Woman's Club, indorsing Senate bill 2313, for the relief of the Five Civilized Tribes of Indians in Oklahoma; to the Committee on Indian Affairs.

2590. Also, petition of the Ebell Club of Los Angeles, Calif., in re disabled veterans of the World War; to the Committee on Military Affairs.

2591. Also, petition of Fremont Morse, Berkeley, Calif., urging support of House bill 5097 in retired officers of various military services; to the Committee on Military Affairs.

2592. Also, petition of the C. C. Thomas Navy Post, No. 244, indorsing House bill 514 providing for meritorious medal for officers and men of the Navy and Marine Corps; to the Committee on Military Affairs.

2593. Also, petition of Department of Arizona, Disabled American Veterans of the World War, resolutions indorsing United States Veterans' Hospital No. 51, at Tucson, Ariz., for a permanent hospital; to the Committee on Military Affairs.

2594. Also, petition of San Francisco Labor Council, San Francisco, Calif., resolutions protesting against policy of the United States Shipping Board and the Emergency Fleet Corporation in permitting their ships to be manned by aliens ineligible to United States citizenship; to the Committee on the Merchant Marine and Fisheries.

2595. Also, petition of J. Edmond Wood, president of the National Baptist Convention, box 285, Danville, Ky., in re an appeal to the lawmakers of the Nation on behalf of the railroads, discouraging antirailroad legislations; to the Committee on Interstate and Foreign Commerce.

2596. Also, petition of Tacoma Conference of Commercial and Port Organization of the Pacific Coast of the United States, Tacoma, Wash., opposing the Gooding bill (S. 2327) relative to supervision of the Interstate Commerce Commission rail carriers; to the Committee on Interstate and Foreign Commerce.

2597. Also, petition of R. E. Ford, 5121 Laroda Avenue, Los Angeles, Calif., opposing passage of Senate bill 2646 and House bill 7358 for the purpose of amending the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

2598. Also, petition of Dr. Chevalier Jackson, 128 South Tenth Street, Philadelphia, Pa., indorsing House bill 7822, requiring proper labeling of household preparations; to the Committee on Interstate and Foreign Commerce.

2599. Also, petitions of Sunset Lodge No. 1117, I. A. of M., Berkeley, Calif., indorsing Howell-Barkley bill abolishing Railway Labor Board, and Frank L. Harmon, Charles F. Collins, and Edith L. Harmon, Gold Run, Calif., indorsing Howell-Barkley bill abolishing Railway Labor Board; to the Committee on Interstate and Foreign Commerce.

2600. Also, petitions of West Coast Theaters (Inc.), Los Angeles, Calif., relative to music license fee under revision of copyright law, and Sol Lesser, vice president West Coast Theaters (Inc.), Los Angeles, Calif., in re decision of judges regarding copyright laws; to the Committee on Interstate and Foreign Commerce.

2601. Also, petition of Dried Fruit Association of California, San Francisco, Calif., opposing Senate bill 2327, in re fourth section of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

2602. By Mr. ROGERS of New Hampshire: Resolutions of Reserve Officers' Association, of Laconia, N. H., that there should be maintained an adequate military force as contemplated in the national defense act of 1920, etc.; to the Committee on Military Affairs.

2603. By Mr. SEGER: Petition of 216 citizens of Paterson, Passaic, Clifton, and Little Falls, N. J., protesting against the 2.75 beer bills; to the Committee on the Judiciary.

2604. Also, petition of 208 citizens of Paterson, N. J., and vicinity, protesting against the 10 per cent luxury tax on radio sets and parts; to the Committee on Ways and Means.

2605. By Mr. STEPHENS: Petition of the Aid Society of Wyoming Presbyterian Church, of Wyoming, Ohio, opposing the modification of the Volstead Act; to the Committee on the Judiciary.

SENATE

WEDNESDAY, *April 30, 1924*

(Legislative day of Thursday, April 24, 1924)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Ferris	King	Reed, Pa.
Ashurst	Fess	Ladd	Sheppard
Ball	Fletcher	Lodge	Shields
Bayard	Frazier	McCormick	Shipstead
Borah	George	McKellar	Shortridge
Broussard	Gerry	McKinley	Simmons
Bruce	Glass	McLean	Smith
Bursum	Gooding	McNary	Smoot
Cameron	Hale	Mayfield	Stanfield
Capper	Harreld	Moses	Stanley
Cummins	Harris	Neely	Stephens
Curtis	Harrison	Norbeck	Sterling
Dale	Heflin	Norris	Swanson
Dial	Howell	Oddie	Trammell
Dill	Johnson, Calif.	Overman	Walsh, Mass.
Edge	Johnson, Minn.	Phipps	Walsh, Mont.
Edwards	Jones, N. Mex.	Pittman	Warren
Ernst	Kendrick	Ralston	Watson
Fernald	Keyes	Ransdell	Willis

Mr. CURTIS. I wish to announce that the Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I ask that this announcement may stand for the day.

I was requested to announce that the Senator from Iowa [Mr. BROOKHART], the Senator from Washington [Mr. JONES], and the Senator from Montana [Mr. WHEELER] are attending a hearing before a special investigating committee of the Senate.

The PRESIDENT pro tempore. Seventy-six Senators have answered to their names. There is a quorum present.

WORLD WAR VETERANS

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to have printed in the RECORD an analysis prepared at my request by the Veterans' Bureau relating to Senate bill 2257, which was under consideration last night at the time the Senate took a recess. This bill, not yet finally disposed of, is the result of much study and consideration by the select committee of the Senate which investigated the Veterans' Bureau of the whole problem of our World War veterans—compensation, rehabilitation, hospitalization, and insurance. It contains many changes, most of them enlarging existing benefits. The printing in the RECORD of this analysis will permit Members of Congress, veterans, and others to become familiar more readily with the numerous proposed changes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

The statement is as follows:

ANALYSIS OF SENATE BILL 2257, AS REPORTED BY THE COMMITTEE ON FINANCE

The purpose of this memorandum is to note the changes from existing law as contained in S. 2257, as reported by the committee; but no mention will be made of mere differences in phraseology.

TITLE I

Section 1: The short title for the act, as contained in this section, is new. It is called the World War veterans act of 1924.

Section 2: The first definition in this section is new; the second definition is contained in existing law.

Section 3: In subdivision 9 the language contained in the last two lines is new. Subdivisions 14 and 15 are new; otherwise, the section continues existing law.

Section 5: This section in the main continues existing law, but adds authority for the director to delegate authority to employees.

Section 6: In the main this is a reenactment of existing law. There is included, however, a provision that the test of rehabilitation shall be employability. This is new.

Section 7 (as renumbered) extends the existing authorization for decentralization by permitting decentralization to such suboffices as the director may designate, the functions now exercised by district offices.

Section 8 (as renumbered) continues the existing provisions and adds authority for the investigation of frauds or attempts to defraud the Government, or irregularity or misconduct of officers.

Section 9 (as renumbered): This is an entirely new provision enabling the director to seek the opinion and assistance of the Attorney General.

Section 10 (as renumbered): The only new portion of this section is contained in the last paragraph, which proposes the permanent transfer to the Veterans' Bureau of all hospitals under the jurisdiction of the Public Health Service, the operation, management, and control of which have heretofore been transferred to this bureau pursuant to the act approved August 9, 1921. This paragraph is substituted in lieu of the continuation of the authority to transfer to the director the operation, management, and control of public-health hospitals.

Section 11 (as renumbered) makes no change from existing law.

Section 12 (as renumbered) makes no change from existing law.

Section 13 (as renumbered) makes no change from existing law.

Section 14 (as renumbered) makes no change from existing law.

Section 15 (as renumbered) continues appropriations heretofore made.

Section 16 (as renumbered) continues the military and naval insurance appropriation and provides that premiums collected for yearly renewable term insurance shall be covered into the Treasury for the credit of this appropriation. This provision is not new. However, the section does contain a new provision to the effect that the appropriation shall be available for such liabilities under contracts of yearly renewable term insurance as shall have been reduced to judgment in a district court of the United States, or in the Supreme Court of the District of Columbia.

Section 17 (as renumbered): This is a continuation of the United States Government life-insurance fund, the only new provision being the fund shall be available for liabilities as may be reduced to judgment in a district court of the United States or in the Supreme Court of the District of Columbia.

Section 18 (as renumbered): This provision is now contained in the statute.

Section 19: The new portion of this section authorizes the bureau to recognize the accredited representatives of the American Red Cross, the American Legion, the Disabled American Veterans, and the Veterans of Foreign Wars in the presentation and adjudication of claims. Another new provision contained in this section is that providing that all persons having, or claim to have, an interest in insurance may be made parties to any suit brought on the contract of insurance and establishing the procedure in such suits.

Section 20 (as renumbered): This section reposes in the director the authority to determine marriage for the purposes of the statute leaving out the purely regulatory provisions which were included in the earlier statute. There is also omitted the provision which terminates payments of compensation or insurance in the event of misconduct of a widow.

Section 21 (as renumbered): A new proviso added to the existing law contemplates the suspension of payments to guardians on behalf of minors, or mental incompetents where the guardian fails to render an account showing the application of the funds of his ward.

Section 22 (as renumbered): This section reenacts existing law, with the addition that the provision that benefits shall not be assignable and shall not be subject to the claims of creditors and shall be exempt from taxation, is extended to maintenance and support allowance for trainees as well as to beneficiaries of compensation and insurance.

Section 23 (as renumbered) contains no change.

Section 24 (as renumbered) extends to those persons who were called into Federal service as members of the National Guard, without being accepted and enrolled for active service, the benefits now provided for persons inducted by local draft boards who died or became disable before acceptance and enrollment for active service.

Section 25 (as renumbered) continues the provisions of the existing statute.

Section 26 (as renumbered) continues the provision for payment to personal representatives of the deceased those sums which had accrued during his lifetime as monthly installments of compensation, or term insurance, and extends the provision to maintenance and support allowance payable to a person receiving vocational training. There is also included a provision that no payment will be made in the event the estate would escheat.

Section 27 (as renumbered) is new. It provides that payments of compensation made under the provisions of Bureau of War Risk Insurance, regulation No. 57, which permits a presumption of permanent total disability after hospitalization, or a rating of less than total permanent disability shall be deemed valid, thereby relieving the bureau from making recovery in these cases.

Section 28 (as renumbered) is new, providing that there shall be no recovery of payments from any beneficiary who is without fault where such recovery would defeat the purpose of benefits otherwise authorized, or would be against equity or good conscience.

Section 29 (as renumbered) is new, and authorizes the sale, lease, or exchange of surplus equipment, supplies, etc., the proceeds to be covered into the Treasury.

Section 30 (as renumbered): This section also is new. It provides that the files, records, reports, and papers of the bureau shall be deemed confidential and privileged. There are included, however, certain exceptions where disclosure of the contents of such files may be made. The section further provides that when the production of a file, record, report, or other document is required, or permitted, a certified copy may be produced and shall be received with like force and effect as the original.

TITLE II

This title as a whole reenacts article 3 of the war risk insurance act, to which it corresponds.

Section 200: For the provision that death or disability must result from injury suffered or disease contracted in line of duty on or after April 6, 1917, and before July 2, 1921, this section substitutes the provision for payment if the injury was suffered or the disease was contracted in the "military service."

Where the existing statute does not contain any ultimate limit as to the time the injury or disease must have occurred, section 200 states July 2, 1921, as the last date of the period. This ultimate date, July 2, 1921, is continued throughout the section, so that the provision of the section applies only to those injuries suffered or diseases contracted between the dates April 6, 1917, and July 2, 1921.

Coming to the presumption of service connection of diseases, encephalitis lethargica has been added to those diseases included within the presumption. Thus, under the new provision, if a neuropsychiatric disease, an active tuberculous disease, or encephalitis lethargica developed prior to January 1, 1924, the section provides that it shall be conclusively presumed to have been acquired or aggravated in the service between the dates mentioned.

Section 201: The schedule contained in this section changes slightly the present provisions in subdivisions (b) and (e). Subdivision (b) changes the compensation allowed for the widow and two or more children from $42.50 in all cases, as at present, to $40 for a widow with two children with $5 for each additional child. Subdivision (e) omits the present limitation to the allowance provided for additional children, the new provision authorizing payment of $5 for each additional child, irrespective of the number. Subdivision (f) omits the present provision that "compensation shall be payable for the death of but one child, but no compensation for the death of the child shall be payable if the dependent mother is in receipt of compensation under the provisions of this article for the death of her husband."

Subparagraph (1) increases the allowance for burial expenses to $150, instead of $100 as at present allowed.

Subparagraph (7) contains the new provision that no change in rates of compensation made by the new act shall be retroactive in effect. This subparagraph also provides that the receipt of a gratuity, pension, or compensation by the widow or parent on account of the death of any person shall not bar the payment of compensation on account of the death of any other person.

Section 202: Subparagraph (1) contains the new provision that monthly compensation shall be payable monthly or semimonthly, as the director may prescribe.

Subparagraph (3) changes somewhat the description of the conditions which shall be deemed permanent total disability. The present statute reads that the loss of certain members, or becoming helpless and permanently bedridden, shall be deemed to be total permanent disability, whereas S. 2257 provides that the permanent loss of the use of such members, or becoming permanently helpless or permanently bedridden, shall be deemed to be total permanent disability. There is also added to this class the condition of the loss of hearing of both ears.

Subdivision (4): In the second paragraph of this subdivision there is a new provision introduced. This change provides that ratings shall be based, as far as practicable, upon the average impairments of earning capacity resulting from injuries in civil occupations similar to the occupation of the injured man at the time of enlistment, whereas the present language of the statute provides only that the rating shall be based upon the average impairments of earning capacity resulting from injury in civil occupation. The language "similar to the occupation of the injured man at time of enlistment" is new.

Subdivision (5) increases the allowance for a nurse or an attendant to $50, in all cases in the director's discretion. The present statute allows this amount only in case the injured person is armless, legless, or blind, the allowance in other cases being limited to $20.

Subdivision (7) is entirely new, providing a special rate of compensation at $20 a month for insane persons, having no dependents, who are maintained in bureau hospitals. A further provision made is that if the patient shall recover and be discharged from the hospital as cured an additional amount of $60 will be paid to him for each month the

rate of compensation is reduced. This subdivision also provides that the compensation of any inmate of an asylum or hospital for the insane may, in the discretion of the director, be paid to the chief officer of the institution, to be used for the benefit of the inmate, this being a slight extension of the exact law, which authorizes the director to pay benefits to the chief executive officer of any Government or State institution for the insane.

Subdivision (8) continues the present provision concerning allotments of compensation by patients in hospital and adds a provision authorizing the director to require the deposit of three-fourths of the compensation to the patient's credit in the Treasury, in the event that the patient is retarding his own progress to recovery by reason of gross dissipation.

Subdivision 10 continues the existing provision with respect to making hospital facilities available for treatment of veterans of the Spanish-American War, the Philippine insurrection, the Boxer rebellion who are suffering from neuropsychiatric or tubercular ailments or diseases. It adds to this class of beneficiaries veterans of the World War and also adds to the class of ailments "encephalitis lethargica, or the loss of sight of both eyes." It adds a further provision that so far as the director shall find that existing Government facilities permit he is authorized to furnish hospitalization to honorably discharged veterans of any war, military occupation, or military expedition since 1897, without regard to the nature of origin of their disabilities, if such veterans have no adequate means of support and by reason of their disability are incapable of earning their living.

Subdivision 11 authorizes the director to sell surplus property and material in the same manner as now pertains to the Secretary of War. This is new. The provision that the director may make regulations regarding the disposal of articles made by patients in the course of their treatment is a reenactment of existing law, the language "or to allow the patients to sell or to retain such articles" being a slight modification of the present provision.

Subdivision 12 provides for the apportionment of compensation where the disabled person is a patient in a hospital. This part of the subdivision is new.

Subdivision 15 continues the existing law, with the exception contained in subparagraph 7 of section 201 with respect to death benefits.

Other than the changes noted, section 202 reenacts existing law.

Section 203 corresponds to a provision of the war risk insurance act, except that it refers also to neglect to submit to examination, providing that no compensation shall be payable while neglect to submit to examination continues, as well as continuing the present provision that no compensation will be payable while refusal or obstruction continues.

Section 204 makes no change in existing law.

Section 205 continues the existing law, but adds that except in cases of fraud participated in by the beneficiary no reduction in compensation shall be made retroactive. There is the further addition that a reduction or discontinuance of compensation will not take effect until the first of the second calendar month after the finding on which it is based.

Section 206 is a revision of the section providing that compensation will not be payable unless death or disability for which claim is made occurs prior to or within one year after discharge or resignation from the service. The exceptions to this general provision are where there is official record of injury during service or at time of separation from active service or where satisfactory evidence to establish the injury suffered or aggravated during service is submitted within one year of the approval of this act. The section as modified entirely omits any reference to certificates of injury.

Section 207 continues existing provisions.

Section 208 makes no change in the existing law.

Section 209 makes no change in existing provisions.

Section 210 reduces the time for which retroactive payments of compensation may be made, allowing compensation to be paid for not more than one year prior to the date of claim, instead of two years, as under the present statute, and allowing increased compensation to be paid for not more than six months prior to the date of claim, instead of not more than one year, as under the present statute. There is further added the provision that, except in case of fraud participated in by the beneficiary, no reduction in compensation shall be made retroactive.

Section 211 continues existing law.

Section 212 is new. This states the intent of the act to provide a system of relief for persons who are disabled and for the dependents of those who died as a result of disability suffered in the military service between April 6, 1917, and July 2, 1921. It further provides that the laws relating to the retirement of persons in the military or naval service shall not be considered laws providing for payments of gratuities or pensions within the meaning of this section, and continues the existing provision that compensation shall not be paid while person is in receipt of service or retirement pay. However, the service pay so referred to is specifically designated as active service pay. Another new provision in this section is the distinct and specific language that Titles II and IV (compensation and treatment and rehabilitation) shall not be applicable to any disability or resultant death in the service if the disability occurred as a result of service prior to April 6, 1917, or after July 2, 1921.

Section 213 is a new provision providing for the payment of additional compensation if injury occurs as the result of training, hospitalization or treatment furnished by the bureau, if the injury or death is not the result of the person's misconduct.

TITLE III.

This title is primarily a reenactment of article 4 of the war risk insurance act, to which it corresponds.

Section 300: This is a continuation of the existing law, including a new provision for application by cadets at West Point and Annapolis. There have been omitted, however, certain details concerning yearly renewable term insurance as rights under such insurance are continued under the provisions of Title VI.

Section 301: In the main this is a reenactment of existing law, the only change being the date when all insurance must be converted. Under the present law that date is March 4, 1926. S. 2257 extends that date to July 2, 1926. The significance of the two dates is that March 4, 1926, is five years after the termination of the war as provided by the joint resolution approved March 4, 1921, and the date, July 2, 1926, is five years after the so-called Knox peace resolution.

Section 302 makes no change in the existing law.

Section 303 continues the present law concerning payments where no person within the permitted class of beneficiaries survives; but instead of providing for continuing payments of installments, authorizes the present (commuted) value of the remaining monthly installments.

Section 304 continues the provisions with respect to reinstatement of insurance in the event that all the requirements as to physical condition of the applicant for insurance have not been complied with and the disability is the result of service. There is included, however, the new provision that application for reinstatement under such circumstances must be made within one year after the passage of the act or within two years after the date of lapse.

Section 305: This section is a revision of the third proviso of the present section 408 and is designed to provide for the automatic reinstatement of insurance in those cases where a person entitled to compensation which was uncollected at the time of his death had, during the time he was so entitled to compensation benefits, allowed his insurance to lapse. This will cure the decision in the Schwartz case by declaring that the increase in compensation made under the schedule adopted December 24, 1919, shall be construed as due from the date retroactive payments were effective. It will also permit a revival of a proportionate part of the insurance when the amount of compensation was not sufficient to pay the premium on the total amount that had lapsed.

Section 306 (as renumbered): The new provision in this section is the automatic waiver of the payment of premiums in the cases of persons mentally incompetent for not more than six months after the appointment of a guardian.

Section 307 (as renumbered) makes no change in the existing law.

TITLE IV

This title is a reenactment of the existing statute with respect to vocational training furnished by this bureau.

Section 400 changes the existing law by establishing the ultimate time limit in connection with dates between which the disability must have been incurred to entitle a man to vocational training. This date (July 2, 1921) corresponds with the date of limitation in connection with compensation. The section likewise has incorporated a new provision that the disability must not have resulted from the man's own willful misconduct in order to entitle him to the benefits of training.

Section 401: This section is a reenactment of existing law with the exception of the ultimate date of the period during which training may be furnished, which is set as June 30, 1926. It also authorizes payment of training allowance semimonthly in the discretion of the director and slightly increases the allowance for dependents.

Section 402 makes no change in existing law.

Section 403 is a reenactment of existing law with the addition of the definite limit set as June 30, 1925, after which no course of training may be commenced.

Section 404 extends the time for filing applications for vocational training from December 16, 1922, the present limit, to June 30, 1923.

Section 405 is a new provision establishing June 30, 1926, as the date beyond which no training may be granted or continued or training allowance paid.

TITLE V

This title reenacts the penalties contained in the various parts of the existing laws, making them applicable with existing force to acts committed in connection with claims for vocational training, as well as for compensation and insurance; otherwise there is no change in the existing law except the addition of a new section (section 505), which provides that every guardian or person having in charge in a fiduciary capacity any benefits payable to his ward by the bureau, who shall embezzle the same or fraudulently convert the same to his own use, shall be punished by fine or imprisonment, or both.

TITLE VI

This title contains the repealing features and saving clauses of the act.

Section 600 is a definite repeal of certain acts.

Section 601 is the repeal of certain acts and the substitution of sections in the codification therefor.

Section 602 saves the rights and liabilities accrued under any claim made prior to the passage of this act or any suit commenced before the repeal.

Section 603 makes continuing all offenses committed or penalties or forfeitures incurred under any law repealed.

Section 604 continues all acts of limitation under the laws repealed.

Section 605 (as renumbered) contains the usual provision that if any clause, section, paragraph, or part of the act shall be adjudged invalid, such judgment shall not affect the remainder of the act which shall be confined in its operation to the particular portion involved in the controversy in which the judgment is rendered.

Aside from the changes and omissions noted in the foregoing text, there are two subjects which have been entirely omitted from the present bill. No reference to marines' and seamen's insurance is contained in S. 2257, but rights and liabilities accrued and suits commenced are saved by the repealing sections. This is entirely proper as the benefits granted by marines' and seamen's insurance provisions are now entirely obsolete, the statute being continued at present merely for the purpose of closing the books.

Another feature entirely omitted is that of allotment and allowance. This also is obsolete, as all current benefits ceased July, 1921. Any rights accrued under the article of the war risk insurance act providing these benefits, however, have been saved in Title VI of S. 2257.

The present provision authorizing allowances to the commissioned personnel detailed from the Public Health Service not enjoyed by other medical personnel of the bureau is omitted. This will place all of the medical personnel of the bureau in the same status as civilian employees of the bureau.

The details concerning yearly renewable term insurance have been omitted as mentioned in connection with section 300. Otherwise there have been no other omissions of existing provisions except those which concern the minor administrative matters, properly and obviously subject for regulation, and a few sections rendered ineffective because of amendment or lapse of time or otherwise obsolete. An illustration of this class of omissions is section 24 of the war risk insurance act, which provided that the Bureau of War Risk Insurance, so far as practicable, shall, upon request, furnish information to and act for persons in the military service with respect to contracts of private insurance. Such provisions as these contribute nothing to current administration, and therefore have been omitted as unnecessary.

PETITIONS AND MEMORIALS

Mr. McCORMICK. I ask unanimous consent to present for inclusion in the RECORD and reference to the Committee on Foreign Relations some half dozen telegrams and a letter.

There being no objection, the telegrams and letter were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., *April 28, 1924.*

Senator MEDILL MCCORMICK,
United States Senate, Washington, D. C.:
I urge your support of world court.

F. E. GILLESPIE,
Instructor, University, Chicago.

DETROIT, MICH., *April 29, 1924.*

Senator MEDILL MCCORMICK,
Office of the Senate, Washington, D. C.:
I want the world court reported favorably out of committee May 1.

ELEANOR ELLIS PERKINS,
Evanston, Ill.

CHICAGO, ILL., *April 27, 1924.*

Hon. MEDILL MCCORMICK,
United States Senate, Washington, D. C.:
Teacher political science University Chicago supports World Court.

HAROLD F. GOSNELL.

CHICAGO, ILL., *April 28, 1924.*

MEDILL MCCORMICK,
United States Senate, Washington, D. C.:
Thousands of your constituents expect your support World Court plan.

N. A. TOLLES.

CHICAGO, ILL., *April 28, 1924.*

Senator MEDILL MCCORMICK,
Washington, D. C.:
We faculty members and graduates, University of Chicago, organized to study international relations express our conviction that refusal of Senate to enter World Court would be disaster of first magnitude and wholly inconsistent with America's traditional policy looking toward establishment of supremacy of law in international affairs.

THE DIPLOMATIC CLUB,
NORMAN BECK, *President.*

NEW YORK, N. Y., *April 17, 1924.*

Senator MEDILL MCCORMICK,
Foreign Relations Committee,
United States Senate, Washington, D. C.:
Earnestly hope public hearing on World Court will be arranged at an early date.

ROBERT FULTON CUTTING.

NEW YORK, N. Y., *April 17, 1924.*

Hon. MEDILL MCCORMICK,
Senate Chamber, Washington, D. C.:
Respectfully and earnestly request Foreign Relations Committee hold public hearing on World Court resolution at earliest possible date.

EVERETT COLBY.

WASHINGTON, D. C., *April 17, 1924.*

MEDILL MCCORMICK,
1801 F Street NW., Washington, D. C.:
Respectfully urge that a subcommittee be appointed to hear arguments respecting the adherence by United States to Permanent Court of International Justice on terms submitted February, 1923, by President Harding and Secretary Hughes, later recommended by President Coolidge and approved by many bodies of citizens throughout the country.

GEORGE W. WICKERSHAM.

HOTEL NEWCOMB,
QUINCY, ILL., *April 24, 1924.*

Senator MEDILL MCCORMICK,
United States Senate.

DEAR SIR: In behalf of the Quincy branch of the American Association of University Women I am writing to ask you to support the Harding-Hughes world-court proposal, and to use your influence with the Foreign Relations Committee for action before Congress adjourns.

Yours respectfully,

Miss BEULAH W. PRANTE,
Branch Secretary American Association of University Women.

Mr. WARREN presented telegrams in the nature of memorials of sundry citizens of Lander and sundry citizens and business firms of Douglas, in the State of Wyoming, remonstrating against any immediate amendment of the transportation act of 1920, which were referred to the Committee on Interstate Commerce.

Mr. NEELY. I present a large number of memorials, resolutions, telegrams, and letters in the nature of memorials of sundry citizens and various organizations in the State of West Virginia, remonstrating against any amendment of the transportation act of 1920, with particular reference to section 15a, which I ask may be referred to the Committee on Interstate Commerce.

There being no objection, the memorials, resolutions, telegrams, and letters in the nature of memorials from the following citizens and firms in the State of West Virginia were referred to the Committee on Interstate Commerce:

H. A. Abbott, cashier, the Grafton Banking & Trust Co., of Grafton; Beckley Chamber of Commerce, the Kiwanis Club of Beckley, the Rotary Club of Beckley; Chamber of Commerce of Bluefield; Crescent Glass Co., of Wellsburg; Davidson Porcelain Co., of Chester; the Dean Coal & Mining Co., of Elk Garden; Eagle Manufacturing Co. and the Erskine Glass & Manufacturing Co., of Wellsburg; O. Jay Fleming, vice president, First National Bank of Grafton; Follansbee Bros. Co., of Follansbee; George & Sherrard Paper Co. and Hammond Bag & Paper Co., of Wellsburg; the Kanawha Coal Operators' Association, of Charleston; N. F. Kendall, cashier and vice president Taylor County Bank, of Grafton; E. M. Knowles China Co., of East Liverpool, Ohio; Logan Coal Operators' Association, of Logan; Merchant & Evans, of Warwood; Merchants and Mechanics Saving Bank, of Grafton; New River Coal Operators' Association, of Mount Hope; Norfolk & West-

ern Railway employees, of Roanoke, Va.; Oil Well Supply Co., Parkersburg Grocery Co., Parkersburg Rib & Reel Co., and Parkersburg Supply Co., of Parkersburg; Pendleton & Hedges, of Spencer; Pocahontas Operators' Association, of Bluefield; E. V. Romig, mayor of the city of Keyser, Keyser; the Rotary Club of Huntington; Smith Big Vein Coal Co., of Elk Garden; Snider Bros. (Inc.), of Keyser; the Taylor Smith and Taylor China Co., of Chester; U. S. Corrugated Fiber Box Co. and Warwood Tool Co., of Wheeling; Weirton Steel Co., of Weirton; Welch Chamber of Commerce, of Welch; W. E. Wells, secretary and treasurer the Homer Laughlin China Co., of Newell; the Kiwanis Club and West Virginia Pittsburgh Coal Co., of Wellsburg; the Chamber of Commerce of Williamson; the Willison-Earle Co., of Clarksburg, and the Winding Gulf Operators' Association, of Beckley.

I also present a number of petitions and letters in the nature of petitions from various citizens and organizations in the State of West Virginia, favoring the immediate repeal or modification of the Esch-Cummins law, especially the section relative to the Railway Labor Board, which I ask may be referred to the Committee on Interstate Commerce.

There being no objection, the letters and communications in the nature of petitions from the following citizens and organizations in the State of West Virginia were referred to the Committee on Interstate Commerce:

Kendall R. Hagen, C. F. Casper, John A. Cox, and C. E. Adams, of Parkersburg; C. E. Hosler chairman Order of Railroad Telegraphers, of Grafton; H. H. Goudy, Brotherhood of Railroad Trainmen, of Fairmont; J. A. Diehl, Order of Railroad Telegraphers, of Hartford; B. B. Glover and E. H. Cochran, of Reader.

REPORTS OF COMMITTEES

Mr. BALL, from the Committee on the District of Columbia, to which was referred the bill (H. R. 5855) to fix the salaries of officers and members of the Metropolitan police force and the fire department of the District of Columbia, reported it with amendments.

Mr. CURTIS, from the Committee on Rules, to which was referred the resolution (S. Res. 197) directing the Secretary of War and the Secretary of the Navy to cooperate in the appointment of a joint commission to report to the Senate respecting the use of the radio stations of the War and Navy Departments for the broadcasting of the proceedings of Congress, reported it with amendments.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LODGE:

A bill (S. 3199) to authorize the payment of an indemnity to the Government of China on account of the killing of two of her nationals by members of American military forces; to the Committee on Foreign Relations.

By Mr. McKINLEY:

A bill (S. 3200) for the relief of Frank J. Young; to the Committee on Claims.

A bill (S. 3201) for the relief of Lieut. Col. Charles Burnett, Cavalry; Maj. Philip R. Faymonville, Ordnance Department; First Lieut. Warren J. Clear, Infantry; and Second Lieut. Thomas G. Cranford, jr., Coast Artillery Corps; to the Committee on Military Affairs.

By Mr. RANSDELL:

A bill (S. 3202) for the relief of Lieut. (Junior Grade) Thomas J. Ryan, United States Navy; to the Committee on Naval Affairs.

By Mr. JOHNSON of Minnesota:

A bill (S. 3203) for the relief of Joseph Harkness, jr.; to the Committee on Claims.

A bill (S. 3204) to amend the act known as the Federal reserve act, approved December 23, 1913, as amended by an act approved March 3, 1919; and

A bill (S. 3205) to amend the act known as the Federal reserve act, approved December 23, 1913, as amended by an act approved March 3, 1919; to the Committee on Banking and Currency.

By Mr. RALSTON:

A bill (S. 3206) granting a pension to Rebecca Jetmore (with accompanying papers); to the Committee on Pensions.

By Mr. SPENCER:

A bill (S. 3207) for the relief of Lemuel Simpson (with accompanying papers); to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 3208) to increase the limit of cost of the public building at Williamson, W. Va., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. McKINLEY:

A joint resolution (S. J. Res. 118) to authorize the United States Shipping Board to adjust the claim of the Near East Relief; to the Committee on Commerce.

SALARIES OF LEGISLATIVE OFFICERS AND EMPLOYEES

Mr. MOSES submitted an amendment intended to be proposed by him to the bill (H. R. 8262) to fix the compensation of officers and employees of the legislative branch of the Government, which was referred to the Joint Select Committee on Readjustment of Compensation of Officers and Employees of Congress, and ordered to be printed.

TOLLS ON MERCHANT SHIPS IN THE PANAMA CANAL

Mr. RANSDELL submitted an amendment intended to be proposed by him to the bill (S. 2400) providing that the Panama Canal rules shall govern in the measurement of vessels for the imposition of tolls, which was referred to the Committee on Interoceanic Canals, and ordered to be printed.

AMENDMENTS TO TAX-REDUCTION BILL

Mr. JONES of New Mexico submitted two amendments intended to be proposed by him to House bill 6715, the tax-reduction bill, which were ordered to lie on the table and to be printed.

Mr. McKELLAR and Mr. SHIELDS each submitted an amendment intended to be proposed to House bill 6715, the tax-reduction bill, which were ordered to lie on the table and to be printed.

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on April 29, 1924, the President had approved and signed the following acts:

S. 431. An act to extend the time for the construction of a bridge across the Cumberland River in Montgomery County, Tenn;

S. 2108. An act to grant the consent of Congress to the Southern Railway Co. to maintain a bridge across the Tennessee River at Knoxville, in the county of Knox, State of Tennessee; and

S. 2736. An act authorizing use of Government buildings at Fort Crockett, Tex., for occupancy during State convention of Texas Shriners.

AMENDMENT OF WAR RISK INSURANCE ACT

Mr. RALSTON. Mr. President, on January 22 last I introduced a bill to modify or amend the war risk insurance act, which was referred to the Committee on Finance. There has been no action taken by that committee on this bill. I have taken the subject up several times with a member or two of the committee. I was finally given to believe that there might be a reasonable prospect of having my proposed amendments to this act incorporated in the Veterans' Bureau codification act which is before the Senate, but this morning I was informed that there is no such prospect. These proposed amendments are very important ones, in my judgment, and they will mean much to the boys who have attempted and are attempting to carry insurance, but for different reasons have been unable to do so. Therefore, Mr. President, I ask unanimous consent that the Committee on Finance be discharged from the further consideration of the bill (S. 2155) to amend the war risk insurance act.

The PRESIDENT pro tempore. The Senator from Indiana asks unanimous consent that the Committee on Finance be discharged from the further consideration of Senate bill 2155. Is there objection?

Mr. SMOOT. Mr. President, my attention was diverted for a moment. I do not know what the request is, and I ask that it be stated.

Mr. WALSH of Massachusetts. The Senator from Indiana [Mr. RALSTON], in January last, introduced a bill seeking to amend the war risk insurance act. He complains that no action has been taken by the Finance Committee, and has asked unanimous consent to have the committee discharged from the further consideration of the bill.

Mr. SMOOT. Why does the Senator not offer the bill as an amendment to the Veterans' Bureau bill, which is in charge of the Senator from Pennsylvania?

Mr. RALSTON. I had contemplated doing so, but have been informed by the Senator from Pennsylvania this morning that, in his judgment, there is no show to have the amendments provided for in my bill incorporated in the measure in his charge.

I wish to have an opportunity to present them to this body in order to show that the bill as I have tendered it should be passed.

Mr. SMOOT. The Senator may offer the bill as an amendment to the bill providing for a revision of the laws affecting the Veterans' Bureau.

Mr. RALSTON. I understand that; but the Senator from Pennsylvania this morning told me that, in his judgment, there was no prospect for my bill to be incorporated as amendments in that measure.

Mr. SMOOT. The Senator can offer his amendment, no matter who objects to it, when the Veterans' Bureau bill is up for consideration, and then the Senate will decide whether it wants to put the amendment on that bill, just the same as the Senate will decide whether it desires to pass the bill of the Senator from Indiana as a separate measure. I should like to have the Senator withhold his request, at least until later.

Mr. RALSTON. If I can get some assurance that there is going to be serious consideration given to my proposed amendments, I will withold the request, but I have not been able to get anybody to encourage me as yet that any action will be taken on my bill.

Mr. REED of Pennsylvania. Will the Senator from Indiana yield to me?

Mr. RALSTON. Certainly.

Mr. REED of Pennsylvania. I do not agree with the suggestions in the Senator's proposed amendments, and I would oppose their being adopted as a part of the veterans' code measure; but I agree with the Senator that he is entitled to have the opinion of the Senate. I suggest that the bill might just as well come out from the committee and go to the calendar. Then it may be debated at the next call of the calendar, and in that way the Senator can get the judgment of the Senate upon it.

Mr. RALSTON. I acted upon the suggestion of the Senator from Pennsylvania in making my request.

Mr. SMOOT. Mr. President, the only thing that I had in mind was that it might appear, on account of the motion to discharge the Finance Committee, that the committee had been negligent in not considering the bill, and that the only way it could be considered was to have the committee discharged.

Mr. WALSH of Massachusetts. Of course, the Senator from Indiana can offer his bill as an amendment to the bill that is under consideration affecting the Veterans' Bureau, but he prefers to present it as a separate measure, and I do not see why the chairman of the committee can not agree that the committee may be discharged so that the bill may go upon the calendar in regular order.

Mr. SMOOT. With that understanding, I do not object to letting the bill go to the calendar.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Indiana that the Committee on Finance be discharged from the further consideration of Senate bill 2155? The Chair hears none; the committee is discharged from the further consideration of the bill, and the bill will be placed on the calendar.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. HARRELD. Mr. President, yesterday an amendment was adopted to the pending bill proposing a tax on radio instruments. I desire to give notice that I shall ask for a separate consideration of that item when the bill reaches the Senate.

Mr. SIMMONS. Mr. President, on yesterday the amendments relating to the tax imposed in the bill on radio receiving sets were acted upon without any consideration and adopted. I am advised this morning by a number of Senators that they were out of the Chamber when that action was taken, and that if they had been present they would have voiced some opposition to the amendments. Personally I do not remember being in the Chamber when the matter was taken up. It is not on my account, therefore, that I am going to make a request of the chairman of the Finance Committee. This statement has come to me from several Senators on this side of the Chamber who are deeply interested in the matter and who have committed themselves to their constituents. I ask the chairman of the committee if he will not consent to a reconsideration of the vote by which the amendments to which I have referred were adopted, so that Senators may have an opportunity to discuss them?

Mr. SMOOT. I have no objection to a reconsideration of the vote by which the amendments were agreed to, although I thought that the proper course to pursue would be to have such amendments offered when the bill gets into the Senate.

Mr. DILL. There are two sections, one relating to receiving sets and one to parts.

Mr. SMOOT. Of course that is all radio.

Mr. DILL. I was not here at the time, or I certainly would have objected, because I have an amendment that I desire to offer to that section.

Mr. SMOOT. I have no objection to the request of the Senator from North Carolina; but at this time I ask unanimous consent that the unfinished business be temporarily laid aside for a few moments. I am informed that it will take but a few moments to pass Senate bill 2257, the bill that was under consideration last night when we took a recess. There is but one committee amendment to that bill yet to be voted upon.

The PRESIDENT pro tempore. The Senator from North Carolina asks unanimous consent for a reconsideration of the vote by which the two amendments on page 197, lines 5 to 18, were agreed to. Is there objection?

Mr. DIAL. Mr. President——

Mr. SIMMONS. Does the Senator from South Carolina intend to object?

Mr. DIAL. No; I merely want to entertain the Senate for a few moments.

Mr. SIMMONS. Will not the Senator let us get the order to reconsider before he begins?

Mr. DIAL. Very well.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Carolina? The Chair hears none, and the vote is reconsidered.

Mr. SMOOT. I ask unanimous consent that the unfinished business be temporarily laid aside for the purpose of completing consideration of the bill that was before the Senate last night, known as the veterans' bill.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 2257.

Mr. NORRIS. Pending that request, I want to get some information. I was told this morning when I was in committee that the Senate intended to take up this morning the question of making income tax returns public records. I have an amendment which I desire to offer on that question. If the Senate does intend to take up that feature of the bill, I want to offer an amendment. It will be necessary for me to be out of the Chamber a part of the time this afternoon. I would like to get the information, because I want to offer the amendment when the question is reached.

Mr. SMOOT. The first amendment that I shall ask to have considered this morning is the unearned income amendment on page 29 of the bill. I do not know how long that will take. I will assure the Senator from Nebraska, however, that when the item is reached to which he has referred, I shall get word to him so that he can come into the Senate and offer his amendment.

Mr. NORRIS. I thank the Senator.

Mr. SMOOT. I want to add that there are also other amendments to be offered on that subject.

Mr. McKELLAR. I have an amendment to offer to it, which I shall ask may have consideration at the proper time.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah?

Mr. DILL. Mr. President, the bill in reference to the Veterans' Bureau is an extremely important measure, and it seems to me that it ought to be discussed here and considered in a number of its phases. I think it would be much better for a time to be agreed upon for the consideration of the bill, in order that Senators who are interested in it may know that it is coming up and be prepared to discuss it. At this time they are not prepared to offer certain amendments which they desire to offer, and, therefore, I do not think we ought to attempt to pass the bill now. Has unanimous consent been given to take up the bill?

The PRESIDENT pro tempore. That was the request of the Senator from Utah [Mr. SMOOT].

Mr. DILL. I do not wish to be put in the position of obstructing the bill, other than I should like to see a time agreed upon for its consideration, in order that Senators may know when it is going to come up.

Mr. SMOOT. All the Senator from Washington has to do is to object to the request for unanimous consent.

Mr. DILL. For that reason, I think I shall object at this time.

Mr. REED of Pennsylvania. I ask the Senator to withhold his objection for the present. We have disposed of all the committee amendments to the bill except one. The measure ought to be sent over to the House of Representatives in order that that body may have a proper opportunity to work on it. The bill has been on our calendar for a month. It is the product of about three months of most tremendous work by the Senator from Massachusetts [Mr. WALSH], the Senator from Nevada [Mr. ODDIE], and myself. It has been threshed around over and over again. I am afraid a postponement of its consideration now is going to work a tremendous hardship to a great number of disabled veterans. It is for their sake that I now ask consideration of the bill.

Mr. DILL. I merely wish to say to the Senator that I have no desire to delay the Veterans' Bureau bill, but the revenue bill is now before the Senate. In my own case, I desire to say that I have a large number of telegrams and letters about certain sections of the veterans' bill. I do not know what they are, and I should like to have sufficient time to examine them and be prepared to present whatever views I may desire to present in connection with the bill. If the Senator from Pennsylvania desires to postpone the consideration of the bill until later in the afternoon, that will be agreeable to me. I am simply asking for a little time until I can be prepared to say what I wish to say about the bill and to offer any amendments I may wish to offer. That was my reason for raising the question in reference to the consideration of the bill at this time.

Mr. REED of Pennsylvania. Might we have it understood, then, that the Veterans' Bureau bill shall be taken up at, say, 3 o'clock this afternoon?

Mr. DILL. Could the bill not be taken up to-morrow?

Mr. SMOOT. I should not like to give consent ahead to take up any bill as against the revenue bill. I am perfectly willing to permit the bill to come up for discussion some time in the morning when there is nothing particularly pressing, but I do not like to agree that at a certain hour to-morrow we shall take up the bill.

Mr. REED of Pennsylvania. Might we not agree that at a certain hour to-day we shall take the bill up and occupy the remainder of the day on it?

Mr. SMOOT. There may be a time when that can be done and not interfere at all with the consideration of the revenue bill. If that time comes, I certainly shall be glad to consent, as the Senator knows.

Mr. REED of Pennsylvania. Would the Senator from Utah be willing to agree that by unanimous consent we might take up the bill at 4 o'clock this afternoon and spend the remainder of the day on it?

Mr. SMOOT. If the bill is only going to consume a half hour, why not make the request that the bill be taken up not later than 5 o'clock?

Mr. REED of Pennsylvania. I have requested that the hour be 4 o'clock because I now understand that the Senator from Washington [Mr. DILL] intends to speak upon the bill. I did not previously know that.

Mr. DILL. I do not see any necessity for rushing the consideration of an important bill like that measure, which has had no consideration by the Senate other than to be read here on yesterday when but a few Senators were in the Chamber. The bill is of extreme importance to the veterans, and, with all due respect and regard for the committee which has framed the bill, there are other Senators who are interested in the legislation in addition to myself. I think the bill ought to go over for the day at least, and it may be that an agreement can be reached to take it up on some other day.

Mr. REED of Pennsylvania. Without any agreement that the bill go over for the day, I should like to say that if an opportunity offers later in the afternoon, I hope the Senator will then agree that the bill may be taken up, for, Mr. President, we have been ready enough to give all kinds of relief to able-bodied veterans, who have votes, and now I wish to see the same consideration given to men who were disabled in the service of their country. We have been trying day after day to get their case before the Senate, and I think they are entitled to claim that much consideration.

Mr. DILL. Mr. President, the Veterans' Bureau bill proposes to appropriate $27,000,000, and it also proposes to revise the entire Veterans' Bureau legislation. I do not, therefore, think it is unreasonable to ask that it go over, at least in order that some of us may be prepared to state whatever position we wish to take with regard to certain sections of the bill.

Mr. REED of Pennsylvania. All I wish to do is to get started on it, and that is where we have had our trouble.

Mr. DILL. For the present, I object.

The PRESIDENT pro tempore. The Chair understands that objection is made to the request for the unanimous-consent agreement asked for by the Senator from Utah [Mr. SMOOT]. The Secretary will state the next amendment passed over on the revenue bill.

Mr. SMOOT. The next amendment passed over is on page 29.

The READING CLERK. The next amendment passed over is on page 29, line 19, to strike out "'Earned income' also means reasonable compensation or allowance for personal service where income is derived from combined personal service and capital in the prosecution by unincorporated persons of agriculture or other business, but not exceeding 20 per cent of the net profits of the taxpayer from the business in connection with which his personal services are rendered," and in lieu thereof to insert:

In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 per cent of his share of the net profits of such trade or business, shall be considered as earned income.

Mr. SMOOT. The amendment merely proposes a clerical change, Mr. President, and will not, I think, be contested. I do not think there will be any objection to that amendment.

Mr. MCKELLAR. I was unable to hear what the Senator from Utah said.

Mr. SMOOT. I have stated that the provision has merely been rewritten for clerical purposes. The contested amendment will be found on page 30, line 19, where the committee propose to strike out "$20,000" and to insert "$10,000."

Mr. DIAL. Mr. President——

Mr. SMOOT. If the Senator has no objection, I should be glad if he would let us agree to the amendment which has just been stated, and then we can take up the next amendment and the Senator can speak on that.

Mr. DIAL. I should like to get the floor pretty soon, Mr. President.

Mr. SMOOT. The Senator can get it just as soon as we agree to the pending amendment and take up the next one.

Mr. SIMMONS. Mr. President, we can not agree to the amendment which has been stated without very considerable discussion. On yesterday afternoon I offered an amendment to this amendment which I think will create considerable debate.

Mr. SMOOT. Does the Senator refer to the amendment which has been stated which provides for striking out certain words and inserting others?

Mr. SIMMONS. I have offered an amendment to the earned-income section.

Mr. SMOOT. But the Senator's amendment is not, I think, to the amendment which has just been stated. His amendment will follow on page 30, where it is proposed to strike out "$20,000" and to insert "$10,000."

Mr. SIMMONS. My attention was diverted for a moment and I did not hear the amendment stated; but I understood it related to earned income. I have no objection to the amendment which has been stated.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment passed over was, on page 30, line 19, after the word "than," to strike out "$20,000" and to insert "$10,000," so as to read:

(3) The term "earned net income" means the excess of the amount of the earned income over the sum of the earned-income deductions. If the taxpayer's net income is not more than $5,000, his entire net income shall be considered to be earned net income, and if his net income is more than $5,000, his earned net income shall not be considered to be less than $5,000. In no case shall the earned net income be considered to be more than $10,000.

Mr. JONES of New Mexico. Mr. President, I propose two amendments to the bill and ask that they may be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SALE OF COTTON FUTURES

Mr. DIAL. Mr. President, I desire to detain the Senate only for a few moments. In 1921 I introduced a bill to amend the cotton futures contract law. Realizing this was a technical subject, in March, 1922, I had the whole subject referred to the Federal Trade Commission. I wanted it to be investigated most thoroughly, so that Senators could have the benefit of expert testimony, opinions, and findings on the subject.

My contention was that the present law operates injuriously against the grower, because of allowing the wrong party, to wit, the seller, to select and giving him too much latitude to select from, to wit, 10 grades. I offered a remedy to divide the 10 grades into three classes. The Federal Trade Commission on Monday made a report to the Senate sustaining my contention. This report went further, however, recommending certain matters for which I did not contend, and, in fact, which I have opposed. It recommended (1) abolition of New York as a tender market; (2) making New York contracts deliverable in the South; (3) authorizing odd-lot sales—that is, less than 100 bales.

I did not advocate the abolition of the New York market as a delivery market, either. That was outside of anything I contended for; on the contrary, I strongly disagree. The commission recommended that cotton should be delivered on contracts in certain places in the South; that the New York market should be maintained as a trading market, but not for delivery, and cotton should be delivered in certain stations in the South. I did not contend for that. On the contrary, I opposed any such suggestion. To my mind to authorize delivery in the South on New York contracts would be very injurious to the price of cotton. The trouble to-day is that a large amount of uninvested wealth in New York is used to cause violent fluctuations and to manipulate the market. One reason to-day why the market does not go lower is because delivery might be requested of the contracts in New York, and, of course, the commodity would bring a higher price there than it would if it could be delivered in the South. It is just like potatoes, for instance; if you had a contract to sell potatoes they could be sold cheaper in Maine, where they are grown, than in New York. Just so as to cotton. For this kind of proposition to be enacted into law would be very injurious, according to my ideas, to the growers of cotton.

Some arguments were produced to sustain that contention. I did not include it in my bill. In fact I opposed it before the Federal Trade Commission, and there is nothing pending in Congress, so far as I know, to carry out that suggestion of the Federal Trade Commission; and I very much fear the commission did not give it the very careful study that it ought to have given it. My contention is that the law as it exists to-day is wrong, because the wrong party to the contract—to wit, the seller—has the right to select any one or all of 10 grades in which he can deliver the contract. In other words, the wrong party to the contract has the right of selecting the quality of the contract. Then it is wrong in the second respect because it gives the seller too much latitude to select from. Therefore the contract, of course, is a depreciated contract, and it fixes the price of the actual cotton. That is where the wrong comes in, and that is what the Federal Trade Commission sustains, and that is all my bill meant, all I ask for, and all that I advocated.

This matter has been before the Agricultural Committee for something like two years or longer, and it has neglected to make a report. I have pending a motion, which I propose to bring up at the first opportunity, to discharge the committee from further consideration of the bill. I feel, with all due respect to the committee, that they are taking naps on the job. As a remedy for this condition, the southern Senators and Congressmen ought to have a meeting and get together like business men and agree on the subject.

The South is in a bad condition as to agriculture. On account of the wide and wild fluctuations of cotton manufacturers are not able to sell their goods; hence, they are piling them up. Converters and, in fact, all buyers of goods are withdrawing from the market. Mills are compelled to shut down, and labor is being thrown out of employment without any fault of theirs, and they are leaving our section. This is more serious in the South than it has ever been heretofore. Our mill laborers are of the best class and are anxious to work. Before the advent of the boll weevil, if laborers should lose their employment in the South, they could go on some one's farm and get work until employment would be opened up in some other line, because at that time we all knew that some cotton could be produced, but since the boll weevil is present it is doubtful whether one can produce any cotton, so many people to-day are unwilling to finance the operations of farming, especially where they are not compelled to do so. At least they are reluctant to expand. Therefore labor is thrown out of employment, and a great deal of suffering will ensue.

Mr. President, I hope to bring up this subject at an early date, and I am going to press for passage of my amendment.

Mr. SMITH. Mr. President, on yesterday, I believe, my colleague introduced an amendment to the law looking toward the regulation in reference to the buyer of a contract. I want to state here, because I have already given a statement to the press as to the rules and regulations governing the exchange in reference to the seller having certain privileges as to notice of intention to deliver without like privileges on the part of the buyer to serve notice under what conditions he would demand specific fulfillment, that I think the amendment my colleague has introduced, if put in the proper shape—and I have not yet had time to study it as closely as I intend to—will have more effect upon the stabilizing of prices under present conditions than perhaps anything that has yet been introduced. It gives the buyer the same opportunity at the expiration of his contract to say under what conditions he intends to demand specific fulfillment as the seller now has of stating almost entirely at his own pleasure when he intends to offer or give notice that he will deliver.

Mr. DIAL. Mr. President, I am glad to have my colleague's approval of the amendment I offered yesterday. It is one that he and I have been discussing for some time, and I agree with him that it will help a good deal, but whether or not it goes far enough, I am frank to say that I do not know. I certainly thought the other two parts of my former amendment would help to stabilize prices a good deal, and I agree with him. I think this would improve the proposition greatly. Possibly there should be some more amendments put in along that line, but we should endeavor to give each party to the contract an equal opportunity. I think we can improve this proposition greatly, and I am satisfied that the southern Senators will get together and do that, and thereby we will help our people.

My colleague has made different speeches on the subject, and he is on the right line in saying that unlimited short selling should be prevented. That is entirely right, but I confess I do not know how to limit it. How much we should limit it, whether to the amount of the crop of cotton grown that year or in some other way, I confess I do not know; but my amendment would automatically limit it in a great measure, because it would make the party specify the quality of the cotton he was contracting to sell. Therefore, he would not sell to such an extent nor with such ease and rapidity. I am persuaded to believe the days of unlimited short-selling are drawing to an end.

The report of the Federal Trade Commission is a very voluminous document. It has not been printed. The Senate yesterday passed a resolution authorizing it to be printed, and I have read but very little of the report. It is several hundred pages in length. The commission, however, made a synopsis of its findings, which is very short. It does not take up a column in a newspaper, and I see that it is quoted in the News and Courier of my State, and also in some other papers. I ask unanimous consent that the synopsis made by the Federal Trade Commission of its findings be printed in the RECORD. It is just one column, I believe.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The matter referred to is as follows:

[From the News and Courier, Charleston, S. C., Monday April 28, 1924.]

ADVOCATES CHANGE OF PRACTICES ON COTTON EXCHANGES—REPORT OF TRADE COMMISSION TO BE TRANSMITTED TO THE SENATE TO-DAY—REVISIONS ARE RECOMMENDED—INQUIRY MADE IN RESPONSE TO ALLEGED VIOLATION OF ANTITRUST LAWS

WASHINGTON, April 27.—Revision of trading practices on the Nation's cotton exchanges is recommended by the Federal Trade Commission in a report on the cotton industry to be transmitted to the Senate to-morrow.

The report made public to-night is in response to a resolution directing the commission to investigate alleged violations of the antitrust laws by cotton exchange and cotton dealers, and the effect of such alleged violations on spot-cotton prices.

The commission recommended revision of grades of cotton deliverable on future contracts, changes in the system of making spot-cotton quotations and differences, delivery on New York future contracts at southern ports, and publication of the total volume of future and open trades. No proof could be obtained, the commission reported, on charges that cotton merchants have pooled their interests to manipulate future prices or of any attempt to restrict competition in the trade.

CONTIGUOUS GRADE CONTRACT

"A three contiguous grade contract," providing that delivery on each contract shall be composed of not more than three adjacent or contiguous grades of cotton, was recommended for future dealing. This system, the report said, should be used only on condition that the southern warehouse delivery system is adopted.

More accurate spot quotations, the commission claimed, would give true commercial differences for use in settlement of the future contracts which make for a more stable relation between spot and future prices and therefore for a better market.

The report pointed out that both the producer, merchant, and manufacturer are entitled to know what prevailing prices of cotton are, as shown by actual sales, not only for middling, but for all other grades of cotton.

To establish accurate spot quotations and correct differences, the commission recommended uniformity of procedure in determining them, that all pertinent price information be reported for every sale and be made the basis of the spot quotations and differences by mathematical computation, and that such information be verified by competent "classers." The feasibility of taking a weighted instead of a simple average for settlement of the future contract should be considered.

FURNISHES SAFE HEDGE

Supporting its recommendation of some form of southern delivery on New York contracts, the commission said:

"The strongest claim for a futures market is that it furnishes a safe hedge for cotton merchants. This the New York market does not always do; in fact, it is frequently manipulated, its prices being forced out of line. It is a truism to say that for some years past the New York futures market has failed to perform satisfactorily its chief functions.

"There are asserted objections to abolishing the New York futures market. New York has an important advantage over any other city in the United States; it is the financial and trading center of the world. It is stated by some cotton merchants that New Orleans has a better contract than New York in that delivery takes place at a large spot market.

"But the volume of trading in futures at New York is much greater than that at New Orleans. But it is believed that this time it is the part of wisdom to try to retain the better features of the New York futures market. Much of the ground for criticism will be eliminated by the adoption of some system of southern warehouse deliveries on New York contracts. Southern deliveries will do much to eliminate manipulation and determine New York future prices in their proper relation to spot prices."

ABOUT SOUTHERN DELIVERY

The commission recommended that the number of southern delivery points be few, and at present only Atlantic and Gulf ports. Delivery, inspection, and certification of cotton at the southern ports should be under rigid Government supervision, and tender of cotton on futures at New York should be no longer permitted.

The commission asked that consideration be given to a reduction in the size of the contract delivery (100 bales). The value of the present contract, with cotton at 20 to 30 cents, "seems entirely out of proportion with the value of the deliveries on future contracts for wheat, corn, and oats," said the report, adding that a reduction of the size of the delivery would render the contract more merchantable and at the same time would permit closer hedging.

The commission suggested that a prohibitive tax on cotton "puts and calls" like that now in force for grain be enacted, "thus contributing to the elimination of such trading which is now prohibited by the rules of both of the cotton exchanges."

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

Mr. KING and Mr. WALSH of Massachusetts. Let the amendment be stated.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. On page 30, line 19, it is proposed to strike out "$20,000" and insert "$10,000," so as to make the paragraph read:

(3) The term "earned net income" means the excess of the amount of the earned income over the sum of the earned income deductions. If the taxpayer's net income is not more than $5,000, his entire net income shall be considered to be earned net income, and if his net income is more than $5,000, his earned net income shall not be considered to be less than $5,000. In no case shall the earned net income be considered to be more than $10,000.

Mr. SIMMONS. I desire to offer an amendment.

Mr. KING. Does the Senator desire to discuss this particular amendment?

Mr. SIMMONS. No; I do not. I was about to offer an amendment. I send an amendment to the desk, which I ask to have read.

Mr. SMOOT. I have no objection to it at all.

Mr. SIMMONS. I do not know whether I have correctly stated the place at which the amendment is to be inserted, but it ought to come in on page 30, line 20.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from North Carolina.

The READING CLERK. On page 30, beginning with line 21, the Senator proposes to strike out all of subsection (b) and subsection (c), and to insert in place thereof the following:

(b) In the case of an individual who is taxed under the provision of section 210 the tax shall, in addition to the credits provided in section 222, be credited with 25 per cent of the amount of tax which would be payable on a total ordinary net income equal in amount to his earned net income as defined in this section.

Mr. SMOOT. I have no objection to the amendment.

The PRESIDENT pro tempore. The question now is on the amendment found in line 19, page 30.

Mr. SMOOT. I understand that the committee amendment has been agreed to.

The PRESIDENT pro tempore. It has not been agreed to.

Mr. KING. That was the reason why I interrupted the Senator from North Carolina.

The PRESIDENT pro tempore. The question is on agreeing to the amendment on line 19, page 30.

The amendment was agreed to.

The PRESIDENT pro tempore. Now, the question is upon agreeing to the amendment proposed by the Senator from North Carolina.

Mr. SIMMONS. I recognize that probably my amendment is not in order now, and if the Senator from Utah prefers, I am perfectly willing to have it go over.

Mr. SMOOT. It might just as well be acted on now.

Mr. SIMMONS. I am very glad to know that the Senator from Utah [Mr. SMOOT], the chairman of the Finance Committee, finds this amendment acceptable to him.

It has developed that under the bill as reported by the committee a taxpayer with an income of $100,000 would get eight times as much exemption from taxation under the $10,000 limit as the taxpayer whose income amounted to only $10,000 or less would get; making a very glaring inequality in the benefits conferred by the provision. Of course, if the proposition that came from the Treasury Department in the original bill had been adopted that disparity would have been even greater, enormously greater. The purpose of this amendment, and it undoubtedly will accomplish that purpose, is to allow all taxpayers the same amount of exemption on earned incomes of $10,000, or up to $10,000—that is, the man whose income is $100,000 shall take his tax exemption out of the first $10,000 of taxable income, and the man whose income is only $10,000, of course, as a matter of necessity takes his out of that earned income.

Mr. KING. His 25 per cent.

Mr. SIMMONS. Yes; of his taxable income. Without regard to the amount of his income, each would get the same amount of exemption from taxes as the other would get. That, I think, is a very just provision. I do not want to elaborate it, because I assume there will be no objection to it, the chairman of the committee having said that it is entirely satisfactory to him.

Mr. SMOOT. I have no objection whatever.

Mr. SIMMONS. I want to say that while the House reduced the limit on earned income subject to this deduction to $20,000, and the Finance Committee reduced that limit to $10,000, with the adoption of this amendment I would be perfectly willing to restore the original House limit, or even make that limit greater. I supported a reduction in the committee because, as the bill was then drawn, it was apparent to me that the man with a large income would get very much greater benefit from the bill than the man with small income, and the degree of disparity would increase with the increase in the amount of income. I thought that unfair. But it occurred to me that this amendment might be adopted, operative to correct an inequality, and to allow all taxpayers exactly the same reduction on account of this allowance of 25 per cent off of at least $10,000 of earned income. Unless there is some opposition, I have nothing more to say.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will report the next amendment passed over.

The READING CLERK. On page 31, line 23, under "Normal tax," the committee proposes to strike out lines 23, 24, and 25, all of page 32, and lines 1 to 4 on page 33.

Mr. SMOOT. The Senator from North Carolina wants that amendment to go over, and I ask that it may go over.

The PRESIDENT pro tempore. It will be passed over.

Mr. WALSH of Massachusetts. Mr. President, this bill is now getting into such a condition that we are approaching the very important amendments, and I think it would be of great help to Senators and also expedite the passage of the bill if a calendar could be prepared stating the important amendments which will be taken up from now on in the order in which they will be taken up. For instance, we have yet to consider the normal tax, the surtax, the estate tax, and the corporation tax, and if we knew the order in which they were to be taken up Senators could prepare themselves, be here to hear the discussions, and take an immediate vote after any one of these subjects was thoroughly discussed.

I hope the Senator from Utah will at some time, when he thinks the opportune time has arrived, prepare a calendar, so that Senators will know what important amendments are left undisposed of, and suggest, if he can get unanimous consent to it, the order in which they shall be taken up. I would like to have the opinion of the Senator from Utah on that method of expediting the business of the Senate.

Mr. SMOOT. The suggestion is a very good one; but the Senator knows I have not tried to crowd any amendment in which the Senator from North Carolina or any other Senator was deeply interested. I understand now that the Senator from North Carolina will be ready to proceed to-morrow with the discussion of the normal tax and surtax on individuals, and after that we will make out a list of the amendments in the order in which they are to be considered.

Mr. WALSH of Massachusetts. What I have in mind is this: If, for instance, we know that on Friday the corporation tax amendment will be taken up, and that that day will be given over to a discussion of that amendment; that on Saturday the estate tax amendment will be discussed; and that on Monday some other matter in the bill will be discussed, if we have that information before us we can be prepared to discuss each particular subject and have a vote and dispose of it.

Mr. SMOOT. The suggestion is a good one. The next amendment passed over is on page 47, but the amendment on page 52 ought to be agreed to first. Whatever action is taken on the amendment on page 52 will have a bearing on the action to be taken by the Senate on the amendment on page 47.

Mr. SIMMONS. What is the amendment now to be considered?

Mr. SMOOT. The amendment on page 52.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. On page 52 the committee proposes to strike out lines 19 to 25, both inclusive, and on page 53 lines 1 and 2.

The next amendment was, in section 214, on page 52, after line 18, to strike out:

(c) The amount of the deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, and the amount of the deduction provided for in paragraph (5) of subdivision (a) shall be allowed as deductions only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. SIMMONS. I think the Senator from Pennsylvania [Mr. REED] probably wants to present his views about this amendment. If he does not, I want to present mine.

Mr. REED of Pennsylvania obtained the floor.

Mr. SMOOT. Will the Senator yield?

Mr. REED of Pennsylvania. I yield.

Mr. SMOOT. I want to call the attention of Senators present to the fact that this is a very important amendment.

Mr. SIMMONS. Let us have a quorum.

Mr. SMOOT. I intend to call for one. As I said in the committee, I voted to strike this language from the bill for the very purpose of getting the subject upon the floor of the Senate for discussion. There is a vital principle involved in this amendment; and for that reason I suggest the absence of a quorum, with the hope that Senators will remain in the Chamber while we are discussing the amendment.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Cameron	Dill	Frazier
Ashurst	Capper	Edge	George
Bayard	Cummins	Edwards	Gerry
Broussard	Curtis	Ferris	Glass
Bruce	Dale	Fess	Gooding
Bursum	Dial	Fletcher	Hale
Harreld	Ladd	Overman	Spencer
Harris	Lodge	Pittman	Stanfield
Harrison	McCormick	Ralston	Stanley
Heflin	McKellar	Ransdell	Stephens
Howell	McKinley	Reed, Pa.	Sterling
Johnson, Calif.	McLean	Sheppard	Swanson
Johnson, Minn.	McNary	Shields	Trammell
Jones, N. Mex.	Mayfield	Shipstead	Walsh, Mass.
Jones, Wash.	Moses	Shortridge	Walsh, Mont.
Kendrick	Neely	Simmons	Watson
Keyes	Norris	Smith	Willis
King	Oddie	Smoot	

The PRESIDENT pro tempore. Seventy-one Senators have answered to their names. There is a quorum present.

Mr. REED of Pennsylvania. Mr. President, the pending amendment will be found on page 52, beginning at line 19. The committee amendment consists in striking out the provision which was recommended by the Treasury Department as a means of putting an end to what has become not only an instrument of unfairness to the Government but a great evil. In substance the provision of the House text was that if a man was in receipt of tax-free interest on securities, municipal or State, he might deduct from his taxable income losses and interest paid by him only to the extent that his losses and his interest paid exceeded the amount of the tax-free income. As I stated it that sounds involved, but it is not an involved idea. Many men reduce the amount of their income tax by charging against their income the interest which they pay on their own loans, and it is proper that they should. Many men reduce their taxable income by deducting from it losses which they have sustained in the sale of securities, and it is proper that they should if the losses are sustained in good faith.

I beg Senators' attention to this because it is really the first phase of one of the biggest questions that the Congress of the United States has got to solve if it is going to retain an income tax law. It is the first effort to reach the evil that has grown up around the issuance of tax-exempt securities, and it is something that deserves the earnest thought of all of us.

The idea of the Treasury Department is not to tax securities which are tax exempt. They do not ask us in this provision to go that far. I have an amendment pending which I shall offer when the committee amendments are disposed of which would reduce——

Mr. OVERMAN. Is the Senator discussing the amendment which he introduced on yesterday?

Mr. REED of Pennsylvania. No; I am discussing the committee amendment on page 52, beginning at line 19, where the committee recommends that there be stricken from the bill the provision which the House put in to limit the amount of losses and the amount of interest that he might deduct from his taxable income. It is proposed to limit him by providing that if a man has a lot of tax-exempt interest coming in from State and municipal bonds, then he may only deduct so much of his losses and so much of the interest that he pays as exceeds the tax-exempt income. That seems a peculiar way to get at it, but it is necessary for the reason that a great many men who borrow heavily put the borrowed money or its equivalent into tax-exempt securities, so that not only is that interest exempt from taxation but the interest that they pay in borrowing money is deductible from their taxable income. The result of that is that we get such paradoxical cases as the estate of William Rockefeller, who had borrowed $31,000,000 and whose estate consisted of $44,000,000 of tax-exempt securities. In other words that man—and we might as well use him as an illustration because the facts of his estate are public property——

Mr. JONES of New Mexico. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I yield.

Mr. JONES of New Mexico. Will the Senator state further that the money so borrowed by Mr. Rockefeller was borrowed from his children?

Mr. REED of Pennsylvania. That I believe was the fact as to practically all of it.

Mr. JONES of New Mexico. It seems to me that modifies to a very material degree the inference which might be drawn from the statement of the Senator. I can understand how a man might borrow a large amount of money from his children and pay them interest on it, when he would not be willing to borrow that money from outside sources and pay a rate of interest on it merely for the purpose of having it invested in tax-exempt securities which produce only 4½ per cent interest.

Mr. REED of Pennsylvania. I do not quite agree with the Senator in his conclusion. It seems to me that the fact that it was borrowed from Mr. Rockefeller's children makes it a more

emphatic case. It shows a greater evasion of the income tax law. But let us consider just what the facts were.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. REED of Pennsylvania. I yield to the Senator from Utah.

Mr. KING. I apologize to the Senator for interrupting him. I am not sure that the Senator ought to deduce any general rule for the determination of our policy because of the Rockefeller case. I regard it as sort of an exception. It stands out sui generis. The Senator will recall that the returns for 1922 showed only 241 estates of more than $1,000,000 in value that had any tax-exempt securities held at all, and they were inconsiderable, not sufficient to pay the expenses of administration.

Mr. REED of Pennsylvania. I am taking this case because the facts are all in the public records, and it is no abuse of confidence to discuss it. I believe it is the experience of most of the Members of the Senate that such cases do exist and are common, although I grant that the figures are as the Senator from Utah has just given them. But let me explain just what happened in this particular case and just what can happen in every other case. The amendment we are considering only reaches the cases where that is done.

Rockefeller had two-thirds of his estate in tax-exempt bonds. Forty-four million dollars' worth of tax-exempt bonds constituted two-thirds of his assets. As to that much he sat by and paid no tax, and to that extent the rest of his fellow countrymen were paying for the Government and he was not.

Mr. JONES of New Mexico. Mr. President, may I interrupt the Senator again?

Mr. REED of Pennsylvania. I yield.

Mr. JONES of New Mexico. May I inquire how he invested that borrowed money of $31,000,000?

Mr. REED of Pennsylvania. I do not know any more about Mr. Rockefeller's behavior than has been given by the newspaper accounts, and I do not know what he did with the $31,000,000.

Mr. JONES of New Mexico. Does not the Senator believe that we ought to know that, so as to know whether or not the Treasury has suffered any? If he borrowed $31,000,000, he perhaps purchased other securities with it, and the income from those securities would likewise be subject to tax. I am interested to know how the Senator figures the proposition so that the Government loses any revenue.

Mr. REED of Pennsylvania. I do not claim to be a great mathematician, but I think it is obvious that if the taxable part of his estate consisted of only $20,000,000 and his borrowings consisted of $31,000,000 and his tax-exempt securities consisted of $44,000,000, at least $11,000,000 of his borrowings must have been in tax-exempt securities or else thrown away.

Mr. JONES of New Mexico. May I remind the Senator that there is a provision in the statute which prohibits the allowance of interest for the purpose of buying tax-exempt securities; but if he should do it, I assume that the rate of interest which would be paid for the borrowed money would be at least equivalent to the rate of return upon the tax-exempt securities. If it were not, I can not see the advantage of the transaction. I am unable to satisfy my mind that Rockefeller did not pay his children really in that way a bonus, making gifts to them of the difference in interest, because if he was paying them a rate of interest in excess of the return upon the tax-exempt securities, there certainly must have been some favor involved in the transaction, because there would be no business advantage in it.

Mr. REED of Pennsylvania. If the Senator from New Mexico will have patience with me for just a moment, I think I can show how there was a business advantage in it.

Mr. Rockefeller borrowed $31,000,000. Now, at least $11,000,000 of that must have been spent for tax-exempt securities, because he only had $20,000,000 of taxable securities in his estate when he died. That much we have. Let me show how he worked it. His interest on $44,000,000 of tax-exempt securities was approximately $2,000,000 a year. All of that $2,000,000 was absolutely tax exempt. The interest that he paid his creditors, who happened in this case to be his children, if he paid 6 per cent, was $1,800,000 a year.

Under the law as it stands, and we are trying to correct it, that $1,800,000 was deductible from his taxable income. He had about $20,000,000 of taxable securities. Now, let us suppose that he got a high rate of interest on the $20,000,000. Let us suppose that he got as much as 9 per cent upon all of his taxable estate. It would be absolutely wiped out by the deduction of the $1,800,000 of interest that he was paying to his children. Therefore he got $2,000,000 of tax-exempt income and did not pay one penny of tax on it, and he got 9 per cent on his $20,000,000 of taxable securities and paid no tax on that.

Now, let me apply it to a simpler case. Suppose that I have a business that yields me $50,000 a year; I am running a shop, we will say, or am practicing law, or have investments, and I have $50,000 a year coming in. If I have simply let matters rest there, I have to pay a substantial income tax on that amount, but if I go to my banker and borrow $1,000,000 and put it into 5 per cent municipals—and there are plenty of them coming out every day; one's mail is full of advertisements of them, if he shows the slightest interest in the subject—if I borrow $1,000,000 at 5 per cent and put up the municipal bonds, and perhaps a little more, for collateral, and pay 5 per cent to the bank, what happens? The 5 per cent interest I get on the $1,000,000 of tax-exempts comes in to me, and I pay no tax on it. The $50,000 that I get from my business is entirely wiped out by the interest that I pay, and I have converted a $50,000 taxable income into $50,000 of nontaxable income, and I actually get the same amount net each year, but pay no tax. I pass my share of the burden of paying for the Government over to my fellow citizens. I sit under the umbrella of this tax exemption.

Mr. WATSON. And that is being done right along.

Mr. BROOKHART. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Iowa?

Mr. REED of Pennsylvania. Will not the Senator let me finish one or two more thoughts?

Mr. BROOKHART. Certainly.

Mr. REED of Pennsylvania. In addition to that there is the man who registers off losses. We all know the phenomenon that occurs on the New York Stock Exchange in the last couple of weeks of the year, especially if prices are down. There is great ado and prices are very much upset each day. The financial column of every newspaper explains it as, "This is the season for registering off losses." What that means in plain English is that every man of wealth has gone to his safe deposit box and thumbed over the papers there to find securities that are then selling on the market at less than he paid for them. He takes them to his broker and he says, "Here, I have $100,000 of Union Pacific 4's; they are down 10 points from what I paid for them; sell them for me and buy me the same amount of Atchison 4's or some other security equally good." Then he goes back with his head up and his conscience untroubled and deducts $10,000 from his taxable income by registering off that paper loss. It is not a real loss; he has merely turned one good bond into another good bond; he has just as much property as he had in the beginning; but he has cut down his taxable income for that year, and the United States is the sufferer.

There are two ways of reaching that kind of gentleman. One is to subject to taxation what is called the tax-free income from future issues of such securities. I have an amendment which I am going to offer when the time comes to try to accomplish that object. The other way, about which there can be no constitutional difficulty, is the method provided here at the suggestion of the Treasury Department; that is, do not let a man register off losses from his taxable income; do not let him charge off interest paid from his taxable income except to the extent that those losses or that interest paid exceeds the amount of his tax-exempt income; so that if I have $5,000 coming to me from tax-exempt bonds and if I am paying $5,000 worth of interest on a loan of approximately the same amount, I can not take the tax-free income and put it in one pocket and then use that deduction to cut down the amount of my properly taxable income in the other pocket.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. REED of Pennsylvania. I yield.

Mr. NORRIS. Will not the Senator take the same illustration that he gives as to the sale of $100,000 of Union Pacific bonds and the purchase of an equal amount of Atchison bonds and, assuming that the law has been amended as he suggests, see where that illustration will bring us?

Mr. REED of Pennsylvania. Certainly. We will assume that I have $10,000 of taxable income from my business or from ordinary corporation bonds. If I go through the process which I described awhile ago of swapping bonds and registering off a nominal loss, I can deduct that nominal loss from my income, and absolutely wipe it out for the purpose of taxation, although at the same time I may be receiving tax-exempt income for any amount, or, say, $10,000 of tax-exempt income. As the law now stands, under peculiar privileges which we allow to capitalists, the deductions are made first from their taxable income. What we want to do is to make the deductions from their tax-free income. I can not see any reason ethically why they are

entitled to deduct these losses from their taxable income rather than from their nontaxable income. What the amendment provides is that, if a taxpayer registers off his losses on his bonds he has got, in substance, to deduct that loss first from his tax-free income, and then only the excess on it from his taxable income.

Do you not see, Senators, that the present law works all to the advantage of the capitalist? He has all these loopholes that we have left him in the law, so that, without breaking the law in the least, he can cut down his taxes to a small fragment of what they would be if he had paid on his total real income, while the man who works for his living pays up to the last penny, because there is no deduction, there is no loophole open for him. But the capitalist has these tax-frees to put his money into; he has this method of registering off losses, and he has the privilege of charging off his interest. All these things are loopholes for him, but the man who works for what he gets has no similar privilege. There is nothing that corresponds to that in advantage to the worker. The advantage is all to the capitalist.

Mr. BROOKHART. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Iowa?

Mr. REED of Pennsylvania. I yield to the Senator.

Mr. BROOKHART. I should like to ask the Senator a question. Are the transactions which the Senator has described whereby the taxpayer reduces his taxes a fraudulent evasion of his taxes?

Mr. REED of Pennsylvania. The Senator has not heard the subject under discussion; I think he came in——

Mr. BROOKHART. I did not hear all of it.

Mr. REED of Pennsylvania. I think he came in after the amendment was suggested. It has nothing to do with the taxable earned income or the reduction of the taxes on earned income, but the amendment proposes to strike out a provision that is intended to prevent these evasions.

Mr. BROOKHART. In the case of the transfer of stock that is made on the loss theory, is that a genuine legal switching of property within the law such as an honest court would allow the taxpayer in the reduction of his taxes, or is it a fraudulent evasion?

Mr. REED of Pennsylvania. It is not a fraudulent evasion in a legal sense. The tax law provides, and it always has provided, that a loss suffered on the sale of securities might be deducted.

Mr. BROOKHART. The Senator described a stock transaction which he said did not in fact involve a loss at all, and yet the taxpayer was allowed to deduct it as a loss. Is not that fraud?

Mr. REED of Pennsylvania. It is not a legal fraud; no.

Mr. BROOKHART. The technicality of the law protects the taxpayer in that kind of a situation?

Mr. KING. It is not a question of the technicalities of the law but it is the law itself.

Mr. REED of Pennsylvania. The law itself protects him and affirmatively allows him to charge off that loss. Now, what we are trying to do is to stop his being able to deduct that loss.

Mr. BROOKHART. I am not out of sympathy with the Senator's idea; I believe it is all right so far as that is concerned; but I was rather interested to know if the capitalists of the country are that kind of tax dodgers and then accuse the I. W. W.'s of being Bolsheviks.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Pennsylvania yield to the Senator from Florida?

Mr. REED of Pennsylvania. I yield to the Senator from Florida.

Mr. FLETCHER. Does not the Senator's proposition lead to this: By way of illustration I will take farm-loan bonds, which under the law are exempt from taxation. Say I have a little money to spare and I want to see the farm-loan bonds marketed because out of the proceeds of the farm-loan bonds loans are made to the farmers on long time. They are bought largely because they are tax exempt and are sold at par or a little above par, bearing an interest rate of 4½ per cent. I can ordinarily get more than 4½ per cent for any spare money which I may have to invest, but the farm-loan bonds are perfectly safe, and I rather desire to encourage the sale of such bonds in order that there may be ample proceeds to meet the demands of agriculture.

The law provides, as I have said, that they are exempt from taxation. If the Senate does not agree to the committee amendment, but agrees with the Senator from Pennsylvania, the result in effect will be to tax these exempt bonds. If, for instance, I am entitled as an individual to certain deductions—say, to illustrate, that I have borrowed money and am paying $2,000 a year interest—if I happened to have a few farm-loan bonds and am getting interest from these bonds, I can not make any deductions, if the Senator's position is well taken, of the interest which I am paying in another direction, unless that interest exceeds what I receive in the way of interest from my farm-loan bonds.

Mr. REED of Pennsylvania. That is exactly right.

Mr. FLETCHER. That in effect taxes the farm-loan bonds. There can be no escape from that conclusion, it seems to me. I call the Senator's attention to another provision in this bill under which I am not allowed to borrow money for the purpose of investing in farm-loan bonds to escape taxation. There is a provision in the bill, on page 48, which obliges me in that kind of an instance not to make any deduction for the interest which I have to pay in order to get money to purchase tax-exempt securities. I can not do that; that is prohibited.

Mr. REED of Pennsylvania. The Senator knows that provision does not work. I was coming to that in a moment if I had been permitted.

Mr. SMOOT. That is also the present law.

Mr. FLETCHER. Yes; and it is in this bill.

Mr. REED of Pennsylvania. Will the Senator allow me to answer the question which he has asked before he goes on further?

Mr. FLETCHER. Certainly.

Mr. REED of Pennsylvania. There is and has been for years a provision in the law that interest on money borrowed for the purpose of buying tax exempts shall not have the privilege of being deducted. The way taxpayers get around that—and it is as simple as the A, B, C's—is to borrow money for some other purpose and then use the money that they have for the other purpose to buy tax exempts. Practically, that section is a dead letter. We all know that tax exempts are bought on borrowed money, because when men die we find in their estates great blocks of tax exempts and at the same time many outstanding debts. If the man did not have the tax exempts he would not have the debts, but he so arranged matters that the money he paid for the tax exempts came out of some fund that he had before, and then he borrowed money and replenished the fund. That is the way they all do it. That law is a dead letter.

The proposal I am advocating will put life in it.

Mr. GLASS. Mr. President, if I may ask the Senator a question, is it not a fact that comparatively few people of moderate means buy tax-exempt 4½ per cent farm-loan bonds?

Mr. REED of Pennsylvania. That is my belief.

Mr. GLASS. Men of moderate means residing in those sections of the country where the interest rate is high are not going to borrow money at 6 per cent, at the very least, with which to buy 4½ per cent tax-exempt bonds.

Mr. REED of Pennsylvania. That is quite true; but men of large incomes to whom a tax-exempt bond paying 4.4 per cent is the equivalent of a 10½ per cent taxable bond under the present law are going to borrow money, and they have been borrowing money by the millions of dollars, to buy tax-exempts; and every time they do it the Government loses income tax on the interest that they get, and it loses income tax again on the interest that they pay. That is what it comes down to. Not only does the purchase of a tax exempt on that basis, as by Rockefeller, lose to the United States the tax on his income but it makes a double loss, because the United States is losing on an amount equal to the interest that he is paying. So that not only is the tax exemption granted to him one way but it is granted to him two ways every time he makes such an investment.

That is the situation to which the Treasury wants to put an end. You can depend upon it that Rockefeller's estate never would have shown any such preposterous condition if this had been the law before he died, and there will not be any more Rockefellers with a vault of tax-free securities and a bank full of notes on the other hand if you will put this clause into effect; and to my mind there is no reason in ethics or common sense why these deductions should be applied to the taxable part of a man's income and not to the nontaxable part.

A man has no vested right to say that all these deductions shall be scored off this branch of his income and not off that branch, and yet that is what the present law does. We have put the rich men of this country on "Easy Street." It is all very well for us to talk on the stump about the high surtaxes which we are putting on the rich men; but, as a matter of fact, we know and the country ought to know that it is not

the rich men that are paying those high surtaxes. It is the men who are creating wealth to-day who are paying the surtaxes and not the men who have it. This is the first step toward cutting down the immunity of the rich man who sits back behind his citadel of invested wealth, and it ought to be cut down, and he ought to pay his share of the expense of government.

I hope the Senate will reject the committee amendment.

Mr. GLASS. Mr. President——

Mr. KING. Will the Senator yield?

Mr. REED of Pennsylvania. I yield first to the Senator from Virginia. I think he rose first.

Mr. GLASS. I was about to suggest that the principle involved in this amendment, as well as the ethics involved, is tantamount to a suggestion once before made by the Treasury, which was, in effect, that the taxpayer be required to return all of his income, whether from taxable or nontaxable sources, in which event his taxable income would be thrown into the higher brackets, and the Government thereby would be enabled to offset the disadvantage of large investments in nontaxable securities.

Mr. REED of Pennsylvania. I think that suggestion was made at the time that the Senator from Virginia was Secretary of the Treasury, if my memory serves me right; and it has been a condition which every Secretary of the Treasury has realized to be an evil ever since the income tax was first adopted.

Mr. SMOOT. Mr. President, in connection with what the Senator from Virginia says, I might add that if the House provision, which I am in favor of, is adopted it simply means a limitation on deductions. That is the only question involved. It is not a question of violation of the Constitution of the United States. The Congress says that there shall be a limitation of deductions allowed.

Mr. REED of Pennsylvania. I thought I had made that clear. There is no constitutional question involved in this at all. It is simply a matter of cutting down on the favors that are given to the taxpayer.

Mr. KING. Mr. President, has the Senator any figures to indicate the amount of tax-exempt securities held for the purpose of obtaining deductions against possible losses in business activities, and also the amount of tax-exempt securities held purely for investment, and which would not be subject to the criticism which the Senator has just made, and which are not used and not intended to be used for the purpose of obtaining deductions?

Mr. REED of Pennsylvania. I think I can answer that very directly. In the first place, I call the Senator's attention to the fact that this provision does not prevent the deduction of losses incurred in trade. It relates only to the deduction of losses in collateral business, like the matter of making investments and selling them and reselling them. The Treasury figures that this provision as the House had it will increase the Government revenue $35,000,000 a year, and all of that obviously will come out of the higher brackets—that is to say, from the men of large invested wealth. They are the men who will pay this additional $35,000,000. That is how much it means to the United States.

Mr. BRUCE. Mr. President, I do not feel so sure by any means as the Senator from Pennsylvania seems to be that the committee amendment in this case is a bad one. It seems to me that there is a great deal to be said in its behalf, though I propose to say very little.

If the Government proposes to tax tax-exempt securities, it should do so directly; above all, it should do it in a manner that does not savor of sharp practice.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, the exemption ought to apply to all holders, and not just to a particular class.

Mr. BRUCE. To all holders; yes.

A bill was introduced in the House providing for an amendment to the Federal Constitution empowering the Federal Government to tax municipal and State securities, which are now exempt from taxation. Personally, I am somewhat in sympathy with that proposition, and I should have been glad to have had an opportunity to vote on it. The matter was discussed fully in the House and the result was that by a very decisive vote, as I remember, the House refused to give its approval to the amendment. In other words, the view of the House was that it was entirely consistent with public policy in every respect that securities issued by the States and State municipalities should remain tax exempt; and that is the only declaration of policy in regard to the subject that has emanated from either the House or the Senate. Now, here comes along the Government and proposes to do obliquely what the House of Representatives said it is not expedient from a public point of view to do frankly and directly.

Mr. REED of Pennsylvania. Mr. President, has the Senator noticed that the House of Representatives adopted the provision that we are urging the Senate to retain?

Mr. BRUCE. Yes; but the House of Representatives, like individuals in the Senate, can be inconsistent sometimes. One act of the House may be thoroughly defensible and another may not be defensible at all.

Mr. GLASS. Mr. President, may I suggest to the Senator from Maryland that it would be entirely permissible, and in my view ethical, if the Congress should prohibit any deduction on account of borrowed money, would it not?

Mr. BRUCE. Yes; but in point of fact it allows a deduction, and then——

Mr. GLASS. Well, I know; but here is a proposition partially to circumscribe deductions. Certainly if it would be within the province of Congress and would be ethical to deny all deductions on account of borrowed money, it would be ethical to circumscribe deductions.

Mr. BRUCE. I agree with the Senator, except that in such a case as the present I would substitute the word "circumscribe" for the word "circumvent."

Mr. GLASS. Very well; "circumvent." There is no trouble about circumvention if it is ethical and proper.

Mr. BRUCE. Not at all; but the very word "circumvent," of course, suggests something that as a rule is just a little shady.

Mr. GLASS. Not necessarily. Sometimes we seek to circumvent an evil practice.

Mr. BRUCE. Yes. The Government at this time is absolutely powerless to tax securities issued by the States or State municipalities. Of course, it was held years and years ago that it is not competent for it to tax any property held by the States or held by municipalities created by the States, or to tax any securities issued by the States or State municipalities. As I have said, the House of Representatives has deliberately refused to change this state of things; and then the Government itself has issued, on the popular faith that it would be in every respect faithful to its promises, great quantities of tax-exempt securities. It has impressed upon them the character of complete or partial freedom from taxation; and yet now, in the same breath—I really shall have to ask for order, Mr. President.

The PRESIDING OFFICER. Let us have order in the Senate.

Mr. BRUCE. There are some gentlemen in this assemblage who, when a speaker is endeavoring to express his thoughts, remind me in their conversation with each other of what our first father said to our first mother in Paradise Lost:

> With thee conversing, I forget all times,
> All seasons, and their changes.

There are times for conversation and times for efforts to shed a little light on problems of importance like the one under discussion, and it seems to me that the present time belongs to the latter rather than to the former category. However, I have only a few more words to utter.

As I said, the Government at one moment declares that it will allow a deduction for losses, and for interest on indebtedness, and then a moment afterwards declares that from those losses and that interest shall be deducted all interest on tax-exempt securities. I say that is blowing hot and cold; that is creating a hopeless incompatability of ideas.

I doubt not that there are rich men in the country, unhappily a number of rich men, who abuse the privilege afforded by tax-exempt securities, but that is not true by any means of thousands of wealthy men and well-to-do men. There are a great many men who care very little about money, and who yet make from year to year a considerable amount more of income than the sum of their expenditures, and to save themselves trouble, if for no other reason, invest their surplus income in tax-exempt securities; that is to say, in securities which bear a very low rate of interest. Of course, these individuals, like other human beings, are subject to losses, and have to borrow money at times. When a perfectly honest individual has all of his property, or the greater part of his property, invested in tax-exempt securities, and incurs an indebtedness on which he has to pay interest, or incurs a loss of some kind or other, it would be utterly repugnant to fair treatment for the Government to say to him, "We have no power to tax the Government, State, or city securities in which you have prudently invested your money; we have no power to do that, but we will accomplish the same result by deducting the interest you receive on those municipal securities from the total amount of

your losses and the interest which you pay on your indebtedness."

I say that such a position on the part of the Government is utterly untenable. I even say that it has a flavor of sharp practice about it. The Government is attempting, I will not say covinously, but circuitously and disingenuously and in a manner that it can not for a moment justify, to deprive the taxpayer of an exemption to which he is justly entitled without abatement. The Government has no more right to resort to a dishonorable artifice for the purpose of imposing taxation than the taxpayer has for the purpose of evading it.

The Senator from Pennsylvania [Mr. REED] speaks as if there were no wealthy men in the United States except William Rockefeller. My observation is that the most honest and the most prudent people who have anything to do with money at all are likely to invest it in low interest-bearing securities, which, of course, are usually Government, State, or municipal securities. The treatment that they would get when they were so unfortunate as to owe a little interest on indebtedness or to incur a loss of some sort would be to be deprived of the tax-exempt feature of their property by having the Government deduct the interest on that property from the amount of the losses or the amount of interest on the indebtedness.

It seems to me that this matter has not received the consideration that it deserves at the hands of the Senate, though it does seem to have received the consideration that it deserves at the hands of the Senate Finance Committee. I happen to know that before this last degree of consideration was given to the subject, the House provision was going along to enactment almost as a matter of course, and then the attention of the Senate committee was called to the injustice and lack of good faith inherent in the proposition, and it was, I am happy to say, to no small degree the result of exposition and reasoning on the part of one of the very ablest members of the Baltimore City bar that the Senate Finance Committee came to the conclusion that it reached, and I saw without hesitation that that just and honest conclusion should be ratified by the good judgment and honest spirit of the United States Senate.

Mr. McLEAN. In the instance which the Senator has cited, the case of a man who might properly invest in nontaxable securities and yet meet with a serious capital loss which he could not deduct except as to the excess of the loss over the income from the tax-exempt securities—and that kind of a case I think would be very rare—the individual could easily sell his nontaxable securities. Anticipating his difficulty in deduction, he could easily sell them and invest in something else, and then deduct his losses.

Mr. BRUCE. Why should a perfectly honest, conservative investor be compelled to resort to a tax artifice to relieve himself of an obligation which should never have been placed upon him?

Mr. McLEAN. The reason is that there are a great many men who are using the tax-exempt securities for the sole purpose of evading a tax which they should in good conscience pay, and if we can reach those cases and prevent that, and still leave a way by which an individual who properly invests in tax-exempt securities without any ulterior purpose can exchange his tax-exempt securities, and then take advantage of his losses, it seems to me no hardship would be done.

Mr. BRUCE. But if you strike down the innocent at the same time that you strike down the guilty.

Mr. McLEAN. You do not strike him down at all. You put him to the trouble of changing an investment if he has made a serious loss.

Mr. BRUCE. We have no right to compel or force him to resort to some cunning device or nice artifice or other expedient to secure proper treatment when he is not Rockefeller, but perhaps a man who cares nothing about money, except perhaps to make some moderate provision for himself and his family.

Mr. McLEAN. He would be justified in doing it. It would be no artifice.

Mr. FLETCHER. Mr. President——

Mr. BRUCE. I yield.

Mr. FLETCHER. I will not interrupt the Senator.

Mr. BRUCE. There is nobody to whom I would yield with greater pleasure than to the Senator from Florida, because the Senator is so courteous always in yielding when he has the floor.

Mr. FLETCHER. I thought the Senator had concluded his remarks.

Mr. BRUCE. I have completed what I had to say.

Mr. SIMMONS. Mr. President, I regard this amendment as one of the most important amendments in the whole bill. I think its adoption would be more far-reaching than Senators at first blush would suppose. On account of the great importance of the matter, I think we ought to have more Senators present than are here now. I should like to discuss this question, but I should like to have more Senators present when I do discuss it.

Mr. FLETCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Fess	Lodge	Shields
Ashurst	Fletcher	McCormick	Shortridge
Bayard	Frazier	McKellar	Simmons
Borah	Gerry	McKinley	Smith
Brookhart	Glass	McLean	Stanfield
Bruce	Hale	McNary	Stephens
Bursum	Harreld	Mayfield	Sterling
Cameron	Harris	Neely	Swanson
Capper	Harrison	Norris	Trammell
Caraway	Heflin	Oddie	Underwood
Curtis	Howell	Overman	Walsh, Mass.
Dale	Johnson, Minn.	Pepper	Walsh, Mont.
Dial	Jones, N. Mex.	Pittman	Warren
Dill	Jones, Wash.	Ralston	Watson
Edge	Kendrick	Ransdell	Willis
Edwards	King	Reed, Pa.	
Ferris	Ladd	Sheppard	

The PRESIDING OFFICER. Sixty-six Senators having answered to their names, a quorum is present.

Mr. SIMMONS. Mr. President, I am not sure that we have quite as many Senators since we called a quorum as we had before we called it. The situation evidences lack of interest on the part of Senators in the discussion of very important and vital provisions in the bill. I regret it very much. I shall not find it necessary to detain the Senate long upon this matter, because the Senator from Maryland [Mr. BRUCE] has admirably said some things that I had in mind to say, and to that extent relieved me of as full a discussion of certain features of the matter as I otherwise would have indulged in.

Mr. President, from my viewpoint this is nothing more or less than an attempt to deny to the holder of tax-exempt bonds, whether issued by the Federal Government or by the States or by the Federal land banks or the War Finance Corporation, to a certain extent the exemption from taxation promised him upon the face of the bonds. It is the first step toward repealing all laws and removing all obstacles for the purpose of getting rid of tax-exempt securities altogether. Of course, if we are going to repeal all exemption and to subject all of this class of bonds and securities to taxation, we ought to do it by direct action and not indirect action, and we ought to do it in such a way that the denial of the exemption will extend to all holders of such securties, and not to a small part of them. As the Senator from Maryland said, a movement was started—I think it originated with the Treasury Department—to secure the submisson of a constitutional amendment to the people for the purpose of changing the laws so as to allow the Government to tax all such securities. That movement has for the present failed. It did not succeed in passage through the House. The pending amendment is to accomplish to a limited extent and by indirection the very purpose of that proposal.

Every Liberty bond issued by the Government carries with it to the purchaser of that bond a promise of exemption from taxation on the part of the Government. It is a solemn promise. It is a promise made by the sovereign to the subject. The States have heretofore enjoyed and now enjoy the right of exemption from Federal taxation. These bonds have been issued and the purchasers of the bonds have been guaranteed exemption, not only from State but from Federal taxation. In my judgment these promises ought sacredly to be kept. I do not think the Government should discard such promises or deny to the holder the full benefit of the promises because of any matter of expediency or because some—I will not say evil-minded—but perverse people have used the privilge for the purpose of escaping some other tax to which they are properly subject under the law. The Government is the last person that ought to teach the citizen by example that a solemn contract can be repudiated or ignored because it is to the interest of the Government to do it or because of some public exigency. If these observations are not pertinent to the purpose and intent and what will be the effect of this provision, then I am utterly unable to understand the contract by the Government with the people and the effect of this proposition upon that contract.

The Senator from Pennsylvania [Mr. REED] very cleverly seeks to make or, whether he sought to do it, has made, I apprehend, the impression that the amendment only denies the exemption or the full benefit of the exemption in cases where the bondholder has borrowed money for the purpose of purchasing such

bonds. Such is not the case. The amendment reaches very much further than that. In fact, there is nothing in the amendment that indicates that it is intended to be limited to cases of that character.

I think it is well for the Senate to understand exactly what the amendment is. The law provides that every citizen of the country who is a taxpayer and whose income is a taxable income shall be entitled to a certain deduction from his net income and that only the residue after such deduction is made shall be subject to income taxation. One of the deductions which the law provides and which is referred to in the amendment is a deduction to the extent of interest that may be paid by the taxpayer for borrowed money. Another one of the deductions is that in case of a loss, we will say by fire or otherwise, not covered by insurance, he shall be entitled to deduct the amount of that loss. Every citizen in the United States under those provisions is entitled to those deductions—interest and loss not covered by insurance.

The pending amendment provides that he shall not have the full benefit of those losses in certain cases. In other words, the amendment provides that certain citizens of the country who are so unfortunate, from the standpoint of the amendment, as to hold Government securities guaranteeing them against taxation by reason of the fact that they hold such Government securities, shall lose the benefit of the deductions allowed to every other citizen of the country. It penalizes the possession of such securities.

The amendment follows after those provisions. If there is a situation which requires the denial of those deductions, if it is thought to be against public policy that the taxpayer should be entitled to deduct from his taxable income the interest paid on borrowed money, then let us repeal the provision granting the deduction. But if the deductions are to obtain, every man should have the benefit of them, and not every man except the man who happens to hold some of the securities of the Federal Government or one of our States.

Now, let us see what the House text provides:

The amount of the deduction—

That refers to the two deductions I have mentioned, as well as others—

provided for in paragraph (2) of subdivision (a)—

That is the deduction of interest paid—

unless the interest on the indebtedness is paid or incurred in carrying on a trade or business—

This section does not apply if the indebtedness is incurred in the trade or business of the taxpayer—

and the amount of the deduction provided for in paragraph (5) of subdivision (a)—

That is the deduction of losses not covered by insurance. So it will be seen that the amendment not only embraces interest upon borrowed money but it embraces losses accruing from the destruction of property by fire or other providential visitation.

If those losses are sustained outside of the business, in the first place, and by reason of fire, then if a man engaged, we will say, in mercantile business happens to have some side line which does not constitute his regular business and is not properly classified as his trade, and if, as the result of his ordinary outside business transactions, he pays out interest or suffers a loss, he is allowed the deduction in that case "only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title."

He has a loss, Mr. President, not incurred in his ordinary business but on the side; he has a deduction on account of interest, and he has a deduction on account of losses by fire. The losses which he is entitled under the amendment to deduct, and that any citizen not covered by this amendment would be entitled to deduct from his income before it is subject to taxation, we will say, amount to $10,000. I, not possessing any tax-free bonds at all, would be entitled to the full amount of that deduction, thereby reducing my tax to that extent; but my distinguished colleague from the State of Indiana, who is really entitled to the same deductions and in the same amount, happens to own some tax-free bonds the interest upon which amounts to $10,000. Before he is allowed a cent of deduction he must subtract that interest upon his tax-free bonds from his deductions on account of interest and fire losses. That wipes his deduction out and leaves him no deduction on that account, and to the full extent of that deduction with the rate prescribed his governmental tax is increased. If that is not indirect taxation imposed upon these Government securities, I can not understand what it is.

It is the entering wedge, as the Senator from Pennsylvania [Mr. REED] has stated. The purpose probably is, Mr. President, to get a decision of the Supreme Court upon the constitutionality of the scheme. Then it will be enlarged, and in the process of enlargement probably it will be required that the interest on tax-exempt securities shall be subtracted not only from the interest and the fire losses but from the ordinary expenditures allowed as a deduction to the taxpayer. The general effect of such a provision would be to subject to taxation every Government tax-free security and every State tax-free security to just the same extent as if we were to place and had the power to place them all upon a taxable basis.

Mr. President, I happen to know that this provision has greatly alarmed persons who are responsible for the faithful performance of the contracts which the States have made and the contracts which the Government has made, especially in connection with certain tax-exempt bonds which are allowed to be issued by certain agencies of the Government. I have here a telegram from the Governor of the State of Maryland, to whom the Senator from Maryland has referred—I think he referred to the governor—as one of the ablest lawyers in the State of Maryland. I am going to ask the Secretary to read the telegram to the Senate. It voices the convictions of this great governor and legal luminary that the effect of this amendment will be just what I have indicated it will be, and that it would be not only in violation of the Constitution but it would be exceedingly embarrassing to the States which are now issuing tax-exempt securities.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The principal clerk read as follows:

BALTIMORE, MD., *April 6, 1924.*

Hon. F. M. SIMMONS,

Finance Committee, Senate Office Building, Washington, D. C.:

I wish to earnestly protest against the passage of the section of the tax law known as subdivision C of section 214 of the revenue bill of 1924. Nominally this section is intended to prevent certain large taxpayers from avoiding the Federal income tax through the purchase of exempt securities with borrowed money. The effect of the section, however, is to tax indirectly the tax-exempt securities issued by the States, counties, and municipalities. I would most earnestly join in any effort to prevent the use of tax-exempt securities for the purpose of tax evasion. The proposed section, however, has a very different effect. While it succeeds in taxing exempt securities in the hands of certain Federal income-tax payers, and thereby relieves other Federal income-tax payers, it eventually transfers the burden to those who hold no tax-exempt securities, but who pay direct taxes to the State. I hold no brief for the rights of owners of tax-exempt securities. On this phase of the question it seems only fair and proper to suggest that those who have honestly adhered to their bargain with the Governments of the United States and the States are entitled to similar consideration on the part of the Governments concerned. At no time in the history of the country has it been more important that those responsible for government should set an example of the strictest good faith in the matter of government promises and assurances.

But I do hold a brief for the taxpayers of my State. And if a tax aimed primarily at one class of Federal income-tax payers rests eventually on those who pay direct taxes to my State it becomes my duty to protect them so far as it is in my power to do so. I protest, therefore, for these reasons:

1. I protest against any effort of the Federal Government to impair any of the sovereign powers of the State. If the Federal Government can indirectly tax State, county, and municipal securities, it can impair their credit and seriously interfere with their ability to carry on necessary public work. If the power to indirectly tax exists, it involves the power to destroy, and the power to injure or destroy the credit of the States involves the power of the Federal Government to control many of the States' most important activities. Congress has recently refused to submit an amendment authorizing the taxation of future issues of State, county, and municipal securities. The proposed legislation nevertheless seeks to accomplish this same purpose and to settle this important constitutional question by indirection and device. If it can be successfully done to a limited extent, as in the present subdivision C, the method may be in the future easily and largely extended.

2. The provision merely transfers a portion of the taxation burden from the group of Federal income-tax payers to those who pay direct taxes to the State. The citizens of the State of Maryland now pay to the Federal Government more than four times as much in taxes as they pay to the State. The amendment may succeed in requiring a portion of the group of Federal income-tax payers to pay taxes on their exempt State, municipal, and county securities. As the aggregate budget raised by the Federal Government will remain the same, this will have the effect of relieving other members of the

group of Federal income-tax payers from a portion of the tax by lowering the general rate. It is very desirable to reduce all taxes, but not merely to transfer them to others less able to pay. If you succeed in so taxing heretofore exempt State, county, and municipal securities the effect will be to raise the interest rate on future State, county, and municipal issues. This increased tax must be paid by the taxpayers of the States and paid in the form of direct taxes. While the provision therefore relieves some of the group of Federal income-tax payers who are reasonably capable of paying the tax from a portion of the present burden it will eventually transfer that burden to those who pay direct taxes in the State.

3. The increase in direct taxation which will result from this provision falls with peculiar force upon a class whose burden should be decreased rather than increased; that is, the agricultural class in the community. They are the largest direct taxpayers and the increase in direct taxes due to the increase in interest rates on State, county, and municipal securities, which we must issue, falls largely on them. The provision, moreover, imposes upon them another burden. It will similarly increase the interest rate on Federal farm-loan bonds. The low interest rate provided by the Federal farm-loan bonds not only saves interest to the farmer who borrows from that body, but its lower competing rate keeps down the interest rate on all farm loans, and an increase in the Federal farm-loan interest rate will therefore raise the rate to practically all farmers. The provision will, therefore, cause a double hardship to this class.

4. I suggest to you that any such indirect attempt by the Federal Government to tax State, county, and municipal securities may result in retaliatory legislation by the States. We have no State income tax in Maryland, but States which do levy such taxes may also adopt artificial rules for ascertaining the taxable income and through such rules reach the income on farm-loan bonds and other tax-exempt United States securities.

Chief Justice Marshall's premise that the power to tax involves the power to destroy warns every State executive to jealously guard the right of the State from the improper exercise of the Federal taxing power. I can not see either the wisdom, logic, or fairness of such a provision and would ask why it is not possible to insert in the law a provision which directly punishes the evaders of the tax instead of one which levies a new tax on those who have nothing whatever to do with such evasions. But even if such an evasion can not be prevented surely no provision can be justified which not only subverts the fundamental principles of the Constitution but punishes the larger number of innocent people for the sake of preventing tax evasion by others.

I hope sincerely it will not be necessary to force the States to question the constitutionality of such a provision as subdivision C, and yet I can not now see what else the States can do to protect their rights of self-government.

ALBERT C. RITCHIE,
Governor of Maryland.

Mr. SIMMONS. Mr. President, what the Governor of Maryland says with reference to punishing all the people for the derelictions or the greed of a few is very pertinent and very true. In order that you may reach a case like the Rockefeller case—and I imagine there are not so very many of those—in this indirect way it is proposed that you apply the same drastic remedy to innocent people and deny to them that to which other citizens under the law are entitled.

That is a bad way of legislating. We have fallen into that habit somewhat. We find a hard case, a flagrant case, resorted to by a small portion of the people of the country, and in order to meet that we are too prone to apply a remedy which will not only affect them and frustrate their scheme of wrongdoing but will affect just as disastrously every innocent taxpayer or citizen of the country.

I think the majority of the people who hold the tax-exempt bonds have not borrowed the money; or if they have borrowed it, they have borrowed it with no intent to defraud the Government of what it is entitled to demand of them. They borrowed it as other good citizens borrow money, for the purpose of carrying on their business or to meet their obligations; and they ought not to be punished because some other citizen has seen fit to resort to this method of escaping his just obligations to the Government.

Mr. President, I also want to refer to a conversation I have had with Hon. Angus W. McLean, of my State. Senators know all about Mr. McLean. For five or six years he was a director and for some time managing director of the War Finance Corporation. He is one of the ablest lawyers and ablest men in my State, and he ranks with the big men of America, as his record here at Washington proves. His business acumen and his business ability are unsurpassed. As a director of the War Finance Corporation, which issues bonds of this class, he is familiar with situations of this kind. He speaks out of experience and out of knowledge. He is now a candidate for governor in my State. He is the president of a large joint-stock land bank, also, and as such has a direct interest in this matter as well as the broader interest of good citizenship.

Mr. McLean earnestly opposes this scheme because he knows what the hurtful effect of it would be on the issuance and sale of securities by the farm-loan banks and other Government agencies established for the benefit and relief of the American farmers.

Mr. McLean thinks, and properly so, that the effect of this attempt to violate the good faith of the Government by indirection would be far-reaching and disastrous. He protests earnestly against this move which he regards as an assault upon the relief agencies for the farmers of the United States, gained by hard and long fighting in the Congress. I entirely agree with Mr. McLean.

If this does not call for a real rally upon the part of men who represent agricultural districts and States, I do not know what should cause a rally. Of course, the farmers do not know what is going on, but they will know the moment they find themselves unable to borrow from these land banks as well as the intermediate credit banks, and they are going to scrutinize very closely the activities of their friends in Congress.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Tennessee?

Mr. SIMMONS. I do.

Mr. McKELLAR. I understand that Mr. McLean spoke of the constitutionality of the provision. Does the Senator agree with him that the provision raises any constitutional question?

Mr. SIMMONS. The telegram which I had read from Governor Ritchie, who is a great lawyer, expresses that opinion, and Mr. McLean expressed it. I presume they have investigated the question. I have not investigated it; but, without investigation, I will say to the Senator that it is my opinion that if the Government of the United States indirectly undertakes to subject to taxation its bonds that have been issued exempt from taxation, a constitutional question of very serious import would be raised.

Mr. McKELLAR. Mr. President, if the Senator will permit me, I will ask him to let me read the provision, changing the last phrase of it only:

The amount of the deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, and the amount of the deduction provided for in paragraph (5) of subdivision (a) shall be allowed as deductions only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations——

Mr. SIMMONS. Exempt from taxes.

Mr. McKELLAR. No; no—

on obligations arising from real-estate loans.

Would not that be a perfectly proper classification, if the Congress wanted to do that?

Mr. SIMMONS. "Arising from real-estate loans"?

Mr. McKELLAR. Yes.

Mr. SIMMONS. I do not catch the point.

Mr. McKELLAR. Instead of making the classification upon obligations or securities the interest upon which is wholly exempt from taxation under that title, suppose they made the same provision in regard to the income from real-estate loans?

Mr. SIMMONS. That would not be an analogous case at all, because the deduction which they do make is a deduction which in effect makes taxable that thing which is not taxable.

For instance, if I may illustrate, under the general law that applies to every citizen he is allowed a deduction of interest that he pays upon borrowed money. He is allowed a deduction for losses that he sustains from fire or other casualties which are not covered by insurance. If those losses that every citizen of the country is entitled to deduct, and the man who is covered by this amendment is entitled to deduct, amount to $4,400, we will say, that deduction is taken away from him by offsetting against it the interest on Government bonds which under the law is exempt. That exemption, I think, is protected by the Constitution of the country, because it is a part of a contract, and the effect of what is proposed here is to repudiate that contract.

Mr. McKELLAR. Suppose it said, instead of interest——

Mr. SIMMONS. If it mentioned some deduction that the Government might legitimately deal with, of course, that would be different.

Mr. McKELLAR. Let us take this case. Suppose it said—

On obligations or securities arising from investments in gambling houses.

Would not that be a perfect and legitimate division?

Mr. SIMMONS. I think it would, undoubtedly.

Mr. McKELLAR. Suppose it said "on obligations or securities" of certain kinds of corporations the interest on which now forms an exemption; that is, the income from those corporations up to a certain amount is deducted. Why could not the Government increase the amount of those or diminish the amount?

Mr. SIMMONS. The Senator does not get the point of all my discussion. My discussion is that it is not permissible nor is it right that the legitimate and legal deduction that a man is entitled to should be taken away from him by offsetting it with a class of income that under the law is exempt from any taxation. That is the only question I raise about it.

Mr. McKELLAR. As to the question of the morality or right of the transaction, of course, there can be very serious difference of opinion on a question like this, but so far as the constitutionality of the question is concerned, I do not think the Constitution affects it. Of course, I do not know what our Supreme Court will hold.

Mr. SIMMONS. I have not discussed the constitutionality of it, because while I used to be a lawyer, and probably a pretty diligent one, I have not discussed constitutional questions since I have been in the Senate, because I have not had time to investigate them.

Mr. FLETCHER. May I make a suggestion to the Senator from Tennessee? He readily recognizes that there is no right or authority or power in Congress to tax State securities which are exempt from taxation under State law. He will admit that.

Mr. McKELLAR. I do not go that far. I do not agree to the proposition which the Senator expresses.

Mr. FLETCHER. The Supreme Court has held that that did not broaden the power of taxation.

Mr. McKELLAR. I am not at all sure that that is correct.

Mr. FLETCHER. I can convince the Senator of that. I can cite him the cases on it.

Mr. McKELLAR. Cases do not amount to anything. We have had some very peculiar cases coming from some of our courts. They are not always convincing at all.

Mr. FLETCHER. The decisions are uniform on that proposition. There is not a shadow of doubt about it. But the question here is, if the effect of this provision is to tax—I am not saying it is absolutely conclusive in my mind—to my mind it is an indirect tax on exempt securities of the Government, either issued by the Government or authorized by the Government, but whether it is a tax on securities that are exempt under State laws may be a question. If it is, undoubtedly Governor Ritchie's position is absolutely sound—it is unconstitutional, and we can not tax State securities.

Mr. SIMMONS. I do not want to discuss the constitutionality of it. It is too plain to my mind that it is a violation of faith, whether it can be done constitutionally or not. It is a provision attempted to be inserted in the law which would cost the States of this country, if it were held to be constitutional, millions piled upon millions in the increased interest rates they would have to pay upon all the bonds, or in the reduced market price of the bonds they may issue for the accomplishment of the vast schemes of development and improvement, which I am glad to say are being carried on by practically all the States of the Union.

Mr. McKELLAR. Will the Senator yield to me for a moment?

Mr. SIMMONS. Just let me finish this idea. It is going to mean an increase in expense to the farmers of this country, who have been very fortunately securing relief from a situation of dire distress at low rates of interest through that great agency which the Government has set up to enable the farmers in this country to tide over the misfortunes and calamities that have come to them in recent years, because of the increased rate of interest that these institutions will have to pay. Mr. McLean, whom the Senator from Tennessee and others Senators know is a man of calm, deliberate, sound judgment, of large experience and large ability to understand and to comprehend and to visualize results, now, as the head of a great joint-stock land bank, says that if this passes and goes to the Supreme Court, during the period of time that will elapse between its passage and a final decision, these banks might have to suspend issuing bonds or have to pay rates of interest very much higher than those they are paying now, and pass them on to the farmers.

I have had several conversations about this amendment with the chairman of the farm loan board, Governor Cooper of South Carolina. I have found him to be a man of keen understanding and broad vision. He occupies an exceedingly responsible position. He is the head of this great institution, which is serving the farmers so well and affording relief against what otherwise would be distress, if not bankruptcy. I happen to know that he is profoundly apprehensive of the effect of this amendment, and he expressed to me the opinion that if it were adopted that board would not be able to float its bonds at the rates of interest at which they had been selling them, and upon the terms imposed by the limitations of the act under which they operate.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Tennessee?

Mr. SIMMONS. I yield.

Mr. McKELLAR. Before the Senator finishes, I would like to read the constitutional provision to which I have referred, so that we will have recalled to our minds just what the Constitution says about the matter. Amendment 16 reads as follows:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

It is possible that our courts may legislate into that provision the suggestion which has been made, that the income from State bonds or other bonds is not taxable, but that provision of the Constitution provides that all income is taxable, from whatever source it comes.

I disagree with the Senator. I want to say to him that I join him in the high respect he has for his distinguished constituent, Mr. McLean. He is one of the able men of the country. I have great respect for his views as a lawyer, but I do not think there is any constitutional question raised in the proposal of the amendment on page 52 of the bill. I believe it is a mere matter of dealing with the subject wholly within the provisions of the Constitution, and that there is no inhibition against the legislation. As to the wisdom of the legislation, that is an entirely different thing; but I do not think any constitutional provision is in issue.

Mr. SIMMONS. I have not based my argument upon the constitutionality or unconstitutionality of the amendment. I had not mentioned that up to the time the telegram from the Governor of Maryland was read, and then mentioned it only incidentally. I am not basing my opposition to this upon any constitutional ground. I am putting it upon grounds of good faith and the keeping by the sovereign of its contract with the citizen.

I know that there is a strong movement in this country to subject all securities of the Government and of the States to taxation. There has been a drive in that direction for some time, which I have not quite understood. I do not myself regard it as wise. I think to subject the bonds being issued by the States of this Nation for the purpose of internal improvements to taxation would simply mean that while the Government would get a relatively small amount of income from that source, the States would have to pay, in order to accomplish the broad program of development in which they are now engaged, an increased rate of interest, which would be many times greater than the savings to the Federal Government, and that would, to a very serious degree, retard this most commendable work that is going on in the States, which means so much to the development of the agricultural resources and the business resources of this Nation and to each individual State and community.

Mr. RALSTON. Mr. President, will the Senator yield?

Mr. SIMMONS. I yield.

Mr. RALSTON. The Senator may remember that some months ago I attempted to point out what, in my judgment, would be the effect of taxing the securities of States and municipalities, and I pointed out that if the State and municipal securities were made taxable the States and municipalities would necessarily have to increase the rates of interest on such securities.

Mr. SIMMONS. Certainly.

Mr. RALSTON. Not only that, but when that increase was made, then those securities would find their way into markets such as New York, where there is practically no tax on them at all, and the State or municipality could realize nothing in

the end except the small increase which it might receive for such securities when sold.

Mr. SIMMONS. Mr. President, there are some people who think the States are doing too much, that they are too extravagant in their public expenditures, and that they ought to be checked. One of my constituents has written me a letter—I will not mention his name, because his letter is confidential in some respects, though I do not think that characterization would apply to what I am to read. He says in his letter:

> It is more vital to all States and minor subdivisions thereof, especially the small communities, that they be able to obtain cheap money for sanitary improvements, sewage, water, drainage, than it is to the Federal Government to stop the investment by a relatively few income taxpayers in these securities. The very existence of these communities, their life and health, depend upon the cost of the necessary improvements. Cheap money is vital even to the Government itself.

Many of the expenditures by the States for which these bonds were issued were to provide the things which go to the health and the life of the citizen, and which give to this day and generation a condition of life that unfortunately our ancestors did not enjoy. Anything that is going to overburden the States in this work, anything that is going to pile up interest upon the agricultural classes of the country, in my judgment, is too important a matter to be jeopardized in order that the Government may save a few dollars in taxes.

Oh, Mr. President, there is in the country to-day a tremendous effort to prize up the rates of interest and to bring about those conditions that existed before we established governmental loan agencies to help agriculture, to return to conditions when the farmers of the West and the South, the farmers of the East and the North, if they needed money, had to mortgage their farms and pay from 10 to 12 per cent interest. The great investment banks, the great land mortgage companies in the country, are to the front in this movement to subject State bonds, municipal bonds, farm-loan bonds, and Government bonds to taxation in order that the rates of interest may be raised in the United States and that they may be able to lend out their private hoards at higher rates than they are now obtaining.

Mr. GLASS. Mr. President, the discussion of this paragraph of the tax bill has taken what is to me a most extraordinary course and tenor. I am distressed that statements have been made by responsible public men which to me are so contrary to the facts involved in the discussion and so really damaging to the interests of that class of people in whose behalf the utterances are made as that I marvel at them. By one of these gentlemen attention is called to the fact that there was litigation extending over a period of 18 months as to the constitutionality of the act under which the Federal land banks and joint-stock land banks were authorized to issue tax-exempt securities, the implication being that there was some such constitutional issue involved here which might result in protracted litigation before the Federal courts.

Why, Mr. President, that issue was a constitutional issue. There was a specific direct attack on the constitutionality of the act of Congress authorizing the issuance of tax-exempt securities by the land banks and general stock land banks. There is nothing whatsoever of that nature involved here. The Senator from North Carolina [Mr. SIMMONS] would not venture to say that there was any constitutional question involved, although he had read from the desk two papers showing, if not directly at least by implication, that there was a constitutional question involved.

Then, too, one of the gentlemen said that if this limitation upon deduction, and that is all it is, should be adopted by the Congress there would not be another dollar of farm-loan bonds issued in the country. I think that is a most unfortunate statement to be publicly made by anybody, and much less by gentlemen who ought to know better. It brings to mind an incident that occurred in 1914, soon after the World War began, when a distinguished United States Senator from the South appeared before the Banking and Currency Committee of the House of Representatives and insisted that if we did not appropriate $500,000,000 immediately to valorize cotton there would not be one bale of cotton ginned in the ensuing year. We did nothing of the kind, and the statistics of the Department of Agriculture of record will show that for that particular year we ginned more cotton than for any preceding five years, and very likely for any succeeding five years. To sound such an alarm as this, to say that if the Congress adopts a simple limitation upon deductions from taxation it would result in any such disaster as that suggested, is affording no aid to the class of people of whom these gentlemen speak, but is actually damaging their interests.

I was never a member of the War Finance Corporation and I am not governor of the State of Maryland, but I have had somewhat to do with these matters. I was chairman of the joint congressional committee which framed and carried through Congress the bill to establish the land banks and joint-stock land banks, and heard all of the testimony that was there given. I give it as my deliberate judgment that the passage of this proposition by the Congress will not result in the curtailment of the sale of a single bond at a normal rate of interest by these institutions.

The Senator from Pennsylvania [Mr. REED] very clearly pointed out the intent of this provision of the bill. It is not purposed and it will not result in damage to anybody or any appreciable number of persons other than those persons who by hook and crook seek to evade their responsibility to the Government of the United States by the payment of taxes assessed against them. Why, in terms there are omitted from the provisions of this paragraph all persons who have borrowed money for use in their trade and in their business. It is intended to reach those adroit and cunning people who are addicted to the very practice mentioned by the Senator from Pennsylvania, at the end of each fiscal year, of making a mere pretense of selling their stocks and bonds in order that they may write off their imaginary losses and cheat the Government out of what is due it.

Mr BROOKHART. Mr. President, will the Senator yield?

Mr. GLASS. I yield to the Senator from Iowa.

Mr. BROOKHART. I would like to ask the Senator from Virginia why money borrowed for such purposes should be exempt from these provisions?

Mr. SMOOT. It is just the interest paid on such money that is exempt.

Mr. BROOKHART. It seems to me that about the same reason in that case would apply as where it is done deliberately for the purpose of evading taxation. It has the same effect.

Mr. GLASS. I think money employed in legitimate business is entitled to greater consideration than money employed in gambling purposes and money employed to buy these bonds for the express purpose of writing off imaginary losses.

I have been somewhat disposed to think that the Senator from North Carolina [Mr. SIMMONS] had confused this particular item of the tax bill with a proposed amendment to be offered by the Senator from Pennsylvania [Mr. REED], which does raise a constitutional issue.

Mr. OVERMAN. I am not contending with the Senator, but what does he have to say as to whether or not this is directed against efforts to escape from taxation by means of tax-exempt securities?

Mr. GLASS. I think it is quite directly a reprisal against those people who have been guilty of this legally sanctioned but morally illicit transaction to which the Senator from Pennsylvania referred, of writing off imaginary losses and deducting their taxes thereupon, in which transaction they not only get a freedom from taxation by reason of holding the tax-exempt bonds, but they get further relief from taxation on the interest which they have paid upon the money borrowed to buy the bonds in order to write off losses they had never sustained.

Mr. BROOKHART. On that proposition, it seems to me, if he has money borrowed which he claims is in his business and at the same time he owns tax-exempt bonds, I do not see how we can tell whether in fact it was borrowed for business or for bonds.

Mr. GLASS. That is one of the perplexities of the Revenue Bureau; that is one of the burdens of those who have to administer the law.

Mr. BROOKHART. But we have that same law now, and they get around, it seems, and dodge away from it. Why not cut that out entirely? Then there would be no chance at all for evasion.

Mr. GLASS. I would not favor cutting it out, because the man who borrows money in his legitimate trade or business is entitled to a deduction on account of interest paid upon these bonds.

Mr. SMOOT. He never would borrow the money unless it was necessary that he should have it.

Mr. GLASS. The persons who are borrowing money on tax-exempt securities, aside from those who are obliged to borrow money for trade and business purposes, are the persons so clearly and particularly described by the Senator from Pennsylvania [Mr. REED] who are writing off imaginary losses, and this provision of the tax bill is intended purely to meet that difficulty.

Mr. BROOKHART. In a case where a man has borrowed money for use in his business and at the same time is the

owner of Liberty bonds or of tax-exempt bonds, does the amendment provide for his deducting the interest from his income?

Mr. GLASS. No; not if the money be borrowed for trade and business purposes.

Mr. SMOOT. But wherever he makes it on any transaction or speculation it does?

Mr. GLASS. Exactly.

Mr. BROOKHART. I think it should be considered as not having been borrowed for business when the man is the owner of tax-exempt bonds at the same time.

Mr. SMOOT. Mr. President, I wish to say in relation to interest on tax-exempt bonds that a taxpayer has got to show that the interest comes from such bonds and he can not claim an exemption in any other way. Unless he does show that, the bonds are not tax exempt.

Mr. BROOKHART. Under the present law in order to claim a deduction a man has got to show that he had a loss on his stocks, but he juggles them around in such a way as to make it appear that he did have a loss when in fact there was no loss.

Mr. GLASS. Mr. President, in just a moment I shall yield the floor. I wish before doing so, however, to dissent from the notion that this legislation is an entering wedge in the fight which is alleged to be on against further issues of tax-exempt securities.

Mr. CARAWAY. May I ask the Senator from Virginia a question right there?

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Virginia yield to the Senator from Arkansas?

Mr. GLASS. Yes.

Mr. CARAWAY. If by legislation we shall render the market for the sale of tax-exempt securities narrower, would it not be an attack on them? If we shall render them less negotiable, if we shall keep certain people from being in the market to buy them, shall we not raise the interest on every community and every State and on every farmer who borrows from the Federal Farm Loan Board?

Mr. GLASS. I should unhesitatingly favor a limitation upon an illicit use of tax-exempt securities, whether it narrowed the market or not, but I have not the slightest idea that it will narrow the market to the extent of one dollar.

Mr. CARAWAY. Does the Senator think the same people would buy them should this provision be retained in the bill who would buy them as the law now stands?

Mr. GLASS. I should hope the same people would not buy them if they were going to put them to illicit uses, but if they should not buy them there would be other people to buy them. They are in demand all over the country. The latest issues of such securities have been oversubscribed; they have been taken with surprising alacrity as soon as the announcement has been made that they were for sale. There would be other people to buy them if those people who write off imaginary losses shall not use them for that illicit purpose. If I could think that the reasonable limitation here proposed upon deductions would in any degree harm the market price of Government securities or of farm loan bonds, which are not Government securities, I should unhesitatingly reject the proposition. However, nothing but the actual event, at which I should be greatly surprised, could possibly convince me that that would be the result of retaining this provision in the tax bill.

Mr. CARAWAY. I wish to ask the Senator from Virginia another question. A man buys a bond, which, under the Constitution, is exempt from taxes of certain kinds. If by action here we strike down one market for that bond he has bought, have we not invaded his contractual right just that far?

Mr. GLASS. I do not think so. I do not think that question is involved. I can see how men may draw a fine ethical point there; but what we are doing is exercising our right to put a limitation upon deductions upon sums which a man may under the law deduct from his tax payments. We have a perfect right to do that. We have a right to say that there shall be no deductions whatsoever. Therefore, if we have a right to say that there shall be no deductions whatever, we have a right to say that a limitation upon deductions shall be made.

I do not concur at all in the notion—and this I wish to say in conclusion—that this has anything to do whatsoever with the proposition to put an end to issuing tax-exempt Government securities, whether National, State, municipal, or other subdivisions of government. In this connection, I wish to add that I think, just as the distinguished Senator from Indiana [Mr. RALSTON] stated some time ago, that the relation of tax-exempt securities to the general issues of National, State, and municipal bonds has been greatly exaggerated. I confess, to my own surprise, that a more careful examination and analysis of the subject, prompted by the address made in the Senate by the Senator from Indiana, has convinced me that that is a fact. I fail to find that the proportion is such, at this time at least, as to seriously menace the fiscal policy of the United States Government; but what it will be at some time in the future no man may say. We are, however, now engaged in issuing tax-exempt securities at a rather alarming extent—in excess of $200,000,000 a year by the farm loan and joint-stock land banks, and many millions more by the States and subdivisions of the States—but even at the present rate it will be a long while before the issuance of these securities will become an actual menace to the fiscal affairs of the Government. Primarily, I have been opposed to the policy of tax exemptions; but discussion of the policy at this time is purely academic, as many States are averse to the suggested change, and it will not be made now. That is certain.

Mr. FLETCHER. Mr. President, I must differ with the Senator from Virginia, whose opinion and judgment I very greatly prize and value. In my judgment, it is not so much a question of constitutionality or unconstitutionality that is involved here; perhaps it is not so much a question of affecting the actual value of tax-exempt securities if this provision as it came from the House remains in the bill. It is a serious question, however, first, of good faith on the part of the Government when by law we provide that certain securities shall be exempt from all taxation and in this indirect way we provide that they shall not be fully exempt. That is an important and a serious question, as the Senator from Maryland has said.

Not only that, but there is another question which is very important and serious: Some of this class of securities have been advertised all over the country and are being advertised—for instance, the farm loan bonds, the debentures of the intermediate credit banks, and the joint-stock land bonds—as exempt from all taxation. The land bank bonds are sold, on that representation, through a syndicate. That syndicate of bond houses throughout the country receives a certain commission for the handling, the sale, and the distribution of these bonds. That syndicate advertises the bonds and represents to the public that they are exempt from all taxation—Federal, State, county, municipal, and every other form of taxation. Of course, a representation of that sort aids very greatly in the sale and disposition of the bonds. It broadens the market; it creates a demand for them which otherwise would not exist. The bond houses, the syndicate, and the Farm Loan Board will not be able to represent these bonds as tax exempt if this provision remains in the bill; the syndicate will not be able to advertise truthfully and tell the world that these bonds are exempt from taxation, although laws of Congress do now exempt them.

Mr. GLASS. They are exempt, and we are not proposing here to tax them.

Mr. FLETCHER. That is precisely what it is proposed to do.

Mr. GLASS. We are proposing to put a limitation upon the misuse of them by people who are entitled to no consideration.

Mr. FLETCHER. Oh, there is much talk about their misuse. Does the Senator wish to do away with tax-exempt securities?

Mr. GLASS. No; merely a limitation on their use.

Mr. FLETCHER. Well, it is desired to cure the evil of tax evasion. Complaint is made of people who devise all sorts of methods and schemes for escaping taxation. Very well; remedy that situation in some legitimate and proper way. We are not reaching that problem by putting into the law that hereafter interest on tax-exempt securities shall not be deducted from the income; that, although the interest paid by the taxpayer is deducted from the income, that amount is to be reduced by the amount of interest which he receives from tax-exempt securities. So it is proposed indirectly to tax these securities. There is no escape from that conclusion.

Mr. GLASS. If my colleague from Florida will permit me, I wish to modify the very sharp answer I gave about tax-exempt securities. I go so far as to say that if we had not already adopted the policy of issuing tax-exempt bonds I would not now embark on it; but I do think, from my recent examination of the statistics and facts, that its relation to the fiscal affairs of the United States has been very greatly exaggerated.

Mr. FLETCHER. Mr. President, I want to say this just at this point: The moment you empower the Federal Government to go into the States and tax the securities issued by the States, counties, and municipalities, that moment you put into the hands of the Federal Government authority and power sufficient to destroy the States.

Mr. GLASS. Mr. President, I am not going to embark on an academic discussion with the Senator——

Mr. FLETCHER. I want to go on with the thought I was expressing.

Mr. GLASS. But I want to say this: The Senator ought to be fair and state the whole question and not merely part of it. The proposition was, as I understood it, to enable the States to come into the National Capital and tax Federal securities as well.

Mr. FLETCHER. Why, of course; and what does that amount to?

Mr. GLASS. But the Senator did not say so.

Mr. FLETCHER. I had not finished what I began to say. What does that amount to? The proposition originally was to authorize the Federal Government to tax State securities, but they saw there was no chance to get through that sort of a provision, and so they said, "If the Federal Government is given the right to do that, we will provide also that the States may tax Federal securities"; but that amounts to nothing and especially in those State where there are no income tax laws and no inheritance tax laws.

Mr. CARAWAY. Mr. President, may I suggest to the Senator that that is just making the people pay two taxes.

Mr. FLETCHER. Precisely; it is making them pay two taxes.

Mr. CARAWAY. And may I call this to the Senator's attention: As he knows, in the original income tax law we undertook to tax the salaries of the President and the judges of the courts.

Mr. FLETCHER. Yes.

Mr. CARAWAY. We said, just as this provision says, that we were not taxing their salaries; that they were just compelled, like other folks, to bear their part of the burdens of government. It is rather interesting to notice their opinion upon that question, however. It was an indirect way of diminishing their salaries, they said, and therefore it was unconstitutional, and they promptly walked out from under it. This is an indirect way to avoid the provision of the bond that it is tax-exempt by limiting the use to which it may be put and narrowing the market for it and destroying its value.

Mr. FLETCHER. Precisely; detracting from its value.

Mr. CARAWAY. Without question it is as much an attack upon the bonds as the original bill was upon the salary of the President and judges of the courts.

Mr. FLETCHER. I think the Senator is quite right; and while, as I say, I have the very highest regard for the opinion of the Senator from Virginia [Mr. GLASS], and know from his experience both in legislative and in executive affairs that he is most competent to speak on these questions, here is a matter, however, which I think other people have had, perhaps, a little different and a little more direct experience in handling.

For instance, this bond syndicate actually advertises, sells, and distributes these bonds. I wrote to Alexander Brown Sons & Co., and received a reply from Mr. B. Howard Griswold, jr., of that firm, one of the important members of this syndicate, which has had experience, as I say, in selling the Federal land bank bonds, extending from the very beginning of the operations of the farm loan act, and such experience for much longer time in handling other securities, and they are one of the chief factors in the syndicate mentioned. I asked them about the effect of this amendment, and this is what Mr. Griswold says:

MARCH 24, 1924.

MY DEAR SENATOR FLETCHER: I have just received your letter of the 22d instant, asking for an opinion and views respecting paragraph (c), page 46, of H. R. 6715 as it passed the House. It is indeed a serious attack upon the exempt features not only of farm-loan bonds but of State, municipal, and county bonds. I am anxious to answer your inquiry as fully and accurately as possible, and at the first opportunity will send you a full reply.

Subsequently I offered an amendment striking out this paragraph, and I appeared before the Finance Committee. The paragraph, as you see, was stricken out by that committee. There was no occasion for any further reply from Mr. Griswold, or any further discussion by him; but this is his positive statement, based upon his experience in the bond market as a seller of bonds and his knowledge of the proper method of marketing these securities and what it takes to sell them; and he said:

It is indeed a serious attack upon the exempt features not only of farm-loan bonds, but of State, municipal, and county bonds.

I submit that we can not ignore the views, the judgment, the opinion of the people who are in this business day in and day out. That is their life. That is their occupation. They can not any longer put upon their literature a statement, clear and unqualified, that these bonds are exempt from all taxation if this provision remains in the bill.

Not only that, but Governor Cooper, of the Farm Loan Board, saw me about this matter, and I have a letter from him to the same effect. I have here also a copy of his letter to the Finance Committee dated March 27, 1924. He is the farm-loan commissioner and was formerly Governor of South Carolina. He has been for some years a member of the Farm Loan Board. He knows precisely what is necessary to continue the operation and the effective functioning of that great bureau of the Treasury, and he knows how these bonds are sold. He knows that unless the bonds are sold there are no funds to be loaned to the farmers of the country. They must depend upon the proceeds of the sale of these bonds for the money with which to make the long-time loans provided for in the act, and he knows the importance of this tax-exempt feature. He knows that it is provided for in the existing law. He knows that the representation has been made to the public everywhere that these bonds are fully tax exempt. He knows the importance of that feature in the matter of the sale of the bonds, and especially with regard to the low interest rate which these bonds must bear in order to meet the needs of agriculture.

The purpose of putting the tax-exempt feature in those bonds was to enable them to be sold at par at a low rate of interest. They have been sold at 4½ per cent and 5 per cent at a premium; they have been readily taken up, as the Senator from Virginia has said, heretofore; and the law is such that the farm borrowers get all the benefit of this low rate of interest, because we have provided further in the act that no borrower shall be charged more than 6 per cent on any loan obtained through that system. The borrower therefore gets the benefit of the low rate of interest, and not the bank that makes the loan. The law further provides that the bank can not charge the borrower over 1 per cent above the rate of interest which the bonds bear. It was intended that that 1 per cent should cover the cost of administration. As a matter of fact, one-half of 1 per cent covers it. As a matter of fact, too, if the system is allowed to function to its full possible limit one-fourth of 1 per cent and, finally, one-eighth of 1 per cent will pay the cost of administering the system; and the borrowers are to get the benefit of the low rate of interest the bonds bear, plus the cost of administration.

That is the law. You can not strike down that tax-exempt feature without increasing the rate of interest which the borrowers must pay through that system. You can not do that without destroying the statement of facts which is now properly made in the literature and the advertisements respecting these bonds that they are totally and absolutely exempt from all taxation; and you will make that impossible unless you agree to this committee amendment and strike this provision out of the bill, so Governor Cooper says.

Mr. DIAL. Mr. President, the demand for these funds is very great, too, is it not?

Mr. FLETCHER. Why, of course. There are outstanding mortgages on farms of this country to-day of over $7,000,000,000.

Mr. DIAL. I mean there is a great demand for more, too?

Mr. FLETCHER. Of course there is a great demand for more. It is to the interest of these farmers who are paying all the way from 7 to 8 or 10 or 12 per cent, counting commissions, fees, and expenses, on those loans to have them taken up under the farm-loan system, where they can get their money at 5½ per cent; so the demand on the Federal land banks for loans is almost unlimited, if for no other purpose than to take up outstanding mortgages on which in many instances the farmers are paying twice as much interest as the interest charged by the Federal land banks.

Mr. CARAWAY. And in addition to that they do not get the advantage of the amortization plan.

Mr. FLETCHER. Yes; amortization and terms practically of their own choosing are provided for in this act, allowing them to pay 1 per cent per annum until the whole principal is paid; so that they pay off the principal and have the use of the money, and by paying at the rate of about 6 per cent per annum they pay the interest on the loan and pay the principal at the same time. They have the privilege of having these loans run for 35 years if they like, or they have the right to pay off any part or all of the loan at any interest period after five years. The act provides that they can do these things in a way that relieves them of the fear of losing their homes; and all those features, of course, are intended to meet the needs of the farmers of the county by supplying them with accommodation through these facilities. The tax-exempt feature is an important part of the plan, the policy, and the law; and whenever you undertake to strike that down, to take it away, to destroy it, you are interfering seriously with this

great system, and if you carry it far enough you will destroy the system, because it will be impossible for the Federal land banks to make loans within the limitation provided by the act.

People talk a great deal about tax-exempt securities and about the evasion of the law. For Heaven's sake, are there no evasions of the payment of taxes except through tax-exempt securities? People talk as if this were the only thing that produces rascality in the payment of taxes and evasion of the law. Why, it is almost an infinitesimal thing, because the total of the tax-exempt securities outstanding in the whole country is only $12,300,000,000, whereas the total of all securities throughout the country amounts to $300,000,000,000.

People talk about necessity for taxing these tax-exempt securities in order to make people honest and have them pay their legitimate income taxes, although $12,300,000,000 takes in the whole of the tax-exempt securities throughout the whole country, and there are other securities amounting to $300,000,000,000. We do not hear any talk about them.

This is a drive at the tax-exempt feature of these farm-loan bonds, I tell you. It is a drive in which there are three groups interested, determined to win if they can. They are present holders of tax-exempt securities, land-mortgage bankers, and public utilities. At first an effort was made simply to repeal the law exempting these bonds from taxation. The people who were behind that were the land-mortgage bankers, with headquarters in Chicago. They had been negotiating loans upon farms, charging the borrowers 6 or 8 per cent, with 2 per cent commission, and so forth, loans running from three to five years, and whenever they fell due another commission of 2 per cent or such a matter had to be paid by the borrower. They did not want that business interfered with, so they proceeded to attack this feature of the farm-loan bonds. They did not get very far, however, because they saw that they were antagonizing the greatest industry in this country, agriculture; that they were attacking in this particular way the people who produce the Nation's food, and they could not make much headway in Congress.

Then they devised this bright scheme of proposing an amendment to the Constitution of the United States whereby the incomes on all securities issued by the Federal Government or authorized by the Federal Government may be taxed by the States, and the incomes on all securities issued by the States and by authorities of the States may be taxed by the Federal Government. They said, "That is fair enough. We are going to let the States tax the incomes on such securities as the Federal Government issues or authorizes and then the Federal Government must have the right to tax incomes of all those issued by the States." That would mean, of course, that the farm-loan bonds issued not by the Federal Government but by authority of the Federal Government would be taxed. Otherwise the Federal Government could not tax the incomes on State securities. Consequently it is a drive again at the farm-loan bonds. That is the real intention of it.

Mr. GEORGE. That would be a very unfair proposal, especially to a State that did not have any income-tax system of its own—that had not imposed that system upon its people. The Senator has spoken of the Federal farm-loan banks. Of course, his observations relate to the joint-stock land banks and to the intermediate credit banks.

Mr. FLETCHER. Precisely. I am glad the Senator mentioned that. I refer to that whole system, including the joint-stock land banks and the intermediate credit banks. And there are States, like Florida, which imposed no income or inheritance tax whatever. They would, of course, derive no benefit from the privilege of taxing Federal securities, but all their securities could be taxed by the Federal Government.

There are three groups primarily interested in this movement, this attack upon tax-exempt securities; first, those who already have tax-exempt securities. The minute you impose taxes on further issues of securities which are now exempt, that minute you increase the value of those securities now outstanding; you will increase by $120,000,000 or more the value of the securities now held by people, including the Rockefeller estate, so much talked about here to-day.

Mr. SMITH. Mr. President, if the Senator will allow me, I do not want him to fail to notice in this connection that the bonded indebtedness of the United States is some 15 or 20 times greater at the present time than it has been perhaps since the Civil War, and we have almost reached the limit of the issue of the bonds. Therefore, if we shall impose a tax on those that are hereafter to come, we will greatly enhance the value of those already existing.

Mr. FLETCHER. That is quite true, and that raises another thought which had escaped me, namely, that we can not of course make any law which will be retroactive; we can not pass a law to tax securities issued under a law which made them exempt from taxation. We can only pass a law, by constitutional amendment and by legislation, to apply to the future, so that only future issues will be affected by either a constitutional amendment or legislation.

The Senator from South Carolina [Mr. SMITH] mentioned the fact of our enormous outstanding bonded indebtedness. We are reducing that instead of increasing it. The Federal Government will have practically no new issues of bonds, and therefore the States will get nothing in this trade. This swap to the States is simply a pretense, it is one-sided as to the States, and I am satisfied they will see it. That kind of an amendment will never be adopted by the required number of States in this country.

That is the situation. The Federal Government does not contemplate issuing any more tax-exempt securities; it does not have to. We are reducing those now in existence. The States, counties, and municipalities, of course, will be issuing more bonds and more securities as time goes on. The Federal Government will get the right to tax the incomes on those issues, and the States will get the right to tax the incomes on the new issues of the Federal Government, which will be nil.

I started to read from this letter of Governor Cooper. I offered an amendment, as I said, to strike out the provisions of the House text, as the committee has done, and he refers to that and says:

> The amendment proposes to strike out subdivision (c) of section 214.
>
> That deals with deductions allowable from taxable income.
>
> The Federal loan act declares Federal farm loan bonds, and the income derived therefrom, to be free from all taxation, National, State, and local. The provisions of subdivision (c), which it is proposed to strike out, do not impose a direct tax on income derived from tax-exempt securities, but it does deny in certain cases to the owner of a tax-exempt security deductions from his taxable income which would be allowable if he did not own the tax-exempt security. The effect, therefore, is the same as if a tax were imposed on an instrumentality which the Government has declared to be tax exempt if the owner of the security is in debt or if he sustains losses in nonbusiness investments. The purpose in providing for tax exemption of farm loan bonds was to broaden the market and induce persons to buy this particular security. It occurs to me as an act of bad faith for the Government now to deny to the owner of a tax-exempt bond a deduction from his taxable income which would be allowance to him if he was not the owner of the tax-exempt security.
>
> He says further:
>
> If subdivision (c) is to remain as a part of the revenue act, and it shall become law, the Federal land banks, joint-stock land banks, and Federal intermediate-credit banks will hardly be in a position to offer their obligation to the public as wholly tax exempt. We have given this matter quite a good deal of consideration before reaching this conclusion.

That is signed by the farm loan commissioner. I ask to have the letter go into the RECORD at the conclusion of my remarks without reading it. This is the opinion of the Farm Loan Board as expressed by Commissioner Cooper.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See Appendix.)

Mr. FLETCHER. A short time ago I mentioned the fact that great stress had been laid on the transactions of one individual. We have heard a good deal about Mr. Rockefeller's estate investing in tax-exempt securities very largely. That is a mere bagatelle, and it should not be urged here as an evidence that big taxpayers are seeking to escape legitimate taxation by investment in tax-exempt securities. In my judgment a man who invests in tax-exempt securities is prepaying his income tax on his investment. He is investing in a security at such a low rate of interest—and he does it because it is safe, because it is tax exempt—as practically to put him in the position of paying in advance the income tax on the money which he puts into those securities.

There were incomes in the form of dividends, profits, interest, and business savings for all industries amounting in 1918 to more than $27,000,000,000, nearly one-half of the total output of these industries, which was a little over $67,000,000,000. What figure does it cut for Mr. Rockefeller to invest $40,000,000 in tax-exempt securities? As I said a moment ago, the tax-exempt securities now outstanding amount to $12,300,000,000, and the total securities held by private individuals amount to some $300,000,000,000.

The people who are evading taxation and whom it is desired to circumvent by this sort of legislation are all shown on page 383 of the annual report of the Secretary of the Treasury for

1923. The table there gives the incomes wholly tax exempt reported by individuals paying net incomes of $5,000 and over for the calendar year 1920, showing that interest on United States obligations amounted to $37,559,460 and interest and salaries from States and Territories amounted to $67,925,712, a total of wholly tax-exempt incomes reported by individuals having net incomes of $5,000 and over for the calendar year 1920 of $105,485,172.

Turning to that report, also at page 382, where the totals are given, under the head of "Personal returns," the number of returns are given, and the net income as shown by the returns amounted to $23,735,629,183. That gives the amount of total net incomes of individuals for the time stated, for the calendar year ended December 31, 1920, showing these enormous figures as to the total incomes shown by the returns of 7,259,944 taxpayers, whereas the income from tax-exempt securities amounted to only $105,485,172.

I say, Mr. President, this is a stab at the tax-exempt feature which has been so conscientiously and wisely devised by Congress as an essential factor and means of providing an adequate financial system to meet the needs of agriculture of this country. It is an effort to destroy that feature. It is the beginning. It is a part of the whole scheme connected with the proposed constitutional amendment. I expect to go into that question pretty fully at some later date.

In my judgment it would be a step backward, a serious mistake, for the Senate not to agree to the amendment proposed by the committee in this paragraph. Certainly that provision in the House bill, if not eliminated, will interfere with the market and the sale of these securities. Certainly it will make it impossible for the syndicate which handles these securities under the farm-loan system to represent to the public that they are, as the public knows they are now, exempt from all taxation.

I do not care to go into the constitutional question at this time nor the question whether the amendment reaches to State securities or not. It seems to me that the proposal does extend to all tax-exempt securities whether issued by the Federal Government or by a State. If, under the provisions of the bill as it came from the House, securities issued by the State are attempted to be taxed, clearly that is beyond the power of Congress to do. That would be unconstitutional. That may be rather a remote conclusion to reach with reference to it, and I am not basing my support of the committee amendment upon the unconstitutionality of the provision. However, that is a question which is really involved and entitled to some study and consideration by those who can analyze it and follow it to its ultimate limit.

The Governor of Maryland evidently holds and believes fully that it does in effect tax State securities. The expert on bonds and bond sales, Mr. Griswold—and I understand there is no better informed man on the subject in the country, and that he is a thoroughly trustworthy and honorable man of the highest standing—has said that it is a serious attack upon the tax-exempt features, not only of farm-loan bonds but of State and municipal bonds. The Senator from Tennessee [Mr. McKELLAR] raised the question whether the sixteenth amendment takes care of it, and I called his attention to the fact that the sixteeth amendment did not confer any new power of taxation on the Federal Government. I very briefly refer to it now because it may come up later and it is worthy of being kept in mind.

In the first case which arose under the sixteenth amendment, the case of Brushabor *v.* Union Pacific Railroad Co. (240 U. S.), the Supreme Court committed itself on the question of whether or not the sixteenth amendment gave to Congress any new power of taxation. This was a suit by a stockholder to restrain the defendant corporation from paying an income tax imposed by the tariff act of 1913 on the ground that it was unconstitutional. Chief Justice White, in the course of upholding the validity of the act, said:

> It is clear on the face of this text that it [the amendment] does not purport to confer power to levy income taxes in a general sense—an authority already possessed and never questioned—or to limit and distinguish between one kind of income taxes and another, but that the whole purpose of the amendment was to relieve all income taxes when imposed from apportionment from a consideration of the source whence the income was derived.

In the case of Stanton *v.* Baltic Mining Co. (1916) (240 U. S. 103), an action in form similar to the Brushabor case, the court said:

> But aside from these obvious errors of the proposition intrinsically considered, it manifestly disregards the fact that by the previous ruling it was settled that the provisions of the sixteenth amendment conferred no new power of taxation, but simply prohibited the previous complete and plenary power of income taxation possessed by Congress from the beginning from being taken out of the category of indirect taxation to which it inherently belonged and being placed in the category of direct taxation, subject to apportionment by a consideration of the sources from which the incomes were derived; that is, by testing the tax not by what it was, a tax on income, but by a mistaken theory deduced from the origin or source of the income taxed.

It is significant, Mr. President, that the court saw fit to announce in each of these cases that the amendment did not extend the taxing power of Congress to cover any new subject. That we ought to keep in mind. That undoubtedly was the reason the opponents of tax-exempt securities determined to propose the constitutional amendment the House recently defeated.

Since the ratification of the sixteenth amendment the Supreme Court of the United States in dicta and in decision has consistently adhered to the view that the amendment does not extend the taxing power of Congress to cover any new or excepted subject.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Georgia?

Mr. FLETCHER. I yield.

Mr. GEORGE. I want to call the Senator's attention to the fact that the latest case is that of Evans against Gore, although the question was not directly involved, but substantially decided by the court, upholding the decision to which the Senator has referred, all of which was, of course, since the adoption of the sixteenth amendment. In most of these cases the question was not directly or necessarily involved, and the language of the court is, of course, dicta; but in the latest case it is very much more than dicta in effect and certainly does substantially hold that the power of the Congress to tax incomes since the ratification of the sixteenth amendment is now precisely what it was prior to the adoption of the sixteenth amendment, except that Congress is relieved of the necessity of apportioning it according to population.

Mr. FLETCHER. I am obliged to the Senator from Georgia.

Mr. REED of Pennsylvania. Will the Senator state what case he refers to when he mentions the latest case? Is that the case of Evans against Gore?

Mr. GEORGE. Yes; that is the case.

Mr. FLETCHER. I had referred to the cases of Brushabor against Union Pacific Railroad Co. and Stanton against Baltic Mining Co. Similar dicta appears in Eisner against Macomber and in Pack & Co. against Lowe. The case of Evans against Gore is found in Two hundred and thirty-third United States, at page 245.

I had not intended to go into this subject fully at this time. I feel it important to refer to it inasmuch as the question has been suggested by others and really is a question that is involved, in my judgment. The effect of this sort of legislation would be to discriminate at least against tax-exempt securities and in a way—a very serious way—interfere with the salability of those securities and make it impossible to advertise them as being fully tax exempt. I think it is a step that is aimed at and has eventually the purpose to destroy the tax-exempt features, especially in farm-loan bonds.

APPENDIX

MARCH 27, 1924.

Committee on Finance, United States Senate, Washington, D. C.

GENTLEMEN: Responding to yours of March 17, requesting that the Farm Loan Board furnish the committee with such suggestions as it may deem proper touching the merits of the amendment proposed by Senator FLETCHER to H. R. 6715.

The amendment proposes to strike out subdivision (c) of section 214. Section 214 deals with deductions allowable from taxable income. Paragraph 2 of subdivision (a) allows as a deduction all interest paid or accrued within the taxable year on indebtedness. Paragraph 5 of the same section provides that losses sustained during the taxable year and not compensated for by insurance, or otherwise, if incurred in any transaction entered into for profit though not connected with a trade or business, are deductible.

The Federal farm loan act declares Federal farm-loan bonds, and the income derived therefrom, to be free from all taxation—National, State, and local. The provisions of subdivision (c), which it is proposed to strike out, do not impose a direct tax on income derived from tax-exempt securities, but it does deny in certain cases to the owner of a tax-exempt security deductions from his taxable income which would be allowable if he did not own the tax-exempt security. The effect, therefore, is the same as if a tax were imposed on an instrumentality which the Government has declared to be tax-exempt if the

owner of the security is in debt or if he sustains losses in nonbusiness investments. The purpose in providing for tax exemption of farm-loan bonds was to broaden the market and induce persons to buy this particular security. It occurs to us as an act of bad faith for the Government now to deny to the owner of a tax-exempt bond a deduction from his taxable income which would be allowable to him if he was not the owner of the tax-exempt security.

On January 31, 1924, there was outstanding in the hands of the investing public $1,207,428,260 of farm-loan bonds. By the terms of the act under which they were issued and sold they were declared to be tax exempt. The original purchaser paid for this tax exemption in that the rate of interest borne by these bonds is less than it otherwise would have been. The consideration having been paid in good faith, and the bonds having been offered in good faith to the public, it is respectfully submitted that any act of the Congress which in any way limits the benefits of the tax-exempt security to the investor would very materially affect future sales.

It is very essential that institutions of a quasi-public character, like Federal and joint-stock land banks and Federal intermediate credit banks, may be able to definitely insure investors that these institutions are able to carry out the terms of any contract entered into by authority of Congress. The Federal Government is not obligated to grant tax exemption to farm loan bonds, but since it saw fit to do so, and the obligations were sold to the public, we submit that any person who desires to purchase and own one of these bonds should be able to do so without depriving himself of any deduction allowable by law from his taxable income.

If subdivision (c) is to remain as a part of the revenue act, and it shall become law, the Federal land banks, joint-stock land banks, and Federal intermediate credit banks will hardly be in a position to offer their obligations to the public as wholly tax exempt. We have given this matter quite a good deal of consideration before reaching this conclusion. If it is the purpose of Congress to limit deductions from gross income as provided in subdivision (c) then we respectfully urge that a provision be inserted to the effect that the limitation shall apply only to future issues.

We think it proper to state that the Secretary of the Treasury, who is ex-officio chairman of the Farm Loan Board, does not concur in the views herein expressed.

Respectfully submitted.

R. A. COOPER,
Farm Loan Commissioner.

Mr. DIAL. Mr. President, I had intended to make a few observations on the pending question, but the Senator from Florida [Mr. FLETCHER] and the Senator from North Carolina [Mr. SIMMONS] have expressed my views better than I could have done. I concur with them in all they have said in commendation of the ability and conscientiousness of Governor Cooper, who is at the head of the Farm Loan Bureau. I also concur with what the Senator from North Carolina said in reference to Mr. McLean, whom I know well. Those are two able and conscientious men trying to do everything they can to help the country and particularly the agricultural interests.

As I understand the proposition, we would be acting in bad faith not to sustain the committee amendment, and that we would certainly increase the rate of interest hereafter on bonds we may float or renew. We should do everything we can to make the burdens upon the laboring people as light as possible. I know that Governor Cooper is very much concerned about the matter. I have a letter from him, but it is no doubt similar to the letter to which the Senator from Florida [Mr. FLETCHER] has referred. I also know that he was greatly relieved when the Senate committee struck out the House provision. I thought then that the matter was settled, and would not be brought up again in the Senate. I hope very much that the committee amendment will be agreed to.

Mr. JONES of New Mexico. Mr. President, I desire to say only a few words. It seems to me that I am somewhat confused about the situation and I should like to be sure that I am not. For instance, the Senator from Pennsylvania [Mr. REED] contended that to strike out this paragraph would open the door to tax evasion. The illustration which he gave was that if a man had a taxable net income of $50,000 a year, he could borrow the money and buy a million dollars worth of tax-exempt securities and through deduction of interest which he paid he would equalize his tax and pay nothing.

Now, I have thought of that question in this way: If a man had $50,000 net income and wanted to evade the tax, in order to adopt the scheme suggested by the Senator from Pennsylvania it would be necessary for him to buy a million dollars' worth of tax-exempt securities which would bear a rate of interest of 5 per cent. It is generally recognized that the rate of interest on money which is not tax exempt is at least 1 per cent higher than that which is tax exempt. So I take it that the man who would borrow the million dollars with which to buy the million dollars' worth of tax-exempt securities would have to pay out in interest during that year $60,000, because he would have to hold the tax-exempt securities for a year if the amount of interest derived therefrom was equivalent to the $50,000. So we have the very anomalous situation of a man borrowing a million dollars at 6 per cent interest for a year and paying $60,000 for it, when the income from the tax-exempt securities which he buys is only $50,000. In other words, as to that part of the transaction he has paid out $10,000 more than he has received.

I turn to the schedule in order to ascertain what the inducement would be and I find this: On a net income of $50,000 subject to tax the amount of tax proposed by the majority of the Finance Committee would be $6,657.50, while under the plan proposed by the minority it would be $6,137.50. In order to save the payment of six thousand and odd dollars the taxpayer is out on his transaction $10,000.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield to me?

Mr. JONES of New Mexico. I am glad to yield to the Senator.

Mr. REED of Pennsylvania. Of course the illustration which I gave presupposed the ability of the borrower to borrow at a rate somewhere near the interest received on the tax exempts; and I grant that in order to make the illustration a simple one I took low figures which did not sound extravagant and impossible. If the Senator will apply it to the case of William Rockefeller—the precise case that I used in what I said earlier to the Senate—it will be found that Mr. Rockefeller saved over $1,000,000 a year and the Government lost that amount from that one taxpayer alone.

Mr. JONES of New Mexico. Mr. President, if I understand the case of William Rockefeller it is this: Mr. Rockefeller wanted to divide his income with his children, and he gave them his notes for $31,000,000. He happened to own at the time he died $43,000,000 worth of tax-exempt securities; but if Mr. Rockefeller had borrowed the $31,000,000 from his children he would have invested it in something.

Mr. REED of Pennsylvania. But, Mr. President, the facts in reference to the estate show that he gave that amount to the children, then borrowed it back, and then deducted from his taxable income the whole amount of interest accruing to his children of $1,800,000 a year. By that process he took away from the reach of the Government his entire taxable income. That man had his share of government paid for by his fellow citizens entirely. The process in his case worked out to exempt from taxation $1,800,000 a year; and according to the rates of taxation on it, the tax would have been, if he had paid it, over a million dollars a year.

Mr. OVERMAN. Was not that a fraud on the Government?

Mr. JONES of New Mexico. The Senator from Pennsylvania necessarily ignores the fact that the children had to pay some tax on what they got as interest paid on the promissory notes.

Mr. REED of Pennsylvania. I am not familiar with the tax returns of the children, but if they were half as adroit as was their ancestor I very much suspect that they did not pay a very high tax.

Mr. OVERMAN. I repeat, was not that a fraud on the Government?

Mr. REED of Pennsylvania. If it is a fraud on the Government to take advantage of loopholes which Congress, after such warnings as it has been getting to-day, deliberately persists in leaving open, then it was a fraud.

Mr. OVERMAN. Could not the Secretary of the Treasury to-day collect that tax?

Mr. REED of Pennsylvania. I do not think he could.

Mr. OVERMAN. I think he could.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield further to the Senator from Utah?

Mr. JONES of New Mexico. I yield.

Mr. SMOOT. I will say to the Senator that the first time I knew of evasions of taxes in this way was from a conversation with a man who was interested in business in New York and who in a boastful manner told how he had evaded the tax. He told me that he borrowed a million dollars; that he paid but 5 per cent on that million dollars; that he bought securities, I think he stated, of one of the cities of North Carolina or of the State of North Carolina, which netted him a little over 5 per cent; and that he not only had his $50,000, but that he had a little more than the $50,000 on the basis on which he purchased the North Carolina bonds. That man further told me exactly what he did that for; that it was in order to evade the taxes. He did it under the law, as anyone else can do it.

Mr. OVERMAN. He can not evade the taxes in that way. The Government can recover every cent of the tax.

Mr. SMOOT. The Senator from North Carolina says that, but the law permits it.

Mr. JONES of New Mexico. Mr. President, I think this matter is worthy of a little further consideration. I think the sanity of the individual with whom the Senator from Utah [Mr. SMOOT] talked ought to be inquired into if any such transaction as that occurred. I can understand how Mr. Rockefeller, dealing with his children, may have done a very unnatural thing, but if we examine this question a little further, even if a man were able to borrow the money at the same rate of interest as the tax-exempt security bears, I submit that it does not comport with good business judgment for him to enter into such a transaction.

I can illustrate that. Assume that a man borrows a million dollars for the purpose of evading taxes on a net income of $50,000, and assume that he borrows at the same rate of interest as the tax-exempt securities bear. Then what do we find? We find that he has borrowed $1,000,000; that he has bought tax-exempt securities to the amount of $1,000,000, face value, and has held them for a whole year in order to avoid the payment of a tax of something over $6,000. Where is the sane business man who would subject himself to a liability of $1,000,000 for a year in order to avoid the payment of $6,000?

I submit, however, that there are very few individuals who would be able to borrow money at the same rate of interest as the tax-exempt securities bear. It is generally conceded, I say, that money loaned in the market which is subject to tax brings in about 1 per cent more than does the tax-exempt security. That is the ordinary course of business in this country; and a man who acts in the ordinary way, the usual way, would be absolutely penalized in the transaction for attempting to do any such unnatural thing.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Utah?

Mr. JONES of New Mexico. I yield.

Mr. SMOOT. If a man has an income largely in excess of the interest paid, then his income would fall in the higher brackets. That is the case with a business man, and then the rate the Senator from New Mexico suggests would not apply.

Mr. JONES of New Mexico. I have figured such a case on a hundred thousand dollar basis.

Mr. SMOOT. But if a man has an income of a hundred and fifty thousand dollars and should borrow the amount referred to and should pay $50,000 in interest, he would be taxed on a hundred and fifty thousand dollars less the $50,000. His income would fall in a higher bracket, and he would have a great deal more than a tax of $6,000 to pay.

Mr. JONES of New Mexico. The Senator understands that it goes up progressively. He would have to borrow a million dollars to attempt an equalization of $50,000, and to attempt to equalize $100,000 he would have to borrow $2,000,000; and where is the man who is going to borrow $2,000,000 for the purpose of evading the tax on a hundred thousand dollars?

Mr. SMOOT. I had reference only to a partial borrowing of money in order to bring the brackets down lower so that the surtax will fall in a lower bracket. If a man has a large income, one over $50,000, and can succeed in reducing the taxable amount his income falls in a lower bracket not only as to the fifty thousand but as to all that he makes over and above the $50,000.

Mr. JONES of New Mexico. Yes; but the Senator knows that the taxpayer would have to borrow $1,000,000 in order to save the tax on $50,000; so that whether a man's income is $1,000,000 or $5,000,000 for every $50,000 of it he has got to borrow $1,000,000.

Mr. SMOOT. I see the Senator does not get the point I am endeavoring to make.

Mr. JONES of New Mexico. I think I do.

Mr. SMOOT. There is not so much liability in the case of a man who borrows money with which to buy tax-exempt securities, for he can sell them at any time he desires to do so.

Mr. JONES of New Mexico. But does not the Senator realize that the taxpayer has got to keep those tax-exempt securities for a year in order to accumulate the earnings on them?

Mr. SMOOT. Certainly, but the taxes are only due at the end of the year also. That is the object of the scheme. The taxpayer can keep the bonds for 10 years, so far as that is concerned, and so long as he keeps them he has that advantage.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. JONES of New Mexico. I yield.

Mr. McLEAN. If a taxpayer whose income is $150,000 borrows money and pays $50,000 interest, he saves the 30 per cent surtax and only pays 6 per cent interest, and on that basis is in just 24 per cent on the surtax.

Mr. JONES of New Mexico. That is true.

Mr. McLEAN. That is worth while.

Mr. JONES of New Mexico. There may be some little inducement when the very high brackets are reached, I recognize that; but it must be understood that the man who goes into that sort of an undertaking must do it deliberately, and he must stay in the transaction the whole year and be subject to the liability upon his own promissory notes for that length of time in order to get the benefit or to have accrue to him the interest upon the tax-exempt securities.

Mr. REED of Pennsylvania. May I give the Senator an illustration?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Pennsylvania?

Mr. JONES of New Mexico. I yield.

Mr. REED of Pennsylvania. I will give the Senator an illustration which practically shows just what happens. This is not the case of Rockefeller, although it is the same kind of a trick. I know of a man who bought a million and a quarter dollars of tax-free Liberty bonds paying 3½ per cent. He went to the bank to get the money to buy them, and he had to pay 5 per cent interest, because money was high at that time. That is a still more extreme case than the one which the Senator has supposed. He put up as collateral other securities so that he could not be accused of borrowing the money to buy the tax exempts and so thereby come within the meaning of the present law on that subject, but he did it for that purpose. In all he bought a million and a quarter dollars worth of Liberty 3½ per cent bonds at slightly under par, and he paid 5 per cent for the money; but he was a very rich man and the 5 per cent that he paid reduced his taxable income more than one-half. In other words, he could afford to pay 1½ per cent more interest than the tax frees were bringing him because of the very great saving that he made in the tax on his taxable income. He was in the upper brackets; he was paying 58 per cent, the maximum rate, and he could have afforded to pay the bank 7 per cent to buy 3½ per cent tax frees and still make money on them. That is the way it works out.

Mr. JONES of New Mexico. That is assuming that the taxpayer has unlimited credit——

Mr. REED of Pennsylvania. This man had unlimited credit.

Mr. JONES of New Mexico. And can buy all the tax-exempt securities he wants, but he would have to buy a million of them in order to save the taxation upon $50,000, and how many millions would a man have to borrow in order to save the tax on a half a million dollars income? He would have to borrow $10,000,000?

Mr. REED of Pennsylvania. The record shows Mr. Rockefeller borrowed $31,000,000 to get rid of taxes on $1,800,000.

Mr. JONES of New Mexico. Mr. President, that Rockefeller transaction I do not think is worthy of any comment. That was a case of a man dealing with his own children. So I do not think we need worry about this.

The Senator from Virginia [Mr. GLASS] did not think that this would affect the market for tax-exempt securities. My judgment is that it would, and I want to say briefly why I hold to that opinion.

It is quite a common thing for a man, whether in business or out, to carry some securities which are unquestioned, usually some tax-exempt securities. All of the Liberty bonds are tax exempt to a certain extent. They are exempt from the normal tax, and at the present time I believe that an individual may own as much as $55,000 of these 4¼ per cent bonds and have them wholly exempt. A man of moderate means who has $50,000 or $100,000 invested in Government bonds merely to enable him to secure money to meet any special demands upon him holds those bonds to use as collateral when he wants to borrow some money. A man with such a limited income that he has only $25,000 or $50,000 of tax-exempt securities concludes to build himself a house. He does not want to sell those securities. He is holding them as a permanent investment. He realizes that his income from other sources will gradually pay for the building of the house; but in the meantime, instead of selling his securities, he concludes to borrow money on them. He pays an additional rate of interest above that which he would get on his tax-exempt securities, because he realizes that his loan is only a temporary one. To put in this kind of a provision—the provision as it came from the House—would practically say to that man that he could not hold tax-exempt securities for such a purpose. He would be forced to sell his tax-exempt securities and buy some other kind of safe securities

so that he might put them up as collateral instead of the tax-exempt securities.

Of course, a man could do that, but why should he be forced to do it? Why not permit him to get the same reduction because of these tax-exempt securities that he would get if he were to put up as collateral some other kind of securities?

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Virginia?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. GLASS. I am glad to find that the people of New Mexico are in such affluent circumstances. In Virginia a man who owns as an investment $100,000 of Government bonds is not exactly looked upon as a man of merely moderate means; but what I rose to ask the Senator from New Mexico was, if he does not think the suppositious case that he cited is of very, very rare occurrence? Does he think that would apply generally to taxpayers who make deductions on account of borrowed money?

Mr. JONES of New Mexico. I am willing to accept the rather humiliating innuendo expressed by the Senator from Virginia, and pass to the serious question which he really asks me. I think it is, generally speaking, somewhat rare, but I do not believe that it is as rare as the cases where they attempt to evade this tax through the buying of tax-exempt securities. So, when we come to consider the rarity question in connection with this subject, I think the shoe is on the other foot. I should guess at that. I have no figures on the subject.

Mr. GLASS. The Senator does not think that these stock and bond speculators in the great money markets make a practice of making these sales and repurchases to cover imaginary losses, does he?

Mr. JONES of New Mexico. I do not believe they do to any great extent, for the reason that they have to pay out more than they get in in the individual transaction, and I do not believe that is done to any considerable extent.

Mr. GLASS. Of course I have no personal knowledge of the transactions, but I have been led to believe that it is done to a very considerable extent, and that the Government is deprived of many millions of dollars of taxes by reason of this practice. If I am misinformed as to that I see no point in this paragraph of the tax bill, because I am supporting it purely upon that information that I have had.

Mr. JONES of New Mexico. The only information that I have on the subject is what little statistics we have as to the ownership of the tax-exempt securities. On yesterday, I believe, or the day before, I gave to the Senate a statement of the holding of tax-exempt securities, taken from the Treasurer's report, and from that statement I found that 68 per cent of the tax-exempt securities were owned by corporations, that 32 per cent only were owned by individuals, and that one-third of that 32 per cent was owned by people who had incomes between $5,000 and $20,000. So I think by elimination we will discover that there are relatively very few of these bonds in the hands of the very wealthy people of this country, and as to those who are engaged in the investment business, this proposal does not apply to them. It does not apply to any one engaged in trade or business, but it is going to apply only to those who have retired from business altogether, or a poor, unfortunate Senator who is engaged in an unprofitable business.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. Pardon me just a moment. If the Senator will bear in mind the discrimination which is going to arise from the adoption of the proposal as it came from the House——

Mr. GLASS. Mr. President, right at that point may I ask the Senator, if his theory is to be accepted, what possible harm the paragraph can do in any event?

Mr. JONES of New Mexico. I think there is a very great possible harm. Take the illustration which I gave awhile ago of the poor Senator who might have accumulated a few Liberty bonds. He builds himself a house. He borrows some money. He does not want to part with his bonds, because he hopes that his salary ultimately will so accumulate that he can pay for the house and keep the bonds.

Mr. SMOOT. Foolish man!

Mr. JONES of New Mexico. I submit that that is a most violent assumption; but from other sources he has income which will ultimately pay off the loan, and he wants to be able to do just the same as a man in business would do and keep some liquid securities whose value is well established which he can use as collateral at any time to meet his running expenses, his business expenses; and why should not the individual do it, whether he be engaged in trade or business or not? Why shut off that opportunity to that class of people and thus destroy pro tanto the market for the tax-exempt securities?

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SMOOT. In answer to the question of the Senator from Virginia as to what effect this amendment would have upon the revenues of the Government, I will say that if the committee amendment is agreed to it will make $35,000,000 difference in our revenue.

Mr. JONES of New Mexico. Mr. President, I want to challenge that statement and call for proof. I should like to know where the Senator gets his information.

Mr. SMOOT. I get it from the Treasury Department and from the actuary, Mr. McCoy.

Mr. JONES of New Mexico. I say to the Senator and to Mr. McCoy both that there are no figures in the Treasury Department which will furnish a basis for any such estimate. I challenge anyone to produce here the figures on which the calculation is made.

Mr. SMOOT. Of course, the Senator can say that; but it seems very strange that whenever an estimate is made by Mr. McCoy that does not quite satisfy us we object to it, while when it does satisfy us we approve of it and say that he is a great actuary. The Senator knows that in the past, when estimates have been given by Mr. McCoy, no matter whether for or against us or whether we liked them or whether we did not, the result at the end of the year has demonstrated that his estimates were very close, indeed.

Mr. JONES of New Mexico. Mr. President, I want to say that the year 1920 is the last year for which the Secretary of the Treasury has called for a statement from the taxpayers of the country as to their holdings of tax-exempt securities. Mr. McCoy can make an estimate or a guess as well as anybody, but when he has no basis on which to guess his guess is no better than that of anyone else. He is one of the best actuaries I know, and I would rely upon him as quickly and as confidently as upon any man in the country in making estimates; but you have to have some basis on which to make an estimate, and in this case it does not exist.

Mr. SMOOT. I will assure the Senator that Mr. McCoy never made any estimate unless he had some basis for making it. If he had not a basis, he would have told the committee that he had not the basis for making it. I thought he was in the Chamber, but I see that he has gone. I have not any doubt that there is a basis upon which he made it.

Mr. BRUCE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Maryland?

Mr. JONES of New Mexico. I do.

Mr. BRUCE. If the Senator from New Mexico will yield just a moment, in connection with what he was saying a few moments ago with regard to the indiscriminate treatment to which the William Rockefellers and the hundreds of other innocent and honest taxpayers in the United States would be subjected to by the proposition of the Senator from Pennsylvania and the Senator from Utah, I should like to recall a historic story, which seems to me to have a bearing upon that feature of the Senator's address.

When the Catholics were butchering the Protestants on St. Bartholomew's Day in the streets of Paris, one of the Catholic soldiers ran to a priest and said: "What are we to do? The Catholics and the Protestants are all mixed up, and we are killing our own people." "Well," he said, "kill them all, and God will know his own."

It seems to me that is just about the indiscriminate treatment to which holders of tax-exempt securities are proposed to be subjected by the proposition of the Senator from Utah and the Senator from Pennsylvania. As I say, and as the Senator has so seasonably pointed out, the enormous amounts of these tax-exempt securities are not held by Rockefellers. They are held just by ordinary, prudent, careful investors, who, instead of reaching out for the larger gain of business enterprise, are content with the smaller gain of perfectly safe investment.

Mr. JONES of New Mexico. I think the observations of the Senator from Maryland are quite appropriate. I simply rose to call attention to the fact that in my judgment the evasion attempted to be prevented is more or less a mere conjuring of the imagination. In the second place, that it does to a considerable extent destroy the market for tax-exempt securities. I submit that anyone who is opposed to the issuance of tax-exempt securities should oppose the amendment offered by the committee. My judgment is that in this instance at least the recommendation of the majority of the committee ought to be accepted. It will be understood that the majority of the committee proposes to strike out a provision inserted in the House which undertook to conjure up and then obliterate this alleged improper use of tax-exempt securities. So in my judgment the committee amendment should be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered.

The reading clerk proceeded to call the roll, and called the name of Mr. ADAMS.

Mr. ADAMS. Mr. President, I want to understand the question. The question is on sustaining the committee amendment striking out subdivision (c)?

The PRESIDING OFFICER. The question is on the committee amendment to strike out lines 19 to 25 on page 52 and lines 1 and 2 on page 53 of the bill.

Mr. McNARY. Let the amendment be reported by the Secretary.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 52, after line 18, the committee proposes to strike out:

(c) The amount of the deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, and the amount of the deduction provided for in paragraph (5) of subdivision (a) shall be allowed as deductions only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title.

Mr. SMOOT. I understand that the Senator from Arkansas [Mr. CARAWAY] desires to speak on the amendment.

Mr. CARAWAY. I was hoping that there would not be a vote on it to-night. I want to discuss it, and I hope it may go over until the morning.

Mr. SMOOT. I will be glad to have the Senator proceed now if he wants to do so. I have taken no advantage of anybody, and I do not propose to do so during the consideration of the bill or at any other time.

Mr. CARAWAY. I am not proposing to argue with the Senator about that. I merely stated my desire.

The PRESIDING OFFICER. The roll call had begun.

Mr. SIMMONS. Before the roll call had started I addressed the Chair, but did not get recognition until the Secretary had called one name.

Mr. SMOOT. The Senator from North Carolina did address the Chair before the roll call had started. There is no doubt about that.

The PRESIDING OFFICER. The Chair did not so understand.

Mr. SMOOT. That is the fact. I will lay the bill aside now if I can have unanimous consent that the Senate will meet at 11 o'clock to-morrow morning.

Mr. HARRISON. Is the Senator asking unanimous consent now that we meet at 11 o'clock to-morrow morning?

Mr. SMOOT. I simply said I would be glad to lay the bill aside now providing we can agree to recess until 11 o'clock to-morrow morning.

Mr. HARRISON. The Senator realizes that there are important committees at work, and there is one committee, the Committee on Agriculture and Forestry, which has some important witnesses before it on the Ford offer and other offers, and we can not be at two places at the same time.

Mr. SMOOT. There would be the same difficulty if we met at 12 o'clock. For instance, to-day between 12 and 2 o'clock not a dozen Senators were in the Chamber listening to the debate. We have spent the whole day on this one amendment, and I thought we ought to have a vote; but I am perfectly willing that it shall go over until to-morrow if we can recess until 11 o'clock.

Mr. CURTIS. I understand that there are two Senators on the other side who want to make speeches, which will probably take an hour, and there would be no vote before 12 o'clock, anyway.

Mr. SMOOT. I assure the Senator from Mississippi of that.

Mr. EDGE. I thought the Senator would ask unanimous consent that a vote be taken at 12 o'clock.

Mr. SMOOT. I do not want to do that, because I do not know whether Senators would be ready for a vote by that time. I ask unanimous consent that at the close of the business of the Senate this day the Senate take a recess until 11 o'clock to-morrow.

Mr. HARRISON. With the understanding that there will be no vote before 12 o'clock?

Mr. SMOOT. There will be no vote before 12 o'clock, if I have to take the floor and talk until that time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

Mr. SMOOT. I ask unanimous consent to lay aside temporarily the unfinished business.

The PRESIDING OFFICER. Without objection, it is temporarily laid aside.

DEFERRING PAYMENTS OF RECLAMATION CHARGES—CONFERENCE REPORT

Mr. PHIPPS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1631), to authorize the deferring of payments of reclamation charges having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

"That the Secretary of the Interior is hereby authorized and empowered, in his discretion, to defer the dates of payments of any charges, rentals, and penalties which have accrued prior to the 2d day of March, 1924, under the act of June 17, 1902 (32 Stat. L. p. 388), and amendatory and supplemental acts or prior to that date, as against water users on any irrigation project being constructed or operated and maintained under the direction of the Commissioner of Indian Affairs, as may, in his judgment, be necessary in or concerning any irrigation project now existing under said act: *Provided*, That no payment shall be deferred under this section in any particular case beyond March 1, 1927: *Provided*, That upon such adjustment being made, any penalties or interest which may have accrued in connection with such unpaid construction and operation and maintenance charges shall be canceled, and in lieu thereof the amount so due, and the payment of which is hereby extended, shall draw interest at the rate of 5 per cent per annum, paid annually from the time said amount became due to date of payment: *And provided further*, That in case the principal and interest herein provided for are not paid in the manner and at the time provided by this section, any penalty now provided by law shall thereupon attach from the date of such default.

"SEC. 2. That where an individual water user, or individual applicant for a water right under a Federal irrigation project constructed or being constructed under the act of June 17, 1902 (32 Stat. L. p. 388), or any act amendatory thereof or supplementary thereto, makes application prior to January 1, 1925, alleging that he will be unable to make the payments as required in section 1 hereof, the Secretary of the Interior is hereby authorized in his discretion prior to March 1, 1925, to add such accrued and unpaid charges to the construction charge of the land of such water user or applicant, and to distribute such accumulated charges equally over each of the subsequent years, beginning with the year 1925, or, in the discretion of the Secretary, distribute a total of one-fourth over the first half of the remaining years of the 20-year period beginning with the year 1925, and three-fourths over the second half of such period, so as to complete the payment during the remaining years of the 20-year period of payment of the original construction charge: *Provided*, That upon such adjustment being made, any penalties or interest which may have accrued in connection with such unpaid construction and operation and maintenance charges shall be canceled, and in lieu thereof the amount so due, and the payment of which is hereby extended, shall draw interest at the rate of 5 per cent per annum, paid annually from the time said amount became due to date of payment: *Provided further*, That the applicant for the extension shall first show to the satisfaction of the Secretary of the Interior detailed statement of his assets and liabilities and probable inability to make payment at the time required in section 1: *And provided further*, That in case the principal and interest herein provided for are not paid in the manner and at the time provided by this act, any penalty now provided by law shall thereupon attach from the date of such default: *And provided further*, That similar relief in whole or in part may be extended by the Secretary of the Interior to a legally organized group of water users of a project, upon presentation of a sufficient number of individual showings made in accordance with the foregoing proviso to satisfy the Secretary of the Interior that such extension is necessary."

And the House agree to the same.

CHAS. L. MCNARY,
W. L. JONES,
LAWRENCE C. PHIPPS,
JOHN B. KENDRICK,
KEY PITTMAN,
Managers on the part of the Senate.

ADDISON T. SMITH,
N. J. SINNOTT,
Managers on the part of the House.

Mr. McKELLAR. What is this bill?

Mr. PHIPPS. This is the reclamation bill, to authorize the Secretary of the Interior to extend the time of payment of charges on payment of interest. The House made the rate 5 per cent and the Senate had proposed 6 per cent.

Mr. KING. Let me ask the Senator from Colorado what effect this legislation would have upon the recommendations by the fact-finding commission which were recently approved by the President, or what effect would the President's recommendations have upon this measure? Would there be any conflict?

Mr. PHIPPS. No; this relates only to the charges which have accrued up to March 1, 1924. The Senate proposed to extend the time for another season, and the House objected to that feature.

Mr. McKELLAR. It extends it one year.

Mr. PHIPPS. No; it permits the Secretary of the Interior to extend it until 1927, with the provision that in the event a certain showing is made, if they are unable to pay it at that time, it may be distributed over the remainder of the reclamation period of 20 years.

Mr. ADAMS. Mr. President, this bill really is in aid of the consideration of the report of the fact-finding commission, and tends to preserve the condition in statu quo for a limited period, particularly in Colorado, where they were just on the verge of default. This would put that default over temporarily.

Mr. SMOOT. If the water user can not pay his interest, the United States can not get it anyhow.

Mr. ADAMS. That is true.

Mr. SMOOT. And the only question is as to the rate of interest. We provide 5 per cent interest.

Mr. PHIPPS. I move the adoption of the report.

The PRESIDING OFFICER. The question is upon agreeing to the conference report.

The report was agreed to.

FISCAL RELATIONS OF THE DISTRICT OF COLUMBIA

Mr. PHIPPS. Mr. President, I have spoken several times in reference to the report of the special committee which has considered the fiscal relations of the District of Columbia.

Mr. McKELLAR. Mr. President, that is too important a measure to take up at this time of the day, and I shall have to object to its consideration.

Mr. PHIPPS. I requested the Senator from Tennessee to give this matter his consideration, and I assume he has read the report by this time. I have mentioned it several times.

Mr. McKELLAR. I have, and it is too important a matter to take up at this time.

Mr. PHIPPS. We are faced to-day with a building of, and we are building, a new water line. It is proposed to authorize the expenditure of three and a half million dollars, and yet the condition of the District treasury is such that the committee of the House is only appropriating $800,000 this year. I shall ask at the first opportunity for consideration of the committee report, and, if necessary, shall move to take up the bill (S. 703) making an adjustment of certain accounts between the United States and the District of Columbia.

Mr. McKELLAR. The last time this bill came up the senior Senator from Arkansas [Mr. ROBINSON] expressed a desire to be heard on it, and while he is out of the city I shall have to object to its consideration.

Mr. PHIPPS. May I say that it would not be fair to ask for delay in the consideration of the bill until the return of the Senator from Arkansas, because I have talked with him since, and I understood him to be quite satisfied to have the bill taken up and considered and passed.

Mr. McKELLAR. We can discuss that when we come to it.

ORDER OF BUSINESS

Mr. REED of Pennsylvania. Mr. President, I ask unanimous consent that we proceed to the consideration of Senate bill 2257, the veterans' code bill.

Mr. DILL. Reserving the right to object, I wish to state that a number of Senators have spoken to me since the measure was discussed earlier in the day and said that if the bill came up this afternoon they would want to be heard. If the Senator feels that he wants to go on with it now, I think we ought to have a quorum present, and I shall suggest the absence of a quorum.

Mr. REED of Pennsylvania. May I have the consent agreement submitted first?

Mr. DILL. No; I do not want the consent agreement submitted before absent Senators are here, and I shall suggest the absence of a quorum, in order that all Senators may have a chance to be heard.

Mr. REED of Pennsylvania. Then may I be recognized when the presence of a quorum has been ascertained?

Mr. DILL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Dill	Johnson, Minn.	Phipps
Ashurst	Edge	Jones, Wash.	Ralston
Ball	Edwards	Kendrick	Ransdell
Bayard	Ernst	King	Reed, Pa.
Borah	Ferris	Lodge	Sheppard
Brookhart	Fess	McKellar	Shields
Broussard	Fletcher	McKinley	Smoot
Bruce	Frazier	McLean	Spencer
Bursum	George	McNary	Stephens
Cameron	Gerry	Neely	Sterling
Capper	Glass	Norbeck	Walsh, Mass.
Caraway	Harris	Norris	Warren
Curtis	Harrison	Oddie	Willis
Dial	Heflin	Overman	

The PRESIDING OFFICER. Fifty-five Senators having answered to their names, a quorum is present.

LANDS NEAR SHREVEPORT, LA.

Mr. RANSDELL. Mr. President, in the press of this city on the 27th instant there was published an article in regard to lands near Shreveport, La., reference being made therein to the statements of an attorney residing in that city. This lawyer had placed in my hands on the 24th letters and documents explaining the claims of his clients to the said lands and indicating the relief desired by them.

On the 24th instant, three days prior to the aforesaid publications, I sent these papers to the Hon. William Spry, Commissioner of the General Land Office, with the request that he furnish me all pertinent facts disclosed by the records of his office. He has just sent me a reply, and as it covers the case fully, I ask leave to publish it as part of my remarks without comment.

The PRESIDENT pro tempore. Without objection it is so ordered.

The matter referred to is as follows:

THE SECRETARY OF THE INTERIOR,
Washington, April 30, 1924.

Hon. JOSEPH E. RANSDELL,
United States Senate.

MY DEAR SENATOR RANSDELL: In response to your request of April 24, 1924, relative to alleged public lands existing in the areas of Ferry and Cross Lakes, La., called to your attention by the communication of one Mr. Theriot, I have the honor to submit herewith a memorandum statement covering the facts and conclusions relative thereto as developed by careful and painstaking investigation prosecuted through a number of years by this department. I trust that this statement will fully serve your purpose, and if any further information is desired it will be promptly submitted.

The inclosures accompanying your communication are returned herewith.

Very truly yours,

E. C. FINNEY, *Acting Secretary.*

MEMORANDUM FROM THE SECRETARY OF THE INTERIOR RELATIVE TO PUBLIC LANDS IN FERRY AND CROSS LAKE AREAS, LOUISIANA

A peculiar situation or phenomena of nature affecting a considerable area of northwestern Louisiana has given rise to a controversy of long standing respecting the question of title to thousands of acres of lands within that locality. The question has been considered at various times by the Department of the Interior, the Department of Justice, and the courts, both State and Federal.

The generally accepted theory regarding the status of the areas in question is that some time during the eighteenth century, perhaps about 1777, a raft, known as the Great Raft, formed in Red River and that the backwater spread out over the adjacent territory, causing the formation of a chain of lakes locally known as Caddo or Ferry (Fairy), Cross, Soda, and Clear Lakes.

From the best information obtainable the raft commenced to form on the old course of Red River along the Bayous Boeuf and Teche and its head reached a point in the flood plain near Alexandria, La., in the latter part of the fifteenth century. It was more properly a series of log jams each completely filling the river, starting with a more or less accidental jamming of trees and driftwood. As it advanced it blocked the outlets of the tributaries, streams, and channels which drained the low lands between the higher front lands and the bordering hills and, by preventing the discharge of the water from them at a level equal to the original low water of the main channel, produced a series of lakes. (See Professional Paper No. 46, U. S. Geological Survey, 1906, p. 60.)

The area locally known as Caddo or Fairy or Ferry Lake is partly in the State of Texas and partly in the State of Louisiana, the portion thereof east of the Texas boundary line in the State of Louisiana comprising about 17,380 acres, of which 12,711 acres are in township 20 north, range 16 west, Louisiana meridian. (See S. Doc. No. 101, 54th Cong., 1st sess.)

At various times inquiries had been directed to the Department of the Interior requesting advice as to the status of title to the beds of the raft-formed lakes. During 1909 and 1910 the question as regards the ownership of the Ferry Lake area was definitely presented to the Department of the Interior in applications for the survey of that area filed on behalf of Thomas D. Singleton, jr., John B. King, and others, who represented that they had made mineral locations on lands within the area of the lake and had discovered gas thereupon. In the meantime, however, the Land Department took immediate steps to protect the interests of the Government in the event that it should be determined that the lake beds belonged to the United States by withdrawing the lands from all forms of disposal. The initial withdrawal was a temporary withdrawal dated December 15, 1908, and was later, July 2, 1910, made permanent by an Executive order approved by the President.

In view of the great importance of the questions involved, very careful consideration was given to the Ferry Lake case, and hearings were held before the First Assistant Secretary, at which all parties in interest, including the State of Louisiana, were personally represented. Furthermore, under an order issued by the Department of the Interior September 3, 1913, an exhaustive field investigation was made for the purpose of ascertaining the following questions:

(1) Did Ferry Lake exist as a navigable body of water in 1812, when Louisiana was admitted to statehood?

(2) Did the survey made by the deputy surveyor, A. W. Warren, in 1839 (the original survey of the township) correctly meander Ferry Lake as it existed at that date and at the date of the admission of Louisiana?

Louisiana was admitted into the Union by the act of April 8, 1812 (2 Stat. 703). The investigation disclosed that the 173.09-foot contour above the mean level of the Gulf of Mexico was approximately the mean high-water level of the lake in 1812 and that there had been practically little if any change in that high-water level between then and 1839, the date of the Government survey. It was also ascertained that at such elevation the depth of Ferry Lake in the old channels of Cypress Bayou and James Bayou was over 10 feet, sufficient for the navigation of at least that part of the lake, navigation of the remainder being difficult, if not impossible, on account of dead trees; that the channel of Cypress Bayou could still be traced by its greater depth of water throughout the whole extent of the lake and the absence of any vestige of standing timber within its banks. The lake was represented as a navigable body of water by the surveyor in 1839.

In the year 1833 the United States, through one Shreve, began operations for the removal of the raft, the head of which at that time was opposite the mouth of Twelve Mile Bayou. The operations in 1833 and 1834 were below Shreveport and remote from Ferry Lake. In 1835 the raft was removed as far upstream as Twelve Mile Bayou, 23 miles of it remaining. During 1836 21 miles were removed, but the raft had increased in the meantime, so that 9 miles still remained. During 1837 it increased to 13 miles, but during that and the following year it was entirely removed. The raft continued to form each year until 1843, when appropriations for its removal were discontinued. The raft was completely removed during 1872 and 1873, and the formation of new rafts since that time has ceased.

Navigation began about the year 1840 from Shreveport to Jefferson, Tex., through Ferry Lake, the boats following the old channel of Cypress Bayou. This commerce was quite extensive for some time, but diminished between 1870 and 1880, due to the construction of railroads in the territory. Congress, upon several occasions, made appropriations for the improvement of this particular waterway as part of the navigable waters of the United States. Acts of August 5, 1886 (24 Stat. 322); August 11, 1888 (25 Stat. 414); July 13, 1892 (27 Stat. 103); March 3, 1909 (35 Stat. 826); June 25, 1910 (36 Stat. 650); February 27, 1911 (36 Stat. 955); January 27, 1912 (37 Stat. 56). The act of January 27, 1912, supra, authorized Caddo Parish, La., to construct a bridge across Ferry Lake, near the village of Mooringsport, "at a point suitable to the interests of navigation."

The waters in Ferry Lake were at the date of the investigation about 6 feet lower than in 1812. In 1914 the United States began work on the construction of a dam across the outlet of Ferry Lake, in order to maintain a navigable stage of water. The construction of this dam was authorized and appropriation made therefor by the act of June 25, 1910, supra. The act of February 27, 1911, supra, provided for a lock in the dam.

The investigation further disclosed that the original survey of 1839 had not followed the 173.09-foot contour in certain situations and that there were still disconnected tracts of unsurveyed lands above the mean high-water mark of the lake as it existed in 1839, that should have been surveyed. The original survey was considered clearly erroneous as to these areas. Later corrective surveys supplemental to the survey of 1839 had previously been made as follows:

1846: Correcting Warren's survey to the boundary line between the States of Texas and Louisiana and eliminating the areas of the Warren survey found to be in the former State.

1854: Adding 45.40 acres and 45.04 acres to fractional sections 31 and 32, respectively; total 90.44 acres.

1871: Adding 24.28 acres, 179.60 acres, and 76.24 acres to sections 4, 9, and 10, respectively; total 280.12 acres.

The aggregate unsurveyed areas of high lands still erroneously omitted from the previous surveys were found to be 670.05 acres, consisting of scattered tracts in the various fractional sections bordering on the mean high water level of the lake of 1839.

At the time of the investigation the Ferry Lake area and the adjoining lands had been developed into a producing oil field. Some 28 oil wells had been drilled upon the 670.05 acres of unsurveyed high lands above the 173.09-foot contour, and some 63 oil wells had been drilled in the submerged area of the lake, by lessees of the State and of the Caddo levee board. Considerable quantities of oil had been produced.

On March 22, 1916, the Acting Secretary of the Interior submitted the entire record in the Ferry Lake case to the Department of Justice for the institution of legal proceedings to assert and protect the interests of the United States in and to the land and the minerals as to the entire lake area, if, in the judgment of the latter department, the law and facts seemed to warrant such proceeding.

On September 11, 1916, the Acting Attorney General submitted his opinion to the Secretary of the Interior in which he discussed somewhat at length the issues involved. He concluded that the lake area below the mean high water level of 1812 and 1839, the 173.09-foot contour, had either become vested in the State of Louisiana upon its admission to the Union in 1812, by virtue of sovereignty, as a navigable body of water at that time, or that it inured to the State as swamp land under the grant to that State of March 2, 1849 (9 Stat. 352).

As to the status of the submerged lake area the Acting Attorney General gave his opinion as follows:

> "In view of the entire situation I feel that no action should be taken to enforce or assert any claim by the Government to that portion of the area involved which is covered by the waters of the lake, because if the State's title by virtue of its sovereignty should fail for any reason, I see no way of successfully resisting her claim under the swamp-land grant."

As to the unsurveyed tracts between the 173.09-foot contour and the meander line of the Government plat he concluded that action should be taken to quiet title in the United States to those areas and to recover for the oil illegally extracted therefrom. A copy of the Acting Attorney General's opinion of September 11, 1916, is appended.

Subsequently some 17 suits were instituted in the Federal courts with the view to quieting the title in the United States to the tracts of high lands alleged to have been erroneously omitted from the Government surveys and to obtaining accountings for the oil extracted therefrom. The United States obtained favorable decrees in the United States District Court and the Circuit Court of Appeals in all of the suits. Appeals were taken to the United States Supreme Court in nearly all of the suits, and they were consolidated into several groups before that court. During January, 1922, the United States Supreme Court rendered its decisions, as a result of which the United States finally won 10 suits and lost 7 suits. The suits lost involved very small tracts which the Supreme Court held belong to the owners of the adjacent originally surveyed lands as riparian to their holdings. The suits that were won are reported as Mason et al. v. United States (260 U. S. 545) and Jeems Bayou Fishing Club v. United States (260 U. S. 561). Those lost are reported as United States v. Lane et al. (260 U. S. 662) and Stockley v. United States (260 U. S. 532). The United States recovered approximately 500 acres of land and a sum total of $475,667.71 for the value of the oil illegally extracted therefrom.

In the consideration of the Ferry Lake case the Department of the Interior resorted to information obtained from the following sources:

One of its supervisors of surveys, assisted by surveyors under his supervision.

A geologist from the United States Geological Survey.

An ecologist employed by the General Land Office.

A report by Dr. John Sibley addressed to Gen. Henry Dearborn, Secretary of War, incorporated in the message from the President to Congress in 1806.

A report of the Freeman and Custis expedition of 1806, entitled "An account of the Red River in Louisiana, drawn up from the returns of Messrs. Freeman and Custis to the War Office of the United States, who explored the same in the year 1806," copied from book No. 4863, United States Geological Survey library.

A report made by Maj. Amos Stoddard, who in 1804 took possession of Louisiana under the treaty of cession, entitled "Sketches historical and descriptive of Louisiana," published in Philadelphia by Mathew Carey.

William Darby's Geographical Description of Louisiana, published in Philadelphia in 1816.

A report by Dr. Joseph Paxton contained in a letter to Hon. A. H. Sevier, Delegate to Congress from the Territory of Arkansas, dated August 1, 1828, published as Senate Document No. 78, Twentieth Congress, second session (1829).

A report from Henry M. Shreve relative to the navigation of Red River, incorporated in a Senate document of the Twenty-fourth Congress, first session, volume 1 (1835).

House Documents Nos. 236 (61st Cong., 1st sess.) and 680 (61st Cong., 2d sess.).

Report or journal of the joint commission appointed for the survey of the Texas-Louisiana boundary line.

Official report of the Geological Survey of Louisiana for 1899.

Professional Paper No. 46, United States Geological Survey, 1906.

Annual reports of the Chief of Engineers, United States Army, 1890, 1901.

House Document No. 785, Fifty-ninth Congress, first session.

Report of E. A. Woodruff, first lieutenant of Engineers, 1872, messages and documents of the War Department, Part II, 1873–74, page 649.

Report of W. M. Washburn, civil engineer, October 23, 1858, addressed to T. P. Hotchkiss, commissioner of the third swamp land district of Louisiana, published in the annual report of the board of swamp land commissioners and submitted to the legislature of Louisiana (copy in the Congressional Library).

The inception and progress of the Ferry Lake case was reported in the annual reports of the Commissioner of the General Land Office. See his annual reports, 1914, pages 15, 16; 1915, pages 12, 13; 1916, pages 7, 8; 1917, pages 11–13; 1918, pages 12, 13; 1919, pages 11–13; 1920, pages 11, 12.

Numerous citations of court decisions, State and Federal, were referred to and many of those decisions analyzed and applied. References to them may be found in the special reports of the Commissioner of the General Land Office in the Ferry Lake case dated January 10, 1913, and July 9, 1915, and in the opinion of the acting Attorney General of September 11, 1916.

From the foregoing it is to be observed that the Department of the Interior concluded from the facts presented to it as supplemented by the historical data contained in the documents referred to above that Ferry Lake was a navigable body of water at the date of the admission of the State into the Union and thereafter and, in reliance upon that conclusion, it accepted and followed the opinion of the acting Attorney General of September 11, 1916 supra, so far as it held that the title to the bed of the lake had become vested in the State of Louisiana at the date of its admission to Statehood by virtue of its sovereignty.

Cross Lake is situated in townships 17 and 18 north, ranges 14 and 15 west, and township 18 north, range 16 west. The estimated area of the lake as shown on the plats of original survey approved in 1839 is about 18,000 acres. Cross Lake like Ferry Lake at one time constituted a link in the so-called Jefferson-Shreveport waterway referred to in a report of the Chief of Engineers of the United States Army dated September 11, 1913, printed in House Document No. 236, sixty-third Congress first session. The general facts with respect to the history of Cross Lake and Ferry Lake are almost identical as both lakes came into existence about the same time as a result of the great raft which formed in Red River.

Township 18 north, range 14 west, was resurveyed by Deputy Surveyor J. P. Parsons in 1871. That portion of the bed of Cross Lake in this township (about 8,000 acres) was by the resurvey returned as land, duly sectionized and subdivided, leaving about 10,000 acres of the lake surface (original survey) over which the public land surveys have not been extended. On the new plat the area formerly in the lake was marked as "old bed of Cross Lake," the former meander lines were delineated and the areas abutting thereon were lotted. As early as 1852 the State had made swamp selections in this township based on the survey of 1839. In 1871 it selected numerous tracts in the lake bed by swamp land list No. 13 based upon the approved field notes and plat of the Parsons resurvey. Since 1871 the State has filed a number of other swamp-land selections covering the lake bed areas. A few tracts were long ago adjudged to be swamp in character and approved to the State.

Numerous tracts are still included in pending swamp-land selections. Most, if not all, of these tracts are claimed adversely to the State by settlers or applicants under the homestead law, and while the lands are shown by the field notes of the survey of 1871 to be swamp or overflowed it was held by the department under date of July 18, 1921, that they did not inure to the State under the swamp-land grant because they were known to be mineral in character. In this connection see 48 L. D. 201. The matter was taken to the courts by the State and the Supreme Court of the District of Columbia held that the swamp grant was not affected by subsequent legislation providing for the reservation of minerals. This holding was affirmed by the Court of Appeals of the District of Columbia March 5, 1923 (287 Fed. 999), and the question is now pending on appeal to the Supreme Court of the United States.

It appears, moreover, that the major portion of the Cross Lake area is within the primary limits of the grant made by the act of June 3, 1856 (11 Stat. 18), to the Vicksburg, Shreveport & Texas Railroad Co. This grant embraces the odd sections.

Township 18 north, range 14 west, was first withdrawn on December 15, 1908, and was by Executive Order of July 2, 1910, included with other townships in petroleum reserve No. 4 pursuant to the Pickett Act of June 25, 1910 (36 Stat. 847). This withdrawal is still intact. In the southern portion of the township it would appear many gas wells have been drilled. In the northwest quarter, section 34, gas center is located. Different wells have yielded from 1 to 10,000,000 cubic feet of gas according to report. Township 17 north, ranges 14 and 15 west, were included in petroleum reserve No. 48 by Executive order of May 22, 1916.

By act No. 31 of the General Assembly of the State of Louisiana, approved June 29, 1910 (1910 acts of Louisiana, p. 50), the register of the State land office, upon favorable termination of then pending litigation and after survey, was authorized and empowered to sell to the city of Shreveport for a water supply, with a reservation of all minerals and mineral rights to the State, all lands belonging to the State of Louisiana in what is known as the bed of Cross Lake. The area to be conveyed was further particularly referred to as "that portion of the bed of said lake embraced within the traverse lines thereof" in sections 28, 29, 30, 31, 32, 33, and 34, township 18 north, range 14 west, and in designated sections in the other townships on the south, southwest, and west of the land described. The description in the act covers a large portion of Cross Lake, substantially all thereof except the easterly part. The specified sections in township 18 north, range 14 west, were included in the survey of 1871. There does not appear to have been any general resurvey of the other three townships affected by Cross Lake.

By the information at hand it is represented that the State of Louisiana has sold and conveyed to the city of Shreveport an area of Cross Lake, but the department is not advised as to what lands are described in the State's conveyance, or whether such transfer covers all the area described in the act.

Litigation as to some 11,000 acres of land in the bed of Cross Lake arose some years ago. In 1895 the Caddo Levee Board sold said area of the lake bed to W. B. Jacobs et al., at about 10 cents per acre, and in the suit of the Shreveport Rod and Gun Club v. The Board, this sale was sustained by the supreme court of the State in its decision of June 15, 1896 (20 So. Rep. 293). In 1906 the State sued to recover said land on the theory that no conveyance from the State to the levee board was ever executed or registered, as required by the State statute. In the lower court the State was defeated. On appeal the State supreme court reversed and ordered a decree entered against the club, which claimed the land under the levee board. See case of State of Louisiana v. Cross Lake Shooting and Fishing Club (48 So. Rep. 291). In the court's decision the land is referred to as "some 11,000 acres of land, lying in the parish of Caddo and formerly constituting the bed of Cross Lake." * * *:

> "The lands here claimed constituted the bed of a body of water, near Shreveport, known as 'Cross Lake,' which, in consequence of the removal of a raft, which for many years obstructed Red River, and the reconstruction of the levees, is drying up, leaving said lands available for farming purposes, the 11,000 acres in controversy being, at the time of the trial in the district court, worth from $50,000 to $100,000. * * *"

That case was taken to the Supreme Court of the United States upon a writ of error. The Supreme Court decided that the case presented no question under the contract clause of the Constitution and as there was no suggestion of any other Federal question, the writ was dismissed. As a part of the recital of the facts of the case in the opinion of the court appears the following (Cross Lake Shooting and Fishing Club v. State of Louisiana, 224 U. S. 632, 635):

> "The lands in question were within the district so created and at the date of the act were owned by the State, but whether it had acquired them as swamp lands under the legislation of Congress (acts March 2, 1849, 9 Stat. 352, c. 87; September 28, 1850, 9 Stat. 519, c. 84) or as the bed of what was a navigable lake when the State was admitted into the Union (see Pollard v. Hagan, 3 How. 212) is left uncertain. For present purposes, however, this uncertainty may be disregarded and the State's title treated as resting on the swamp-land grant by Congress, as was claimed by the fishing club in the State courts. No instrument conveying the lands to the board of the levee district was ever executed by the State auditor or the register of the Stand land office or recorded in the recorder's office of the parish. * * *"

In 1921 and early in 1922, Mr. Rell S. Theriot, attorney at law of Shreveport, La., submitted numerous applications for the survey of certain alleged unsurveyed lands in the area of what is shown upon the official plats of Township 17 north, range 14 west, and Townships 17 and 18 north, range 15 west, approved in 1839, as underlying the waters of Cross Lake. Mr. Theriot was advised by the Commissioner of the General Land Office that pending an examination and report on the matter by a United States cadastral engineer, action on the applications would be suspended, and in December, 1921, Mr. Robert W. Livingston was detailed to make the examination. A thorough and exhaustive field examination was made and a report submitted under date of June 30, 1922. A map was submitted illustrating the report. He stated that Ferry Lake and Cross Lake are very much alike in most of their aspects; that the historical facts respecting their formation are the same and that the geologic and ecologic conditions are identical.

It was stated that the improved drainage of Red River accounts for the gradual lowering of said waters; that this lowering began in 1850 and that in 1860 the mean high water of the lake had fallen about 6 or 8 feet; that the final removal of the raft in 1872-73 seemed to have no immediate effect on Cross Lake, as it had already fallen to some extent, and the deposits of silt at its lower end prevented it from returning to its preraft drainage condition. Mr. Livingston goes on to say that since that time the outflowing waters of the lake have been gradually cutting channels through the soft matter until "at the present time" the outlet of the lake will drain out all but about 2 feet of the water in its deepest part; that this remaining water dries up during the dry months of the summer, so that for several months each year the lake is entirely dry. He further states that Cross Lake was in existence in 1812, when Louisiana was admitted into the Union, and was navigable; that the lake was not correctly meandered in 1837 and 1838 and that there were approximately 2,500 acres of land in place in township 17 north, range 14 west, and townships 17 and 18 north, range 15 west, erroneously omitted from the original survey which were mainly upland in character, suitable for agricultural purposes without artificial drainage in 1849; that the mean high water elevation of the lake during the great raft in Red River, including the years 1812, 1837, and 1849, was 172 feet above the mean level of the Gulf of Mexico.

The report in question shows:

1. Cross Lake was in existence in the year 1812 as a navigable body of water.

2. Cross Lake was not correctly meandered in the years 1837 and 1838. Approximately 2,500 acres of land in place in township 17 north, range 14 west, and townships 17 and 18 north, range 15 west, were erroneously omitted. Said omitted area is graphically shown in yellow color on the map prepared by Mr. Livingston. This land is in every way similar to the adjoining subdivided area of these townships.

3. The mean high-water elevation of Cross Lake during the period of the great raft in Red River, including the years 1812, 1837, and 1849 was 172 feet above the mean level of the Gulf of Mexico. This contour is shown on Livingston's map as an irregular black line inclosing the true bed of Cross Lake. The meander line of 1837 and 1838 in places runs out into the lake a considerable distance and in other places the meander line is found to have been located more than one-half mile back onto the upland. In section 23, township 18 north, range 15 west, the record meander line of the west side of Irving Bayou is found to cross the bayou and include certain upland actually on the east side of the bayou.

4. The lands erroneously omitted from the surveys of 1837 and 1838 are mainly upland in character and were suitable for agriculture without drainage in the year 1849. The report shows that much of this land has been improved and cultivated for many years by colored tenants in the employ of or paying rent to the owners of the adjacent surveyed upland. The report shows that in general practically all of the unsurveyed land has been settled upon and improved and is being claimed by squatters.

Based upon this report, the commissioner recommended to the department under date of October 18, 1922, with regard solely to the surveying questions involved that action be taken as follows:

1. Extend the section lines of township 17 north, range 14 west, and townships 17 and 18 north, range 15 west, so as to include all of the larger yellow omitted areas, the record meander line of 1837 and 1838 to be reestablished as a fixed boundary between the lands formerly surveyed and those now in process of survey, and the contour 172 feet to be established as the boundary between the public land and the bed of Cross Lake. Supplemental plats will be required showing the lotting of all the larger yellow areas, giving description and area for purposes of disposal.

2. In township 18 north, range 14 west, the contour 172 feet above mean Gulf level should be established as a boundary between the land subject to survey in 1871 and the area belonging to the State by right of sovereignty, a supplemental plat to be prepared showing this segregation.

It was further recommended that the uplands and islands erroneously omitted from the original survey in sections 4, 5, 6, 7, 8, and 9, township 17 north, range 14 west; sections 1, 4, 6, 12, township 17 north, range 15 west; sections 13, 14, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, and 36, township 18 north, range 15 west, be surveyed; also that such other well-defined islands which may be found in township 17 north, range 14 west, and townships 17 and 18 north, range 15 west, which existed and were above ordinary high-water mark in 1812 when Louisiana was admitted into the Union be surveyed, the question of disposing of the lands and islands to be subsequently considered by his office upon the filing of the approved plats in the United States local land office.

It was further recommended that the application for the survey of the lands transmitted by Mr. Theriot, so far as they include lands in the bed of the lake not specified above in township 17 north, range 14 west, township 17 north, range 15 west, and township 18 north, range 15 west, be rejected, inasmuch as the lands appear to belong to the State under her rights of sovereignty. These recommendations were approved under date of October 28, 1922, and a United States surveyor was detailed to execute the survey of the lands and islands erroneously omitted from the original survey. This survey is now practically completed.

Recent decisions of the department involving claims in the Cross Lake area will be found reported in volume 49 of the Land Decisions, at page 452, and in volume 50 (advance sheets), page 180.

A petition to reconsider the matter and vacate the department's action of October 28, 1922, with request that the surveys be extended over the entire area embraced in the old bed of Cross Lake is now pending before the department.

SEPTEMBER 11, 1916.

The SECRETARY OF THE INTERIOR.

SIR: With your letter of March 22, 1916, you submitted to this department the papers relating to the area known as Ferry Lake, in township 20 north, range 16 west, in the State of Louisiana, consisting of some 670 acres of land lying between the mean high water mark and the meander line established by the public land survey in 1839, and nearly 10,000 acres covered by the waters of the lake itself.

This matter was first called to the attention of your department in 1908 by the application of Thomas Singleton, jr., and others for the survey of the resurveyed area of public land in the township named. Later, in the year 1910, John B. King and others filed amended applications under the mining laws of the United States, asserting an interest in portions of the area involved alleged to be valuable for oil and gas. From that time until the papers were submitted here last March the matter has been pending before your department in various forms. Investigations have been made by surveyors, geologists, and ecologists of your department. Several hearings have been had before the Commissioner of the General Land Office and the Secretary of the Interior, culminating in a lengthy communication to you from the commissioner under date of July 9, 1915, in which the latter finds that the entire area—that under the waters of the lake as well as the land between the high-water mark and the old meander line—is the property of the United States and recommends its survey as such.

While you approve the facts found by the commissioner, you conclude that there is no necessity for a survey at the present time owing to the fact that all the vacant public lands in the township have been withdrawn from location, sale, etc., by departmental order of December 15, 1908, because containing valuable oil and gas deposits, and that the lands are now included in Executive order of withdrawal dated July 2, 1910; as to the 670 acres of land lying between the old meander line and the mean high-water mark, you state that wells have been drilled thereon in trespass and in defiance of the withdrawal orders, and you accordingly recommend that appropriate proceedings be instituted to assert the right and claim of the Government to the lands and the minerals therein and also to recover for the trespass already committed.

As to the area below the mean high-water mark of the lake—that is, the portion actually covered by water—upon which it seems more than than 60 wells have been drilled under leases from the State or the levee board, which are producing large quantities of oil, you make no definite recommendation further than to "submit the entire record to you (the Attorney General) for the institution of legal proceedings to assert and protect the interests of the United States in and to the land and the minerals if, in your (the Attorney General's) judgment, the law and facts warrant such proceedings."

The papers in this case are voluminous, consisting of affidavits, briefs, reports, and documents, some of which date back to the early days of the century. From such examination as this department has been able to make of these papers, and from the facts stated by the Commissioner of the General Land Office in his lengthy report to you, and from the briefs of opposing counsel, as well as admissions made

by them at a hearing which was held in this department, I can safely say there is little, if any, real controversy over the material facts, which may be substantially stated as follows:

What is known as Ferry Lake, or Caddo Lake, as it is sometimes called, covers an area of some 20 by 15 miles, lying partly in Louisiana and partly in Texas. In this area there are two bayous, known as Cypress Bayou and James Bayou, the latter emptying into the former at a point now covered by the waters of the lake, and the water carried by both bayous later found its way through Cypress Bayou into the Red River. A large part, if not all, of this area was low land, and at some time prior to the last part of the eighteenth century, i. e., about 1780, was covered by a growth of forest trees. However, several hundred years ago there formed at the mouth of the Red River an accumulation of logs and débris which practically closed up the river and greatly impeded its flow. This accumulation was locally known as a raft, and while it existed it continued to grow at its upper end by reason of the lodgment against it of other trees and matter flowing down the river, while the lower end, on the contrary, after a time began to decay and fall away so that the progress of the raft was up the current of the stream.

Some time about the year 1780, the particular date being immaterial, the raft had progressed up the stream to the point opposite Cypress Bayou. This impeded, if it did not stop, the flow of the water from the bayou into the river, as a result of which sediment was deposited in the bayou's mouth and the waters were backed up until they extended beyond the banks and over the entire surrounding low area now known as Ferry Lake. It should be said here that by reason of this deposit at the lower end of the bayou, its original course below the lake has been entirely obliterated and it no longer constitutes an outlet of Ferry Lake, which at some time formed another outlet higher up, known as Twelvemile Bayou.

The raft continued in the river for many years, but has now been entirely removed. Indeed the removal took place a number of years ago, but upon the removal of the raft Ferry Lake did not disappear. In this connection it should be said that a few years ago the Federal Government constructed a concrete dam across the lower end of the lake so as to maintain a certain stage of water, and while the construction of the dam has maintained a higher level of water in the lake, it is not pretended that the lake would now be dry if the dam were removed, or if it had not been constructed. The most that is contended in this regard is that when the hard soil in the bed of Twelve-mile Bayou is sufficiently eaten away, which the applicants for survey predict will be within some 25 years, then the fall from Ferry Lake to Red River will be sufficient for Twelve-mile Bayou to drain the lake.

For many years, beginning possibly as early as 1840, there was considerable navigation across Ferry Lake from a point in Texas known as Jefferson. This navigation was through Ferry Lake and other lakes to the Red River and thence down that river to the Mississippi and to various points along the latter. This commerce was at times by no means inconsiderable, but it has now diminished, principally on account of the construction of railways in that part of the country. The channel of Cypress Bayou can be distinctly traced even now through the bed of the lake. The trees that formerly grew on the land adjoining the bayou have been killed. Many of the stumps are still in existence, some of them projecting above the water, but many of them have entirely disappeared. The channel of the bayou is now susceptible of navigation, and has been so from a date prior to the establishment of the Government of the United States. That portion of the lake outside of the channel of the bayou varies in depth, some of it being 9 or 10 feet deep. Plats filed on behalf of the State of Louisiana show that a depth of 3 feet obtains over practically the entire area of the lake, a depth of 5 feet over a somewhat smaller area and a depth of 7 feet over a still smaller portion.

The meander line of the lake was surveyed in 1839, when the public lands surveys were extended over this section of the country, and from the examinations and surveys recently made by the General Land Office, that line did not accord with what was then the mean high-water mark of the lake. Notably on the north and near James Bayou a considerable area of what was land at that time was omitted from the survey, and elsewhere there are slight variations between the survey of 1839 and the recent survey made by the General Land Office. However, on the whole, the recent careful investigations made by the agents of your department show that with the exception of the land omitted on the north end of the lake, the old survey of 1839 was remarkably accurate and practically followed in the main the mean high-water mark.

It is possible that the waters of Red River in times of flood now find their way into Ferry Lake, and it may be that some of them did so at the time of the formation of the lake, or soon afterwards, but Cypress Bayou has a watershed of some 2,800 square miles, and its own waters are sufficient for the maintenance of the lake.

About the year 1908 the lands in this vicinity became known to be valuable for oil and gas. Exploration resulted in the discovery of wells of large production. The State of Louisiana claiming to own the lands under the waters of the lake by virtue of its sovereignty granted them to the Caddo levee district, which in turn leased them to the Gulf Refining Co., the latter paying a royalty of one-half of the mineral produced. Under this lease large sums of money have been paid into the treasury of the levee district. The claim of the State of Louisiana is confined to the area actually covered by the waters of the lake, and it lays no claim to the 670 acres of land lying between the high water mark and the old meander line.

It is claimed on behalf of the State of Louisiana that Ferry Lake as a whole is a navigable body of water; that it was such in 1812, when Louisiana was admitted into the Union on an equality with the other States, and that she thereby became entitled to the bed of the lake by virtue of her sovereignty; but if this contention should not prevail—that is, if the lake should be held to be nonnavigable—in that event the State claims to be entitled to the lands lying under the water by virtue of the swamp-land grant made under the act of March 2, 1849 (9 Stat. 352).

The applicants for survey, of course, base their claim under the mining laws of the United States, and they accordingly assert that the land is public land and urge that it be surveyed as such, to the end that they may be afforded an opportunity of perfecting their claims.

It is well settled that lands lying under navigable waters in this country belong to the States by virtue of their sovereignty. So numerous and well known are the decisions on this point it is not necessary to mention that. The only question presented in this regard is one of fact; whether the lake is navigable. That it was navigable at one time is beyond dispute, and that portions are even now navigable is also true. This applies at least to what is known as the channels of Cypress and James Bayous. I do not think we are concerned with the cause from which the lake resulted. It may have been unusual, even extraordinary, but the admitted cause in this case was unquestionably not artificial.

It may be that about the time of the admission of Louisiana into the Union in 1812 the waters of the lake outside of the channel of the bayous were filled with stumps and bodies of dying or dead trees, which would have interfered with practicable navigation and possibly have prevented it entirely. That, however, I regard as immaterial, because I have been referred to no decision to support the contention that there can be such a thing as the severance of the navigable from the nonnavigable portion of a body of water. Certainly, until now the United States has never questioned the navigability of this lake nor has it done anything to show that it regarded the channel of Cypress Bayou as severable from the other waters of the lake. On the contrary, the entire area has been regarded as a lake or body of water susceptible of navigation. When the public-lands surveys were made nearly 75 years ago they represented the lake practically as it now is, with the exception heretofore noted, where on the north some considerable portion of high land was erroneously represented as water.

Until the land lying under the water was discovered to be valuable for oil and gas, there was not even a suggestion that Ferry Lake was not a permanent body of water susceptible of navigation, nor was any request made of the Government to extend its surveys across it, except in so far as certain comparatively small areas of land were concerned which had been erroneously omitted from the original survey of 1839. This body of water as a whole furnished a channel for commerce, and had done so for a number of years. On the face of it, therefore, the State was clearly justified in regarding the lake as a navigable body of water, and the Federal Government, by the construction of the dam across the lower end of the lake, has encouraged the State in this belief.

The channel of the bayou itself is unquestionably navigable, and the moment an attempt is made to regard the channel of the bayou as an independent navigable stream, entirely severable from the outlying waters of the lake, another question is presented: If the waters may be properly severable, are not the submerged lands lying beyond the banks of the bayou overflowed lands and therefore subject to the grant made to the State of Louisiana in 1849 of all the swamp and overflowed lands "which may be or are found unfit for cultivation."

It is beyond dispute that within the present boundaries of the lake and outside of the channels of Cypress Bayou and the other bayous flowing into it, there was at one time, probably as late as 1780, a dense growth of forest timber, which proves conclusively that this area was at one time not covered by water. This area is styled by the applicants for the survey as "submerged forests" or "submerged land," but it might as well be called "overflowed land." To my mind there is no difference.

It is contended by the applicants for survey that the water can be drained from this land. Indeed, they assert that if let alone the lake will drain itself in perhaps another 25 years. If that be so (and it must be conceded that the land can be drained by artificial means, whatever may occur if it be let alone), the case would seem to be one peculiarly within the swamp-land grant, which was made "to aid the State of Louisiana in constructing the necessary levees and drains to

reclaim the swamp and overflowed lands therein." It is not improbable that this very situation, and others like it, were in the mind of Congress when the swamp-land grant was made. This case seems to fall within the very letter of the law, and I can conceive of nothing that would justify us in saying that it was not within its spirit.

I see little force in the contention that the State can not consistently now assert title under the swamp-land grant. Its failure to do so earlier is accounted for by the fact that the lake was regarded as a navigable body of water. And it is idle to say that the State, having asserted a claim by virtue of its sovereignty, is now estopped to assert any other claim. If the officers of the State, misconceiving her rights, assert one claim, their action in so doing in no sense estops the State from subsequently asserting any rights she may have under the law.

As I see it, Ferry Lake is either a navigable body of water as a whole or the area outside of the beds of the bayous must be regarded as submerged or overflowed lands, which, being susceptible of drainage, the State of Louisiana is entitled to acquire under the swamp-land grant. I do not believe that in the State of Louisiana, where the swamp-land grant obtains, the Government can properly close its surveys on a shallow, nonnavigable body of water and thus prevent the State from acquiring title under the swamp and overflowed land grant. This is clearly indicated by the Supreme Court in its decision in Mitchell *v.* Smale (140 U. S. 406), where, considering a somewhat similar question, the court said:

> "Nor do we mean to say that in granting lands bordering on a nonnavigable lake or stream the authorities might not *formerly*, by express words, have limited the granted premises to the water's edge and reserved the right to survey and grant out the lake or river botton to other parties. *But since the grant to the respective States of all swamp and overflowed lands therein, this can not be done.*" (Italics mine.) (Pp. 413, 414.)

This brings me to a consideration of the last contention made by the applicants for survey, and in which they are sustained by the Commissioner of the General Land Office, namely, that the land in question is mineral, and therefore did not pass to the State under the swamp-land grant.

In this connection it is urged that such title as the State ecquired under that grant was merely inchoate, and that if prior to the perfection of that title by the performance of all the acts necessary to pass title, the land is discovered to be valuable for mineral, it is excepted from the grant. I do not understand this to be the law. There was no exception of mineral land from the swamp-land grant made to the State of Louisiana and prior to that time, so far as Louisiana is concerned, the only reservation of minerals made by the Federal Government in any of its legislation affecting the public lands related to lands containing salt springs, lead mines, and contiguous tracts. The policy of reserving minerals generally was not established until after the swamp-land grant was made to Louisiana. The act of 1849 was a present grant, operative, if at all, from its date, and as this land was not known to be valuable for mineral at the date of the grant, I do not see how the subsequent discovery of mineral can in any way affect the right of the State to acquire title. Nor would the situation be materially changed even if the mineral character of the land had been known in 1849, because there was no exception of mineral in the swamp grant made to Louisiana.

This view is supported by the Supreme Court's decision in Cooper *v.* Roberts (18 How. 173), which involved a question essentially similar. In that case the State's title under the school grant was contested upon the ground that the land was valuable for its deposit of copper and it was contended that by the act of March 1, 1847 (9 Stat. 146), all the reported mining lands in that district were removed from the operation of the general laws. The land there involved had been reported as mining land, and, indeed, it has been leased for mining purposes by the Secretary of War, large expenditures having been made under the lease.

The school grant involved in that case was like the swamp grant, one in præsenti, though unlike the latter, the former attaches to no particular tract of land until survey is made, notwithstanding which the Supreme Court held that as there had been no reservation of gold, silver, or copper mines until after Michigan had been admitted into the Union the act of 1847 which made such reservation did not affect the State's right.

The decision in Cooper *v.* Roberts sheds further light upon this question in that it refers to subsequent legislation which abrogated those clauses of the act of 1847 which distinguished the mineral from other public lands and placed them alike under the ordinary system for the disposal of the public domain. (See the act of September 26, 1850, 9 Stat. 472.)

In view of the entire situation, I feel that no action should be taken to enforce or assert any claim by the Government to that portion of the area involved which is covered by the waters of the lake, because if the State's title by virtue of its sovereignty should fail for any reason I see no way of successfully resisting her claim under the swamp-land grant.

However, in so far as concerns the land lying between the old meander line and the waters of the lake I entirely agree with you that it constitutes unsurveyed public land of the United States and that appropriate proceedings should be taken to enforce the Government's claims. I am so advising the United States attorney at Shreveport by letter of even date and am sending him copies of the special agent's reports received with your letter of July 28 last, showing the trespasses which have been committed thereon.

In this connection permit me to say that I think it altogether advisable, if not in fact imperative, that the public-land surveys be extended over the land before the suits which are to be brought are actually filed. While your department has approved the finding of the Commissioner of the General Land Office, that this land was erroneously omitted from the survey, I still feel that the survey should be actually corrected before legal proceedings are instituted. The courts have no power to make or correct surveys and until the survey is corrected the Government might experience some difficulty in establishing its claim to the land. In this connection I invite your attention to the decisions of the Supreme Court of Cragin *v.* Powell (128 U. S. 691); Knight *v.* United States Land Association (142 U. S. 161); and Kirwan *v.* Murphy (189 U. S. 35).

I have accordingly advised the United States attorney that he should, as early as possible, prepare his pleadings, but that he should delay the filing of them pending the execution of the surveys, or at least until after one has been ordered and undertaken.

I am returning, under separate cover, all of the papers, maps, etc., received with your letter of March 22.

Very respectfully,

JOHN W. DAVIS,
Acting Attorney General.

Mr. RANSDELL. I understand that the Louisiana Supreme Court on Monday, April 21, rendered an opinion and gave judgment affirming a decision of the Caddo Parish district court affecting the lands in the Cross Lake section which upheld the contention of the city of Shreveport and gave validity to its title to the lands in question, which were acquired from the State of Louisiana, the State having previously acquired said lands from the Federal Government. I shall insert in the RECORD a copy of this decision as soon as it can be obtained.

VETERANS OF THE WORLD WAR

Mr. REED of Pennsylvania. I ask unanimous consent that the Senate resume the consideration of the veterans' bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 2257) to consolidate, codify, revise, and reenact the laws effecting the establishment of the United States Veterans' Bureau and the administration of the war risk insurance act, as amended, and the vocational rehabilitation act, as amended, the pending question being on the amendment of the Committee on Finance, on page 4, line 22, to strike out "$12,000" and insert "$10,000" as salary of the Director of the Veterans' Bureau.

Mr. REED of Pennsylvania. Mr. President, the only remaining committee amendment in the bill is the amendment reducing the salary of the Director of the Veterans' Bureau from $12,000, as it was in the bill when introduced, to $10,000. The Director of the Veterans' Bureau has under his command a larger force of employees than many of the departments. His bureau is spending over $400,000,000 this year. He is charged with the application of measures of relief for over 250,000 soldiers and their dependents. His responsibility exceeds that of most of the Cabinet officers of the United States. He is dealing with a new bureau which has not the benefit of settled practice to guide it. There is called for in him a greater measure of judgment and of responsibility than is called for in most of the officers of the United States Government.

I earnestly hope that the Senate will see fit to allow the salary provided in the original text, to wit, $12,000.

Mr. DILL. What salary did the director get when the bureau was established?

Mr. REED of Pennsylvania. My impression is that the Director of the Bureau of War Risk Insurance originally received $7,500.

Mr. DILL. And then it was raised to $10,000?

Mr. REED of Pennsylvania. I think it was immediately raised to $10,000.

Mr. DILL. And it is now proposed to increase it to $12,000?

Mr. REED of Pennsylvania. Yes; it is now proposed to increase it to $12,000.

Mr. DILL. How many directors have there been of the bureau?

Mr. REED of Pennsylvania. There have been two directors of the Veterans' Bureau. When it was established in 1921 Forbes was then Director of the Bureau of War Risk Insurance, and he became Director of the Veterans' Bureau upon its establishment.

Mr. WALSH of Massachusetts. But there was a Director of the War Risk Insurance Bureau previous to that time.

Mr. REED of Pennsylvania. Previous to that there was another Director of War Risk Insurance, Mr. Cholmeley-Jones.

Mr. ASHURST. Mr. President, I am aware, as, of course, every other Senator is aware, of the sacred duty imposed upon the Director of the Veterans' Bureau. I have no disposition to hamper the director in the performance of his great work. Whoever attempts to perform the work devolving upon the Director of the Veterans' Bureau will be confronted with a colossal task.

Whilst we are considering the question of fixing the salary of the director I desire to make some observations, and I shall do so without any heat or prejudice. The director is oppressed and enmeshed by the same system of red tape and circumlocution that enmeshes practically all men in the executive departments of our Government. No sooner does a man of high character and generous impulse take office in Washington than it appears he becomes somewhat of a bureaucrat. I do not say that the present Director of the Veterans' Bureau has become more of a bureaucrat than the ordinary human being becomes when he takes office in Washington.

About one-eighth of the moneys collected in the way of taxes and appropriated by Congress is spent through the Veterans' Bureau. With that I have no complaint. Indeed, on the contrary, my complaint in the past has been that we did not with sufficient celerity appropriate requisite sums to carry on the energies of the Veterans' Bureau. I am not now retracting or contradicting anything I have previously said with reference to the necessity for adequate hospitals for disabled sailors and soldiers afflicted with tuberculosis. Indeed, I am reasserting all that I have previously said upon this subject. But the present régime is developing a tendency toward holding the ex-service men too much in hospitals, especially those afflicted with tuberculosis.

Let us for a moment consider the situation as to tuberculosis of the lungs. Tuberculosis does not respond to treatment as readily as one may suppose. A person afflicted with tuberculosis of the lungs will recover his health only in so far as he is able to build up healthy tissue and healthy corpuscles. Therefore there must be successful digestion and alimentation. Merely to build a large hospital building with lines of elegance is not sufficient.

Every reasonable thing within the domain of possibility that may be done should and ought to be done to minister to the appetite, digestion, and alimentation of a person afflicted with tuberculosis, so that he may be able to assimilate the amount of food required to build up healthy tissue. If these boys are herded and confined too strictly in great hospitals and are allowed no liberty of movement, no liberty of action, but are treated more or less as men in the Army, in spite of the efforts of the ablest physicians and nurses, there comes that wistfulness, that belief that they would grow better and improve if allowed more freedom, and this element must be yielded to on behalf of the patients. So there has grown up what some call "home treatment"; that is to say, the patient who has been in the hospital during many weary months, possibly years, grows tired of the hospital, with its regimen and its rules. He believes that if he were permitted to leave the hospital, with his compensation still paid to him, and purchase a tent or to erect somewhere a small "shack" or furnish his own quarters and with some member of his family be somewhat independent he would recover more quickly. I am here to say that in every case where that may reasonably be done—and I have followed this subject with some care—the recovery of the patient is promoted. I do not wish to be understood that, therefore, all men afflicted with tuberculosis should leave the hospital; not by any means; but I do mean to say—and I assert it after an observation of some years—that the director of the bureau and the commanding officers of the various Veterans' Bureau hospitals ought to be more generous, more considerate, and more yielding with respect to those patients who, within reasonable limitations, desire to take this so-called "home-treatment" method.

Mr. DILL. Mr. President, will the Senator from Arizona yield to me?

Mr. ASHURST. I yield.

Mr. DILL. As to "home treatment," when soldiers now take "home treatment," as some of them attempt to do, they are deprived of compensation.

Mr. ASHURST. I was just going to make that remark, and I thank the Senator. For example, a soldier has been in a hospital for a year or for two years; he makes no apparent progress looking toward recovery, and he believes that if he could go into the meadows, fields, forests, hills, or on the plains and in some degree have his own way he could recover; but under the present harsh rules no sooner does he sever himself from the hospital to seek cheerful surroundings than his compensation is materially reduced or is cut practically to nothing. The result is this: Instead of having a serene mind, instead of being in a condition where he can digest food, he is worrying about his compensation; he is worrying as to whether or not his wife or his dependents will be adequately provided for. Down goes his compensation; up goes his temperature. He looks upon the reduction in compensation as an attempt of the bureau to drive him back into the hospital. That increases his temperature, disturbs his digestion and alimentation, and he is retarded in his recovery.

I make this statement in no unkind spirit, but in the hope that the Director of the Veterans' Bureau and the other officers of the bureau will read it. If they do deign to read what I have to say, I trust they will remember that it is not said in a spirit of carping criticism but of helpful criticism. I want the Veterans' Bureau to be more liberal and more generous toward those patients who wish treatment away from the hospitals.

Mr. DILL. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. DILL. Does not the Senator think the pending bill ought to provide that where a patient takes home treatment his compensation shall not be cut off?

Mr. ASHURST. I have an amendment to that effect.

Mr. DILL. I am glad to know that.

Mr. ASHURST. I will say that the junior Senator from Nevada [Mr. ODDIE] has a number of amendments which I think may effectuate this purpose.

I intend to propose an amendment if the Senator from Nevada does not propose his amendment; but he will probably propose something of this sort, because he served on the committee to investigate the Veterans' Bureau, of which committee the Senator from Pennsylvania [Mr. REED] was chairman, and of which the Senator from Massachusetts [Mr. WALSH] was a member. The Senator from Nevada also did himself the justice and the credit to visit the Veterans' Bureau hospitals in Arizona and throughout the twelfth district. The amendment which I intend to propose reads as follows:

That any ex-service man shown to have a tuberculous disease of a compensable degree, and who has been hospitalized for a period of one year, and who in the judgment of the director will not reach a condition of arrest by further hospitalization, and whose discharge from hospitalization will not be prejudicial to the beneficiary or his family, and who is not feasible for training, shall upon his request be discharged from hospitalization and rated as permanently and totally disabled, said rating to continue for the period of three years.

That amendment, if adopted, would mean that when the ex-soldier makes the application, in the judgment of the director, he may be discharged from the hospital; and if he is discharged after having been there one year, he is to be rated as totally and permanently disabled, and that rating shall not be reduced during three years. That amendment, if adopted, would give to the ex-service man a feeling of security and a satisfaction that he and his dependents will not be subjected to penury during the time that he is taking treatment away from the hospital.

There are many imponderables to be considered in the difficult question of treating tuberculosis. In the twelfth district, for instance, the present manager when in the Philippine Islands some years ago was arrested, charged with smuggling narcotics into the Philippine Islands. He pleaded guilty and was sentenced to a term in the penitentiary.

It is a most unpleasant duty; indeed, it is a sad duty to stand here and rehearse the misfortunes of a fellow creature; but my duty is first to the ex-service men, and practically every ex-soldier being hospitalized in the twelfth district resents the fact that a man who was convicted of smuggling narcotics should be the manager of the twelfth district and should hold their destiny in his hands.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Pennsylvania?

Mr. ASHURST. Certainly.

Mr. REED of Pennsylvania. I am surprised at the Senator's last statement because I was under the impression, from a

report that was furnished us by a committee of investigation organized by the American Legion in that district, that they were entirely satisfied with Major Grant's administration of the district office. Does the Senator know whether the Legion has taken any action one way or the other about it?

Mr. ASHURST. Frankly, Mr. President, I do not know whether the Legion has done so or not, but various soldier organizations in my State have appealed to me to try to secure the removal of the present manager of the twelfth district. I repeat it is a most unpleasant duty to stand here and rehearse the defects of a fellow man.

Mr. REED of Pennsylvania. I did not ask the question in criticism. The Senator, of course, understands that.

Mr. ASHURST. I know that; but I repeat that it is not soothing; on the contrary, it is irritating to the tubercular ex-soldiers to have their destinies presided over by a man who served a term in prison for smuggling narcotics. I repeat, the soldiers resent that and feel that the Director of the Veterans' Bureau ought to find some other man in the twelfth district to take charge of that office. They do not presume to tell the director whom to select, but they do feel that the director ought to choose some one other than this man.

I have mentioned the matter to show the harsh tendencies, the unyielding attitude, that grows up in and about Government bureaus.

I have received some letters from Arizona, from worthy persons, persons whose judgment is entitled to respect, saying that we ought not now at this late date bring against the record of a man something that happened years ago, and that he ought to be permitted to remain in the twelfth district as the manager. That is a beautiful sentiment, but the disabled ex-service men, the persons intimately affected, and whose health and destiny are bound up in the twelfth district, do not want the present manager, and their wishes should be considered.

I believe it to be my duty to urge his dismissal. I have requested the Veterans' Bureau to do so. I have urged the President to remove this manager, but it is said to me that this man was pardoned. Be it so; be it so; but the pardon was procured by Forbes, who was a "pal," a partner in the Orient of the director of the twelfth district, years ago.

A pardon procured at the solicitation of Forbes is one upon which I may properly comment, because it has been disclosed by the hearings before the committee of which the able junior Senator from Pennsylvania [Mr. REED] was chairman that Mr. Forbes was recreant to his trust. Forbes is about to go upon trial for his liberty, and it would not become me, therefore, to make any further statement as to this matter. I do not believe it would be right for me to say anything that might tend to cause any sensation, or tend to prejudge his cause, but I do not think that any man, especially an officer of the Veterans' Bureau, ought to screen himself behind a pardon procured at the solicitation of C. R. Forbes.

I pass from this painful duty which I have now performed and I reach a more pleasant duty.

The committee appointed to investigate the Veterans' Bureau, which committee was presided over by the junior Senator from Pennsylvania [Mr. REED], of which the Senator from Nevada [Mr. ODDIE] was a member, and of which the Senator from Massachusetts [Mr. WALSH] was a member, held hearings which are published in five volumes, available for all Senators, and at this juncture I desire to read the telegram of the Senator from Nevada to the director, found on page 1569 of volume 5 of the testimony. It is as follows:

PRESCOTT, ARIZ., *October 17, 1923.*

Gen. FRANK T. HINES,
Director Veterans' Bureau, San Francisco, Calif.:

I have just completed examination of Veterans' Bureau hospital situation in Arizona and strongly urge the retention of the tubercular hospitals at both Prescott and Tucson and the making of necessary alterations and improvements to these hospitals soon as possible in order that they be made thoroughly adequate to meet demands on them and modern and complete, which they are far from being now. Also that local architects be consulted, especially in Tucson construction, in order that buildings be made suitable for warm climate. The buildings there now are wretchedly inadequate. I have studied conditions surrounding these hospitals and talked with many of the patients and find that over 90 per cent are from other States than Arizona and are typical of large number of tubercular patients throughout the United States who have set their hearts on going to certain sections of the country where they believe they can be cured and will go to these places in any event; therefore the problem is one of national necessity and national obligation and not of State or sectional interest.

The abandoning of either the Prescott or Tucson hospitals would result in severe hardship to many of the patients who desire to remain where they are, irrespective of opinions of various authorities as to the merits of certain other localities. These patients would remain in these places in any event and become charges on the communities, which are unprepared to and should not be called on to assume a duty that belongs to the Government, which it must not delegate or avoid. Rumors regarding abandonment of these hospitals are doing harm to patients in Prescott and Tucson hospitals by causing them unrest and worry. Contentment and peace of mind are necessary in effecting cure. Can testify from observation that both these places are admirably adapted for curing tuberculosis. Statistics of cures available which verify this.

TASKER L. ODDIE.

When the committee concluded their hearings they were so courteous as to ask me to express some views with reference to hospitalization in general, and I ask unanimous consent that the views I there expressed to the committee be printed at the conclusion of and as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

STATEMENT OF HON. HENRY F. ASHURST, A SENATOR FROM THE STATE OF ARIZONA

Senator ASHURST. I thank you, Mr. Chairman, for the opportunity of saying a word. This honorable committee of the Senate is now about to close its hearings your labors have been arduous and you have been diligent, and I doubt not they have engrossed all of your time for the past two or three months.

You are entitled to and will receive the thanks, not only of the veterans themselves, but of the country at large for your patient labor.

It is obvious to me that it is neither necessary nor desirable at this time that I should enter into a protracted discussion of the vital question of soldier hospitalization. However, I will ask leave of the committee to file some exhibits. Senator ODDIE, to whom I will again refer later, filed some exhibits, but it may be that his modesty caused him to omit from the record a copy of a telegram from himself to General Hines respecting hospitalization in the Southwest.

Senator ODDIE. That is in the record, Senator.

Senator ASHURST. I am very glad his modesty did not prevent his performing that duty.

Then, Mr. Chairman, I ask leave to include in the record a copy of a telegram from the American Legion of Phoenix, Ariz., which I think substantiates, although no substantiation is necessary, Senator ODDIE's report.

The CHAIRMAN. We will be glad to have it in the record.

(The telegram referred to by Senator ASHURST is here printed in full, as follows:)

PHOENIX, ARIZ., *December 29, 1922.*

Hon. HENRY ASHURST,
United States Senate, Washington, D. C.:

Kindly use your influence to get hospitalized locally more than 150 disabled men who have families and relatives here, also men who have been sent into this altitude by the best medical men in the United States and who can not go into other climates. Also other men who have tried other climates unsuccessfully. These disabled veterans are being forced to live at a disadvantage as compared with those who can accept hospitalization in any climate. They are being forced to live on their compensation, which has already been reduced in many instances because they are out of hospitals. These cuts in compensation are occurring daily, and daily the men are becoming less able to care for themselves properly because in their own minds and from experience in other locations they refuse to accept transportation into less favorable climates. This condition prevails throughout southern Arizona and merits correction.

THE AMERICAN LEGION.

Senator ASHURST. I pause, Mr. Chairman, at this time to thank Senator ODDIE for the zeal and the earnestness with which he worked whilst in the State I have the honor, in part, to represent. He visited, as his report discloses—I speak only of his visits to the hospitals in my State—the hospital at Prescott, called Whipple Barracks, No. 50, and the hospital at Tucson, No. 51. I have said a vast deal about those two hospitals, about what ought to be done, and I have made some severe criticisms in times gone by, both in the Senate and before its committees. But I believe that the concise and compact report of Senator ODDIE embraces all that I could say.

I am sure, from my examination of the papers, that his report discloses a most thorough and painstaking investigation on his part. For this, of course, he has not only my thanks but, I think, the thanks of all persons, like yourselves, who are interested in the one question of rehabilitating the disabled soldier.

I might, however, contribute now a word which I hope will prove to be of some illumination to the committee in its labors in the future, for I certainly take it as the judgment of the committee that they will not at this point conclude their work, but they will ask, as I believe they should ask, Congress for a further appropriation and will ask for further time to sit, for you will remember that Congress knows nothing about hospitals except in so far as you advise them.

That is no reflection on Congress. This is a vast country; this is a vast problem; vital in its importance. Congress will know about hospitals only so much as you gentlemen tell them. That applies to me just as it applies to all other Members of Congress.

We can not, gentlemen of the committee, know to a certainty just how many hospitals are functioning properly. We can not know to a certainty whether the hospitals have been appropriately located, because, forsooth, we can not go to each hospital. We must depend upon you. I am happy to state that I am profoundly penetrated with the idea that there are no Senators upon whom we might rely to give us facts and conclusions with more confidence than we do upon you gentlemen. I trust that I am not presumptuous and will not be accused of trying to instruct my fellow Senators when I say I hope you will ask for an additional appropriation and for additional time in which to sit and continue your great work, because I know that you agree with me that this country owes to its disabled and stricken soldiers all that money and science can do to aid in restoring them to health.

I hope that you will not deem me obtrusive when I say that in our tuberculosis hospitals especially we find as time goes on in treating tubercular patients that there is what is called an "imponderable." Summons the best physicians, summons all that science can bring, but you are not sure, gentlemen, of a complete restoration to health. Tuberculosis of the lungs is indeed curable, always in its first stages, usually in its second stages. But alimentation or digestion, in my opinion, is one of the secrets of the restoration to health of a tubercular patient.

One of your number served with great honor and gallantry in the World War. He will know that the war was won because we were able to summon vigorous men at the right time.

When the lungs of a tubercular patient are attacked with tuberculosis an innumerable host of germs assail the healthy segments and structure of the lungs. Only in so far as that patient, through metabolism and the processes which are so well known to physicians, can build up healthy corpuscles of the blood to fight these invaders, overcome them, and drive them out, can that patient hope for recovery. A great conflict of armies takes place in the lungs of the tubercular patient. If the healthy "soldiers" can be assembled in sufficient numbers to overcome the unhealthy ones, we can hope that the patient will recover.

How may you summon these vast armies of healthy corpuscles? First, by taking into the stomach the proper amount of digestible, assimilable foods. But that is not all. There must be a serene and contented mind or he will not digest his food.

The imponderable in tuberculosis of the lungs is that there settles upon the patient a wistfulness; sometimes it runs to the point of melancholia, which leads him to believe that if he were over here he would be better or if he were over there he would be better; and frequently, under very good conditions, he is not wholly satisfied.

Physicians will agree with that general statement. I notice that Senator ODDIE in his report and even in his telegram to General Hines lays emphasis upon the fact that you must have cheerful surroundings for the patient.

All this means that in a tuberculosis hospital unpleasant surroundings, where conditions lead to gloom and melancholy, must be avoided. There must be pleasant places, beautiful prospects, much sunshine, which will lead the patient to a serene condition of mind that promotes his alimentation and digestion, which, of course, promotes his health.

I will close with the question as to how many copies of your hearings will be printed. I have a number of inquiries for copies of the testimony.

The CHAIRMAN. Under the rule of the Senate, I think, Senaor, we are limited to a thousand copies, without a special order of the Senate. Of course, we will have to apply for many additional copies as soon as the Senate convenes.

Senator ASHURST. I presume the printed copies will not be available for a month.

The CHAIRMAN. The printer has been working pretty hard, but he has not yet given us the complete printed copies of our first week's testimony.

Senator ASHURST. That is all.

The CHAIRMAN. The committee appreciates the kind words that you have said about our efforts. We realize that our efforts are necessarily fragmentary. There are about 50 Government hospitals, four hundred and thirty and odd contract hospitals, and it is physically impossible for us to visit them all. But we have reports through General O'Ryan's very efficient organization on practically every one of them. Those, of course, have not come out, and it was not necessary to bring them out in the public hearings, but they will be printed as part of our record, and I think they will make a useful source of information for Congress and the public on the general hospitalization situation.

I am interested to know, Senator, whether since Senator ODDIE'S visit there and since he has taken up the Arizona hospitals with the Veterans' Bureau there has been any perceptible improvement reported to you from the hospitals.

Senator ASHURST. Yes; at hospital No. 50 there has been some improvement along the lines of Senator ODDIE'S report, but not that general improvement that we would expect. I appreciate the practical difficulty, and I am not going to be impatient at the tediousness with which these reforms and improvements come. The situation at Tucson, if you will pardon just a reference, is really desperate.

The CHAIRMAN. That is the place where food has to be carried half a mile or some such distance?

Senator ODDIE. Yes; over a thousand feet.

The CHAIRMAN. Out of doors?

Senator ASHURST. I will ask you to be kind enough to let me know when my time expires.

The CHAIRMAN. It is a matter that we are much interested in, and we know you are, Senator.

Senator ASHURST. For example, I know one hospital where the prevailing winds are from the south. Yet the contractor in building a furnace placed it so that the fumes and gases would blow right into the hospital.

The CHAIRMAN. That is the architect's fault.

Senator ASHURST. Certainly. Care should be taken in the matter of food. A sick man, especially a man sick from tuberculosis, wants food daintily served. He must have his appetite appealed to. In some hospitals they buy beef in enormous quantities, of the best kind. No person could ask for better beef. But frequently it is cooked in great hunks, raw on one side and burned on the other. Now, I feel that the bureau ought to use better care in selecting chefs. And I think you found that situation to be true, Senator.

Senator ODDIE. I found it so.

Senator ASHURST. That is all at this time. I thank you.

Senator WALSH of Massachusetts. Do you think that one or two new hospitals should be built in Arizona? Are the present plans capable of being remodeled?

Senator ASHURST. The enlargement of the buildings, or the construction of proper buildings at Tucson, and the carrying out of Senator ODDIE'S report would improve the situation in Arizona. And we must bear in mind that in these hospitals in Arizona only about 10 per cent—I think you dwelt on that—come from Arizona. They come, if you please, from other States.

Senator ODDIE. Yes; I called attention to the fact that in the Tucson hospital there are two patients from Arizona and the rest are from 40 of the other States.

Senator ASHURST. Exactly.

Senator ODDIE. And I want to add one thing. Senator ASHURST comes from Prescott. The people of Prescott have shown an unusual disposition toward the patients in that hospital. They take them into their homes. They take a personal interest in those men. And it is very different from conditions in many places, where people are too busy to look after such details. But this condition means bringing these men back to health much sooner than would otherwise occur. It contributes to their happiness and contentment of mind, which is very important in effecting a cure.

Senator ASHURST. Well, I am very gratified to have that go into the record.

Mr. ASHURST. In conclusion, I believe the Government ought to pay the director a fair salary. A man who is going to disburse $400,000,000 a year, and who has charge of all the vast and complicated details of the Veterans' Bureau, ought to be paid a good salary; but, in return, he ought to do the highest type of work and exercise the highest type of good faith.

Therefore, expressing the hope that the present régime will not develop any further tendencies toward bureaucracy and will be more liberal and more considerate, that it will not have a "set" policy to enforce against the opinion of the overwhelming numbers of ex-soldiers, I am willing to vote to pay $12,000 a year for the work. Whoever does the work of the Director of the Veterans' Bureau, whoever administers well the affairs of the Veterans' Bureau, will earn, believe me, $12,000 a year.

Mr. SMOOT. Mr. President, I send to the desk a proposed unanimous-consent agreement which I ask to have stated.

The PRESIDENT pro tempore. The Secretary will state the proposed unanimous-consent agreement.

The reading clerk read as follows:

It is agreed by unanimous consent that at 11 o'clock a. m. on the calendar day of May 1, 1924, the Senate will proceed to the consideration of the bill, S. 2257, a bill to consolidate, codify, revise, and

reenact the laws affecting the establishment of the United States Veterans' Bureau, and that after the hour of 11.30 o'clock a. m. on said calendar day no Senator shall speak more than once or longer than 5 minutes upon the bill, or more than once or longer than 10 minutes upon any amendment offered thereto.

The PRESIDENT pro tempore. Is there objection to the proposed unanimous-consent agreement?

Mr. ODDIE. I object.

The PRESIDENT pro tempore. There is objection.

Mr. SPENCER. Mr. President, I desire to call the attention of the Senate to the fact, which I have been thinking of this afternoon as this discussion went on, that 135 years ago to-day George Washington was inaugurated the first President of the United States, and that at that time the aggregate wealth of the United States was only about eight times as much or nine times as much as we are to-day appropriating for our disabled ex-service men; and certainly there is no disposition to curtail that appropriation. The aggregate wealth of the United States at that time I suppose was approximately $3,000,000,000, and now the aggregate wealth of the United States is over $300,000,000,000, and the annual amount which we are seeking to raise every year for the Government is substantially as much as the entire aggregate wealth of the Nation when George Washington was inaugurated President.

Mr. FESS. Mr. President, will the Senator yield?

Mr. SPENCER. Certainly.

Mr. FESS. I saw a statement from an economist yesterday to the effect that the wealth of the United States had accumulated from 1785 to the present time more than the total accumulation of 40 centuries of all the world before then.

Mr. SPENCER. I have no doubt that is true. It makes an American intensely proud, because when George Washington was inaugurated, as I say, 135 years ago to-day, the area of the United States was 892,135 square miles, and the center of population was 23 miles east of Baltimore. Now the area of the United States is 3,743,448 square miles, and the center of population is about 8 miles southeast of Spencer, Ind. The population increase has been equally as great; for at that time the population of the entire United States was not as great as is the population of five individual States of the United States to-day. The population then was 3,928,214, and the population of the United States to-day, including our possessions, is 117,859,358.

Mr. FESS. Mr. President, will the Senator yield again?

Mr. SPENCER. I yield to the Senator from Ohio.

Mr. FESS. The Senator might have said that the population then was only one-half of the population of a single city in the United States now.

Mr. SPENCER. That is quite true; and there are five States in the Union that to-day have a larger population than the entire United States had then.

AMENDMENT OF PORTO RICAN ORGANIC ACT

Mr. WILLIS. Mr. President, I had intended at this point to ask unanimous consent to call up Senate bill 2448, to amend the organic act of Porto Rico, approved March 2, 1917. It is a bill of great importance to the people of Porto Rico. I think it would lead to no discussion; but I have been informed by the Senator from Utah that there was an understanding among Senators that there would be no vote this evening. If that is the case, I do not desire to ask that that agreement be broken.

Mr. SMOOT. That was the agreement, Mr. President.

Mr. WILLIS. Then, with that understanding, I will let the bill go over until some other time, though I shall call it up as soon as I have an opportunity.

THE COTTON TRADE (S. DOC. NO. 100)

Mr. DIAL. Mr. President, on day before yesterday the report of the Federal Trade Commission in response to Senate Resolution 262 of the Sixty-seventh Congress was presented to the Senate, and I asked at that time that it be printed as a public document, and permission was granted. I have since ascertained that there are some charts and drawings accompanying the report, and I am informed that special permission will be necessary to have them included. I desire to have them go along with the report, for it is a very important one; and I now ask unanimous consent to have that done.

Mr. SMOOT. Mr. President, what report is it?

Mr. DIAL. The report of the Federal Trade Commission.

Mr. SMOOT. Do they not print their own reports?

Mr. DIAL. I think they have run out of funds.

Mr. SMOOT. That is exactly what I thought; and I object, because the Congress of the United States and the Senate have agreed that they will not print those department reports. We make appropriations for every department of the Government to print its own reports.

Mr. DIAL. I will say to the Senator that this is a very unusual report. It is a very long report.

Mr. SMOOT. If we let one in, they will all go in. We have fought the matter here for 10 years; and I object, Mr. President.

The PRESIDENT pro tempore. Objection is made.

Mr. HEFLIN. I ask for the regular order.

RECESS

Mr. SMOOT. Now, Mr. President, I move that the Senate take a recess, the recess being under the unanimous-consent agreement, until 11 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate took a recess until to-morrow, Thursday, May 1, 1924, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *April 30, 1924*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shern Montgomery, D. D., offered the following prayer:

O eternal God, Thou art our refuge and strength, and the same yesterday, to-day, and forever. Do Thou lead us to a high plane of Christian faith and life that our influence, example, and service may be for Thy glory and for the good of our country. Warn our people, O Lord, against the heresy that material possessions determine the greatness and permanence of nations. Teach us that we can not dispense with the heart and soul of things and survive. Bless our land more and more that it may fulfill its splendid mission. Lead it to use its unequaled opportunity to bring mankind into living fellowship with Jesus, the Son of the living God, so that the world may know the teachings of His glorified cross. Amen.

The Journal of the proceedings of yesterday was read and approved.

VOCATIONAL REHABILITATION

Mr. SNELL. Mr. Speaker, I present a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents a privileged report, which the Clerk will report.

The Clerk read as follows:

House Resolution 274

Resolution providing for the consideration of H. R. 5478, a bill to amend an act providing vocational rehabilitation of persons injured in civil employment.

HOSPITAL FACILITIES

Mr. SNELL. Mr. Speaker, I present another privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents a privileged report, which the Clerk will report.

The Clerk read as follows:

House Resolution 275

Resolution providing for the consideration of H. R. 5200, a bill authorizing additional hospital facilities for the Veterans' Bureau.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. By unanimous consent the gentleman from Kentucky [Mr. ROBSION] was given permission to address the House for 15 minutes.

Mr. LONGWORTH. Will the gentleman from Kentucky yield to me to make a request?

Mr. ROBSION of Kentucky. Certainly.

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent that on Friday, immediately after the reading of the Journal, the gentleman from Indiana [Mr. SANDERS] may address the House for half an hour, and the gentleman from Massachusetts [Mr. WINSLOW] may address the House for half an hour, on the subject of the so-called Barkley bill.

The SPEAKER. Is there objection? [After a pause]. The Chair hears none.

MINE DISASTER AT BENWOOD, W. VA.

Mr. ROBSION of Kentucky. Mr. Speaker and gentlemen of the House, I have asked you to indulge me while I bring to your attention what I regard as a very vital and pressing matter. The country is shocked, appalled, and grief stricken again, and for the eighth time in the last nine months, because of the

horrible mine disaster at Benwood, W. Va. Yesterday and to-day the entire population, about 5,000 people, of that community, with tear-dimmed eyes and heavy hearts, gathered about the Benwood mine opening. Practically every one of them had a relative that was killed in that terrible disaster. My heartfelt sympathy goes out to that grief-stricken community. The other morning something like 110 or 115 men left their homes; went to their work to make a support for their wives, children, and themselves. A few minutes after they entered upon their work an explosion took place that killed every man in the mine at that time.

EIGHT GREAT DISASTERS IN NINE MONTHS

If the Benwood disaster was the only one that had occurred within the last year or two we might be more able to reconcile ourselves. Coal mining is a dangerous and hazardous employment, but we are more horrified when we stop to think that we have had eight of these great mine disasters in this country in less than nine months. It is high time for the whole country, for the Congress and for those in the States charged with the responsibility of providing proper working conditions for the miners, to give this matter most serious thought.

On the 14th day of August, 1923, 93 men were killed in a coal-mine explosion at Frontier, No. 1, Wyoming; November 6, 1923, 27 men were killed in a coal-mine explosion at Glen Rogers, W. Va.; 33 men were killed in a coal-mine explosion at MacClintocah, Ill., January 25, 1924; 36 men were killed in a coal-mine explosion at Lancashire, Pa., January 26, 1924; 41 men drowned in an iron mine at Milford, Minn., February 5, 1924; 173 were killed in a coal-mine explosion at Castlegate, Utah, March 8, 1924; 24 men were killed in a coal-mine explosion at Yukon, No. 2, W. Va., March 28, 1924, and 111 men were killed in a coal-mine explosion at Benwood, W. Va., on April 28, 1924. I have not mentioned perhaps a dozen or more other coal-mine explosions in various parts of the country within the same period of time in which from 1 to 7 men were killed and from 1 to 35 were injured. There have been killed nearly 500 men and nearly 100 seriously injured within the last nine months by reason of these explosions and disasters. I have not mentioned the great number who have been killed by falling slate, bad air, and in other ways. I have only mentioned the outstanding explosions and disasters.

FIVE TO ONE

The mining of coal in Great Britain, France, and Belgium is more dangerous and hazardous than in this country, yet there are killed in coal mines of the United States nearly five times as many men as there are in Great Britain, France, and Belgium according to the number of men employed. It is obvious that there is something radically wrong in some of the mines of this country. In our haste we are not giving due regard to the safety of the miners and the protection of human lives. What I shall say, of course, is not intended for those coal operators who are giving proper care to the health and lives of the men employed in their mines. I know that a great many coal operators in this country are using every reasonable means possible to safeguard the health and lives of their men; but, on the other hand, I know there are many coal operators that have been and do now disregard safety methods and devices to protect the lives of their workmen, and it is to that class of operators and to those men who work in the mines that do not use proper care to protect themselves and their fellow workmen that I am addressing my criticisms.

COAL DUST AND CARELESSNESS

I think it can safely be asserted that coal dust and carelessness are responsible for seven of these mine disasters of which I have spoken. One of the great authorities on the question of coal-mine explosions stated recently that "coal dust is the cause of all widespread coal-mine explosions." He further asserts "stone dusting" is the only real safeguard against coal-dust explosions. This stone dust is made from limestone and other rocks and is scattered about in the mines. It has been shown that sprinkling will not prevent coal-dust explosions. The British mine operators tested this out. The British Government passed a law which went into effect June 30, 1920, requiring operators of dry-coal mines to use "stone dust," and since that time there have been no explosions in properly "stone-dusted" mines. Stone dust is being used in 60 coal mines in this country with splendid results. The Bureau of Mines has been for some time urging the coal operators of our country to use the stone dust. The Bureau of Mines contends that this is the only real safeguard against coal-dust explosions. Stone dust was not in use in any of the mines in which these recent explosions occurred. We must bear in mind that coal dust is highly explosive and perhaps has as much force as gunpowder. Coal dust collects on the walls and tops of the entries and rooms of the mines. Some gas, a match, a spark, a live wire, an open lamp may set it off, and when it is set off traverses all parts of the mine where this dust has collected, and it is the coal dust that makes these continuous explosions throughout, with the disastrous results pointed out by me.

BETTER SUPERVISION

I am sure that more adequate supervision by the operating companies and the exercise of greater care by mining employees would eliminate more than half of all accidents. They need to employ more experienced and careful supervisors. I know that many operators under close competition strive to reduce the overhead charges as much as possible in order to compete in the market, but in my humble opinion the saving in the reduction of the number of accidents would in the end more than pay for this additional supervision. We have about 200,000 nonfatal accidents in our mines each year. This means an economic loss of nearly $40,000,000 annually, but the loss from fatal accidents represents a much greater sum annually. Are we thinking too much of cheap coal and dividends and too little of the health and the lives of the men who work in the mines? The Nation is more concerned in affording proper protection to the health and lives of those who produce the coal than they are of cheap coal or dividends. The operator is entitled to and he should receive a proper and a fair return on his investment, and the miner should receive just and fair wages. The public should always be willing to pay such a price for the coal as will accomplish both of these results, and the operators should see to it that the public does pay a just and a fair price for the coal. The hazards of the coal-mining industry are very great, not only to the miners but to those who have invested their capital. Neither the States or the Nation should permit coal mines to become charnel houses or slaughter pens. Humanity dictates that the States and Nation should see to it that there are fewer widows and orphans produced in our coal mines. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. BLANTON. I notice that one of the 110 men who so unfortunately lost their lives was an inspector, and the bulletin board showed that he had just posted his inspection notice approving of conditions. I was wondering how we are going to stop it when inspectors can not detect these matters.

Mr. ROBSION of Kentucky. I am coming to that. The inspector, if this report is true, evidently failed to do his duty. The mine was not safe. All of these explosions that I have referred to are the result of coal dust. Coal dust is highly explosive. No doubt the coal dust had been collecting in the Benwood mines for years. It no doubt was seen, but disregarded. I think it is another case where the operators plainly disregarded the warning from the Bureau of Mines and other experts as to the danger of coal dust. The use of stone dust or plenty of water no doubt would have prevented this fearful disaster.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. ROBSION of Kentucky. Yes.

Mr. GRAHAM of Illinois. Does the gentleman think there is any failure on the part of any Federal official?

Mr. ROBSION of Kentucky. None that I know of. The Bureau of Mines has been warning the operators and miners of the country. They have sent out the very best information on these subjects, and have conducted schools of instruction throughout the Nation. I am afraid that some of our operators have not followed these suggestions.

Mr. McKEOWN. Will the gentleman yield?

Mr. ROBSION of Kentucky. Yes.

Mr. McKEOWN. Is there any kind of insurance that the employees may have to protect their wives and children?

Mr. ROBSION of Kentucky. Most States have workmen's compensation laws, but the compensation in many cases is not adequate. What we want to do is to prevent this loss of life and the making of thousands of widows and orphans. The coal mines must not be slaughter pens, like some have been I have mentioned. The Bureau of Mines of the Federal Government is doing a wonderful work. America can not go on butchering her people as they were butchered at Benwood and at these other mines.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield? I want to suggest that in our State of Illinois we have very efficient legislation now, I think. Does not the gentleman think that this is primarily the duty of the States?

Mr. ROBSION of Kentucky. In the State of Illinois, since their coal mine explosion at MacClintocah, they are using stone dust to prevent these explosions, and I understand with splendid

results. I do not contend that Congress has the power to regulate or provide for the safety of mines. Perhaps this is the duty of the States. Congress has the power and it has exercised that power by creating a Bureau of Mines and by providing mine-rescue stations and mine-rescue cars and by gathering and sending out information that will be helpful to the coal-mining industry and to the business of coal mining. I think Congress ought to provide more funds for this bureau and to enlarge its benefits. It is not trying to run the coal business but it has and can bring helpful suggestions and information to the operators and miners. I am bringing these disasters to the attention of the country again. I want to get the ear of the country, the miners, and the coal operators, and urge the operators to take steps to provide proper safeguards to protect the health and the lives of the men who must go into the mines to produce the coal for the Nation and to provide a living for themselves and their children.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. Yes.

Mr. BLANTON. Just a short time ago there were a hundred people killed in Washington in one building, the Knickerbocker Theater. That is something that the Congress has jurisdiction over.

Mr. ROBSION of Kentucky. That was a most regretable accident, but that does not justify the killing of hundreds of coal miners. The coal miner, as a matter of necessity, assumes a great deal of hazard. I want to make that hazard as small as possible for their health and for their lives. Every time you kill a hundred or so of men in the coal mines you add to the price of coal to the consumers of the Nation and make a lot of helpless widows and orphans. I represent one of the great soft-coal producing sections of the Nation. We have not had a coal-dust explosion in my section of the country for more than 20 years and have not had any other kind of explosion. I am sure this is because proper safeguards have been employed. Of course, the miner should exercise proper care the same as the operator. In many places unskilled and inexperienced men are employed and are given dangerous tasks.

REMEDIES

There have been so many of these great mine disasters in recent months, I would suggest a conference of the governors of the coal-producing States and those who are charged with the administration of the State mining laws, representatives of the operators and the miners, and representatives of the Bureau of Mines to work out such policies and suggest such State laws as will practically eliminate any of these great mine disasters in the future. Our Committee on Mines and Mining will in a few days begin hearings on some bills, and we invite those to appear before our committee who may have helpful suggestions. These agencies, I am sure, can and will solve this problem. [Applause.]

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday and the Clerk will call the roll of the committees.

REORGANIZATION OF FOREIGN SERVICE

The Clerk called the Committee on Foreign Affairs.

Mr. ROGERS of Massachusetts. Mr. Speaker, by direction of the Committee on Foreign Affairs I call up the bill (H. R. 6357) for the reorganization and improvement of the foreign service of the United States, and for other purposes.

The SPEAKER. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union, and the gentleman from Connecticut, Mr. TILSON, will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6357, with Mr. TILSON in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the title of the bill.

Mr. ALLEN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from West Virginia makes the point of order that there is no quorum present. The Chair will count.

Mr. ROGERS of Massachusetts. Mr. Speaker, I move that the committee do now rise, and on that motion I ask for tellers.

The CHAIRMAN. The gentleman from Massachusetts moves that the committee do now rise and demands tellers.

Tellers were ordered, and Mr. ROGERS of Massachusetts and Mr. ALLEN were appointed to act as tellers.

The Committee divided; and the tellers reported—ayes 3, noes 99.

The CHAIRMAN. On this vote the ayes are 3 and the noes are 99. So the motion is not agreed to. A quorum is present. The committee refuses to rise, the Clerk will continue reporting the bill.

Mr. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. PORTER] is recognized for one hour.

Mr. PORTER. Mr. Chairman, I yield 30 minutes of that time to the gentleman from Massachusetts [Mr. ROGERS].

Mr. CONNALLY of Texas. Mr. Chairman, has there been any arrangement made in respect to the time?

The CHAIRMAN. The time is under the regular Calendar Wednesday rule.

Mr. CONNALLY of Texas. I understand that provides for an hour on a side. Who gets the hour?

The CHAIRMAN. The chairman of the committee gets the hour in favor of the bill.

Mr. CONNALLY of Texas. I claim the hour against it.

Mr. BLANTON. Mr. Chairman, if the gentleman is against the bill he is entitled to it, but this is a bill on which there ought to be some active opposition.

The CHAIRMAN. We will cross that bridge when we come to it. The gentleman from Massachusetts is recognized for 30 minutes.

Mr. ROGERS of Massachusetts. Mr. Chairman, the predecessor of this bill was before the Congress about a year ago. It passed this body by an overwhelming vote, only 27 votes being cast in the negative. We think in the Committee on Foreign Affairs that we have improved the bill in a number of respects in the intervening year. In the course of the discussion a year ago I made a very full explanation of the bill, perhaps wearisomely full. If it is agreeable to the membership of the House, I should prefer to make my remarks this morning, so far as possible, in the form of answers to questions. In other words, I shall welcome inquiries or comments, because I think perhaps in that way will best be brought out the features of the bill that interest or disturb members of the committee.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Massachusetts. I yield to the gentleman from Oklahoma.

Mr. HASTINGS. For the benefit of those Members who were not here during the past session of Congress I was going to suggest the advisability of the gentleman from Massachusetts taking a few minutes to make a general statement about the bill, and then later yield to questions.

Mr. ROGERS of Massachusetts. I shall be very glad indeed to make a brief general statement.

This bill is a reintroduction of the bill H. R. 17 and embodies the modifications thereto which the Committee on Foreign Affairs found advisable. I should like to call to the attention of the Members of the House the degree of support and sanction which the bill has from those who are best qualified by reason of their information to appraise its value. We have the support of two Secretaries of State for this specific legislation. I have in my hand a letter from former Secretary of State Robert Lansing under date of February 2, 1923, in which he categorically indorses the measure in the strongest possible terms. The testimony of Mr. Secretary Hughes is spread at length in the hearings of a year ago. Again during the past winter he testified before the Committee on Foreign Affairs indorsing the measure. Former Undersecretary of State Frank Polk, whom the Members of the House who were here during the war period will recall as one of the ablest officials that the State Department ever had, made a special journey from New York to Washington, interrupting his very busy law practice, in order to tell the Committee on Foreign Affairs that he thought this bill ought to pass for the good of the country.

Former Ambassador John W. Davis, a distinguished former Member of this House and an authority upon the foreign-service problems of America, also made a special trip from New York to Washington to indorse the bill. Almost every trade and commerce organization, almost every export organization throughout the length and breadth of the United States, has put itself on record in favor of this particular proposal.

It is interesting to note that the American Federation of Labor also espouses the legislation, because it recognizes that the system which has heretofore prevailed has not been a democratic system; and it recognizes at the same time that a measure such as that now before the House, by broadening the field of opportunity, by broadening the field of selection, will enable a much larger percentage of the young men of America to aspire to become members of the foreign service of the United States.

Mr. McKEOWN. Mr. Chairman, will the gentleman yield for a question?

Mr. ROGERS of Massachusetts. I yield.

Mr. McKEOWN. After the passage of this bill will it be possible that men of small fortunes, men of reasonable fortunes, can aspire or can fit themselves for appointment to positions in the foreign service?

Mr. ROGERS of Massachusetts. After the passage of this bill, for the first time in the history of the United States, it will be possible for a young man without private means to aspire to this service with the assurance that he will be able to represent the country worthily and at the same time be self-supporting.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. LAGUARDIA. Along the line of the inquiry made by the gentleman from Oklahoma [Mr. McKEOWN], this bill provides for the possibility of advancement and promotion and appointment to the higher diplomatic offices; but there is nothing in this bill that provides for the payment of the rent and the dwelling and costs incidental to such position. I think that is what the gentleman had in mind.

Mr. McKEOWN. I had in mind this, if the gentleman will yield, that heretofore the greatest thing that has been in the way of the proper representation of the people of the United States abroad has been that these places have been confined by the nature of things to men of large means who are able to accept them. That is no reflection on these gentlemen, but it has called for great sacrifices on the part of many men, and there are many young men and other men in the United States who could fill the places just as creditably.

Mr. ROGERS of Massachusetts. I do not mean to suggest that the foreign service after this bill is passed will be a service that will attract the mercenary. It should not be that kind of service. After this bill goes through—and I repeat it emphatically—it will be possible for a young man without private means to maintain himself decently abroad and at the same time to represent worthily the United States. That has not been possible up to this time in the history of the United States.

Mr. LAGUARDIA. That is particularly true with respect to the Consular Service?

Mr. ROGERS of Massachusetts. Yes.

Mr. LAGUARDIA. It does not go as far as to provide that ideal in the Diplomatic Service?

Mr. ROGERS of Massachusetts. It aims at it. The ideal, perhaps, is not attainable at home or abroad. Our duty is to go as far as we can, remembering both our own duty to the Government and the obligation of the Government to be worthily represented abroad.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. WILLIAMSON. Under the terms of this bill I understand appointments of foreign officers shall be by commission to a class, and not by commission to any particular post, and such officers shall be assigned to posts and may be transferred from one post to another as the interests of the service may require. I want to ask, in that connection, whether those who are appointed to the Consular Service can be automatically transferred from that class to the Diplomatic Service?

Mr. ROGERS of Massachusetts. That is one of the primary purposes of the bill. Up to this time we have kept the diplomatic side of our foreign service and the consular side of our foreign service in two water-tight compartments. There was a theoretical possibility of appointing a diplomat to consular work and vice versa. In practice the interchange was never effected. It was only about 25 years ago that the question of interchangeability became important. It has only been since the time of the Spanish-American War that the United States has become a world power. Before that time, speaking very generally, questions of international politics and questions of international trade were separate and distinct. It was perfectly proper, perhaps, in those days for the Diplomatic Corps, dealing with international politics on the one hand, and for the Consular Corps, dealing with international business on the other hand, to be distinct and to be kept apart in water-tight compartments.

I do not need to remind the membership of this House that to-day all that is over. To-day every question of international politics involves a question of business, a question of expanding or protecting American trade. The old artificial separation between the two sides of our foreign service is just as archaic as ordeal by battle.

Mr. McKEOWN. Will the gentleman yield?

Mr. ROGERS of Massachusetts. And another point before I yield. Since the World War, especially, the conditions which were growing up during the first 15 years of this century have become accentuated and are to-day very acute. The race for world trade is a rivalry of an intensity which has never been seen before in the history of the United States or of the world. We must be prepared to compete; we must be prepared to go out and get our share of world business. The only way we, as a nation, can be sure of accomplishing our goal in that respect is to be represented by our very best men in the foreign service of the United States. Up to this time we have not universally been represented by our best men, although we have been represented by and large by pretty good men.

The purpose of this bill is to put the foreign service of the United States on such a basis that it can give America the place in world trade and world diplomacy to which it is entitled and to which it can successfully aspire only if the proper instrumentalities are provided.

I will now yield to the gentleman from Oklahoma.

Mr. McKEOWN. I am in thorough sympathy with the statement made by the gentleman. I wanted to know what difference there would be after the passage of this bill with reference to a duplication of work on the part of the representatives of the Department of Commerce in the foreign field and what effect the passage of this bill will have on reducing any duplication of work if any exists.

Mr. ROGERS of Massachusetts. A full answer to that question, which I am very glad to have the gentleman ask, is rather a long one, but I think the question is important enough to warrant its being replied to at some length.

For years in this House we have heard discussions as to whether the Department of Commerce foreign service was not at least in part duplicating the foreign service of the Department of State. I have participated in that discussion a good many times, and I have in the past taken the view that the Department of Commerce foreign service was duplicative. The judgment of this House and of this Congress has been that even though there was some duplication, that duplication was for the best interests of the country. The two services have therefore been allowed to continue.

Within the last month the most important step in this connection that has ever been taken was taken through the medium of an Executive order. Under date of April 4, 1924, the President issued an Executive order with the view of avoiding duplication, with the view of giving unified direction to the activities of the representatives of the Government of the United States in foreign countries, with the view of coordinating the promotion and protection of the commercial and other interests of the United States, and with the view of insuring effective cooperation and encouraging economy in administration. That Executive order, I think, is not very generally appreciated at its full importance throughout the country. Mr. Chairman, I ask unanimous consent to have the Executive order printed as a part of my remarks, together with the short statement which was issued from the White House when the Executive order was issued.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD in the manner indicated by him. Is there objection?

Mr. CONNALLY of Texas. Reserving the right to object, why does not the gentleman read it? If it is printed in the RECORD after the passage of this bill, the members of the committee will not have the benefit of it.

Mr. ROGERS of Massachusetts. I will read the first few sentences of the Executive order:

> The following regulations are hereby prescribed for the guidance of the representatives of the Government of the United States in foreign countries with a view to giving unified direction to their activities in behalf of the promotion and protection of the commercial and other interests of the United States, insuring effective cooperation, and encouraging economy in administration.
>
> Whenever representatives of the Department of State and other departments of the Government of the United States are stationed in the same city in a foreign country they will meet in conference at least fortnightly under such arrangements as may be made by the chief diplomatic officer or, at posts where there is no diplomatic officer, by the ranking consular or other officer.
>
> It shall be the purpose of such conferences to secure a free interchange of all information bearing upon the promotion and protection of American interests.

I am not going to read all of the Executive order, but I renew my request that as a matter of record it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none.

The Executive order is as follows:

EXECUTIVE ORDER

The following regulations are hereby prescribed for the guidance of the representatives of the Government of the United States in foreign countries with a view to giving unified direction to their activities in behalf of the promotion and protection of the commercial and other interests of the United States, insuring effective cooperation, and encouraging economy in administration.

Whenever representatives of the Department of State and other departments of the Government of the United States are stationed in the same city in a foreign country they will meet in conference at least fortnightly under such arrangements as may be made by the chief diplomatic officer or, at posts where there is no diplomatic officer, by the ranking consular or other officer.

It shall be the purpose of such conferences to secure a free interchange of all information bearing upon the promotion and protection of American interests.

It shall be the duty of all officers to furnish in the most expeditious manner, without further reference, all economic and trade information requested by the ranking officers in the service of other departments of the Government assigned to the same territory: *Provided*, That where such compliance would be incompatible with the public interest or where the collection of such information requires research of such exhaustive character that the question of interference with regular duties arises, decision as to compliance shall be referred to the chief diplomatic officer or to his designated representative or, in the absence of such officers, to the supervising consular officer in the said jurisdiction. All failures to provide information requested as hereinbefore set forth shall be reported immediately by cable to the departments having jurisdiction over the officers concerned.

With a view to eliminating unnecessary duplication of work officers in the same jurisdiction shall exchange at least fortnightly a complete inventory of all economic and trade reports in preparation or in contemplation.

Copies of all economic and trade reports prepared by consular or other foreign representatives shall be filed in the appropriate embassy or legation of the United States or, where no such office exists, in the consulate general and shall be available to the ranking foreign representatives of all departments of the Government. Extra copies shall be supplied upon request by the officer making the report.

The customary channel of communication between consular officers and officers of other departments in the foreign field shall be through the supervising consul general, but in urgent cases or those involving minor transactions such communications may be made direct: *Provided*, That copies of all written communications thereof are simultaneously furnished to the consul general for his information. It shall be the duty of supervising consuls general to expedite intercommunication and exchange of material between the Consular Service and all other foreign representatives of the United States.

Upon the arrival of a representative of any department of the Government of the United States in any foreign territory in which there is an embassy, legation, or consulate general, for the purpose of special investigation, he shall at once notify the head of the diplomatic mission of his arrival and the purpose of his visit; and it shall be the duty of said officer or of his designated representative, or in the absence of such officer then the supervising consular officer, to notify, when not incompatible with the public interest, all other representatives of the Government of the United States in that territory of the arrival and the purpose of the visit and to take such steps as may be appropriate to assist in the accomplishment of the object of the visit without needless duplication of work.

In all cases of collaboration, or where material supplied by one officer is utilized by another, full credit therefor shall be given.

CALVIN COOLIDGE.

THE WHITE HOUSE, *April 4, 1924*.

STATEMENT ISSUED BY THE WHITE HOUSE WHEN THE FOREGOING ORDER WAS MADE PUBLIC

It is the purpose of the Executive order herewith promulgated to establish in the foreign service of the United States the basis for a coordination of effort in advancing American economic and commercial interests which will eliminate unnecessary duplication of work and enourage representatives of this Government in foreign countries to cooperate more fully in the accomplishment of their respective missions. The order does not modify the existing functions of the several executive departments, nor will it affect any changes hereafter made in these functions by subsequent act of Congress. As originally proposed it applied only to relations between foreign officers of the Department of Commerce and the Consular Service. In its perfected form it is reciprocal in nature and all inclusive in scope, placing alike upon all representatives of this Government abroad the responsibility to assist their colleagues of the foreign service in the performance of all regularly assigned duties.

It may be appropriately stated that the regulation of interdepartmental relations in the foreign field as herewith ordered is in harmony with the effort now proceeding through the Bureau of the Budget and the Joint Congressional Committee on Reorganization to realize a balance in administrative relations which will conserve the public funds. It is confidently expected that in effect this regulation will give purposeful unity to the activities of this Government in foreign countries, and in so doing will give additional impetus here at home to the endeavor being made to practice intelligent economy in public expenditures through coordination of the work of the several executive departments.

In this matter the Executive has had the friendly and most helpful counsel of Members of the Congress acquainted with the practical phases of administrative problems in the foreign service.

Mr. ROGERS of Massachusetts. It is interesting to note that before the issuance of the Executive order various departments of the Government—and there are a number of them which have agencies in the foreign field—cooperated in agreeing upon the text and terms of that order

The other day we passed in this House a bill introduced by the gentleman from Michigan [Mr. KETCHAM] establishing and giving an organized status to the agricultural attachés who are sent forth by the department in Washington to take care of agricultural investigations and inquiries throughout the world. There is at present on the calendar a bill introduced by my colleague from Massachusetts [Mr. WINSLOW], of which the number is H. R. 7034, and which is a bill to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a foreign commerce service of the United States, and for other purposes. That bill is to give legislative recognition to the foreign commerce service of the United States. Up to this time the foreign agencies of the Department of Commerce have been very largely dependent upon items in appropriation bills. I think it is safe to say, gentlemen of the committee, that when the Ketcham bill, when the Winslow bill, and when the bill which is now before the House have become law, we shall for the first time in our history have a well-rounded, well-conceived, and efficient fighting machine, fighting for the best interests of the country abroad in the realms of international trade.

It is a rather remarkable thing that though this country has been in existence something like 140 years, there has never been but one act put through Congress providing a general reorganization of the foreign service. That law was enacted in 1856, nearly 70 years ago.

Mr. Wilbur J. Carr, who is the director of the Consular Service and who is also the budget officer of the Department of State, is well known to a great many Members of this House, and is beloved and respected, I think, by all. In the course of the hearings upon the bill he said this concerning the measure:

> The second measure in all the history of this country in relation to the foreign service, and by far the most important and most far-reaching, is this measure which you have before you. There has not been anything like it since the Government began to exist. In my judgment, if you enact it you have a bill which will furnish the basic structure of the organization for your foreign service for 50 years, a bill on which you can build any kind of a foreign service you please, a bill on which you can provide for ministers and ambassadors, secretaries, and consuls, in the light of what you believe to be responsive to the opinion of the country. I do not think I can stress too much the importance of this bill being enacted into law.

I should like to suggest—and, of course, this is an important consideration in these days when economy is demanded—what the cost involved in this measure is.

In the first place, I wonder if Members of the House generally realize that the foreign service of the United States is nearly, and frequently completely, a self-supporting service. On page 5, of the report on this bill, you will find the situation as of the fiscal year which ended June 30 last. The expenditures for the foreign-service establishment amounted in that year, the latest year, of course, for which we have complete figures, to $8,435,000. The receipts from the foreign service amounted to $7,981,000. The net cost of the service, the net amount which must necessarily have been defrayed from the Treasury of the United States, was thus less than one-half million dollars.

Mr. CELLER. Will the gentleman yield for a question?

Mr. ROGERS of Massachusetts. Just one more point and then I will be glad to yield.

I have just been furnished the figures for the first half of the fiscal year 1924; that is, the figures for the period which ran from July 1 last until January 1 last. I find that the consular receipts this year are coming in at the rate of eight and a half million dollars, as compared with $6,800,000 for the last fiscal year. If this showing is maintained, it will mean, of course, that the technical deficit shown for 1923 will be

wiped out. Thus, for the year 1924 the foreign service of the United States will be maintained without a single cent of appropriation or of burden upon the taxpayers of the United States. In fact, it will show more than a million-dollar profit.

I yield now to the gentleman from New York.

Mr. CELLER. Will that condition obtain after you have set up your pension fund and have taken into consideration the deficiency because of that pension fund?

Mr. ROGERS of Massachusetts. Yes, indeed. I shall be glad to discuss the pension fund in a moment.

Mr. LONGWORTH. Will the gentleman yield?

Mr. ROGERS of Massachusetts. I yield to the gentleman from Ohio.

Mr. LONGWORTH. What was the amount of the passport charges?

Mr. ROGERS of Massachusetts. The passport fees for the year ended last June 30 were $1,144,000. They were very much larger than the previous year.

Mr. LONGWORTH. The passport and visé fees.

Mr. ROGERS of Massachusetts. Yes; both the passport and visé fees were larger.

Mr. CRISP. Will the gentleman yield for a question?

Mr. ROGERS of Massachusetts. I yield to the gentleman.

Mr. CRISP. I would just like to ask my friend how much will be the initial increase in the salaries of the Consular Service if this bill is enacted into law?

Mr. ROGERS of Massachusetts. The present salary scale for the Diplomatic and Consular Service combined is $2,311,600. The proposed salary scale is $2,807,100. The apparent increase is thus $495,500. To be deducted from this, if the House shall so decide as a result of this legislation, would be the current appropriation of $150,000 for post allowances, which the House may think should properly be deducted if a reorganization of salaries goes through. In the event that post allowances are deducted, then the actual increase in salaries involved in this bill is $345,500 a year.

As I was on the train last night I picked up a newspaper describing a large coast-defense gun which is now on its way from Watervliet Arsenal, N. Y., to its emplacement in Boston Harbor. I find that that one gun with the carriage and the emplacement will cost something like $2,000,000, four times and more the annual cost of giving us what will be the best foreign service the United States has ever had, instead of the service of to-day, which is merely a pretty good foreign service. I am not underestimating, I am sure, the value of the coast defenses of the Nation. We must have proper defense, but, gentlemen, in my judgment, if you can give us the best foreign service that the country can provide, you are doing a lot more toward peace insurance than you are by multiplying munitions of war. [Applause.]

I yield to the gentleman from Oklahoma.

Mr. McKEOWN. This revenue or income is derived from fees charged for services rendered by the department?

Mr. ROGERS of Massachusetts. Yes.

Mr. McKEOWN. Can the gentleman tell us whether the other services of the other departments derive any income at all from their services?

Mr. ROGERS of Massachusetts. In the foreign field?

Mr. McKEOWN. Yes.

Mr. ROGERS of Massachusetts. There is very little work done by the other branches of the Government for which fees can be charged. The gentleman will remember that the foreign service of the Department of Commerce is only 10 years old; the foreign service of the Department of Agriculture is still more recent. The Consular Service, since the foundation of the Government in 1789, has been the primary agency that represented the American business men abroad, both the exporter and the importer.

Mr. McKEOWN. This just emphasizes something I have contended for in the House, that there are many departments here in Washington, in addition to the State Department, that render service to private individuals for which there ought to be some reasonable charge.

Mr. ROGERS of Massachusetts. I have no doubt that is true.

I have spoken earlier in my remarks of the importance of interchangeability from the standpoint of the service and its smooth and facile operation. I should like to speak of it also from the standpoint of the young men who enter the service.

Up to this time, I repeat, the two sides of our foreign agency have been kept entirely distinct and apart. A young man just out of college would go into the Diplomatic Service, oftentimes, because he liked the work; oftentimes because he liked the kind of play he thought might develop from that particular occupation. He went, I say, direct from college. He never had the first instincts of a business training. He never knew anything about how a consulate was operated. He often got a somewhat warped idea of his own importance. He would be fêted and made socially much of in the foreign capital to which he was assigned. He would lose his sense of values and his perspective.

What are we going to do under this bill? Every young man, when he is originally appointed to the unified foreign service is going to be sent to a consulate. He is going to be sent to Singapore, perhaps, or to the West Coast of Africa or to some point in the Transvaal or to Saigon. He will not find social opportunities awaiting him in those cities. He will rather find an opportunity for the hardest kind of hard work. He is going to get an experience and an education that will be valuable to him and his country all his life. He will be a better public servant because of the practical training the bill will give him that he has never had before.

Mr. KING. Will the gentleman yield?

Mr. ROGERS of Massachusetts. I will.

Mr. KING. It has been a constant mystery to me how all these places have been maintained for the sons of rich parents as a general rule. Will the bill open up the foreign service for people who have no money?

Mr. ROGERS of Massachusetts. This bill, for the first time in the history of the United States, will make the service available for the poor man.

Mr. HILL of Maryland. Is it not true that no man except those of independent means could heretofore afford to accept a place in the service?

Mr. ROGERS of Massachusetts. That is true of the diplomatic side. A man on the consular side could support himself in a proper way without private means. The gentleman from New York can perhaps answer that question better than I can.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PORTER. I yield the gentleman five minutes more.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. ROGERS of Massachusetts. I yield.

Mr. LaGUARDIA. Section 14 provides that the State may assign officers to duty in the Department of State. Did the committee consider the desirability of requiring officers after serving abroad to serve 1 or 2 years at home every 5 or 10 years?

Mr. ROGERS of Massachusetts. We have a new provision in the bill which I hope will meet with the approval of the committee. It embodies the gentleman's suggestion. It will be found in section 15:

> That the Secretary of State is authorized, whenever he deems it to be in the public interest, to order to the United States on his statutory leave of absence any foreign service officer who has performed three years or more of continuous service abroad.

Our notion in committee was that it was important to the individual after he had served a certain period abroad to have an opportunity to come home, but that it was vastly more important to the country that the man should come back so as to get first-hand information from and about America, and also so as to give American business men the benefit of the things he had learned during his service abroad.

Mr. CELLER. In other words, a man is more or less affected by the color of his surroundings.

Mr. ROGERS of Massachusetts. It takes a level-headed, hard-headed man not to be influenced by his environment. We want to bring every foreign service officer back to the American environment every so often for the sake of the country.

Mr. CELLER. I know the gentleman's time is short, but will he not say something about the pension question?

Mr. ROGERS of Massachusetts. There never has been a retirement system for the foreign service. We retire our Army officials and our Navy officials. We retire our judges. We retire all these three services without exacting any contributions from the beneficiaries. We retire the civil-service employees of the Government, but we exact 2½ per cent from these men out of their annual salary. In this bill we say that the principle of retirement is so firmly established in this country in almost every other Government activity that there seems no reason why we should not extend it to this additional realm of Government activity.

We say this—and in my judgment it is too niggardly, but we wanted to present a bill that would certainly meet with the approval of the House—we say to the foreign service men, "You must contribute 5 per cent of your salary." I think the analogy of the foreign service officer to the Army officer and to the naval officer is much more complete than to the civil-service employee in Washington.

The foreign-service officer is going hither and yon about the world, giving up fixed places of abode, often rendering difficult and hazardous service of prime importance to the United States.

Yet we say that we will not treat him as we do the Army and Navy, which are upon a noncontributory basis. We will not do for them what Great Britain does, by retiring her foreign-service men on two-thirds pay without exacting contributions. We will not even do what we do for the civil-service employees of the Government in requiring them to pay but 2½ per cent. What we do for the foreign-service officials is to take 5 per cent of their salary; but on the other hand—and I think you will agree that we could not do less—we remove the artificial provision which provides a maximum annuity of $720.

Mr. CELLER. You make the retiring age 65 years?

Mr. ROGERS of Massachusetts. Sixty-five.

Mr. CELLER. And the clerk in Washington in the field service is retired at 70 years of age?

Mr. ROGERS of Massachusetts. There is added a provision that the Secretary of State may retain any man for five years if he finds it wise for the country so to retain him.

I call to the attention of the gentleman the fact that the kind of service which these men must render involves going to the Tropics; it involves very difficult and unsettling changes in the mode of life. The consensus of opinion was that the country was better off to retire them, as a general rule, at 65. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COLLINS rose.

The CHAIRMAN. Is the gentleman from Mississippi opposed to the bill?

Mr. COLLINS. I am.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi in opposition to the bill.

Mr. COLLINS. Mr. Chairman, I am always more or less reluctant to oppose my colleagues on the committee, but in this instance I can not see my way clear to join with them in support of this measure. This bill does not confer upon the Secretary of State any additional power except to increase the salaries and emoluments of these officers. There is no power that is given in this bill, except to grant pay increases, that the Secretary of State does not now possess. In order to let you know the extent of these pay increases so that you may determine whether or not you are willing to grant them, the bill provides that the clerks in embassies are given a maximum salary of $9,000 a year. Consuls general of a certain class are likewise given $9,000 a year.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Let me finish my statement first. The existing salaries of clerks in embassies range from $2,500 to $4,000 per annum. This bill increases the salaries of these clerks so that in the future they will range from $3,000 to $9,000 per annum. In other words, there is an increase of more than 100 per cent in some of the salaries.

The bill is framed more in the interest of diplomatic employees than consular. There are two consuls now who receive $12,000 a year, and there are others who receive $8,000 and on down to the minimum of $2,500 a year. Of course, increases are granted to consular employees, too, but not to the extent granted to diplomatic clerks. It is a pay increase bill, and that is all there is to it.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Not now. That is not all it does for this foreign force. It gives them a retirement allowance with a maximum of $5,400 a year—not beginning with those who are to serve 10 or more years in the future, but providing that a man can retire at the present time, if he has served a given length of time, and can begin drawing this $5,400 a year as a retirement allowance for the rest of his natural life, without having paid anything for this pension. You gentlemen know where this is going to lead. You know there will not be an employee in any of the departments of the Government who will not contend for similar retirement allowances in the future. If we are willing to open the doors and grant such retirement allowances, well and good; but as for me, I am not going to vote for them.

Do you realize that certain clerks in certain embassies will draw more salary than a United States Senator or a Member of this body? I have not yet reached the point where I think a clerk in an embassy is more valuable to this Government than a Member of the House or a Member of the United States Senate, nor that some of them of a lower order termed "cookie pushers" by Minister Hugh Gibson are worth from $6,000 to $8,000 per year to us.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Not now.

Mr. KING. What is a cookie pusher?

Mr. COLLINS. He is a cake eater. That is not all that these young gentlemen will receive under the provisions of this bill. This does not fully satisfy them. They are given what is termed a "representation allowance." A representation allowance is very much more than a post allowance. Any sort of expense that can be imagined can be listed under the head of representation allowance. Let me read to you what Mr. Carr's definition of representation allowance is, page 156 of the hearings:

> A representation allowance is an allowance which has its origin in the practice of foreign Governments. It may cover furniture and furnishings for the official residence and the rents of the officer's residence. It may cover entertainment; it may cover an allowance for receptions on the annual 4th of July celebration; it may cover an allowance for expenses for official entertainment given to officers and commanders of our fleets when they visit foreign ports; it may cover various outlays which the head of the mission or a consulate makes in properly representing his Government.

I noticed a few days ago where the price of a court uniform, including the short trousers commonly worn in some of the embassies of Europe, is $640. Under this bill our ambassador can pay for such uniforms.

Mr. CELLER. Are those golfing trousers?

Mr. COLLINS. No; I think they are called "spoofing" trousers. It may be said that this representation allowance goes to the head of the mission. This is not the case. It is worded so as to take care of any expense whether incurred by the head of the mission or by a clerk in the mission. He can spend it in any way he pleases, he can allow a part of it to his clerks if he desires, he can spend it himself. Throughout the hearings there runs the suggestion that ambassadors, ministers, and clerks should be allowed representation allowance.

We now come to the question of the increased cost to the Government as a result of this salary bill. Mr. Hughes testified that the additional pay of the men now in the service would be $495,000—page 15 of the hearings. In addition to this the retirement allowance will ultimately reach the amount of $504,000 per annum—page 120 of the hearings. The cost of representation allowance will be the full amount that these gentlemen will be able to get the Appropriations Committee to grant them. It will increase, as we know, as the years go by. Therefore we will have to begin with an approximate increase of about a million and a half dollars a year in salaries and perquisites. I do no believe such increases are warranted.

Some one said something about the character of these young men and that only the sons of rich men can get these diplomatic places. It has been testified in the hearings that in these examinations a thorough inquiry as to the ancestry of the applicants is made in order to find out the eligibility of the person applying.

Mr. ROGERS of Massachusetts. I wish the gentleman would read the passage to which he refers.

Mr. COLLINS. I shall certainly do it. Mr. Wright, on page 52 of the hearings, said:

> They must possess that peculiar adaptability, breeding, character, personality, education, intelligence, poise, and common sense which I suppose one might consider as a rather broad definition of diplomacy.

Of course, all this does not refer to the Consular Service.

Mr. ROGERS of Massachusetts. The gentleman would not conclude from Mr. Wright's testimony, I am sure, that there was any question of pedigree involved.

Mr. COLLINS. Let me read on and see if there is:

> In other words, he has to establish with the Department of State sufficient bona fides as to his reputation and antecedents, and we look closely into it by various ways after the designation to take the examination. He then takes the examination.

This is on page 60.

Another instance:

> Because in the majority of these instances we have some of our more confidential means of examination to follow up each individual and find out what his or her antecedents are.

This is on page 60 of the hearing, Mr. Wright still testifying.

Mr. KING. Mr. Chairman, will the gentleman yield there?

Mr. COLLINS. I do.

Mr. KING. I am very much interested in that phase of the gentleman's speech. I was just wondering if the younger son of General Wood, who has recently gone to Paris and who previously made several million dollars on the stock exchange,

and who last week entered the races in France, will have a chance to enter the foreign service? I wonder if he would be considered as a capable man to represent us abroad?

Mr. ROGERS of Massachusetts. I want to ask the gentleman if he is not confusing antecedents and ancestors? Of course those are entirely different.

Mr. COLLINS. Perhaps the gentleman remembers the full statement made by Mr. Wright.

Mr. ROGERS of Massachusetts. "Antecedents" goes no further than any prudent employer would require.

Mr. COLLINS. These words are synonymous used in this way, but I think the gentleman understands what Mr. Wright means.

Mr. ROGERS of Massachusetts. I do.

Mr. COLLINS. Now, gentlemen, this bill increases the salaries of these young men in the Diplomatic Service to an extent very much larger than those employed in any of the other departments of this Government. These salaries are greater than those paid some of the best men occupying exalted positions in Washington.

The sponsors of the bill say we want interchangeability between the Consular Service and the Diplomatic Service, and that is their excuse for these salary increases.

This right of interchangeability exists now. But imagine placing a consul in a diplomatic clerkship! He is unfitted for such a place, and hence there will be no such transfers. And it is hinted throughout the hearings by Mr. Gibson and others that transfers would be very unwise. If we do have any, they will be few and of little consequence.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. WAINWRIGHT. I would like to ask the gentleman if he has personally visited many of our consulates to see the caliber and class of young men who are serving in them?

Mr. COLLINS. Yes. I have visited a great many of them. I have nothing to say about the gentlemen in these consulates. If this bill dealt entirely with consuls and consuls general, I perhaps would favor the provisions for increased salaries. But this bill is not in the interest of consuls and consuls general. It is in the interest of clerks or secretaries in the embassies. That is all there is to it.

Mr. TABER. Does the gentleman mean by "clerks" the secretaries to embassies?

Mr. COLLINS. Yes; clerks, counselors, and so on.

Mr. TABER. The men next to the chargé and ambassador?

Mr. COLLINS. That is the counselor.

Mr. TABER. And the secretary of the embassy is next in charge.

Mr. COLLINS. The secretary comes next to the counselor.

The CHAIRMAN. The time indicated by the gentleman has expired.

Mr. COLLINS. I yield myself five more minutes.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. WAINWRIGHT. Does the gentleman mean to say that it is possible to-day, under the present regulations of law, for these young men in the Consular Service, where there are very splendid young persons of education, ability, and force—that it is possible for them to be appointed to diplomatic positions such as secretaries of legations?

Mr. COLLINS. It is the testimony of witnesses appearing before the committee. Officials of the State Department testify that this bill gives the Secretary of State no powers that he does not now possess. See Mr. Gibson's testimony on page 22 of the hearings. Also on page 101. He and others who testified should know. Anyway, I am assuming that they do.

Mr. WAINWRIGHT. My understanding is that the main purpose of this bill is to tone up the Diplomatic Service

Mr. COLLINS. It is "to tone it up" by toning up their pocketbooks at the expense of the American people, and that is the only way the service is toned up.

It is testified by everyone that came before the committee that the Consular Service and likewise the Diplomatic Service of our country is the best of all of them. Only one witness made an exception, and he testified that England's service was perhaps equal with ours. Now, if our service is the best—and that is the preponderance of the testimony—why is it necessary to change it? And will this bill make it better? I doubt seriously if an increase in the salaries of these gentlemen will improve the service. And that is all this bill does. There is not a feature of the bill, including the retirement feature, but is written in behalf of the man in the service. All questions of doubt are resolved in favor of him, and none in favor of the Government, and all are at Government expense. If we voted ourselves similar benefits it would defeat nine-tenths of us.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. LaGUARDIA. Is it the policy of the Government to pay these young men so that they will be fitted to become diplomatic officers? And if so, is it not necessary to give them decent salaries?

Mr. COLLINS. Yes; but there are thousands of clerks in this city that do infinitely more work than do the clerks of missions that do not receive one-third the salary these men will receive; and the mere fact that they happen to be stationed in a foreign country where we can not see them is no reason why we should prefer them over those that we do see every day.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. KING. I was much impressed by the statement of the gentleman from Massachusetts [Mr. ROGERS], where he said this was the first bill that ever came before the Congress that will give a meritorious young man a chance to get into the foreign service. Will you explain how that is made possible under this bill?

Mr. COLLINS. There is not a syllable in this bill that will change the present method of selecting consuls and secretaries in embassies and legations.

Mr. CELLER. Is there not a provision made for a basic or starting salary of $3,000 instead of $2,000, and is not that an inducement for a man in more humble circumstances to enter the service?

Mr. COLLINS. Well, if you believe the way to tone up the foreign service of this Government is to more than double the pay of some in it and otherwise raise the pay of all of them, then it will be your duty to vote for this bill, because that is what it does.

Mr. CELLER. In addition to a feature not adverted is there not the additional feature of retirement under which a man who has been in the service many years can realize that when he gets old and gray in the service he will be able to retire on a pension?

Mr. COLLINS. As a Member of Congress I would like to be able to retire on a pension, but I will not vote for one for Members of Congress.

Mr. CELLER. I think we ought to be able to retire on a pension if we are here long enough.

Mr. COLLINS. I am not in favor of giving a clerk in an embassy $1,500 more in salary than a United States Senator or a Member of this House and in addition giving him a retirement allowance of $5,400, and a representation allowance, too.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ROGERS of Massachusetts. The increase of salary is 21 per cent and not 100 per cent, as the gentleman stated.

Mr. COLLINS. Mr. Chairman, I yield myself one minute more in order to answer that statement. The maximum salary paid clerks in the Diplomatic Service is $4,000 per annum. This bill fixes the maximum at $9,000 per year. This is more than 100 per cent increase. The increases in bulk, according to Secretary Hughes, in salaries alone, are $495,000.

Mr. ROGERS of Massachusetts. That was last year's testimony and has been corrected.

Mr. COLLINS. No; it is in this year's testimony. If the gentleman will turn to page 15 he will find this statement made by Secretary Hughes:

> Under the proposed combined service the 641 officers will receive a total of $2,807,100, which, you will see, is about $495,000 increase.
>
> This testimony was given January 14, 1924.

Mr. ROGERS of Massachusetts. But the gentleman has not checked off the post allowance to which I called attention in my remarks.

Mr. COLLINS. But the post allowance will be more. Representation allowance includes post allowance and the representation allowance is a larger and broader term, and hence appropriations will be increased to take care of this added expense. [Applause.]

Mr. LINTHICUM. Will not the gentleman yield himself one minute in order that I may ask him a question?

Mr. COLLINS. Mr. Chairman, I yield myself one more minute.

Mr. LINTHICUM. I notice on page 5 of the report that the Diplomatic Service receives $2,360,000 plus and the Consular Service $4,978,000 plus, making a total of $7,300,000. Now, the total increase under this bill is $345,000.

Mr. COLLINS. I do not admit that.

Mr. LINTHICUM. The gentleman may not admit it, but that is a fact. Now, then, if you will take 5 per cent of the $7,300,000 you will get just about $345,000, so that the salary increase at the utmost is not more than 5 per cent.

Mr. COLLINS. Well, Secretary Hughes, in the statement I have just read, says the salary increase is $485,000. Mr. ROGERS has just admitted the increase is 21 per cent. I contend that it will be infinitely greater than this.

Mr. LINTHICUM. But from that you take $190,000 for post allowance.

Mr. COLLINS. No; only $150,000 is now appropriated for the post allowance, and this bill provides for a representation allowance, which is a broader term and covers more subjects than post allowance. Post allowance covers only a difference in exchange rates.

Mr. LINTHICUM. They have always had that.

Mr. COLLINS. No; it was started during the last war.

Mr. PORTER. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. MOORE.]

The CHAIRMAN. The gentleman from Virginia is recognized for 10 minutes.

Mr. MOORE of Virginia. Mr. Chairman and gentlemen of the committee: I do not expect to take 10 minutes in discussing this matter. I discussed it quite in detail in February of last year, when the bill was then under consideration; and it is necessary for me to attend a meeting of a special committee very soon, which will prevent me from remaining here.

But there are just two or three observations I would like to make. The whole purpose of the bill is, somebody has said, to tone up our foreign service, but I prefer to say it is to strengthen and invigorate our foreign service. That is the only purpose which existed in the mind of the committee which reported the bill and that is the only purpose which can exist in the minds of any of the advocates of the measure so far as I know.

This country is in many ways dependent, as we all know, upon a proper representation of our Government abroad, and we should desire to make that representation as satisfactory as possible.

There were elaborate hearings, as gentlemen have said, before the Committee on Foreign Affairs, and there was no contest among those who appeared as to the propriety of doing what we have in view as proper to be done. On the contrary, as has been said, men of great distinction, and men of less distinction who have more practical knowledge, came before the committee and urged that the bill be favorably reported. I wish to quote an utterance, a very striking utterance, made by one of the outstanding men of the country, for whom I have personally the highest admiration and respect; a man who has always served successfully in the positions which he has occupied and who will serve successfully in any positions to which he may possibly hereafter be called. I refer to Mr. John W. Davis.

Mr. Davis appeared before the committee, not to accomplish any selfish end, but to give the committee the benefit of the experience which he acquired while ambassador in London in contact with consular and diplomatic officials. Not to quote him at length, I confine myself to one specific utterance of his relative to the foreign service. He said:

> Speaking generally, of course, the diplomatic branch of that service is the first line in the country's defense, and the Consular Service is the spearhead of the country's trade.

The design of the measure is to make the Consular Service and the Diplomatic Service as effective as is possible. There are many things of importance we are called on to deal with, but is not that a matter of major importance in view of our widening relations with other nations and in view of the fact that so much of our future prosperity and happiness depends upon maintaining the right sort of relations with other nations?

So far as the expense is concerned—and the expense seems to be the thing which is troubling some Members—the bill increases the total salaries to the extent of $345,500 annually. Further, it provides an initial payment of $50,000; the Government is to contribute nothing more to the retirement fund for 20 years, and at the end of 20 years may make a contribution of $48,000. Even so far off as 1965 the total expense to the Government on account of retirement payments will be only $260,000. And bear this in mind, that as shown by the record of the past—and we can predicate upon that a prophecy for the future—with the extension of our foreign business the fees that will accrue to our officials located in foreign countries will increase, so that in all human probability in the near future it will be found that the entire service will be as self-sustaining as the Post Office Department.

Mr. CELLER. Will the gentleman yield at that point?

Mr. MOORE of Virginia. I will, yes.

Mr. CELLER. I recall a statement of the gentleman wherein he expressed some hesitancy about this bill because of its retirement feature. I presume you have now cleared up your doubts on that score and I would like to ask where these figures come from. Were there any actuaries figuring out the retirement provisions with reference to the contribution to be made by the Government?

Mr. MOORE of Virginia. Yes; Government actuaries worked upon the matter and the committee had the benefit of their statements. I do say, frankly, to my friend, that I had doubts about making the retirement payments as large as they are, but I have waived those doubts for several reasons, and one reason, as I stated a moment ago, is that I think the entire liability on that account is going to be taken care of by the fees collected by our officials who serve in diplomatic and consular offices.

Mr. CELLER. Were the consular agents and the diplomatic officers consulted with reference to the 5 per cent contribution? That is a very large contribution.

Mr. MOORE of Virginia. They were not consulted but the fact is that so far as I know, and I get my knowledge very largely from publications in which they are interested, this bill has their approval, notwithstanding the fact that the 5 per cent payment exacted of them is 2½ per cent in excess of the payment made by the Lehlbach law.

Mr. PORTER. If the gentleman will yield, may I say for the information of the House that this bill has the unanimous approval of all the men in the foreign service.

Mr. MOORE of Virginia. A great majority of this House the other day—I did not happen to be included in the majority—said, "We wish not only to relieve suffering, but to put ourselves on a better footing with one particular foreign nation by making a gift of money to the people of that nation." The House voted $10,000,000 for use in Germany. It will take a long, long time, it will be a long road to travel, before the increases that are provided by this measure will ever total that amount.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. CONNALLY of Texas. I yield five minutes more to the gentleman from Virginia.

Mr. WAINWRIGHT. Will the gentleman give way for one question?

Mr. MOORE of Virginia. Certainly.

Mr. WAINWRIGHT. Is it not the real purpose of this bill to start the men at a somewhat higher salary and give them a somewhat higher salary throughout their career, so as to attract to this unified service a grade of men who will probably be better fitted for the two functions of consular officer and diplomatic officer?

Mr. MOORE of Virginia. That is true. Mr. Davis in his testimony says that young men continually came to him at his office in London and asked whether they should remain in the foreign service, and he always inquired as to their pecuniary condition. We want to cut out the necessity of that by paying men fair salaries and fairly assisting them after they are compelled to retire.

Just one further suggestion. Everybody knows that our principal competitor among the foreign nations is Great Britain. Everybody knows how at this time we are endeavoring to build up and maintain a merchant marine that can successfully compete with Great Britain. This bill in dealing with the Diplomatic and Consular Service will merely approximate what Great Britain has found necessary in order to carry on her business with other nations. If this bill is passed, still the Americans will receive lower salaries than the Englishmen who serve their country in other countries. If this bill is passed the retirement provisions will be less liberal than those that are made for the Englishman. The Englishman who enters the foreign service receives a larger retirement allowance and is not required to make any contribution to it; and the law of England does one thing that is not contemplated here, namely, it makes special provision for the men of that nation who serve in countries where climatic conditions injuriously affect their health so that they are compelled to forego any active work.

Mr. BLANTON. Will the gentleman yield?

Mr. MOORE of Virginia. Of course, to my distinguished friend.

Mr. BLANTON. The distinguished gentleman from Illinois, Mr. Cannon, served the country faithfully in this House on this floor for 44 years.

Mr. MOORE of Virginia. Yes.

Mr. BLANTON. And he is now at home, making his own living, without a single dollar contributed by the Government toward his support. Why are these people entitled to more consideration than Uncle Joe Cannon?

Mr. MOORE of Virginia. And the men who are on the retired list of the Army and Navy are given allowances which our eminent friend, Mr. Cannon, does not enjoy, and in order that this Government may function properly; that it may not break down; that we may hold up the institutions which our fathers have created, the law has established retirement allowances for the civil employees of the Government.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. MOORE of Virginia. I will.

Mr. SHALLENBERGER. Has the gentleman made any estimate of the cost of its representation allowance, or the probable cost of that per year?

Mr. MOORE of Virginia. I will say to my friend that post allowances are made now, but are not proposed by the bill. The bill carries a general provision for representation allowances.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. CONNALLY of Texas. I yield the gentleman one more minute.

Mr. MOORE of Virginia. I think, Mr. Chairman, that this bill, which has been considered more carefully than any bill that has come before the Committee on Foreign Affairs during my membership on that committee, is altogether in the right direction, and I trust that so far as its main object is concerned, at least, it will receive the approval and the support of the House. [Applause.]

Mr. PORTER. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Chairman, I am very much in favor of this bill. I believe it is the greatest step we have made in our Diplomatic and Consular Service in many years.

I feel that the very fact that we are consolidating the Diplomatic and Consular Service into one class will do more to democratize this service than any other one thing will do. It provides that the men shall be appointed to a class and not to any particular position. It provides that they can be changed from one post to another, that a man who has shown great aptness and ability as a consul may on recommendation by the department as fitted for a minister be so appointed. It provides that men may be transferred from the Diplomatic Service to the Consular Service and vice versa; in other words, it puts this entire foreign service in one class, to be known as "the foreign service" of the United States.

We all know just what the Diplomatic Service has been and what the Consular Service has been. It is no secret that there has been no commingling of interests. We know that members of the Diplomatic Service are invited to functions to which a man in the Consular Service could never hope to aspire in a lifetime. But under this bill the man who is a consul to-day may become a minister to-morrow. Under this bill a man who is secretary in the Diplomatic Service may be in the Consular Service to-morrow, and so these offices are interchangeable from the diplomatic to the consular and from the consular to the diplomatic and the whole service is democratized, and for that reason is more accessible to the people.

I heard the speech of the gentleman from Mississippi in which he said there was a great increase in salary. I find by looking at the report that the total cost of the Consular Service and Diplomatic Service amount to $7,300,000. And the total increase, after you deduct $150,000 now appropriated for host allowances, amounts to $345,000. In other words, just about 5 per cent increase in expense to the Government.

Now, I am sure that every member of this committee is very anxious that we should have the very best foreign service of any nation in the world. I am sure that you would like to equal the salaries of our greatest competitor, Great Britain, if it were possible to do so. And yet all down the line we find Great Britain is giving far more to her consuls and to her diplomats than we are giving, in many instances twice as much. The consequence is that she is forging ahead with her great world commerce.

Mr. TEMPLE. Will the gentleman yield?

Mr. LINTHICUM. I yield.

Mr. TEMPLE. If I understood the gentleman correctly, he inadvertently overstated the salary. In the report on page 5 the total salaries of the Diplomatic and Consular Service amounts to $2,807,105.

Mr. LINTHICUM. I was talking about the total expenses, and I take it from page 5 of the report.

Mr. TEMPLE. The total expenses and not the salaries?

Mr. LINTHICUM. Yes.

Mr. BANKHEAD. Will the gentleman yield?

Mr. LINTHICUM. I will.

Mr. BANKHEAD. I have been very much interested in the merchant marine. It has developed before the Merchant Marine Committee and also the special committee of which I am a member that the matter of developing the foreign trade very largely depends upon an efficient commercial or consular agent in the foreign markets. Does the gentleman think the development of the foreign service will have a tendency to increase commercial enterprises abroad?

Mr. LINTHICUM. I believe the adoption of this bill will establish our foreign relations upon a different basis and give us a greater and more efficient and more enduring service abroad which must benefit our foreign trade.

What I mean by more enduring is this: We have provided for retirement, and by doing so a man can enter the foreign service and he knows that that is his life's work if he so desires. He can have it until he is 65 years of age, and if he has performed 15 years' service he can retire with a substantial allowance. So I believe that while young men now enter the service and continue therein a certain time and then have to do what many Members of Congress are compelled to do, leave the service and go back home in order to provide for a competency, with this retirement feature they know that in the years to come they will have a retirement competency upon which to live. For this reason they will continue in the service and make it a life work, a more enduring work.

The gentleman from Texas has just mentioned our good friend Uncle Joe Cannon. There is no one in the House who would not like to see him receive a retirement sum if it did not involve retirement features for all Members of Congress. But I heard on the floor of this House when the gentleman from Texas was talking against an increase of salary which might have helped him—I heard Uncle Joe get up and say that he was opposed to increasing the salaries because he thought it was unwise.

Mr. BLANTON. Will the gentleman yield?

Mr. LINTHICUM. I will.

Mr. BLANTON. The gentleman is mistaken about the increase. If he will look at page 5, the increase in this bill is $241,500 for salaries for the Consular Service increase, and $254,000 in the Diplomatic, making a total of $495,500, but they say if we abolish the post allowance that will take off $150,000. If they abolish the post allowance they are authorizing the Appropriations Committee to make a representation allowance with the blue sky as the limit.

Mr. LINTHICUM. Oh, I think the Congress can take care of any blue sky limit on the question of the representation allowance. The intention of this bill is to discontinue the $150,000 post allowance, and thereby reduce it to about $345,000 additional expense. I was speaking a moment ago about the salaries paid by Great Britain, and she is no more able to pay competent salaries than is the United States. Certainly we owe a competency to our men in the foreign service. Take the matter of ambassadors and ministers. The ambassador of the British to Portugal receives $19,466 a year, while the United States representative receives only $10,000. The British ambassador to Uruguay is paid $20,439 as salary and the one from the United States is paid $10,000.

Mr. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield for a comment there?

Mr. LINTHICUM. Yes.

Mr. ROGERS of Massachusetts. The British foreign service costs between eight and nine million dollars per year, whereas at the present time ours is operating at a profit.

Mr. LINTHICUM. The gentleman from Massachusetts is quite right; besides I think the foreign service is worth every dollar that you spend upon it. It is the great market-producing service of any country.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LINTHICUM. In a moment. Our farmers are suffering to-day. Why? Because we have not sufficient foreign markets. I believe that if we encourage this foreign service, give them efficient men and sufficient salaries on which to live, give them retirement which guarantees a competency when they are too old to work, that these men will go out and get the trade for the United States, and the trade in our foreign markets will rapidly increase I yield to the gentleman.

Mr. BLANTON. The gentleman spoke of Great Britain paying $20,000 to a representative in Uruguay.

Mr. LINTHICUM. Yes.

Mr. BLANTON. Possibly that is why she asked for sixty-odd years in which to pay her debt to the United States, and if she would pay a little more attention to what she pays out in expenses, she would not have to ask for so much time.

Mr. LINTHICUM. That is a question, and carries an insinuation, that any gentleman might ask, but there is no basis for it, of course. Great Britain has sixty-odd years in which to pay this enormous sum of $4,000,000,000. Possibly she did that because she did not want to discontinue any of her great activities, and it is true that many countries during the war, with the tremendous expense that they were under, never neglected those things upon which the nation depended for its trade and commerce.

Mr. SHALLENBERGER. Mr. Chairman, will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. SHALLENBERGER. In addition to the salaries paid, does Great Britain allow to her ambassadors and representatives a representation allowance?

Mr. LINTHICUM. Oh, yes; every country practically does that, and Great Britain allows more as a retirement fund than we do under this bill.

Mr. SHALLENBERGER. Does she allow enough to pay the entire expenses so that a representative does not have to go into his own pocket as ours do?

Mr. LINTHICUM. I think that is a matter which depends very much on the particular individual.

Mr. SHALLENBERGER. Is it the idea of this proposed law that the Government will pay the necessary expenses of our representatives in foreign countries hereafter?

Mr. LINTHICUM. It is the intention to pay the necessary expenses, but the amount of money that a man spends depends very largely on himself. Take the case of a Member of Congress. Some men entertain and some men do not, and their expenses necessarily vary.

Mr. SHALLENBERGER. In the statement of Mr. Davis in your report, I read that he said that his necessary expenses were something like $50,000 when he represented us in London. Is it the idea that under this bill such expenses would be paid?

Mr. LINTHICUM. Oh, no; those expenses must be within reason and subject to congressional appropriations. The ambassador gets $17,500 under this bill just the same as he does now, but of course no man can represent the United States at the Court of St. James as he should upon the salary which the United States pays him. If he did, it would be extremely poor service.

Mr. SHALLENBERGER. Is it contemplated under this bill, with this authority, that the Government will take care of those expenses?

Mr. LINTHICUM. The Government will take care of some of them, but it would not take care of all of them.

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. SHALLENBERGER. Yes.

Mr. CONNALLY of Texas. If the gentleman will permit, representation allowances are authorized under the bill so that it would depend somewhat upon the Committee on Appropriations. That committee could appropriate any amount that it saw fit.

Mr. LINTHICUM. Of course the committee could, but Congress does not divest itself of the right to appropriate or refuse appropriations.

Mr. CONNALLY of Texas. I suggest that, because the gentleman from Nebraska asks the question, and I thought he should receive the information.

Mr. LINTHICUM. Congress can do it now, if it feels so disposed.

Mr. CONNALLY of Texas. Oh, no; there is no authorization for it.

Mr. SHALLENBERGER. It seems to me that that is a matter which very much needs to be corrected, so that our representatives may be reimbursed for the necessary expenses they have to incur. I hope that under this bill that will be the fact.

Mr. LINTHICUM. Under this bill Congress can appropriate the money to meet the necessary expenses.

Mr. McSWAIN. In other words, it is the idea of this bill to make it possible for a poor man, if he has the brains and character, to go over there and represent the Nation.

Mr. LINTHICUM. Absolutely, and if he is in the Consular Service the idea is that he can be promoted to the position of minister. Now, as to the retirement, I do not believe the retirement feature is really going to cost this country anything, because, as the gentleman from Virginia [Mr. MOORE] said, after the first appropriation of $50,000 made in the bill, then there will be no further necessity for appropriation for 20 years, and then probably about $48,000. I believe that the increased business that the Consular Service will bring will more than take case of its total expense, including the retirement fund.

It almost does it now. It takes care, within $400,000, of all the expenses of the service, and, I think, with all the traveling public and with the increase of business the service will develop to a sufficient extent to take care of all the expenses, including the retirement feature, before it becomes a charge upon the Government.

When we realize the importance of our foreign service not only in our relations with other nations in diplomatic matters but also the importance of our trade relations through which we can build up a large foreign trade, thereby helping to dispose of the products of our farms and factories, it is difficult to realize how little interest is taken in the subject in comparison with those matters nearer home.

We have recently established a very satisfactory retirement system for our civil employees in this country, and yet there is great opposition when we attempt to establish such a system for those of the foreign service, who are separated from their homes in America, sent to foreign fields and shifted from place to place, thereby preventing them from either establishing a permanent home or making those necessary savings for old age.

I feel that if we can establish our foreign service on a basis of satisfactory salaries, with representation allowance where deemed advisable, and then afford them retirement with a competent fund, we will not only draw good men into the service, realizing it would be a life work in the interest of the Government, but we will also build up such a system as will not alone reflect great credit upon our country but at the same time great markets for our products.

I have shown that the increase in salaries is extremely small, and I hope I have demonstrated that the service itself within the next few years will provide all the funds necessary not alone for the present service but for all additional expenses incurred under this bill. We have charged the salaries of members of the foreign service 5 per cent, to be paid into the retirement and disability fund for annuities, refunds, and allowances. At such a high rate of payment this fund will rapidly increase and after the appropriation of $50,000 authorized in this bill, will not likely cost the Government anything for the next 20 years.

This has been figured out by expert accountants, and I append their statement, giving full particulars of the cost to the employees of the foreign service and the eventual cost to the National Government:

FOREIGN-SERVICE RETIREMENT SYSTEM

Statement showing estimated annuities payable to foreign-service officers under the proposed retirement system prior to the year 1945 which will be paid solely from the contributions, with interest thereon, of such officers

Fiscal year ending June 30—	Annuities payable during year	Available retirement fund from contributions with interest compounded at 4 per cent	Balance after payment of annuities	Necessary appropriation
1925	$61,176.41	$143,719.85	$82,543.44	$50,000.00
1926	71,791.67	229,405.80	157,614.13	
1927	80,866.60	307,343.20	226,476.60	
1928	86,633.43	378,873.36	292,219.93	
1929	93,260.35	446,654.93	353,394.58	
1930	97,131.26	510,257.20	413,125.94	
1931	101,759.00	572,762.10	471,003.10	
1932	111,163.40	632,812.27	521,648.87	
1933	116,355.69	685,406.97	569,051.88	
1934	129,925.29	734,502.58	604,577.28	
1935	141,951.55	771,268.00	629,316.95	
1936	149,410.66	796,989.63	647,578.97	
1937	164,715.13	815,982.13	651,267.00	
1938	179,978.65	819,817.68	639,839.13	
1939	199,987.14	807,932.70	607,945.56	
1940	212,814.00	774,763.38	561,949.38	
1941	232,009.55	736,927.36	494,827.81	
1942	248,431.01	657,120.92	408,689.91	
1943	265,266.43	567,537.51	302,271.08	
1944	308,209.60	456,861.92	148,652.32	
1945	346,050.10	297,098.00		48,951.69

The salary increase will amount to about 14 per cent over the present salaries paid, but this will give to the service a stability the value of which can not possibly be estimated. At the present time the salaries are so low that men finding it impossible

to exist under present conditions and being fully equipped through their service with the Government are compelled by reason of their financial condition to enter the employ of private individuals and corporations, thereby depriving the Government of those very men who were educated in the service and who have become so valuable.

Individuals and corporations may continue to outbid the Government on a question of salaries, but, through the retirement system, the increase of salary, the advantages of educational and social features of the foreign service, I believe we will be able to hold our men and that they will feel satisfied to make this their life work, thereby affording the Government men of exceptional training, ability, and experience.

It is not my desire to increase salaries except where it is found necessary and where other governments have found it to their advantage to pay a salary adequate to the service rendered. I have said that we should like to treat our men as well as our greatest competitor, Great Britain, but we are not compelled fully to do that at this time. While we have under this bill increased salaries, we have not yet by great odds provided as much as Great Britain. For the benefit of comparison I have appended the following statement:

Comparative statement showing salaries of ambassadors and ministers at important posts

	Great Britain	United States
Cuba	$19,012	[1] $12,000
Czechoslovakia	19,466	10,000
Denmark	21,899	10,000
Egypt	[1] 58,398	7,500
Esthonia, Latvia, and Lithuania	18,006	10,000
Finland	18,735	10,000
France	[1] 80,297	17,500
Germany	[1] 38,932	17,500
Great Britain		17,500
Greece	19,466	10,000
Italy	[1] 38,932	17,500
Japan	[1] 29,199	[1] 17,500
Mexico	14,599	[1] 17,500
Netherlands	[1] 24,332	12,000
Norway	21,899	10,000
Panama	15,572	[1] 10,030
Persia	24,332	10,000
Peru	18,102	17,500
Poland	27,252	12,000
Portugal	19,466	10,000
Rumania	19,466	10,000
Serbs, Croats, and Slovenes	18,979	10,000
Siam	14,599	[1] 10,000
Spain	[1] 29,199	17,500
Sweden	21,899	10,000
Switzerland	[1] 18,248	10,000
Turkey	[1] 42,581	[1] 17,500
United States	[1] 97,330	
Uruguay	20,439	10,000
Venezuela	14,599	10,000

[1] Residences owned by Government and supplied in addition to salary.

This comparison does not alone apply to the Diplomatic Service, but likewise to the Consular Service of the two countries, and for that reason I append statement showing salaries paid by these two great nations to their principal consular officers, to wit:

Comparative statement showing salaries of principal consular officers at important posts

	Great Britain	United States
Argentina:		
Buenos Aires	$11,922	$8,000
Rosario	7,907	3,500
Austria, Vienna	6,325	3,500
Belgium, Antwerp	9,246	4,500
Brazil:		
Bahia	8,394	4,000
Para	9,124	5,000
Rio de Janeiro	12,166	8,000
Chile, Valparaiso	11,679	5,500
Denmark, Copenhagen	6,569	5,500
Ecuador, Guayaquil	6,812	5,500
France:		
Bordeaux	6,447	4,500
Havre	6,569	5,500
Lille	6,325	4,000
Lyon	6,569	5,000
Marseille	9,246	5,000
Paris	9,246	12,000
Germany:		
Berlin	9,002	6,000
Cologne	9,002	4,500
Hamburg	8,759	4,000
Munich	6,325	2,500
Great Britain, London		12,000

Comparative statement showing salaries of principal consular officers at important posts—Continued

	Great Britain	United States
Greece, Athens	$6,325	$5,500
Italy:		
Genoa	9,246	5,500
Milan	9,246	5,000
Naples	9,246	5,000
Palermo	6,447	4,000
Mexico, Mexico City	8,273	[1] 5,000
Netherlands:		
Amsterdam	6,325	5,000
Rotterdam	9,246	8,000
Norway:		
Christiania	6,569	5,500
Bergen	6,325	4,500
Paraguay, Asuncion	6,813	4,000
Poland, Warsaw	6,447	6,000
Portugal:		
Lisbon	6,325	4,500
Loureneo Marques	8,515	3,500
Rumania, Bucharest	6,447	5,000
Russia:		
Moscow	9,246	[1] 5,500
Petrograd	7,664	[1] 3,500
Spain:		
Barcelona	9,246	5,500
Madrid	6,447	2,500
Sweden:		
Goteborg	9,246	3,000
Stockholm	6,447	8,000
Switzerland:		
Geneva	6,326	3,500
Zurich	9,246	8,000
Turkey:		
Constantinople	8,759	8,000
Beirut	8,759	4,000
Smyrna	8,759	5,500
United States, New York	26,035	

[1] Office now closed.

I look upon this bill as a great step in advance for another reason: It has heretofore been almost as difficult for a young man to enter the Diplomatic Service and continue therein without having private means of his own or private means accessible as it is for the scriptural "camel to go through the eye of a needle," owing to the expense and the low salaries. The State Department has been compelled to so inform applicants who wish to enter the service. The Consular Service has had to refuse applicants who were married, because the salary of deputies and clerks was not sufficient to maintain them. A deplorable situation for a country like the United States to say the least.

The increase provided in the bill with the representation allowance will enable men of brain and ability who are without private means to represent the United States as well as those men who have private means. [Applause.] Furthermore, the progressive action taken by Congress in the provision of legation and consular buildings in the various countries provides a home and offices for the representatives of the United States, which is another great adjunct to the service. [Applause.]

When I came to the Sixty-second Congress, which convened in 1911, I, together with other gentlemen, constantly advocated the purchase of embassies, legations, and consular buildings in the various countries of the world. I am pleased to say that we have received much support and attained great success in the movement. The United States at that time owned but two embassies, that in Constantinople, Turkey, and Tokyo, Japan. It owned several legations and two consulates. It now owns many embassies, legations, and consulates, as shown by the following table:

Embassy, legation, and consular buildings owned by the Government

Embassies	Legations	Consular
London, England.[1]	Pekin, China.	Shanghai, China.[1]
Santiago, Chile.[1]	San Jose, Costa Rica.[1]	Seoul, Chosen.
Constantinople, Turkey.	Habana, Cuba.[1]	Tahiti, Amoy.
Tokyo, Japan.[2]	Panama.[1]	Yokohama, Japan.[2]
Paris, France.[1]	San Salvador, Salvador.[1]	
Rio de Janerio, Brazil.[1]	Bangkok, Siam.	
Mexico City.[1]	Tangier, Morocco.	
	Christiania, Norway.	

[1] Building purchased since the beginning of the Sixty-second Congress.
[2] The Embassy building in Tokyo, and consulate building in Yokohama were destroyed by the recent earthquake, and an appropriation for rebuilding is being requested.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. PORTER. Mr. Chairman, will the gentleman from Texas [Mr. CONNALLY] use some of his time?

The CHAIRMAN. The gentleman has 20 minutes.

Mr. CONNALLY of Texas. Mr. Chairman, I yield to the gentleman from Texas [Mr. BLANTON] five minutes.

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. BLANTON. Mr. Chairman, no man on earth could discuss this bill in five minutes. The committee admits that in salaries alone this bill is giving an increase of $495,500. It admits that in the report. But they say they are taking off some post allowances, and they say they are merely authorizing Congress to grant a representation allowance. I want to ask the distinguished gentleman from Massachusetts [Mr. ROGERS] how could the 400 Members of Congress, if they wanted to, stop the representation allowances after the Committee on Appropriations had brought it in here in a bill? Gentlemen, just try it some time. Just one of you new Members try it; try to change an appropriation bill that has been framed across the hall yonder and brought in here by that committee. You can not do it.

Here we have about 40 Members present on this House floor now. In considering a $24,000,000 bill yesterday we had at one time only 16 Members on the floor. You let one of us get up here and offer an amendment to strike the representation allowance out of the bill brought in by the Committee on Appropriations, and you will see the chairman in charge send in to the cloakroom after the rest of the 35 members of that Committee on Appropriations, and they stand together like the rock of Gibraltar, fighting for their bill, and they will not let you change it at all. They will not let you strike out one word of it. Try it some time. I have tried it. The only way you can strike any of it out is by a point of order when it is unauthorized legislation. Then you talk about Congress allowing it. Congress will allow just exactly what the Committee on Appropriations puts in that bill.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. LINTHICUM. Did we not at the last session increase the Army appropriation bill over $20,000,000 for rivers and harbors?

Mr. BLANTON. Yes; but that was when you formed a combine on the committee, and the committee made rather a straw fight on it then. Only a few of us really fought against it. It was a good deal like other fights I have seen here on the floor—straw fights.

I know where the main increases in appropriations are made—in the other body. We never send one appropriation bill away from here but what it comes back with several million dollars added to it. That is where the big increases are made. But as to this bill, no man here and no man on the committee can tell what extra it will cost this Government. As to the annuities, there is a difference of about $500,000 between the idea of the gentleman from Texas [Mr. CONNALLY] and that of the gentleman from Massachusetts [Mr. ROGERS], one claiming one figure and one claiming another. And who knows how much the Committee on Appropriations is going to allow on the representation allowance? Nobody knows.

I am amused every time a Member of Congress gets up here, week after week, and talks for the farmer, for the agriculturist, saying that we must do something for them. We have not done a thing worth while for them this year. As to that petition which the gentleman from Pennsylvania [Mr. DARROW] put into this RECORD, that petition coming from 350,000 farmers, demanding that we stop raising salaries, demanding that we stop increasing appropriations, demanding that we cut down the expenses of the Government, there has not been a bill passed here that complied with the demands of those farmers. I want to say to those farmers right here—because you can not reach them through the newspapers—that in every bill that has been passed on this floor in this Congress so far this Congress has turned down their demands. It has raised salaries, added new employees, and increased expenses in every bill that we have passed up to this time, and it seems we are going to continue to raise salaries on every bill that comes up, because we can not get enough men to vote it down. But this bill ought to be defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Will the gentleman yield me two minutes more?

Mr. CONNALLY of Texas. I yield the gentleman two minutes more.

The CHAIRMAN. The gentleman is recognized for two minutes more.

Mr. BROWNE of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. BROWNE of Wisconsin. Why do you not introduce a bill for the benefit of the farmers? You say so many have been introduced. Why do you not introduce one yourself?

Mr. BLANTON. There is not a single day that passes but finds me in my seat here and on the floor fighting for these farmers' petition to reduce expenses.

Mr. BROWNE of Wisconsin. Why do you not introduce a bill yourself?

Mr. BLANTON. Oh, a bill. They do not ask us to introduce a bill. They do not want a bill. They just ask us for one thing, to cut down expenses, and that is what I have been fighting for; to reduce expenses.

I want to say to the gentleman from Wisconsin that if he wants to help the farmer he can help him by doing just one thing: Cut down his expenses and give him a market. That is all he wants.

Why did not this bill become a law in the last Congress?

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a moment. I want to discuss this bill. It passed this House on the 8th day of February, 1923, in the last Congress. They had from the 8th day of February until the 4th day of March to pass it in the Senate. If it is such a good bill, why did they not pass it? Those Senators over there knew that it was a bill that the people of the United States did not want, and they let it die on the calendar.

Mr. ROGERS of Massachusetts. The gentleman knows why it did not pass. There was a filibuster on the shipping bill.

Mr. BLANTON. The gentleman ought not to interrupt me when I have only a minute. This bill ought to die again on the calendar this time.

Twenty men here could stop the passage of this bill if they would get up and fight it; if just 20 of you would stand up here and fight this bill, you could stop its passage; but you will not do it. You sit down there and let it pass, and it is probably going to pass this evening. But we ought to kill it and stop this everlasting increase of salaries and governmental expenses.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PORTER. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has five minutes remaining.

Mr. PORTER. I yield two minutes to the gentleman from Pennsylvania [Mr. SHREVE].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for two minutes.

Mr. SHREVE. Mr. Chairman and gentlemen of the committee, I am strongly in favor of the passage of this bill. There probably never has been a time in the history of our country when our Diplomatic Service, when our Consular Service, and all the other services we have in foreign countries needed strengthening so much as they do at the present time, for the reason that all the countries of the world doing business everywhere have already begun to reorganize their consular, their diplomatic, and their foreign services. The result is we are in direct competition with all the countries of the world.

We are seeking a market in the old countries of the world for our surplus farm and manufactured products. There was a time when we could get along without those markets; there was a time when we were self-sufficient and when we could consume all we could produce, but that time has passed. The World War has changed conditions entirely in this country. Other nations are now changing their foreign policies, are adopting new systems, are becoming vigilant and active in the countries with which we are doing business, and if we are to continue the commercial supremacy of the United States, to which we are so justly entitled, we certainly must be aggressive.

This department has not been reorganized in the last 100 years. I happen to handle the appropriations for this department, and the thing that amazed me all the way through was the low salaries. The gentleman speaks about the increase; it is a mere bagatelle. When you compare it with the great work that is being done by these departments I am satisfied you will pass the bill and pass it without any hesitation. It is right and it is just; it is the one thing that the United States needs at the present time.

We have never been properly equipped in foreign countries. We are to-day adopting some of their systems, particularly the

system of finding and securing business in foreign countries. Our commercial attachés are going abroad and they are finding business everywhere. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CONNALLY of Texas. Mr. Chairman, I yield three minutes to the gentleman from New Hampshire [Mr. ROGERS].

The CHAIRMAN. The gentleman from New Hampshire is recognized for three minutes.

Mr. ROGERS of New Hampshire. Mr. Chairman and members of the committee, I desire to state my approval of this measure for the following reasons: In listening to the witnesses who came before the committee to discuss this proposition I was convinced that there were two facts standing out very clearly as established. In the first place, it is manifest, from any study given to these matters, that a reorganization and a rehabilitation of our foreign service is most desirable if we are to continue our foreign service on the high plane of the past and if we are to maintain an American foreign service which shall be equal to that maintained by any nation in the world. Secondly, Mr. Chairman, I believe there is an even more important reason why this bill should pass. From the very foundation of the American Government we have boasted of the fact that any American citizen, no matter how poor he may be, if he has ability and a desire to make good, is given the opportunity to work his way up and to enter into the ranks of any office within the power of the country to bestow. We have boasted of the fact that any poor man in America, no matter how humble his parentage, may have the opportunity, if he has the ability and the brains, to take his place as the governor of any of our sovereign States, as a Member of our national legislative body, and even become President of the United States. Yet it must be said, to the humiliation of every patriotic American citizen, that under the present law as it exists to-day no poor, honest, humble American citizen, no matter how much ability he may have, and no matter how much he may desire to enter the foreign service of his Government, can be admitted to take his place in the foreign service of this country unless he has independent means. If this bill passes it will no longer be necessary when any young man in America who is about to finish his course in a school or college desires to enter the foreign service of this country and make that his life work and when he submits himself to the State Department to be accepted for the foreign service to inform him that he can not enter into the honorable foreign service of this country unless he has sufficient independent means to enable him to support himself, and to give him an opportunity to go into foreign countries he must have such means, otherwise he can not serve his country in its foreign service. To obviate this disgraceful situation and to make it possible for the young Americans engaged in our foreign diplomatic service to receive a salary on which they can live, I hope this bill may pass. [Applause.]

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. CONNALLY of Texas. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Seventeen minutes, and the other side has three minutes remaining.

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, this bill is one that in some respects meets with my approval, but it contains some features that I think should be eliminated.

I want to take this occasion, however, to take issue with my good friend from New Hampshire [Mr. ROGERS] who has just spoken, when he says that be it to the humiliation of the American people at the present time it is impossible for a man who is poor, no matter how worthy, to enter the foreign service. That is not true, gentlemen. I do not charge that that statement was made willfully, but I do charge that the gentleman is in error.

Mr. ROGERS of New Hampshire. Will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. ROGERS of New Hampshire. I desire to state my authority and call the attention of the gentleman from Texas to the fact that my remarks were based on the testimony of the Third Assistant Secretary of State, Mr. Wright. If the gentleman will pardon me, I would like to quote his statement. Mr. Wright said that when application is made for service in the foreign service, "We inform them that at present it is necessary for individuals to have some private means."

Mr. CONNALLY of Texas. In the Consular or Diplomatic Service?

Mr. ROGERS of New Hampshire. In the Diplomatic Service.

Mr. CONNALLY of Texas. I grant you that, and I heard him say that.

Mr. ROGERS of New Hampshire. I just wanted the gentleman to understand the source of my information.

Mr. CONNALLY of Texas. I disclaim any intention to say that the gentleman from New Hampshire willfully made a misrepresentation. I heard Mr. Wright make that statement, and while I have a very high regard for Mr. Wright I deny that Mr. Wright is reflecting any credit on himself when he says that as an official of this Government he tells a young man in advance that he can not consider him for a diplomatic secretaryship unless he possesses private means. That is not the law. That is a department-made ukase.

The statement of Mr. Wright does not refer to the Consular Service, and the term "foreign service," as used by the gentleman from New Hampshire, comprehends both the Diplomatic and the Consular Service.

Let me now tell you something about the Diplomatic Service. This bill, so far as the Diplomatic Service is concerned, only deals with the secretaries of embassies. They are a very small part of the foreign service, a very insignificant part, as to numbers, but when it comes to the Consular Service it is full of men to-day who are poor and who have no other means of livelihood except their salaries. I know some of them personally. I know a young man who received a position in the Consular Service some years ago, partly through my instrumentality. He is now attached to the consulate in Paris, and I know that he maintains himself and since entering the service has married, and I hope is in the process of raising a family on the salary of a consul.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield.

Mr. CHINDBLOM. Is it not a fact that it is a little easier for men stationed abroad to sustain themselves with the present depreciated currency of 17 francs to the dollar, for instance, so that conditions that exist right now are not a safe indication of ordinary, normal conditions?

Mr. CONNALLY of Texas. I grant you that, but the point I am undertaking to make is that this bill on the whole does not materially help the Consular Service, because already in that service the salaries are very nearly as high, on an average, as they will be under this bill; in fact, in one or two instances this bill reduces the salaries of consuls general. We have in the service now two consuls general at a salary of $12,000, and under this bill the maximum will be $9,000. But that is not what I wanted to advert to.

I would not object to some increase in salaries in the foreign service, but I do object to that feature of the bill which provides the high rates of retirement which it undertakes to provide. Under this bill it would be possible for a secretary of embassy, not a minister, because this bill does not deal with ministers and does not deal with ambassadors, but a secretary of embassy, and all of you have secretaries—it would be possible for a secretary of embassy after 30 years of service to retire at an annual retirement compensation of $5,400. That is too high, gentlemen. Just as surely as we adopt this kind of a provision for the State Department, we shall have every other branch of this Government coming to the doors of Congress and asking for an increase in their retirement pay, and they will find justification in doing so.

This bill provides, in addition, for a representation allowance, and I am opposed to representation allowances. I opposed representation allowances in the Foreign Affairs Committee all during the war. We never had such a thing prior to the war, and it was adopted during the war to supplement the compensation of certain missions in foreign countries where extraordinary conditions existed. I do not believe it is sound public policy, and I do not believe it comports with the best administration to turn over to the State Department a lump sum out of which it will dole allowances to the various missions for entertainment and for living purposes. I believe that whatever salaries our foreign representatives should receive should be fixed by law.

Another feature of this bill to which I object is the provision that after a man has been abroad three years, he is granted a statutory leave. I do not object to that, but the Secretary of State can authorize and direct him during his leave to return to the United States and all of the expenses of the trip coming and going are to be borne by the Federal Government.

I have no objection to the features of this bill, which make the two services interchangeable from one branch to the other. I think the Secretary of State, perhaps, could do that under the existing law, but I do contend that the whole purpose of this bill is not to benefit especially the Consular Service, but is to benefit the secretaries of embassies, and I deny that the

salaries as carried in this bill will be lower than those that obtain in the British service.

If you will turn to the hearings, on page 154 there appears a table which shows the relative salaries of positions in the British and American services.

Mr. Chairman, what I oppose and what I regret to observe is that gentlemen who have spoken on this bill so far seem to believe that the only function of our foreign service is to get trade and get commerce with the United States. That is a legitimate activity, but the trouble with our foreign service now is that it has got a dollar mark written all over it.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. CONNALLY of Texas. I yield to the gentleman.

Mr. COOPER of Wisconsin. A wrong inference might be drawn from what the gentleman has just said. The gentleman will remember that our diplomatic and consular officers are prohibited from themselves engaging in any private business in a country where they are located, and they are prohibited from investing their savings in securities of any foreign country so that they are confined to their salary absolutely.

Mr. CONNALLY of Texas. I will say to the gentleman from Wisconsin I did not mean to suggest they were engaged in private profit making, but what I meant was that all of our foreign policy seems to be motivated, if I may use that rather mouth-filling term, by the dollar mark. The only object of our foreign policy seems to be to set up some kind of agency in a foreign country to make selling agents of our consuls and our diplomatic officers.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. CONNALLY of Texas. I do not want to be discourteous, but I have only two minutes and I regret I can not yield.

To make selling agents and salesmen of our diplomats and of our consular officers. I rather think that the United States in a more simple way, in the way of Benjamin Franklin, in the way of other distinguished representatives of this country abroad in the early days, is not dependent for its standing upon expensive diplomatic entertainment.

We do not need to provide salaries sufficient for every little secretary to hold parties and levees and to entertain abroad; but what we need is a foreign service that is not simply looking out for the dollar but trying to look out for the United States abroad as a country that believes in international good will, international peace, and in those higher international policies that will place America before the world as a great country of liberal ideas and of peace rather than a country that is going forth with a salesman's satchel with dollar marks all over it.

I hope the President of the United States will persevere in his so far rather tame and colorless advocacy of the world court. I hope the President of the United States will make good his proclamation that he proposes to follow up the doctrines of President Harding in that respect, and that instead of lamely and colorlessly, in a whisper, saying to the United States Senate, "You have got the world court before you, and you can do what you please with it," I hope the President of the United States will come forth with a clear and striking and insistent call upon the country and really carry on a campaign in behalf of the world court and by so doing say to all the world that America not only wants international trade, that we not only want the commerce of the world, but that the United States is willing to assume its own place, willing to take up its own obligations at the council table of the world in behalf of peace, in behalf of liberty, in behalf of fair dealing between all countries of the world, as well as going forth with a satchel covered all over by dollar marks. [Applause.] Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. TEMPLE] four minutes.

Mr. PORTER. Mr. Chairman, I yield my remaining time to the gentleman from Pennsylvania [Mr. TEMPLE].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for seven minutes.

Mr. TEMPLE. Mr. Chairman and gentlemen of the committee, this bill is one of very great importance and I think deserves the support of every Member of the House who is interested in the proper conduct of the foreign affairs of this country. I have been astonished for many years, not merely to-day, but every time I have recalled the fact, that we are in the habit of appropriating from year to year over $300,000,000 for the Army and within a measurable distance the same sum for the Navy—six or seven hundred million dollars annually to prepare against war and only $8,000,000 to carry on the foreign affairs of the country in such a way as to prevent war by reaching an amicable agreement on matters which might become irritating if neglected or improperly handled.

This is a bill of four fundamental propositions. The first is for the adoption of salaries which will be uniform for the relative grades in the two services, the Diplomatic and Consular, and it combines the two services, so far as the legal standard is concerned, by creating the one foreign service. The amalgamation is such that an officer may be transferred from one service to the other, from the Consular Service to the Diplomatic Service, and from the Diplomatic Service to the Consular Service. The present salaries of the Consular Service, with the exception of two posts at $12,000, run from $2,000 to $8,000. Under the proposed bill the salaries will be from $3,000 to $9,000, a material increase of salaries in the Consular Service.

In the Diplomatic Service the present salaries run from $2,500 to $4,000 for secretaries of embassies and legations. Under this bill they will range from $3,000 to $9,000, which, of course, is a considerable increase.

These salaries are not for clerks, as was stated by the gentleman from Mississippi. I hope the gentleman understands the difference between a clerk employed in an embassy and the secretary of an embassy. There is no reproach in the word "secretary." We employ it when speaking of Members of the Cabinet, Secretary of State, Secretary of the Treasury, Secretary of Commerce. The bill does not touch the salaries of clerks employed in embassies or legations. It deals with secretaries. Who are these secretaries? John Hay spent the most of his life as secretary in the Diplomatic Service and later became ambassador and Secretary of State. He was just as big a man and did just as good work when secretary of embassy as when he was Secretary of State in the President's Cabinet.

Mr. COLLINS. Will the gentleman yield?

Mr. TEMPLE. I will yield to the gentleman.

Mr. COLLINS. Do not these gentlemen perform strictly clerical duties?

Mr. TEMPLE. They are not clerks. The gentleman intended to give the Members of the House the idea that these men were simply clerks, but they are not. There is a class of men who are clerks. They, and not the secretaries, do the clerical work of the embassies. Their salaries are not changed by this bill, but secretaries of embassies are men who will be permitted, if they show their fitness, to be ministers and ambassadors in the future. The men whom the gentleman from Mississippi called clerks at $9,000 a year are high officers of the foreign service. Under this bill the salary of $9,000 is to be paid only to foreign service officers of class 1, which includes only secretaries designated as counselors of embassy, ranking next to the ambassador and acting in the ambassador's place during his absence, and including also consuls general of classes 1 and 2.

Many of these men are fitted to become ministers and ambassadors, are eligible for promotion to such places, and several of our representatives, ambassadors, and ministers, have been promoted after long service as secretaries. The secretaries are men of the right type, fitted for the Diplomatic Service, and a salary that runs up in the later years as high as $9,000 is not too much for those men.

Also, the gentleman said something about the possibility of using the representation allowance to buy clothing. He said something about trousers at $600 a pair. My information is that the standard price for the complete outfit in London, including all of the trappings that go with it, is £50, or about $250.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TEMPLE. In just a moment. The representation allowance would not be available for such use in any event. It is not an allowance made to each individual in the service. It is an allowance made to the embassy or legation, or to the consular office, and it is to be accounted for under the terms of this bill after it has been expended in accordance with the regulations to be made by the President of the United States. There is nothing loose about that plan. Every dollar of it will be accounted for, and the expenditures will be made according to rules fixed by the President of the United States.

The bill does not increase the total expenses of the State Department beyond half a million dollars, and as has been pointed out here, the income received for the services of the consular officers runs within half a million dollars of the total appropriation that we make. It is a bagatelle in comparison with the billions of dollars that we spend.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired. The Clerk will read the bill for amendment.

Mr. BLANTON. Mr. Chairman, we ought to have a quorum here to read the bill and I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] Eighty-five Members present, not

a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Fenn	Little	Scott
Anthony	Fish	Logan	Sears, Nebr.
Arnold	Foster	Lyon	Sears, Fla.
Aswell	Fredericks	McClintic	Seger
Bacharach	Freeman	McDuffie	Sherwood
Barkley	Funk	McLaughlin, Nebr.	Sites
Bell	Gallivan	MacGregor	Smithwick
Berger	Garber	Magee, Pa.	Snell
Bloom	Garrett, Tex.	Mansfield	Snyder
Bowling	Gernn	Mead	Sproul, Ill.
Boyce	Gilbert	Michaelson	Stengle
Boylan	Goldsborough	Miller, Ill.	Strong, Pa.
Briggs	Greene, Mass.	Milligan	Sullivan
Britten	Griffin	Montague	Sweet
Browne, N. J.	Hadley	Mooney	Tague
Burdick	Hammer	Moore, Ill.	Taylor, Colo.
Burton	Hawley	Morin	Taylor, Tenn.
Busby	Hayden	Mudd	Thatcher
Byrns, Tenn.	Hersey	Murphy	Tincher
Campbell	Hill, Md.	Nelson, Wis.	Tucker
Carew	Hoch	Newton, Minn.	Tydings
Casey	Hooker	O'Connell, N.Y.	Upshaw
Clark, Fla.	Howard, Okla.	O'Connor, N.Y.	Vare
Clarke, N.Y.	Hudspeth	O'Sullivan	Vestal
Cleary	Hull, Tenn.	Parker	Ward, N.Y.
Cole, Ohio	Hull, William E.	Patterson	Ward, N. C.
Connolly, Pa.	Humphreys	Peavey	Wason
Cullen	Jeffers	Peery	Watkins
Curry	Johnson, Wash.	Perkins	Watres
Davey	Johnson, W. Va.	Perlman	Watson
Deal	Kahn	Quayle	Weller
Dempsey	Kelly	Rainey	Welsh
Denison	Kendall	Ramseyer	Winslow
Dickstein	Kent	Ransley	Winter
Dominick	Kiess	Reece	Wood
Doughton	Kindred	Reed, W. Va.	Woodruff
Doyle	King	Reid, Ill.	Woodrum
Drane	Knutson	Robinson	Wurzbach
Dyer	Kurtz	Romjue	Yates
Edmonds	LaGuardia	Rosenbloom	Zihlman
Fairchild	Langley	Sabath	
Faust	Lindsay	Schall	
Favrot	Lineberger	Schneider	

The committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 6357, had found itself without a quorum, that he had directed the roll to be called, whereupon 263 Members answered to their names, a quorum, and he handed in the list of the absentees for printing in the RECORD and the Journal.

The committee resumed its session.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That hereafter the Diplomatic and Consular Service of the United States shall be known as the foreign service of the United States.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. It is not necessary for me to say a word for the bill, I think, to convince every man in the House of its merit. The bill proposes, first, the adoption of a new uniform salary scale, with a modest increase in the average rate of compensation, an amalgamation of the Diplomatic and Consular Service, and an interchange or transfer of men from one service to another, so that if a man in the Consular Service develops any peculiar or special ability for the Diplomatic Service, his knowledge and experience may be taken advantage of by the Government through his transfer to the Diplomatic Service. On the other hand, if a man should develop a peculiar and special knowledge in the Diplomatic Service which would be of great advantage to the Government in the Consular Service, a similar transfer may be made.

The purpose of the bill, as I understand it, is to use all of the knowledge and experience of a man in both of these services where the knowledge and experience can be best utilized to the advantage of the American people.

The compensation paid to the men in both the Diplomatic and Consular Service in the past has been totally inadequate. The men who have gone into both of these services are men of special training. No man can enter either service without passing the most rigid examination, except in the case of the appointment of an ambassador or a diplomat of high place. The peculiar educational qualifications required of men in the foreign service of the country justifies the Government in paying them a compensation which will enable them to live without borrowing money from rich relatives, and they have not been able to do that in the past.

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. CONNALLY of Texas. I have a very high regard for the gentleman's statesmanship, and especially do I admire his wonderful attitude respecting economy. I understand the gentleman is in favor of raising salaries generally?

Mr. MADDEN. I am favoring the raise of these salaries.

Mr. CONNALLY of Texas. But of no others?

Mr. MADDEN. Oh, yes; I have favored others. I want adequate compensation for proper service rendered.

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. I do not think I ought to yield further. I want to express just one or two thoughts. The peculiar laws under which we have operated our Diplomatic and Consular Service in the past have prevented the Government from getting the best talent that could be obtained. They have kept out of the service men who would like to serve their country, who have no desire whatever to make money, but who have been specially trained for a class of work which the Government very much needs. Up to this time many of the best men who would like to do this service for the country have not been able to do it.

Mr. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Not now. They have not been able to do it because they could not afford to do it. This bill encourages the hope that in the future we will be able to get the best men, because the compensation will meet the needs of the case.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MADDEN. May I have two minutes more?

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for two minutes more. Is there objection?

Mr. BLANTON. I ask unanimous consent that the gentleman may have five minutes more. I want to ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Illinois is recognized for five minutes more.

Mr. MADDEN. There is one other feature of the bill that I think is important, and that is the retirement feature of it. The men who are engaged in these services under this law, if it is enacted, will be required to pay substantially all that will be necessary to pay the retirement compensation. I believe that this is the most salutary feature of the law, because after men have given their whole life to the Government without any hope or opportunity of accumulating a competence to care for themselves in their old age, they should be entitled to a retirement compensation which will provide for them in their late days in life, and if they are willing themselves during the course of their service to make the contribution to the fund from which they are to be paid and these contributions are adequate to meet the payment, why, they are simply using the Government in such a case as the depository for the funds which they themselves have taken from their salaries.

Mr. BLANTON. Mr. Chairman, will the gentleman allow me to ask him a question?

Mr. MADDEN. Yes.

Mr. BLANTON. The gentleman spoke of the salary raises as being "moderate." Does the gentleman know that there is one man whose salary is doubled in this bill?

Mr. MADDEN. Oh, yes.

Mr. BLANTON. I want to ask this further question. The greatest speech I ever heard the gentleman make in all his great speeches was made at 3 o'clock in the closing hours of the last Congress, when he took just the opposite view of these foreign matters that he now takes.

Mr. MADDEN. I was not talking then about salaries at all. I was then talking about an appropriation for an embassy, not about salaries, not about men, except incidentally.

Now, Mr. Chairman, I have said substantially all I have to say. There has been no bill pending before this House during this session that has more merit than the pending bill, and I hope that every man in the House who believes that we ought to have an efficient foreign service will vote for the bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has again expired. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

SEC. 3. That the officers in the foreign service shall hereafter be graded and classified as follows, with the salaries of each class herein affixed thereto, but not exceeding in number for each class a proportion to the total number of officers in the service represented in the following percentage limitations: Ambassadors and ministers as now or hereafter provided; foreign-service officers as follows: Class 1, 6 per cent, $9,000; class 2, 7 per cent, $8,000; class 3, 8 per cent, $7,000; class 4, 9 per cent, $6,000; class 5, 10 per cent, $5,000; class 6, 14 per cent, $4,500; class 7, $4,000; class 8, $3,500; class 9, $3,000; unclassified, $3,000 to $1,500.

Mr. ROGERS of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Massachusetts: Page 2, line 12, at the end of section 3, add the following: "*Provided*, That as many foreign-service officers above class 6 as may be required for the purpose of inspection be detailed by the Secretary of State for that purpose."

Mr. ROGERS of Massachusetts. Mr. Chairman, the purpose of that amendment is in order to remedy an error that was made in transcribing the bill. The language of the amendment was carried in the bill that was passed at the last session by the House, and it was in the bill as introduced in this Congress. It was before the committee and was approved by the committee, but by an error when the present draft of the bill was introduced it was omitted. It simply provides for the detailing of a suitable number of inspectors of missions and consulates throughout the world.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COLLINS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Mississippi offers an amendment, which the Clerk will report.

Amendment offered by Mr. COLLINS: Page 2, line 7, after the colon, strike out rest of section and insert in lieu thereof the following: "Class 1, 6 per cent, $7,500; class 2, 7 per cent, $6,500; class 3, 8 per cent, $5,500; class 4, 9 per cent, $5,000; class 5, 10 per cent, $4,500; class 6, 14 per cent, $4,000; class 7, $3,500; class 8, $3,250; class 9, $3,000; unclassified, $2,500 to $1,500."

Mr. COLLINS. Mr. Chairman, this amendment simply fixes the maximum salary of clerks and consuls. One Member prefers that clerks be called "secretaries." The maximum is fixed at $7,500, the same salary that a Member of Congress receives or that a Member of the United States Senate receives. These young gentlemen working in the legations and embassies whom I have called clerks—many of them are stenographers or do purely clerical work. We call the persons that work for us and in the departments and perform duties of that kind "clerks"; and I do not feel that we are reflecting on them when we call them "clerks." The fact that these in the Diplomatic Service are in Europe does not make them better than those here.

Under my amendment the maximum salaries are fixed at $7,500 a year. This amendment does not reduce the salary of any person in the foreign service. Very few are receiving more than that. As a matter of fact, there is no one in the Diplomatic Service that is receiving that now. The minimum there is now $2,500. The maximum is $4,000. My amendment gives the highest paid an increase of $3,500, and that is a substantial increase.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. BLACK of Texas. I would like to call my friend's attention also to the fact that in the Lehlbach classification bill the highest salary that can be paid to any civilian in any department of the Government is $7,500, and that must be the head of a department.

Mr. COLLINS. I thank the gentleman for this information. These men are not the heads of departments; they perform purely clerical duties.

Mr. BLANTON. Will the gentleman yield?

Mr. COLLINS. Yes.

Mr. BLANTON. That is true except as to 30 men. Except as to 30 men that statement is absolutely true.

Mr. COLLINS. As far as the consuls and consuls general are concerned their salaries are not decreased by my amendment, because there is an express provision in this bill that the salaries which are now in effect shall continue until some one else is placed in their positions. On the other hand, if their salaries are lower than is provided herein, they are given the benefit of the higher salary. No man's salary is reduced and many salaries are raised.

Mr. BEEDY. Will the gentleman yield?

Mr. COLLINS. Yes.

Mr. BEEDY. The gentleman, in the course of his travels last summer, had occasion to visit some of the American consuls abroad, did he not?

Mr. COLLINS. Yes.

Mr. BEEDY. Does the gentlemen want the Members of this House to understand it is his belief that the services which those consuls were rendering their country are the same as the services now being rendered in Washington by his clerk and mine?

Mr. COLLINS. If the gentleman had heard my first speech——

Mr. BEEDY. I am asking the gentleman a question and he can answer it yes or no.

Mr. COLLINS. I am going to answer his question, but I am going to answer it in my own way, not by yes or no. I said earlier in the day that if this bill had related simply to consuls and consuls general perhaps I would have supported that part of it relating to salaries. But this bill is not in the interest of the Consular Service. It is of benefit chiefly to employees in embassies and legations. My amendment does not reduce the salary of a single consul general or consul connected with the service; it will raise most of them, and raise them substantially. I have the very highest regard for those persons in the Consular Service. They are high-class officials and deserve just treatment by the Government. Neither have I anything against the young men in the Diplomatic Service. I do not feel, however, the salary increases to the latter class especially is wise or warranted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. BROWNE of Wisconsin. Mr. Chairman, I rise in opposition to the amendment. This bill, gentlemen, limits all salaries to $9,000. We now pay the consuls general in London and in Paris $12,000, but we decrease the salaries of these officers to $9,000 per year. The purpose of this bill is to begin at the foundation with the small-salaried men and raise their salaries.

We know we can not have efficient service without having the clerks and the secretaries skilled, experienced, and efficient. This bill does not raise the salary of any ambassador or any minister. The efficiency of an ambassador or of a minister depends quite largely upon the efficiency of the employees—the secretaries and subordinates under them—employees who have served an apprenticeship and have been in the foreign service many years and gained valuable experience. These men go out and procure the data, the facts upon which the ambassador or the minister forms his judgment and makes his decisions. If you do not have men of efficiency, capability, and experience as secretaries and as clerks you can not have efficient service and the ambassadors and ministers can not render sound judgments upon the facts which are brought before them.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. BROWNE of Wisconsin. Yes.

Mr. GREEN of Iowa. The gentleman from Mississippi [Mr. COLLINS] said the services of these people were simply clerical. I take it the gentleman does not agree with that statement?

Mr. BROWNE of Wisconsin. My distinguished friend from Mississippi, I think, is in error in his statement that the secretaries in the embassies and legations are simply secretaries in the way we think of secretaries to Congressmen or the secretaries we meet in the departments in Washington. These diplomatic secretaries before they become secretaries must have a great deal of experience; most of them are lawyers, and if the gentleman will look at the civil-service examinations that these secretaries are obliged to take he will see they must have a very thorough education, equivalent to a college education, and must be versed in at least one or two foreign languages; they must have a fair knowledge of international law and diplomatic usage; they must be very efficient men, men who could go out in the business field and command a good deal larger salary than they are getting in the foreign service.

Mr. BLANTON. Will the gentleman yield?

Mr. BROWNE of Wisconsin. In just a second. If you meet the secretaries and clerks of our legations and embassies, you will find them men well equipped by education and natural ability for their positions. You will find they are men, as a rule, who could go right out of the service of the Government into private life and command a good deal larger salary than they are getting from the Government.

Consul General Skinner, of London, gets $12,000 a year. He is the man whose reports are deemed so important that the business men all over the Nation are eager to get them. This man has been in the public service for 30 years; he has worked up from the smallest station, beginning with a salary of $1,800 a year until he is now getting $12,000 a year. There are only two consuls general who receive this salary. We want this whole foreign service on a basis that will attract young men, young men of ability and young men who can see a career ahead of them. It takes a splendid education to enter our foreign service, and as this service is to-day, without any retirement feature and with the small salaries, it offers no inducement to young men without an independent fortune; the result is that only men of wealth are entering our public service, which is absolutely undemocratic and un-American. By this bill we make it possible for young men of good education and ambition to enter the foreign service, with the possibility of promotion and with the satisfaction of knowing that when they reach 65 years of age they can be retired with a fair annuity.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin may proceed for one more minute.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the gentleman from Wisconsin may proceed for one additional minute. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. The gentleman knows that under this bill the consul general in London, of whom he spoke, will still get $12,000?

Mr. BROWNE of Wisconsin. Yes.

Mr. BLANTON. Then, he will not be reduced, will he?

Mr. BROWNE of Wisconsin. He will not be reduced during his term, but the salary of his office will be reduced.

Mr. BLANTON. His salary will continue at $12,000 just as long as he occupies the position?

Mr. BROWNE of Wisconsin. Yes; as long as he occupies the position.

Mr. BLANTON. That was not stated awhile ago.

Mr. BROWNE of Wisconsin. Six thousand dollars in the two salaries will go on for the length of time that these men of great experience hold the positions.

Mr. BLANTON. Then, the gentleman from Mississippi was correct in his statement?

Mr. BROWNE of Wisconsin. No; he was not correct in his statement, as I understood it. The gentleman's statement was that the Consular Service would remain the same, but under this bill they are all under the foreign service and we can exchange consuls and secretaries back and forth; they are interchangeable, which is one of the purposes of the bill.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

MESSAGE FROM THE SENATE

The committee rose informally, and the Speaker resumed the chair.

A message from the Senate, by Mr. Welch, one of its clerks, announced that the Senate had passed H. R. 6820, entitled "An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1925, and for other purposes," with amendments, in which the concurrence of the House was requested.

REORGANIZATION OF FOREIGN SERVICE

The committee resumed its session.

Mr. WINSLOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and gentlemen of the committee, it is not my purpose, for a lack of full information as to the details of this bill, to undertake to discuss the merits of every feature of it. It has happened, however, that ever since this Congress has been in session there has been a bill known as the Department of Commerce Foreign Bureau bill before the Interstate and Foreign Commerce Committee, and it has fallen to my lot to follow that bill in its development and in its connection with the interests of the Department of Agriculture and the State Department. When we reviewed the work of the three departments each was rather working on its own account, after a tradition of many years, and no one in particular had come to realize the extent to which the work was necessarily dovetailed. We had many sessions and in one way and another and for one purpose and another until finally we came to some conclusions, and among the conclusions—and I am speaking now as an individual and not as the chairman of a committee—is that in respect of the importance of keeping this foreign Diplomatic Service in good order.

As I tell you, I am not prepared to discuss the merits of any particular feature of this Rogers bill; but I have been led to believe that a reorganization, if we may call it such, of the State Department foreign service has become imperative; and in order to fit into the fine work which is being done by the Agricultural Department and by the Department of Commerce in foreign fields it has been found desirable to have a reorganization all along the line, and the purpose is to fit those departments together, in so far as they can be, and have all their work properly coordinated.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. WINSLOW. I want to keep within the time, but beyond that I yield.

Mr. OLIVER of Alabama. How do the salaries fixed in this bill compare with the salaries fixed for the commercial attachés?

Mr. WINSLOW. Regretfully, I can not give you that information.

Mr. ROGERS of Massachusetts. Will the gentleman from Massachusetts permit me to answer that question?

Mr. WINSLOW. If I have the necessary time.

Mr. ROGERS of Massachusetts. The maximum salary provided in the Winslow bill for comparable offices is $10,000, and the maximum salary in this bill, as has been brought out in the discussion, is $9,000.

Mr. WINSLOW. As to the merits of these salaries, I regret I do not know enough about the subject to be intelligent in making remarks, and I am only speaking to the general purposes of the bill. Others who are defending the provisions of this proposed legislation will be able, I have no doubt, to give you accurate information.

It is highly important that we give encouragement to these three great departments that are representing the interests of the United States. They do dovetail. It is important they should work together, and under a proclamation recently promulgated by the President of the United States it will be a pretty difficult thing for the representatives in any of our foreign departments to go far afield from the line of work which is laid out for them to do, under the President's proclamation, which I presume has been explained to you. They will have to work together wherever they might come in conflict or wherever their work is in the same territory and in the same line. I desire only to speak for the bill as to its general purpose and intent and to emphasize the importance of working out some legislation along the lines of this bill, for the reason that I have knowledge of the fact that the three departments are in sympathy with the provision of this diplomatic rearrangement.

I am not so sure of my authority to speak for the Secretary of Agriculture, but I am perfectly willing to assure the gentlemen of the committee that, so far as the Department of Commerce is concerned and the Secretary of Commerce, they are heartily in favor of the bill and hope it will go through, not only for its own sake but in conjunction with the work of the other departments.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BLANTON. I ask unanimous consent that the gentleman may have one more minute.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. If the gentleman will yield, the foreign service is a valuable asset to every business man in the United States, is it not?

Mr. WINSLOW. You mean all foreign service?

Mr. BLANTON. Yes.

Mr. WINSLOW. As we have it to-day, I think so, decidedly.

Mr. BLANTON. It is performing a service at the expense of the Government which the individual business man used to have to perform at his own expense, largely; is not that true?

Mr. WINSLOW. No; not quite that.

Mr. BLANTON. Partially?

Mr. WINSLOW. I think we have the same idea. It performs a service, twofold in its character, in respect of your inquiry. In the first place, it does what the business man hoped could be done but did not know how to do; and in the next place it has discovered new avenues of trade which the business man never knew existed. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 15, noes 49.

So the amendment was rejected.

Mr. CONNALLY of Texas. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CONNALLY of Texas: Page 2, line 7, after the word "follows," strike out and insert: "Class 1, 6 per cent, $8,000; class 2, 7 per cent, $7,000; class 3, 8 per cent, $6,500; class 4, 9 per cent, $5,500; class 5, 10 per cent, $4,500; class 6, 14 per cent, $4,000; class 7, $3,500; class 8, $3,250; class 9, $3,000; unclassified, $3,000 to $1,500."

Mr. CONNALLY of Texas. Mr. Chairman, I do not want to make a speech on this proposed amendment. I simply want to say that this amendment slightly scales the salaries in the bill about $500 a year in each class, beginning with a maximum of $8,000 and leaving the minimum the same.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. CONNALLY of Texas) there were 26 ayes and 49 noes.

So the amendment was rejected.

Mr. BLANTON. Mr. Chairman, on page 2, line 8, I move to strike out "nine thousand" and insert in lieu there of "eight thousand seven hundred and fifty."

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 8, strike out "nine thousand" and insert in lieu thereof "eight thousand seven hundred and fifty."

Mr. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate on the section and amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, this is merely a pro forma amendment. There is no chance in the world to alter an item in this bill. I realize that. There have been two opportunities given this body to economize. Two opportunities have been given you to reduce the expenses in this bill, and you have turned them both down. They were not radical propositions; they were conservative business propositions that were offered. The amendment of the gentleman from Mississippi [Mr. COLLINS] and the amendment of my colleague from Texas [Mr. CONNALLY] were both business propositions. You have turned them both down. I want the RECORD to show that there was not a single Republican in this body that voted for either proposition—not one. I want the blame placed right where it belongs.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. STRONG of Kansas. Does the gentleman know that the sums fixed in this bill have been considered by a committee upon hearings?

Mr. BLANTON. Yes; I know that. That was done last year; and therefore we are all bound to vote for everything in the bill, are we?

Mr. STRONG of Kansas. And no specific reason has been assigned for reducing them.

Mr. BLANTON. In the Republican Party nothing is any reason for reducing expenses. That is the policy of the Republican Party. As long as they can increase officeholders and raise their salaries you will never get Republicans to vote against it. They are always in favor of raising salaries, and that is the reason that this Government is now nearly a $4,000,000,000 Government. We have had a war. Yes; but why do we not forget it. The gentleman from Illinois [Mr. MADDEN] admitted here on the floor of this House the other day that we still have on the Government pay roll in the city of Washington 30,000 surplus employees, and he said they ought to be sent home. Why does he not cut them off? Because every time he cuts one of them off they run down to one of you Representatives or Senators and have you force the department to put them back.

They are on the pay roll because the gentleman from Illinois would not reduce the appropriation to pay for their salaries. If he would reduce the appropriations, and not provide salaries for them, we could send the 30,000 surplus employees out of town. They ought to be sent home. But you will not find Republicans voting to do that.

Mr. FITZGERALD. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. FITZGERALD. Did not the Republican Party reduce the Budget from six billion to three billion and a half?

Mr. BLANTON. That was an automatic reduction. [Laughter on the Republican side.] The reduction was the automatic result of peace. If there had been even a bolshevistic administration it would have been reduced just the same, as ridiculous as that might seem. Because with a bolshevistic administration God knows we could have a $10,000,000,000 Government.

Mr. FITZGERALD. And doesn't the gentleman know that the Republican administration reduced the Federal employees by more than 107,000 during that administration?

Mr. BLANTON. I just told the gentleman that was an automatic reduction. [Laughter on the Republican side.] You can claim credit for it if you want to, but if you want to really deserve credit for making reductions you ought to make good what the gentleman from Illinois [Mr. MADDEN] said when he said there were 30,000 surplus employees on the pay roll and send them home. If you will send them home and take them off the pay roll, I will take my hat off to you and send each of you a bouquet. [Laughter.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

Mr. BLANTON. That was a pro forma amendment which I am willing to withdraw.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 4. That foreign service officers may be appointed as secretaries in the Diplomatic Service or as consular officers, or both: *Provided*, That all such appointments shall be made by and with the advice and consent of the Senate: *Provided further*, That all official acts of such officers while on duty in either the diplomatic or consular branch of the foreign service shall be performed under their respective commissions as secretaries or as consular officers.

Mr. STEVENSON. Mr. Chairman, I move to strike out the last word. I hope I am in time to file a lis pendens against my distinguished friend from North Carolina [Mr. ABERNETHY]. On yesterday he made a speech in which he claimed everything for North Carolina except Andrew Jackson, and I was here watching him or he would have claimed him. But the part of his speech that I want to lodge a caveat against is this:

And on April 25, 1776, North Carolina, first of all the Colonies, empowered her delegates to the Continental Congress to vote for independence.

The Battles of Kings Mountain and Guilford Courthouse are written in emblazoned glory upon the pages of history. The part played by North Carolina in the Revolution was second to none of the original thirteen Colonies.

I rise to serve notice that Kings Mountain has been in my district and has been in South Carolina ever since the battle was fought, unless it has been moved recently. Furthermore, this Congress established Kings Mountain as being in South Carolina by putting a monument there. I do not believe the gentleman from North Carolina will be able to carry it across the line, and I serve notice on him that he is going to have a lawsuit if he tries it.

Mr. LOWREY. The gentleman from North Carolina claimed oysters for North Carolina. I do not think the gentleman will deny that he has met some of them.

Mr. STEVENSON. Oh, yes; I have; but the gentleman to whom I refer is not one of them, because he can talk all right.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

SEC. 7. That on the date on which this act becomes effective the Secretary of State shall certify to the President, with his recommendation in each case, the record of efficiency of the several secretaries in the Diplomatic Service, consuls general, consuls, vice consuls of career, consular assistants, interpreters, and student interpreters then in office and shall, except in cases of persons found to merit reduction in rank or dismissal from the service, recommend to the President the recommissioning, without further examination, of those then in office as follows:

Secretaries of class 1 designated as counselors of legation, and consuls general of classes 1 and 2 as foreign service officers of class 1.

Secretaries of class 1 designated as counselors of legations and consuls of class 3 as foreign service officers of class 2.

Secretaries of class 1 not designated as counselors, consuls general of class 4, and consuls general at large as foreign service officers of class 3.

Secretaries of class 2, consuls general of class 5, consuls of classes 1, 2, and 3, and Chinese, Japanese, and Turkish secretaries as foreign service officers of class 4.

Consuls of class 4 as foreign service officers of class 5.

Secretaries of class 3, consuls of class 5, and Chinese, Japanese, and Turkish assistant secretaries as foreign service officers of class 6.

Consuls of class 6 as foreign service officers of class 7.

Secretaries of class 4 and consuls of class 7 as foreign service officers of class 8.

Consuls of classes 8 and 9 as foreign service officers of class 9.

Vice consuls of career, consular assistants, interpreters, and student interpreters as foreign service officers, unclassified.

Mr. BLANTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 4, line 12, strike out the words "and student interpreters."

Mr. BLANTON. Mr. Chairman, for a number of years we have been carrying appropriations every year to pay salaries and subsistence, board and lodging, and schooling for a lot of student interpreters in Turkey, China, and Japan, and possibly some other places. I am informed that they are mostly patronage jobs. They are for friends of some of our friends in a great many instances. You have a young man who is a bright young fellow and you want to help educate him, and you send him over there to enter school as a student interpreter and have the Government pay him a salary, pay for his lodging and his subsistence and his schooling, and when he becomes educated so that he can speak the language fluently, instead of him giving his service to Uncle Sam, in many instances he sells what the Government has given him to some private commercial enterprise. That has been done in a number of cases that have been called to my attention in the last 10 years.

Mr. TEMPLE. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. TEMPLE. Does not the gentleman know that the reason that he sells his services to some corporation is because the corporation outbids the Government and pays the higher salary?

Mr. BLANTON. Oh, of course it does. The Government will never be able to compete with outside business on salaries. We may just as well quit trying to do anything of that kind. We take a young fellow who does not know A from izzard and we send him over there and educate him. Of course, we have made him a valuable man. We teach him to speak fluently the Chinese language or the Japanese language, or the various other substitutes that are used for the main language, and he becomes a valuable man, and commerce wants him and commerce takes him, and all the public money that we have spent upon him is lost.

Mr. TEMPLE. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Oh, by yielding continually I am not going to put myself up here as a target for committee men and their friends who travel to shoot at. You know all of our committees, mostly, are traveling committees, to a more or less extent, and the Foreign Affairs Committee is the main traveling committee of the House. It travels abroad. All of its members have been abroad, have they not?

Mr. TEMPLE. Not at Government expense.

Mr. BLANTON. I did not say that. I say that they have been abroad.

Mr. TEMPLE. I wanted the RECORD to show that what might be concluded from the gentleman's remarks is a mistake.

Mr. BLANTON. Some of them have been abroad at Government expense.

Mr. TEMPLE. Not as members of the committee.

Mr. BLANTON. Oh, the chairman and various others have.

Mr. TEMPLE. Not as members of the committee.

Mr. BLANTON. But we sent the chairman of this committee over there twice last year.

Mr. TEMPLE. Not as a member of the committee.

Mr. BLANTON. But we sent him over there, nevertheless, and paid his expenses twice, and we are going to send him twice this year, for you have already passed a measure allowing $40,000. It doesn't make any difference whether he went as a member of the committee or of a commission. He went just the same and is going again this year.

Mr. TEMPLE. If he will do as much good this year as he did last year, we ought to send him more than twice.

Mr. BLANTON. Oh, I am not complaining. He likely performs valuable service. I did try to reduce his appropriation from $40,000 to $10,000, as I thought $40,000 was too much for five people to spend. I mentioned about these trips abroad, because members of the committee come in contact with these foreign officers, and the foreign officers are nice to them and entertain them royally over there, and they appeal to them, and then these gentlemen come back and immediately want to raise their salaries.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COLLINS. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ROGERS of Massachusetts. Mr. Chairman, I rise in opposition to the amendment. By way of variety and only for a moment I desire to give the committee the facts about these student interpreters. There are but three student interpreters at the moment. All of them are in Peking. Each of the three receives a salary of $1,500 a year, and no more. They are under contract to stay on in the employment of the Government for at least five years, at the end of which time they are free to resign, as they ought to be. After they have been trained for a period of three years they will, if found competent, rise to be interpreters. After a time as interpreters, they will be promoted to be Chinese secretaries. These officials, in my judgment, are as important as any that the United States has anywhere in the field to-day. There is no patronage whatever in the appointments. They are selected on merit after examination. It is not easy to find competent Americans who know the Chinese language or who will learn it. I know of no way to get the men that the Government must have in the Orient for its purposes as good as the way proposed here.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. ABERNETHY rose.

Mr. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate upon this section and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. ABERNETHY. Mr. Chairman and gentlemen of the committee, a very serious diplomatic controversy has arisen during my absence from the Chamber. I was charged with removing a mountain yesterday by the name of Kings Mountain, and I desire to lodge my objection to what has been said by the gentleman from South Carolina [Mr. STEVENSON]. We could readily have claimed the birthplace of Andrew Jackson, but we did not do it, and I never said anything in my speech at all yesterday about Kings Mountain being in North Carolina. Half of the mountain is in South Carolina, but North Carolina furnished the larger portion of the troops that carried on the battle, and that is all that I referred to. The gentleman was born in North Carolina, and he is only temporarily living in South Carolina, being loaned to that State, and he should not go back on the place of his birth and try to take away the credit due to my State.

Mr. LOWREY. Does the gentleman think it is right for the State of North Carolina to claim two such distinguished gentlemen as the gentleman from South Carolina [Mr. STEVENSON] and the gentleman from North Carolina [Mr. ABERNETHY]? [Laughter.]

Mr. CONNALLY of Texas. Does not the gentleman think that if the gentleman from North Carolina and the gentleman from South Carolina were to revive that historic transaction which took place between the governors of those States respectively, they could settle upon the facts? [Laughter.]

Mr. ABERNETHY. Since the Volstead Act was passed that has been made impracticable. [Laughter.]

The CHAIRMAN. The time of the gentleman has expired. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

SEC. 8. That consuls general of class 1 and consuls of class 1 holding office at the time this act takes effect shall not, as a result of their recommissioning or reclassification, suffer a reduction in salary below that which they are then receiving: *Provided, however,* That this provision shall apply only to the incumbents of the offices mentioned at the time this act becomes effective.

That the grade of consular assistant is hereby abolished, and that all consular assistants now in the service shall be recommissioned as foreign service officers, unclassified.

Mr. BLANTON. Mr. Chairman, I move to strike out all of the first paragraph of section 8, beginning with line 19 to line 25, inclusive.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 5, line 19, strike out all of lines 19 to 25, inclusive.

Mr. BLANTON. Mr. Chairman, the report on this bill now under discussion indicated that there would be some salaries reduced, but this paragraph prevents any of the present incumbents from having their salaries reduced, and these consuls general will continue to draw the $12,000 just as long as they live and hold that office.

Mr. MOORES of Indiana. And one of them is 79 years of age.

Mr. BLANTON. Well, I know of a man who is 101 years old. Of course, we not all live that long.

Mr. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. ROGERS of Massachusetts. There are only two consuls general of class 1.

Mr. BLANTON. Does the gentleman say that only two consuls general are affected by this paragraph?

Mr. ROGERS of Massachusetts. Yes; and one of them soon retires automatically. We thought it was not fair to take away the best consul general that we have, Consul General Skinner at London. There is a limitation in the law that no retirement basic pay shall be higher than $9,000. The gentleman will find that is provided for on line 12.

Mr. BLANTON. Then that is not controlled by the language of that article?

Mr. ROGERS of Massachusetts. It is not.

Mr. BLANTON. Well, if it only embraces those two men I will not insist upon it. I will ask leave to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 12. That the President is hereby authorized to grant to diplomatic missions and to consular offices at capitals of countries where there is no diplomatic mission of the United States representation allowances out of any money which may be appropriated for such purpose from time to time by Congress, the expenditure of such representation allowance to be accounted for in detail to the Department of State quarterly under such rules and regulations as the President may prescribe.

Mr. COLLINS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Page 7, strike out all of section 12.

Mr. COLLINS. Mr. Chairman, this is an entirely new section. As I understand, it is contained in this bill for the first time.

Mr. ROGERS of Massachusetts. Mr. Chairman, will the gentleman permit an interruption?

Mr. COLLINS. Yes.

Mr. ROGERS of Massachusetts. It was carried in this bill at the last session in identically the same language.

Mr. COLLINS. This bill has been before this committee since May, 1919, and I understood that this section was now carried for the first time. I stand corrected, however, on this. This section authorizes the grant to diplomatic missions or to consular officers at capitals of countries where there is no diplomatic mission of the United States representation allowance out of any money appropriated, and so forth.

Now, as I pointed out, representation allowance is a very much larger allowance than a post allowance. Post allowances have been granted in the past few years, and I think are carried in appropriation bills now to the extent of $150,000 per annum. Post allowance covers merely the difference in exchange rates and is allowed only to the lower-paid employees, according to the testimony of the witnesses who appeared before this committee.

Representation allowance covers everything; it covers any sort of expense that a mission goes to as the result of representing this Government abroad. An automobile can be purchased by an ambassador under this section. Entertainments can be paid for out of this fund. Almost anything you can conceive of can be paid for under a representation allowance. Now, the amount that is going to be involved annually as a result of this provision in this bill is something that none of us can estimate.

It will be up to the whims and caprices of the people who represent this Government abroad; and, contrary to what might be supposed, the language in this section does not give the representation allowance solely to the minister or ambassador but gives it to the mission, and the mission includes not only the minister or ambassador but likewise everyone who is in the employ of that particular mission abroad.

Mr. BLANTON. Mr. Chairman, will the gentleman yield there?

Mr. COLLINS. I will.

Mr. BLANTON. Suppose they got the distinguished chairman of the committee over there some summer and entertained him well and got him to feeling good; then when he came back they put $200,000 or $300,000 in one of these bills for the representation allowance—how are we going to cut it out? We would be steam rollered and crushed on the floor.

Mr. MADDEN. They would not entertain me.

Mr. COLLINS. Post allowance, which represents merely the difference in exchange, amounted at one time during the war to $700,000 a year. If difference in exchange alone should amount to $700,000 a year, you can conceive by that what a representation allowance is going to be and what appropriation will be necessary in order to carry into effect the terms of section 12. I hazard the guess it will amount to $1,000,000 annually within five years.

Now, so that no one will misunderstand what a representation allowance is, I am going to read what Mr. Carr, of the State Department, says:

A representation allowance is an allowance which has its origin in the practice of foreign governments. It may cover furniture and furnishings for the official residence and the rent of the officer's residence. It may cover entertainment. It may cover an allowance for receptions on the annual Fourth of July celebration. It may cover an allowance for expenses of official entertainment given to the officers and commanders of our fleets when they visit foreign ports.

It seems to me we ought not to be any more liberal with these gentlemen than they want us to be, and it seems to me we ought not to go out of our way to grant them a representation allowance when, according to their own testimony, they do not want additional pay. Mr. Gibson, on page 18, says:

I don't believe chiefs of missions do need more pay.

Well, a representation allowance is nothing but an increase in the pay. It is an indirect way of increasing the pay of this class of officers. We are certainly liberal enough without adding this additional pay increase.

This Government should not embark upon a program of paying for entertainment allowances for any class of public officers. There is no more reason—not so much—for entertainment allowance for officers abroad than those higher ones on this side, and certainly we do not favor entertainment allowance for even Cabinet officers, and why should we grant such to our clerical forces abroad?

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ROGERS of Massachusetts. Mr. Chairman, I should like to request, if there is no further demand for time, that in five minutes all debate on this section and all amendments thereto be closed.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate on this section and all amendments thereto close in five minutes. Is there objection?

Mr. BLANTON. This is an important section and I want five minutes on this section. This is one of the most important sections in the bill.

Mr. CONNALLY of Texas. And I should like to have five minutes.

Mr. ROGERS of Massachusetts. I have no desire to cut off debate.

Mr. BLANTON. Will the gentleman from Massachusetts make it 15 minutes?

Mr. ROGERS of Massachusetts. Then make it 17 minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate on this section and all amendments thereto close in 17 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. TEMPLE. Mr. Chairman, the gentleman from Mississippi, who just took his seat, quoted one sentence, and only one, from the statement of Mr. Gibson before the committee:

I don't believe chiefs of missions do need more pay.

But quoting so much and stopping there is very misleading. I should like to quote the rest of that paragraph. Mr. Gibson said:

I don't believe chiefs of missions do need more pay. This is a very old story, and year after year our friends have agitated to have us better paid. There have been a large number of friendly and appreciative newspaper articles written and a sincere effort on the part of many of our friends to get our pay increased. I honestly feel, however, that we can get on perfectly well with the pay we now have, subject to one condition. That condition is that our pay shall be considered in the same light as the pay granted to a man in private life, to a banker, or to a hod carrier; i. e., that it shall be considered as remuneration for services rendered and not as a contribution toward paying the expenses of doing Government business.

The representation allowance which it is proposed to give is to take the place of that contribution toward paying the expenses of doing Government business, which contribution every one of these men now makes in holding official receptions and in other ways. Mr. Gibson very justly characterizes that as a contribution out of the pocket of the ambassador or minister to the Government for the purpose of doing the Government's business, because such entertainment is absolutely necessary in the kind of service that the minister or ambassador is performing.

Now, Mr. Gibson continues:

The pay now given to a chief of mission is not his own, and to all intents and purposes, instead of being paid, a diplomatic official pays for the privilege of representing his country. I, for instance, am paid the very respectable sum of $10,000 a year as minister in Warsaw. If this were my own money, to be spent on my own affairs, and part of it to be set aside to provide for my future, I should consider myself suitably paid. Instead of this, I spend all this money in order to represent the United States Government in a decent and dignified way.

I think the gentleman's remarks need no further answer.

Mr. CONNALLY of Texas. Mr. Chairman, I have no desire to be insistent about my objection to this section, but I do want the House to know what it is doing when it adopts this provision in the bill.

Now, the gentleman from Pennsylvania [Mr. TEMPLE], of course, is an enthusiast about the foreign service, and he is an enthusiast about our representatives living abroad in a dignified and decent way, as some of them term it. But he did not go far enough. If the gentleman from Mississippi did not quote all that Mr. Gibson said, neither did the gentleman from Pennsylvania.

Mr. TEMPLE. There are several pages of it.

Mr. CONNALLY of Texas. The gentleman from Pennsylvania did not quote something that is material. After saying that as minister to Poland he received $10,000 a year and spent it all in living, what else did he say?

If I had twice as much income as I now have available, it could all be used advantageously for the same purpose, and with increased results for the people who have to look to me for support and protection.

Now, gentlemen, when it comes to matters of entertaining and when it comes to the matter of living in a dignified way abroad there is no limit. You could spend $100,000 a year.

Mr. TEMPLE. Will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. TEMPLE. The limit will be the sum appropriated each year by the Congress.

Mr. CONNALLY of Texas. I understand that, of course, but what I mean is that the Government can not undertake to do these things adequately or at all, according to my view. We could spend $100,000 a year at every foreign post and then you would not entertain everybody who thought they ought to be entertained. It is not wise for this Government to adopt the policy of giving to diplomatic missions abroad Government funds out of which they may pay the expense of entertaining and various other expenses connected with foreign representation. If you adopt this provision and it becomes law, I want to warn you now that you will regret it, because you are turning over to the absolute whim of the State Department untold millions in the years that are to come.

I want to ask gentlemen on that side; I want to ask the chairman of the Appropriations Committee, who was pulled from his committee room here by influences to exert his great power in behalf of this bill; I want to ask the chairman of the Appropriations Committee, does he favor granting entertainment allowances to members of the Cabinet in this country? Does he believe the Secretary of the Navy ought to have a fund provided out of the Public Treasury for entertainment purposes? He will not say he is in favor of that. Does he believe that the Secretary of War ought to have a fund—a representation allowance—for entertainment purposes? He will not say he is in favor of that.

Gentlemen, the best conception of public service is builded upon the theory that we can not receive the emoluments of people out in industry and in trade. What Congressman who sits on this floor could not spend twice his salary and spend it decently, if he undertook to live in Washington in a way that a great many foreign representatives live and in the way that successful business men in this city live? We can not do it.

It is one of the disadvantages under which we must suffer when we undertake public service.

If the time ever comes when the prestige of America abroad must be dependent upon the number of teas which its diplomats give to foreign people; if the influence of America abroad ever falls to that low level, when its barometer will register according to the number of receptions and levees which its representatives abroad give; whenever that time comes it will evidence the fact that the fiber of America and the things for which we are supposed to stand shall have perished.

I do not believe in it. I believe we ought to pay our foreign representatives a decent wage and a decent salary and let their influence spring from the fact that they represent a great country like our own, and not let their influence depend upon the amount of entertaining which they are able to do.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. I ask for two minutes more.

The CHAIRMAN. The time has been limited. The gentleman from Texas asks unanimous consent to proceed for two additional minutes.

Mr. CONNALLY of Texas. Never mind, Mr. Chairman. The House is not sympathetic, and I do not care to speak further.

The CHAIRMAN. The gentleman from Texas withdraws his request.

Mr. BLANTON. Mr. Chairman, a man has to talk sometimes when the House is not sympathetic. I believe deep down in the heart of every man here who is not a member of this committee that he is against this paragraph. I believe the Members are against allowing large entertainment funds for our foreign officers, and if our distinguished chairman of the Committee on Appropriations [Mr. MADDEN] was not chairman of that committee, knowing him as well as I have known him here in the last seven years, I know that he would be the first man to take this floor against this provision. He is only permitting this to go through now for two reasons: First, he is intimidated [laughter and applause] by his party; and, secondly, he believes that, as chairman of the committee, he is going to be able to control it.

Mr. LEHLBACH. Will the gentleman yield?

Mr. BLANTON. I ask the gentleman to excuse me. The gentleman from Illinois [Mr. MADDEN] thinks he will control it, and I want to say this for him, because I do not believe in waiting until a man dies and then putting flowers on his grave. He does believe in economy just as far as it is within the power of a Republican to believe in it. [Laughter and applause.] He works all the time for economy according to his lights. He tries hard to effect it, but he can not do it. And he is a valuable man to the country.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. CONNALLY of Texas. I want to call the gentleman's attention to the Republican platform, which says that they all believe in it.

Mr. BLANTON. That is just a mouth declaration.

Mr. CONNALLY of Texas. The platform states that they believe in a policy of rigid economy.

Mr. BLANTON. That is for the public. I now yield to the gentleman from New Jersey.

Mr. LEHLBACH. Seeing that the gentleman yielded to the gentleman from Texas, I would like to ask the gentleman whether the chairman of the Appropriations Committee has authorized him to speak for him.

Mr. BLANTON. The gentleman from Illinois is one of the genial, courteous men of the House; he will let any friend speak for him [laughter]; but I want to say this: He soon may get tired of this job. There is going to be something much better probably for him in the future than this job. We are not going to have him in there always to watch our finances, and there may be somebody in there at the head of that committee who will not think on these questions as the gentleman

from Illinois now thinks, and that may cost this Government hundreds of thousands of dollars annually in this one little item alone.

Why can we not vote this out? Are we hobbled by this committee? It is not the proper kind of legislation to pass. It is against the ideals and the policies of this Government, and the distinguished gentleman [Mr. MADDEN] forcefully and eloquently told us about it here, as I mentioned, at 3 o'clock in the morning during the closing hours of the last Congress. Why does he not tell us so now? What have they done to him to make him come in here and speak for a bill like that?

We have no chance to stop it. The committee is going to pass the bill. I am wasting time; I know that [laughter]; but somebody has got to protest. Let me call your attention to this fact: There was just a little handful of us when we began talking against the annual $360,000 garden-seed proposition, and everybody laughed at us. They said we were wasting time. They said we could not stop it. We could only get 10 votes the first time we put it to a vote—just 10 votes against it—but we finally hammered on that proposition each and every year, and we got more and more votes against it each succeeding year until the House voted it out of the bill. That encourages me to fight and protest against these matters, even though some of you think we are not getting anywhere.

Mr. GREEN of Iowa. Does not the gentleman know that there were more Members on this side opposed to the garden-seed proposition than on that side?

Mr. BLANTON. Possibly so during this and last year, but the first time we put it to a vote there were only 10 votes against it.

I have the record of the fight for every year since I have been here when a vote was taken, and in the first fight we made there were only 10 votes against it.

Mr. LEHLBACH. That was on a motion to recommit made by the gentleman from Texas, and, of course, there were only 10 votes.

Mr. BLANTON. The gentleman from New Jersey, I presume, does not look at the measure before him but looks at and is controlled by the author of the measure. I look always at the measure. I do not care who proposes it. I would not care if the gentleman from New Jersey were sponsor for it, if it were a good measure I would support it. [Laughter and applause.]

The CHAIRMAN. The gentleman from Michigan [Mr. KETCHAM] is recognized for two minutes.

Mr. KETCHAM. Mr. Chairman and members of the committee, I am sure we have been delighted by the usual entertainment furnished by the gentleman from Texas [Mr. BLANTON] in his discussions on the bill. As I listened, however, an old saying came to my mind, "What you are speaks so loud that I can not hear what you say." [Laughter.]

In that connection I want to bring to the committee in the moment given me a curious coincidence. Objection was raised by the gentleman from Massachusetts [Mr. TREADWAY], I think on yesterday, concerning the extension privilege given the gentleman from Texas. The gentleman from Massachusetts made the statement that the expense of printing the extension granted the gentleman from Texas of 27 pages of advertising material gleaned from current newspapers was $1,042. If the 435 Members of the House of Representatives had likewise on that day all availed themselves of the same privilege, the total cost of their extensions would have been over $453,000, and that is within a few dollars of the exact net cost of our foreign establishment, both consular and diplomatic, for last year. [Laughter.]

More than that, if all the Members of the House had availed themselves of the same privilege of extension, the total number of pages on that day in the RECORD would have amounted to over 11,000, which is 4,000 more than the total number of pages filled by Members of both Houses of Congress thus far this session.

So I may say to the gentleman from Texas that when he speaks of economies it is well to practice as well as to preach. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired, all time has expired, and the question is on the amendment offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 19 ayes and 46 noes.

So the amendment was rejected.

The Clerk read as follows:

SEC. 18. Appropriations are authorized for the salary of a private secretary to each ambassador, who shall be appointed by the ambassador and hold office at his pleasure.

Mr. BLANTON. Mr. Chairman, on page 7, line 23, I move to strike out the words "appropriations are authorized."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 7, line 23, strike out the words "appropriations are authorized."

Mr. BLANTON. Mr. Chairman and gentlemen, the gentleman from Michigan [Mr. KETCHAM] spoke of my having put some matter in the RECORD day before yesterday, and he says it cost the Government money. We have approximately 4,000 employees in the Government Printing Office who work on a regular salary. Now, get this in your minds. What goes into the RECORD at night does not cost the Government one cent more, whether it is put in by the gentleman from Texas or the gentleman from Michigan.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. MORTON D. HULL. Perhaps we can get rid of some of them.

Mr. BLANTON. I have been trying to get rid of the surplus employees ever since I have been here. If they had not been printing matter furnished by me, they would have been printing matter uttered by the gentleman from Michigan, which would have been of less importance. [Laughter.] I want to show you the importance of this matter. I want to show you that I saved the country and the people $500,000.

Unfortunately, Mr. Chairman, neither our friend from Michigan [Mr. KETCHAM] nor our friend from Massachusetts [Mr. TREADWAY] are lawyers. They know nothing about law. They know nothing about "construction of statutes." Neither of them know anything whatever about the importance of placing in the record of a congressional debate of a measure that is unconstitutional, all facts demonstrating its unconstitutionality.

They did not know that, when passing upon the question of whether or not a law is unconstitutional, the Supreme Court looks not only to the Constitution but also to the debate of Congress at the time it passed such law. So we must make allowance for their ignorance. We must consider the source from which the criticism comes. We must feel sorry for them, because they are not qualified to discern what is clearly apparent to every posted lawyer.

Now, what was the importance of those 15 pages of advertisements from the Washington Star which I placed in the RECORD? To our two criticizing friends they appeared merely as ordinary advertisements that had no significance whatever. But Congress was passing a measure which recited a "legislative declaration" that a "war emergency" still existed as a basis for extending a war bureau known as the Rent Commission, which has kept rental property occupied by tenants in the District of Columbia away from lawful owners for over five years and which, by such extension, was attempting to keep such property from lawful owners for an additional two years, until May 22, 1926.

The House of Representatives passed this bill last Monday, April 28, 1924, declaring that a war emergency still existed and would continue to exist until May 22, 1926, right in the face of a decision rendered by the Supreme Court on the preceding Monday, April 21, 1924, wherein the Supreme Court said that from judicial knowledge they would hold that no such war emergency existed now. And on last Monday there were three new cases pending before the Supreme Court of the District of Columbia involving the constitutionality of this Rent Commission, which cases will eventually reach the Supreme Court of the United States. And when passing upon such cases, and upon the new extension act which the House passed last Monday, the main question that will be before the court will be whether there is such a scarcity of rooms, apartments, and houses here in Washington as to constitute the emergency declared by Congress to exist. And the Supreme Court will look to the entire debate in the CONGRESSIONAL RECORD, at the time the bill was passed, to determine whether such emergency in fact existed. Every posted lawyer knows this. So, knowing this, I placed in said debate on such bill in said RECORD 15 pages from one newspaper alone, of date April 27, 1924, of advertisements offering property scattered all over this city for rent, and in instances some owners offered a bonus of one month's rent free to any tenant who would rent the property. And in such connection I offered excerpts from the printed hearings of the committee, from sworn testimony of the witnesses, showing not only that vacant properties existed all over the city offered for rent at fair prices but also that this war institution, the Rent Commission, was being used by avaricious landlords as an excuse for raising rents and for keeping vacant hundreds of unoccupied residences

which the owners would not rent because they did not want same controlled by undesirable tenants who they could not ever put out as long as the Rent Commission existed. This evidence showed that rents in the District of Columbia were higher because of the Rent Commission than they would be if we did not have it. And poor tenants all over the city were suffering thereby. And the Government was paying the bill for keeping up this war bureau, when by getting rid of this Rent Commission would save the Government, and the people, and the tenants several hundred thousand dollars each year.

And I knew that the only way to get rid of this Rent Commission and of this new extension act passed last Monday by the House was for the Supreme Court to knock it out as being unconstitutional. And, up to the time that I put that evidence in the RECORD, there was not any evidence of the existing conditions here in the District embraced in the entire debate, and I realized that it was necessary for such evidence to be incorporated in such debate, and therefore I had same printed in the RECORD, knowing that it would be instrumental in saving the Government, the municipality, and the good people here who are tenants several hundred thousand dollars each year.

In extending such remarks, the gentleman from Massachusetts [Mr. TREADWAY] last night intimated that I did not get permission to do so. He is mistaken, just as he is about all of his criticism. If you will turn to page 7568 of the RECORD for last Monday, April 28, 1924, at the bottom of column 2, you will see the following:

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

During the debate last Monday, I was in control of one-half of the opposition time against that bill, and if I hadn't been using the time, it would have been used by somebody else, probably by the two criticizing gentlemen, Mr. KETCHAM and Mr. TREADWAY, and what they would have said would have gone into the RECORD, and would have occupied space according to what they said.

In what the gentleman from Massachusetts [Mr. TREADWAY] said yesterday, and what the gentleman from Michigan [Mr. KETCHAM] has just said to-day, they would have the uninformed to believe that when there is not much to print in the RECORD of any day, there are some Government employees in the Printing Office who would make nothing that day, and would go hungry. That is not the case. Our force of approximately 4,000 employees in the Government Printing Office are regular employees, who work regularly, who are paid salaries, and get their pay checks every two weeks just like other Government employees, and who get their vacation leave, and their sick leave, and who are retired on retirement pay when they reach certain ages, and some of whom print the RECORD every night, whether it is much or little.

In said debate I was not making a record for the lower court, as I knew what the House would do, but I was preparing the record for the Supreme Court of the United States, which, on such record, will hold that rent act unconstitutional and void, and save $500,000 annually.

Mr. MACLAFFERTY. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. MACLAFFERTY. How does the gentleman get definite information on the coming decisions of the Supreme Court?

Mr. BLANTON. Because of what they held on the 21st day of April, 1924, when they then decided the rent act was unconstitutional, and they will hold it so again. The money that was spent in printing which the gentleman from Massachusetts talks about, despite what the gentleman from Massachusetts said about it in his speech, was well spent. I know how easy it is to get up and try to hamstring a man when he was against that kind of Rent Commission legislation. He [Mr. TREADWAY] must want the Supreme Court to hold it in order. They must believe in that kind of Rent Commission legislation up in Massachusetts, taking a man's property away from him without compensation for eight years after the war. His constituents must believe in it, and he is therefore getting up here and trying to hamstring me to please his Massachusetts constituents.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ROGERS of Massachusetts. Mr. Chairman, I think the committee would like to finish this bill to-night. I think we can do it to-night if we hasten debate as much as we can. I ask unanimous consent that all debate on this section close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none.

Mr. TREADWAY. Mr. Chairman, I rise in opposition to the pro forma amendment offered by the gentleman from Texas.

Mr. CONNALLY of Texas. Mr. Charman, I do not want to interfere with the gentleman, but is the gentleman going to speak on the bill?

Mr. TREADWAY. This is on the amendment offered by the gentleman from Texas.

Mr. CONNALLY of Texas. If the chairman of the committee is going to hold us here late to-night and fill up the intervening time with debate upon matters not connected with the bill, I am going to start something.

Mr. ROGERS of Massachusetts. Inasmuch as the gentleman from Massachusetts, my colleague [Mr. TREADWAY], has been engaged in this colloquy, I thought it was only fair that he should be given opportunity to reply.

Mr. CONNALLY of Texas. I have no objection to that.

Mr. ROGERS of Massachusetts. I shall ask the members of the committee hereafter to confine themselves to the subject matter of the bill.

Mr. CONNALLY of Texas. When does the gentleman propose to have the committee rise?

Mr. ROGERS of Massachusetts. I think we can complete the bill this evening, in half an hour.

Mr. CONNALLY of Texas. Does the gentleman intend to move to rise about 5 o'clock?

Mr. ROGERS of Massachusetts. I should like to complete the bill in committee to-night.

Mr. CONNALLY of Texas. I know; but I do not propose to stay here listening to debate on matters outside of the bill.

Mr. ROGERS of Massachusetts. It is not possible to make a prediction with any accuracy.

Mr. CONNALLY of Texas. We have had the gentleman from Michigan [Mr. KETCHAM] debate this matter, and then the gentleman from Texas [Mr. BLANTON], and we will now have the gentleman from Massachusetts [Mr. TREADWAY] and then probably somebody else.

Mr. BLANTON. Oh, I shall want to answer the gentleman.

Mr. CONNALLY of Texas. Of course, the gentleman from Texas would want to answer.

Mr. TREADWAY. I shall yield part of my five minutes for his answer.

Mr. CONNALLY of Texas. I do not care how much these gentlemen talk, but I am not going to stay here late to-night to listen to them.

Mr. TREADWAY. Mr. Chairman, the gentleman from Texas [Mr. BLANTON] stated that if the matter that he put into the RECORD—advertisements from the Washington Star—had not been inserted the pay of the employees of the Government Printing Office would have gone on just the same. I am reliably informed that the greater part of the work on the CONGRESSIONAL RECORD is piecework, and that the men are paid by the amount of type set. I called up the Public Printer yesterday and was told that, per page, the amount was $38.60. Therefore, the extension that the gentleman made, which he put in the RECORD of yesterday, did cost, as the gentleman from Michigan said, $1,042. Nothing would have taken its place, so far as payment is concerned, if it had not been inserted, and it was therefore an additional expense.

The gentleman laid stress upon the fact that his insertion is of great value to the Supreme Court of the United States. Whoever heard of the Supreme Court accepting as evidence hearsay matter copied from the advertising pages of the newspapers, printed in the CONGRESSIONAL RECORD? I am not a lawyer, but I defy anyone to say that that is legitimate and good evidence before the highest tribunal in the land. I think the gentleman was not furnishing anything to the Supreme Court when he caused the taxpayers to be charged with a thousand dollars or more for the insertion of extraneous matter, more than half of which he published in the RECORD without permission of this House.

Mr. BLANTON. Oh, I deny that, and as a matter of fact it would save $500,000.

Mr. TREADWAY. It will save nothing, and the Supreme Court does not care a rap what the gentleman puts into the RECORD.

Mr. BLANTON. Oh, the gentleman says that because he is a layman and not a lawyer, and does not know.

Mr. TREADWAY. But I have a little common sense, and certainly the Supreme Court uses the same sort of common sense in combination with their great legal learning. Matter

printed in the CONGRESSIONAL RECORD is not of the slightest interest to the Supreme Court, nor is it legitimate evidence. The gentleman could not submit it to a court in his own district in Texas and get away with it. Why, it would not be evidence even before one of these investigating committees of the United States Senate, and the Lord knows they accept almost anything as evidence.

Mr. BLANTON. Oh, the gentleman is like an ostrich with his head in the sand.

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

SEC. 18. The President is authorized to prescribe rules and regulations for the establishment of a foreign service retirement and disability system to be administered under the direction of the Secretary of State and in accordance with the following principles, to wit:

(a) The Secretary of State shall submit annually a comparative report showing all receipts and disbursements on account of refunds, allowances, and annuities, together with the total number of persons receiving annuities and the amounts paid them, and shall submit annually estimates of appropriations necessary to continue this section in full force: *Provided*, That in no event shall the aggregate total appropriations exceed the aggregate total of the contributions of the foreign service officers theretofore made, and accumulated interest thereon.

(b) There is hereby created a special fund to be known as the foreign service retirement and disability fund.

(c) Five per cent of the basic salary of all foreign service officers eligible to retirement shall be contributed to the foreign service retirement and disability fund and the Secretary of the Treasury is directed on the date on which this act takes effect to cause such deductions to be made and the sums transferred on the books of the Treasury Department to the credit of the foreign service retirement and disability fund for the payment of annuities, refunds, and allowances: *Provided*, That all basic salaries in excess of $9,000 per annum shall be treated as $9,000.

(d) When any foreign service officer has reached the age of 65 years and rendered at least 15 years of service he shall be retired: *Provided*, That the President may, in his discretion, retain any such officer on active duty for such period not exceeding five years as he may deem for the interest of the United States.

(e) Annuities shall be paid to retired foreign service officers under the following classification, based upon length of service and at the following percentages of the average annual basic salary for the 10 years next preceding the date of retirement: Class A, 30 years or more, 60 per cent; class B, from 27 to 30 years, 54 per cent; class C, from 24 to 27 years, 48 per cent; class D, from 21 to 24 years, 42 per cent; class E, from 18 to 21 years, 36 per cent; class F, from 15 to 18 years, 30 per cent.

(f) Those officers who retire before having contributed for each year of service shall have withheld from their annuities to the credit of the foreign service retirement and disability fund such proportion of 5 per cent as the number of years in which they did not contribute bears to the total length of service.

(g) The Secretary of the Treasury is directed to invest from time to time in interest-bearing securities of the United States such portions of the foreign service retirement and disability fund as in his judgment may not be immediately required for the payment of annuities, refunds, and allowances, and the income derived from such investments shall constitute a part of said fund.

(h) None of the moneys mentioned in this section shall be assignable, either in law or equity, or be subject to execution, levy, or attachment, garnishment, or other legal process.

(i) In case an annuitant dies without having received in annuities an amount equal to the total amount of his contributions from salary with interest thereon at 4 per cent per annum compounded up to the time of his death, the excess of the said accumulated contributions over the said annuity payments shall be paid to his or her legal representatives; and in case a foreign service officer shall die without having reached the retirement age the total amount of his contributions with accrued interest shall be paid to his legal representatives.

(j) That any foreign service officer who before reaching the age of retirement becomes totally disabled for useful and efficient service by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the President, be retired on an annuity under paragraph (f) of this section: *Provided, however*, That in each case such disability shall be determined by the report of a duly qualified physician or surgeon designated by the Secretary of State to conduct the examination: *Provided further*, That unless the disability be permanent, a like examination shall be made annually in order to determine the degree of disability, and the payment of annuity shall cease from the date of the medical examination showing recovery.

Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the foreign service retirement and disability fund.

When the annuity is discontinued under this provision, before the annuitant has received a sum equal to the total amount of his contributions with accrued interest, the difference shall be paid to him or to his legal representatives.

(k) The President is authorized from time to time to establish, by Executive order, a list of places in tropical countries which by reason of climatic or other extreme conditions are to be classed as unhealthful posts, and each year of duty at such posts, while so classed, inclusive of regular leaves of absence, shall be counted as one year and a half, and so on in like proportion in reckoning the length of service for the purposes of retirement.

(l) Whenever a foreign service officer becomes separated from the service except for disability before reaching the age of retirement, 50 per cent of the total amount of contribution from his salary without interest shall be returned to him.

(m) Whenever any foreign service officer, after the date of his retirement, accepts a position of employment the emoluments of which are greater than the annuity received by him from the United States Government by virtue of his retirement under this act, the amount of the said annuity during the continuance of such employment shall be reduced by an equal amount: *Provided*, That all retired foreign service officers shall notify the Secretary of State once a year of any positions of employment accepted by them stating the amount of compensation received therefrom, and whenever any such officer fails to so report it shall be the duty of the Secretary of State to order the payment of the annuity to be suspended until such report is received.

(n) The Secretary of State is authorized to expend from surplus money to the credit of the foreign service retirement and disability fund an amount not exceeding $5,000 for the expenses necessary in carrying out the provisions of this section, including actuarial advice.

(o) Any diplomatic secretary or consular officer who has been or any foreign service officer who may hereafter be promoted from the classified service to the grade of ambassador or minister, or appointed to a position in the Department of State, shall be entitled to all the benefits of this section in the same manner and under the same conditions as foreign service officers.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to extend in the RECORD the remarks I made upon this bill.

The CHAIRMAN. Is there objection?

There was no objection.

The following committee amendments were severally reported and severally agreed to:

Page 10, line 22, after the word "force," insert the words "and such appropriations are hereby authorized."

Page 11, line 22, strike out the word "next," after the word "the," and insert the word "next," after the word "years."

Page 23, line 11, correct the spelling of the word "retirement."

Page 13, line 12, strike out the letter "f" in the parentheses and insert the letter "e."

Page 15, line 6, strike out the letter "m" in the parentheses and insert the letter "n."

Mr. ROGERS of Massachusetts. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Massachusetts: Page 12, line 25, after the word "compounded," insert the word "annually."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROGERS of Massachusetts. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Page 15, line 17, at the end of subsection (o), insert new subsection, as follows:

"(p) For the purposes of this act the period of service shall be computed from the date of original oath of office as secretary in the Diplomatic Service, consul general, consul, vice consul, deputy consul, consular assistant, consular agent, commercial agent, interpreter, or student interpreter, and shall include periods of service at different times in either the Diplomatic or Consular Service, or while on assignment to the Department of State, or on special duty, but all periods of separation from the service and so much of any period of leave of absence as may exceed six months shall be excluded: *Provided*, That service in the Department of State prior to appointment as a foreign-service officer may be included in the period of service, in which case the officer shall pay into the foreign-service retirement and disability

fund a special contribution equal to 5 per cent of his annual salary for each year of such employment, with interest thereon to date of payment compounded annually at 4 per cent."

Mr. ROGERS of Massachusetts. Mr. Chairman, the purpose of this amendment is to fix clearly, for the benefit of the comptroller, the exact moment at which an entrant into the foreign service shall be deemed to have become connected with the service. The provision in effect was included in the retirement section as it was passed by the House last year. I think the amendment simply gives effect to what would happen even if the language were not presented. It is intended merely to be a safeguard for the benefit of the comptroller.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. McLAUGHLIN of Michigan. As I caught the reading of the amendment offered by the gentleman from Massachusetts, it includes anyone employed in the State Department.

Mr. ROGERS of Massachusetts. It includes any foreign service officer who at any time was employed in the State Department.

Mr. McLAUGHLIN of Michigan. I do not understand that the amendment is restricted enough. It says "anyone employed in the State Department." It may have been a janitor.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. LEHLBACH. I followed the reading very closely and I am familiar with provisions of this sort. The only persons in the service of the State Department who are covered are of two classes: One a diplomatic or consular officer who is assigned to the State Department, who is assigned to duty there, or a person who begins his diplomatic service as an employee of the State Department in the first place.

Mr. McLAUGHLIN of Michigan. That is, no doubt, the intention of the amendment offered by the gentleman from Massachusetts, but the amendment is drawn in such a way that I doubt very much if that will be the construction, although I realize that I have not had time or opportunity to examine it closely. I would suggest the reading of it again, if there is no objection.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the amendment be again reported. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will again report the amendment.

The amendment was again read.

Mr. BLANTON. Mr. Chairman, I reserve a point of order.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I submit that the first two lines of the proviso are wide open:

Provided, That service in the Department of State prior to the appointment of a foreign-service officer may be included.

Service in the Department of State in what capacity? Any and all capacities.

Mr. CONNALLY of Texas. Why should it not be so?

Mr. McLAUGHLIN of Michigan. Service in the Department of State as a stenographer or doorkeeper?

Mr. CONNALLY of Texas. Why should not a doorkeeper be retired as well as anyone else?

Mr. McLAUGHLIN of Michigan. Well, if that is the intention, that is another matter.

Mr. ROGERS of Massachusetts. It relates only to the foreign-service officer, but it does not discriminate against the foreign-service officer who has risen from the ranks. It provides in a case of that sort that the beneficiary shall pay into the retirement fund 5 per cent of his salary.

Mr. McLAUGHLIN of Michigan. And regardless of the character of his employment before he went into the Diplomatic Service?

Mr. ROGERS of Massachusetts. Yes.

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] reserves a point of order.

Mr. BLANTON. Mr. Chairman, I make the point of order that it is not germane to this paragraph of the bill.

The CHAIRMAN. The gentleman realizes that it has been debated for a considerable time.

Mr. BLANTON. I realize that; but I still make the point of order.

The CHAIRMAN. The Chair overrules the point of order.

Mr. LONGWORTH. I make the point of order, Mr. Chairman, that it is too late.

Mr. BLANTON. I make the point of order——

Mr. LONGWORTH. It is too late, because the chairman of the committee and the gentleman from Texas [Mr. CONNALLY] have debated the point of order.

The CHAIRMAN. The Chair will enforce the rule. The Chair is disposed to overrule the point of order made by the gentleman from Texas.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BEEDY. Mr. Chairman, I offer an amendment.

Mr. CONNALLY of Texas. Mr. Chairman, I had an amendment pending, but I yield to the gentleman from Maine.

Mr. BEEDY. I thank the gentleman very much. I wanted to offer this amendment: On page 14, line 15, strike out "50 per cent of."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Maine.

The Clerk read as follows:

Amendment offered by Mr. BEEDY: Page 14, line 15, strike out the figures and words "50 per cent of."

Mr. BEEDY. Mr. Chairman, I would like to ask the chairman of the subcommittee where the idea originated of inserting this provision, which operates in the way of a penalty on a man who contributed toward the retirement fund and for reasons other than disability left the service and is unable to avail himself of the benefits?

Mr. ROGERS of Massachusetts. That amendment was not carried in the bill as I introduced it, and was adopted as the result of a rather elaborate discussion in the committee. The gentleman's point, I take it, is that it departs from the practice set forth in the Lehlbach law.

Mr. BEEDY. Mr. Chairman and gentlemen of the House, we have a retirement fund from which the officers of the Army and Navy receive the benefits, a retirement fund to which they contribute not a dollar. Now, we are proposing a retirement fund for men who, in my humble opinion, are very much underpaid, and will be, even if this bill is passed. I think subsection (1) is not in keeping with the general purpose of the bill. I do not think it is fair, and I do not think that the men on this floor, if they give this matter a moment's thought, will want to vote to retain this section, which in practice operates as follows: Here is a man who has been in the foreign service. Five per cent of his pay has been taken from him to put into the retirement fund, but for some reason or other he leaves the service at the end of five years.

Perhaps he finds himself unable to keep abreast of his financial obligations under the salary which he is receiving. Now, then, are you going to say to that man, "We will take away from you half of all the money you have already paid into this retirement fund"?

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. BEEDY. Yes.

Mr. CONNALLY of Texas. Has he not had during all of that five years the insurance of retirement and being continued in the service? Would it be fair to allow those people to only get something out of the Treasury and not put anything into that fund?

Mr. BEEDY. If I understand the gentleman, my answer would be this: Anybody, if this law goes into effect, who stays in the service 15 years would, of course, receive the benefit of the retirement fund, but in those cases of voluntary withdrawal prior to the 15-year period the Government has had the money paid into the retirement fund, and for the Government to take half of all the money which a man has contributed, if he sees fit to leave the service, does not seem to me to be in conformity with the general spirit of the bill, which, as I understand, is to treat the men in our foreign service decently.

Mr. BEGG. Will the gentleman yield?

Mr. BEEDY. Yes.

Mr. BEGG. If the gentleman buys an insurance policy in public life anywhere and carries it for 5 years or 10 years and then decides to drop it, does the company pay back all the money that has been paid in or even return half of it?

Mr. BEEDY. On such life insurance as I hold I get more than half if I carry it more than three years.

Mr. BEGG. I would like to know the gentleman's company, because I would like to take out some insurance in that company.

Mr. BEEDY. If the gentleman will come to my office, I will let him read the policies.

Last summer I had occasion to visit 10 foreign countries, I was impressed with the high order of ability of the men in our foreign service, I was impressed with the fact that they were very greatly underpaid. I am very much in sympathy with

this bill, but it does not seem to me that this particular provision of it conforms to the general spirit of the bill. The House will be the better judge of that matter than I am, but I should like to see the matter brought to a vote.

Mr. LITTLE. Did I understand the gentleman to say he thought they were underestimated?

Mr. BEEDY. No; I said I thought they were underpaid.

Mr. BEGG. Mr. Chairman, I rise in opposition to the amendment. I think it only fair to say in this connection that this provision is in the bill more because of my insistence, perhaps, than because of the gentleman from Massachusetts. He was rather inclined to be against it, but I brought the proposition down to a straight business basis. I am not at all alarmed about these fellows in the Consular Service being imposed upon. I have a constituent in the Consular Service who is married and has two children. He prefers to have that job and live over there than to have a job in the United States. He stated to me that he could live over there better on the salary he is getting from the Government now—because this was before this bill was reported—than he could live back in Ohio on any salary that he could earn there.

Now, I am for the bill increasing the salaries of these men and I am for doing everything I can to stimulate trade, because trade is the life of the country. But why should you select a certain class of people and give them preferential gratuities in old age which are at the expense of the people who are not employed by the Government and who receive no gratuity? We do it for the Army and the Navy and I really think they ought to be compelled to pay something, yet with the Army and the Navy it is an entirely different proposition because there is more or less hazard there. But why should I get into the Consular Service and stay 5 years, 10 years, or 14 years, enjoy, if you please, insurance against old age and then leave the service of my own volition and receive what I have paid in, because I would no doubt leave the service on the presumption that I was bettering my condition or I would stay. Every kind of a condition is covered in the bill. If a man is discharged from the Government service for any reason that is covered, and if a man voluntarily quits the Government service, should the Government act as a savings bank for him and charge him no penalty? There is not a bank in the world that will do it for you, nor is there an insurance company in the world that will do it for you. The gentleman from Maine is absolutely wrong when he says there are insurance companies in the United States which will, if you drop your insurance, refund you even 50 per cent; they will not even refund you 10 per cent, nor 5 per cent, nor 1 per cent, and because they do not do that they can write cheaper insurance for the men who carry it.

Mr. BEEDY. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. BEEDY. Lest there be any misunderstanding about it, did I understand the gentleman in his recent statement to imply that I am arguing that we ought to give back to a person leaving the service what he has contributed with interest.

Mr. BEGG. Well, if the gentleman's amendment succeeds, that is exactly what will be done. He puts in 5 per cent annually for 14 years, the Government compounds it annually, and then he quits to get a better job, and then the Government turns in all the money he has paid in for the insurance he has carried, plus 4 per cent compound interest.

Mr. BEEDY. If the gentleman will read the provision, he will find it provides for no interest. It is a special section and stipulates no interest.

Mr. BEGG. The gentleman only struck out the 50 per cent?

Mr. BEEDY. That is all.

Mr. MACLAFFERTY. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. MACLAFFERTY. If a man has paid insurance for a certain length of time and then drops it, does not the gentleman know that while the company does not return him all or half the money it carries him on with paid-up insurance?

Mr. BEGG. Absolutely, and that is what is provided here. I am carrying him to the extent of 50 per cent.

Mr. MACLAFFERTY. The gentleman did not make that clear.

Mr. BEGG. Well, it is hard to make every point clear in a brief time.

If the gentleman's amendment succeeds, we provide these men with an annuity for life after retirement, or if they quit to take a better job before reaching the age of retirement under the gentleman's amendment we would give them back the total amount of their contribution from their salary without interest. I was in error when I said we compounded it. We do not compound it.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BEGG. May I have just one more minute?

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for one additional minute. Is there objection? [After a pause.] The Chair hears none.

Mr. BEGG. I do not want to misstate the facts. We do not compound the premium, but we return him all the premium. If the bill stays as it is, we penalize him 50 per cent of the premiums and refund the other 50 per cent, which I think is absolutely equitable and absolutely fair, and I hope the gentleman's amendment will not prevail.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Maine.

The amendment was rejected.

Mr. CONNALLY of Texas. Mr. Chairman, I offer an amendment.

Mr. ROGERS of Massachusetts. Mr. Chairman, I understand there are two more amendments to be offered, and I wonder if we could agree at this time, for the convenience of the committee, to close debate in 15 minutes, and I ask unanimous consent for that purpose.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate on this section and all amendments thereto close in 15 minutes. Is there objection? [After a pause.] The Chair hears none.

The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CONNALLY of Texas: Page 11, line 24, strike out the "60" and insert "40"; in line 25 strike out "54" and insert "36"; and on page 12, line 1, strike out "48" and insert "32"; and in line 2 strike out "42" and insert "28," and in line 3 strike out "36" and insert "24," and in line 4, strike out "30" and insert "20."

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, this amendment proposes to reduce the scale of percentages on retirement by one-third as carried in the bill.

The bill carries increases of salary on the theory that persons in the Diplomatic and Consular Service should have more than sufficient to barely exist and that salaries provided would be fairly adequate for a decent and comfortable livelihood. By adding a liberal retirement feature the bill proposes to encourage these gentlemen to live up to every dollar of their salary. It is possible under this bill for a secretary who has been in the service for 30 years to retire on an annual compensation of $5,400 per year. You gentlemen may think that is good public policy, but I believe that these rates are too high.

Gentlemen, you have heard on this floor this very afternoon retirements in the Army and the Navy cited as reasons why we should adopt this retirement provision in behalf of the foreign service. The gentleman from Maine stood here and said:

Why, the Army and the Navy have a retirement system and the Government pays all of it. Why should we not have a similar system for the foreign service?

If you adopt this provision in the bill you will simply be affording another precedent, and it will not be long until the clerks and the secretaries in the departments here in Washington and the secretaries of Congressmen will be at the doors of Congress wanting their retirement wages increased, and they will make their complaint with forcefulness when they call your attention to the fact you have adopted a bill making it possible for a secretary in the Diplomatic Service to retire and to draw out of the Public Treasury money raised by the sweat of the American taxpayers and give that secretary $5,400 out of the Treasury, a secretary who neither sows nor does he reap; who neither toils nor does he spin. I want to say, my friends, that when you do that you will be encouraging every department in this Government——

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COLLINS. I yield the gentleman four minutes.

The CHAIRMAN. Without objection, the gentleman may proceed four additional minutes.

Mr. CONNALLY of Texas. Mr. Chairman, let me tell you something. The Republican platform—and I am not making a partisan appeal, because the Democrats do it, too—the Republican platform proclaims the doctrine that you believe in economy, in rigid economy:

We pledge ourselves to a careful plan of readjustment to a peace-time basis and to a policy of rigid economy.

The Democratic platform pledges that kind of a policy. We go before the American people and you go before the American people and we tell them we are in favor of retrenchment. We believe in cutting people off the pay roll, we believe in rigid economy, and yet by this act, gentlemen, you are adding to the pay roll employees who retire from the service; and, mind you, you are not adding them to the rolls simply during your administration of four years, but you are adding them to the pay roll until Gabriel himself by a blast from his horn announces that their time for an accounting has come.

You are putting them on the pay roll, some of them at $5,400 a year. Why, gentlemen, they will not have to entertain anyone after they retire. There will be no necessity for the retirement salary to be so high. If you are going to retire them, do not put them on a salary that, supplemented by their savings, will permit them to live in luxury, but give them a salary upon which they can get along comfortably.

Mr. LITTLE. Will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. LITTLE. Does the gentleman say that these men get $5,400?

Mr. CONNALLY of Texas. That is the maximum.

Mr. LITTLE. Secretary of what?

Mr. CONNALLY of Texas. Embassies.

Mr. LITTLE. Has the gentleman offered an amendment?

Mr. CONNALLY of Texas. Yes; my amendment is to scale it down one-third. Of course, that is the maximum, but if only one gets $5,400 that will be too much out of the Treasury of the United States.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. CONNALLY of Texas. Yes; I yield to the statistician of Illinois.

Mr. CHINDBLOM. I will fortify my statement I made a while ago. Does the gentleman contend that the statement in the report as written on the basis of the bill that the Government will contribute only 1.94 of the salary is wrong?

Mr. CONNALLY of Texas. Yes; I contend that is wrong. All of these things were recommended and submitted by people who were in favor of the bill. I do not say that the estimates were willfully wrong, but I do say that all of these estimates were based on speculation and figures of actuaries, and the gentleman knows that there is no mathematical accuracy in those figures.

Mr. CHINDBLOM. I think we may take the figures of the actuaries.

Mr. CONNALLY of Texas. Well I do dispute the statement that only 1.94 is contributed by the Government. If the gentleman will read the bill, he will see that it is provided the Government shall not pay any more toward the retirement fund than individuals contribute, which shows that the Government will pay half.

Mr. CHINDBLOM. That is only a safeguard.

Mr. CONNALLY of Texas. No; it is not.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Clerk will report the amendment offered by the gentleman from Mississippi.

The Clerk read as follows:

Page 11, line 14, strike out the figures "65" and insert "70" and strike out all after the word "retired," in line 15, page 11.

The CHAIRMAN. The gentleman from Mississippi is recognized for one minute.

Mr. COLLINS. Mr. Speaker, the amendment I have offered simply makes the retirement age 70 instead of 65 and makes it conform to the civil service retirement law as it now stands.

Mr. ROGERS of Massachusetts. Mr. Chairman, I shall not detain the committee for much of the five minutes that I reserved for myself. It is extremely difficult to get the precise cost of a retirement law. The Committee on Foreign Affairs realized that, but at the same time desired to go as far as it could go toward getting all information that was humanly possible. We consulted the board of actuaries which is administering the civil service retirement disability fund. Under date of January 7 we received the actuaries' report. They may have made mistakes, there may be a margin of errors, but I think we can say that they are more likely to guess right than anybody in the House or anybody outside. This is what they say:

The calculation indicates the contribution equal to 6.94 per cent of the salaries of all new employees will be sufficient to provide the benefits for employees entering the foreign service under the plan proposed in this bill. Employees' contributions at the rate of 5 per cent of their salaries will therefore cover 72 per cent of the normal cost of the benefits and a contribution equal to 1.94 per cent of the salaries of new employees will be required by the Government in order to cover the remainder of the normal cost of the benefits.

In other words, gentlemen, the committee, by fixing a 5 per cent contribution under this section, provides that the contribution of the employees shall be at the rate of $5 in comparison with every $2 contributed by the Government. The effect of the Connally amendment would be that the Government would make a profit out of the salaries which it had been paying the officers.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. CONNALLY of Texas. The gentleman does not want to make a mistake; the most favorable testimony is that they would pay 72 and the Government 28 per cent.

Mr. ROGERS of Massachusetts. Seventy-two per cent of the cost would be paid by the employees and 28 per cent would be paid by the Government. The effect of the gentleman's amendment would be that by reducing annuities one-third the Government would make a profit out of the retirement fund. Considering the way we have established other retirement funds, that seems rather an absurd result.

We retire our Federal judges on full pay without contribution. We retire Army and Navy officers on three-quarters pay without contribution. Great Britain retires her foreign-service people on two-thirds pay without contribution. We retire our Coast Guard; we retire our Lighthouse Service; we retire pretty generally the employees of the Government without contribution. We retire the mass of civil-service employees of the Government on the basis of 2½ per cent contribution. The effect of the civil service retirement law—and the gentleman from New Jersey [Mr. LEHLBACH], the author of the law, will correct me if I am wrong—is that the Government pays 58 per cent of the benefits and the employees 42 per cent. At least it was so testified in the hearings. What we are asking in this provision is merely that the Government shall pay $1.94 for every $5 that is contributed by the employee.

Mr. LEHLBACH. The testimony shows that the cost of the retirement system as recommended in the bill will be 6.94 per cent of the pay roll. If that benefit is reduced two-thirds; that is, if the annuities are reduced by one-third, the cost of the annuities would be 4.64 per cent of the pay roll, and you are asking the employees to contribute 5 per cent, which is 0.32 of 1 per cent more than it costs.

Mr. ROGERS of Massachusetts. In other words, my statement is verified, that the Connally amendment would result in a net profit to the Government.

Mr. CHINDBLOM. These calculations by the board of actuaries are based on specific terms not dependent at all upon longevity, and there seems to be no reason why there should be any mistake in the calculations.

Mr. ROGERS of Massachusetts. They may be wrong, but they were as nearly right as we could get in the committee.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. CONNALLY of Texas) there were—ayes 21, noes 40.

So the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Mississippi, Mr. COLLINS, which without objection the Clerk will again report.

The Clerk again reported the Collins amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Mississippi.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 21. That the appropriations contained in Title I of the act entitled "An act making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1925, and for other purposes," for such compensation and expenses as affected by the provisions of this act are made available and may be applied toward the payment of the compensation and expenses herein provided for, except that no part of such appropriations shall be available for payment of annuities to retired foreign-service officers.

Mr. ROGERS of Massachusetts. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Massachusetts: On page 16, line 7, after the word "judiciary" insert the words "and for the Departments of Commerce and Labor."

Mr. BLANTON. Mr. Chairman, what is the purpose of that?

Mr. ROGERS of Massachusetts. The only purpose is to correct the title of the bill which we quote in this section. At the time this particular bill was reported it was not known what the exact title of that appropriation bill would be. Last year it comprised only two departments.

Mr. BLANTON. What is the necessity of adding the Departments of Labor and Commerce?

Mr. ROGERS of Massachusetts. It is simply to correctly quote the title of that act.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. TEMPLE. Mr. Chairman, I ask unanimous consent to extend in the RECORD the remarks that I made on this bill.

The CHAIRMAN. Is their objection?

There was no objection.

Mr. ROGERS of Massachusetts. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 6357) for the reorganization and improvement of the foreign service of the United States, and for other purposes, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. ROGERS of Massachusetts. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The SPEAKER. The gentleman moves the previous question on the bill and all amendments to final passage. The question is on agreeing to that motion.

Mr. CONNALLY of Texas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONNALLY of Texas. That does not include the offer of a motion to recommit?

The SPEAKER. No. Is a separate vote demanded on any amendment? If not, the Chair will put the amendments in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CONNALLY of Texas. Mr. Speaker, I understood the gentleman from Massachusetts [Mr. ROGERS] said he would not try to pass the bill until to-morrow. I have not yet prepared my motion to recommit.

Mr. ROGERS of Massachusetts. I am willing to have it postponed until to-morrow. Mr. Speaker, will the bill come up to-morrow as the unfinished business if it is not passed to-night?

The SPEAKER. Yes.

Mr. CONNALLY of Texas. If we adjourn now a motion to recommit will be in order to-morrow?

The SPEAKER. Yes.

Mr. ROGERS of Massachusetts. Mr. Speaker, I move that the House do now adjourn.

Mr. LONGWORTH. Mr. Speaker, there are a number of matters to be considered.

LEAVE TO ADDRESS THE HOUSE

Mr. HAWES. Mr. Speaker, I ask unanimous consent to address the House for half an hour on Friday next.

The SPEAKER. The gentleman from Missouri asks unanimous consent to address the House for half an hour on Friday next. Is there objection.

There was no objection.

NAVY DEPARTMENT APPROPRIATION BILL

Mr. FRENCH rose.

Mr. UPSHAW. Mr. Speaker, I ask unanimous consent to address the House now for three minutes.

The SPEAKER. The Chair thinks he must first recognize the gentleman having in charge an appropriation bill or conference report. It has the right of way.

Mr. FRENCH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6820) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1925, and for other purposes, disagree to all the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Idaho asks unanimous consent to take from the Speaker's table the bill H. R. 6820, the naval bill, disagree to all the Senate amendments, and ask for a conference. Is there objection?

Mr. CONNALLY of Texas. Reserving the right to object, Mr. Speaker, I want to ask the gentleman from Idaho a question with reference to the provision in the bill adopted by this House relating to enlistments under 21 years of age. I notice that the Senate has eliminated that amendment. Is there going to be a disposition on the part of the conferees just tamely to recede from the House position, or can we have assurance that the House will have an opportunity to vote on that when the bill comes back to the House?

Mr. FRENCH. I have no hesitation in letting the gentleman understand that we will give the opportunity desired.

Mr. CONNALLY of Texas. You will bring it back to the House before you agree to accept the Senate amendment?

Mr. FRENCH. Yes.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER announced as conferees on the part of the House Mr. FRENCH, Mr. HARDY, Mr. TABER, Mr. BYRNES of South Carolina, and Mr. OLIVER of Alabama.

STOCK-RAISING HOMESTEADS

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 381, insist on the amendments of the House, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Oregon asks unanimous consent to take from the Speaker's table the bill S. 381, insist on the House amendments, and agree to the conference asked for by the Senate. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (S. 381) to amend section 2 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 21, 1916 (39 Stat. L. p. 862).

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER announced as the conferees on the part of the House Mr. SINNOTT, Mr. SMITH, and Mr. RAKER.

GAUGES AND NATIONAL DEFENSE

Mr. TILSON. Mr. Speaker, I ask unanimous consent to extend in the RECORD my own remarks on the subject of gauges and their importance in national defense.

The SPEAKER. The gentleman from Connecticut asks unanimous consent to extend his own remarks in the RECORD on the subject indicated. Is there objection?

There was no objection.

Mr. TILSON. Mr. Speaker, it is appropriate that the Representative in Congress from the New Haven, Conn., district should consider the subject of gauges and their relation to interchangeability in manufacture, for it was just outside the city limits of New Haven, and within a half mile of the place where the present Representative of that district now lives, that the principle of interchangeability of parts in manufacture was first practically worked out and applied in this country, and probably in the world. A letter written by Thomas Jefferson when he was minister to France, addressed to John Jay, states that a Frenchman by the name of Le Blanc had invented an improvement in the manufacture of muskets which "consists in making every part of them so exactly alike that what belongs to any one may be used for every other musket in the magazine." That the idea was not worked out and utilized, however, is shown in a later letter from Jefferson in which he states that he tried to get the United States to bring this Frenchman over, but failed and afterwards he lost track of him. I refer to this in order to give credit where credit is due for the idea, although, along with the originator of the idea, it seems to have been lost. At any rate, the principle of interchangeability of parts in manufacture was not used in France or any other country outside the United States until many years after it was in use here.

Eli Whitney, the inventor of the cotton gin, was probably the originator, and it is claimed quite confidently was the first to work out and practically apply the principle of interchangeability of parts in the manufacture of firearms. Although the cotton gin was one of the most important and far-reaching inventions of any age, the difficulties encountered in protecting his patent were so great that Whitney reaped almost no financial reward from it. We therefore find him turning to the manufacture of firearms, in which he was eminently successful. The great Winchester Repeating Arms Co. of to-day is the direct descendant of the small enterprise in which he embarked.

In 1798 an order for muskets was given by the War Department to the famous cotton-gin inventor, which were to be manufactured "on a new principle." Jefferson, in a letter to Monroe, written in 1801, in speaking of Whitney and his "new principle," says:

> He has invented molds and machines for making the pieces of his locks so exactly equal that take 100 locks to pieces and mingle their parts and the 100 locks may be put together by taking the pieces which come to hand.

About 10 years elapsed before the order was fully completed, and the Government had to make a number of extensions of time for the completion of the order. Recalling the obstacles to be overcome 120 years later, during the World War, it is not to be wondered at that some delays were encountered in this pioneer undertaking. In connection with one of these extensions, Whitney brought to Washington all of the parts for the assembling of 10 complete muskets. The different parts of the musket were segregated into as many groups as there were parts in the musket. In the presence of the Secretary of War and other officials, Whitney performed what then appeared to be the most amazing feat of taking at random a part from each of the groups and assembling the parts into a complete musket. The exhibition seems to have been convincing. At any rate, the time was extended and he was allowed to finish the order.

That the Whitney muskets were more than satisfactory is well attested. In 1847 Jefferson Davis, then commanding a Mississippi regiment in the War with Mexico, wrote to the Ordnance Department that the steel-barreled muskets from the Whitney armory were "the best rifles ever issued to any regiment in the world."

In 1799 an order for pistols was given to Simeon North, of Middletown, Conn., and it is apparent from the result that before the completion of this order he used the same principle. It has been contended that North, and not Whitney, is entitled to first credit for this new principle. Unfortunately the papers, drawings, designs, and many other things which might give valuable information concerning the work of both Whitney and North along this line were destroyed by fire in their respective shops. It is quite probable, in view of the fact that the two pioneers along this line lived within 20 miles of each other, that ideas were exchanged between them; but from the records still extant it appears that Whitney used the "new principle" from the beginning, whereas in the case of North it does not affirmatively appear that he used it prior to 1808. In 1813 North contracted to furnish 20,000 pistols, and in the agreement appears this significant clause:

> The component parts of the pistols are to correspond so exactly that any limb or part of one pistol may be fitted to any other pistol of the 20,000.

North's first contract with the Government was made in 1799, his last was finished in 1853, a year after his death, aggregating 50,000 pistols and more than 30,000 rifles. It has been said of him that he worked under 16 administrations, representing all parties, and that in all the 53 years he never received a reproof or a criticism of his work. He was a country-bred man, strong, quiet, and almost painfully modest. He lacked Whitney's education and influence, but, like him, he represented the best which American mechanical and business life has produced.

Without attempting to positively decide which of these two worthy sons of the same Commonwealth is entitled to the credit for originating or for the earliest development of the principle of interchangeability, it is sufficient to say that this principle, which has become of such tremendous importance in manufacturing, was during the first decade of the nineteenth century developed through the experimental stages by these two notable Connecticut men.

Whatever may have been the form or designation of the tools and other devices used in these early ventures, they were doubtless of a somewhat crude and primitive character. Their use, however, was the beginning of a chapter in American history far more important than the threatened wars for which the muskets were to be made, which have been almost forgotten.

Interchangeability of parts and the devices necessary to insure interchangeability are preeminently American in their use and development. When the principle spread to Europe, as it did before the middle of the nineteenth century, it was universally characterized as the American system. The scarcity and high cost of labor in this country exerted a great influence in the development and use of such a principle. The increased use of labor-saving machinery accentuated development in this direction. In fact, it can be said that jigs and gauges, in connection with machinery, more than anything else, are responsible for the marvelous development of American manufacturing and for the ability of our manufacturers to successfully cope with foreign competition while paying much higher wages.

The primary credit for the development of the principle of interchangeability is due, as has been shown to the firearms industry, although its greatest application has been in the production of such articles as sewing machines, bicycles, typewriters, clocks, watches, and tools. The Ford automobile should also be mentioned as a conspicuous example. On account of the comparatively small quantities of military firearms required in this country development of the use of gauges in the manufacture of military firearms and other matériel did not keep pace with the development in the industries of peace. From the time that Whitney first used such devices, as he did in making interchangeable parts for muskets until shortly before the World War began, there had been a very great improvement in the character and quality of gauges and also an increase in their number and use, but not comparable with the development in lines of peaceful industry, so that when we entered the World War the supply of gauges and other precision and inspection devices, even for the most used of weapons, such as the Springfield rifle, was quite limited. For other important articles there were few or none.

It may not be generally known that up to 1916 no authority of law existed even for making appropriations for gauges, so that an item in an appropriation bill before Congress authorizing money to be spent for such a purpose would have had to go out of the bill on a point of order made against it. Early in 1916 I introduced a bill to authorize the War Department to manufacture and otherwise procure gauges, dies, jigs, tools, fixtures, and other special devices and appliances for the manufacture of arms, ammunition, and other matériel. When the national defense act of 1916 was under consideration in the House of Representatives I offered my bill as an amendment, and the amendment was carried as section 123 of the national defense act. In considering the development and present status of the gauge problem this section should have a place, so it is inserted here in full:

> SEC. 123. Procurement of gauges, dies, jigs, etc., necessary for the manufacture of arms, etc. The Secretary of War be, and he is hereby, authorized to prepare or cause to be prepared, to purchase or otherwise procure such gauges, dies, jigs, tools, fixtures, and other special aids and appliances, including specifications and detailed drawings as may be necessary for the immediate manufacture of arms, ammunition, and special equipment necessary to arm and equip the land forces likely to be required by the United States in time of war: *Provided*, That in the expenditure of any sums appropriated to carry out the purposes of this section the existing laws prescribing competition shall not govern whenever in the opinion of the Secretary of War such action will be for the best interests of the public service.

The story of what happened as a result of the new provision of law during the few months intervening between its enactment and our entrance into the war is short. The Army appropriation bill for 1917 and the fortifications bill, as well, carried appropriations under authority of the new provision. Very little was or could have been done owing to the lack of time before war was declared on April 6, 1917. The war found us with little except the law itself upon which to lay the foundation upon which was later constructed a great munitions program.

At the outset of the war it became apparent that the gauge problem was a determining factor as to the types and kinds of arms to be used in the struggle. I can best illustrate by taking one element of ordnance equipment as typical and going into it somewhat in detail. I therefore choose the shoulder rifle. For a few weeks after we entered the war there was some more or less pertinent discussion as to the kind of rifle with which the Infantry should be armed. A careful observation had been made of all the rifles in use by the allied forces, which only served to reenforce the general belief in this country that the United States Springfield, model 1903, was

superior to any other rifle in the war. It was the arm to which our small Regular Army and our National Guard had become accustomed and it was quite naturally desired that the emergency army to be raised should be armed with the same weapon. Lack of gauges caused the decision to use another rifle.

Soon after the United States had entered the war a conference of gauge manufacturers and rifle manufacturers was called to meet with the responsible officers of the Ordnance Department to discuss the subject of gauges as related to the production of rifles. Being greatly interested in the subject matter of the conference I secured the conference room in the House Office Building as the place of meeting and had the privilege of attending. Representatives of all the larger gauge manufacturers in this country were present and stated quite fully and clearly what could be counted upon in this direction. As a result of the conference it became apparent that for the bulk of our troops some other than the Springfield rifle must be adopted.

The situation as to rifles was that when we entered the war in 1917 we had on hand less than 700,000 Springfield rifles. As is well known, this arm is made only in Government arsenals. We had accumulated in the arsenals gauges of one type or another to such an extent that our capacity in rifle production was about 200,000 annually, although, of course, nothing like maximum production had ever been attempted. This capacity was quite sufficient in peace time, when all that was required was to replace wastage and very gradually increase the stock on hand. In war, however, such a capacity was not sufficient to even replace wastage; so that, relying upon this source alone, we must limit the Infantry forces to less than 700,000 rifles. Such increase in gauge capacity as was found to be practicable without seriously interfering with other features of the munitions program would have supplied little more than the inevitable wastage of war-time service. In this situation it was necessary to turn to sources outside of our Government arsenals, and here also the element of gauges was the decisive factor.

It was fortunate for the United States that necessity in a great emergency had compelled Great Britain to place very large orders for rifles with American manufacturers and that these manufacturers had equipped themselves with the gauges and other necessary tools for quantity production of an improved type of the British Enfield rifle. The practicability of using this equipment with slight modifications saved us from serious embarrassment in our rifle program.

The adoption of the improved British Enfield rifle—designated by us as the United States model 1917—as our principal reliance for the war is such an interesting illustration of the vital importance of gauges in any program of national defense that a brief reference to it is entitled to a place here. Prior to 1914 the British Ordnance Bureau had been engaged in designing a new rifle which was to take the place of the old Enfield. The new design was a decided improvement in many ways over the old one. It was to be .285 caliber instead of .303, as was and is now the caliber of the British rifle.

The new rifle, however, had not progressed beyond the blueprint stage when the war broke out. Any kind of rifle made of metal is superior to one on paper. Such rifles as were in existence were of the old type. Such facilities as existed for making rifles were of the old type. Such ammunition as was on hand fitted the old rifle, and such gauges, dies, and other necessary tools and equipment as existed for the production of rifles and ammunition were of the old type. Therefore, only one course was open to Great Britain and that was to continue making what could be made with existing facilities.

British agents brought drawings for their new rifle, modified so as to use .303 instead of .285 caliber ammunition, to this country and entered into contracts with such as could be induced to undertake its manufacture. The demand for rifles was pressing. At this stage of the British mobilization rifles were not available for more than 1 recruit in 10 enlisted. American manufacturers were urged to produce rifles with all possible speed. Time rather than money was the most essential element of the contracts.

The cry was rifles at the earliest possible moment, and then more rifles. Some of the strongest and best concerns in America took these contracts, companies with abundant capital and practically unlimited credit. Peace prevailed here; labor, both skilled and unskilled, was plentiful, and yet no rifles were produced for a whole year, the reason being the difficulty of the solution of the gauge problem.

The wrestling of American manufacturers with the gauge problem during the years 1915 and 1916 was a most instructive lesson in industrial preparedness for war. I watched and studied it with great interest and intensity, believing it to be a most useful lesson for this country to learn. After a year's struggle with the problem, only a few rifles were being produced. Meanwhile much of the best blood of Great Britain was being shed that might have been saved, because of the lack of rifles. Eighteen months saw the number of rifles on the way toward France rapidly increasing, but more than two years of most precious time had passed before the 1915 orders for rifles had been filled. The rifles were hurried away to France, but the gauges and other necessary equipment which had been created for their production, and which had been paid for in British gold, remained and saved us from an embarrassing and dangerous situation.

We had entered the war and were now able to use the gauges and other equipment created for the purpose of meeting the dire need of Great Britain to likewise meet our own necessity. Comparatively slight modifications were necessary in order to produce a rifle that could use the United States service cartridge, but even this slight change, requiring only a few new gauges, held up the rifle program for months.

In the light of our war experience it is now possible to estimate about what time it would have required to create the necessary gauge capacity to have supplied rifles to our armies as they were mobilized and to make good the wastage. One thing is quite certain, and that is that if it had not been for the fortunate circumstance referred to more than two-thirds of the 2,000,000 men sent to France would have had to use the rifle of either France or Great Britain during their entire service.

Quite as good an illustration of the importance of gauges and the time required to procure them is furnished by the machine-gun problem. The Browning gun had been designed, made, and tested. It was a success. We were practically without machine guns of any kind, while the rapidly increasing importance of this arm was being daily demonstrated on the battle fields of France. The need for machine guns was most urgent. The Lewis gun, chambered for British ammunition, had been put into quantity production. The Marlin Co. had equipped itself for making a machine gun for Russia. These two might have been modified, as they were a little later, to use United States ammunition, and probably, in the light of subsequent events, should have been modified at once and manufactured in much greater numbers than they were, while the gauge problem for the Browning was being worked out. At any rate, with all possible effort concentrated on the Browning, it was a full year before these guns were being turned out in adequate quantities. Meanwhile our troops in France were inadequately supplied with such French and British machine guns as were available and with all the inconvenience and confusion attendant upon the use of the two kinds of Infantry ammunition in the same army.

The pistol problem furnished another forceful illustration of the same character, if one were needed. Our officers literally used such pistols as they could get, or went without, while the frantic, unceasing efforts of the Ordnance Department to procure the Colt automatic were rendered practically fruitless until almost the end of the war, by reason of the difficulties necessary to be overcome in working out the gage problem.

Certain components of the artillery program would furnish almost as good illustrations as those already given of the difficulties encountered in trying to work out, in the midst of war, a problem which is peculiarly one of peace. Enough instances have been cited, however, to emphasize the vital importance of this problem in any rational or adequate program of national defense.

It is a work that can best be done in time of peace; in fact, can be done satisfactorily only in time of peace. A thorough study should be made of every essential component of matériel. Those necessitating the use of considerable gauge, jig, and fixture equipment, involving long time and special mechanical skill in manufacture, should be given priority of consideration. The goal should be an adequate reserve of such equipment, kept well up to date. Nothing short of this will satisfy the proper demands of a great country, which is entitled at all times to a reasonable degree of preparedness for its own defense.

It is a source of very great satisfaction that the Ordnance Department has tackled the problem in such a determined manner, indicating that it is not to be allowed to be lost sight of or sidetracked, but is to be worked out with vigor and persistence. The oncoming generations will soon forget the lessons of the Great War if allowed to do so. I trust that those who are charged with the responsibility of our national defense will see to it that at least the most vital of the lessons learned at such enormous cost are not forgotten.

ORDER OF BUSINESS

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from Ohio asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow. Is there objection?

Mr. CONNALLY of Texas. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Ohio what business will be taken up?

Mr. LONGWORTH. We wish to conclude the consideration of the District of Columbia appropriation bill. It could not be done, probably, unless we began at 11 o'clock.

Mr. BLANTON. I hope the gentleman will not do that.

Mr. LONGWORTH. I have been requested to submit the request by members of the committee.

Mr. CONNALLY of Texas. I think if the Republican Congress wants to work we should let it work.

Mr. LONGWORTH. I think that is admirable.

Mr. BLANTON. We have a lot of work to do, Mr. Speaker. I have a lot of work to do on that particular bill. I hope the gentleman will not insist on that.

Mr. LONGWORTH. There are a number of gentlemen on the subcommittee and others, together with the chairman of the Committee on Appropriations, who have asked me to make that request.

The SPEAKER. Is there objection?

Mr. ALLEN. Reserving the right to object, Mr. Speaker, I would not object if the Members would come at the hour, but when you say 11 o'clock and then meet really at 12 o'clock, I do not see any necessity for it.

The SPEAKER. Is there objection?

Mr. ALLEN. I object.

The SPEAKER. The gentleman from West Virginia objects.

REPORT FROM COMMITTEE ON ENROLLED BILLS

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, bill of the following title:

H. R. 1831. An act to loan to the College of William and Mary, in Virginia, two of the cannon surrendered by the British at Yorktown on October 19, 1781.

REREFERENCE

The SPEAKER. H. R. 7217, a bill for the purchase of the Oldroyd collection of Lincoln relics and the erection of a monument or tablet to mark the spot where Lincoln died, was referred by the Chair to the Committee on Public Buildings and Grounds. Request had been made that it be transferred to the Committee on the Library, and the chairmen of both committees agree to the rereference. If there is no objection, the Chair will rerefer it to the Committee on the Library.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. MCCLINTIC (at the request of Mr. MCKEOWN) for an indefinite time, on account of illness.

Mr. WATKINS, indefinitely, on account of sickness.

ADJOURNMENT

Mr. ROGERS of Massachusetts. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 39 minutes p. m.) the House adjourned until to-morrow, Thursday, May 1, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

447. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the District of Columbia for the fiscal year ending June 30, 1925, for rent of offices for the recorder of deeds, $6,800 (H. Doc. No. 252), was taken from the Speaker's table and referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SNELL: Committee on Rules. H. Res. 274. A resolution providing for the consideration of H. R. 5478, a bill to amend an act providing vocational rehabilitation of persons injured in civil employment; without amendment (Rept. No. 602). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 275. A resolution providing for the consideration of H. R. 5209, a bill to provide additional hospital facilities for the Veterans' Bureau; without amendment (Rept. No. 603). Referred to the House Calendar.

Mr. LUCE: Committee on the Library. S. J. Res. 7. A joint resolution granting permission for the erection of a monument to symbolize the national game of baseball; without amendment (Rept. No. 604). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCE: Committee on the Library. S. J. Res. 106. A joint resolution authorizing the erection on public grounds in the city of Washington, D. C., of an equestrian statue of Gen. San Martin which the people of Argentina have presented to the United States; without amendment (Rept. No. 605). Referred to the Committee of the Whole House on the state of the Union.

Mr. QUIN: Committee on Military Affairs. S. J. Res. 105. A joint resolution authorizing the President to detail an officer of the Corps of Engineers as Director of the Bureau of Engraving and Printing, and for other purposes; without amendment (Rept. No. 606). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 5420. A bill to provide fees to be charged by clerks of the district courts of the United States; without amendment (Rept. No. 607). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 5422. A bill to provide for reporting and accounting of fines, fees, forfeitures, and penalties, and all other moneys paid to or received by clerks of United States courts; without amendment (Rept. No. 608). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 5421. A bill to relieve United States district judges from signing an order admitting, denying, or dismissing each petition for naturalization; without amendment (Rept. No. 609). Referred to the House Calendar.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 5423. A bill to amend section 2 of the act of August 1, 1888 (25 Stat. L., p. 357); with an amendment (Rept. No. 610). Referred to the House Calendar.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. S. 2236. An act to designate the time and places of holding terms of the United States district court in the first division of the district at Kansas City; without amendment (Rept. No. 611). Referred to the House Calendar.

Mr. MCKENZIE: Committee on Military Affairs. H. R. 8886. A bill providing for sundry matters affecting the Military Establishment; without amendment (Rept. No. 612). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUTHERLAND: Committee on Military Affairs. H. R. 3847. A bill granting a certain right of way, with authority to improve the same, across the old canal right of way between Lakes Union and Washington, King County, Wash.; with amendments (Rept. No. 615). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREENE of Massachusetts: Committee on the Merchant Marine and Fisheries. H. R. 8638. A bill to amend section 28 of the merchant marine act, an act of 1920; with an amendment (Rept. No. 617). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XXIII,

Mr. UNDERHILL: Committee on Claims. H. R. 3071. A bill for the relief of Daniel A. Spaight; with an amendment (Rept. No. 613). Referred to the Committee of the Whole House.

Mr. THOMAS of Oklahoma: Committee on Claims. H. R. 3132. A bill for the relief of the William J. Oliver Manufacturing Co. and William J. Oliver, of Knoxville, Tenn.; without amendment (Rept. No. 614). Referred to the Committee of the Whole House.

Mr. SUTHERLAND: Committee on Military Affairs. H. R. 7389. A bill for the relief of John Solen; without amendment (Rept. No. 616). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII the Committee on Public Buildings and Grounds was discharged from the consideration of the bill (H. R. 7217) for the purchase of the Oldroyd collection of Lincoln relics and the erection of a monument or tablet to mark the spot where Lincoln died, and the same was referred to the Committee on the Library.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DOYLE (by request): A bill (H. R. 8977) to provide for the furnishing of surety bonds by national banks for the protection of depositors; to the Committee on Banking and Currency.

By Mr. BRAND of Ohio: A bill (H. R. 8978) to amend the Federal highway act; to the Committee on Roads.

By Mr. DALLINGER: A bill (H. R. 8979) authorizing the extension and operation of the transcontinental airplane mail service to Boston, Mass.; to the Committee on the Post Office and Post Roads.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 8980) to incorporate the National American War Mothers; to the Committee on the Judiciary.

By Mr. BRAND of Ohio: A bill (H. R. 8981) to establish standard weights for loaves of bread, to prevent deception in respect thereto, to prevent contamination thereof, and for other purposes; to the Committee on Agriculture.

By Mr. BLACK of Texas: A bill (H. R. 8982) exempting farmers' or other mutual hail, cyclone, casualty, life, or fire insurance companies, mutual or cooperative telephone companies, or like organizations from corporation taxes under Title III, under certain conditions, and providing for the abatement, credit, or refund of such taxes under prior acts; to the Committee on Ways and Means.

By Mr. RAKER: A bill (H. R. 8983) to prohibit the importation of meats, hides, hair, bones, or other parts of cattle, horses, sheep, goats, or swine until January 1, 1925, from certain countries where the foot-and-mouth disease is prevalent; to the Committee on Agriculture.

By Mr. HUDDLESTON: A bill (H. R. 8984) to prevent frauds in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEAVITT: Resolution (H. Res. 276) for the appointment of a select committee to inquire into the need and form of a nation-wide system for the distribution of labor and to report thereon, and for other purposes; to the Committee on Rules.

By Mr. HUDDLESTON: Resolution (H. Res. 277) to investigate the Cleveland Passenger Terminal scheme; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 8985) granting a pension to Annie L. Robinson; to the Committee on Pensions.

By Mr. COOPER of Wisconsin: A bill (H. R. 8986) granting a pension to Nettie Truman; to the Committee on Invalid Pensions.

By Mr. CROLL: A bill (H. R. 8987) granting a pension to Ida L. Walters; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 8988) for the relief of Elmer White; to the Committee on Military Affairs.

Also, a bill (H. R. 8989) for the relief of Henry Juvenile; to the Committee on Pensions.

By Mr. FULBRIGHT: A bill (H. R. 8990) granting a pension to Martha Abernathy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8991) granting an increase of pension to Ada M. Standish; to the Committee on Invalid Pensions.

By Mr. KUNZ: A bill (H. R. 8992) to correct the military record of Daniel D. Dorsey; to the Committee on Military Affairs.

Also, a bill (H. R. 8993) to correct the military record of Rocco Pecora; to the Committee on Military Affairs.

By Mr. LOZIER: A bill (H. R. 8994) granting a pension to Reuben J. Allen; to the Committee on Invalid Pensions.

By Mr. PATTERSON: A bill (H. R. 8995) granting an increase of pension to Ida J. Black; to the Committee on Invalid Pensions.

By Mr. RAGON: A bill (H. R. 8996) for the relief of John Zachary; to the Committee on Military Affairs.

By Mr. ROACH: A bill (H. R. 8997) for the relief of Mrs. G. A. Guenther; to the Committee on War Claims.

Also, a bill (H. R. 8998) to provide payment of war risk insurance policy of Ensign Gordan Guenther to his mother, Mrs. G. A. Guenther; to the Committee on War Claims.

By Mr. SANDERS of Indiana: A bill (H. R. 8999) granting a pension to Anna C. Platt; to the Committee on Invalid Pensions.

By Mr. SITES: A bill (H. R. 9000) granting an increase of pension to Allen R. Read; to the Committee on Pensions.

By Mr. SPROUL of Kansas: A bill (H. R. 9001) granting a pension to William J. Brasser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9002) granting a pension to Louise H. Rush; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9003) granting a pension to Susan Staneart; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 9004) granting a pension to Lydia H. Squires; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 9005) for the relief of Pleasant H. Sells; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 9006) authorizing the appointment of Kenneth K. Little as second lieutenant, United States Army; to the Committee on Military Affairs.

By Mr. TABER: A bill (H. R. 9007) granting a pension to Patrick H. Bushnell; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 9008) granting a pension to Lewis B. Jones; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2606. By the SPEAKER (by request): Petition of Massachusetts Society, Sons of the American Revolution, asking that authorization be granted for the complete restoration and repairing of the frigate *Constitution* at the Charlestown Navy Yard; to the Committee on Naval Affairs.

2607. Also (by request), petition of Advertising Men's Post, No. 38, American Legion, Department of Illinois, urging the President of the United States to sign the Johnson immigration bill; to the Committee on Immigration and Naturalization.

2608. Also (by request), petition of the preachers' meeting of the Methodist Episcopal Church of Baltimore and vicinity, requesting the Congress of the United States to reconsider the subject of immigration as affects Japan; to the Committee on Immigration and Naturalization.

2609. By Mr. ANDREW: Petition of the Massachusetts Society, Sons of the American Revolution, petitioning Congress to grant authorization and appropriate funds for the complete restoration and repairing of the frigate *Constitution* at the Charlestown (Mass.) Navy Yard, so that it may be preserved as a priceless memorial of the heroism of the United States Navy; to the Committee on Appropriations.

2610. By Mr. FULLER: Petition of the American Federation of Railroad Workers, Railroad Harbor and Terminal Workers, Lodge No. 342, Jersey City, protesting against the passage of the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2611. Also, petitions of sundry citizens of Streator, Ill., favoring the Edge bill (S. 1524) to modify the Volstead Act; to the Committee on the Judiciary.

2612. Also, petitions of the Rockford (Ill.) Malleable Works and the Rockford Lumber & Fuel Co., opposing any change in the existing transportation act; to the Committee on Interstate and Foreign Commerce.

2613. Also, petition of the Rockford (Ill.) Manufacturers & Shippers' Association, protesting against abolishing the present labor board as proposed by the bills S. 2646 and H. R. 7358; to the Committee on Interstate and Foreign Commerce.

2614. By Mr. GALLIVAN: Petition of National Legislative and Information Bureau, Washington, D. C., recommending a "fair consideration of the Barkley-Howell bill on its merits"; to the Committee on Interstate and Foreign Commerce.

2615. By Mr. GRAHAM of Illinois: Petition of Mrs. James A. Allen and others, of Aledo, Ill., favoring Senate Joint Resolution 64; to the Committee on the Public Lands.

2616. Also, petition of Tri-City Typographical Union, No. 107, of Rock Island, Ill., favoring the early passage of the 2.75 per cent beverage bill; to the Committee on the Judiciary.

2617. By Mr. RAKER: Petition of Leaf Spring Manufacturers' Association, Richmond, Ind., calling attention to inadequate law in regard to rulings of Bureau of Internal Revenue; to the Committee on Ways and Means.

2618. Also, petition of Pasadena Ice Co., Pasadena, Calif., in re Senate bill 624, opposing enactment of same into law; to the Committee on the Judiciary.

2619. Also, petition of M. L. Ryder, 5117 Mount Helena Avenue, Eagle Rock, Calif., opposing Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2620. Also, petitions of A. R. Dora, 1619 Whitefield Road, Pasadena, Calif., opposing Howell-Barkley bill abolishing Railway Labor Board; C. L. Herbst, 198 Live Oak Street, Los Angeles, Calif., and William A. Clark, 5407 Ash Street, Los Angeles, Calif., opposing Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2621. Also, petitions of D. M. Bassi, Lotus, Calif., and Nevada County Farm Bureau, Grass Valley, Calif., opposing increase in parcel-post rates; to the Committee on the Post Office and Post Roads.

2622. By Mr. SITES: Petition of Woman's Christian Temperance Union, of Shiremanstown, Pa., opposing any modification of the Volstead Act; to the Committee on the Judiciary.

2623. Also, petition of members of the Woman's Christian Temperance Union and the different churches of Boiling Springs, Pa., protesting against any modification of the Volstead Act which would legalize the sale of light wines and beer; to the Committee on the Judiciary.

SENATE

THURSDAY, *May 1, 1924*

(Legislative day of Thursday, April 24, 1924)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Bayard	Dill	Keyes	Sheppard
Brookhart	Ferris	King	Shortridge
Broussard	Fess	McKinley	Simmons
Bursum	Frazier	McLean	Smoot
Capper	Gooding	Neely	Stephens
Cummins	Hale	Oddie	Warren
Curtis	Harris	Overman	Willis
Dale	Howell	Phipps	
Dial	Jones, Wash.	Reed, Pa.	

Mr. CURTIS. I wish to announce that the Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I ask that this announcement may stand for the day.

I was requested to announce that the Senator from Oregon [Mr. MCNARY], the Senator from Pennsylvania [Mr. PEPPER], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from Virginia [Mr. SWANSON] are absent attending a committee meeting.

I was also requested to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from South Dakota [Mr. NORBECK], the Senator from Minnesota [Mr. JOHNSON], the Senator from Louisiana [Mr. RANSDELL], the Senator from Wyoming [Mr. KENDRICK], the Senator from Mississippi [Mr. HARRISON], the Senator from Alabama [Mr. HEFLIN], the Senator from Arkansas [Mr. CARAWAY], and the Senator from Indiana [Mr. RALSTON] are absent attending a hearing before the Committee on Agriculture and Forestry.

Mr. KING. I desire to announce that the Senator from Colorado [Mr. ADAMS] is detained at a meeting of the Committee on Public Lands.

The PRESIDENT pro tempore. Thirty-four Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The principal clerk called the names of the absent Senators, and the following Senators answered to their names when called:

Glass	Pittman	Smith	Walsh, Mass.
Lodge			

The following Senators entered the Chamber and answered to their names:

Bruce	Ernst	George

The PRESIDENT pro tempore. Forty-two Senators have answered to their names. There is not a quorum present.

Mr. SMOOT. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After some delay the following Senators entered the Chamber and answered to their names:

Ball	Edge	Johnson, Calif.	Stanley
Brandegee	Harreld	Mayfield	

The PRESIDENT pro tempore. Forty-nine Senators have answered to their names. There is a quorum present. Without objection, the further execution of the order to the Sergeant at Arms will be dispensed with.

M. S. DAUGHERTY

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the Sergeant at Arms, which the Secretary will read.

The reading clerk read as follows:

SENATE OF THE UNITED STATES,
Sergeant at Arms, April 30, 1924.

Hon. ALBERT B. CUMMINS,
President pro tempore, United States Senate.

SIR: In pursuance of the order of the Senate dated April 26, 1924, commanding me to forthwith arrest and take into custody and bring to the bar of the Senate M. S. Daugherty, president of the Midland National Bank, Washington Court House, Ohio, I did, acting through my deputy, John J. McGrain, on April 28, 1924, at 3 o'clock p. m., arrest and take Mr. Daugherty into custody.

I was, however, prevented from bringing him to the bar of the Senate by the action of the District Court of the United States for the Southern District of Ohio, western division, at Cincinnati, in granting a writ of habeas corpus upon the application of Mally S. Daugherty, and setting the case for hearing on Saturday, May 10, 1924, at 8.30 o'clock a. m. The court further ordered that the said petitioner, Mally S. Daugherty, be released upon his own recognizance in the sum of $5,000, conditioned to appear at the time, place, and hour stated.

Respectfully,

DAVID S. BARRY.

The PRESIDENT pro tempore. The communication will lie on the table for such action as the Senate may desire to take.

Mr. BROOKHART subsequently said: Mr. President, I offer a resolution with reference to the report from the Sergeant at Arms laid before the Senate this morning, and I ask for its present consideration.

The resolution (S. Res. 218) was read, considered by unanimous consent, and agreed to, as follows:

Whereas under Senate Resolution No. 157 the special committee appointed to investigate the conduct of the office of Attorney General Harry M. Daugherty and his assistants did summon M. S. Daugherty to appear before it in person and to produce certain books and papers at room 410, Senate Office Building, Washington, D. C., which summons he disregarded, and the Senate thereupon ordered the arrest of said M. S. Daugherty, which order was executed by the Deputy Sergeant at Arms. Thereupon the said M. S. Daugherty procured a writ of habeas corpus in the United States District Court of the Southern District of Ohio, the same being assigned for hearing at Cincinnati, Ohio, on May 10, 1924; and

Whereas the said committee did summon said M. S. Daugherty to appear before a subcommittee in person at Washington Court House, Ohio, which summons he disregarded, and thereupon brought an injunction suit in the Ohio court of common pleas in said city against SMITH W. BROOKHART and BURTON K. WHEELER, said subcommittee, requiring them to answer on May 10, 1924:

Resolved, therefore, That the President of the United States be respectfully requested to direct the Attorney General to defend said suits on behalf of the Senate of the United States.

PETITIONS AND MEMORIALS

Mr. WARREN presented a letter in the nature of a memorial from the committee on marketing of the Business Men's Club of Moorcroft, Wyo., remonstrating against a proposed readjustment of parcel-post rates, which was referred to the Committee on Post Offices and Post Roads.

Mr. LADD presented a resolution of the Commercial Club of Aneta, N. Dak., favoring the passage of the so-called McNary-Haugen export corporation bill, which was referred to the Committee on Agriculture and Forestry.

Mr. LODGE presented a resolution of the City Council of Brockton, Mass., favoring the passage of legislation granting increased compensation to postal employees, which was referred to the Committee on Post Offices and Post Roads.

Mr. JOHNSON of California presented a petition of sundry citizens of Long Beach, Calif, praying an amendment to the Constitution granting equal rights to women, which was referred to the Committee on the Judiciary.

Mr. WILLIS. I present resolutions adopted by the Council of the City of Toledo, Ohio, protesting against the diversion of waters from the Great Lakes by the city of Chicago, which I ask may be referred to the Committee on Commerce and printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

A resolution protesting against the diversion of waters from the Great Lakes by the city of Chicago

Whereas the city of Chicago is contemplating the diversion of water from Lake Michigan;

Whereas such diversion will lower the lake levels throughout the Great Lakes waterways; and

Whereas such diversion will be prejudicial to navigation on the Great Lakes and to the interests of the various ports that are situated thereon: Therefore be it

Resolved by the Council of the City of Toledo. That it hereby, in behalf of said city, declares its protest against the diversion of water from Lake Michigan by the city of Chicago, resulting in lower lake levels; be it further

Resolved, That in the opinion of our engineers this diversion would lower the lake level of Lake Erie and Maumee River, and that the same would be prejudicial to Toledo as a port on the Great Lakes.

That a copy of this resolution be forwarded to the congressional Committee on Rivers and Harbors, and to our Representative in the House of Representatives, and to the United States Senators of Ohio, with the request that they use all means in their power to cause the refusal by the Federal Government to the request of the city of Chicago to divert waters from the Great Lakes.

That this resolution, being an emergency measure, shall take effect and be in force from and after its passage.

Adopted: April 21, 1924.

F. J. MERY, *President of Council.*

Attest:

A. W. PAYNE, *Clerk of Council.*

I, A. W. Payne, clerk of the council of the city of Toledo, State of Ohio, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by council April 21, 1924; approved by the mayor April 25, 1924; and published in the Toledo City Journal April 26, 1924.

Attest: A. W. PAYNE, *Clerk of Council.*

TOLEDO, OHIO, *April 29, 1924.*

(Copy to Hon. S. WALLACE DEMPSEY, chairman Rivers and Harbors Committee; United States Senator S. D. FESS; United States Senator F. B. WILLIS; Congressman I. R. SHERWOOD.)

SALARIES OF LEGISLATIVE OFFICERS AND EMPLOYEES

Mr. WARREN. Mr. President, from the Joint Select Committee on Adjustment of Compensation of Officers and Employees of Congress I report back favorably without amendment the bill (H. R. 8262) to fix the compensation of officers and employees of the legislative branch of the Government, and I submit a report (No. 481) thereon. I wish to give notice that I shall try to improve the first opportunity to take up the bill for passage.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRELD:

A bill (S. 3209) granting a pension to Robert B. Martin; to the Committee on Pensions.

By Mr. SHIELDS:

A bill (S. 3210) authorizing the Secretary of War to donate to the town of Kingsport, Tenn., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 3211) authorizing the sale of Gasparilla Island Military Reservation; to the Committee on Military Affairs.

By Mr. HARRISON:

A bill (S. 3212) granting a pension to Cora Dixie Willett; to the Committee on Pensions.

By Mr. SPENCER:

A bill (S. 3213) to incorporate the American War Mothers; to the Committee on the Judiciary.

MUSCLE SHOALS

Mr. NORRIS. Mr. President, I have here and desire to introduce a bill relating to Muscle Shoals that was prepared by ex-Congressman Lloyd. I did not prepare the bill, and have not been consulted in its production; but in order that Mr. Lloyd's associates, who are interested in the bill, can have an opportunity to be heard officially before the committee, he has asked me to introduce his bill.

I have great confidence in Mr. Lloyd, and know that the bill is drawn in the best of faith, and it is probably a very good bill, although I think I ought to make this explanation before I introduce it and have it referred to the Committee on Agriculture and Forestry.

Mr. OVERMAN. Is that Mr. Lloyd, of Missouri?

Mr. NORRIS. Mr. Lloyd, of Missouri.

Mr. McKELLAR. May I ask whether or not he proposes to transfer the shoals to Mr. Ford?

Mr. NORRIS. I do not think he does, but I have not read the bill. I read the title of it.

Mr. OVERMAN. Would the Senator introduce a bill to transfer the shoals to Mr. Ford?

Mr. NORRIS. When the clerk reads the title of the bill, Senators will find that it does not transfer the shoals to anybody; and as far as I have read the bill it sounds good to me.

I ask to have the bill read by title and referred.

The bill (S. 3214) to provide for the manufacture of explosives for the use of the Army and Navy, to provide for the manufacture of fertilizer for agricultural purposes, to incorporate the Federal Chemical Corporation, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

AMENDMENTS TO TAX REDUCTION BILL

Mr. McKELLAR submitted three amendments intended to be proposed by him to House bill 6715, the tax-reduction bill, which were ordered to lie on the table and to be printed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House insisted upon its amendments to the bill (S. 381) to amend section 2 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916 (39 Stat. L. p. 862), disagreed to by the Senate; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SINNOTT, Mr. SMITH, and Mr. RAKER were appointed managers on the part of the House at the conference.

The message also announced that the House disagreed to the amendments of the Senate to the bill (H. R. 6820) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1925, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FRENCH, Mr. HARDY, Mr. TABER, Mr. BYRNES of South Carolina, and Mr. OLIVER of Alabama were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message further announced that the Speaker of the House had signed the enrolled bill (S. 1932) to change the name of Thirty-seventh Street between Chevy Chase Circle and Reno Road, and it was thereupon signed by the President pro tempore.

NAVAL APPROPRIATIONS

Mr. HALE. I ask the Chair to lay before the Senate the action of the House of Representatives on the naval appropriation bill.

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 6820) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1925, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HALE. I move that the Senate insist upon its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. HALE, Mr. PHIPPS, and Mr. SWANSON conferees on the part of the Senate.

PRESIDENTIAL APPROVAL

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on April 30, 1924, the President approved and signed the act (S. 1609) to fix the time for the terms of the United States district courts in the western district of Virginia.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

The PRESIDENT pro tempore. The pending amendment is on page 52, line 19.

Mr. STEPHENS. Mr. President, the Mellon tax plan has been sold to the public by the most extensive, the most insidious, and the most misleading propaganda that was ever used on any subject. It has been stated thousands of times in the newspapers and magazines, in public addresses, and in letters sent out by large corporations and organizations that it is the only sound and scientific way by which the Government can derive its needed revenue, reduce the burdens of taxation, and give a stimulus to business. The phrase "the only sound and scientific plan" has been used so frequently that it has been adopted by thousands who never read the whole of the plan and who have no clear idea of its full meaning.

It is not my purpose, however, at this time to enter into a general discussion of this plan. I shall direct my attention to only one phase of it.

The question that is before the Senate at this moment is the committee amendment proposing to strike out certain language in the House bill which proposes to limit the amount of losses and the amount of interest that may be deducted in the payment of income taxes. There is also before us an amendment intended to be proposed by the Senator from Pennsylvania [Mr. REED]. A copy of this amendment has been on the desk of Senators for several days. It reads:

On page 42, after the period in line 19, insert the following:

"There shall also be included in gross income the interest upon securities issued after the date of the enactment of this act by (1) the United States, (2) any State, Territory, or possession of the United States, (3) the District of Columbia, or (4) any political subdivision or governmental agency of any of the foregoing."

There are also certain resolutions pending before the two branches of the Congress under which it is proposed that the Constitution of the United States shall be amended, the effect of which is to wipe out all tax-exempt securities.

On yesterday this whole broad field of tax-exempt securities was discussed by the various Senators. This question has been brought into prominence and there is a great war being waged against such securities. Propaganda has played a large part. Catch words are used to attract attention. Often these words are all the information that the average person has on the subject. Because they sound well they cause a person to form an opinion that is not warranted by the facts. And so he adds his voice to the demand for this legislation.

One of these catch phrases is, "No tax-exempt class." Another is, "The rich are escaping taxation."

Class legislation is repugnant to Democratic principles; it is hateful to the average man. He believes in the doctrine of "equal rights to all and special privilege to none." Knowing this, the proponents of this measure play upon the feelings of the people by attempting to create the impression that this principle is being violated and that they are being oppressed by the issuance of bonds that are tax free.

Mr. President, I am a firm believer in that old Jeffersonian doctrine. It is under it alone that our people can have that measure of freedom, happiness, and prosperity to which they are entitled. Until it is fully recognized by our lawmakers and written into the statutes of the land, the public will continue to be oppressed and made to bear heavy and unjust burdens.

But for those who are making this fight to tax these securities, to invoke the doctrine of equal rights is like satan quoting scripture for an unholy purpose. There is no sincerity in them. They are attempting to arouse the feelings and prejudices of the people by invoking a principle in which they believe, but one which the advocates of the measure themselves refuse to adopt in their own business and on the abuse of which they have fattened.

Who is behind this movement? It will be interesting to know.

It was stated by the Senator from Pennsylvania [Mr. REED], as I remember, that Andrew W. Mellon, the Secretary of the Treasury, made this proposition. Who is he? I read in the morning paper that he is the second richest man not only in the United States but in the world. It has been frequently stated that he was director in 68 large corporations at the time he became Secretary of the Treasury. Those corporations with which he is connected have grown rich very largely at the expense of those whom he now pretends to want to relieve from onerous tax burdens.

Hearings were had before the Ways and Means Committee of the House. Among those who appeared before the committee were the following:

Edward D. Chassell, secretary of the Farm Mortgage Bankers' Association of America.

Phillip H. Gasden, Philadelphia, vice president of the United Gas Improvement Co. Mr. Gasden stated that he appeared for the American Gas Association, the American Electric Railway Association, and the National Electric Light Association.

Edward P. Doyle, representing the National Association of Real Estate Boards.

There is much of wisdom in the familiar saying, "Beware of Greeks bearing gifts." Finding that these great interests are behind this proposition, it is well to stop and consider very carefully what it means. When did they become knight-errants of the people, fighting to protect them against the acts of certain of the wealthy class? When did they become paladins of the Government, seeking to protect the Treasury against the tax dodgers? These great corporations have not grown rich looking after the interests of the public. They are not conducting their business as institutions of charity; they are not making this fight in the interests of the public. Business with them is a selfish and cold-blooded proposition.

What is their purpose? Why are they interested?

The answer is easy. They want to increase interest rates. The issuance of tax-exempt securities interferes with their business. Occasionally we find some great corporation advocating this proposition when it does not appear on the surface that it is one in which it would have any selfish interest, but there is such an intimate connection between various large corporations and the men who operate them that if we should be able to trace it out, we would find that their interest is more direct than is apparent.

One of the most active and insistent advocates of this system is the Farm Mortgage Bankers' Association of America. State, county, and municipal bonds have always been exempt from Federal taxation. No protest was ever heard against this until recently. When Congress, realizing the necessity of giving the farmers a lower interest rate, established the Federal farm-loan system, then this opposition arose. The Federal farm-loan system came into competition with this association. It reduced the rate of interest. The attack made on the Federal farm-loan system is fresh in our minds. The constitutionality of the act establishing it was attacked, but it was finally upheld by the Supreme Court of the United States. Thus the fight of the association was lost. Effort is now being made to accomplish the same purpose by legislative enactment.

That the Farm Mortgage Bankers' Association has been leading the fight against tax-exempt securities is shown by its own records. I quote from an address delivered at one of its meetings:

Let me call your attention to the campaign which Secretary Chassell has directed against tax-exempt securities for the past several years. A few years ago tax exemption, or the mention of it by a member of this association, was thought to have been mentioned from an extremely selfish standpoint, but we have, by persistent work among all of our members, by talking, by giving public speeches, getting editorials and articles published in the home papers, the sending of pamphlets and circulars broadcast to farm borrowers, to newspapers, and magazines, and the encouraging of reading articles along these lines, together with the fact of a high surtax, changed entirely the sentiment of the general public against tax exemption. The general public as a whole, at the present time, realizes the menace of tax exemption more than they ever did. It is largely due to the efforts of this association and of its officers and of its very efficient secretary that the public realizes the danger of tax-exempt securities and the continued issuance of the same.

A resolution providing for an amendment to the Constitution of the United States, under the provisions of which incomes from tax-exempt securities could be taxed, was introduced in the Congress. Mr. Chassell, the secretary referred to, at the same meeting had this to say on the subject:

The high-water mark of our hopes was reached when the resolution to amend the Constitution was put on the congressional calendar with a favorable recommendation.

Probably at no time in the history of the American Constitution has such a marked advance been made with an entirely new proposition as that of the tax-exempt amendment in the last four years.

Thus we see, Mr. President, that they boast of the progress that has come as a result of the activities of this association in its effort to strike down tax-exempt securities. This whole effort grows out of the fact, as I said a moment ago, that the Federal farm-loan system, the joint-stock land banks, and the intermediate credit banks have come into competition with the

Bankers' Association. They have lessened its earnings, decreased its profits, and it is not at all strange that they should be here making this fight.

What will be the effect of this change?

It will seriously interfere with the operation of the Federal farm-loan system. Indeed, I believe it will practically destroy it. If it shall continue to operate, nothing is more certain than that the purposes of its establishment will be almost entirely nullified. The farm-loan banks, the joint-stock banks, and the intermediate credit banks will all be adversely affected.

The farmers had been for years at the mercy of the private money lenders and great financial corporations. High rates of interest were charged. They were made to pay excessive commissions on loans. The effect of the establishment of this system has been to make a material reduction in those charges. Not alone the farmers who borrowed from the farm-loan banks but others profited as a result of a general reduction of rates. It is estimated that the establishment of the Government system has effected an annual saving to the farmers of $80,000,000. If this law is changed it will mean that they will have to pay each year that additional sum as interest. Who will profit by this? Those who are advocating the taxing of incomes from these securities. Therefore there is great interest and activity.

I have heard it stated during this debate, and have seen the figures in other places, that the amount of outstanding securities of the Federal farm-land banks is about $1,300,000,000. If we calculate the entire interest on that sum, it would be about $65,000,000, I believe. If this whole interest were confiscated by the Government and placed in the Public Treasury, still the farmers of the Nation would be the losers; and unless their interests are protected, unless they are given opportunity to prosper, unless they are given cheaper money and lower interest rates, our whole country of course will be adversely affected.

The amount they pay in interest or would have to pay as additional interest would far exceed the whole interest paid on the amount of outstanding bonds. As a matter of fact, only a portion of that money would go into the Treasury, even if the law should be changed so that those incomes would be taxable.

This is not the only way that the farmers will be affected. Whenever a security is to be taxed it always bears a higher rate of interest than a tax-free security. The interest rate is fixed high enough to cover the tax. The Government may get the revenue, but it is not paid by the bondholder but by the issuer of the bond. The bondholder becomes merely the agency through which the Government collects the taxes. There is no financial burden on him. That falls on the one who pays the interest.

Not only will the farmer be affected. The business man and all others who pay taxes to defray the interest charges on State, county, district, and municipal bonds will be adversely affected. Every improvement undertaken by a State or any of its subdivisions will be at a greater cost.

All over this country, in every State and practically in every community, public improvements are being made. This is true also of our municipalities. These improvements result very largely because the States and the subdivisions of the States have the right to issue tax-free bonds. When that right is taken away as a matter of course the cost of those improvements will be increased.

Of course, I am speaking broadly with reference to the striking down of all tax-exempt securities. There is another thing in connection with what I have said with reference to the increased cost. Many outstanding issues of bonds would be affected, to the hurt of those who issued them. When a State, county, or municipality comes to refund present outstanding bonds, as is often done, it will have to be done at a higher rate of interest. In every State good roads are being built; many States have laid out a good-roads program that will require years to complete, and this program will be retarded or the cost thereof will be greatly increased if the amendment is adopted. I am referring now to the amendment proposed to be offered by the Senator from Pennsylvania [Mr. REED]. There is progress along educational lines. Better schoolhouses are being built, and better equipment is being provided. This will be a severe blow to education, as many communities will be unable to bear the added expenses. Municipalities are enlarging themselves and providing improvements needed in the interest of comfort and sanitation. They issue bonds in order that they may make those improvements. It is now proposed to add to the cost of all such things.

Large bodies of overflowed lands are being reclaimed. Drainage districts are being organized, and some of the most fertile lands are being put into cultivation. This will add much to the national wealth. Bonds are required for this purpose. This amendment will interfere with this work. It will increase the cost, because of the higher interest charge. Thus it will be a tax upon the owners of this property.

Education, good roads, drainage of wet lands, municipal improvements, and the loans to the farmers, the frequent requirements of the State—all these things that sometimes demand the issuance of bonds—will be directly and adversely affected.

These things are matters of prime importance. It is frequently said that some of the wealthy invest their money in tax-exempt securities and that in this way money is taken out of business and turned into unproductive enterprises. The argument is not sound. Money invested in tax-exempt bonds is not buried or destroyed. It remains in the channels of trade. It pays wages and buys material just as other money does. It does not escape the burden of taxation. A tax-free bond always bears a lower rate of interest, and the price paid for it is usually higher than would be paid for a taxable bond. In this way the cost to the issuer of the bond by way of the interest paid is lessened. Building schoolhouses and good roads, draining lands, giving the farmers cheaper money with which to improve his land or to buy a home, is investment in productive enterprises just as much as when it is used to build factories and railroads or employed in any other commercial enterprise. In fact, the money expended thusly is the most profitable. It yields a larger return because it goes into character and adds to the happiness, as well as to the prosperity, of thousands who are reached by the influence and effects of those things for which it is spent.

So far as it relates to securities now outstanding, it would not only be unfair but dishonest to tax incomes derived from them. They were sold with the understanding that no such taxes would be assessed. It was a part of the contract, for it was the law at the time the bonds were issued. To make this change is a repudiation of the promise of exemption; it is a confiscation of the tax-exempt value of the securities.

This is true because the securities brought a higher price than would have been paid if they had not been tax free. To deprive the holders of these securities of any part of their value is a breach of faith on the part of the Government. It is, in my judgment, illegal to do so. There was a contract. A vested right in the whole of the interest derived from them had accrued to the owners of the bonds.

It may be that a large part of these bonds are held by wealthy persons, but that does not affect the matter. The principle is not changed. To rob a rich man is just as immoral and illegal as to rob a poor man. Rich or poor, the holder of the bonds is entitled to have the exemption protected unless it can be lawfully destroyed. The Government has no authority to destroy any rights that have been acquired under the laws. This is a principle of law too familiar, it seems to me, to require argument.

In the case of Choate *v.* Trapp (224 U. S. 665) it is said:

> There is a broad distinction between the power to abrogate a statute and to destroy rights acquired under it. * * * Congress can not destroy actually existing individual rights of property acquired under a former statute.

In the case of a large part of these outstanding securities, farm loan, State, municipal and school, road and drainage bonds were sold after the sixteenth amendment to the Constitution was adopted. If we grant that, under the terms of that amendment, Congress had a right to tax incomes from securities issued by a State or political subdivision thereof, we are still confronted by the proposition that these bonds were sold with the understanding that they were to be tax free. Giving the amendment the construction contended for by the proponents of this measure, it means only that the United States Government has a right to impose a tax on such incomes.

At the time of the issuance of the securities the right had not been exercised. As there was no provision of law providing for such a tax or prohibiting the issuance of tax-free bonds the holders acquired them as such, and there is no legal way in which they can be deprived of any of the property rights so acquired. In other words, any provision of law at the time a contract is made or any lack of such provision becomes a part of such contract.

There is a wide distinction between having a right to lay a tax and actually providing for the assessment. The amendment reads:

> The Congress shall have power—

And so forth. This is merely a grant of power. It can be put into operation only by legislative action. As no such action was taken before the issuance of outstanding bonds, they are

not affected by the terms of the constitutional amendment, no matter how broad its terms.

There is another serious objection to this amendment. It deprives the States of fundamental rights. The right of a State to maintain its existence and to exercise all the functions necessary to this end, including the right to borrow money, issue bonds, and levy taxes, are inherent in the very nature of its being, with two exceptions, to which I shall refer later.

The fact that a State is a member of the Federal Government does not lessen its right to maintain itself by the use of any necessary means, unless the right to exercise a defined power has been relinquished to the General Government.

To maintain its institutions and to conduct its affairs the State must raise revenue. With but two exceptions, the State can provide for the raising of revenue by any method it sees proper to adopt. One is an exception provided in the Constitution of the United States; the other arises from an indirect right of the Federal Government.

The sole limitation of the Constitution upon the taxing power of the State is the inhibition upon duties of tonnage or imposts upon exports and imports. Clause 2 of section 10 of the Constitution provides that—

no State shall, without the consent of the Congress, lay any imposts or duties on imports and exports except what may be absolutely necessary for executing its inspection laws.

The other exception to the general rule that a State may lay any tax that it cares to is that the States have no right to tax the securities and instrumentalities of the Federal Government. In the case of McCulloch *v.* Maryland (4 Wheat. 316), it was held that the States have no power by taxation to impede, burden, or in any manner control the operation of the Constitution and laws enacted by Congress to carry into execution the powers vested in the General Government.

In the case of Home Savings Banks against Des Moines this language is used:

The State can not by any form of taxation impose any burden upon any part of the national public debt. The Constitution has conferred upon the Government power to borrow money on the credit of the United States, and that power can not be burdened or imperiled or in any way affected by the action of any State.

This principle was announced in Weston *v.* Charleston (2 Pet. 449), where it was held that taxes upon the stock of the United States levied by one of the municipal corporations of South Carolina were invalid. From that time no one has questioned the immunity of national securities from State taxation.

The power to provide means to carry on its government is an inherent power never parted with. This is true of both the Federal Government and the States. It is just as true of one as of the other. It is an original and reserved power. The question of the supremacy of one government over the other is not involved.

The two governments are upon an equality—

Says the court in the case of The Collector *v.* Day (11 Wall). In the same case this language is found:

It is a familiar rule of construction of the Constitution of the Union that the sovereign powers vested in the State governments by their respective constitutions remained unaltered and unimpaired, except so far as they were granted to the Government of the United States. * * * The General Government and the States, although both exist within the same territorial limits, are separate and distinct sovereignties, acting separately and independently of each other within their respective spheres. The former in its appropriate sphere is supreme; but the States, within the limits of their powers not granted * * * one as independent of the General Government as that Government within its sphere is independent of the States.

Again quoting from the Day case, I read:

Such being the separate and independent condition of the States in our complex system, as recognized by the Constitution, and the existence of which is so indispensable that without them the General Government itself would disappear from the family of nations, it would seem to follow as a reasonable if not a necessary consequence that the means and instrumentalities employed for carrying on the operations of their governments, for preserving their existence, and fulfilling the high and responsible duties assigned to them in the Constitution should be left free and unimpaired, should not be liable to be crippled, much less defeated by the taxing power of another government, which power acknowledges no limits but the will of the legislative body imposing the tax.

In the same opinion there is this language:

And if the means and instrumentalities employed by that Government to carry into operation the powers granted to it are necessarily and for the sake of self-preservation exempt from taxation by the States why are not those of the States, depending upon their reserved powers, for like reasons equally exempt from Federal taxation? Their unimpaired existence in the one case is as essential as in the other. It is admitted that there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation, as any government whose means employed in conducting its operations if subject to the control of another and distinct government can exist only at the mercy of that government.

Judge Cooley in his work on Constitutional Law says:

The power to tax, whether by the United States or by the States, is to be construed in the light of, and limited by, the fact that the States and the Union are inseparable, and that the Constitution contemplates the perpetual maintenance of each with all its constitutional powers, unembarrassed and unimpaired by any action of the other. The taxing power of the Federal Government does not therefore extend to the means or agencies through or by the employment of which the States perform their essential functions.

Thus we see that it has been consistently held by the courts that the General Government has no right to tax the securities of a State. This question was settled early in our history. From time to time the proposition has been passed on by the United States Supreme Court, but there has been no deviation from the first decision.

Pollock's case (157 U. S.) is one that has been widely discussed. It was rendered by a divided court. There were dissenting opinions. But all the justices were agreed on certain propositions. All recognized the fact that ours is a dual form of government; that we have a Federal system in which the people divide their power between two governments; that there are two sovereignties, each supreme in its own sphere; that each has the full right to perform its proper functions without interference from the other; that the issuance of securities is a proper and necessary function of government; that laying a tax against the securities of one government by another is an interference with the rights of the one issuing the securities; and that neither government has the right to do so.

Chief Justice Fuller, who rendered the opinion of the court, said:

The Constitution contemplates the independent exercise by the Nation and the State, severally, of their constitutional powers.

Justice Field said:

The law applies to both kinds of bonds, those of the States as well as those of municipal bodies. These bonds and securities are as important to the performance of the duties of the State as like bonds and securities of the United States are important to the performance of their duties, and are as exempt from the taxation of the United States as the former are exempt from the taxation of the States.

Justices White and Harlan wrote dissenting opinions. Each agreed, however, to the propositions just stated. Justice White said:

It is a settled line of authority.

Justice Harlan said:

The instrumentalities employed by the States in execution of their powers are not subjects of taxation by the General Government any more than the instrumentalities of the United States are the subjects of taxation by the States; and any tax imposed directly upon interest derived from bonds issued by a municipal corporation for public purposes, under the authority of the State whose instrumentality it is, is a burden upon the exercise of the powers of that corporation which only the State creating it may impose.

Mr. President, it was argued on yesterday that there was no constitutional proposition involved in the question that is immediately before the Senate of striking out the language contained in the House text. In my judgment that is not true. The question of constitutionality arises not only with reference to the amendment proposed by the Senator from Pennsylvania but with reference to the very language that the Senate is now considering. It is true that it does not do so in such a broad way. It does not reach out and touch and affect all of the tax-exempt securities, but it is a start in that direction. It is only a beginning, but the beginning will lead to the end that tax-exempt securities will finally be a thing of the past. I have seen great flood waters come down and strike the levees. I have seen those levees washed away and completely destroyed, but it was not the work of a moment. They were not washed away by the first force of the water. First there

was a small stream through a slight break in the levee. It widened and broadened until such a volume of water came through that the ground was pushed back, the levees were destroyed, and the whole volume of the stream came rushing out upon the surrounding lands. That is what will happen if we refuse to adopt the amendment which the committee has proposed. It would be a beginning that would lead to the absolute destruction of tax-exempt securities.

As I said a moment ago, there have been introduced in both branches of the Congress resolutions proposing to amend the Constitution. The amendment proposed to be offered by the Senator from Pennsylvania follows up the idea set forth in those resolutions. So it is the definite purpose of those who are opposing the committee amendment, it seems to me, to make the beginning, to prepare the way, in order that the other propositions may be adopted.

During the debate on yesterday the Senator from Tennessee [Mr. McKELLAR] denied that any constitutional proposition was involved. He read the sixteenth amendment to the Constitution and laid stress upon the language of that amendment wherein it refers to power given "to lay and collect taxes against the income from whatever source derived," and his argument was to the effect that by the words "from whatever source derived" full power was granted to tax incomes from tax-exempt securities. I do not give that language the same construction that the Senator from Tennessee gives it; nor has the Supreme Court of the United States given it the same construction that the Senator from Tennessee gives it.

Reviewing for a moment the history of the decisions of the Supreme Court of the United States, I call attention to the fact that it has been decided by that court that, from the very moment our Constitution was adopted, the Congress had full right to levy taxes against incomes. That is a proposition that is entirely well settled. The only question involved or that complicated the matter or that gave any trouble or concern was the fact that there was a further provision in the Constitution with reference to apportionment. It was the sole thought in the minds of the legislators, Senators, and Congressmen, and in the minds of the people, I dare say, when the constitutional amendment was passed in the Congress and then passed upon by the legislators of the various States, to get rid of the unfortunate requirement, the unworkable requirement, that taxes should be apportioned according to census and enumeration, because that particular requirement practically nullified the right of the Federal Government to lay taxes against incomes.

Mr. KING. Mr. President, will the Senator yield?

Mr. STEPHENS. Certainly.

Mr. KING. I wish the Senator would refer to the case of Brushaber *v.* Union Pacific Railroad Co. (240 U. S. 1), where the decision was rendered by Chief Justice White and in which he said the sixteenth amendment gave no power to deal with the generic subject of taxation, but only, as the Senator has very clearly and concisely stated, sought to relieve the Federal Government of the question of apportionment which under the Constitution it was held necessary to have in order to levy an income tax. But the power of taxation was not conferred by the sixteenth amendment per se. The power of taxation, if it exists at all, exists in virtue of other provisions of the Constitution of the United States. When the Senator from Tennessee [Mr. McKELLAR] yesterday said that the sixteenth amendment swept away all restrictions or impediments or obstacles by the Federal Government to the imposition of taxes from any source and from every source, it seemed to me the statement is in contravention of the position taken by the Supreme Court of the United States, although it has been said by many that the statement of Chief Justice White is dictum, but very good dictum.

Mr. STEPHENS. I will say to the Senator from Utah that I have before me the case to which he has referred, and I shall advert to it in a moment.

Mr. President, from the time of Chief Justice Marshall until to-day, by an unbroken line of decisions, the Supreme Court has held along the line that I have indicated. All these were cases decided before the adoption of the sixteenth amendment. However, the Supreme Court of the United States has construed this amendment in two cases.

The Senator from Utah called attention to the Brushaber case in Two hundred and fortieth United States Reports, and I shall read just a few words from that case. It is quoted in a later case, the Evans case, Two hundred and fifty-third United States Reports. The opinion of the court in the Evans case states this:

> In Brushaber *v.* United States Pacific Railroad Co. (240 U. S. 1), where the purpose and effect of the amendment were first drawn in question, the Chief Justice reviewed at length the legislative and judicial action which prompted its adoption, and then, referring to its text and speaking for a unanimous court, said:
>
> "It is clear on the face of this text that it does not purport to confer power to levy income taxes in a generic sense—an authority already possessed and never questioned—or to limit and distinguish between one kind of income taxes and another, but that the whole purpose of the amendment was to relieve all income taxes when imposed from apportionment from a consideration of the source whence the income was derived. Indeed, in the light of the history which we have given and of the decision in the Pollock case and the ground upon which the ruling in that case was based, there is no escape from the conclusion that the amendment was drawn for the purpose of doing away for the future with the principle upon which the Pollock case was decided; that is, of determining whether a tax on income was direct, not by a consideration of the burden placed on the taxed income upon which it directly operated but by taking into view the burden which resulted on the property from which the income was derived, since in express terms the amendment provides that income taxes, from whatever source the income may be derived, shall not be subject to the regulation of apportionment."

We see from this language, Mr. President, that Chief Justice White, one of the ablest lawyers who ever occupied a place in that high body, passed directly upon the language referred to by the Senator from Tennessee, and he says it does not have the broad meaning as stated by the Senator; that it is not used in a generic sense, but that it has reference to the question of apportionment, to which I referred a few moments ago.

Mr. President, there is more to be considered in construing this amendment than a single phrase of it. In the case of Evans against Gore, in 253 United States Reports, from which I have just been reading, the court recognizes the well-known legal proposition with reference to interpretation and construction of the Constitution, and it says that the court had a right to take into consideration the debates in the Senate and in the House of Representatives when that matter was being considered.

In this volume which I hold in my hand references are made by the court to the debates as they are set out in the CONGRESSIONAL RECORD. Attention is called to the fact that Governor Hughes, who was then Governor of the State of New York, in his message laying this amendment before the legislature of that State for ratification or rejection, expressed some apprehension that it might be construed as extending the taxing power to income not previously taxable, but the court said this:

> But his message promptly brought forth from statesmen who participated in proposing the amendment such convincing expositions of its purpose, as here stated, that the apprehension was effectively dispelled and ratification followed.

It is rather interesting to me to find that Hon. E. F. Noel, one of the ablest lawyers in my State, and at that time governor, took issue with Governor Hughes and wrote a letter to the New York Times, in which he said: "I do not believe the courts would hold that authority to tax incomes would authorize any action that would impair any instrumentality of the State or municipal governments." He construed the language of the amendment just as the Supreme Court afterwards did.

The court says further:

> Thus the genesis and words of the amendment unite in showing that it does not extend the taxing power to new or excepted subjects, but merely removes all occasion otherwise existing for an apportionment among the States of taxes made on income, whether derived from one source or another.

So it seems to me, Mr. President, that in these few cases that were decided after the adoption of the sixteenth amendment we have an absolute answer to the proposition that the Federal Government has a right to levy taxes on income derived from tax-exempt securities.

There is another consideration in that connection, and that is this: These proposals I understand relate to the whole body of tax-exempt securities.

Many of these securities were issued after the adoption of the sixteenth amendment to the Constitution of the United States. If we should give the language of that amendment the effect that has been argued should be given to it, it would not help those who present the argument for the reason that the constitutional amendment is merely a grant of power. It merely gives the right—if we give it that construction—to levy taxes against income from tax-exempt securities; it does not impose such a tax. Such a tax can only be laid by the action of the Congress and that, not having been done, that amendment is not pertinent and is not relevant to the proposition as affecting

securities that were issued after the adoption of the amendment and before legislative action was taken.

To levy taxes against tax-free securities not only will have the effect of increasing the burden of the States and municipalities and of the communities that desire to issue bonds, but it will have the effect of taking away from certain of our citizens—and I am not interested as to whether they be rich or not—vested property rights. They purchased those bonds under contract with the States and with the Nation that they should have all of the income, every cent of it. I want to say, Mr. President, that, as I see it, to deprive them of any part of such income is morally dishonest; it is a legal injustice inflicted upon them; it impairs their contracts, and deprives them of property rights, as I said a moment ago.

But it is said that by the proposition that is before the Senate the income really is not taxed. Mr. President, that is but subterfuge. Whenever the income from tax-exempt securities goes in as a part of the gross income, or whenever it is refused to be allowed as a proper deduction, the whole effect is taxing the income itself. It is a well-known proposition of law that we have no right to do indirectly what we are prohibited from doing directly.

So, Mr. President I shall support the committee amendment. I shall oppose the Reed amendment, or any proposed constitutional amendment on this subject. My position is so taken because I believe that to follow another course would be to add to the tax burdens of the people instead of lessening them. It would be to add to the interest charge that the farmers of the Nation, the people of the States, and of the communities in the States, would have to pay, because I believe that to follow the other course would be to cripple, if not indeed to destroy, the great Federal farm-loan system that has been established by the Government in order to give relief to those who need it most.

I can not believe that any such action as is proposed is warranted by the condition that has been described here. It is true that we are told that certain men have bought tax-exempt securities and have evaded the payment of taxes. Perhaps so. Perhaps that has been done in many instances; but it occurs to me that no matter what the purpose of the investor, whenever money is invested in tax-exempt securities it still goes out into the channels of trade and enters into productive enterprises.

To summarize let me say that to tax incomes from tax-exempt securities means—

1. An increase of interest rates to farmers.
2. Increased cost of public improvements and will seriously affect the building of schoolhouses, good roads, the drainage of farm lands, and the construction of public improvements in municipalities.
3. The interference with the rights of sovereign States.
4. The repudiation of a contract so far as outstanding issues are concerned.
5. A violation of the Constitution of the United States, unless the Constitution is further amended, by confiscating property.
6. A severe blow to the farm-loan banks, the joint-stock banks, and the intermediate-credit banks.
7. That it will add largely to the wealth of those who are affected by the organization and operation of those banks.

For these reasons I am opposed to this proposal that comes from Mr. Mellon, the Secretary of the Treasury.

Mr. CARAWAY. Mr. President, I am not without sympathy for the objects sought to be attained by the amendment offered by the Senator from Pennsylvania [Mr. REED]. I hold no brief for men who seek to avoid bearing their full share of the burdens of government, and I am in no position to affirm or deny the contention made by the Secretary of the Treasury that certain rich men are availing themselves of tax-exempt securities in order to shift the burden of taxation.

If the amendment went to that, and that alone, Mr. President, I should not be heard to object. I do not believe any Senator on this floor would object. I believe that on both sides of the Chamber there is a sincere desire to find some means to distribute the burdens of taxation so that they may be borne in proportion to the wealth of the taxpayer; but I am not willing to lend myself to a propaganda originating with an organization that has fattened off of the misfortunes of people who are compelled to borrow. I am not willing to add to the burdens of the unfortunate man who is compelled to mortgage his home in order to support his family.

That is the effect of this suggestion. I do not say it is the purpose of it. I certainly credit those who stand for it and advocate its adoption with the same sincerity of motive that I claim for us who oppose it. It is a question, therefore, to determine which is the wiser course to pursue.

I should say this: It is my judgment—and I express it, as I said a minute ago, without impugning the motives of those who differ with me with reference to this question—that this proposal is dishonest—not in intention but in effect. I think it seeks to do by indirection what one can not do by direction. In other words, it seeks to strike down tax-exempt securities by an indirect method.

It does not make any difference that the effort would not be wholly successful. It does not answer the objection that it is not honest to say that only in a slight degree would it affect the value of tax-exempt securities. It is just as dishonest to take one dollar to which one has no right as it is to take a million. It is just as dishonest to invade one's right to any extent as it is wholly to destroy that right. Therefore I say—and I acquit those who advocate it—that in my judgment it is dishonest; not, I want to repeat, consciously so or intended to be so by those who propose it or those who advocate it, but in effect that is true.

I want to read the latter part of the provision which the committee amendment seeks to strike out. I am commencing on line 23 of page 52, after the letter "(a)." It speaks about allowances that shall be deducted, and says:

> shall be allowed as deductions only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title.

This provision seeks to reach that part of the income which is derived from tax-exempt securities, provided the holder of the tax-exempt securities is himself a borrower of capital to invest in business. Its very language carries with it, to my judgment, the inevitable conclusion that there is something concealed about it. If you wanted to strike down tax-exempt securities, you should have said that "no exemption shall be allowed for income derived from tax-exempt securities." Anybody would at once recognize that as an invasion of the right to have your income from tax-exempt securities exempt from taxation. Therefore, in order to do this, they say that only that part of your interest derived from tax-exempt securities shall be exempt which is in excess of the interest that you pay on borrowed money to be invested in business.

We ought to do by direction what we seek to do by indirection, if there is nothing wrong with what we seek to do. Therefore we ought to be courageous enough to say—the Constitution and the contract with Congress to the contrary notwithstanding—that we are going to lay our legislative hands upon tax-exempt securities and make the holders of them pay a tax on the interest they derive from them, because that is what we seek to do and, in effect, that is what we do.

I believe anybody would know that the minute you impair the obligation to hold them tax exempt, to that extent you destroy the guaranty which the Constitution gives to the holder of the bond, and you invade the contract that we made when we legislated the bonds into existence and said they should be tax exempt.

Mr. SMITH. Mr. President——

Mr. CARAWAY. I yield to the Senator from South Carolina.

Mr. SMITH. Under the application of this provision the only citizen who could get the benefit of tax-exempt bonds would be the man who incurred no obligation, who paid no interest and who simply clipped his coupons.

Mr. CARAWAY. And contributed absolutely nothing to the general welfare. I agree with my colleague. It would be very helpful to those people; but I should like to say this to my colleagues: It is sometimes enlightening to know in what company you are traveling. Sometimes, where the question is close, you can determine whether it is wise or otherwise, or whether it is honest or dishonest, by finding out what people who do know think about it.

I hold in my hand the United States Investor, the farm mortgage bankers' number, printed at Boston and New York, October 14, 1922. On page 2099(3) is an address made by the president of the Farm Mortgage Bankers' Convention. It is his annual address as president. Kingman Nott Robins was the president. I do not think there is anything significant in the name; but, anyway, he launches out at once into a campaign against tax-exempt securities.

In the second subdivision of his address he touched on the subject of excessive taxation, and went into some detail to show how taxes have been doubled and trebled, and even, I

believe he says, are ten times higher than they were a few years ago. He stated his remedy for these burdens; and he was talking about farmers, because these associations get all their money from farmers.

I happen to know something about dealing with these people. I have been a victim of their method for a number of years. I have borrowed from them. When I say I have been a victim, I do not mean to say they did not carry out their contract as they made it. They made the contract because I was under the necessity of borrowing, and everybody who has had the experience of being compelled to borrow, where the man who is to make the loan knows of the necessity, knows what sort of terms he gets. The lowest rate of interest I ever paid on a loan from one of these farm-mortgage companies was 8 per cent. I am indebted to one of them now for quite a large sum.

After talking about the interest that people have to pay and the taxes they have to pay, he said, and I am reading from his statement:

> I will not bore you with repetitions of the arguments against tax exemption, which we have, as an association, put before the public constantly for over four years.

Here is his admission that his association, the people who fatten and grow rich off the necessities of the farmers, for four years prior to 1922 were putting out arguments against tax-exempt securities. If I may be permitted to say it, the first convention of this association after the farm loan act was passed met immediately thereafter in the city of Memphis. Inasmuch as I had been a very warm advocate of the Federal farm loan system, I was asked to come before the association and give an accounting to them of what effect the legislation we had just written into law would have upon their business. That was the first meeting they had after the law was passed.

Mr. OVERMAN. Let us have order, Mr. President.

The PRESIDENT pro tempore. Senators will please come to order.

Mr. CARAWAY. Never mind; they have made up their minds to vote against the amendment, and they do not need to be worried about it. It concerns nobody but the farmers, and they feel no interest in them.

At this first meeting they organized and appointed a committee to start a campaign. It was announced by the president of the association that day that they must destroy this farm-loan legislation or it would destroy them, and under that theory they have waged this campaign, and here is the statement of their president that they have been carrying on the propaganda ever since.

I shall not worry the Senate by reading his arguments, if I might call them that, because this is such a frank appeal, such a barefaced appeal, to the selfish greed of people whose only source of income is the necessity of agriculture. I shall merely include it in the RECORD, with the permission of the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

(See Appendix.)

Mr. CARAWAY. In his annual report the secretary, Mr. Chassell, said:

> Public slow to see.

He is complaining because their propaganda was so slow in its effect. He said:

> PUBLIC SLOW TO SEE
>
> The public has been slow to realize the results of this unfair discrimination.

May I pause long enough to ask against whom was the discrimination? Certainly not against the farmer, who was relieved from paying 10 per cent and permitted to borrow at 5½ per cent. The agricultural interests of this country could not complain of a reduction in their interest rate greater than the taxation rate at that time. Therefore, against whom was this unfair discrimination? Against no one except the Shylocks who sought to lend to the farmers.

One of the funniest things in the world about the lending of money is this: An association has been in existence here in the District of Columbia ever since I have been in Congress trying to persuade Congress that it is unfair to the working men to permit him to pay only 2 per cent a month as interest. They went before the committee when I was a member of the District of Columbia council in the House, and they told me that I was obstructing the interests of the working people because I would not agree to put over an amendment to the then existing law so that workingmen would be permitted to pay 10 per cent a month. It would have been such an infinite advantage to a workingman to pay 10 per cent a month instead of paying 2. There are a lot of folks who talk that kind of stuff until actually they have gotten as crazy about it as they have gotten about other things, and almost believe it.

These mortgage associations want us to believe—and I shall read it in a moment—that it is an actual disadvantage to the farmer to permit him to borrow money at 6 per cent instead of paying 10, and for that reason they are now pleading with the country to give the farmers a chance to pay 10 per cent instead of 6. I want the people who advocate this scheme to know the company in which they travel. They state it certainly as convincingly as do the Senators here who oppose this amendment, and the Senators are actuated, unconsciously, no doubt, by the same motive that actuated Mr. Chassell when he made his brilliant deduction. He said:

> PUBLIC SLOW TO SEE
>
> The public has been slow to realize the results of this unfair discrimination, but it is now rapidly becoming aroused to the economic disasters that come through making a double attack on the Public Treasury, first, by increasing the gross amount of taxes, and second, by cutting down the sources of revenue through the exemption of property from taxation.

Do not Senators know for whom they were setting up this Jeremiah wail? Who is it who has received some exemption? The farmer had gotten a little surcease from exorbitant rates which the farm mortgage lenders were compelling him to pay.

The rule in my State is this: You borrow for a short time; you pay the interest the lenders are able to exact, and in addition, you pay their agent, who then declares himself to be your agent, 2 per cent commission. Then, in addition to that, you must pay an additional sum to their agent in doing for them what they are pleased to say he does for you. Before you get through you pay probably 9 or 10 per cent upon every loan.

Agriculture can not pay it. It can not pay it to-day, and because it can not pay it, they joyfully rushed to these Federal farm loan associations and get relief from the Shylocks, who now come to Congress and say, "Look here; you have done us incalculable harm. You have enabled our victims, the farmers, to escape from our clutches, and therefore we ask you to support this proposal and hand us back our victims, from whom we were wringing every dollar they could wring from the soil"; and good men find themselves aligned with that crowd. He goes further and says:

> This awakening of popular intelligence to the importance of fair taxation is one of the most hopeful signs of the year. There is a rising tide of public opinion which is sure ultimately to bring legislative results.

And we will know in an hour whether they are correct about it.

> Editorials and general news comment favorable to taxing bonds that are now tax exempt is a good general indication of the drift of the current. When business men in convention adopt resolutions favoring the taxing of bonds that is another good sign, but when candidates for Congress and for State legislatures incorporate such a declaration in their speeches and make it a part of their announced policies, then we may know that the tree is well rooted in our civic soil.

And, God bless us, we will soon be exacting our toll from the farmer. That is not the end of his prayer; he takes it up again. I added that last line.

> President Harding raised the tax-exemption movement to the dignity of a national issue by declaring for a constitutional amendment in his message to Congress last December. Secretary Mellon was the third successive Secretary of the Treasury to affirm squarely that securities now untaxed should be subject to taxation. The Ways and Means Committee of the House, after extended hearings, reported a constitutional amendment for passage last spring. Representatives of numerous business organizations testified before the committee, including the president and secretary of this association.

And we know they testified with much joy, and I rather imagine they were like the old lady who, when asked at the conclusion of her testimony if she had told all she knew, replied, "Yes, and a little the rise."

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. CARAWAY. I yield.

Mr. FLETCHER. I think the record of the hearing will show that those who appeared were representatives of this

organization to which the Senator has referred and also representatives of public utilities.

Mr. CARAWAY. That is so. I just want to read a little further.

In addition to the usual number of copies printed by the Government—

Listen to this—

this association distributed 1,000 copies of the evidence of P. H. Gadsden, of the association of public utilities, and 2,400 copies of a complete report of the hearings. The tariff bill and the soldiers' bonus bill had the right of way all summer, so that less pressing matters were not considered.

COME UP IN DECEMBER

It is expected that the amendment will come up for consideration in its regular order some time in December. It is now on the calendar subject to consideration at any time before the close of this Congress on March 4 next. It is hoped that it may be passed early so that it may be considered by the legislatures of several States this coming winter, as over 40 States hold legislative sessions in 1923.

The amendment will meet with considerable opposition in Congress, open opposition on the part of those who think tax exemption is a good thing for the country and secret opposition from those who desire personally to profit by the traffic in tax-exempt bonds.

It will be up to every American taxpayer to exercise every possible influence in favor of the amendment if it is to receive the necessary two-thirds vote in both Houses of Congress.

You can see the result of the influence. These folks were bragging about what they did. On page 3018 of this magazine Mr. F. C. Waples contributed his personal views and, among other things, he said this, and I wish the Senators would read it, because it is indicative of just what has happened:

If you will permit the speaker to express at this point his own personal views, without reference to the committee who have had this matter in charge, and to give you his own ideas—

For fear somebody does not know what this matter is, it was the striking down of the tax-exempt securities so that these farm-mortgage companies could charge their old rates of 8 and 10 per cent. He said:

I would like to suggest that this association has been carrying on through its secretary, Mr. Chassell—

Some of whose statements I read a moment ago——

a much more subtle method of advertising and a much more effective method of advertising than can ever be obtained by large paid ads in the newspapers.

That is interesting. He has been carrying on a subtle advertising campaign that is more effective than any paid advertising in the newspapers. Let us see what he says further:

Because paid advertising goes only so far, but the matter of suggestion, coming from what may seem a more or less unbiased source, is much more effective.

I would say that he ought to be tapped for something, but it is not a lack of frankness. He admits that the association is carrying on a campaign that is subtle, that is carried on by people who pretend they have no interest in the result, and it is much more effective, said he, than paid advertising. He possibly knows with whom he conferred and what was the subtle argument he offered. He goes on further:

To be specific let me call your attention to the campaign which Secretary Chassell has directed against tax-exempt securities for the past several years. A few years ago tax exemption, or the mention of it by a member of this association, was thought to have been mentioned from an extremely selfish standpoint.

They suspected him and now he says, "We have found a subtle way to disarm them. We approach them as friends and strike them as enemies."

But we have by persistent work among all of our members, by talking, giving public speeches, getting editorials and articles published in the home papers, sending of pamphlets and circulars broadcast to farm borrowers, to newspapers and magazines, and encouraging the reading of articles along these lines, together with the fact of a high surtax, changed entirely the sentiment of the general public toward tax exemption. The general public, as a whole, at the present time realizes the menace of tax exemption more than they ever did. It is largely due to the efforts of this association and of its officers and its very efficient secretary that the public recognizes the danger of tax-exempt securities and the continued issuance of the same.

I want to call to the attention, therefore, of the Senators who oppose the committee amendment that they now know who claims to be their boss. These people frankly say, "We are the folks who have maneuvered this situation. We are the ones who by subtle means procured the publication of editorials and newspaper comments and distributed literature. To us, and to us alone, belongs the credit," or the infamy, as the case may be, "for the sentiment that is now in favor of striking down the Federal farm loan bonds and making the farmer pay 10 per cent instead of 6 per cent." Therefore, Senators who are opposed to the committee amendment recognize the man who claims to have been responsible for their position. He modestly asserts it. I hope Senators will be as frank in admitting it.

Mr. SIMMONS. He represents the farm-mortgage association?

Mr. CARAWAY. Oh, yes. He was in 1922 the secretary of the Iowa Farm Mortgage Association, and Mr. Chassell, of whom he was speaking, is or was the secretary of the national association.

Mr. SIMMONS. He is the man who appeared before the Judiciary Committee in favor of striking down tax-exempt securities?

Mr. CARAWAY. Of course. He said, "As long as we told the truth"—I am only interpolating what he said—"as long as we were out advocating this openly they thought we were selfish and therefore we did not get results, but we found a subtle way of handing it to the public—this propaganda—and making them think it came from some disinterested source, and therefore we are getting results." I want to introduce the Senate to its master, who proudly proclaims that by handing you something in a subtle way he has made you reverse yourselves and vote the other way in order that the farmers now may be hurt.

We may as well be frank with ourselves. We will not fool anybody outside of this Chamber. There is not a farmer, however poor and uninformed he may be, in any State of these United States when he reads how you shall have voted on this amendment and when he knows what the amendment is who will not know the truth. He will require no explanation from anybody to make him realize that if you vote for striking down the provision, as the amendment seeks to prevent you doing, that you are the friend of the Federal Farm Mortgage Association in preference to being the benefactor of the agricultural interests of the country. Everybody knows it and what is the use of arguing about it? Let us be as frank with him as he was frank with us, and let us say we stand for or against the farmer and let the farmer know that at least we have what he evidently has—the courage to be absolutely frank—and tell him that we are against him because we think the farmer will be more prosperous if he pays 10 per cent instead of 6 per cent interest. If you can make the farmer believe that, you will have a different experience, I rather believe, than anybody else heretofore has had.

Let us go a bit beyond that. Everybody knows there is a tendency now and there are a lot of people who honestly believe that the rights of the States ought to be stricken down. This is a step in that direction. It will be said, of course, that this does not mean the State can not issue its bonds. It does mean it can not sell them in an unrestricted market, and the right to issue tax-exempt bonds is not worth a cent unless you can find a market in which to sell them at less than you can sell a bond that is subject to taxation. Everybody understands that. There is no use trying to fool ourselves, because even if we succeed in hypnotizing ourselves by making ourselves think that 10 per cent is cheaper than 6 per cent we will not fool anybody else. That is all.

It is said this proposition does not reach the right to issue tax-exempt securities. It strikes in that direction and it will be so much easier, with the same argument and with this as an excuse, then to put over the constitutional amendment and make the State become the servile creature of the Federal Government.

Mr. SIMMONS. Mr. President, may I ask the Senator from Arkansas a question?

Mr. CARAWAY. Certainly.

Mr. SIMMONS. Does the Senator know of any State in the Union that taxes the bonds which it issues?

Mr. CARAWAY. No. Nobody has been so simple as to propose a thing like that because the people pay the taxes. What strikes me so farcical that I can not keep from smiling when they say it, is that they say in the constitutional amendment we will give the States the right to tax Federal securities. But,

God bless them, the Government does not pay the taxes. It does not do that, of course. It compels you and me to pay the taxes. It simply means that the people are taxed twice, and that is all. They will tax the State bonds, and the people will pay that tax, and then they will tax them to pay the tax on the Federal bonds, because the Government has not a dollar unless it takes it from somebody who has earned it by the sweat of his brow. Therefore, of all the silly things ever brought out and exhibited before the people is the proposition to confer some right upon the State to tax a Federal bond when the Government has not got a penny but what it gets from the people's pockets, and it always costs something to collect a tax and pay it out. Anybody who is silly enough to believe there is any advantage in taxing himself when he has to pay the tax himself, to create a horde of taxgatherers and tax distributers, ought not to be taxed at all. He ought to be in some institution for the feeble-minded.

Mr. SIMMONS. He has not only to pay the tax the State has to pay, but he will have to pay a higher rate of interest.

Mr. CARAWAY. It gets him both ways. It would be just as foolish to say that I could get rich by having a $5 bill and getting somebody to change it for me and letting him keep 50 cents out of it for his trouble, and then have him change the 4 dollars and 50 cents I had left and take 50 cents out for changing that. Of course, ultimately I would have nothing left, and yet that is exactly the legerdemain by which they seek to persuade people that they can all get rich by taxing State securities and in return give the privilege to the State of taxing Federal securities and paying for both collections. I hope that we will lay aside this hypocrisy by which we seek to deceive ourselves, because we will not deceive anybody else even if we do succeed in deceiving ourselves.

Mr. SIMMONS. The people who are demanding this, the mortgage associations to which the Senator has referred, are demanding it in order to get an opportunity to loan their money at higher rates.

Mr. CARAWAY. Absolutely. They make no pretense of denying that. They say they used to tell the truth about it, but when they found they did not get anywhere they adoped more subtle methods and sought to do by indirection what they were unable to do by direction, and by those subtle methods they have gotten certain people to advocate their idea. Nobody would be courageous enough to stand on the floor of the Senate or anywhere else and say, "I am in favor of making the great agricultural interests of this country, staggering under a burden which they can hardly carry, pay additional interest rates on the billions of dollars they borrow."

Senators who represent the cities may well pause and consider. Sooner or later the consumer must pay the cost of production. He is not doing it now. The city man is getting his living for less than it costs the farmer to produce it. The farmers are leaving the farm at the rate of more than a million a year. There are a million more mouths to be fed every year in the cities than the year previous. There are a million fewer people to produce the things they eat. Sooner or later agriculture, like other industries, is going to organize and demand the price for its products which will not only pay the cost of production but pay a profit to the man who produces. When they do it you folks who make the burden of agriculture heavier by striking down its cheap rate of interest will pay for that error in the increased cost of the things you eat. Therefore you may for a few short years enhance the wealth of the cities, the loaners of money, by laying still heavier burdens on the agriculture of America, but what you get now you will pay back with compound interest when the situation shall have been changed.

God knows that sooner or later the situation will change, because with abandoned farms everywhere, fewer people to produce what you eat and more people to eat, the increased cost of things we eat is inevitable. Therefore I would be absolutely frank, if I wanted to oppose the amendment, and say, "While the getting is good, let us have no restraint; let us strike down the borrowers' friends, which stand between helpless agriculture and the greed of the people who loan money, and let them, like Shylock, demand their pound of flesh, forgetting what happened to Shylock when he sought to collect his bond which he had exacted from his helpless creditor."

I know that certain interests are demanding that you demand of the farmers this sacrifice. I feel certain that, having promised to do it, you will do it; but do not deceive yourselves. You can not fool any agriculturist by saying you are not directly or indirectly seeking to lay a heavier burden on him, because you are doing it and everybody who reads will know. I hope that the committee amendment may prevail.

APPENDIX

[From the United States Investor, October 14, 1922]

FARM MORTGAGE BANKERS' CONVENTION—ANNUAL ADDRESS OF THE PRESIDENT

(By Kingman Nott Robins)

A wise man remarked the other day: "You say we are living in the most critical period of the world's history. Granted; but there never was a time that was not critical." What there is of truth in that remark will give comfort to those who argue that having survived so many crises civilization—our civilization, if you like—will survive now. But, I take it, that the thoughtful will see more in the thought than occasion for blind optimism. Will they not see that crises are continually in the making as well as upon us; that the tendencies that culminate in crises, operating below the surface of things, are always at work, and that the time to meet a crisis is, if possible, before it comes to a head?

I take it that wisdom in individual and nation consists in correctly appraising the power and direction of the evil tendencies which are continually operating and in checking them before they reach the critical stage.

CRISES SHOULD BE AVOIDED

If we were wise enough there would be no crises to confront. Is that not so? That we are constantly facing real crises and having to spend ourselves to the utmost in surmounting them may be creditable to our courage and tenacity, but is our failure to see the crisis coming until it is upon us a compliment to our heads and hearts?

A mere generalization, you may say, and what of it? Let us apply it, then, to some of our own particular problems in farm-mortgage banking. I do not think of any critical situation in the history of our business that did not arise from conditions and practices that were apparent in their tendency long before they had run their logical course to the point of crisis. That we have at times had to face crises simply meant that we had either ignored our warnings or failed to apply correctives.

LESSONS FOR THE FUTURE

A post-mortem analysis of this sort would not greatly interest you or me if it did not hold something of value for us now and for the future. We are in what is obviously a critical time for agriculture and agricultural banking. There is little use in defining the occasion at length of our present troubles, most of which even our imperfect human wisdom and capacity for prophecy would have avoided if we had taken counsel of our own best judgments and acted accordingly. The point is that the crisis is upon us and promises to be with us for some time to come. What can we do not only to meet this crisis but avoid another? To be specific:

1. DIVERSIFICATION AND PRODUCTION

The earning power of the farmer has been for two years and still is far below normal and out of line with the earning power of other occupations.

There are many reasons for it. What are the remedies, and are we doing what we can to apply them? We bewail our loss of our foreign markets, but at the same time adopt a tariff which effectively destroys most of the foreign trade we had left. I do not say that we are wrong, but obviously we can not sell to foreign markets with one hand while we cut off the means of payment with the other. If we want to isolate ourselves, are we doing what we should to cultivate our home market? Are we adapting our product, in variety and quantity, to the home market? If the home market can not consume all our wheat and beef, are there crops which it will consume which we can substitute for the crops of which we are now producing a surplus above requirements? The manufacturer makes goods in quantity and kind to suit his market—not just for the sake of making what his father made before him, regardless of demand.

Our business is virtually dependent on the farmer's earning capacity. There is no value in land without it. Are we as operators and financiers of farms doing what we can to think this problem through to the bottom and to apply the remedy?

It is an axiom that diversified farming is, in the long run, the only safe and profitable farming. More diversification, and still more, seems the most obvious remedy for our present troubles, especially in the Cotton and Wheat Belts. The boll weevil seems to have effectively offset what might otherwise have been an overproduction of cotton; but how about wheat? How does our annual production of each of the major foodstuffs compare with our national home consumption?

This is information that I am hoping the research department of the Farm Bureau Federation will be able to make available to every

farmer for his own guidance, and we can do much to aid by educational work based on that knowledge with our field men and borrowers. The farmer who refuses to be guided by the best available advice is a poor credit risk.

2. EXCESSIVE TAXATION

A friend of mine who owns 14,000 acres of the finest land in the Corn Belt tells me his taxes on that land this year will absorb 25 per cent of the gross revenue; there can be no net revenue where that is true. All over the country taxes are mounting in almost geometrical progression, while we face what promises to be an era of lessened earning power and lower values. Even if we were to eliminate all graft and incompetence, our public expenditures for highways, consolidated schools, reclamation, and other admirable improvements would still far exceed our ability to pay. We are living beyond our means. No student of the situation can deny it, and to the doubter I would commend a careful reading of the report of the committee on taxation of the Legislature of the State of New York. Let me quote some startling figures:

The total per capita cost of Federal, State, and local government for a resident of the State of New York increased 170 per cent from 1910 to 1920.

The per capita cost in 1920 was about $100, or $500 for the average family of five.

Only a communist can view this process of public confiscation of private property by taxation with composure. What are those of us who are not of the Bolshevist persuasion doing to curb this Bolshevistic process in our own country?

The friend of the farmer cries to high heaven at the interest burden of the farmer. What has he to say about his tax burden, multiplied as it has been in the last decade, ten, fifty, and a hundredfold? Indeed, I am interested in a farm the taxes on part of which have increased 1,500 per cent since 1914, and this without any added value in the way of better schools, highways, or drainage.

3. TAX EXEMPTION

I will not bore you with repetition of the arguments against tax exemption, which we have as an association put before the public constantly for over four years. Tax exemption is now recognized as a crying evil of our present fiscal policy. Are we, each of us, doing all we can to combat it in our respective communities or are we content to let the other fellow fight the battle? We talk about hating autocracy and special privileges, but no tyrant in history ever devised a more cunning plan for shifting taxation from those best able to bear it to those least able than we find in tax-exempt bonds.

The irony of it, from the farmer's standpoint, is that those who would keep this privilege to themselves at the expense of the great majority of the taxpayers, including the farmers, throw dust in the eyes of the people by saying that attacks on tax exemption are directed against the farmer. How long will he be "the goat"?

4. MORTGAGE BANKERS RESPONSIBLE

In a period of rising land values and good prices for farm products excessive loans and weak borrowers do not reveal themselves. Nature works with the careless banker to offset his mistakes. Even the most experienced and careful bankers are tempted to take chances contrary to their own best judgment, and for a time the most venturesome seem to reap the greatest rewards. But farm-mortgage banking is a business founded not on years or even decades of results but on generations, and departures from the most conservative practice bring their penalties as surely as economic law operates. It was so in the seventies and in the nineties; it is so now. The wisest have made mistakes, but only the wisest and strongest can survive these periods of testing. The disappointments and burdens of carrying such a business as ours through these difficult periods have not seemed "worth the candle" to many in the business, and these are turning their attention to other securities at the moment seemingly more attractive. Others with the courage of their convictions are sticking to their guns, despite hard times and subsidizing competition, in the belief that there are enough wise men among the investors of this country to appreciate devotion to their interest through thick and thin. They believe, too, that there are enough investors who know that the key to safe investment in farm mortgages is in the making and the care of them and not in guaranties and tax exemptions, no matter how skillfully and attractive these superficial coverings may conceal the real article for the time being.

The guaranties and financial backing of the debenture companies of '83 sold their securities like "hot cakes," but the crash came in due time and the guaranties and the impressive financial statement availed nothing. Some of us have faith that there are enough investors still left who appreciate proved capacity to make good loans more than all else and who will intrust their investments to those who have kept the faith.

5. INFLATION AND EXCESSIVE LOANS

More than one student of the farmer's problems has truly said that not too little credit but too much, unwisely bestowed, was the farmer's undoing. In a period of inflation and the immediate reaction of deflation the constant clamor is for more credit and more money. The foundations of money and credit are lost sight of and, intoxicated by inflation, the victim asks for repeated and stronger doses. America and Great Britain alone have dared to attempt to sober up. Many of our own people are rebelling. Mr. Ford and Mr. Edison would summon the printing press to postpone the inevitable. Organizations of capital and labor refuse to take their share of the common burden of readjustment, and we stagger along through a maze of uncertainties, each trying to get more than our share of a national income which statistics show is inadequate to support our inflated standard of living. There is no ultimate way out but to increase our national revenue by harder work, longer hours, and greater thrift, and sooner or later we will realize it and stop butting our heads against an economic stone wall.

In the meantime, however, those of us who are trustees for our investor customers must look the facts in the face. I quite agree that the economic law of action and reaction will in due time again put the farmer where he belongs in the scale of rewards for productive effort. In the long run I believe the farmer will enjoy a constantly increasing degree of prosperity, but this can not come until we put our economic house in order, and this is a long-drawn-out process for 105,000,000 housekeepers to accomplish.

So, I say, in the meantime let us look present facts in the face. What are farm lands worth now? If the readjustment is postponed, can our farmer borrowers carry on with their present resources? These are the two questions that a wise banker friend of mine—our honored first president—put to me last week, and they are, I take it, the fundamental questions for us to ask in making every loan. We can not wisely or conscientiously, either in our own or our clients' interests, predicate any loan on other than satisfactory answers to these questions. In other words, we must scale loaning values to conform reasonably to present conditions. We must confine our loans to sound banking risks. I commend this thought especially to some of our new friends in the business, who seem to think that volume is the main consideration if they have a tax-exempt market that will absorb their output of securities.

6. WORK OF THE ASSOCIATION

But enough of preaching. Your secretary will tell you the story of the association's work during the year. It speaks for itself. We have stuck to our text as defenders of the American doctrine of equal rights and fair competition and sworn enemies of special privilege for special interests at the expense of the public, ourselves included. We are vastly encouraged by the result of our efforts. The issue is at last clearly defined and will shortly be put to a vote. Even our opponents admit that they are defending "a subsidy the like of which has never been granted to another enterprise under the Stars and Stripes," to quote the distinguished farm loan commissioner. Whatever the outcome, we have "fought the good fight." Our country and its institutions will suffer from defeat, if defeat is in store, more than we, and we can do no less than to see the fight through to a finish. We have no patience with quitters. We do not want them in this association.

For those of us who stick to our guns there is work to be done. We must carry on our educational campaign. We must at least subscribe to the limit of our ability to back up the magnificent work of Mr. Chassell. He has sacrificed not alone his other business interests, he has sacrificed himself to this cause of yours. Year in and year out, all day and far into the night he has worked almost single handed and economizing to the last cent to make your dollars go the limit in effectiveness. We can never repay him; we can rally to his support and show him that we appreciate and will back him to the limit, good fighter that he is!

I can not close without a personal word of appreciation not only in my own behalf of all that Mr. Chassell has done for the association but also of the fine and loyal support and friendship that the members of the association have invariably given me as president. I see before the association an ever-expanding field of usefulness to its members and to the country in which we live. These are the hard and difficult days. Our stability and faithfulness to our trust now will build a sure foundation for our future as an association. We are gaining in public recognition and influence; our most valuable asset is our record of definite, effective work for the best interests of the most important industry in the country. This record, maintained through the years, will help every farm-mortgage banker to build up his own business more rapidly and more safely. Every selfish consideration bids you work to maintain this association and the business it represents. Every unselfish consideration leaves you no other choice. Let us get behind the new administration and make 1923 the best we have yet achieved.

Mr. SIMMONS. Mr. President, I discussed the amendment on yesterday and I do not propose to cover the ground that I then went over. I merely want to say before the vote is taken that I have heard advanced no reason whatsoever in favor of the amendment except that some few people in the country have borrowed money and invested that money in tax-free securities, and that because of that fact it is fair and just that the interest upon the tax-free securities should be an offset against the interest that is paid by them upon the borrowed money.

If that is the only reason for the amendment—and no other has been assigned—then the amendment ought to be confined to cases of that kind, but the amendment is not confined to cases of that kind. The amendment applies to any interest paid for borrowed money outside of the regular channels of the business of the borrower; so that we have this situation: A man honestly borrows a sum of money and he pays a certain interest upon that loan. The law gives him the right in his tax return to deduct from his gross income the interest upon that loan. It may be all right; it might be justified in morals; but it can not be justified in good faith to deny that deduction if he borrowed the money for the purpose of buying securities. Where one man makes a loan of that sort, the kind of loan that is contemplated and included in the provision now under discussion, 10 men will borrow money for some other purpose, and yet they will be subject to the provisions of the amendment. I ask the Senator from Utah if that is not true?

Mr. SMOOT. Mr. President, I could not say. I do not think there are any statistics which would justify me in stating any comparison.

Mr. SIMMONS. I do not ask whether the proportion is true. I do not say that the Senator has evaded the question, but I will change it, and I will ask the Senator if this amendment reaches only cases where the money is borrowed to be invested in and is invested in tax-exempt securities?

Mr. SMOOT. No; the theory of it is that no man would borrow money in order to buy tax-exempt securities that pay a less rate of interest if he did not intend to compute that interest for the purpose of evading taxes.

Mr. SIMMONS. Does not the Senator realize that many men who are engaged in business borrow money outside of their business for purposes not connected with their business; and would not this deduction be applied in such a case?

Mr. SMOOT. Certainly, if the man were carrying tax-exempt securities.

Mr. SIMMONS. If he were carrying tax-exempt securities, although the money was not borrowed for the purpose of buying tax-exempt securities but was borrowed for absolutely legitimately recognized business purposes, with no idea of defrauding the Government or evading any taxes?

Mr. SMOOT. It is not probable that anyone would borrow money to put into his business and still hold tax-exempt securities which were drawing a less rate of interest. That does not seem to me like good business. I am quite sure that I would not do it.

Mr. SIMMONS. Does the Senator mean that no man who has tax-exempt securities will borrow money?

Mr. SMOOT. I did not say that.

Mr. SIMMONS. That is what the Senator's statement would seem to mean.

Mr. SMOOT. I mean that as a regular thing no business man would ever borrow money and pay 5 per cent on it and then hold his tax-exempt securities and get but 4 per cent on them when he could sell his tax-exempt securities and pay his obligations. The only reason a man does such a thing is because he expects to use the interest upon his loan in order to reduce the amount of his taxable income.

Mr. SIMMONS. Does the Senator mean to say that if I had purchased tax-exempt securities five years ago and still held them, that I would not borrow money but that I would sell my tax-exempt securities to get money? Is that what the Senator contends?

Mr. SMOOT. Yes; I so contend, if the Senator intended to make an investment or he intended to carry the loan. I certainly should do so, and I think that every other business man would do so.

Mr. SIMMONS. The Senator, then, means to say that nobody who holds tax-exempt securities would go out and borrow money.

Mr. SMOOT. The Senator from Utah did not say that.

Mr. SIMMONS. That is what the Senator's statement means.

Mr. SMOOT. I do not say that nobody would do that; I am speaking now of the man who is in business; the man who ordinarily has good common sense; he would do it; and I take it for granted that the business men of the country generally have good common sense. According to Mr. McCoy, if this provision should not be adopted it would mean a loss of $35,000,000 to the Treasury of the United States.

Mr. SIMMONS. I am not concerned about the loss.

Mr. SMOOT. I know the Senator is not, but I am.

Mr. SIMMONS. Nor am I concerned about the gain. I do not want to discuss a question, right or wrong, upon the basis of what it is going to bring the Government or what the Government is going to lose.

Mr. SMOOT. Nor would I, I will say to the Senator, but I can not understand why Senators here are perfectly willing to vote for a 40 per cent surtax and then leave the gap open or the hole open to the taxpayer to crawl out from under.

Mr. SIMMONS. The Senator from Utah means that he can not see why we should vote for a 40 per cent surtax unless we vote to repeal these tax exemptions. That is what the Senator means.

Mr. SMOOT. I say, "Leave the hole open," and that is exactly what the Senator is proposing to do. That is where these men are going to escape. That is the cyclone cellar to which they will run.

Mr. SIMMONS. Mr. President, before we get through we shall see that that "cyclone cellar" is but a myth, a camouflage; that the leak is not there, but that the leak is somewhere else, and Senators on this side of the Chamber will present to the Senate a means of stopping that leak. I venture the prediction now that when we do present an amendment here, which, if adopted, would stop the leak and not be a camouflage amendment, as is the amendment with reference to tax-exempt securities, Senators on the other side of the Chamber will be found trying to defeat the amendment. But that is not what I am discussing.

Mr. HARRELD. Mr. President——

The PRESIDING OFFICER (Mr. SMITH in the chair). Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. SIMMONS. I yield.

Mr. HARRELD. I should like to ask the Senator if it is not a fact that there is a practice growing in the country among men who use their capital only for two or three months in the year of buying, for instance, cotton in the cotton season, investing their capital in tax-exempt securities for the whole year and using those tax-exempt securities as collateral to borrow money for their business during the three or four months when they need it? What effect would this amendment have on that condition?

Mr. SMOOT. That would be a transaction in trade or business, and the provision we are now discussing would not apply. It does not apply to a case like that; it is specifically stated in the amendment that it does not apply to money borrowed in trade or business.

Mr. HARRELD. I wanted to hear what the Senator had to say about that.

Mr. SIMMONS. I do not understand that if a man is engaged in buying cotton, and then buys securities, that necessarily that has any connection with his trade or business. I think the provision exempts interest on money borrowed to be used in the regular channels of business, and in that event this provision does not apply.

Mr. HARRELD. But would not that open the floodgates——

Mr. SIMMONS. I think it would.

Mr. HARRELD. For some taxpayers to practice a fraud in making out their income-tax reports?

Mr. SIMMONS. I do not know that I quite comprehend the idea that is in the mind of the Senator, but the point I am trying to bring to the attention of the Senate is that the specific reason that is assigned for this provision is that it is intended to reach, and will reach, the case of a man deliberately borrowing money for the purpose of investing that money in tax-exempt securities, and the argument I am making is that if the amendment were confined to that specific case where there is some suspicion of a purpose to defraud the Government of its taxes it would not be so bad; but it is not confined to the case; it extends to every case where a man borrows money to be used outside of his business and not connected with his regular ordinary business. The interest that he pays upon that money will not be allowed as a deduction under the provisions of this amendment.

Mr. FLETCHER. Mr. President, may I interrupt the Senator to say——

Mr. SIMMONS. The reason given for the support of the amendment does not apply to a case of that sort. That man may be innocent of any purpose to defraud the Government, but he may be unfortunate in the fact that he happens to hold some Government securities at the time of the transaction or may subsequently buy some Government securities.

It is inconceivable that the Senate would deliberately vote to take away from an honest man who happens to have some Government securities his exemption on account of interest paid when that interest was paid upon obligations created not for the purpose of investing in securities or of evading taxes, but for an absolutely honest and legitimate purpose.

Mr. FLETCHER. Mr. President, I was going to call the Senate's attention to page 47, paragraph 2, which seems to me to carry the contingency which I gather the Senator has in mind as being somewhat involved in this proposed amendment and which is taken care of in this part of the bill:

(2) All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this title.

That I think has been agreed to.

Mr. REED of Pennsylvania. That is in the present law, and I understand it has been agreed to.

Mr. FLETCHER. That takes care of the situation where a man borrows money for the purpose of buying tax-exempt securities.

Mr. SIMMONS. Yes.

Mr. FLETCHER. In that sort of a case the interest which he paid is not deductible if he borrowed the money for the purpose of buying tax-exempt securities, and that takes care of the situation.

Mr. SIMMONS. Yes; and that is the only reason that is given for this amendment. That is the very point I am making.

Mr. FLETCHER. Precisely, and that is taken care of in another part of the bill.

Mr. SIMMONS. I might happen to have some tax-exempt securities and there may be reasons why I do not want to dispose of them; I desire to keep them; I want to buy a home, and I have not the money, so I borrow the money to buy a home. Why should I be denied my legitimate lawful deduction of that interest on account of the fact that I happen to have a few Government securities in my possession? There is no reason assigned by any advocate of this bill why an honest loan of that sort should be subject to the provisions of this section.

Mr. REED of Pennsylvania. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Pennsylvania?

Mr. SIMMONS. I yield.

Mr. REED of Pennsylvania. Does the Senator concede that the provision of the present law to which the Senator from Florida has just referred is a proper provision?

Mr. SIMMONS. I said a little while ago that that was not so bad, because there was inherent in that transaction some evidence of a purpose to defraud the Government.

Mr. REED of Pennsylvania. Does not the Senator know that the section which was read by the Senator from Florida has been a dead letter, because it is so easily evaded?

Mr. SIMMONS. I do not know that.

Mr. REED of Pennsylvania. A man borrows the money and puts it in one pocket and takes the money from another pocket to buy tax exempts.

Mr. SIMMONS. I suppose that if this provision is adopted it will also be a dead letter so long as there is no disposition to enforce the law against the taxpayer. I do not see why this provision would not be subject to just the same evasions, just the same concealment, just the same difficulties that the Senator complains of with reference to the other law—difficulties which he says have made that law a dead letter.

Mr. REED of Pennsylvania. Does not the Senator know that this administration, like the last administration, with the utmost desire to enforce the law, has found itself unable to prove the purpose for which the man borrowed the money, and that is why it is a dead letter?

Mr. SIMMONS. If it be true that that law is a dead letter by a parity of reasoning, as this simply extends the scope of that dead letter, this would be equally a dead letter.

Mr. FLETCHER. Why put it in the bill if it is a dead letter? Why reenact it?

Mr. REED of Pennsylvania. But the purpose of putting this provision in the bill is that it dispenses with the necessity of the Treasury Department proving the man's purpose in borrowing the money. That is what is the matter now. We can not prove that he borrowed to buy tax exempts. If we put this in, we will not have to prove that.

Mr. SIMMONS. In other words, because it is difficult to catch a dishonest man, you will, in order to enable you to catch him, throw our your net and catch 8 or 9 or 10 honest men and subject them to the penalty that you propose to impose upon the dishonest man. That is one of my fundamental objections to this provision. Every citizen of this country under the law is entitled to deduct his interest.

Now you propose here to say that a perfectly honest man shall be denied the benefit of this deduction because some dishonest man has been found who has invented a scheme by which he can evade the law. To my mind it is perfectly inconceivable and preposterous that the United States Senate should not make this distinction.

But, Mr. President, that is not all. I will ask the Senator from Pennsylvania why he included in the same category the amount of deductions provided for in paragraph (5) of subdivision (a), which refers to losses that are not compensated by insurance?

Mr. REED of Pennsylvania. Mr. President, I tried to explain that yesterday.

Mr. SIMMONS. I did not hear the Senator's explanation.

Mr. REED of Pennsylvania. That is because of the very great number of men who have resorted to the expedient called registering off losses. The law has been very liberal in allowing the deduction of losses incurred outside of one's trade or business. We want to put an end to the abuse of that, if it can be done. At the end of every year we see the stock market thrown into a state of mild convulsions because men are taking out from their safe-deposit boxes and selling all the securities on which they can show a loss, and they immediately put back the money into something just the same, or substantially the same. They incur no real loss, but they have a paper loss with which they wipe out their taxable income.

Mr. SIMMONS. What per cent of taxpayers who have sustained losses of this character resort to those methods?

Mr. REED of Pennsylvania. Mr. President, I do not mean to intrude too far upon the Senator's time, but I have here a diagram that will illustrate that better than anything I can say.

Mr. SIMMONS. The theory of this bill, to my mind, seems to be that if we pass a law of any kind that is evaded by a few men, everybody else who may not be guilty of that offense shall be punished in the same way that the rascal is punished.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina further yield to the Senator from Pennsylvania?

Mr. SIMMONS. Yes.

Mr. REED of Pennsylvania. The Treasury Department has taken 471 individuals who happened to be in the class of men who in 1916 had incomes of $300,000 or more, and who also have reported their incomes in each of the five succeeding years—that is, out of all the men who had that much income in 1916 there are 471 of them who have made reports on their incomes for 1916, 1917, 1918, 1919, 1920, and 1921—471 individuals in that rich man's class. Now, let me show you what has happened to the incomes of those 471 men in those six years.

In 1916 they reported for taxation $460,000,000 of income and the Government got the tax on that.

In the next year, 1917, it had shrunk to less than $270,000,000.

In the next year, 1918—still these same men—it had come down to about $125,000,000.

In 1919—I am giving only the round figures—it had shrunk to $120,000,000.

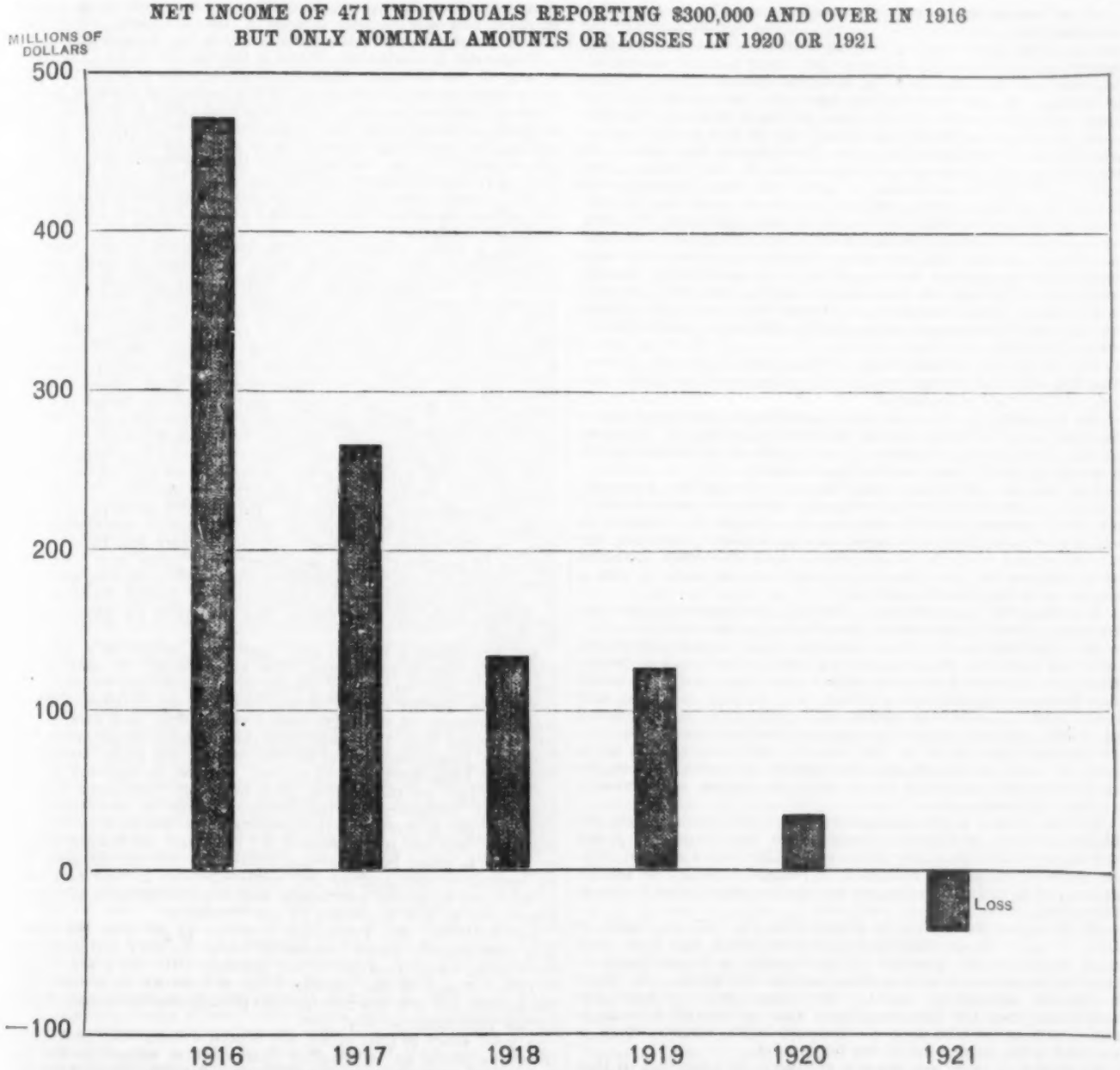
In the tremendously prosperous year of 1920 it had shrunk to less than $35,000,000.

In 1921 those 471 men altogether showed a loss of $40,000,000.

That is the way it works. In 1921 prices were down; and these 471 rich men, who had reported for taxation over $460,000,000 in 1916, registered off losses, and actually the group of them, taken as a whole, showed $40,000,000 less than nothing as their income in 1921.

I ask unanimous consent that this diagram, which is a line diagram, be incorporated in the RECORD.

There being no objection, the diagram was ordered to be printed in the RECORD, as follows:



Mr. FLETCHER. Mr. President, does the Senator's diagram show how much these men had invested in tax-exempt securities during that time?

Mr. REED of Pennsylvania. That was not the question. The Senator asked me whether they had registered off losses, and I think this diagram shows graphically the extent to which they have done it.

Mr. KENDRICK and Mr. BRUCE addressed the Chair.

Mr. REED of Pennsylvania. The floor belongs to the Senator from North Carolina.

Mr. SIMMONS. I yield first to the Senator from Wyoming, then I will yield to the Senator from Maryland.

Mr. KENDRICK. Mr. President, I desire to ask the Senator from Pennsylvania if, in connection with this chart, he has any record of the way these losses were arrived at by these 471 individuals? Has he any figures to show how they sustained the losses, through the sale and purchase of stocks of a similar character?

Mr. REED of Pennsylvania. I have not the statistics that show the details of the losses in all those cases; no. Some of them, I dare say, were losses incurred in cattle raising or businesses of that sort, where prices have gone down; but most of them, I am confident, were losses nominally incurred by the resale of securities, which at that time were quoted very low.

Mr. KENDRICK. That is what I understood the figures to indicate; and I was wondering if the department had secured any record of the transactions indicating how the manipulation had been carried on.

Mr. REED of Pennsylvania. The department, of course, could take the 471 returns and tell us what proportion of them were losses incurred in the resale of stocks or bonds and what proportion were incurred in commodities.

Mr. KENDRICK. The returns of the different individuals would, of course, necessarily indicate the source of the losses.

Mr. REED of Pennsylvania. Surely.

Mr. SIMMONS. Mr. President, the losses to which the Senator referred have no connection with tax-exempt securities.

Mr. REED of Pennsylvania. No, Mr. President; they have no connection with them, but what we are trying to stop is the abuse of this loss provision by rich men who have these large incomes from tax exempts.

Mr. SIMMONS. I understand. Then the proposition of the Senator is that although tax-exempt securities have nothing to do with this fraud growing out of losses, because some very rich men have trampled under their feet that law and have committed a fraud upon the Government in making their claims for losses, therefore the Government will make them surrender their tax exemption upon their Government securities.

What connection is there between the two? In the other case there was a connection, so far as the reason assigned for the law was concerned, between the interest which the taxpayer sought to deduct and the interest upon these tax-free securities; but the loss that the Senator seeks to guard against in this provision is a loss that has no connection at all with tax-exempt securities. It is a bare case of fraud upon the Government, and the Senator's proposition carries him to this logical conclusion: Notwithstanding the Government has issued its securities, sold them to the taxpayers of the country, and guaranteed that they should not pay a tax upon them, because somebody else has been practicing a fraud upon the Government in connection with the losses he has sustained, the innocent taxpayer shall not be allowed his exemption! What logic and what morals! You do not confine this provision to losses sustained by men who have resorted to the devices the Senator speaks of. You extend them to the honest man who has sustained these losses honestly, and who has made his honest account, who happens to have in his possession some Government securities.

Mr. REED of Pennsylvania. I beg the Senator's pardon. The losses that are mentioned in this amendment are those outside of the trade or business.

Mr. SIMMONS. Oh, well, a man may have losses outside of his trade and business that he is entitled to deduct. The loss that a taxpayer may deduct is not confined to losses in his business; it is any loss that he may sustain.

The Senator says that there were about 400 rich men who resorted to the practice of defrauding the Government in their returns in connection with their losses; and yet the Senator, in order to reach those rich men who have been practicing the frauds, would visit the same penalty upon the other 6,000,000 of taxpayers in this country, against whom there is not a charge or a breath of suspicion.

Mr. REED of Pennsylvania. The Senator does not mean that there are 6,000,000 owners of tax-free bonds, does he?

Mr. SIMMONS. No, I do not mean that; I mean every one of those 6,000,000 who happens to possess Government bonds. Here, to punish a rich man—and I think this device to which the Senator referred is confined very largely to those who have large incomes—to punish the rich man for his fraud upon the revenues of the Government the Senator would punish every little fellow in this country who happens to be in possession or ownership of Government securities and at the same time has sustained losses which he claims, and honestly claims, under the law.

To my mind a more outrageous proposition of intended, deliberate wrong was never presented to the Congress. I am willing to catch the guilty and punish him, but I am not willing because there are rascals in a certain category to punish every honest man in a category just to the extent that I punish the rascal.

If this provision is to be retained in the bill, my point is that it ought to be limited to interest which has been paid upon loans for the purpose of investment in Government securities or was invested in Government securities. In other words, the amendment ought to be framed so as to reach the reason assigned for the amendment and not extended so as to apply to persons who do not come within the reason which is stated for the enactment of the legislation.

Of course, I know we are not getting a fair hearing in this Chamber upon this question. I know very largely the reason for it. This amendment originates with the Treasury Department. The Treasury Department seems to be making a drive against tax-exempt securities. This is the entering wedge. This is sent up here by the Treasury Department in order that it may be passed, become a part of the law, and be taken into the courts by innocent people whose rights it will violate and outrage in the hope that they may get from the court a decision which will enable them, without a constitutional amendment, to subject future issues of bonds, State and Government, to taxation. That is the purpose of it. It is an entering wedge. It is a device to secure a decision from the Supreme Court. It is not expected that the law will be any more rigidly enforced than the present law is enforced, or than the law which the Senator says is a dead letter has been enforced. It is a scheme to get a decision for a definite purpose.

The Senator from Arkansas [Mr. CARAWAY] is right. We have been issuing Government tax-exempt bonds in this country from the very beginning. Is it a good policy or is it a bad policy? Every State in this Union to-day has a law by which the bonds it issues, and which its subdivisions issue, are exempt from taxation. Those laws are not recent. They are long standing. Those laws were adopted because of a settled public opinion that they were in the interest of the public. Our tax-exemption laws have been in existence for a very long period of years, and only recently this drive, this campaign, this propaganda to subject future issues to taxation has been begun.

Where did it originate? What is the theory of it? The Secretary of the Treasury says we must tax these securities because investment in them is a fruitful method of evading taxes. There is nothing to that, in my judgment; and if there is anything to it, the remedy may be applied. That is not the reason behind this recent agitation in favor of subjecting these securities to taxation. It originates with the investment institutions, with the farm-mortgage institutions, with that class of people in this country who make their money by lending money not in the regular course of the banking business but as a private investment business.

Since a large volume of these bonds were issued bearing this privilege, and especially since we began to issue bonds through certain agencies of the Government, such as the War Finance Corporation and the farm loan banks, these gentlemen, who had before been exacting of the public from 8 to 10 and 12 per cent interest, especially from the farmers, and who had reaped a rich harvest from these usurious rates of interest, find that as a result of this activity of the Government in supplying the farmers in their distress with cheap money they are not now able to exact and obtain the large returns on their money which they received in previous times. They are behind the movement against tax-exempt securities.

The Senator from Arkansas [Mr. CARAWAY] has done a distinct service in presenting to the Senate to-day the evidence showing the origin of this legislation, centering it right in the farm-mortgage associations. He did not present hearsay evidence or conjecture, but he gave authentic statements of those on the inside, who speak of this matter and their great success in arousing public sentiment with pride and boastfulness, and who claim for themselves the credit of having aroused the American people to the importance of taxing Government securities, although that action was prompted by purely selfish motives.

Mr. President, I had no idea that there would be a serious contest in the Senate about this amendment. It seemed to me that it was so utterly wrong in principle, so violative of the solemn pledge of the Government to its citizens, that a mere statement of the facts would be all that was necessary; but it seems that this particular amendment came from the Treasury Department, just as the Mellon bill came from the Treasury Department; it is sacred; it must be adopted in its entirety, just as the Mellon plan must be. We must follow the great Secretary of the Treasury. He is our financial adviser. He is strong in the country. We are safe in following him. He has recommended it; therefore we should adopt it. This is great business—the abdication by the Congress of its legislative prerogatives and responsibilities in fear and awe of the very excellent gentleman and multimillionaire of Pittsburgh who is now Secretary of the Treasury.

Mr. BRUCE. Mr. President, it seems to me that the question immediately under discussion leads up very naturally to the surtax issue involved in the pending bill. As I see it, all of these efforts, in one protean form or another, to circumvent the income tax law, are referable to the oppressive nature of the surtax provisions of that law.

A good story is told of an old Scotch deacon who took part in a discussion as to whether instrumental music should be introduced into his kirk or not. After listening attentively to all that was said in the negative, he declared himself in favor of the instrumental music, adding, "I don't see why the devil should have all the good music." So as to surtaxes, I can not see why the Republican Secretary of the Treasury or the Republican majority of the Senate Finance Committee should have all the sound finance.

There are some things in the Mellon tax plan of which I never did approve. I never could see why Mr. Mellon should have been disposed to relieve amusements of taxation in advance of relieving all business activities, and I must say that it was a source of real surprise to me, entertaining the high opinion I do, in many respects, of the Secretary of the Treasury, that he should have suggested in his plan the idea of the interest on tax-exempt securities held by innocent as well as dishonest holders being deducted from losses or from interest on indebtedness claimed by the taxpayer.

There are still other features of the Mellon tax plan which do not meet with my approval, but its surtax feature receives my unqualified approval. If the surtax is placed any higher than 25 per cent on incomes in excess of $100,000, in my judgment, no truly fruitful result of any kind will be achieved. The fact is that I am inclined to think that instead of the maximum surtax being placed at 25 per cent on incomes in

excess of $100,000 it should be placed at 20 or 15 per cent. My own personal opinion is that it will not be until it shall have been placed at 15 per cent that all those artifices of one sort or another which are so frequently invoked for the purpose of evading the surtax will cease. Indeed, if the matter was one of first impression, I think that it would be a fair question whether there should be such a thing as a surtax at all.

If I have twice the income that you have, Mr. President, it is only fair and just that I should pay twice the income tax that you do; but I think it doubtful, indeed, whether that fact is any reason why I should pay three or four times the income tax that you do. The whole surtax idea rests upon the fundamental fallacy that a rich man has all of his fortune to himself. The only rich man who has all his fortune to himself is the miser who keeps his wealth in a hole in the ground or in a hollow tree, and the miser, of course, can not be said to be so much the master as the slave of his wealth.

Under normal conditions the use of money is found entirely in its active employment. It is only so much dross, so much refuse, until it is turned to the purchase of some of the commodities that minister to human necessity or luxury. It is impossible for a rich man to expend his income without benefiting not only himself but his neighbors. And if the money of a rich man has flowed out into highly productive enterprises, when he dies the likelihood is that the community in which he has lived will have benefited to a far greater extent from his wealth than he ever did. The trouble about many individuals at the present time is that they think of wealth as simply, to use a slang expression, something to be "swatted" or "soaked." That is a perfectly false attitude. There are, of course, wealthy men who have the respect of no one. No one has esteem for a mere niggard or skinflint; nor has anyone anything except the deepest disesteem, not to say disgust, for the wealthy usurer or extortionist who grinds the faces of the poor, or for the affluent individual who resorts to all kinds of equivocal or dishonest expedients for the purpose of escaping his just share of taxation. But, except when perverted, the wealth of the rich in any community is nothing but a blessing to that community. It carries growth and thrift along with it just as much as the irrigation produced by a stream carries fertility and growth along with its current.

I can not speak for any State except the one in which I happen to live, but I am delighted to say that that State is singularly free from any blind, unreasoning prejudice against the rich. We have no men in the State of Maryland who correspond to Sir Giles Overreach of the Elizabethan period. We have no tyrannical captains of industry. We have no class of wealthy men in Maryland of any kind, so far as I know, who are in the habit of bleeding the poor or justly deserve the opprobrium of the plunderer. Our great institutions of every sort, educational and eleemosynary, are built up upon the beneficence of our wealthy men. The most opulent men in our State are among the best citizens in every respect that we have. They never fail to respond to any call for human relief or for the promotion of popular education or for the promotion of the well-being of the public in any respect. We do not want any Dohenys or Sinclairs in Maryland. We have none. But if there is any State in the Union which entertains such a strong prepossession against its rich men as to desire to get rid of them, all I have to say is that if they are like our citizens of the same type I trust that it will pass them on to us. We will take, and gladly take them, and we will see to it that if any of them are disposed to allow human selfishness to run into excess our wise and wholesome laws and our honest officials will, I am sure, suffice to protect the popular interests.

Only a very small part of the wealth that any rich man has, I repeat, can be truly said to belong to him exclusively. It belongs to his neighbors, to his local community, to his State, to his country as well. He can not spend a dollar of it without benefiting the butcher or the baker or the candlestick maker with whom he deals. The consequence is that the very first thing that should be done in connection with any just or rational system of taxation is to assume the proper posture toward wealth and toward rich men. The able minister of Louis XIV, Colbert, said upon one occasion that the whole art of taxation consists in plucking the goose without making him squawk. There never was a truer thing said. There is nothing so futile, so sterile, as exorbitant taxation. Somebody has said that it is not possible for human ingenuity to invent a code that human ingenuity can not decipher, and I affirm with equal confidence that it is not possible for human ingenuity to frame an arbitrary, unjust tax system that it is not competent for human skill to circumvent.

Of course, it is not easy to withdraw real estate from the scope of taxation. It is a part of the visible, solid universe. It is permanent. It can not go into hiding. It can not migrate. So it has always been the very backbone of taxation; and unfortunately, for too many years in the history of American taxation, furnished the standard by which all species of property however dissimilar were taxed. Even where taxation on real estate is high the owner can usually without difficulty, where the real estate is improved, shift the tax to the occupier of the premises. As every human being, as a rule, is sheltered by something, whether it be a palace or a hut, the burden of taxation on real estate is always widely distributed. It is also competent for the taxgatherer to reach tangible personal property though the taxation of such property involves a certain amount of inquisitorial intrusion, and in many forms is quickly perishable and can be easily hidden or transferred from one place to another. But when we come to the taxation of that great class of property which includes incomes and is usually termed invisible or intangible property—that is to say, bonds or forms of property akin to bonds—we have to handle a thing that has the faculty of the individual in the fairy tale who could at any moment that he pleased don the garment of invisibility.

Almost all signal failures in taxation are attributable to the omission to take this fact into proper account. Men have always resorted and always will resort to means of defeating taxation on this species of property when it is oppressively excessive. It is not permanent like real estate. It can go into hiding unlike real estate. It can migrate unlike real estate. It can almost at pleasure, at any time that it pleases, evade the tax assessor. There could be no better illustration of this fact than the history of the present surtax.

During the war it will be remembered that the maximum surtax ranged as high as 65 per cent. I had a friend in the city of Baltimore who earned a net income of $250,000 a year from his business when the World War began. During the war, after he had enlarged his plant, extended his pay roll, and assumed a heavy additional burden of labor, anxiety, and risk, he earned from that same business a net income of $1,000,000 a year; and yet was no, or but little, if anything, better off than he was at the beginning of the World War.

I might ask what reasonable expectation is there that any man who is despoiled in that way of a greater part of the wealth to which his energy and sagacity entitle him will pay any strictly scrupulous regard to the requirements of the income-tax law if he can in some legal manner evade them?

Later, in 1921, Mr. Mellon recommended a maximum surtax rate of 25 per cent. When his proposition reached the House of Representatives that body made the maximum surtax rate 32 per cent on all incomes in excess of $66,000 a year. Then, unfortunately, the Senate insisted on fixing the rate at 50 per cent of all incomes in excess of $200,000 a year. A worse day's work was never done. A more fatal, a more fatuous, a more fruitless act never was performed by any legislative body.

What was the general result? Though there was a threefold increase in all incomes of every sort returned for taxation between 1916 and 1921, so far as taxable incomes in excess of $300,000 a year was concerned, the total sank from nearly $1,000,000,000 in 1916 to $150,000,000 in 1921. The Senator from Pennsylvania [Mr. REED] selected a few moments ago some 471 individual taxpayers who had incomes in excess of $200,000 a year in 1916 and had no difficulty in showing that in 1921 the Government was not deriving a cent of taxation from them.

Of course, during the World War the people of the whole country, rich and poor alike, were keyed up to a high pitch of patriotic ardor and moral exaltation. At such a crisis as that men were willing to endure privations and to incur sacrifices that they are unwilling to endure or to incur in normal time; and so the enormous burden of the surtax was, during the war, borne with commendable patience, but as soon as the stimulus of the war had passed away, as soon as the lofty enthusiasm bred by it had died out, the wealthy men who had large incomes subject to the surtax did what wealthy men have always done and will always do when they find themselves charged with legal tax obligations that they have good reason to think are unjust and inordinately onerous. They set themselves and their lawyers to work to find legal devices—not illegal devices, mind you, but legal devices—by which they could in some manner or other mitigate the pressure of the crushing taxation to which they were subject. Some of them bought large amounts of tax-exempt securities, though in my opinion the extent to which this was actually done has been grossly exaggerated. I think that the

Senator from New Mexico [Mr. JONES] established that fact beyond a peradventure a few days ago, not to say anything of the Senator from Indiana [Mr. RALSTON], who discussed the same subject some weeks ago. However, Mr. William Rockefeller, and many of the other wealthy men of the country, did invest their means largely in tax-exempt securities so as to escape the surtax. A larger number, in my judgment, resorted to incorporation for the same purpose.

Mr. FLETCHER. Mr. President, will the Senator from Maryland yield to me for just a moment at that point?

Mr. BRUCE. I yield to the Senator from Florida with pleasure.

Mr. FLETCHER. The discussion, as it seems to me, particularly on the part of those who are opposed to the committee amendment, leaves a sort of an implication that it is an offense against society for any one to invest his money in tax-exempt securities. I desire to say that those securities are offered to the public, and if somebody does not buy them the proceeds can never be put to use. It is not a question of hoarding the money or of locking it up when it is invested in tax-exempt securities. I think the Senator from Maryland will agree to that?

Mr. BRUCE. Undoubtedly.

Mr. FLETCHER. When an investment of that sort is made the proceeds go to build roads, to build schoolhouses, for loans to farmers, and that sort of thing, so that the money which is invested in tax-exempt securities is actually put to use. That point seems to have been overlooked.

Mr. BRUCE. It ought not to be overlooked. The money derived from the sale of tax-exempt securities is invested in useful forms in a thousand and one ways.

Moreover, I have no doubt that, as the Senator from Connecticut [Mr. MCLEAN] suggested the other day, great sums find their way into all kinds of speculative ventures. If the Government is going to take all of my income above a certain amount, anyway, of course the temptation to me to engage in risky enterprises of one sort or another, such as mining ventures or what not, that might bring me a phenomenal return is acutely stimulated; but be the agencies by which this reduction in the surtax has been brought about what they may, the fact remains that to-day, so far as incomes in excess of $300,000 a year are concerned, the surtax is nothing more than a Dead Sea apple.

Mr. MCLEAN. Mr. President, will the Senator yield for a question?

Mr. BRUCE. Certainly.

Mr. MCLEAN. Does not the Senator think if we could reduce the surtax to 20 per cent that it would to a very great extent remove the temptation and avoid the evil that we want to provide against?

Mr. BRUCE. I was coming to that point at that very moment, for it is really the true burden of all that I have to say to-day. When we come to deal with a Federal income surtax or with the taxation of invisible or intangible properties, such as bonds, in the province of State or municipal taxation, there is only one effective way in which the income on that incorporeal property can be reached, and that is by adjusting the taxation to the point where the natural impulses of human integrity will counterbalance the natural impulses of human selfishness.

Mr. MCLEAN. Mr. President, I was prompted to ask the question because I notice that most of the gentlemen who are opposed to the amendment offered by the Senator from Pennsylvania [Mr. REED] are in favor of a very high surtax.

Mr. BRUCE. Yes.

Mr. MCLEAN. It is rather amusing to observe those gentlemen insisting upon a nontaxable security which will furnish a cyclone cellar into which millionaires may go for protection from the high surtax which they want to impose.

Mr. BRUCE. My idea is that if we reduce the surtax to a proper level we will have no occasion for any such amendment as that proposed by the Senator from Pennsylvania.

Mr. SMOOT. There is no doubt about that.

Mr. MCLEAN. I will say if we could be sure of a surtax of 20 per cent I would be glad to vote against the amendment of the Senator from Pennsylvania.

Mr. BRUCE. So should I but for the fact that I am going to vote against it on other grounds.

Mr. SMOOT. I think the same thing would be true if the surtax were reduced to 25 per cent.

Mr. BRUCE. Mr. President, the whole income-surtax problem in this country is closely allied to the old general property tax problem. When I began life in Maryland there was a provision in the Maryland constitution, coming down from the early history of the State, that every man ought to contribute to the expenses of the government in proportion to his actual worth in real and personal property. That provision, smooth as it is as an abstraction, has been repealed by our intelligent people. They have now provided, by a change in their organic law, that the legislature shall be free to classify the different kinds of property, real and personal, according to their several specific characteristics and relative amenability—for that is a most important consideration—to taxation.

When the idea of altering the old constitutional provision relating to taxation was first broached the discussion engendered a considerable amount of bitterness, just as the discussion of the surtax is likely to engender a certain amount of bitterness likewise. The farmers especially thought that it was outrageous that when they were paying taxes on their real estate at the general tax rate other taxpayers who happened to hold 4 per cent bonds should not be subject to exactly the same tax rate.

I remember that a very indignant citizen once declared in my presence that he thought that anybody who formed a conviction to the contrary was little less than a thief. The discussion, however, went on in the press, in the Maryland Legislature, and on the hustings, and finally resulted in a constitutional change allowing the legislature to classify the different species of property according to their specific pecularities and to tax them on different principles.

In 1896 bonds in the State of Maryland were assessed and taxed exactly as real estate. I might own a bond that netted me only 3½ per cent or 4 per cent a year, and yet theoretically, under the Maryland constitution and laws I was subject to a tax of $2 or more per $100 a year on the market value of that bond. Under this state of things, the whole amount of the assessment on bonds and securities akin to bonds in the city of Baltimore in 1896 was only $6,000,000. Think of that! In that great, populous, and comparatively wealthy city, the total amount of the assessment on such property was only that insignificant amount.

Then the legislature came along—this was before the change was made in the Maryland constitution, mind you—and said that in the place of the general property tax there should be a uniform local tax on bonds throughout the State of 30 cents only, in addition to the small State tax which they also have. To-day the entire local and State tax in Maryland on bonds amounts to only 0.45 of 1 per cent.

The very next year after the new law went into effect the total assessment on bonds and like securities in the city of Baltimore rose at a leap from $6,000,000 to $58,000,000, and under the fostering effect of the liberal and enlightened system of taxation that we have now adopted this total assessment of $58,000,000 has now risen to some $250,000,000.

So perfectly satisfied were the people of Maryland after the long agitation which had gone on with this new system of taxing bonds that even before the old general property tax provisions in the Maryland constitution were altered by the constitutional amendment not one single finger within the limits of the State of Maryland was lifted for the purpose of testing the constitutionality of the legislative measure which had imposed the lower rate of taxation on bonds, and if there is any man in the State of Maryland to-day who is not satisfied with our system of classifying the different kinds of property and imposing a lower rate of taxation on intangible property than on real estate or tangible personal property I do not know who that man is. In other words, in Maryland we have found the point at which the natural impulses of human integrity counterbalances the natural impulses of human selfishness in the matter of taxing invisible or intangible property. We have discovered the point at which we can actually touch intangible property and actually see invisible property.

If you will only lower the surtax in the same way from 50 per cent to 25 per cent, or, better still, 20 per cent or 15 per cent, my prediction is that precisely the same practical consequences will ensue. Then it will no longer be worth the while of our wealthier men to resort to legal devices or expedients of one sort or another for the purpose of escaping the surtax.

This matter of surtax taxation is at present like shearing a hog; it is all cry and no wool; but with the reduction in the surtax that I suggest the Government would be able to clip not a little wool from the back of the tax sheep. All men naturally want to be at peace with the law—all except criminals or quasi criminals.

All men naturally wish to contribute their proper quota of effort or pecuniary contribution to the welfare of the Commonwealth; but you can not expect any man to pay taxes for the

benefit of the State with any real degree of willingness if by your legislation you fill his breast with a sense of rankling injustice.

Instead of trying the experiment of high surtaxes, let us try for a while the experiment of low surtaxes and see whether we can not coax some of this vanished wealth out of the cracks and crannies into which it has crept for protection.

For the life of me I can not see—I wish I could see it, because I have no desire for the standing of a heretic, party or otherwise—that any substantial results would follow from a maximum surtax rate of 40 per cent. Wealth secrets itself when it is subjected to a surtax of 50 per cent. What has been conclusively demonstrated? What reason is there for believing that it will not do the same thing when it is subjected to a surtax only 10 per cent lower? You are not pitching your pipe in the right key; you are not placing your legislation on the right level, if you propose to adopt either 50 per cent or 40 per cent as your maximum surtax rate. You must bring these surtax rates down much further. Not only will you get more revenue, just as a street railway company often obtains more revenue when it lowers its fares, but, as the Secretary of the Treasury has repeatedly pointed out, then again a great stream of refreshing, life-giving, quickening wealth would pour back into the productive energies of the country from which wealth has now been largely estranged; and if the productive energies of the country are stimulated, of course, that means more factories, more employment, more income for the individual, more revenue for the State.

I have given a great deal of reflection to this matter, whether my conclusions are right or wrong. I do not know when I have meditated more closely upon any subject. Every man who has any good, practical sense knows the importance of keeping in touch with those whose faces are set in the same general direction as his. No man is willing lightly to incur the reputation of being a mere eccentric, an erratic fellow who is whipped about first by one flaw of mental aberration and then another; but it so happens that all through my life I have been intimately associated in one manner or another with problems of taxation, and in speaking as I have done to-day I have not spoken simply from the point of view of philosophical speculation or abstract inquiry but from the point of view of a practical administrator who has been actually charged with duties, and important duties, in relation to taxation. My conclusions, I repeat, whether sound or unsound, judicious or injudicious, have been reached after the closest and the most exhaustive reflection of which I am capable.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. HARRIS in the chair). Does the Senator from Maryland yield to the Senator from Utah?

Mr. BRUCE. I do.

Mr. KING. The Senator, as a historian and also a student of political economy, which embraces the subject of taxation, has doubtless discovered that in the United States, with, I was about to say, our complex system of taxation—complex because we have the States charged with the responsibility of domestic matters, and the Federal Government charged with certain duties—it is more difficult to devise and to execute a national system of taxation than in other governments where they do not have the dual form of government. Does not the Senator feel that in laying Federal taxes there ought to be a due consideration for the system of taxation employed in the States; that we ought to take into account the fact that in the States the land, to which the Senator has referred, is one of the chief objects or subjects of taxation; that in the States, because the Federal Government has adopted the income-tax system, we ought so far as possible to leave some fields unexplored, uninvaded, for the States to obtain needed State revenue?

I was wondering if the Senator cared at this time to give his views upon the question of high income taxes, estate taxes in contradistinction to inheritance taxes, and what, in his judgment, would be the effect of imposing very high taxes, whether the result would be beneficial in getting larger revenue or whether those high taxes would not inevitably, no matter how moral and ethical and virtuous people may be, dry up many of the fountains of taxation. My question is rather discursive——

Mr. BRUCE. I understand very clearly what the Senator has said. For me, however, to attempt to draw the line of demarcation between the proper province of national taxation and the proper province of State taxation would lead to too extended an inquiry at this time.

I might say, as to what the Senator says about the practical effects of taxation, that it brings me back merely to some aspects of taxation which I have already been discussing. When you come to assess real estate you can assess it at anything you please, provided you can satisfy a court of review that you have not taxed it excessively, but when you come to tax incorporeal forms of property, then you have to be careful to adjust your scale of taxation to the actual workings of human nature. We all know that human nature is a mere amalgam of selfish and unselfish motives. One of the things that made Benjamin Franklin so sage was the fact that he always took into account, in dealing with any social or political problem, both the selfish and the benevolent sides of the human character. He knew that they went along together.

If you do not tax a man oppressively, tyrannically, destructively, unless he is a more or less abnormal man, he will cheerfully bear the burden which the State imposes on him, but just as soon as he feels that the burden is imposed upon him arbitrarily or rapaciously imposed, that moment he begins to cast about for some scheme by which he can secure relief.

Just one illustration escaped my mind in connection with the decline, under the operation of the general property tax, of assessments of intangible property. In the city of New York in 1866 the ratio of the total amount of assessed personal property to the total amount of assessed property of every kind was 25.5 per cent, but in 1921 the ratio was only 1.6 per cent. Mind you, that was under the operation of the general property tax, which produced similar results in the State of Maryland.

THE TWO POLITICAL PARTIES—A CONTRAST

Mr. FLETCHER. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial which appears in The Ocala (Fla.) Banner of April 18, 1924. In doing so I am prompted very largely by the address of the Senator from Ohio [Mr. WILLIS], which was printed in the CONGRESSIONAL RECORD of April 29.

The PRESIDING OFFICER (Mr. HARRIS in the chair). Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered.

The editorial is as follows:

THE TWO POLITICAL PARTIES—A CONTRAST

One perusing the annals of the past is made to feel quite proud of the achievements of the Democratic Party.

Its founder was Thomas Jefferson, author of the Declaration of Independence.

He is everywhere acknowledged as the most gifted, the most profound, and the most irreproachable of our earlier statesmen.

On entering the White House he inaugurated the reign of simplicity, which was not only seen and felt in all social and State functions, but in all the simpler walks of life—all stately ceremonials, such as the wearing of wigs, knee breeches, gold buckles, and other forms of aristocracy were done away with.

Under his administration Louisiana and all that wonderful territory stretching way out to the Pacific Ocean was acquired by his wonderful diplomacy for the small sum of $15,000,000 and no suspicion of a penny's worth of graft was ever entertained.

In fact, graft is not an heirloom of the Democratic Party.

Under Jefferson's administration the flag was everywhere respected and prosperity throughout the Nation made his administration memorable.

Jackson was next in line of this party's great leaders.

He had just fought the Battle of New Orleans and was still wearing his epaulettes. It seems that there had been some trouble with the Malays of Sumatra, which was agitating the public mind at the time he took the oath of office and his first act was to send the then head of the Navy over to that country without waiting for the formality of the ceremonials of treating but to strike the assassins in their dens, which was done, and they were made to pay in terror and blood for the outrage they had committed.

He let it be made known to the world that the name of an "American citizen," like that of the ancient "Roman citizen," was a passport inviolable to the remotest ends of the earth.

Jackson's administration was attacked with all the venom and animosity as Wilson's was, but at its ending the most gratifying picture was presented to the country.

The public debt was paid off; taxes were reduced one-half; many of the public defenses were finished.

Contrary to the predictions of the opposition the currency was not ruined. The Treasury was heaped with more bullion than was ever thought possible. United States money was made good the world over.

Domestic industry was not paralyzed; factories were not stopped; workmen were not without employment; credit was not extinguished; grass did not grow in the streets of populous cities; the wharves were not lumbered with decaying vessels; columns of curses, rising from the bosoms of ruined and agonized people, did not ascend to heaven against a party bent on destroying the Nation's prosperity.

None of the doleful predictions of the politicians of the opposing party materialized.

It was said that General Jackson entered Washington the first of generals and left the Executive Mansion the first of statesmen because of his lofty courage and determined stand on the things that brought about such widespread prosperity which was predicted, if persisted in, would bring about universal disaster.

"Old Hickory's" was a wonderful administration.

The next in line of leadership was that of Grover Cleveland.

See how quickly and with what firmness he quelled that Venezuela affair and what measure of contentment ensued.

Under his administration there were no "empty dinner pails"; no "black Fridays"; there were not unseemly or vexing agitations; no unrest; no graft; no scandals.

The next great leader was Woodrow Wilson.

He drove the lobbyists from Washington as Christ drove the "money changers from the temple," and cleared the political atmosphere of the capital as it had not been cleansed in any number of years.

He fought and won the greatest war of all history. He landed 2,000,000 soldiers in France with a dexterity that was unparalleled in all time.

Though the seas were infested with submarines not a boat was sunk and not a man was lost.

Not only were these 2,000,000 soldiers transported expeditiously but all the paraphernalia of war, including horses, wagons, foodstuffs, and feedstuffs and all the necessary material for terminals and warehouses, were sent across with marvelous speed.

Then in a little while with a dash and splendor the Hindenberg line was broken and the shout of victory resulted.

And with what dignity and commanding ability he presided at the peace table and how world peace would have been secured had it not been for envious and embittered partisans at home.

As many as 65 digging investigations found his administrations free from scandals.

How is it with the party now in power—

Is it too harsh to say that it was conceived and had its birth in sectionalism and all through its existence has been nurtured and held in power along this line?

During the reconstruction period it may be well to say that Andrew Johnson's hands were tied, so he is held blameless for the "whipping post" that was made of the South and for the humiliation she was made to endure during that period.

Let us see what was the state of morals of the country under the first administration of General Grant.

Gen. Dick Taylor in his book entitled "Destruction and Reconstruction" gives us an insight into the state society had fallen.

General Taylor was born in the White House so was acquainted with many of the influential men of that period of both political parties.

He and General Grant served in Mexico together and on a visit to Washington he made a friendly call on the President and chatted over old times.

We make the following extract from his book:

> "Before the conventions to nominate candidates for the presidency met in 1868, I had much intercourse with General Grant, and found him ever modest and determined to steer clear of politics, or at least not permit himself to be used by partisans; and I have no doubt that he was sincere. But the radical Satan took him up to the high places and promised him dominion over all in view. Perhaps none but a divine being can resist such temptation. He accepted the nomination from the radicals, and was elected; and though I received friendly messages from him, I did not see him until near the close of his first administration. As ignorant of civil government as of the characters of the Moabitish stone, President Grant begun badly, and went from bad to worse. The appointments to office that he made, the associates whom he gathered around him, were astounding. All his own relatives, all his wife's relatives, all the relatives of these relatives, to the remotest cousinhood, were quartered on the public Treasury. Never, since King Jamie crossed the Tweed with the hungry Scotch nation at his heels, has the like been seen; and the soul of old Newcastle, greatest of English nepotists, must have turned green with envy. The influence of this on the public was most disastrous. Already shortened by the war, the standard of morality, honesty, and right was buried out of sight.
>
> "For two or three years I was much in the North, and especially in New York, where I had dear friends. The war had afforded opportunities and stimulated appetite for reckless speculation. Vast fortunes had been acquired by new men, destitute of manners, taste, or principles. The vulgar insolence of wealth held complete possession of public places and carried by storm the citadels of society. Indeed, society disappeared. As in the Middle Ages, to escape pollution, honorable men and refined women—and there are many such in the North—fled to sanctuary and desert, or, like early Christians in the catacombs, met secretly and in fear. The masses sank into a condition that would disgrace Australian natives and lost all power of discrimination.
>
> "The Vice President of the United States accepted bribes and perjured himself in vain to escape exposure. President Grant wrote him a letter to assure him of his continued esteem and confidence, and the Vice President has since lectured before Young Men's Christian Associations. Plunderings by Members of the Congress excited no attention so long as they were confined to individuals or corporations. It was only when they voted themselves money out of taxes paid by the people that these last growled and frightened some of the statesmen into returning it. A banker, the pet of the Government, holding the same especial relation to it that the Bank of England held to William of Orange, discovered that 'a great national debt was a blessing,' and was commended and rewarded therefor. With a palace on the shores of the Delaware, this banker owned a summer retreat on a lovely isle amid the waters of Lake Erie. A pious man, he filled this with many divines, who blessed all his enterprises. He contributed largely, too, to the support of an influential Christian journal to aid in disseminating truth to Jew, gentile, and heathen. The divines and the Christian journal were employed to persuade widows and weak men to purchase his rotten securities as things too righteous to occasion loss.
>
> "The most eloquent preacher in the land, of a race devoted to adoration of negroes as Hannibal to hatred of Rome, compromised the wife of a member of his congregation. Discovered by the husband, he groveled before him in humiliation as before 'his God' (his own expression). Brought before the public, he swore that he was innocent and denied the meaning of his own written words. The scandal endured for months and gave opportunity to the metropolitan journals to display their enterprise by furnishing daily and minute reports of all details to their readers. The influence of the preacher was increased by this. His congregation flocked to him as the Anabaptists to John of Leyden, and shopkeepers profitably advertised their wares by doubling their subscriptions to augment his salary. Far from concealing this wound inflicted on his domestic honor, the injured husband proclaimed it from the housetops, clothed himself in it as in a robe of price, and has successfully used it to become a popular lecturer.
>
> "To represent the country at the capital of an ancient monarchy, a man was selected whom, it is no abuse of language to declare, Titus Oates after his release from the pillory would have blushed to recognize. On the eve of his departure, as one may learn from the newspapers of the day, all that was richest and best in New York gathered around a banquet in his honor, congratulated the country to which he was accredited, and lamented the misfortune of their own that it would be deprived, even temporarily, of such virtue. Another was sent to an empire which is assured by oft-succeeding envoys that it is the object of our particular affection. To the aristocracy of the realm this genial person taught the favorite game of the mighty West. A man of broad views, feeling that diplomatic attentions were due to commons as well as the crown and nobles, he occasionally withdrew himself from the social pleasures of the 'West End' to inform the stags of Capel Court of the value of American mines. Benefactors are ever misjudged. Aristocracy and the many antlered have since united to defame him; but Galileo in the dungeon, Pascal by his solitary lamp, More, Sidney, and Russell on the scaffold, will console him; and in the broad bosom of his native Ohio he has found the exception to the rule that prophets are not without honor but in their own country.
>
> "The years of Methuselah and the pen of Juvenal would not suffice to exhaust the list, or depict the benighted state into which we had fallen; but it can be asserted of the popular idols of the day that unveiled, they resembled Mokanna, and can each exclaim:
>
> "Here, judge if hell, with all its power to damn,
> Can add one curse to the foul thing I am!"
>
> "The examples of thousands of pure and upright people in the North were as powerless to mitigate the general corruption as song of seraphim to purify the orgies of harlots and burglars; for they were not in harmony with the brutal passions of the masses."

Under Grant's and succeeding administrations history records the Credit Mobilier frauds, the star route frauds, the paving contracts frauds, the whisky ring frauds, and other frauds almost without number.

In the Credit Mobilier frauds the name of Vice President Colfax was involved, and in the whisky frauds it was shown that 238 more or less influential persons were involved and within the period of 10 months the Government was defrauded in the sum of $1,650,000.

Among those named in these grave transactions were General Babcock, General Grant's private secretary, and a number of other influential Government officials.

Now, the whole country is shocked and have a right to be more than shocked over the naval oil leases, the Teapot Dome affair, that "frame-up" against Senator WHEELER, and other transactions that are enough to consign any party into oblivion if not into perdition.

So in this crisis all eyes are turned on HIRAM JOHNSON, LA FOLLETTE, MAGNUS JOHNSON, Senator NORRIS, and other high-minded men with the prayer that these awful things shall not meet with indorsement at the polls by keeping this discredited party in power.

Let us hope that righteousness will triumph!

POLITICAL ISSUES

Mr. HARRISON. Mr. President, for the last few weeks there has been developing a custom on the part of Senators to go out into the country and make political speeches to gatherings, defend their do-nothing policy here, try to deceive the people to whom they are speaking, and then return and have some colleague insert their speeches in the CONGRESSIONAL RECORD. Of course, everyone knows what the object is, but it does seem to some of us that these Senators who show so much courage in going to Pittsburgh to make a speech to a Republican gathering, or up into Maine to speak to a Republican State convention, or to some other place away from Washington, attempting in those speeches to defend certain misdeeds of the party in power and criticizing and ridiculing the investigations which have been going on here, should show the same degree of courage in making their speeches upon the floor of the Senate, where they could be answered.

Everyone who has attended the deliberations of the Senate knows that for months Republican Members of the Senate have sat silent in their seats and refused to respond to any statements of facts from Senators on this side, because they knew they could not respond, because they knew that the country was with us in what was being said, and so they do the brave, or rather safe, thing—go to Pittsburgh or up into Maine and speak.

Pittsburgh is a nice place for the Senator from Ohio to go. It is the home of Andrew Mellon, and it gives him a good opportunity to praise the wonderful qualities of Andrew among his home people.

The climax of this custom was reached in a speech I read yesterday in the CONGRESSIONAL RECORD, inserted by my friend the Senator from Pennsylvania [Mr. PEPPER], "a speech made by the Hon. FRANK B. WILLIS," of the Buckeye State, in Pittsburgh a few nights ago. This is such a remarkable speech that it does not seem to me it should go unnoticed. While it would be giving dignity to the speech to notice it, there are so many misstatements in it, so many strange illustrations, that I do not understand how my friend from Ohio got away with it, even up in the smoky city of Pittsburgh.

Let us analyze it a little bit. Certainly this speech was prepared with great care. The Senator must have had all the experts of the Republican national headquarters working on it. He must have read the speech made by my good friend the Senator from Massachusetts [Mr. LODGE] in opening his campaign in Massachusetts two years ago, when he was reported by the papers to have stated that $7,000,000,000 had already been saved by the Harding administration. The next day, when the attention of the Senator was called to it, he acknowledged that he was just about $7,000,000,000 wrong. So I think the Senator from Ohio must have been reading the newspaper clippings containing the speech made by the leader of his party in this Chamber in Boston at that time, or perhaps a speech of the senior Senator from Illinois [Mr. MCCORMICK], who once upon a time was chairman of the senatorial campaign committee. That is ancient history now. He made a speech somewhere containing a statement of the same alleged facts. They must have gotten them from the same expert, who was, of course, wrong in his figures. That did not make any difference though. The speeches answered the end sought.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Tennessee?

Mr. HARRISON. I yield.

Mr. McKELLAR. Will the Senator inform us whether or not this speech about which he is talking was delivered while the contest for "keynoter" of the Republican Party was going on, or was it after the keynote contest among the leaders of the Republican Party had been decided?

Mr. HARRISON. This was made on the 26th of April by the Senator from Ohio. I hope that when the "keynoter" from Ohio makes his keynote speech at Cleveland he will not take the same figures my friend used in this speech.

Let us analyze this, it is so interesting. The Senator started his speech by paying a tribute to a great war hero. He said:

Ulysses S. Grant was President of the United States at a time when the Nation was beset with all the fads and heresies and real evils that are the inevitable aftermath of war.

* * * * * * *

Necessary war expenditures made the people accustomed to large figures; governmental costs that had been measured in hundreds and thousands came to be counted in millions. * * * Strange cries and weird calls filled the air; pseudo reformers ran rampant; government was denounced by hungry scandal mongers eager to make the people believe that all officials were dishonest and all government corrupt.

I shall not read it all, but it runs along that strain, the object being to draw the attention of the country to the fact that the two administrations charged to a greater extent than any other administrations in all the history of the country with graft and corruption were Grant's administration and the present administration.

I congratulate my friend, and I must admit that in all history no administration was so assailed as was Grant's administration. They charged it with every kind of graft and corruption—and proved it in many instances—but, as bad as it was, as graphically as it might be pictured by my friend to have been corrupt, it can not rise in the minutest degree to the level of the graft and corruption rampant in this administration. So I congratulate my friend, when trying to find some analogous case to illustrate his point, that he went back to the Republican administration of Grant for a comparison.

He used this language:

But when they degenerate into mere muckraking for political purposes, when an innocent chance telegram is greedily seized upon in an effort to besmirch the President, when witnesses of more than doubtful veracity are permitted by suggestion and suspicion to malign the dead and slander the living, when a dragnet is put out to bring in disappointed, discharged employees, convicts, and criminals and they are given free rein and encouragement to wag the slimy tongue of scandal, it is time to call a halt.

May I say in passing, Mr. President, that the Senator could have told his Pittsburgh audience that the so-called convicts who "were brought here" to testify were the convicts of his administration. May I call to his attention the fact that the criminals, so called and designated by him, to accuse this administration were the criminals of his own party. May I say to the Senator that he could have gone further and told that audience at Pittsburgh that the "discharged employees" who appeared here against the administration were the discharged employees of the present Republican administration, and they were in all instances, so far as I know, Republicans. He could have told his audience there that those "disappointed men" who were brought here to bolster up the evidence before these committees were the disappointed men of this administration.

So it is, Mr. President. He could have told his audience there also that in the investigations that were made, this muckraking process that was pictured as being on a parallel with Grant's administration, the matters were being conducted by men of his own party; that the committees were named by Senators on the other side of the aisle as well as on this side; that every committee of muckrakers, so called, who had brought muckrakers here were of the Senator's own party and were committees composed of a Republican majority. Every committee that has made these investigations and heralded the corruption and the graft to the country is headed by a Republican Senator. Take the Teapot Dome investigation committee, for instance. It was headed by one of the ablest and most partisan of Republican Senators, a splendid man of high purpose and fine motives, the junior Senator from Wisconsin [Mr. LENROOT].

Mr. STANFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Oregon?

Mr. HARRISON. I would rather not yield, but——

Mr. STANFIELD. I shall not insist. I just wanted to ask a question.

Mr. HARRISON. I yield. The Senator looks at me so pleasantly that I am bound to yield.

Mr. STANFIELD. It may all be true, as the Senator from Mississippi has said, that the various criminals, or those with criminal records, who have been brought before the various investigating committees to testify did belong to the Republican Party, but I do not see that it matters to what party they belong.

Mr. HARRISON. Of course not, and that is why I am answering the speech made by the Senator from Ohio.

Mr. STANFIELD. Their testimony should be viewed in the light of their reputation and their character. The Senator does not doubt for a moment but what we have put ourselves in a questionable attitude by bringing such irresponsible witnesses before the investigating committees to prove the allegations that were made. The investigations were prompted——

Mr. HARRISON. I hope the Senator will not make a speech in my time, because I want the tax bill to proceed on its way.

Mr. STANFIELD. I do not want to use the Senator's time at all. He was expounding the fact that the men who came before the investigating committees belonged to the Republican Party.

Mr. HARRISON. They were called "muckrakers" by the Senator from Ohio. I like to defend a Republican, even if he is Al Jennings, who ran for governor on the Republican ticket in Oklahoma. Then there was Miss Stinson, too. I do not know anything about her except that she impressed the committee, I think, as knowing a good deal, and her sources, as well as her association, were all Republican.

When the Senator from Oregon rose I was about to say that these muckraking committees were made up of a majority of Republicans. They were headed by Republican Senators. The Senator from Wisconsin [Mr. LENROOT] was for a while at the head of the Teapot Dome investigating committee, and when he retired he was succeeded by the Senator from North Dakota [Mr. LADD]. Now, who would charge my friend from North Dakota with being a muckraker? He became chairman of that committee. Who would charge my friend from Utah [Mr. SMOOT], who is a distinguished member of that committee, with being a muckraker?

Let us take the committee that is investigating the Mellon proposition. The Senator from Ohio spoke in great praise of the Mellon plan in this speech of his. That committee was appointed by the Senate. Three out of five of the members are Republicans. The distinguished Senator from Indiana [Mr. WATSON] is the chairman of that committee. The Senator from Michigan [Mr. COUZENS] is a member of it. Who would say that my friend from Indiana is a muckraker?

Then let us take the so-called Wheeler investigation committee. It is true that the junior Senator from Montana [Mr. WHEELER] himself offered the resolution, but the committee was not even named by the Presiding Officer. It was voted for by the Senate on a ballot. Three Republicans are members of the committee out of a total membership of five. The Republican Senator from Iowa [Mr. BROOKHART] is chairman of the committee; and who would say that he is a muckraker? So I could go on down the list of these committees which my friend from Ohio says are muckraking committees and show that they are made up of men in the Republican Party who stand high and control the operations of the committees.

A little further on in his speech the Senator from Ohio said:

> Without minimizing in any respect any beneficial results that have come from investigations thus far conducted, the time has now come for Congress to attend to its own business for awhile.

The Senator from Ohio has had that impression a good long while. The only other man in the country that I know of who has been of that opinion from the beginning is the President of the United States. But I will say to my friend from Ohio and I will say to the President of the United States that we did not ask them when to start these investigations and we shall not ask them when to stop the investigations. All we want is to cut out the graft and the corruption in this administration, as illustrated by the incident referred to in Grant's administration, and that is the only parallel my friend can find. Of course, both are Republican administrations, and it is natural that they should compete with each other in the degree of graft of which each is guilty.

The Senator said:

> Any beneficial results.

My friend from Ohio does not think there are any beneficial results from these investigations. The country believes there have been beneficial results from the investigations. All the scandal and corruption attaching to the Teapot Dome matter would never have been revealed if it had not been for the splendid work of the investigating committee under the guiding hand of the distinguished Senator from Montana [Mr. WALSH]. Yet the distinguished Senator from Ohio in his Pittsburgh speech does not admit that there has been a single benefit from the investigation. He said:

> Without minimizing in any respect any beneficial results.

It would have been easy enough for him to have said:

> Without minimizing in any respect the beneficial results.

Then he would have admitted that there had been beneficial results from the investigation. Now, let me go further. He followed this up by criticizing the investigation as a muckraking proposition, and he castigates muckraking and critics of the administration. Yet my friend from Ohio said this in his speech:

> Yet, in view of this damning record of incompetency, if not graft and corruption, our Democratic friends have the unbridled effrontery to criticize Republican management and sing the praises of Democratic methods.

What is it that he says is graft and corruption? Of what is he speaking? He was speaking then of the eight years of Wilson's administration. He was speaking of the war period, when Democrats and Republicans forgot their party affiliations and joined hands to win the war. My distinguished friend took 30 minutes of his time to tell about the great number of alleged mistakes that were committed during the war, the high cost of war materials and all the money that was expended in proper ways to win the war, in preparing and sending our boys across the water to fight and bring glory to the Stars and Stripes. I wish to say to my friend that after 51 so-called and properly called "smelling" committees were appointed following the war, directed to make investigations of charges such as the Senator from Ohio made to his Pittsburgh audience, that not a piece of graft or corruption has yet been shown to the American people. It will always stand as one of the brightest pages of American history that so big a work was performed in such a matchless way and that such large expenditures were made without any corruption or graft being involved.

We do not claim the credit because the Democratic Party was in control, but I resent the suggestion that in the winning of the war graft and corruption were involved. The work of those committees, 51 in number, and their reports are the best evidence on that proposition.

Who is it that is the muckraker in these proceedings? Who is it that has misrepresented the facts? Was there any justification for criticism of Fall's action and Denby's action and Forbes's action, and of Goldstein's action, and the actions of many others that breeded corruption and graft? And yet, because we criticize it, because we pass through the Senate unanimously resolutions carrying out the idea of investigation, all voted for by the Senator from Ohio, he has said that we are muckrakers. He criticises muckraking, and yet in the same speech he charges graft and corruption to the Democratic administration in preparing for and winning the war.

Now, here are some of the startling facts. Here is what the Republican leaders are trying to do to deceive the American people in the coming campaign. Why do you not state the facts on the floor of the Senate? Let me read a few things further that my friend from Ohio said:

> When Harding took the oath of office the annual appropriations were $7,000,000,000. The first year of Republican control appropriations were reduced $3,000,000,000.

Then he goes on further to say that for the next year the appropriations were cut $220,000,000, and so on. Then he said:

> These are achievements. The record shows that in the closing days of the Democratic Congress Republicans prevented the passage of appropriation bills framed by Democratic committees, and because these bills were defeated, President Wilson had to call a special session of the new Congress to pass the bills, and thereby saved over a billion dollars.

What are the facts? The facts are these, and the Senator from Ohio knows it, and every Republican orator who goes on the stump and tries to deceive the American people knows it. In the summer of 1918 the estimates for the next year were made and presented to Congress. The armistice came in November, 1918, and of course when the estimates were made we were preparing for larger appropriations to win the war. Nobody thought the war would close at that time. The estimates were in the billions. Congress was expected to appropriate every nickel that was necessary. There was no division along that line. Republicans and Democrats alike voted for those appropriations. So when the armistice came on November 11, 1918, although the estimates had been away up in the billions, naturally we did not need the appropriations. We could cut them off. We did cut them off, and we thus saved billions of dollars.

The Democrats controlled both the Senate and the House in 1918; the Republicans did not take charge until March, 1919; that is when they got the House, and that is when they got the Senate, but my friend did not tell them that at that time a

Democratic Congress did not pass the bills according to the estimates. The reason of that was that the World War came to a close and the Government did not then need the money; but yet—merely making the statement which my friend did to the people out in Pittsburgh—they ate it up. Those people thought the Senator from Ohio was giving the facts, and my friend may have thought he was giving them the facts because he had read the statement from the speech of the Senator from Massachusetts or from some other Republican's speech which was not based on facts.

The Senator stated that in three years the present administration had reduced our national indebtedness by $3,000,000,000, and in that speech he also stated that in one year the Republicans had reduced the national indebtedness over a billion and a half dollars. Why did not the Senator tell those people that during the last 18 months while Wilson was in the White House the Democrats had reduced our national indebtedness over two and a half billion dollars? Oh, he wanted to keep that from the American people, because he thought he might deceive them. The Democrats reduced the national indebtedness as much in 18 months as the Republicans did in almost three years. We claim no credit for it. Why? Because the World War came to a close, and we sold a lot of material which we had bought in order to win the war, and from the salvage of that material and cutting down the expenses for a great Army and a big Navy we reduced the national indebtedness. I now make this statement merely because what the Senator from Ohio has stated is only half the truth. I want the people to know the whole truth about the matter.

I shall not discuss other facts touching figures. But my friend from Ohio will not contradict what I have stated, though he sits before me. I have the figures here, if any Senator on the other side denies it. No, they will not deny it here, but when they go to Pittsburgh or to Kansas or somewhere else, that is where they will deny it.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Kansas?

Mr. HARRISON. I yield to my friend from Kansas.

Mr. CURTIS. I have not heard all of the Senator's remarks, but does he claim that the Democratic Congress passed all the appropriation bills at the short session which ended March 4, 1919?

Mr. HARRISON. No; I did not claim that.

Mr. CURTIS. The Democrats failed to pass six appropriation bills, and the Republican Congress, which met in extraordinary session, reduced the appropriations originally carried by those bills below what the Democratic committees had recommended to the extent of about $900,000,000.

Mr. HARRISON. The Senator from Kansas did not understand me to say anything to the contrary. What he has stated is quite true; but the estimates for the appropriations were made in the summer of 1918 and were based upon the probable continuance of the World War. Congress adjourned shortly after that, and the bills were not passed during that Congress. In March, 1919, the Republicans came into power, and naturally they reduced the appropriations, because the World War had closed on November 11, 1918, and there was no necessity for making appropriations based on the previous estimates.

Mr. CURTIS. At the last session of that Congress, which was the short session in December after the armistice, the Democratic Committees on Appropriations only recommended a reduction in the estimates of about $300,000,000; but when the Republican Congress assumed control it reduced the amount carried in those bills below the amounts as originally reported to this body by a sum in the neighborhood of $900,000,000.

Mr. HARRISON. The appropriations did not pass in the short session of Congress beginning in December for the reason that we did not know just how much money was going to be required; but it was known that the estimates were tremendously too high. The war material that was salvaged brought in some instances more than it was estimated they would bring, consequently the reduction. The appropriations were based upon the war estimates, and it was thought best to let the bills go over, and the Republicans killed them in the closing hours of that Congress in February, 1919, in order to capitalize an abnormal situation for political purposes.

Now, Mr. President, to bear out my statement, I desire to quote from the report of the comptroller. The bonded indebtedness of the United States on August 31, 1919, which was while Wilson was President, was $26,594,000,000. Just before the Democrats went out—about six days before Mr. Wilson's administration ended—on February 28, 1921, the national debt was $24,000,000,000.

I shall not read how much the Army appropriation bill was reduced from the estimates nor how much the naval appropriation bill was reduced from the estimate; but all appropriations were reduced because of the cessation of the war and because we were trying to get upon a normal basis.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Kansas?

Mr. HARRISON. I yield to the Senator from Kansas.

Mr. CURTIS. Does not the Senator from Mississippi remember how the bonded indebtedness happened to be reduced?

Mr. HARRISON. I have just stated it to the Senator.

Mr. CURTIS. Did not the Democratic administration buy bonds on the public market and expend a billion, nine hundred million dollars for that purpose?

Mr. HARRISON. If the policy of the Government were to issue more bonds to pay off certain other bonds, it certainly would not reduce the indebtedness; it would have no effect upon that. Do I understand the Senator from Kansas to say that the figures which I have just quoted are incorrect?

Mr. CURTIS. I do not say that the figures are incorrect, but I do say that for some reason or other the Senator from Mississippi is not giving all the facts. I do not know why the Senator is not doing so.

Mr. HARRISON. What are the other facts?

Mr. CURTIS. I gave the facts a moment ago.

Mr. HARRISON. Does the Senator think that when the Government sells bonds in order to purchase other bonds which are outsanding that would reduce the national indebtedness?

Mr. CURTIS. Other bonds were not issued. The Government took the money that had been realized from the sale of the old bonds which had been sold at par and went into the market when the bonds were selling at from 82 to 96 cents on the dollar and bought about $1,900,000,000 worth at the market price. That is how the Democrats reduced the indebtedness. They took the bonds for which the Senator from Mississippi and I paid 100 cents on the dollar and bought them with the money they had in the Treasury at from 82 to 96 cents on the dollar. That is how the Democrats reduced the national indebtedness by over a billion dollars.

Mr. HARRISON. The Senator attempts to confuse the issue. The Democrats proceeded in the orderly way. It was not unlike the practice followed in such cases by every administration. They tried to protect the credit of this country, and they did, under most trying and unusual circumstances. And while they did that they at the same time reduced the national debt two and a half billion dollars. Before the Finance Committee the Secretary of the Treasury stated that one of the reasons why we have a surplus to-day was that usually we had carried a certain amount as a balance in the Treasury, but that they had reduced that to the amount of somewhere between $200,000,000 and $300,000,000, and in that way the Republican administration now claims that they have saved so much.

They took the money that was in the Treasury and which had been carried theretofore as a balance and paid off some of the indebtedness and endeavored to create the impression that they had saved that much. I recall one instance where $7,500 was appropriated to pay the widow of a Member of Congress who had died. She would not take the money the first year, and finally she died. That amount was carried in the appropriation bill year by year. Mr. Dawes recommended that it should be taken off of the books and off the estimates, and it was taken off, and then the Republicans came in and claimed that they had saved $7,500.

Mr. SMOOT. Mr. President——

Mr. HARRISON. I yield to my friend from Utah.

Mr. SMOOT. I did not quite understand the Senator's statement in relation to the amount which he claims was saved during the past year. It is true, Mr. President, as I said in my opening speech, that a part of that was money taken from the amount that was carried on hand in the Treasury of the United States. The Senator does not mean that that amount has been carried year in and year out ever since 1921, does he?

Mr. HARRISON. No; I do not mean that at all. I said the Treasury had carried a certain amount every year at the end of the year; but this year, because there was a certain amount there, the Republican administration canceled some indebtedness and claimed that as a saving.

Mr. SMOOT. The Treasury Department never made such a claim. If the Senator will look back he will discover that there was never carried in the Treasury so large an amount of

money, and it is not wise to carry it. It ought to have been used before it was used last year.

Mr. HARRISON. That was carrying out the Republican policy of taxing the people too high and putting the money in the Treasury to enable the Government to prematurely pay off some indebtedness. We do not believe in that.

Mr. SMOOT. No, Mr. President; that is not the case at all.

Mr. HARRISON. That is what was done.

Mr. SMOOT. No; the Senator ought to be fair about it. If he is going to make a statement as to the true conditions, he ought to be perfectly fair.

Mr. HARRISON. That money was raised by taxation, was it not?

Mr. SMOOT. Necessarily.

Mr. HARRISON. If you had not raised that much money by taxation you would not have had it there, and if you had reduced taxes you could not have had that much there, could you?

Mr. SMOOT. That money was charged up as being a saving in that year. I took particular pains to say just the amount that was saved in that year and told the Senate and the country how it was saved. No Republican ever claimed that that amount of money was saved in one year. Therefore, I called attention to the fact that the reduction of taxes could not be based upon that; but the saving for the year was $395,000,000. With the $337,000,000, which, as I remember, was the amount of money that was carried on hand, together with the sinking fund of $425,000,000, in round numbers, left $395,000,000 that was actually saved in the year 1922.

Mr. HARRISON. I thank the Senator for backing me up in my statement.

Mr. President, the Senator from Ohio having claimed all this credit, said further:

> One factor that has aided in these tremendous Government economies has been a reduction in the number of civilian employees of the Government. In 1918 this number had amounted to almost a million. On March 4, 1920, the number was approximately 700,000.

So there was a reduction of 300,000 while Mr. Wilson was President, and yet you are not willing to give us even credit for that. Since that time the reduction has not been equal to 300,000. On December 31, 1923, there were 544,000 civilian employees, which is only a reduction of 150,000 since President Wilson's retirement, although within the two years preceding the time when he retired he reduced the number 300,000. Yet my friend claims it as a credit for this administration.

The only thing my friend talks about except the President—and I will get to that in a moment—is the Mellon tax bill. It was perfectly natural for him to talk about the Mellon tax bill in Pittsburgh. It was doubtless pleasing to his particular audience, because perhaps he had many millionaires around him when he made that particular speech. In the course of his remarks here is what he said about that—

> I prefer the plan presented by Secretary Mellon and strongly indorsed by President Coolidge—
>
> "Strongly indorsed by President Coolidge"—
>
> Tax reduction is the imperative need of the hour—it must not and will not fail. The Mellon plan has the confidence of the country.

Ah, Mr. President, the Senator could have told them that two years before Wilson went out of office when a Republican House and Senate controlled Congress he recommended tax reduction; he pleaded in a special message to Congress for tax reduction; but you paid no attention to his request; you did not bring the measure out of the committee; you did not relieve the tax burdens of the American people at that time, and the way they are now about to be relieved equitably is due not to the Republicans, but it is due to the Democrats on this side of the Chamber and a few progressive Republicans on the other side, because if you had had your way—I am speaking now and pointing and looking at the Senator from Utah—if you had had your way you would have put the Mellon tax bill on the statute books about three years ago and perhaps earlier than that if you had thought about it.

Mr. SMOOT. Of course, then we would have followed out the recommendation of the last three Secretaries of the Treasury. I will also say to the Senator that the Senator will not follow out the recommendation of President Wilson; the Senator will not vote to-day for the recommendation as to surtaxes of Secretary Houston or Secretary GLASS. The Senator will not vote for them, and his party will not vote for them.

Mr. HARRISON. No; the Senator is right about that.

Mr. SMOOT. Certainly.

Mr. HARRISON. He states the situation correctly and the Senator knows that his party is not going to follow it.

[At this point, Mr. Latta, one of the President's secretaries, appeared with a message from the President of the United States.]

Mr. SMOOT. There are some Republicans who will not do it, but I am glad to say that there are some Democrats who will do it. However, we have not got enough votes to do it. If we had the votes——

Mr. HEFLIN. Mr. President, may we have an opportunity to have the message received.

Mr. SMOOT The Senator need not worry about the message. The Chair will take care of the message.

Mr. HEFLIN. The Senator had his arms stretched across the aisle, and I knew that the message could not be delivered to the Presiding Officer's desk across his arm.

Mr. SMOOT. I know the Senator is very solicitous about any message that may come to this body.

The PRESIDING OFFICER. The Senate will receive a message from the President of the United States.

[The message from the President was communicated to the Senate.]

Mr. HARRISON. Mr. President, in the first message that President Wilson sent to Congress when the Republicans were in control he asked for a simplification of the tax laws and a reduction of taxes, but he did not ask for a reduction to 25 per cent. Afterwards Secretary Houston did ask for the reduction.

Mr. SMOOT. Secretary GLASS asked for it.

Mr. HARRISON. Now, Mr. President, let us see about the Mellon plan of tax reduction. I will admit that because of the propaganda that has been broadcast throughout this country for the Mellon plan it was temporarily sold to the country. Newspapers, magazines, big business organizations indorsed it. A lot of them did not know what they were indorsing, but they indorsed it all right, and it was sold to the country. Mellon recommended it. The President took it up and made his speech to Congress and indorsed it. My friend from Ohio, in his speech, told one fact, and that was that Mellon was the big part of this administration, so far as selling his plan temporarily to the country was concerned. Why, if you should read his speech you would think that Mellon was really a bigger man than the President of the United States. The Mellon plan has been repudiated at every opportunity that anyone has gotten to it. It was submitted to the House over two years ago, I believe, in 1921. Did it pass? A Republican Congress in the House repudiated it then. Why, even when the plan first came out of the committee the high surtax was 32 per cent. President Harding repudiated it. He wrote a letter to Mr. Fordney and asked him to compromise on a 40 per cent rate.

The Senate repudiated it, notwithstanding the fact that my friend from Utah fought valiantly for it, and we put a tax of 50 per cent in the higher brackets. So every chance that the Representatives of the American people have gotten at the proposition they have repudiated it.

Why, over in the House this time, with the burning words of the ringing speech of President Coolidge still resounding through the corridors of the House of Representatives, when they voted on it even the Republican leader in the House of Representatives, Mr. LONGWORTH, put his proposal through at 37 per cent, I believe, on the higher brackets.

Mr. SMOOT. Of course, the Senator knows the explanation of that.

Mr. HARRISON. Oh, it calls for an explanation. Yes; I know the reason, and the Senator knows it.

Mr. SMOOT. I know that the reason was because it was a compromise. They could not put through the other rate because the Democrats voted solidly against it with a certain number of Republicans. That is why it was.

Mr. HARRISON. Why, of course, yes. That is what I say. They were against it.

Mr. SMOOT. Yes; and that is why the 50 per cent rate was put in the existing law.

Mr. HARRISON. Why, of course it is—because the Representatives of the American people wanted it. They repudiated Mellon and SMOOT and their ideas about it.

Mr. SMOOT. I recognize that it is a political rate all right. It is nice to say to the people that you have imposed this rate; but as far as the Treasury of the United States is concerned, as far as the business interests of the United States are concerned, as far as the taxpayers are concerned, they reap no benefit whatever from it, while they would reap a benefit from a rate of 25 per cent.

Mr. HARRISON. Oh, yes. The Senator has never told the American taxpayers, however, that on the provisions carried in the Simmons bill up to an income of $63,000 they get a greater

reduction than they do in the Mellon plan. Has the Senator told them that?

Mr. SMOOT. Mr. President, every report that has been made shows that.

Mr. HARRISON. Oh, yes.

Mr. SMOOT. Every statement that has been made here in comparison shows it. That is not the principle; that is not what I am talking about.

Mr. HARRISON. It is not the principle the Senator believes in.

Mr. SMOOT. No; it is not a question of the intermediate rates. The question is this: I have already discussed it, and I am not going to take the time of the Senator now, because he has the floor, but I believe it just as much as I believe anything in all the world. I believe it just as strongly as the Senator from Maryland [Mr. BRUCE] believes it—that with a 25 per cent rate of surtax we would collect more money within two years; we would stop all the present evasions of taxation; and if that rate, or thereabouts, is not adopted we will have these evasions no matter what else we do.

Mr. HARRISON. I hope my friend from Utah will go out in North Dakota or some of these Middle Western States, or anywhere in the country for that matter, and tell the audiences he addresses in the coming campaign that "The reason why we taxed you more and relieved the fellow higher up was because it would help you."

Mr. SMOOT. We are not relieving the fellow higher up. We are allowing the fellow higher up to escape all taxes. That is what we are doing.

Mr. HARRISON. If the Senator thinks he can make the fellow who has an income up to $63,000 a year believe that the reason why he should be taxed away up high and the fellow who makes $500,000 or $1,000,000 a year should be taxed low is because it will help the fellow who has an income of $60,000, he will never be able to get away with it.

Mr. SMOOT. That is not what I would tell the people in North Dakota or elsewhere in the United States.

Mr. HARRISON. Why, of course the Senator is not going to tell the people that.

Mr. SMOOT. I would tell the people the truth, not any humbuggery. I would tell the people that the rates are such that they allow these people with great wealth, with incomes of $500,000 and above, to escape taxes altogether.

Mr. REED of Missouri. Mr. President, may I ask the Senator from Utah how they escape these taxes?

Mr. SMOOT. They escape them just the same as Rockefeller escaped them, just the same as other men that we know are escaping them.

Mr. REED of Missouri. How?

Mr. SMOOT. By purchasing tax-exempt securities.

Mr. REED of Missouri. All right. When a man takes money which will bring 6 per cent in the market and invests it in a 4 per cent tax-exempt security is he not paying his tax at the source?

Mr. SMOOT. Why, no; Mr. President, because if he paid the tax on $500,000 or $200,000 the rate would be equal to 10½ per cent on $200,000 or 12½ per cent on $500,000.

Mr. HARRISON. Mr. President——

Mr. REED of Missouri. I shall be glad to answer that.

Mr. SMOOT. It is true.

Mr. HARRISON. Mr. President, I am glad there is one Senator here who still defends the Mellon plan. It was repudiated, as I said, in the House by the organization of the Senator's own party.

Mr. SMOOT. It was not repudiated by 153 votes in the House.

Mr. HARRISON. There are 435 Members over there.

Mr. SMOOT. I am perfectly aware of that.

Mr. HARRISON. I thought the Senator had forgotten that.

Mr. SMOOT. There was a majority against it there and no doubt there will be a majority against it in this body.

Mr. HARRISON. The Senator might as well say that out of 96 Senators there is one Senator, the Senator from Utah, who is still for it.

Mr. SMOOT. Yes; and the Senator's remark will be construed to mean that there is only one Senator in this body who believes in it.

Mr. HARRISON. The Senator from Utah is about the only one that attempts to defend it at all. The Senator knows that the Mellon plan has not a chance.

Mr. SMOOT. That does not mean that it is not right.

Mr. HARRISON. But the fact that the Senator from Utah is for it is one of the reasons that makes me think it is not right. If the truth were known, if the Senator from Utah would take us all into his confidence, I suspect that he has already drafted a substitute plan that is higher than the Mellon plan to get them all together over there, if possible; or, if he has not, that some of his colleagues on the Finance Committee are working along that line.

Mr. SMOOT. I saw something in the papers about it, but I will say to the Senator that I know nothing about what it is.

Mr. HARRISON. It can not be going on if the Senator does not know about it.

Mr. SMOOT. After there is a rate of 32 per cent in the surtax, I care nothing about it. Above that the hole is wide open, and I do not care what rate you put in at all.

Mr. HARRISON. Mr. President, I will pass from that for the present.

The Senator from Ohio [Mr. WILLIS], in his speech at Pittsburgh, uses this language. He talks about President Coolidge, and says:

> The work of the committee on resolutions at Cleveland will be easy, because, whatever is written by platform makers, the real platform will be our presidential candidate, and our slogan of triumphant victory for the Republican Party will be, "Keep cool and keep Coolidge."

Not "Keep Coolidge and keep cool," but "Keep cool and keep Coolidge." So you do not need any platform. You are just going to have a presidential candidate. You are not going to write any platform, and it is a good idea for you not to have any platform. If you had a platform and had to write it, you would have to tell some of your achievements, and, having no achievements, consequently you will not need any platform, and consequently you will just have your presidential candidate with the slogan, "Keep cool and keep Coolidge."

He goes farther in speaking of the President, and says:

> He is unbossed, uncontrolled, unafraid.

Remarkable qualities—"unbossed, uncontrolled, and unafraid."

Mr. CARAWAY. Mr. President, did the Senator say anything about Daugherty's resignation at that time?

Mr. HARRISON. No; he forgot to mention anything about Daugherty. He didn't desire to hamper Daugherty's chances for election as delegate in Ohio. He was too near by.

He further says about the President:

> He is calm and kindly as a June day among the Vermont hills.
> He is one of the plain people, from a typical American farm home.

You will hear that, Mr. President, in every political speech made by my friends in this coming campaign—talk about the "typical American farm home." Why, they even had motion-pictures up there, and they took his picture farming, raking hay, using the spade, in the night, about 2 o'clock in the morning. I do not know why the motion-picture men were there at that particular time. I recall that I saw on the screen in many American cities the next week this remarkable, calm, cool, unafraid, uncontrolled, and unbossed President on his farm working among the Vermont hills.

Mr. President, I have said what I did because I thought the speech of the Senator from Ohio should be analyzed a little bit. I hope that when my friend gets ready to make his political speeches he will make them here on the floor of the Senate, and will have some facts to base them on.

Mr. WILLIS. Mr. President, of course I had not thought to take any of the time of the Senate, but the remarks of the Senator from Mississippi [Mr. HARRISON] having been addressed somewhat to a feeble effort made by me in the city of Pittsburgh a few evenings ago, it is perhaps not improper that I should say a word.

I feel rather complimented that my remarks should be used as a basis for the time-killing proceeding going on on the other side holding up the consideration of the tax bill pending the outcome of the Democratic caucus. We are advised by the press that a caucus was held by our friends on the other side of the aisle which lasted from 8 o'clock last evening until midnight. We have been further advised that another meeting is to be held in order to bring the recalcitrant Members, whoever they may be, into line, it having been stated that there would be a number, when the caucus adjourned in the small wee hours of the morning, who had not been brought into line. So I asume that this eloquent address by one of the leaders of our friends on the other side is simply calculated to use up the time until agreement can be reached, and I have no objection at all to that.

Mr. REED of Pennsylvania. Will the Senator yield?

Mr. WILLIS. I will yield briefly, but I want to proceed.

Mr. REED of Pennsylvania. Does not the Senator think it would be more useful if we could "waste" the time in passing the veterans' code bills for the relief of disabled soldiers, instead of making political speeches?

Mr. WILLIS. It would seem to me that is a very wise suggestion. That leads to the answer I wanted to make my good friend, the Senator from Mississippi, as to why I chanced to make this speech in Pittsburgh.

I have known the Senator from Mississippi for a good many years. I knew him when we served together in another body, and with all my faults, which are numerous, I think it can not be justly said that I run away from this place because of my fear to make the humble arguments which I desire to make, even in the presence of my friend the Senator from Mississippi, awed as I always am by his benign face.

The fact is, Mr. President, I seldom make a political speech in the Senate because, if I may speak frankly, I rather think it is the business of the Senate to transact the business of the people of the United States rather than to listen to campaign speches. The speech I made at Pittsburgh was for political consumption, and it was a pretty good speech, everything considered, evidenced by the fact that the eloquent leader on the other side of the aisle has taken a half hour here to discuss just fleeting paragraphs, and if he had taken it all, some of the very important things which he passed over, and had undertaken to analyze them, it would have taken him a good while. So I feel complimented by this proceeding, and I want it understood that I did not flee away to the quiet precincts of Pittsburgh because of any fear of my friend from Mississippi.

As to the statements my friend read from that speech, I am perfectly willing to stand by them, only I think all of the statements ought to be read. I said nothing there, I will say nothing elsewhere, which I am afraid to say here, and I do not go into another forum to make any assault upon my associates. I will read all I said. The first portion of what the Senator read was historic. My friend wondered why I went to Pittsburgh to make a speech on the 26th of April. Of course, he had forgotten the fact that that was the anniversary of the birth of Grant, and very naturally reference was made to that great character.

Mr. HARRISON. May I ask the Senator——

Mr. WILLIS. I yield.

Mr. HARRISON. Does the Senator think he was complimenting Grant on his birthday when telling about all the things that were corrupt in his administration?

Mr. WILLIS. I will be perfectly willing to leave judgment on that point to the audience which heard the address. It would be indelicate for me to express an opinion upon that point.

Here is what I said about that historic period:

> Those were the golden days for the muckraker. He got on the front page of the newspaper and monopolized the editorial columns. Any Senator who had a bad dream at night felt that he had justification and license in telling the country about it in the morning.

I was not talking about present conditions. I did not in that remark refer to the Senator from Mississippi at all. I was talking about what took place in Grant's administration. Then I proceeded:

> No matter whether there was any basis in fact for his phantasmagoria—

Whatever that is—

> fiction was more popular than truth.

I am still talking about Grant's administration:

> Suspicion was more compelling than evidence. The old-fashioned presumption that any man was supposed to be innocent until proven guilty was airily swept aside to give place to the new idea that when the finger of suspicion had once been pointed at any man by testimony however flimsy and untrustworthy he was to be forthwith condemned in the forum or public opinion, hanged, drawn, and quartered unless he immediately shouldered the new presumption and proved himself innocent.

I was talking about the situation in Grant's administration, and just so that there may be no doubt as to my attitude, I read all of that paragraph. My friend read only a part of it. It was an oversight on his part. He is always fair, fair in debate and fair to behold. This is what I said:

> There has been investigation in our day—

I beg seriously now that my friend the Senator from Mississippi will note this:

> Nowhere in any respectable quarter is there any disposition to condone wrongdoing or to permit any criminal to go unwhipped of justice. No matter who is hurt, no honest man of any political faith has any right to complain of orderly, legal inquiry for the promotion of the public good; but the sense of fairness of any decent citizen will inevitably revolt when sincere inquiry after truth for the protection of the public interest gives place to pharisaical profession of self-admitted virtue on the one hand with attribution of unproven and foundationless charges on the other.

Further on I said:

> Congress is, or at any rate ought to be, a legislative body. So far as investigations in proper form are necessary to obtain basis of fact for legislative action or to bring to light wrongdoing of officials with a view to improvement of the public service, such investigations are justifiable. But when they degenerate into mere muckraking for political purposes, when an innocent chance telegram is greedily seized upon in an effort to besmirch the President, when witnesses of more than doubtful veracity are permitted by suggestion and suspicion to malign the dead and slander the living, when a dragnet is put out to bring in disappointed, discharged employees, convicts, and criminals, and they are given free rein and encouragement to wag the slimy tongue of scandal it is time to call a halt. The President's duty is to administer and enforce the law. That responsibility he does not shirk; he is directly and personally responsible to the people for the proper discharge of that obligation. If the Senate is to supervise grand juries and try persons accused of crime there will be a total subversion of those constitutional balances of power upon which the safety of the people depends. Let us return to constitutional methods; let trials be had before courts and juries where testimony is taken according to the rules of evidence and not given by disappointed disturbers encouraged to tell fairy stories. Without minimizing in any respect any beneficial results that have come from investigations thus far conducted the time has now come for Congress to attend to its own business for a while.
>
> Congress itself is being investigated by the American people—it is being weighed in the balance and, in some respects at least, found wanting. Important constructive legislation is delayed by long-winded speeches delivered for political effect. The country now confidently expects and insistently demands that Congress follow the suggestion of the President that legislation rather than investigation is the imperative demand of the hour. Let the builder's trowel be substituted for the muck rake.

I was just making a general observation, without referring to any particular individual. Then, to show my utter fairness in the matter, I read this language. I thought my friend was going to read it, but he did not. I said:

> The faults of the individual can not be attributed to an organization unless that organization condones and adopts the acts of the individual as its own. If Mr. Fall should be nominated for any important office by the Republican Party in face of the disclosures that have been made concerning his official conduct, the Republican Party would properly be held responsible as an organization for its indorsement of his record. If the Democratic Party should name Mr. McAdoo as its candidate for the Presidency, it would thereby adopt and indorse as its own his record.

Then, just so that the record may be complete, I quoted in my address the report that was made to the Senate by the Secretary of the Navy, found in the records of the Senate, read here just a few days ago, in which the Secretary reported that—

> An examination of the records of the Navy Department, its bureaus and offices, discloses that the Hon. William Gibbs McAdoo, former Secretary of the Treasury; the Hon. James Hamilton Lewis, ex-Senator; and the Hon. Hoke Smith, ex-Senator, appeared before this department in advocacy of claims against the Government of the United States, and who at the time of their advocacy came within the provisions as set forth by Senate Resolution 176.

I called attention to the fact that it was a dull day in the Senate when there was not some official report of the proceedings of this potential candidate for the Democratic nomination, Mr. McAdoo. One day comes a report from the Secretary of the Navy of the performances of Mr. McAdoo a little after he went out of office, practicing in cases where influence was tremendously important, and where it does not appear that he rendered any legal service in court. That is one day. Another day a report comes in about his performances before the War Department, cases he was reputed to have handled there, and the next day before the Shipping Board. He knew how to charge, for I remember that it was stated he claimed that his services to Mr. Doheny were worth a million dollars.

I was speaking of all those things in a kindly and Christian spirit; and if I had been bright enough to have thought of it, I would have used the terse description applied to that gentleman by a most distinguished and able and eloquent Democrat on the other side of the aisle, when he said in characteristic fashion:

> Some lawyers practice law, but Mr. McAdoo practiced son-in-law.

That was the kind of business he was practicing before the departments.

Mr. HARRISON. May I ask the Senator a question?

Mr. WILLIS. I dislike to be interrupted in this recital; but I yield to my friend.

Mr. HARRISON. I dislike to interrupt the Senator, but I was just wondering if he read in this list—I do not know whether it was that report or another one—that Jim Good, the Coolidge manager in the western headquarters, had done likewise?

Mr. WILLIS. No; but I read that Thomas Gregory did, and that A. Mitchell Palmer did, and there were about four Democrats to every Republican. I read that, and so did the Senator. But, to be very frank about it, I think that is not material to the discussion. I was speaking of those matters simply to illustrate what I believed to be the facts, that no decent man of any political faith or in any quarter condones wrongdoing, or has any thought other than that the guilty, whoever they are and wherever they may be, should be brought to justice.

In that connection I want to correct my friend, because I value his opinion most highly and his friendship, of course, very greatly. He mistook a statement I made, and I hope I may have his attention. I did not mean to say—and if he will refer to the printed page he will find that I did not say—that his party was guilty of graft and corruption. Here is what I said after enumerating a few of the billions of dollars that had been wasted. I closed with the statement that the money had been wasted by a Democratic administration.

I think I was fair in that, Mr. President, because I called attention to the fact that there was a great war, and that there was the inevitable waste of war, and that the increase in debt up to $25,000,000,000 was due—I read the language:

> Of course, the later increase to $25,000,000,000, in 1919, is chargeable to necessary war expenditures, augmented as they were by cost-plus system, waste, extravagance, and other Democratic devices to extract coin from the Treasury.

I was very fair about it; but here was the sentence, at the top of page 7714 of the RECORD. I said:

> Yet in view of this damning record of incompetency—

That is the way I characterized it, as a "record of incompetency," and I have never heard anybody say yet but what the thing to which I have referred was a record of incompetency. I said:

> Yet in view of this damning record of incompetency, if not graft and corruption—

I did not say "graft and corruption" at all. I said, "If not graft and corruption, it was incompetency."

> Yet in view of this damning record of incompetency, if not graft and corruption, our Democratic friends have the unbridled effrontery to criticize Republican management and sing the praises of Democratic methods.

Now, about these figures; I was rather interested in those. I hold in my hand a leaf torn out of the report of the Secretary of the Treasury. It is rather interesting to note the fact that every year that a Democratic administration runs the Government it runs it further in debt. When the Democrats took hold of the Government in 1913, according to the report of the Secretary of the Treasury, the debt was $1,193,000,000. When they let loose of it—of course two of the years had included the great expenditures of the war and they could not fairly be included, and were not included by me—but in 1917, before there had been any war expenditures appreciably, the debt had piled up to $2,975,000,000. A Democratic administration always increases the debt, as these figures show, and that is what I said at Pittsburgh. They always increase appropriations, and I have the figures here for that.

Mr. HARRISON. Mr. President, will the Senator permit me to interrupt him?

Mr. WILLIS. Certainly.

Mr. HARRISON. The Senator has shown an increase from 1913 to 1917.

Mr. WILLIS. Yes.

Mr. HARRISON. Will the Senator be fair enough to state that in 1916, I believe it was, the greatly increased Army called for very large appropriations, two or three times what they had been. I remember in the Sixty-second Congress the Army appropriations amounted to $100,000,000 and in 1917 I think they amounted to $900,000,000. I remember in the Sixty-second Congress, when my friend and I served together in the House, the Navy appropriation was $160,000,000 and it increased just before the war to somewhere around $600,000,000. Under the preparedness program a policy was enacted into law, I think in 1916, which increased by hundreds of millions of dollars the appropriations, and that accounts for the increase in the appropriations for running the Government.

Mr. WILLIS. I thought I was entirely fair about that because I called attention to the war expenditures. In order that I may be understood to be entirely fair I give the figures for each year. The next year the debt bounded up to $12,000,000,000, leaving off the odd figures. The next year it went to $25,000,000,000. Then there was a reduction thereafter, but it appears, and that is the statement I have made, that in times of peace every year the Democrats run the Government they always increase the debt and always increase the appropriations. I have figures which I obtained from the Appropriations Committee showing that in 1913 the annual appropriations were $1,121,000,000 and that they had increased by 1917 to $1,328,000,000.

Now, the figures that my friend quoted from my address show that when the Republicans took control in 1920 the annual appropriation required was over $7,000,000,000, the very next year $4,000,000,000, with a reduction the following year of $237,000,000 and the next year after that a reduction of $240,000,000. So that during the period of Republican control there has been an approximate reduction of $3,500,000,000.

Now another thing——

Mr. HARRISON. Before the Senator goes from that point will he let me ask him one question?

Mr. WILLIS. Yes.

Mr. HARRISON. The Senator said that when the Democrats get in control they increase appropriations every year. Is it not a fact that during the 16 years preceding the Wilson administration, when the Republican Party was in control, each succeeding year carried a larger appropriation over the preceding year? Is not that a fact?

Mr. WILLIS. I shall be glad to answer the Senator when he has concluded his speech.

Mr. HARRISON. And in view of the fact that the country is gradually growing bigger all the time, is it not necessary to have larger appropriations?

Mr. WILLIS. We must always be fair with each other. Inevitably it is true that the expenses of the Government increase somewhat. But the Senator will observe, if he will take the years in which his party has controlled, that the expenses through some peculiar reason have increased amazingly. Somehow a Democratic administration has a curious effect upon governmental finances. It has to be followed by a Republican administration to straighten things out. A Republican administration to follow and clean up the havoc and chaos that are always in the wake of a Democratic administration is as necessary as an ambulance after a gas explosion. We have to have it.

Mr. STANLEY. Mr. President, to what gas explosion does the Senator from Ohio refer?

Mr. WILLIS. The one on the other side of the aisle was the one I had in mind.

Mr. REED of Missouri. Are we to understand the Senator from Ohio is the ambulance in this case?

Mr. WILLIS. I think it is a fairly good figure of speech, though it was rather hastily made. I am perfectly willing to let it stand.

Now, as to the number of employees, I was fair with my friend. He does not read all of my speech. If he would read all of it he would know a great deal more about things, and he would not know so many things that are not so. I said:

> In other words, about 150,000 fewer employees do the work now than were kept on the pay roll by the Democrats.

That is exactly what I said and the Senator will observe by looking over the figures that I was entirely fair in my statement.

I owe an apology to the Senate for taking any time because, frankly and without criticizing anybody, it is not my theory that the Senate Chamber, where great measures are pending, where the business of the people must be attended to, is the place to make political speeches. This is the first time I have been guilty of offense, and I should not have been so except that I was wheedled into it by the alluring eloquence of my friend the Senator from Mississippi.

Mr. HEFLIN. Mr. President, I indorse very heartily the able and eloquent speech made by the Senator from Mississippi [Mr. HARRISON], in which he suggests that Republican Senators who desire to discuss the doings of Congress should make their speeches here and not go out in the States somewhere and speak to some club that furnishes the occasion, when no Democrat is present and no Progressive Senator there to interrogate the Republican Senator making a speech. They

should make their speeches here, so that we would have the opportunity to interrogate them, as the Senator from Mississippi interrogated the Senator from Ohio [Mr. WILLIS] to-day.

The senior Senator from Pennsylvania [Mr. PEPPER] made one of those speeches up in Maine. His colleague, the junior Senator from Pennsylvania [Mr. REED], has made one of them, I believe. The Senator from New Hampshire [Mr. MOSES] made one, and at last the Senator from Ohio [Mr. WILLIS] has made one. The big four on the other side of the Chamber have gone away from this body where we could not hear them and expose the fallacy of their arguments. They have poured forth their wrath upon Democratic Senators, printed their speeches in Republican papers, and then some Republican in the Senate has risen in his place and asked to have the speeches printed in the RECORD. Is not that a miserable performance? These Senators, if they have anything to say in defense of all the crookedness and corruption that have been going on in a Republican administration, should stand up and say it in the open Senate.

But the Senator from Ohio tells us that this is not the place to make a political speech. What is this body? Is it the king's council chamber, or is it the great deliberative body of the American people? Who runs this Government? It is supposed to be run by the people through political parties. What do those parties do? They are supposed to understand something of the science of government and to stand in this place and, through their leaders, speak the policies of their party, show their faith by their works, and give account of their conduct to the American people.

Ill does it become Republican Senators to try to escape responsibility for the conduct of a Republican administration and when brought to judgment say, "This is not the place to make political speeches." Time has been under Republican control when very few speeches were made here in behalf of the people. Time has been when Republican leaders could practically control speech making in this body. Time has been when big interests controlled the leadership of the Republican Party as now and could say what should be done and what should not be done in this Chamber.

Senators on the other side of the aisle who could not answer our arguments have been sitting silent for quite a while. Why? Because, as one Republican leader said, not long ago, "What can we say? You ask us why we do not get up and answer the Democrats when they charge us with all these things. They say they have been done in our administration. We can not deny it. What can we say? We can not say anything, and therefore we remain silent."

But it is rumored about the Capitol that word has come to Republican Senators in a caucus which they held, to which the Senator from Ohio made no reference, that they must get up and say something; that whenever they are attacked by a Democrat, whether they have anything to say or not, they must get up and make a noise, and let the Republican newspaper reporters have something to send back to the papers in the States showing that they are at least trying to make some sort of fight.

The Senator from Ohio and other Republican leaders over there are anxious to forget these investigations and all the terrible things that they have disclosed. They are anxious to have the investigations stopped. Anyone can read the speeches of every one of them and they will show something like this: "While I do not object to investigation, and would be glad to see anyone that is guilty apprehended and punished, but "—— They just trip over it rapidly like that. "But," and then they will strike the table in front of them so hard that it frequently knocks the glass off of it. "But it is high time," they say with emphasis, "that the Senate was getting down to business." What is more important in the business of this body than driving crooked and corrupt men from office? What is more important in the line of a Senator's duty than running down and apprehending and punishing those who have betrayed their trust? What is more important in the line of a Senator's duty than requiring honesty in public office, and doing his bit to expose and condemn those found guilty of wrongdoing in official positions?

No Democrat should use his position to the hurt and injury of his country to build up his party. No Republican should do that. When the Democratic Party is in power and officials in it, Cabinet officers, are guilty of wrongdoing, the Democratic Party ought to be held responsible for it. The Senator from Ohio would escape that responsibility. The Senator from Ohio said, "If Senator Fall should now be nominated for an office by the Republicans we should be criticized." The Senator undertakes to escape the responsibility that attaches to any party and to all parties. If we do not hold a party responsible for its conduct by what means are the people going to punish those who have betrayed their trust? The only way to compel that party to get right is to punish it with the stripes of defeat when it has been unfaithful. The Bible says—and I am going to repeat that text until every Republican in the Senate knows it—"By their fruits ye shall know them." If Republican officials are crooked and corrupt, are we going to hold the Democratic Party responsible for it? If Democratic officials are crooked and corrupt, are we going to hold the Republican Party responsible for it? I say, hold my party responsible for the conduct of those whom it puts in office. That is what I ask. The way to treat both parties is to hold them respectively responsible for the conduct of the Government when under their control, and the way to judge a party is by what it does, the things that it tolerates and stands for, for "By their fruits ye shall know them."

Hold the Republican Party responsible for what its officeholders do when in charge of the affairs of the country. Who is it that led in all the extravagant expenditures under the Wilson administration, if you please? When we were building airplanes—a subject referred to by the Senator from Ohio in his Pittsburgh speech—when that suggested scandal was brought to light what did President Wilson do? Did he say, "Go bring me the most prominent Democrat you can get, I want to hide and cover things up and keep the truth from coming out"? Oh, no. That great American statesman said, "Go bring Mr. Hughes; he ran against me for President; he is certainly the most prominent Republican in America; I want to appoint him as counsel to look after that and to go to the bottom of it and expose anything and everything that he can find." And what did Mr. Hughes do? He smeared the fault of that wrongdoing all over Colonel Deeds, of Ohio, and about eight others. Every one of them was a Republican. Were those men taking advantage of the war situation when Republican and Democratic fathers and mothers alike were sending their boys into the Army to win the war against a foreign foe? Were those Republicans thinking they owed no duty to the country, and no responsibility to the flag, and taking advantage of an opportunity to steal, and doing it at a time like that? Did Wilson undertake to cover anything up? Did any Democrat seek to shield anybody? Not at all.

The Senator from Ohio mentioned shipbuilding and wooden ships which were built which he said rotted at the docks. Who built those ships? Who was put in charge of them? Some Democrat. No. No partisanship was displayed in that trying hour when the Government cried out for a merchant fleet big enough to follow our Navy wherever necessary.

What did Woodrow Wilson do? Upon the recommendation, no doubt, of leading Republicans, he selected Mr. Schwab, a Republican from Pennsylvania, a great friend of Mr. Mellon and of the present Republican administration. Who was next to him in authority? Mr. Piez, of Chicago. Both of them were rank, dyed-in-the-wool Republicans and all the scandal and graft attaching to the building of those ships is properly laid at the door of prominent Republicans. Did they take advantage of a condition existing when the Nation's life was in peril and our boys were pouring out their blood on the battle line in France? Were they taking advantage of the Democratic administration at a time like that so that they could be able to say, "We built ships that rotted at the dock; we built the ships, but too much money was put into them"? Were Republicans playing politics in the darkest hour of the Nation's history or were they robbing their Government while our boys were fighting and dying to save it? Oh, Mr. President, these are matters to be considered by the Senator from Ohio and those like him who make their bitter tirades against the Democratic Party hundreds of miles away from Washington, when no Democrat is present to challenge the propositions which they lay down.

The Senator from Ohio would, of course, be glad to pull the curtain down and say, "Good-by, Mr. Fall; good-by, Mr. Denby; good-by, Mr. Daugherty; good-by, Mr. Forbes; good-by, Mr. Goldstein"; and good-by to all that long line of corruptionists who hang like leeches on the body of the Republican Party.

He would like to do that, Mr. President. The Senator, with a wave of the hand, says, "Why, if we should nominate Mr. Fall and should present him to the country we would be responsible." Mr. President, I have never heard anybody advance that idea before. That is something "new under the sun," and the Senator from Ohio is responsible for that brilliant idea. When a party comes into power, what does it say? "We pledge ourselves to a faithful performance of our duty as officials in charge of the Government." Then when their terms have expired we call them to the judgment bar of the people. "Come up here, you Democrats. Give an account of your stewardship.

Were you faithful? Call the roll." Begin with the towering statesman who stands like Saul amongst his brethren, head and shoulders above them all—Woodrow Wilson. "Were you faithful?" There he stands, pure as light and stainless as a star. Go down the line, and not one member of his Cabinet is tainted with wrongdoing. The only thing you can do is to trump up something. So, after they have gone out of office and gone into the general practice of law in your sheer desperation you commence to search for something hurtful to some Democratic Cabinet member, and you say: "I believe I see a track—we have got to find the tracks of some Democrat—and that track looks like McAdoo's track, or somebody's else track, and it looks like it is going toward a Government building. We must find a track that will give us something to trail and bark on," and a track of ex-Cabinet members is all you found. It was not an official's track.

What do we find? We have shaken your Republican tree and three stalwart Republican Cabinet officers have fallen out—Fall, Denby, and Daugherty. There has never been such an administration in all the history of the Government. The Grant administration was a corrupt administration in some respects. The Senator from Ohio was unfortunate in referring to that. In many respects I admired General Grant as a man, but he did not know what it was all about. They put it over him just like they put it over some other Republican leaders.

Mr. President, the Republican Party can not escape responsibility to the people. Republicans who have voted the Republican ticket in 1920 will not vote it this fall. I know that Republican Senators think by enacting a tax bill that takes taxes off those most able to pay, that pleases the mighty rich, they are going to raise a big compaign fund, but the electorate of America will not be for sale in this good year of 1924. We have not witnessed in our lifetime such a struggle on the part of the plain people to regain their lost liberties as we are going to witness in the campaign this fall. The battle cry is going to be, "Back to the Constitution! Back to the old-time standards of common honesty and clean Government! Away with special privilege, with governmental favoritism, with the refunding of taxes to the big rich by the big, rich Secretary of the Treasury!" Away with it, I say with them; God speed the day.

The Republican Party, in the last Congress, put a tax on the medicine of the sick baby; they have put a tax on the medicine of the sick man wracked with pain and scorched with fever. They have placed a tax on the liniment with which to rub the leg of the lame and halt soldier who was wounded on the battle line in France. Every time medicine is handed over the counter in a drug store it is these distressed and afflicted poor who pay the tax which is laid upon them by the Republican Party. I have not heard a single Republican leader lift his voice and ask for relief for one of them. Their failure to do so reminds me of what the lowly Nazarene said, "Inasmuch as ye did it unto one of the least of these, ye did it unto me."

Oh, no; they do not give campaign funds to the Republican Party. They can not buy a newspaper and pay a million dollars for it; they can not help to subsidize the press, to close the avenues of news to those who are fighting the battles of the people, to blue pencil everything except that which foists the interests of the enemy upon the masses of the people. Oh, no; they have no power to do that. "Away with your cry. We have not time to hear it," you say; but here are men who gave $50,000 or $75,000 or $100,000 to our campaign funds in 1920. They are talking as if they are not going to give any more unless we bring the surtax down to satisfy them. So what do we find? The leadership on the other side of the Chamber and the Secretary of the Treasury have brought a tax bill into this body that burdens the common man and woman, that burdens the plain people of the country, that takes the tax off of those men most able to pay and drops it down upon the backs of those least able to bear it. That is what we have in this rotten tax bill which the Republican Party has brought into the Senate.

For the Mellon plan a propaganda was started at the outset. The Literary Digest, as shown by the able, useful, and eloquent Senator from Mississipi [Mr. HARRISON], spent between $75,000 and $150,000 in taking a poll of the people and in advocating and boosting the Mellon plan. Who put up that money? Who paid that bill? The big tax dodgers, of course! Who lifted a voice in the Chamber against a tax on medicine for the sick and the afflicted? Who lifted a voice against a tax on harness, on saddles, on bridles, on vehicles, on shears, on scissors, on the needles and thread and buttons which the farmers and their wives have to use? Nobody except the Democratic Senators; no Republican voice was lifted then.

You drove "stern Ruin's plowshare" through their rights and interests; you left them stranded, and many of them are now eking out a miserable existence. You have come to worship purely at the altar of Baal; the god of gold is your deity; campaign funds are the main goal toward which your leaders move—campaign contributions to the Republican Party.

The cry of your party leaders seems to be:

> What care we for wrongs and crimes;
> It's dimes and dollars, dollars and dimes.

Then slip off out in the States somewhere, make a speech, and then come in and ask permission to print in the RECORD.

I want you to stand up here and meet our arguments, meet them as Senators should meet them. If you can not meet them, invite some Democrat to go with you and have a joint debate with you where both sides can be presented. I will accept a challenge of the Senator from Ohio to meet him at any place that he wants to go where we can both speak, and I will tell him in advance what my text will be.

By their fruits ye shall know them.

Mr. JOHNSON of Minnesota. Mr. President, will the Senator yield?

Mr. HEFLIN. I yield.

Mr. JOHNSON of Minnesota. I should advise the Senator from Alabama not to go to Philadelphia or Pittsburgh.

Mr. HEFLIN. I have spoken in both places, I want to say to my friend from Minnesota, and there are some good people in both places. There are good people and other kinds of people in a great many places that I know, but I am ready to go to Pittsburgh and discuss the issue with the Senator from Ohio or any other Senator who so desires.

My good friend from Minnesota used to be a Republican, but he has long since abandoned that corrupt, time-serving, boss-ridden old party. The Senator has escaped and there is a chance for him to be saved ultimately. He has turned his back on the Republican Party, and why? Because he would not longer stand sponsor for its conduct; because he saw who was controlling that party; and because he sees now who literally guides its destinies. The leadership of that party now does nothing until it has consulted the powers that be, and they are over in Wall Street.

The Senator from Ohio tells us that "if we should now nominate Mr. Fall," speaking of the Republicans, "we would be responsible for him"; and since I have operated on that suggestion a little I want to turn the picture around for a moment. Mr. Daugherty has been found guilty at the bar of public opinion of all sorts of crimes and misdemeanors. He has been accused of becoming wealthy while a Republican Cabinet officer by his corrupt handling of the instrumentalities of the Department of Justice. No greater crime could be committed, no more serious charge could be laid at the door of an American, than has been laid at his door; and what did he do under the charge and under this serious indictment? He is out of the Cabinet. Would he have gotten out of the Cabinet if he had been innocent? And what excuse did he give when he got out? He gave the excuse that the reason why he would not turn over the papers asked for in the Department of Justice—I had been discussing here the fact that he would not do it, that he would hide those papers and would not let them come here—he said: "The reason why I did not turn them over was that they contained important evidence about a communistic move to overthrow America," and he said that the Senator from Iowa [Mr. BROOKHART] and the Senator from Montana [Mr. WHEELER] had visited Russia last year, in a roundabout way trying to connect them and smear them with a suggestion that they were connected with such a movement against their own country, where both of them had been elected to the Senate by the sovereign power in their States; and what did he say?

"Why did you not turn over those papers, Mr. Daugherty?"

"Why, because they involved these things."

Well, now, Mr. Daugherty, what sort of hole have you put the President in by making that suggestion? You have put him in the position of trying to side with BROOKHART and WHEELER, all of them trying to overthrow the Government, and you, who handled its instrumentalities as a matter of barter in the market-place, were coming to the rescue and hugging them to your holy bosom and trying to save from their sinful gaze these sacred pieces of testimony—you, Mr. Daugherty, whose sudden rise to fortune nobody has been able to explain.

But the Senator from Ohio tells us that if we, the Republicans, should nominate Fall to an office after these things have been disclosed we should be held responsible. Now, I am coming closer home to the Senator with the proposition that he himself has laid down.

Just recently in his State, the great old Buckeye State, the Republican Party, with its eyes open, elected Daugherty to represent the Republican Party of that State in the next Republican National Convention, with all of these charges and all this slime hanging on him and dripping off of him. Who is going to take the responsibility for that? What does that disclose, Mr. President? Does not that disclose a bad situation in the leadership of the Republican Party? Why, certainly it does. What is that bad situation? A bad state of mind, a color-blindness. The leadership of that party is unable to see the right path, unable to tell right from wrong, justice from injustice, crookedness and crime from straightforward dealing and upright conduct, and the party has elected him, and "by their fruits ye shall know them."

Mr. President, if the Senator's theory is correct that they are to be held responsible for those that they have taken up out of the ditch and gutter of corruption and crime, and clothed them in the robes of authority of their party, what have they to say about Daugherty? While he trailed behind and was the last on the ticket in Ohio, thousands of Republicans, be it said to their credit, would not vote for him, the Senator who is now presiding, the junior Senator from Ohio [Mr. FESS] leading the ticket, I believe—while Daugherty trailed behind, yet he was elected, and he has been commissioned to go to the convention from Ohio and sit in that body of delegates and help choose a Republican candidate for President.

So under the theory advanced by the Senator from Ohio [Mr. WILLIS] we shall hold the Republicans responsible for the election of Mr. Daugherty as a delegate to the next Republican National Convention.

Daugherty, driven out of office by the terrible charges against him and by the convincing disclosures about him, goes back up to Ohio, and they say his friends "single-shotted" him; that they passed around the word: "Do not vote for any other Republicans, but vote for Daugherty. We must put him over"; and you put him over. Now, according to the principle laid down by the Senator from Ohio [Mr. WILLIS], they must take the responsibility for Daugherty, because he said that if we should nominate Fall, knowing what we do about him, then we would take the responsibility. They have nominated Daugherty, knowing what they do about him, and therefore they must take the responsibility for him.

Jess Smith, Roxy Stinson, and the others who handled thousands and tens of thousands and hundreds of thousands of dollars—one of them is dead; the other one has been hawked about and scolded in the speeches of Republicans around in the States as being unworthy of belief.

Mr. President, let us see whether or not this man was skillful. If he was going into crooked conduct, and he feared that something might happen and the truth might get out, is there anything more natural than that he would pick crooks to do this particular crooked work, so that if it ever should get out he could say: "You are not going to believe Roxy Stinson. Here is something we can prove on her. You are not going to believe Jess Smith and the others." Have Senators ever considered that phase of it? But Jess Smith is not here. Nobody but one witness knows exactly how he died. Some think that he was talked to and frightened about what was going to be done with him when all these things came out, and how he must take the responsibility and be mum as to everybody else, and that he was kept in a state of excitement and nervousness and drunk besides until, if he killed himself, he did it under those conditions; and when he died a sigh of relief came from those who would have been hurt by the facts that Jess Smith had in his possession.

The Senator from Ohio said that when the Democrats got in power the Republicans had to come along and clean up. Well, he hit it right that time. What they did in the way of cleaning up was a plenty. Fall cleaned up. Daugherty cleaned up. Forbes cleaned up. Goldstein cleaned up, and nobody knows whether Denby cleaned up or not. We will know some day, I think.

His conduct never has been satisfactorily explained to me. I have doubts and misgivings about his being free of guilt, very many of them. I recall his testimony when the Senator from Montana [Mr. WALSH] asked him:

> Why did you think it necessary to do something with these oil lands to stop the leakage?

He said:

> Well, I found out we were having these leaks.

Listen. The Senator from Montana said:

> How did you find it out?

Mr. Denby said:

> I do not remember now.
> Who told you?
> I do not know.

That is the substance of what he said.

Think of that, Mr. President, transferring over to Fall the whole naval reserves of the United States on a hearsay statement! The Senator from Ohio indicated in his speech that we were saying things on hearsay, rumors floating around. Here is the Secretary of the Navy in a Republican Cabinet transferring the oil reserves of the Nation on a hearsay rumor, and he could not tell who put the rumor afloat—hundreds of millions of dollars' worth of oil reserves lost to the Nation on Denby's hearsay statement.

Was Mr. Denby innocent? His part in it was so adroitly handled that we have been unable to prove anything on him from the records that he and others interested kept. What did he do? He said:

> I will pass it over to you, Secretary Fall, and you can do as you like.
>
> Now, then, Mr. Denby, you are going to send this up to the President, are you not?
>
> Yes, sir.
>
> Admiral Griffin has a letter there condemning your movement, has he not?
>
> Yes, sir.
>
> You are going to send it to the President?
>
> Sure.

Did he do it? Not once. That letter never reached the President. They took it out because they were afraid it would influence the President and perhaps he might not agree to that.

> Whom are you going to get to take charge of this thing? You have a number of admirals. Get this one.
>
> Oh, no.
>
> That one?
>
> No.
>
> The other one?
>
> Oh, no.
>
> Whom are you going to get?
>
> I am going to get Admiral Robison.
>
> Why?
>
> He is the only one of them in favor of the transfer.

Is there anything connected with them which makes it singular? Yes. Doheny had been out to his ship, and Doheny had a son on board his ship, and there a deal was made of some sort, and Denby is going to take the other admirals out of the way and put it in the hands of Admiral Robison. Is there anything suspicious about that? Yes; it stinks to high heaven of crookedness and crime.

Why do you not put that letter in the file and let the President read Admiral Griffin's objection? He wrote a letter that tore your proposition to pieces, but you or somebody else took it out before it got there, we are told. The President said he never got it. I understand, and it was not in the file when Secretary Denby's letter reached the White House.

Where is Admiral Griffin? He is transferred off yonder. Who is put in charge? The only man in all the Navy amongst the admirals who was favorable to the crime of Fall and Denby. Is that strange, or did that just happen? You can not make anybody believe that just happened, Mr. President. Of course it did not just happen. It happened out of design. It happened premeditatedly. It happened as a part of a plan to put this deal over, and it went over; and the Senator from Ohio was correct when he said the Republicans, when they succeed the Democrats, clean up. They certainly do.

Mr. President, when the Republicans came into power what did they do toward cleaning up? The big profiteers, pompous fellows, stood around this Capitol and shoved down the steps the soldiers who were begging for something on which to live. What did they do for the profiteers? They just passed them out checks, $450,000,000 a year in taxes, cleaning up after a Democratic administration. Oh, yes; you were cleaning up, relieving the big profiteers, men most able of all men to pay taxes to help settle the war debt. What else did they do toward cleaning up? They took off $90,000,000 of the big income taxes and passed checks out to them, relieved them of $90,000,000 a year, making $540,000,000 a year in all. What else did they do toward cleaning up? They paid $700,000,000 on war contracts—questionable, many of them—to these people. That was Republican cleaning up. Your cleaning-up process has made many favored Republicans rich.

You then grabbed our fleet of merchant ships. You passed through the House a bill cleaning them up, and but for us you would have cleaned up the merchant fleet. You would have bartered it for $200,000,000, at a loss to the Government of twenty-eight hundred millions of dollars, as I said the other day. You did that toward cleaning up. The Ship Trust was helping you to clean up. What else? You then turned your attention to the oil reserves of the Government. You turned over to Doheny and Sinclair all the oil reserves, amounting to hundreds of millions of dollars. You did that while you were cleaning up when you followed a Democratic administration; and the Senator from Ohio is eminently correct when he says that Republicans always clean up when they follow a Democratic administration. We will not know until we inaugurate a Democratic President and see assembled here a Democratic Congress on the 4th of March, 1925, just how far you have gone toward cleaning up and taking everything in sight.

If we had not defeated your ship subsidy bill in the Senate you would have cleaned up three thousand million dollars there. But we defeated that. The Democratic Party in the Senate threw itself across its corrupt and miserable path and cried out, as the soldiers did at Verdun, "They shall not pass"; and you did not pass.

Now we are working toward the glorious consummation of a complete house cleaning; and, thank God, it is coming. You can no more stop it than a tiny bush upon the western plain can stop a mighty cyclone sweeping across the country. The issue is clearly defined. Those who believe that the Government belongs to the people, that it ought to be run in the interest of the people, that our free institutions should be preserved, that honesty in office is essential, that we should do that which will bring about the greatest good to the greatest number, those who believe that way—Democrats, Republicans, Progressives and Independents—will all be on that side. Those who believe that this Chamber has become a clearing house for tradesmen, a millionaires' club, a counting room for the mighty rich, a council chamber to record the edicts of those who would escape their fair share of the burden of taxation, and those who believe that governmental instrumentalities should be perverted and used in the interest of a favored few and to the hurt and injury of the many, will be on the other side.

Choose ye this day whom ye will serve—God or mammon.

ORDER FOR RECESS

Mr. SMOOT. Mr. President, at this time I ask unanimous consent that when the Senate closes its business to-day it take a recess until 11 o'clock to-morrow.

The PRESIDING OFFICER (Mr. FESS). The Senator from Utah asks unanimous consent that at the close of business to-day the Senate stand in recess until 11 o'clock to-morrow. Is there objection? The Chair hears none, and it is so ordered.

Mr. CURTIS. Will the Senator from Utah yield to me to submit a conference report?

Mr. SMOOT. If it will not lead to any discussion.

Mr. CURTIS. If it does, I will withdraw it.

ADJUSTED COMPENSATION FOR WORLD WAR VETERANS—CONFERENCE REPORT

Mr. CURTIS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7959) to provide adjusted compensation for the veterans of the World War, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 7, 21, 34, 35, 36, 47, and 48.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 6, 8, 9, 9½, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 49, 51, 52, 53, 57, 58, 59, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 73, and 74, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by said amendment and on page 4, line 24, of the House bill strike out "or"; and on page 5, line 9, strike out the period, insert a semicolon and the word "or"; and on page 5, after line 9, insert the following paragraph:

"(1) Any individual who was discharged or otherwise released from the draft—for the period of service terminating with such discharge or release" and a period.

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "March 1, 1925," and a comma; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50 and agree to the same with an amendment which, in addition to the language stricken out by the Senate amendment, strikes out, on page 17, line 13, of the House bill, the following: "either (1)"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "(as soon as practicable after receipt of an application in accordance with the provisions of section 604, but not before March 1, 1925)"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment which restores the language of the House bill except the words "upon him for support" appearing on page 21, in lines 4 and 5 of the House bill; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "(2) The widow or widower shall be presumed to have been dependent upon the veteran upon showing by them, respectively, the marital cohabitation; the father and mother, respectively, shall submit under oath a statement of the dependency, to be filed with the application" and a period; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: On page 7 of the Senate engrossed amendments, line 8, after "veteran," insert "on or"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: On page 8 of the Senate engrossed amendments, line 4, strike out the period, insert a comma and the following: "together with the facts of record in the department upon which such above conclusions are based" and a period; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "For the administration of the provisions of this act, the President may except from the operation of section 4c of the act entitled 'An act for making further and more effectual provision for the national defense, and for other purposes,' approved June 3, 1916, as amended, or of any act amendatory thereof or supplemental thereto, not more than seven officers of the Army" and a period; and the Senate agree to the same.

CHARLES CURTIS,
JAMES E. WATSON,
GEO. P. MCLEAN,
F. M. SIMMONS,
DAVID I. WALSH,
Managers on the part of the Senate.

W. R. GREEN,
W. C. HAWLEY,
ALLEN T. TREADWAY,
JNO. N. GARNER,
Managers on the part of the House.

Mr. CURTIS. I ask unanimous consent for the immediate consideration of the conference report. It is a unanimous report, signed by all the conferees of the House and Senate, Democrats and Republicans alike.

Mr. McKELLAR. Will the Senator state the substance of the report?

Mr. SMOOT. If it is to lead to any discussion, I shall have to object.

Mr. CURTIS. It will not lead to any discussion.

Mr. McKELLAR. I apprehend there will be no discussion. I would like to hear what the Senator has to say about the agreement.

Mr. CURTIS. The Senate conferees yielded on 9 amendments, the House conferees on 58, and there was a yielding on 9 amendments with amendments. The principal change was with reference to the date when the bill should take effect, which the Senate fixed at July 1, 1925. Instead of the House provision making it effective nine months after the passage of the act, the date was fixed at March 1, 1925. That affected about three amendments. The Senate receded on the Philippine Scouts amendment, because the Philippine Scouts were only called on to perform service in the Philippine Islands. The Senate yielded on the compound interest provision, involving two amendments. Those were all the substantial recessions on the part of the Senate. The balance were on the part of the House. The bill is substantially as it passed the Senate.

Mr. REED of Missouri. Mr. President, I suggest the absence of a quorum.

Mr. CURTIS. We have before us the conference report on the soldiers' bonus bill. I hope the Senator will not ask for a quorum to pass on it.

Mr. REED of Missouri. I withdraw the request, if it will delay action at all.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fletcher	McKinley	Smith
Ashurst	Frazier	McLean	Smoot
Brandegee	George	McNary	Spencer
Brookhart	Gerry	Neely	Stanfield
Bruce	Glass	Norbeck	Stanley
Bursum	Harris	Norris	Stephens
Cameron	Harrison	Oddie	Sterling
Capper	Heflin	Overman	Underwood
Caraway	Johnson, Minn.	Pepper	Walsh, Mass.
Curtis	Jones, N. Mex.	Ralston	Walsh, Mont.
Dale	Jones, Wash.	Reed, Mo.	Warren
Dial	Kendrick	Reed, Pa.	Watson
Dill	King	Sheppard	Willis
Edge	Ladd	Shields	
Ferris	Lodge	Shortridge	
Fess	McKellar	Simmons	

Mr. CURTIS. I desire to announce that the Senator from Maine [Mr. HALE], the Senator from Delaware [Mr. BALL], and the Senator from Louisiana [Mr. BROUSSARD] are absent on business of the Senate.

Mr. HARRIS. I wish to announce that the Senator from Louisiana [Mr. BROUSSARD] is absent on official business as a member of the Board of Visitors at Annapolis.

The PRESIDING OFFICER. Sixty-one Senators having answered to their names, a quorum is present.

Mr. CURTIS. If we can get a vote on the conference report, I would like to have it; otherwise, I am willing to have it go over. I move the adoption of the conference report.

Mr. UNDERWOOD. Is this a final report?

Mr. CURTIS. It is.

Mr. HARRISON. It seems to me there ought to be some explanation made of the report.

Mr. McKELLAR. The Senator from Kansas just made the explanation a moment ago.

Mr. CURTIS. I made an explanation while the Senator from Mississippi was out of the Chamber. It is a unanimous report signed by all the conferees, Republicans and Democrats alike. The only amendments upon which the Senate conferees had to yield were those offered by the Senator from Mississippi [Mr. HARRISON]. They were the last two amendments upon which the Senate conferees yielded. They included the amendment striking out the compound interest proposition.

Mr. HARRISON. So they insisted upon compound interest being charged on loans made to the soldiers?

Mr. McKELLAR. Yes; and they agreed to put it off still longer. It will go over for at least four years before any soldier can get anything out of it.

Mr. CURTIS. No; it shortens up the time from July to March.

Mr. McKELLAR. But it was previously July to January.

Mr. CURTIS. No; it was July to March. We have shortened it up three months.

Mr. McKELLAR. It is three and a half years yet.

Mr. CURTIS. No; it is about two and a half years.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. UNDERWOOD. Mr. President, I am not going to detain the Senate in regard to the conference report. Some days ago when the bill was before the Senate I expressed my views in opposition to the bonus bill. I realize that there is an overwhelming majority in the Senate in favor of the bill and that it would be futile for me to attempt to do anything now to prevent its passage. I do not know whether there will be a roll call on its passage or not. Not knowing that fact, I wish merely to let the RECORD show that I oppose the adoption of the conference report because I am opposed to the bill itself.

Mr. HARRISON. Mr. President, I merely desire to say that of course the record has been made on the soldiers' bonus legislation. I voted for the optional cash bonus proposition. I thought and many other Senators thought, but not a majority, that the men should have the option or choice of whether they should get a cash bonus or get an insurance policy. We were defeated in the fight we made along that line. I voted on the final passage for the insurance plan even though the cash option was defeated. I was very hopeful, however, that the amendment adopted by the Senate that struck out the provision for charging compound interest on the loans made to the soldiers would be insisted upon and that when advances were made or loans made compound interest would not be charged to the soldiers. The Senator from Kansas [Mr. CURTIS] has stated, however, that the House insisted upon their provision. The Senate conferees have no doubt done their best to maintain the provision as incorporated in the bill by the Senate. Notwithstanding this change brought about by the conferees, and in spite of the fact that on the loans the soldiers will be charged compound interest, I shall vote for the conference report.

Mr. REED of Missouri. Mr. President, it was my misfortune to be absent from the Senate while the bonus bill was under consideration. I had arranged, however, to be paired in favor of a cash-bonus plan. I merely want to say now that in my judgment the present bill is far from meeting our obligations to the soldiers who served in the war. I think the soldiers are being put off with a measure which is little less than a subterfuge and fraud upon them.

The debates have demonstrated that as strong a fight was made by the majority of Senators on this side of the Chamber as could be made for the redemption of the pledges that had been made by both political parties and the implied pledge that existed outside of any political party pledge. That battle was ineffective because it met with the determined opposition of the administration and the organization on the majority side. What the soldiers are failing to get, therefore, is not chargeable to those of us who have done our best.

I regret exceedingly that we are giving to the soldiers this wholly inadequate recompense. I think it would have been better to have allowed the entire question to go by and to have met it after election than to have passed the bill in the form in which it has passed. I repeat that I regard it as a breach of faith to the soldiers, and as a measure that will bring to them but little real satisfaction or relief.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. REED of Missouri. Mr. President, I wish to ask if the Senator in charge of the tax bill is willing to allow the pending amendment to go over until to-morrow? I want to submit some remarks upon it and it is now pretty late. The Senate is tired, and I am tired.

Mr. SMOOT. The bill making appropriations for the Departments of State, Justice, and so forth, is ready for consideration. I understand there is no real objection to it. I am also informed that the Democratic Members of the Senate are to hold a conference to-night and their desire is to get away not later than 6 o'clock. I doubt very much whether we could get a vote upon the pending amendment by that hour.

I take this occasion, however, to give notice that I shall expect, if possible, to hold a night session of the Senate to-morrow night. We have been two days considering the one amendment. We have not had a vote on it at all. I am not complaining of any Senator who has spoken upon the bill, but politics have been injected into the proceedings to-day and the day has gone by without any progress on the bill itself. I call the attention of Senators to the fact that when the bill passes the Senate I do not believe it possible to get it out of conference short of two weeks. It will be rather remarkable if a bill of this character should get out of conference in less than that time.

I will say to the Senator from Missouri that I am going to comply with his request now. I ask unanimous consent that the unfinished business be temporarily laid aside for the consideration of the appropriation bill in charge of the Senator from Washington [Mr. JONES.]

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none and the unfinished business is temporarily laid aside.

APPROPRIATIONS FOR DEPARTMENTS OF STATE AND JUSTICE, ETC.

Mr. JONES of Washington. I ask unanimous consent that the Senate proceed to the consideration of House bill 8350, making appropriations for the Departments of State, Justice, and so forth.

Mr. KING. May I inquire of the Senator if he expects to pass the bill to-night?

Mr. JONES of Washington. I do not suppose we will be able to pass it. I would like to get as far as possible with it, however. Of course, if there is any item to which a Senator seriously objects and which he would like to have go over, I will gladly let it go over.

Mr. KING. The Senator knows that because of our activities we have had no opportunity to read the bill. I have no objection to its consideration and to its being proceeded with so long as we do not have any vote on its passage this evening.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington?

Mr. KING. May I ask the Senator from Washington if there was any objection by any member of the committee?

Mr. JONES of Washington. Not that I know of.

Mr. KING. So it is a unanimous report?

Mr. JONES of Washington. There may be some difference of opinion as to some amendments, and if there is those amendments will be permitted to go over, if desired. But I appreciate the situation Senators are in and I am not crowding them unnecessarily.

Mr. KING. This is the appropriation bill for the Department of Commerce?

Mr. JONES of Washington. For the Departments of State, Commerce, Justice, and Labor. There are four departments cared for in the one bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington for the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 8350) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1925, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. JONES of Washington. I ask unanimous consent that the formal reading of the bill be dispensed with and the bill read for amendment, the committee amendments to be considered and disposed of first.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Secretary will proceed to read the bill.

The reading clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Title I.—Department of State. Contingent expenses, foreign missions," on page 7, line 16, after the word "exceeding," to strike out "$1,800" and to insert "$2,500," so as to read:

To enable the President to provide at the public expense all such stationery, blanks, records, and other books, seals, presses, flags, and signs as he shall think necessary for the several embassies and legations in the transaction of their business, and also for rent, repairs, postage, telegrams, furniture, typewriters, including exchange of same, messenger service, operation and maintenance of launch for embassy at Constantinople not exceeding $2,500, compensation of kavasses, guards, dragomans, and porters, including compensation of interpreters, translators, and the compensation of and rent for dispatch agents at London, New York, San Francisco, Seattle, and New Orleans, and for traveling and miscellaneous expenses of embassies and legations, and for loss on bills of exchange to and from embassies and legations, including such loss on bills of exchange to officers of the United States Court for China, and payment in advance of subscriptions for newspapers (foreign and domestic) under this appropriation is hereby authorized, $720,000.

The amendment was agreed to.

The reading of the bill was continued to page 8, line 20, "Consular Service, salaries of the Consular Service."

Mr. SHEPPARD. Mr. President, I desire to ask the Senator in charge of the bill a question. What has become of the so-called Rogers bill reorganizing the Consular Service?

Mr. JONES of Washington. I think it was considered in the House yesterday. I do not know whether it passed the House yesterday or not; but it was up for consideration, I think, under the call of the committee.

Mr. SHEPPARD. What effect would that bill have, if enacted, on the appropriations made in the pending measure?

Mr. JONES of Washington. I do not know what effect it would have, but whatever would be necessary, of course, could be taken care of in a subsequent appropriation bill.

Mr. KING. Mr. President, I wish to say to the chairman of the committee that I am advised that this bill, notwithstanding the professions of economy and the promises that through the operation of the Budget Bureau there would be reform and retrenchment, carries more than $4,000,000 above the appropriations for like purposes for the same departments for the present fiscal year; that is, the fiscal year which will end June 30 of this year. I express my keen disappointment at the action of the committee. The Senator, who stands for economy, must appreciate the fact that the tax bill, according to the estimates of the revenue to be derived under its provisions, will leave a deficit of, perhaps, several hundred million dollars. What is the reason that there has been no retrenchment, no reform?

Mr. JONES of Washington. Mr. President, of course there is a natural growth of the Government that must be taken care of and also of the various governmental activities. The Senate has added $293,287 to the bill as it passed the other House, and we added nothing except what we felt was fully justified and absolutely necessary.

Mr. OVERMAN. Most of the additions made by the Senate are for the Department of Commerce, which is the most extravagant department of the Government.

Mr. JONES of Washington. The clerk of the committee calls my attention to the fact that there is an item on page 58 of the bill, which was put in by the House, of $3,500,000 for a census of agriculture, to carry out a law that Congress has passed. That practically accounts for the increase in the appropriations in the bill for the coming fiscal year over those for the current fiscal year. Let me say also that the House added over a million dollars for the enforcement of the immigration law.

Those two items alone account for the increase in appropriations for the year 1925 over that of 1924. Those increases were considered absolutely essential on the floor of the House. The sum of $1,200,000 was put on the bill on the floor of the House upon the showing made, and the other amount was added, as I have said, to carry out a law passed by Congress.

Mr. SMITH. What is the amount of the appropriation made for the purpose of taking the agricultural census?

Mr. JONES of Washington. The bill provides an appropriation of $3,500,000, "to continue available until June 30, 1926." It really covers two years.

Mr. KING. May I inquire what are the data not now obtainable from the Census Department and from the commercial organizations of the Agricultural Department that are not now available under the existing machinery for the use of the Agricultural Department?

Mr. JONES of Washington. I can not advise the Senator as to that. That is a provision which was put on in the other House, and the committee of the Senate did not disturb it. It is—

for salaries and necessary expenses for preparing for, taking, compiling, and publishing the census of agriculture of the United States for 1925—

And so forth.

Mr. KING. Is that the census which was taken in 1920 by the Census Bureau?

Mr. JONES of Washington. It is a census of agriculture to be taken in 1925. It is not a general census at all. I suppose it is to secure data as to various agricultural products, the quantity on hand at various times, and so on. I will state frankly to the Senator that I have not examined the law providing for the census, and so I can not give him the information now.

Mr. KING. I ask that the amendment go over.

Mr. JONES of Washington. There is no amendment which has been proposed by the Senate committee with reference to that. It is an item in the bill as it came from the other House; and if the Senator desires that it be stricken out, he can propose an amendment to that effect afterwards.

Mr. McKELLAR. Mr. President, may I ask the Senator from Washington if this appropriation was estimated for by the Budget Bureau?

Mr. JONES of Washington. It was estimated for by the Budget Bureau.

Mr. FLETCHER. I notice from the report of the committee that the appropriations carried by the bill as reported to the Senate exceed the appropriations for 1925 by $4,593,423.30; and then the report states that it exceeds the estimates for 1925 by $1,278,944.

Mr. JONES of Washington. Yes; there was an item of $1,200,000 above the estimates placed on in the House of Representatives to enforce the immigration law.

Mr. FLETCHER. The committee has not increased the amount above estimates of the Budget?

Mr. JONES of Washington. There is one item which we have put on that is above the estimates, which, of course, I will explain when it is reached in the consideration of the bill.

Mr. LODGE. May I ask the Senator from Washington a question?

Mr. JONES of Washington. Certainly.

Mr. LODGE. The Senate is now considering the bill making appropriations for the Diplomatic and Consular Service?

Mr. JONES of Washington. The portion of the bill providing for the Diplomatic and Consular Service comes first and will be first read and considered.

Mr. LODGE. Exactly. The total increase made by the Senate committee in that appropriation is $28,500, which is all for the payment of widows of consuls who died in the service. Such payments are always made.

Mr. JONES of Washington. There is only a very slight increase in the appropriations for the Diplomatic and Consular Service.

Mr. OVERMAN. Most of the increase is for the Department of Commerce. As I have stated, Mr. Hoover's department is one of the most extravagant in Washington, and most of the increases on this bill are in his department.

Mr. JONES of Washington. Most of the increases put on by the Senate committee are with reference to the Department of Commerce.

I call attention to a paragraph in the hearings with reference to the appropriation for the census of agriculture. Mr. Drake, apparently representing the department, was asked to explain the matter, and he said:

> The schedule will cover the number and acreage of farms, the acreage of improved and unimproved land, the acreage planted in different crops, the number of farm animals, and other data that will enable a comparison with the last census, which related to 1919. Conditions at that time were far from normal, and every person or organization interested in agriculture feels the need of having another census as quickly as possible.

That briefly states the reasons upon which, I suppose, the House inserted the provision.

Mr. KING. May I ask the Senator how much more is allowed the Department of Commerce in the pending bill than in the bill for last year?

Mr. JONES of Washington. For the Department of Commerce there was an appropriation made for the current year of $21,844,957. The amount carried by this bill for the Department of Commerce——

Mr. FLETCHER. The total increase for the Department of Commerce proposed by the Senate committee is $172,450.

Mr. JONES of Washington. Yes; that is over the amount carried by the House bill.

Mr. FLETCHER. Yes.

Mr. JONES of Washington. I have the figures the Senator from Utah desired. The appropriation for the current year for the Department of Commerce was $21,844,957. In this bill the appropriation carried for that department is $24,027,105, being an increase of about $3,000,000. That includes, of course, the items carried in the House bill.

Mr. KING. Then nearly one-third of the entire appropriation carried by the bill is for the Department of Commerce.

Mr. JONES of Washington. The increase over the appropriations carried in the bill of last year is about $3,000,000, which is an increase of about one-seventh as compared with that bill. The appropriation for the current year, as I have said, is about $21,000,000. We have increased that for the next year by a little over $3,000,000.

Mr. KING. Yes; but the percentage I gave a moment ago related to the entire bill; so that nearly one-third of the appropriation carried by the bill is for the Department of Commerce.

Mr. JONES of Washington. Yes; that is correct.

Mr. KING. I wish to state to the Senator that I desire to offer some amendments, not only to the text of the bill as it came from the House but to some of the amendments reported by the committee relating to the Department of Commerce. I feel constrained to say that the Department of Commerce is not as important to the business and commerce of our country as some connected with it affect to believe.

If he would increase the functions and duties of the Diplomatic and Consular Service and diminish some of the activities of the Commerce Department, it would be advantageous to business and would result in economy to the Government. I had hoped that some plan could be worked out by which the various attachés and representatives of the Department of Commerce who are abroad, or at least some of them, might be cut off from their jobs abroad. When in Europe recently I found some representatives of the Commerce Department; but the information obtained by the representatives of the Treasury Department, the Tariff Commission, the Department of Agriculture, and the Department of Commerce was found with our consular and diplomatic representatives.

Mr. OVERMAN. The Senator found a great deal of duplication of work, did he not?

Mr. KING. Of course, there was duplication. My recollection is that in the city of Berlin during the week I was there there were representatives of three or four or five agencies or departments of the Government engaged in making examinations which in practically all instances were parallel where they were not duplications.

There is a proposition before us to increase the appropriation in this bill and in another bill so as to provide additional representatives——

Mr. OVERMAN. Agricultural attachés.

Mr. KING. And, as the Senator from North Carolina suggests, agricultural attachés. The Senator from Washington knows that some of the countries that are wiser than ours in matters of trade and commerce utilize to a greater extent their diplomatic and consular service. If we would do that it would be far better for the business men and business interests of the United States and far better for the agricultural interests of the United States. I think that if the Department of Commerce were restricted there would be nothing lost and there would be considerable gain to the Government in the matter of economy.

Mr. McKELLAR. Mr. President, I can indorse what the Senator from Utah has said about our various services in Berlin. I found seven services there; and to-morrow, when this bill comes up again, I want to have something to say about just what I did find.

Unquestionably, in my judgment, all of those foreign services ought to be combined and put under the general control of the ambassador or minister, as the case may be. There is no coordination at all in our various foreign services. There is a great duplication of work. I found the representatives of the Department of Agriculture, the representatives of the Department of Commerce, and the representatives of the Department of State all doing the same thing.

Of course, the Government is paying for that duplication of work. In addition to that, I found that all of the departments had to get their information through what they call the foreign office. They had to get it through the ambassador's office, and, of course, they did not report to him at all. They reported to their chief over here; and the result was that in the city of Berlin I found seven services in all, as I remember. I have a memorandum in my office, and I will bring it with me to-morrow, so that my recollection can be refreshed and the exact facts as I found them given to the Senate.

I think by all means that when the combination consular and diplomatic bill comes over here we should amend it so as to put all of our foreign services under the general supervision of our foreign ambassador or minister, as the case may be, so that duplication of work shall be avoided, economy secured, and the best service for our country obtained.

Mr. SMOOT. Mr. President, in that connection I want to call the attention of the Senate to a bill that is now on the calendar providing for a duplication of work for the Agriculture Department in foreign lands. If we pass that bill and it becomes a law, we will have consuls from the Treasury Department—I do not know how many. I have been trying to ascertain what it is going to cost; but in the reorganization of our departments we have tried to consolidate these agencies just as much as possible. I want to say that when that bill comes up I hope we are going to discuss it, because nobody can tell where this step is going to lead or how much it is going to cost.

Mr. McKELLAR. Mr. President, I am glad the Senator called my attention to that. Whatever is done ought to be done in the way of consolidating in one place all of our services in a foreign country and putting the work under the direction and control of the ambassador or minister, as the case may be, and requiring all the attachés to report to him, because all of the information they collect must be obtained through his office. I think the Senator from Massachusetts [Mr. LODGE], who is the head of the Foreign Relations Committee, will agree that some systematic arrangement ought to be made.

Mr. SMOOT. There is one thing I want to say to the Senator in this connection, and I have not any doubt but that he noticed it if he visited our representatives in a foreign country, and it is this: I felt like congratulating Secretary Hoover upon the class of men he had in Europe. I have been there a good many times, and I have visited our foreign representatives, but it seemed to me I had never had the pleasure of seeing such a class of men representing the Department of Commerce in Europe as is the case to-day.

Mr. McKELLAR. I am confident that the Senator will make one exception to that statement, and that is the representatives of the Department of Commerce in the city of Berlin. I have too great a regard for my country even to repeat—more than privately, at any rate—what I witnessed there.

Mr. SMOOT. Mr. President, of course, I spoke generally. I have not any doubt but that there are a few of them that I should like to see changed.

Mr. OVERMAN. Mr. President, if the Senator will yield to me, the Senator no doubt remembers that this matter of sending abroad commercial attachés was my idea and the idea of the Senator from Wyoming [Mr. WARREN]. About 10 years ago we got an appropriation, with the aid of President Roosevelt, of $60,000.

Mr. McKELLAR. It was more than 10 years ago.

Mr. OVERMAN. It may have been 12 or 15 years ago; but, whenever it was, President Roosevelt enabled us to get it through, and they then sent two traveling men abroad to get statistics for our manufacturers. It was a splendid thing, and everybody wanted to increase it; the manufacturers, the business men, wanted to increase it and send more agents; and it has grown from the $60,000 then appropriated to about a million dollars now. They are sending attachés everywhere in the whole world, to every place you can think of, almost; and I think it is very extravagant to be sending so many men abroad when the State Department has attachés who can cooperate with these men. Instead of having them located as attachés in these cities and not coordinating, if we could have half a dozen or a dozen men coordinate and act without duplication of work with the attachés of the Department of State we would accomplish all that is desired, and get all the information that is needed by the business men of this country. At each of our meetings the business men come here in large droves and insist on this and insist on that, and insist on these appropriations, and we have gone on and gone on until now we are appropriating a million dollars.

Mr. LODGE. Mr. President, I only want to say a single word on this subject.

I think the attachés who have been sent over by the Department of Commerce have done good work, but I think it is very prejudicial to any service to have it broken up into different compartments. This is the foreign service of the Government. It all belongs under the State Department. The Army sends military attachés, the Navy sends naval attachés—and it is very proper that they should—to the great powers; but those military and naval attachés are under the ambassador or the minister at the post to which they are accredited. It is all one service.

I think having different services—some from the Agricultural Department, some from the Department of Commerce—is a bad form of administration. The work that the attachés of the Department of Commerce and the Department of Agriculture are doing ought to be consolidated at every post under the responsible head of the post. The information will come to us just the same. It does not matter, after it gets here, whether it is delivered to the Department of Commerce or whether it is delivered to another department, though it is more convenient to have it all under one; but this matter of building up little services in different branches, just as we had at one time half a dozen little navies, is a bad form of administration. They are not quite so numerous now; but at one time we had that condition, and I dare say a duplication of surveys exists. We ought to put an end to that duplication, concentrate the work under one head, have the reports come here, and they can be distributed here perfectly well.

Mr. McKELLAR. Mr. President, if the Senator will permit me, I indorse all that he has said about that matter. After a very careful examination in the city of Berlin, to use an illustration, I found that the State Department of course had its embassy and its employees; the Army and the Navy were also represented there, and they were connected with the State Department. Then the Treasury Department had its representatives there, and they were in a different building. The Department of Agriculture was represented there, and its representatives were in a different building, and all going it alone. The Tariff Commission had representatives over there, and they were in a different place, a different building, and going it alone. The Department of Commerce was represented there by 6 or 8 or 10 representatives, and they were going it alone and in a different building. I think there were seven or eight different services there, nearly all of them in different places, difficult to locate, and they are not doing the splendid work that they might do if they were all consolidated under the American ambassador at that place.

I agree with the Senator that these commercial attachés for the most part do good work. I believe that they build up American trade, or could be made to do so if they were properly managed; but I believe that the only way to do the work is under our foreign representative.

Mr. LODGE. But on the ground where they are to serve, in the country to which they are accredited, they ought all to be under one responsibile head.

Mr. McKELLAR. And required to report to him.

Mr. LODGE. There have been cases, I know—I do not care to go into them—where representatives of one of the other outstanding things, I will not say what, have gotten in their heads the idea that they were representing the diplomatic side, and they have made representations to foreign countries which they ought not to have made. That is, they ought to be under the head of the mission, and first report to him, and get his authority. Otherwise, we may have all sorts of troubles. It is not good organization.

Mr. OVERMAN. Mr. President, it never was intended that these attachés should be located at any one point in connection with the Consular Service. The idea was that they should travel around to the different cities. I remember that they were paid $10 a day and all their expenses to travel from one place to another, soliciting business for America, giving American manufacturers information about business opportunities in connection with the Department of State; but now it seems that they go and locate them in the same building with the Department of State, and the thing that was intended is not accomplished at all.

Mr. LODGE. They do. The trouble is that they do not travel. A great many of them are permanently fixed in the cities, and get very large salaries. Of course the Consular Service is entirely detached from them. The consul, of course, is under the minister or ambassador, but the Consular Service is a totally different service. A very important bill that has passed the House is coming over here, and then the Senator can offer his amendment.

Mr. McKELLAR. I was just going to ask whether the Senator's committee has considered the so-called Rogers bill that came over from the House?

Mr. LODGE. No; it has only just passed. I think it passed yesterday.

Mr. McKELLAR. I think it applies only to the Consular and Diplomatic Services, but it ought to be amended; and I hope the Senator will carry out his views when that bill is under consideration.

Mr. LODGE. It is coming to our committee and I shall bring it up just as soon as I can.

Mr. JONES of Washington. Mr. President, most of these suggestions have referred to the Department of Commerce, and I want to notice just a word or two that has been said.

The Senator from North Carolina stated that these commercial attachés should not be fixed locally or kept at a definite place; that they used to travel about from place to place. That is still their policy.

Mr. OVERMAN. The Senator from Tennessee said he found them located at one place under the State Department.

Mr. JONES of Washington. That does not mean that the head man stayed there all the time. Here is what Mr. Klein said about that:

> The outstanding contrast, perhaps, between the Consular Service and our service—and I say this, of course, with no disrespect whatever for the Consular Service, because it renders invaluable help to our men—is that the commercial attaché must be mobile. For instance, not long ago when the Ruhr situation was at its height our commercial attachés from Berlin and Paris made a joint survey of that situation.

They went out on the ground and looked it over. I take it that is not the duty of consular officers.

Mr. LODGE. That is political business.

Mr. JONES of Washington. Yes; a sort of work they can not do.

Mr. LODGE. Their work is not political, it is economic and statistical, and using them for political work like that in the Ruhr, which required the training of a consul or of a diplomat, is just the thing that is most objectionable. When they are in a capital where there is an ambassador they ought to report to him.

Mr. McKELLAR. There ought to be a responsible head to whom they could report. If I left the impression that these men did not travel around—these men in the Department of Commerce, for instance—in Germany or in Poland, I did not express myself accurately. I recall that one of the employees at Berlin was absent at the time in the country making some investigations, as I was informed. I want to be absolutely fair about it. I think they can be made to do great work, but in order to do it they should have some one on the ground to whom they must report.

Mr. JONES of Washington. I agree with that. Of course, this appropriation bill is not a bill with which we can meet that situation. I will just read a few words more from Mr. Klein:

Whenever an emergency problem of any sort arises they are thrown in first and can work expeditiously for they have no quantity of documents to be viséd and papers to be checked up and other, what might be called, office obligations.

Senator JONES. Is that mobility one of the principal differences between the commercial attaché and the consular office?

Doctor KLEIN. That is one; I am not prepared to say that it would be one of the principal ones.

Senator JONES. What are the principal differences?

Doctor KLEIN. Another would be that of the completely economic and commercial point of view of the commercial attaché. He is selected primarily because of his equipment and knowledge to deal with economic problems.

I also want to call attention to a statement from Secretary Hoover with reference to trying to bring these people together. They recognize the necessity of having them cooperate and work together, and he said this in answer to a question with reference to the various activities of the consular officers and the commercial attachés, and the suggestion that there is room for both:

Yes, not only that, but within the last three or four weeks we planed out the last difficulty remaining. We made a special effort with the State Department and fixed it by an Executive order of the President, so that there is no question of conflict. That particular order was directed to the fact that there should be a periodical meeting of all of the economic agencies of the Government, particularly for the coordination of their work under the direction of the commercial attaché; and I think that planed out the last item of competition there was between these services.

These are matters, of course, that we can discuss more fully when we get to the commerce provisions of the bill, and I will not take more time upon it now.

Mr. FLETCHER. It is a very important service.

Mr. OVERMAN. We can discuss that later.

The PRESIDENT pro tempore. The Secretary will continue the reading.

The reading was continued, the next amendment being, under the subhead "Allowance to widows or heirs of diplomatic or consular officers who die abroad," on page 11, after line 24, to insert:

For Carrie Kitchin Hazeltine, widow of Ross Hazeltine, late consul at Lourenco Marques, Portuguese East Africa, one year's salary of her deceased husband, who died while at his post of duty, of illness incurred in the Consular Service, $4,500.

The amendment was agreed to.

The next amendment was, on page 12, after line 3, to insert:

For Pauline M. Robinson, widow of Fred R. Robinson, late consul to Saltillo, Mexico, one year's salary of her deceased husband, who died while returning to the United States from his post of duty, of illness incurred in the Consular Service, $3,500.

The amendment was agreed to.

The next amendment was, on page 12, after line 8, to insert:

For May Adelaide Sharp, widow of Hunter Sharp, late consul at Edinburgh, Scotland, one year's salary of her deceased husband, who died while at his post of duty, of illness incurred in the Consular Service, $5,000.

The amendment was agreed to.

The next amendment was, on page 12, after line 12, to insert:

For Ethel Roberts Loop, widow of Carl R. Loop, late consul at Catania, Italy, one year's salary of her deceased husband, who died while at his post of duty, of illness incurred in the Consular Service, $4,000.

The amendment was agreed to.

The next amendment was, on page 12, after line 16, to insert:

For William B. Kirjassoff and David M. Kirjassoff, minor children of Max D. Kirjassoff, late consul at Yokohama, Japan, one year's salary of their deceased father, who died in the earthquake and fire, while at his post of duty, $3,500.

The amendment was agreed to.

The next amendment was, on page 12, after line 21, to insert:

For Eliza R. Scidmore, sister of George H. Scidmore, late consul general at Yokohama, Japan, one year's salary of her deceased brother, who died of illness, incurred in the Consular Service, $8,000.

The amendment was agreed to.

Mr. LODGE. At that point I desire to offer another amendment of precisely the same character for the widow of a consul who died in office at Trondhjem, Norway.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. At the bottom of page 12 the Senator from Massachusetts proposes to insert the following:

For Frances R. Jewett, widow of Milo A. Jewett, late consul of the United States at Trondhjem, Norway, $3,500, one year's salary of her deceased husband, who died while at his post of duty of illness incurred in the Consular Service.

Mr. McKELLAR. Was he in the service at the time he died?

Mr. JONES of Washington. He was.

The amendment was agreed to.

Mr. LODGE. I offer another amendment, on page 12, at the bottom of the page, to insert the following:

For Teresa B. Handley, widow of William W. Handley, late consul general at Callao-Lima, Peru, $5,500, one year's salary of her deceased husband, who died while at his post of duty of illness incurred in the Consular Service.

Mr. OVERMAN. At what place was Handley?

Mr. LODGE. He was at Callao, Peru.

Mr. OVERMAN. He got $7,500 there?

Mr. LODGE. He received the salary of $5,500.

The amendment was agreed to.

The next amendment was, under the heading "International obligations, commissions, bureaus, etc.," on page 14, after line 18, to insert:

REVISION OF CHINESE CUSTOMS TARIFF

The unexpended balance of the appropriation of $47,750 to enable the United States Government to carry out its obligations arising under the treaty relating to the Chinese customs tariff made in the act making appropriations for the Departments of State and Justice and for the judiciary, approved June 1, 1922, shall remain available for the purposes therein described for the fiscal year 1925.

The amendment was agreed to.

The next amendment was, on page 15, after line 2, to insert:

INQUIRY INTO EXTRATERRITORIALITY IN CHINA

The unexpended balance of the appropriation of $21,000 to enable the United States Government to carry out its obligations arising under Resolution No. 4, adopted by the Conference on the Limitation of Armament, December 10, 1921, regarding extraterritoriality in China, made by the act making appropriations for the Departments of State and Justice and for the judiciary, approved June 1, 1922, shall remain available for the purposes therein described for the fiscal year 1925.

The amendment was agreed to.

The next amendment was, on page 18, after line 15, to insert:

INTERNATIONAL COMMISSION ON PUBLIC AND PRIVATE INTERNATIONAL LAW

The appropriation of $15,000 for the payment of compensation to and the necessary expenses of the representative or representatives of the United States on the International Commission of Jurists, made by the act making appropriations for the Departments of State and Justice and for the judiciary, approved June 1, 1922, is hereby made available for the purposes therein described for the fiscal year 1925.

The amendment was agreed to.

The next amendment was, under the subhead "International Office of Public Health," on page 19, line 23, after the word

"payment," to strike out "in gold francs," so as to make the paragraph read:

For the payment of the quota of the United States for the year 1925 toward the support of the International Office of Public Health, created by the international arrangement signed at Rome, December 9, 1907, in pursuance of article 181 of the International Sanitary Convention signed at Paris on December 3, 1903, $3,860.

The amendment was agreed to.

The next amendment was, on page 22, after line 5, to insert:

THIRD PAN AMERICAN SCIENTIFIC CONGRESS

The unexpended balance of the appropriation of $20,000 for the expenses of the delegates of the United States to the Third Pan American Scientific Congress to be held at the city of Lima, Peru, made by the act making appropriations for the Departments of State and Justice and for the judiciary, approved June 1, 1922, is hereby made available for the fiscal year 1925.

The amendment was agreed to.

The reading of the bill was continued to line 9, page 25.

Mr. JONES of Washington. Some Senators have gone, and we have now reached the appropriation covering the Department of Justice. I understand there is to be an executive session, and I ask that we suspend the consideration of the bill at this point.

USE OF THE WATERS OF THE RIO GRANDE

Mr. SHEPPARD. Mr. President, there is a bill on the calendar which should be passed promptly in order that the United States may cooperate with Mexico in studying the question of the equitable use of the waters of the Rio Grande. It is Senate bill 2998, providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico.

The PRESIDENT pro tempore. The Senator from Texas asks unanimous consent for the present consideration of Senate bill 2998.

Mr. JONES of Washington. I think it had better be reported.

The PRESIDENT pro tempore. The Secretary will read the bill.

The reading clerk read the bill, as follows.

Be it enacted, etc., That the President is hereby authorized to designate three special commissioners to cooperate with representatives of the United States of Mexico in a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., with a view to their proper utilization for irrigation and other beneficial uses. One of the commissioners so appointed shall be an engineer experienced in such work. Upon completion of such study the results shall be reported to Congress.

SEC. 2. The sum of $20,000 is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated for carrying out the provisions hereof.

Mr. LODGE. Mr. President, I merely desire to say that that bill has been reported from the Committee on Foreign Relations unanimously, and I think it is a very important public work, which should be disposed of.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

CUSTOMS SERVICE, PORTO RICO

Mr. WILLIS. Mr. President, I ask unanimous consent that there be taken up Senate bill 2572, to purchase grounds, erect, and repair buildings for customhouses, offices, and warehouses in Porto Rico. It has been unanimously reported.

The bill had been reported from the Committee on Territories and Insular Possessions with amendments, on page 2, line 2, after the word "to," to insert the words "transfer and"; on line 5, after the word "paid," to strike out the words "as needed"; on line 6, after the word "collection" and the comma, to insert the words "in such amounts and at such periods and," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to purchase or otherwise secure grounds where necessary in the municipalities of Aguadilla, Arecibo, Arroyo, Guanica, and Fajardo, in Porto Rico, and to build or rebuild thereon customhouses, offices, and warehouses, the grounds and buildings not to exceed in cost as follows: Arecibo, $30,000; Aguadilla, $25,000; Arroyo, $30,000; Fajardo, $40,000; Guanica, $30,000; for repairs to the customhouse at Ponce, $18,000; for repairs to the customhouse at Humacao, $4,000; and for repairs to the custom warehouse at Mayaguez, $8,000. Authority is also granted the Secretary of the Treasury to transfer and use the excess in any amount so specified not expended to any other item or items where the amount specified should be insufficient; all said amounts to be paid out of duties collected in Porto Rico as an expense of collection, in such amounts and at such periods and under such rules and regulations as may be prescribed by the Secretary of the Treasury.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

Mr. McKELLAR. Reserving the right to object, I would like to have some explanation of it.

Mr. WILLIS. The Senator will understand that Porto Rico has its own revenues. This will come entirely out of the Porto Rican revenues and not out of our Federal Treasury.

Mr. McKELLAR. It is not a charge against our Treasury?

Mr. WILLIS. Not in any respect at all. It is the money of the Porto Ricans. The Governor of Porto Rico and a large delegation were here, appeared before the committee, and made a very convincing statement. The total expenditure is something like $200,000, and if we may have this considered I shall offer an amendment, at the request of the Governor, to provide that not more than $65,000 of it shall be spent in any one year. It is very greatly needed down there in the handling of the public business. All of the delegation agreed upon it, and the whole committee were a unit in the matter.

Mr. FLETCHER. Is it necessary to be authorized by the Congress?

Mr. WILLIS. Yes; I so understand.

Mr. McKELLAR. They can not use their own funds without authorization by our Congress?

Mr. LODGE. These are buildings of the Government. It is for customhouses for the transaction of our business.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

Mr. McKELLAR. I shall not object.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and the amendments were agreed to.

Mr. WILLIS. I offer the following amendment—at the end of line 8, page 2, to insert the following:

Provided, That not more than $65,000 of the total expenditure herein authorized shall be made in any one year.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIM FOR DEATH OF JUAN SORIANO (S. DOC. NO. 102)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report respecting a claim against the United States for the death on October 2, 1923, at Guerra, Dominican Republic, of Juan Soriano, a Dominican subject, who was killed by the landing of an airplane belonging to the United States Marine Corps, with the request that the recommendation of the Acting Secretary of the Navy as indicated therein be adopted, and that the Congress authorize the appropriation of the sum necessary to pay the indemnity as suggested by the Acting Secretary of the Navy.

I recommend that, in order to effect a settlement of this claim in accordance with the recommendation of the Secretary of State, the Congress, as an act of grace, and without reference to the legal liability of the United States in the premises, authorize an appropriation in the sum of $2,000.

CALVIN COOLIDGE.

Inclosure: Report of Secretary of State, with inclosure.

THE WHITE HOUSE, *May 1, 1924.*

EXECUTIVE SESSION

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and the Senate (at 6 o'clock and 5 minutes p. m.) took a recess until to-morrow, Friday, May 2, 1924, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate May 1 (legislative day of April 24), 1924

COAST GUARD

The following permanent commissioned officers to be temporarily promoted to the rank as indicated below, in the Coast Guard of the United States, to rank as such from April 21, 1924:

To be captains

Commander George C. Carmine.
Commander Detlef F. A. de Otte.

To be commanders

Lieut. Commander William J. Wheeler.
Lieut. Commander Eugene Blake, jr.
Lieut. Commander Philip H. Scott.
Lieut. Commander James F. Hottel.
Lieut. Commander Harold D. Hinckley.
Lieut. Commander Benjamin L. Brockway.
Lieut. Commander John Boedeker.
Lieut. Commander William H. Munter.
Lieut. Commander Philip W. Lauriat.
Lieut. Commander Leon C. Covell.

To be lieutenant commanders

Lieut. William K. Scammell.
Lieut. Russell L. Lucas.
Lieut. Stephen S. Yeandle.
Lieut. Frederick A. Zeusler.
Lieut. Thomas S. Klinger.
Lieut. Henry G. Hemingway.
Lieut. Jeremiah A. Starr.
Lieut. Joseph E. Stika.
Lieut. Floyd J. Sexton.
Lieut. Clement J. Todd.
Lieut. Gustavus U. Stewart.
Lieut. Joseph F. Farley.
Lieut. Carl H. Abel.
Lieut. Frank J. Gorman.
Lieut. Gordon W. MacLane.
Lieut. Robert Donohue.
Lieut. Earl G. Rose.
Lieut. Loyd V. Kielhorn.
Lieut. Edward H. Smith.
Lieut. Elmer F. Stone.
Lieut. Carl C. von Paulsen.
Lieut. Fletcher W. Brown.
Lieut. John E. Whitbeck.
Lieut. Henry Coyle.
Lieut. Frederick J. Birkett.

To be commanders (engineering)

Lieut. Commander Albert C. Norman.
Lieut. Commander Theodore G. Lewton.
Lieut. Commander Christopher G. Porcher.
Lieut. Commander John B. Turner.
Lieut. Commander Charles A. Wheeler.

To be lieutenant commanders (engineering)

Lieut. Charles J. Odend'hal.
Lieut. Henry C. Roach.
Lieut. Clinton P. Kendall.
Lieut. Herbert N. Perham.
Lieut. Benjamin C. Thorn.
Lieut. Milton R. Daniels.
Lieut. Ellis Reed-Hill.
Lieut. Mayson W. Torbet.
Lieut. Gustavus R. O'Connor.
Lieut. Walter M. Troll.
Lieut. Charles T. Henley, jr.

The above temporary promotions are recommended in accordance with the provisions of the act approved April 21, 1924.

APPOINTMENTS IN THE REGULAR ARMY

ADJUTANT GENERAL'S DEPARTMENT

To be Assistant The Adjutant General for a period of four years from date of acceptance, with the rank of brigadier general from May 16, 1924

Col. Lutz Wahl, Adjutant General's Department, vice Brig. Gen. Benjamin Alvord, Assistant The Adjutant General, to be retired from active service May 15, 1924.

CORPS OF ENGINEERS

To be Chief of Engineers for a period of four years from date of acceptance, with the rank of major general from June 19, 1924

Brig. Gen. Harry Taylor, assistant to the Chief of Engineers, vice Maj. Gen. Lansing H. Beach, Chief of Engineers, to be retired from active service June 18, 1924.

To be assistant to the Chief of Engineers for a period of four years from date of acceptance, with the rank of brigadier general

Col. Edgar Jadwin, Corps of Engineers, vice Brig. Gen. Harry Taylor, assistant to the Chief of Engineers, nominated for appointment as Chief of Engineers.

POSTMASTERS

ALABAMA

Samuel J. Tucker to be postmaster at Springville, Ala., in place of S. C. Puckett, resigned.

Hugh H. Dale to be postmaster at Camden, Ala., in place of J. S. Foster, resigned.

ARIZONA

James A. Jones to be postmaster at Phœnix, Ariz., in place of S. J. Michelson. Incumbent's commission expired February 11, 1924.

ARKANSAS

Robert E. Jeter to be postmaster at Wabbaseka, Ark., in place of R. E. Jeter. Office became third class April 1, 1924.

Maud Jackson to be postmaster at Sherrill, Ark., in place of Maud Jackson. Office became third class April 1, 1924.

John N. Phillips to be postmaster at Jasper, Ark., in place of J. M. Phillips. Office became third class April 1, 1924.

Maida W. Russell to be postmaster at Star City, Ark., in place of M. W. Russell. Office became third class April 1, 1924.

Nellie V. Gilbert to be postmaster at Millville, Ark., in place of N. V. Gilbert. Office became third class April 1, 1924.

CALIFORNIA

Ellen M. Gholson to be postmaster at Tennant, Calif., in place of E. M. Gholson. Office became third class April 1, 1924.

Myrtle H. Turner to be postmaster at Reseda, Calif., in place of M. H. Turner. Office became third class April 1, 1924.

Frances W. Brown to be postmaster at Montrose, Calif., in place of F. W. Brown. Office became third class April 1, 1924.

Ralph R. Merritt to be postmaster at Tehachapi, Calif., in place of W. C. Brite. Incumbent's commission expired April 14, 1924.

COLORADO

Thomas A. Davis to be postmaster at Portland, Colo., in place of T. A. Davis. Office became third class April 1, 1924.

John A. Williams to be postmaster at Marble, Colo., in place of J. A. Williams. Office became third class April 1, 1924.

CONNECTICUT

Frederick W. Foster to be postmaster at Short Beach, Conn., in place of F. W. Foster. Office became third class April 1, 1924.

FLORIDA

Edward O. Sawyers to be postmaster at Zolfo Springs, Fla., in place of E. O. Sawyers. Incumbent's commission expired February 20, 1924.

ILLINOIS

Willis G. Hodge to be postmaster at Ina, Ill., in place of W. G. Hodge. Office became third class April 1, 1924.

Harry V. Popejoy to be postmaster at Cropsey, Ill., in place of H. L. Eyre. Office became third class April 1, 1924.

John H. Lawder to be postmaster at Campbell Hill, Ill., in place of J. H. Lawder. Office became third class April 1, 1924.

Oscar N. De Forde to be postmaster at Alma, Ill., in place of G. H. Winks, resigned.

Louis A. Willman to be postmaster at Metamora, Ill., in place of N. E. Moulton. Incumbent's commission expired March 9, 1924.

Irene L. Ford to be postmaster at Mahomet, Ill., in place of Audie Lindsey. Incumbent's commission expired August 29, 1923.

Lyle E. Wilcox to be postmaster at McLean, Ill., in place of N. C. Ebinger. Incumbent's commission expired March 9, 1924.

Charles J. Rohde to be postmaster at Lena, Ill., in place of J. C. Lampert. Incumbent's commission expired August 29, 1923.

INDIANA

Alexis G. Coffman to be postmaster at Roachdale, Ind., in place of G. A. Wilson, resigned.

John N. Hunter to be postmaster at South Bend, Ind., in place of J. N. Hunter. Incumbent's commission expires May 6, 1924.

IOWA

William C. Harbach to be postmaster at Des Moines, Iowa, in place of G. A. Huffman. Incumbent's commission expired April 28, 1924.

Harry W. Burgess to be postmaster at Rose Hill, Iowa, in place of H. W. Burgess. Office became third class April 1, 1924.

George McKinnis to be postmaster at Ollie, Iowa, in place of George McKinnis. Office became third class April 1, 1924.

John E. Mieras to be postmaster at Maurice, Iowa, in place of J. E. Mieras. Office became third class April 1, 1924.

Cora M. Lamer to be postmaster at Goodell, Iowa, in place of F. W. McNutt. Office became third class July 1, 1923.

Charles B. Santee to be postmaster at Cedar Falls, Iowa, in place of G. W. Hughes. Incumbent's commission expired March 22, 1924.

KANSAS

Alice M. McLavy to be postmaster at Morganville, Kans., in place of Alice M. McLavy. Office became third class January 1, 1924.

Elizabeth R. Bell to be postmaster at Towanda, Kans., in place of E. R. Bell. Incumbent's commission expires May 6, 1924.

Charles E. Schul to be postmaster at Grenola, Kans., in place of C. E. Schul. Incumbent's commission expires May 6, 1924.

KENTUCKY

John F. Graves to be postmaster at Arlington, Ky., in place of L. B. Owen. Incumbent's commission expired February 14, 1924.

Ella M. Geddes to be postmaster at Pippapass, Ky., in place of E. M. Geddes. Office became third class April 1, 1924.

Gertrude Berry to be postmaster at La Center, Ky., in place of J. S. Peal, jr., resigned.

Anna E. Fuqua to be postmaster at Rockvale, Ky., in place of A. E. Fuqua. Office became third class October 1, 1923.

LOUISIANA

Daniel Crowe to be postmaster at Vivian, La., in place of Daniel Crowe. Incumbent's commission expired February 11, 1924.

Emma Roussel to be postmaster at Patterson, La., in place of S. J. Folse. Incumbent's commission expired February 11, 1924.

Annie B. Netterville to be postmaster at Newellton, La., in place of J. D. Fultz, removed.

MAINE

Roy A. Evans to be postmaster at Kennebunk, Me., in place of J. H. Cooper, resigned.

Lyman E. Stinson to be postmaster at Stonington, Me., in place of L. G. Tewksbury, resigned.

MICHIGAN

Laurence C. Snyder to be postmaster at Blanchard, Mich., in place of L. C. Snyder. Incumbent's commission expired April 13, 1924.

MINNESOTA

Fred J. Page to be postmaster at Cusson, Minn., in place of F. J. Page. Office became third class April 1, 1924.

Alfred M. Oss to be postmaster at Hitterdal, Minn., in place of A. M. Oss. Office became third class April 1, 1924.

MISSOURI

Ezra L. Plummer to be postmaster at Seneca, Mo., in place of T. G. Buxton, deceased.

Robert J. Smith to be postmaster at Miller, Mo., in place of Fay Webbs. Incumbent's commission expired January 23, 1924.

Milton C. Terry to be postmaster at Carterville, Mo., in place of J. C. Sanders. Incumbent's commission expired January 23, 1924.

MONTANA

Margaret McGlumphy to be postmaster at Sumatra, Mont., in place of Margaret McGlumphy. Office became third class April 1, 1924.

NEBRASKA

Perry Barnett to be postmaster at South Sioux City, Nebr., in place of Gustav Blassl, resigned.

Frank Hopkirk to be postmaster at Ruskin, Nebr., in place of Frank Hopkirk. Office became third class April 1, 1924.

Albert E. Pratt to be postmaster at Tobias, Nebr., in place of A. E. Pratt. Incumbent's commission expired April 9, 1924.

NEVADA

Louis H. Ulrich to be postmaster at Hawthorne, Nev., in place of L. H. Ulrich. Office became third class April 1, 1924.

William E. Dalton to be postmaster at Gerlach, Nev., in place of W. E. Dalton. Office became third class April 1, 1924.

John W. Christian to be postmaster at Pioche, Nev., in place of J. W. Christian. Incumbent's commission expires May 6, 1924.

NEW JERSEY

Rachel E. Berger to be postmaster at Ringoes, N. J., in place of R. E. Berger. Office became third class April 1, 1924.

William A. Reeves to be postmaster at New Lisbon, N. J., in place of W. A. Reeves. Office became third class April 1, 1924.

George A. Yewell to be postmaster at Yardville, N. J., in place of G. W. Scarborough, resigned.

Francis M. Denver to be postmaster at Blackwood, N. J., in place of A. W. Weikel, resigned.

NEW MEXICO

George H. Disinger to be postmaster at Hillsboro, N. Mex., in place of F. V. Conniff, resigned.

NEW YORK

Charles J. Ryemiller to be postmaster at West Sand Lake, N. Y., in place of C. J. Ryemiller. Office became third class October 1, 1923.

NORTH CAROLINA

Julia B. Greer to be postmaster at Moravian Falls, N. C., in place of J. B. Greer. Office became third class April 1, 1924.

Ocie O. Freeman to be postmaster at Gates, N. C., in place of F. C. Willey. Office became third class October 1, 1923.

Lucile L. White to be postmaster at Salemburg, N. C., in place of L. L. White. Office became third class April 1, 1924.

Ivey M. Parker (Mr.) to be postmaster at Hobgood, N. C., in place of I. M. Parker. Office became third class April 1, 1924.

Bertha E. Craver to be postmaster at Boonville, N. C., in place of B. E. Craver. Office became third class April 1, 1924.

OHIO

William J. Lawrence to be postmaster at Syracuse, Ohio, in place of I. B. Carleton. Office became third class January 1, 1924.

Irvin F. Sherman to be postmaster at Deshler, Ohio, in place of T. A. Sherman, removed.

OKLAHOMA

J. Warren White to be postmaster at Hollis, Okla., in place of G. P. Morton, resigned.

OREGON

Henry W. Bahringer to be postmaster at Dundee, Oreg., in place of H. W. Bahringer. Office became third class April 1, 1924.

William P. Skiens to be postmaster at Burns, Oreg., in place of L. J. Locher, resigned.

PENNSYLVANIA

Joseph S. Gillingham to be postmaster at Lincoln University, Pa., in place of R. F. Turner. Incumbent's commission expired March 22, 1924.

RHODE ISLAND

Marion A. Smith to be postmaster at Conimicut, R. I., in place of M. A. Smith. Office became third class April 1, 1924.

SOUTH DAKOTA

Helen E. Becker to be postmaster at Turton, S. Dak., in place of H. E. Becker. Office became third class April 1, 1924.

Pius Boehm to be postmaster at Stephan, S. Dak., in place of Pius Boehm. Office became third class April 1, 1924.

TEXAS

Charles W. Ford to be postmaster at Gatesville, Tex., in place of W. A. Smith. Incumbent's commission expired July 28, 1923.

Sudie Gaut to be postmaster at Arp, Tex., in place of Sudie Gaut. Incumbent's commission expired April 9, 1924.

Fred N. Bland to be postmaster at Orangefield, Tex., in place of F. N. Bland. Office became third class April 1, 1924.

Thomas C. Hood to be postmaster at Lyford, Tex., in place of T. C. Hood. Office became third class April 1, 1924.

Lee M. Feagin to be postmaster at Colmesneil, Tex., in place of L. M. Feagin. Office became third class April 1, 1924.

Lenora A. Rudder to be postmaster at Coahoma, Tex., in place of L. A. Rudder. Office became third class April 1, 1924.

George H. Fricke to be postmaster at Cat Spring, Tex., in place of G. H. Fricke. Office became third class April 1, 1924.

Manton W. Williams to be postmaster at Sinton, Tex., in place of M. W. Williams. Incumbent's commission expires May 6, 1924.

Mabel E. Kennedy to be postmaster at Rockport, Tex., in place of M. E. Kennedy. Incumbent's commission expired April 9, 1924.

Edgar Lewis to be postmaster at Mesquite, Tex., in place of Edgar Lewis. Incumbent's commission expired March 3, 1924.

Robert W. Bourland to be postmaster at Marathon, Tex., in place of E. H. Todd. Incumbent's commission expired April 5, 1924.

Charles F. Palm to be postmaster at Carrizo Springs, Tex., in place of F. F. Kellogg. Incumbent's commission expired January 31, 1924.

UTAH

Diantha Hammond to be postmaster at Providence, Utah, in place of Josephine Jensen. Office became third class April 1, 1923.

Andrew Adamson, jr., to be postmaster at North Salt Lake, Utah, in place of Andrew Adamson, jr. Office became third class April 1, 1924.

VIRGINIA

Thaddeus Y. Price to be postmaster at Green Bay, Va., in place of T. Y. Price. Office became third class April 1, 1924.

WASHINGTON

Thomas D. Johnson to be postmaster at Cosmopolis, Wash., in place of P. L. Breakiron. Incumbent's commission expired February 11, 1924.

Rose M. Illy to be postmaster at Uniontown, Wash., in place of R. M. Illy. Incumbent's commission expired March 11, 1924.

WEST VIRGINIA

Harry A. Pettigrew to be postmaster at Pursglove, W. Va., in place of H. A. Pettigrew. Office became third class April 1, 1924.

Aileen J. Calfee to be postmaster at Eckman, W. Va., in place of A. J. Calfee. Incumbent's commission expired March 23, 1924.

WYOMING

William G. Haas to be postmaster at Cheyenne, Wyo., in place of W. G. Haas. Incumbent's commission expires May 4, 1924.

Eugene W. Gillespie to be postmaster at Rock River, Wyo., in place of E. W. Gillespie. Incumbent's commission expires May 4, 1924.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 1 (legislative day of April 24), 1924

POSTMASTERS

CALIFORNIA

Zylpha Potter, Hughson.
Frank M. Lawrence, Mount Shasta (late Sisson).
Barbara J. Emerick, Sugar Pine.

LOUISIANA

Claudia L. Currie, Alco.
William G. Stinson, Benton.
Alfred T. Maund, Jennings.

OREGON

Ernest J. Schneider, Myrtle Point.
George B. Bourhill, Moro.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 1 (legislative day of April 24), 1924

Bessie Worley to be postmaster at Eckman, in the State of West Virginia.

HOUSE OF REPRESENTATIVES

THURSDAY, *May 1, 1924*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again, blessed Lord, we would make declaration of our dependence and gratitude by approaching Thy footstool. Do Thou always enable us to keep the way open to it by having humble and contrite hearts. Let Thy spirit brood over all and eternal love remain. Bless the poor, the afflicted, the distressed in the storm-swept districts of our country. Comfort the bereft in those sections where human life has been snuffed out by accident. The Lord put into all hearts the deepest concern for the unfortunate, that shall lead to greater protection for those who wear the yoke of hard service. May the Christ always speak to us of God, of responsibility, of duty, of earth, and heaven beyond. Amen.

The Journal of the proceedings of yesterday was read and approved.

Mr. GRAHAM of Illinois. Mr. Speaker, I make the point of order there is no quorum present.

Mr. ASWELL. Will the gentleman withhold that a moment?

Mr. GRAHAM of Illinois. Yes.

FARM LEGISLATION

Mr. ASWELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on farm legislation and to print a very short letter from Mr. B. F. Yoakum on that subject.

The SPEAKER. The gentleman from Louisiana asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. ASWELL. Mr. Speaker, in view of the fact that it is clear that the McNary-Haugen bill, proposing when emergencies occur to apply the Einstein theory of relativity to the prices of 404 agricultural products in their relations to the prices of all other commodities, is socialistic and communistic, unsound in principle, unworkable in practice, and of doubtful constitutionality, this letter of Mr. Yoakum, which reaches the heart of the farmers' troubles for permanent relief, should appeal effectively to every friend of agriculture who is not controlled by political exigency.

The Curtis-Aswell bill does not propose an overnight, patent-medicine, quack remedy, but it offers sound and permanent relief for the farmers.

The letter of Mr. Yoakum follows:

NEW YORK, *April 22, 1924.*

DEAR MR. MCELDERRY: Your letter of April 15 inviting me to address a mass meeting of the farmers at Marion, Ala., on April 26, received. I greatly appreciate the invitation, but other appointments that I have make it impossible for me to be with you.

Government officials are more concerned over placing the shackles of paternalism on the farmers of the Nation, that their political use may be continued, than they are in helping the farmers organize a marketing system that will make their business profitable.

The President, the Congressmen, the Cabinet officers occupy their places through the farmers' vote. Heretofore their vote has been cast unselfishly and they are entitled to be treated with fair consideration by those they helped to elect.

For more than 50 years the farmers have been given the same old stereotyped promises, while their industry has gone down until it is in the most disastrous condition and the farm worker and tenants are in the worst financial straits in the history of the United States.

The Curtis-Aswell bill is sound, it is constructive, it will change farming from a losing drudgery business to a profitable one.

When the Curtis-Aswell bill is enacted into law without being tampered with for political purposes it will put in operation a plan in the interest of farmers and manned by farmers.

The terms of the Curtis-Aswell bill, in a nutshell, mean that the Government will loan to the Interstate Farm Marketing Association a working fund of $10,000,000 at 4½ per cent per annum; this fund to be used for organizing a marketing system that will insure to the farmers an equitable share of what their goods sell for to the ultimate consumer. For this loan the Government will receive ample security through a commodity assessment, the assessments to be against such commodities as the members designated, assessments and method of collection to be determined and fixed by the State boards of directors elected by the farmers of the different States. The lack of a practical, well-organized system of marketing by the farmers is absolutely the only thing needed to make farming one of the most profitable industries of the country. Why shall those engaged in this vocation continue to be penalized for purely political purposes?

Not a member of the administration, nor a Congressman, can oppose the principle of the Curtis-Aswell bill and defend this opposition with sound and reliable argument.

A large number of Congressmen are heartily in favor of the plan embraced within the Curtis-Aswell bill, and are anxious to see the bill placed on the calendar and passed this session; but unless the farmers make a determined demand, this bill will probably remain with the committee until too late for action during the present session.

Mr. J. W. Batcheller, president of the Farmers' Cooperative Union, Mission Hill, S. Dak., expressed his opinion to me, as follows:

> "Two weeks after you presented your plan for organizing a strictly farmer organization and marketing agency of national scope, to be organized by farmers and manned by farmers, with the Government as a silent and sympathetic assistant, the substitutes began to pour in.
>
> "Therefore, since the appearance of the Curtis-Aswell bill I have had little hope of the Yoakum plan, for somebody's profits are involved, nor is that army of lobbyists on the job all the time for nothing.

"I shall await with interest for reports on the bill. In the meantime I will get it sufficiently throughout each State organization that our membership should be thoroughly familiar with it.

"If I could get two or three hundred more of your statements explaining the plan, I could use them to good advantage."

Since receipt of Mr. Batcheller's letter (which expresses the sentiments of farmers and farm organizations throughout the country) there has been introduced a new bill proposing to create a Federal marketing board, under which it undertakes to use the most important principles of the Curtis-Aswell bill, but entirely different from the Curtis-Aswell bill, as in effect the Capper-Williams bill says to the farmers of Kansas and other States:

"We propose to spend $5,000,000, more money than is provided in the Curtis-Aswell bill, to organize a marketing system to handle the farmers' business for them, provided they will turn their products over to the Government to sell under a system of rules and regulations promulgated by the Department of Agriculture and five other Government officials."

Section No. 13 of the Capper-Williams bill provides for a subsidiary association called the "Terminal Marketing Association," which provides that it shall be open for membership "to persons, firms, wholesalers, brokers, commission agents, and others dealing in or large consumers of agricultural products." This gives the organized dealers an equal voice with the Government officials in fixing the prices and conditions of sale of farm products at the terminal markets.

This gigantic political machine proposes to take over and market the crops of the farmers of the State of Kansas and other States, placing the marketing under the control of the Government.

I called Congressman WILLIAMS to-day by long distance and called his attention to the fact that he and Senator CAPPER had incorporated in their bill the basic principles of the Curtis-Aswell bill, which he said was true; and I said to him, this being true, then the Capper-Williams bill is being favored by the Department of Agriculture over the Curtis-Aswell bill because their bill undertakes to place the marketing control in the hands of the Government, while the Curtis-Aswell bill provides for the farmers managing their own marketing.

The farmers of the 48 States should call the roll, inquiring of their respective Congressmen if they would prefer to have the farmers in control of their own business in every respect, or if they would prefer that the sale of farm products be placed under the management of the Government through a commission to be appointed by the President, of which the Secretary of Agriculture would be the predominating officer.

There is nothing to be gained and much to be lost by prolonging the farm solution. If the administration and a majority of Congress are seriously in sympathy and want to help the farmers to market the fruits of their labor and investment, they will, I am sure, say so. On the other hand, if for any reason a majority of the Members of Congress do not believe the farmers capable of handling their own business and prefer governmental marketing, I am sure they will be just as frank in telling them so. In this way the farmers may know where they stand and what they can depend upon from Congress.

The aid of the administration officers of the Government is important to a successful marketing system. By this I mean that the Department of Agriculture can, through political maneuvering, delay and block the efforts of the friends of the farmers by postponing permanent and favorable legislation in this session until a great injustice will be imposed upon the farmers.

There are other plans favored by some of the administration officers that mean nothing less than the exploitation of the farmers on a gigantic scale. This I may discuss more at length at another time.

I am inclosing you a copy of the Williams bill.

Very truly yours,

B. F. YOAKUM.

Mr. G. T. MCELDERRY,
President the Farmers' Cooperative Union,
401 North Twenty-third Street, Birmingham, Ala.

ENROLLED BILL SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

S. 1932. An act to change the name of Thirty-seventh Street between Chevy Chase Circle and Reno Road.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

A message in writing from the President of the United States, by Mr. LATTA, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills of the following titles:

On April 26:

H. J. Res. 247. Joint resolution making an additional appropriation for the Department of Agriculture for the fiscal years 1924 and 1925.

On April 28:

H. J. Res. 222. Joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service, to accept certain decorations bestowed upon him by the Republics of France and Poland; and

H. R. 3761. An act for the relief of George A. Nickles.

On April 30:

H. J. Res. 163. Joint resolution authorizing the Secretary of War to loan certain tents, cots, chairs, etc., to the executive committee of the United Confederate Veterans for use at the thirty-fourth annual reunion to be held at Memphis, Tenn., in June, 1924.

PERMISSION TO ADDRESS THE HOUSE

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent that on to-morrow at the conclusion of the remarks of the gentleman from Massachusetts [Mr. WINSLOW], the gentleman from Indiana [Mr. SANDERS], and the gentleman from Missouri [Mr. HAWES], I may be permitted to proceed for 30 minutes on the railroad labor bill.

The SPEAKER. The gentleman from Alabama asks unanimous consent to address the House to-morrow for 30 minutes. Is there objection? [After a pause.] The Chair hears none.

FEDERAL LAND RECLAMATION

Mr. PEAVEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Federal land reclamation.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. PEAVEY. Mr. Speaker, in the beginning God made the earth and the sea. He created the fertile lands of Wisconsin, Minnesota, and Michigan, and He caused to grow thereon the richest single crop known to man, the great pine forest. Federal and State Government, by a destructive policy, governmental carelessness, or willful purpose, has permitted these great pine forests to be ruthlessly slaughtered, as much or more going to absolute waste as ever graced a home residence, or business block. Whole empires were given in the form of railroad grants on the supposition that railroads would be built and the new country developed. Where this has occurred, it is due to incidents of the lumber or other industry and by no purpose or intention on the part of those receiving the land grants. In truth, all of the narrow and much of the standard gauge railroad that was originally built to remove this timber has been torn up and destroyed, leaving but the scars of habitation and the abandoned grades and deep "Swede holes," a severe handicap to present-day settlers.

Under this generous national policy was constructed in my own county a railroad known as the "Battle Axe," being a feeder and the property of the Northern Pacific system. This road was built largely upon the receipts from the sale of $240,000 of bonus bonds given to the railroad promoters by Bayfield County. As soon as all the timber tributary to this 37 miles of railroad had been removed, the owners, the Northern Pacific Co., asked authority of the Wisconsin Railroad Commission to demolish the line. After an exhaustive hearing and trial, the company's petition was denied. Some six years later, 1913–14, the right to destroy this railroad was again asked, with the same result.

In 1919, under the Esch-Cummins law, the power to consider and pass on all such questions, all jurisdiction of such matters having passed by the terms of the act from the Wisconsin State Railroad Commission to the Interstate Commerce Commission, an appeal by the railroad company to demolish the road was made to this tribunal and readily granted, in spite of the fact that the county of Bayfield has $35,000 of the original gift bonds still to pay, and in spite of the fact that hundreds of settlers who had settled along this railroad, many of them by railroad inducement, were in this manner left without a means of transportation and many of them without a road of any kind.

The same thing was done in the case of the Peerless Railroad in Ashland County and others. The people having knowledge of the facts believe such things to be contrary to all laws or justice and a travesty upon American principles of free Government, as written in the Constitution.

Millions of these rich, fertile, glacial acres now lay wasting in the sun. Constant brush fires destroy the humus from the great pines and even burn into the rich soil deposits left by the glaciers centuries ago.

Thirty million acres, an empire longer in extent and wider in area than most of the countries of Europe, of these virgin lands are going to waste, a desolate sea of decaying logs, rotting slashings and brush, mottled with tens of thousands of grizzly pine stumps with long pitch-filled roots, tenacious and defiant of human power to remove, measuring from 3 to 8 feet in height and 2 to 6 feet across, they offer a more formidable opposition

to man than did the combined forces of wild savages, desolate wilderness, and uncharted trails in 1849. Varying in number from 30 to 80 to the acre, I can assure any Member of this House, who may be unfamiliar with clearing pine stump land, that there is a dozen real backaches in the removal of every one, even with the aid of dynamite.

Right here, gentlemen, let me explain to you why, in the interest of the Government, this explosive should be furnished free. To reclaim even a 20 or 40 acre farm home from among the stumps and brush is a disheartening task, requiring 5 to 20 long, hard years of labor. Thousands of courageous home-builders have undertaken it and failed, not because they were not industrious, frugal, and persevering, but because it was a human impossibility to feed and clothe a wife and children, pay an occasional doctor bill, and save any actual cash with which to purchase explosive to clear more land. Many a brave father, with the natural love of the American man for a home, has bravely started out, with the result that here and there all over the cut-over sections of Wisconsin, Michigan, and Minnesota the traveler sees to-day the mute evidence of blasted hopes of what might have easily become a good farm home had the Government furnished to the man the explosive necessary to remove the stumps left as a result of exploitation of the timberlands of the great Northwest States under Government grant.

Five to fifteen dollars per acre expended for explosives by the Government in reclaiming these rich agricultural lands would not be a gift nor would it be a charity but, on the contrary, would be the best investment in the reclamation of agricultural land ever made by the United States. Every acre of these lands so cleared and reclaimed will produce in new wealth each year two or three times what the explosives necessary to clear it would cost. Once reclaimed, it is reclaimed forever without one cent necessary for its maintenance or support.

Two million dollars a year invested by the Government in this manner will produce in these three States alone forty millions a year in new wealth for all time to come. Before I leave this phase of the subject let me call your attention, gentlemen, to these significant facts compared to any other Government reclamation project, most of which are located 1,000 to 2,000 miles from the nearest market. The lands I propose, by the passage of this bill, to reclaim lay on the shores of the Great Lakes, the greatest single channel of commerce in the world. They are right at the world's market door.

For four years past the Government has been furnishing salvaged war explosives, piric acid and sodatol, to the people of the Northwest at the cost of packing, cartridging, and transporting. I am informed the available supply of these explosives is exhausted and hence my bill, the provisions of which would leave up to the proper officials the task of securing the explosives required from whatever Government source they might be secured.

Millions of dollars have been generously, and I believe rightfully, given by the Federal Government in reclaiming the desert areas of the West, many more millions to drain and reclaim the swamp areas of the South, but not a cent, comparatively speaking, has ever been expended by the Federal Government to reclaim the areas of the Northwest, the cut-over sections of Wisconsin, Michigan, and Minnesota. There are also many districts of Eastern, Western, and Southern States that would benefit by the passage of a Federal reclamation act granting free explosive by the Federal Government to the man who will reclaim and settle these lands as provided in my bill, H. R. 766.

I do not begrudge the millions given from the Federal Treasury in reclaiming many of the desert valleys and dry-land sections of the West—in fact, I approve both the acts and the policy—but why confine reclamation to the West and South? Why not offer some Federal encouragement to those who have the physical courage and forbearance to match their brawn against the Government's dynamite in clearing the devastated areas of the great Northwest?

It is true the cut-over section of this country has no powerful friends at court in the Capital of the Nation as have the Western States in the person of the representatives of all the transcontinental railroads.

It is true that we have no such powerful leaders to plead our cause before Congress or the President's Cabinet as did the people of Florida, but I would ask the Members of Congress to bear witness that many of the richest and most powerful advocates of reclamation in the South to-day are those men and concerns who made their original wealth out of lumber and railroads in the great Northwest.

It is accepted as the universal law that every man shall bury or destroy his own refuse or offal; where this is not done by the individual or concern and Government agency exists, it is done by the Government. We do not ask that the Government will even go thus far and destroy the slashings, logs, and débris left by the timber barons. I do plead that the Government will give the dynamite or explosive necessary to remove the logs and stumps left by the wasteful and destructive acts of the original recipients of the Nation's bounty.

Surely if it were sound policy to give these vast areas of virgin pine lands to those who would build railroads with which to remove their own timber, it would seem much more sound and practical that the Government give the explosive necessary to the man who by hard labor will reclaim these lands to productive agriculture for all time to come without a single charge for maintenance or subsistence.

It may be offered by those opposing this bill, if there be such, that the present disastrous condition confronting those engaged in farming would not warrant the Government in securing further agricultural development and production. I will admit the seriousness of this situation; that it is due to overproduction I will not concede. Tenantry and the high cost of everything he must buy and the low price received for his products is what ails the American farmer to-day. Give him two-thirds—yes; even one-half—what the consumer pays for his wheat, butter, eggs, corn, or livestock, and our farmers would actually be in clover.

There are more people and less farms that raise a smaller yield per acre in America to-day than there was 10 years ago. Will anyone maintain that the people eat less or wear less clothes or shoes? It is, in my opinion, political flimflam to say that the present sad plight of our farmers is due to overproduction. It is, in my opinion, pure political bunk for political railroad leaders to say that the present exorbitant freight and passenger rates are not one of the primary causes of the bankruptcy of the American farmers.

Business conditions in the Atlantic States have been fairly prosperous for the past two years. Pacific Coast States report fairly stable conditions in most lines of trade. Then why should the great American bread belt, the agricultural districts of the Central and Northwestern States, be so impoverished? I will give you what, in my opinion, is the chief reason: Because in the central United States, where the food supply of the Nation is grown, we must ship east or west to market—a long haul at a high freight rate. Whatever our farmers buy is for the most part shipped the same general distance at much the same rate. The farmers of central United States are being bankrupted on high freight rates as against the Atlantic and Pacific Coast States, where low water transportation not only offers general relief but of itself enforces competitive freight rates that enable business in all lines to prosper and live.

I offer as proof of this the testimony of Chicago manufacturers and importers, who testified before the House Committee on Rivers and Harbors in the present session that their firms, doing a Pacific coast business, had found it necessary because of existing freight rates to build manufacturing plants on the Atlantic seaboard that they might ship their goods via the Panama Canal to the Pacific coast, and thereby hold their western trade.

Permit me, gentlemen, at this point to explain to you why the present exorbitant freight rates are prohibitive to the people trying to develop this new section of the country. Nearly all of our products are wood materials and diversified farm crops—logs, lumber potatoes, clover, hay, and so forth. They are all heavy-weight, low-priced products. Therefore they cost much to transport and bring the owner little, if any, net return. It is true that there is no other place in all the world where clover—white, red, and Alsace—grows wild, reseeding itself, as it does in northern Wisconsin, Michigan, and Minnesota, but even to raise clover hay profitably the stumps must be blasted and the land cleared.

ALL THE TRAFFIC WILL BEAR

The railroads of the Central West are to-day pursuing the short-sighted policy of bankrupting their best friends, their everyday patrons. They are, in my opinion, following as narrow and greedy a policy as some corner groceryman who became so enamored with war prices and war profits that he continues to exact them. Just as his trade decreases, he reduces his overhead by cutting off his labor and reducing the quality and size of his stock, but he stubbornly refuses to cut the war price attached to a single article that he sells.

This is in fact the counterpart of the attitude of central railroads to-day; they would, by their actions, say to the public, "We will cut down our help, reduce the quality of our service, raise our salaries as bosses, and continue to charge 35 per cent more than war rates. We will make you, the people of the Central West, say you like the Esch-Cummins railroad

law or we will break you." Needless to say, they are rapidly doing the former, but I believe the people of the Northwest will starve before they will concede the latter.

These are not reasons against further agricultural development or Government support thereof, but, on the contrary, are good reasons why it should be done.

The people of States like Iowa and Illinois, where land values are two or three hundred dollars per acre, can not and will not long plant and sell on present prices and under present conditions. The people of southern Wisconsin, Minnesota, the Dakotas, Kansas, and Nebraska will not long continue to grow at a net loss on their medium-priced land. The values can not well be reduced because the 5 and 6 per cent mortgages that exist against these lands are for the most part held by banks, trust companies, and insurance companies; in fact, their value and security furnishes the very foundation on which the financial and business structure of each State rests. To destroy these is to destroy everything of value in these States. That is what the managers of the railroads are doing to-day.

Their political leaders, in and out of Congress, will tell you that anyone who utters ideas or opinions like those I have advanced is without good judgment or reason, that we are political demagogues who know nothing of railroading or finance, and that we seek only for votes and a political job. They will say that conditions are improving, that it is not one-half as bad as depicted, and so forth. They would have the Congress and the people understand that the present deplorable conditions are due to some act of God, over which they have no control; that, if we will just tighten up our belt and grit our teeth and work a little harder, longer hours, save more and spend less, that everything will be all right. They would have the people believe that all that is necessary to remedy conditions is to give some reactionary party leaders power in the coming national conventions to select a good, "safe" candidate in both parties for President, in which case, "We, the people" can not go wrong and immediate prosperity will return. More bunk, political ballast, given out to bolster up the hopes of a populace that is fast growing desperate because of existing conditions. People that come from a new section of the country like northern Wisconsin, are always optimistic by nature; I claim to be an optimist myself. I do not intend to be stampeded by idle fears, lurid descriptions, or false rhetoric as to what is transpiring in agricultural America.

Proponents of the railroads, who levy a 10 to 90 per cent charge on every dollar produced and marketed from these stricken States, might easily be prejudiced in favor of the railroads in considering these questions. I might, although I intend and try not to, be prejudiced against the carriers, but gentlemen, neither of us can alter positive and indisputable facts. Over 1,000 State and national banks in 10 Northwestern States have failed, closed their doors, never to reopen, in the past three years.

Over 20,000,000 acres, worth more than $2,000,000,000, of the richest and most productive farm land in America has been foreclosed, is now in the process of foreclosure or is being retained by the owner at the request and financial support of the trust company or insurance company holding the mortgage. Millions of acres are being sold for taxes, and thousands of acres of unoccupied lands are passing back into the legal possession of State or county because the owners can not meet the past due taxes. City and county governments are fast becoming insolvent and demoralized because of the accumulation of tax certificates and the failure to realize the collection of cash on their tax levies for operating and other fixed expenditures.

The dogged hope that followed the deflation order of three years ago has now given way to grim despair. Could the truth be known, thousands of the old homestead pioneers or their descendants now fill new and premature graves on the prairie farms of the Central West, where once peace and prosperity did rule, the victims of needless grief, strain, and worry, and all this in spite of the fact the Lord has been bounteous in the elements and nature has blessed these areas with the greatest and best crops in any given period of years in their history.

ECONOMIC LAW RESCINDED

On the face of these facts, my colleagues, I submit to you this vital question: Has not railroad influence and man-made laws superseded economic law and that made by God in the Central and Northwestern States of America, and changed a prosperous, contented, and peaceful populace into a horde of disgusted, embittered, and discouraged souls without a home, and many of them without a hope?

In conclusion I would ask you to support my bill, H. R. 766, that the broken and bankrupt farmers of the old Central States may come to the cut-over sections of Wisconsin, Michigan, and Minnesota and, with "free explosive" furnished by the Government, reclaim to themselves, their families, and their country, the right of every good citizen, a home. Farmers on high-priced land under the conditions that now prevail are broke, most of them bankrupt. Those who live in districts where the values are fair to medium are unable to pay interest and taxes. I therefore appeal to you to pass this bill enabling the Government to furnish "free explosive" to those who live on the cheap five to fifteen dollar land in the cut-over sections of these and other States.

The principal provisions of this bill are as follows: That such explosive, upon written application by the settler, shall be furnished free by the Government; that such applications shall be made prior to March 1 and October 1 of each year and shall state the amount of the acreage to be cleared within that year. Such applicant must be a bona fide settler and owner of the land. No single settler is to be allowed more explosive than is necessary to clear more than one-half of his or her uncleared acreage, and in no case more than sufficient explosive to clear 80 acres.

The existing State and governmental agencies will be used in distribution of the explosive and provide such rules and regulations as they may deem necessary in protection of the Government interest. There is to be appropriated to carry out the provisions of this act such sums as may be necessary, not to exceed $2,000,000.

DAVID PATTERSON DYER

Mr. DYER. Mr. Speaker, I ask unanimous consent that I may proceed for two minutes.

The SPEAKER. The gentleman from Missouri asks unanimous consent to address the House for two minutes. Is there objection? [After a pause]. The Chair hears none.

Mr. DYER. Mr. Speaker, three days ago in the city of St. Louis, his home, there passed away a former Member of this House who served in the Forty-first Congress, my uncle, David Patterson Dyer. He served here more than 50 years ago, and was the last of that or any previous Congress to go. During his life he occupied many distinguished positions in the public service. At the time of his death he was a judge of the United States court at St. Louis. I desire to testify personally to my great love for him and for his splendid public service and private character.

I do this also in lieu of going to St. Louis to attend his funeral, as I know he would prefer that I stay here and attend to my important public duties, which at this time are very pressing. David Patterson Dyer was born in Henry County, Va., February 12, 1838, and came to Missouri with his parents, David and Nancy R., and his brothers and sisters, among whom was my father, James Coleman Dyer, in 1841. He was elected to the Forty-first Congress from a district in Missouri that included his home county, Pike. Later on his successor from that district was the beloved Champ Clark. David Patterson Dyer served the public in many positions. He was prosecuting attorney of the third judicial circuit in 1860. He recruited and commanded the Forty-ninth Missouri Volunteer Infantry during the Civil War. He was a member of the Missouri House of Representatives, 1862 to 1865, and secretary of the Missouri State Senate in 1866. He moved to the city of St. Louis in 1875 and was appointed by President Grant United States attorney. In the following year he prosecuted for the Government what was known as the "whisky ring." In 1880 he was the Republican candidate for Governor for Missouri. In 1902 he was again appointed United States district attorney by President Roosevelt, and on April 1, 1907, he was promoted as United States district judge by Roosevelt. He served in this position up to his death. He died rich in good deeds and countless friends.

CALL OF THE HOUSE

Mr. GRAHAM of Illinois. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order there is no quorum present. Evidently there is not a quorum present.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

Abernethy	Favrot	McNulty	Snyder
Anderson	Foster	MacGregor	Strong, Pa.
Bacharach	Funk	Magee, Pa.	Sullivan
Barkley	Gallivan	Michaelson	Sweet
Bell	Garber	Mooney	Tague
Berger	Geran	Moore, Ill.	Taylor, Colo.
Boylan	Gilbert	Morin	Taylor, Tenn.
Britten	Greene, Mass.	Mudd	Tincher
Browne, N. J.	Harrison	Murphy	Treadway
Bulwinkle	Haugen	Newton, Mo.	Tucker
Burdick	Hawley	Newton, Minn.	Tydings
Burtness	Hoch	O'Brien	Upshaw
Burton	Howard, Okla.	O'Connell, N. Y.	Vare
Byrns, Tenn.	Hull, Morton D.	O'Connor, La.	Vestal
Campbell	Hull, William E.	Oliver, N. Y.	Ward, N. Y.
Carew	Humphreys	Parker	Ward, N. C.
Clark, Fla.	Johnson, S. Dak.	Perkins	Wason
Cleary	Jost	Phillips	Watkins
Connery	Kendall	Quayle	Watres
Connolly, Pa.	Kindred	Ransley	Watson
Corning	Knutson	Reece	Welsh
Crosser	Langley	Reed, W. Va.	Williams, Ill.
Curry	Larson, Minn.	Reid, Ill.	Wilson, La.
Davey	Lindsay	Robinson, Iowa	Winslow
Dempsey	Lineberger	Rosenbloom	Winter
Dickstein	Logan	Schall	Wood
Dominick	Lyon	Scott	Woodruff
Doughton	McClintic	Sears, Nebr.	Woodrum
Drane	McFadden	Sears, Fla.	Wurzbach
Edmonds	McKenzie	Shreve	Yates
Fairfield	McLaughlin, Nebr.	Stengle	Zihlman

The SPEAKER. Three hundred and seven Members have answered to their names. A quorum is present.

Mr. ROGERS of Massachusetts. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were reopened.

REORGANIZATION OF THE FOREIGN SERVICE

The SPEAKER. The unfinished business is the bill for the reclassification of the foreign service. On that the previous question was ordered; the bill has been read a third time and the question is on the passage.

Mr. COLLINS. Mr. Speaker, I move to recommit the bill to the Committee on Foreign Affairs.

The SPEAKER. The gentleman from Mississippi offers a motion to recommit which the Clerk will report.

The Clerk read as follows:

MOTION TO RECOMMIT

Mr. COLLINS moves to recommit to the Committee on Foreign Affairs with instructions to report the same back to the House forthwith with the following amendments, to wit:

"On page 2, line 7, strike out the rest of section 3 and insert in lieu thereof the following:

"Class 1, 6 per cent, $7,500; class 2, 7 per cent, $6,500; class 3, 8 per cent, $5,500; class 4, 9 per cent, $5,000; class 5, 10 per cent, $4,500; class 6, 14 per cent, $4,000; class 7, $3,500; class 8, $3,250; class 9, $3,000; unclassified, $2,500 to $1,500.

"And on page 7, line 14, strike out all of section 12.

"And on page 11, line 24, strike out the '60' and insert '40'; in line 25 strike out '54' and insert '36'; and on page 12, line 1, strike out '48' and insert '32,' and in line 2 strike out '42' and insert '28,' and in line 3, strike out '36' and insert '24,' and in line 4, strike out '30' and insert '20.'"

Mr. ROGERS of Massachusetts. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit the bill.

Mr. CONNALLY of Texas. I demand the yeas and nays.

The SPEAKER. The gentleman from Texas demands the yeas and nays. All those in favor of taking the question by the yeas and nays will rise. [After counting.] Fifty-four Members have risen, not a sufficient number, and the yeas and nays are refused.

Mr. CONNALLY of Texas. I demand the other side, Mr. Speaker.

The SPEAKER. The gentleman from Texas demands the other side, and the Chair will count. [After counting.] Two hundred and fifty-four Members present, a sufficient number, and the yeas and nays are ordered.

The question was taken; and there were—yeas 110, nays 201, answered "present" 2, not voting 119, as follows:

YEAS—110

Allen	Bland	Browning	Carter
Allgood	Blanton	Buchanan	Collier
Almon	Box	Bulwinkle	Collins
Arnold	Boyce	Busby	Connally, Tex.
Aswell	Brand, Ga.	Byrnes, S. C.	Crisp
Bankhead	Brand, Ohio	Caulfield	Croll
Black, Tex.	Briggs	Cannon	Cummings
Dickinson, Mo.	Jeffers	Milligan	Sherwood
Evans, Iowa	Johnson, Tex.	Moore, Ga.	Smithwick
Evans, Mont.	Johnson, W. Va.	Morehead	Steagall
Fulbright	Jones	Morris	Stevenson
Fullmer	Jost	Morrow	Sumners, Tex.
Gardner, Ind.	Kent	Oldfield	Swank
Garner, Tex.	Kincheloe	Oliver, Ala.	Taylor, W. Va.
Garrett, Tenn.	Lanham	Park, Ga.	Thomas, Ky.
Garrett, Tex.	Lankford	Parks, Ark.	Thomas, Okla.
Gasque	Larsen, Ga.	Pou	Tillman
Glatfelter	Lee, Ga.	Quin	Underwood
Greenwood	Lilly	Rankin	Vinson, Ga.
Hammer	Lowrey	Rayburn	Weaver
Hastings	Lozier	Reed, Ark.	Wefald
Hill, Ala.	McKeown	Richards	Williams, Tex.
Hill, Wash.	McReynolds	Romjue	Wilson, Ind.
Hooker	McSwain	Rouse	Wilson, Miss.
Howard, Nebr.	McSweeney	Rubey	Wingo
Huddleston	Major, Mo.	Salmon	Wright
Hudspeth	Mansfield	Sanders, Tex.	
Hull, Tenn.	Martin	Sandlin	

NAYS—201

Ackerman	Faust	Leatherwood	Rogers, N. H.
Aldrich	Fenn	Leavitt	Sabath
Andrew	Fish	Lehlbach	Sanders, Ind.
Anthony	Fitzgerald	Linthicum	Sanders, N. Y.
Bacon	Fleetwood	Longworth	Schafer
Barbour	Frear	Luce	Scott
Beck	Fredericks	McDuffie	Seger
Beedy	Free	McFadden	Shallenberger
Beers	Freeman	McKenzie	Simmons
Begg	French	McLaughlin, Mich.	Sinclair
Bixler	Frothingham	McLeod	Sinnott
Black, N. Y.	Fuller	MacGregor	Smith
Bloom	Gibson	MacLafferty	Snell
Boies	Gifford	Madden	Speaks
Browne, Wis.	Goldsborough	Magee, N. Y.	Sproul, Ill.
Brumm	Graham, Ill.	Major, Ill.	Sproul, Kans.
Buckley	Graham, Pa.	Manlove	Stalker
Burtness	Green, Iowa	Mapes	Stedman
Butler	Griest	Mead	Stephens
Cable	Griffin	Merritt	Strong, Kans.
Celler	Hadley	Michener	Summers, Wash.
Chindblom	Hardy	Miller, Ill.	Sweet
Christopherson	Haugen	Miller, Wash.	Swing
Clague	Hawes	Mills	Swoope
Clancy	Hayden	Minahan	Taber
Clarke, N. Y.	Hersey	Montague	Temple
Cole, Iowa	Hickey	Moore, Ohio	Thatcher
Cole, Ohio	Hill, Md.	Moore, Va.	Thompson
Colton	Holaday	Moores, Ind.	Tilson
Cook	Hudson	Morgan	Timberlake
Cooper, Ohio	Hull, William E.	Nelson, Me.	Tinkham
Cooper, Wis.	Hull, Iowa	Nelson, Wis.	Underhill
Cramton	Jacobstein	Nolan	Vaile
Crosser	James	O'Connell, R. I.	Vincent, Mich.
Crowther	Johnson, Ky.	O'Connor, N. Y.	Vinson, Ky.
Cullen	Johnson, S. Dak.	Paige	Voigt
Dallinger	Johnson, Wash.	Patterson	Wainwright
Darrow	Kearns	Peavey	Weller
Davis, Minn.	Keller	Perlman	Wertz
Deal	Kerr	Porter	White, Kans.
Denison	Ketcham	Prall	White, Me.
Dickinson, Iowa	Kiess	Purnell	Williams, Ill.
Dowell	King	Ragon	Williams, Mich.
Doyle	Kopp	Rainey	Williamson
Drewry	Kunz	Raker	Winslow
Driver	Kurtz	Ramseyer	Wolff
Dyer	Kvale	Rathbone	Wyant
Eagan	LaGuardia	Reed, N. Y.	Young
Elliott	Lampert	Roach	
Fairchild	Lazaro	Robsion, Ky.	
Fairfield	Lea, Calif.	Rogers, Mass.	

ANSWERED "PRESENT"—2

Ayres	Peery

NOT VOTING—119

Abernethy	Favrot	Magee, Pa.	Snyder
Anderson	Fisher	Michaelson	Stengle
Bacharach	Foster	Mooney	Strong, Pa.
Barkley	Funk	Moore, Ill.	Sullivan
Bell	Gallivan	Morin	Tague
Berger	Garber	Mudd	Taylor, Colo.
Bowling	Geran	Murphy	Taylor, Tenn.
Boylan	Gilbert	Newton, Minn.	Tincher
Britten	Greene, Mass.	Newton, Mo.	Treadway
Browne, N. J.	Harrison	O'Brien	Tucker
Burdick	Hawley	O'Connell, N. Y.	Tydings
Burton	Hoch	O'Connor, La.	Upshaw
Byrns, Tenn.	Howard, Okla.	O'Sullivan	Vare
Campbell	Hull, Morton D.	Oliver, N. Y.	Vestal
Carew	Humphreys	Parker	Ward, N. C.
Casey	Kahn	Perkins	Ward, N. Y.
Clark, Fla.	Kelly	Phillips	Wason
Cleary	Kendall	Quayle	Watkins
Connery	Kindred	Ransley	Watres
Connolly, Pa.	Knutson	Reece	Watson
Corning	Langley	Reed, W. Va.	Welsh
Curry	Larson, Minn.	Reid, Ill.	Wilson, La.
Davey	Lindsay	Robinson, Iowa	Winter
Davis, Tenn.	Lineberger	Rosenbloom	Wood
Dempsey	Little	Schall	Woodruff
Dickstein	Logan	Schneider	Woodrum
Dominick	Lyon	Sears, Fla.	Wurzbach
Doughton	McClintic	Sears, Nebr.	Yates
Drane	McLaughlin, Nebr.	Shreve	Zihlman
Edmonds	McNulty	Sites	

So the motion to recommit was rejected.

The Clerk announced the following pairs:
On the vote:

Mr. Dominick (for) with Mr. Treadway (against).
Mr. Ayres (for) with Mr. Hoch (against).

Until further notice:

Mr. Shreve with Mr. Gallivan.
Mr. Wurzbach with Mr. Browne of New Jersey.
Mr. Bacharach with Mr. Tucker.
Mr. Magee of Pennsylvania with Mr. Howard of Oklahoma.
Mr. Newton of Missouri with Mr. Bell.
Mr. Ransley with Mr. McNulty.
Mr. Wood with Mr. Quayle.
Mr. Vestal with Mr. Gilbert.
Mr. Strong of Pennsylvania with Mr. Taylor of Colorado.
Mr. McLaughlin of Nebraska with Mr. Woodrum.
Mr. Burdick with Mr. O'Sullivan.
Mr. Connolly of Pennsylvania with Mr. Lindsay.
Mr. Foster with Mr. Connery.
Mr. Greene of Massachusetts with Mr. Humphreys.
Mr. Kendall with Mr. Bowling.
Mr. Langley with Mr. Clark of Florida.
Mr. Snyder with Mr. Geran.
Mr. Wason with Mr. Upshaw.
Mr. Perkins with Mr. Kindred.
Mr. Reid of Illinois with Mr. Lyon.
Mr. Vare with Mr. O'Connell of New York.
Mr. Winter with Mr. Davis of Tennessee.
Mr. Taylor of Tennessee with Mr. Boylan.
Mr. Rosenbloom with Mr. Tydings.
Mr. Welsh with Mr. Wilson of Louisiana.
Mr. Phillips with Mr. O'Brien.
Mr. Mudd with Mr. Ward of North Carolina.
Mr. Linebe:ger with Mr. Stengel.
Mr. Watson with Mr. O'Connor of Louisiana.
Mr. Parker with Mr. Logan.
Mr. Morin with Mr. Dickstein.
Mr. Brand of Ohio with Mr. Sears of Florida.
Mr. Watres with Mr. Favrot.
Mr. Michaelson with Mr. Oliver of New York.
Mr. Burton with Mr. Doughton.
Mr. Ward of New York with Mr. Mooney.
Mr. Curry with Mr. Fisher.
Mr. Campbell with Mr. Sullivan.
Mr. Funk with Mr. Carew.
Mr. Hull, Morton D., with Mr. Drane.
Mr. Barbour with Mr. Tague.
Mr. Yates with Mr. Watkins.
Mr. Woodruff with Mr. Abernethy.
Mr. Tincher with Mr. McClintic.
Mr. Murphy with Mr. Barkley.
Mr. Reece with Mr. Casey.
Mr. Robinson of Iowa with Mr. Byrns of Tennessee.
Mr. Sears of Nebraska with Mr. Corning.
Mr. Hawley with Mr. Davey.
Mr. Dempsey with Mr. Cleary.
Mr. Kelly with Mr. Berger.
Mr. Newton of Minnesota with Mr. Harrison.

Mr. AYRES. Mr. Speaker, I voted in the affirmative, but as I paired with the gentleman from Kansas, Mr. HOCH, I withdraw that vote of "yea" and answer "present."

Mr. ANDREW. Mr. Speaker, my colleague Mr. CONNERY is unable to be present and asked me to state that had he been here he would have voted against the motion to recommit and in favor of the passage of the bill.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 134, noes 27.

So the bill was passed.

On motion of Mr. ROGERS of Massachusetts, a motion to reconsider the vote by which the bill was passed was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1925, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the District of Columbia appropriation bill, with Mr. GRAHAM of Illinois in the chair.

The Clerk read the title of the bill.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 1, lines 4 to 6, after the figures "1925" in line 4, strike out "40 per cent of each of the following sums, except those herein directed to be paid otherwise," and insert in lieu thereof the following: "$8,000,000."

Mr. MOORE of Virginia. Mr. Chairman, I make the point of order that the amendment is legislation on an appropriation bill and is not germane.

Mr. CRAMTON. Mr. Chairman, the amendment which I have offered is in order under the Holman rule. The bill before us appropriates $23,755,000, of which 40 per cent is to be paid from the Federal Treasury, or $8,967,666.08. The amendment which I have offered proposes that instead of contributing that 40 per cent, amounting to $8,900,000 plus, the contribution shall be simply $8,000,000. On the face of the bill it is apparent that it is a reduction in the charge upon the Federal Treasury.

Mr. MOORE of Virginia. Mr. Chairman, of course I have no intention to go into the question now of the wisdom of suddenly making a change in the basis of the fiscal relations of the District of Columbia and the Government of the United States. I shall confine myself altogether in a few words to the discussion of the point of order. The Chair, I have no doubt, is familiar with the statute which applies, and it is my contention that that statute will be departed from, even considering the Holman rule, should the amendment of the gentleman from Michigan be adopted. That statute is a part of the appropriation act for the District of Columbia for the year ending June 30, 1923. It provides for a ratio of 60 per cent to be paid by the District and 40 per cent to be paid by the Government.

The CHAIRMAN. Would the gentleman permit an interruption?

Mr. MOORE of Virginia. Certainly.

The CHAIRMAN. The Chair understands the gentleman from Michigan to contend that this is not legislation?

Mr. CRAMTON. It provides a different form of contribution than that fixed by existing law, but being a retrenchment apparent on the face of the bill it is in order under the Holman rule.

The CHAIRMAN. That will narrow the issue.

Mr. MOORE of Virginia. I understand exactly what the issue is. The gentleman from Michigan has stated that the bill provides an appropriation, 40 per cent of which will be something over $8,000,000, but that his amendment which confines the contribution of the Federal Government the sum of $8,000,000 is within the limits of the Holman rule. I call the attention of the Chair to a provision in the statute which I have just cited which makes it certain, not simply possible, but certain, that as against that contribution of the Government carried in the bill the Government will receive certain set-offs, the amount of which the Chair can not know, the gentleman from Michigan can not know, and no one can know. Those set-offs, I am informed, heretofore under the continuing provision in the appropriation bill of 1923 have run up into the hundreds of thousands of dollars and will probably in the coming fiscal year exceed $1,000,000. But that conjecture is neither here nor there.

The proposition which I am submitting to the Chair is that while the Chair can look at the bill and say that the bill carries a certain total amount, the Chair in order to sustain the amendment under the Holman rule must also consult the provisions of the statute which provides for the set-offs to the Government. In other words, confessedly or admittedly, the bill can not speak the final word on the question as to the amount which will be taken out of the Treasury of the United States, because the statute itself which has to be read in connection with the bill provides that the Government of the United States is to get back a certain amount. If that be true, any construction of the Holman rule which will confine it to the face of the bill simply would make it an absurdity. What I contend is that under this statute the amount of something in excess of $8,000,000 carried in this bill will probably be cut down to much less than $8,000,000, and if that be true, it follows, it is the logic of the thing that no one can controvert, that an amendment specifying $8,000,000 would be the very thing that the Congress did not contemplate as a possibility when the Holman rule was adopted; that is to say, it would exceed the amount that is expressed in the figures that happen to be marked on the face of the bill itself. There was no requirement, there is no requirement in the law that an appropriation bill should state in the manner which has become the custom, in tabulated form, the appropriations and the total of those appropriations. The only thing that was known at the time the House adopted the Holman rule was that appropriation bills were brought in providing appropriations for various purposes, and each of those appropriations contained in an individual bill totaled so much. It was further known that the statute under which an appropriation bill was framed often embodies, as it does in this case, provisions which would

operate in such manner that if an amendment, apparently making a reduction, should be entertained the whole object and purpose of the Holman rule would be defeated, that object and purpose being to retrench and not to increase.

Unless the Chair is going to discard the language of the statute relative to this matter of set-off, unless the Chair is prepared to take that course, then I submit we have a case here where the amending of this bill by inserting $8,000,000 in substitution for the original provision may increase over what is carried in this bill the amount which has been reported for the purposes of the District of Columbia during the next fiscal year.

Mr. CRAMTON. Will the gentleman yield?

Mr. MOORE of Virginia. Yes.

Mr. CRAMTON. I want to call to the attention of the gentleman as well as the Chair that whatever there may be in the law as to return or drawback under existing law, that is not disturbed by the amendment which I have sent to the desk. Now, whatever may be my idea of what the complete legislation ought to be, what may be a completed scheme of legislation that may be in my mind, is not before the committee. What is before the committee is simply one amendment that instead of contributing 40 per cent that there may be $8,000,000 contributed, and so far as the amendment is concerned there would be continued the same return to the Treasury of the United States under my amendment as under existing law. The amendment does not interfere with the return to the Treasury; that is fines, property assessments, and so forth, that may come back into the Treasury under the present law and which are to be divided between the District and the Federal Government in the proportion that the two Governments contribute to the expenses. That will still be the case. Under my pending amendment that would still be divided in the same proportion as we contribute to the maintenance, and inasmuch as the reduction that I am proposing from $8,900,000 to $8,000,000 is not a radical reduction, the proportion would continue practically the same, so to make your comparison on the lines the gentleman suggests you need to deduct, say, a million dollars from the $8,900,000, making a net of $7,900,000, deducting substantially the same amount from the $8,000,000, making approximately $7,000,000.

Mr. MOORE of Virginia. Mr. Chairman, that, I think, with great respect to my friend, is an untenable argument. His amendment would have the effect of closing up the question as to the amount that the Federal Government would contribute, the net amount which the Federal Government would contribute, confining it to $8,000,000, because the law would cease to be operative under the terms of his amendment as to offsets, which might otherwise be received.

Mr. TINKHAM. Mr. Chairman, I make a further point of order that the amendment does not show upon its face a reduction. I refer the Chair——

Mr. BLANTON. Mr. Chairman, I make the point of order that the gentleman's point of order comes too late. He should have made or reserved it before this argument began.

The CHAIRMAN. The Chair would hardly think so when the argument is being made on the point of order. There is a distinction between this kind of an argument and ordinarily. Of course, if this point of order is overruled, would it be in order for the gentleman to offer another?

Mr. BLANTON. I cite the Chair to a distinct precedent. The Chair will remember on this very bill two or three years ago—at least, the parliamentarian will and, I am sure, will show the Chair that decision—the gentleman from Illinois [Mr. Mann] reserved the point of order on the bill and he argued it at length and when it appeared that the point of order might not be upheld by the Chair I sought to make an additional point of order, and, if I am not mistaken, the gentleman from Michigan [Mr. CRAMTON] was in charge of the bill and made the point of order that my point of order came too late, and it was sustained by the Chair. In other words, he decided I should have made the point of order when the paragraph was first read.

The CHAIRMAN. It seems to the Chair that even if that is true the point of order made by the gentleman from Massachusetts is practically covered by that of the gentleman from Virginia.

Mr. MOORE of Virginia. Exactly.

The CHAIRMAN. If the gentleman from Massachusetts cares to be heard on his point of order, the Chair will be glad to hear him.

Mr. TINKHAM. I desire to make a point of order that the amendment upon its face does not show a reduction of expenditures. The point of order made by the honorable Representative from Virginia only covered the so-called Holman rule generally, but did not make the point of order which I now make explicitly. In relation to my point of order I wish to draw the attention of the Chair to House Manual and Digest, page 371, at the top, where it says:

> It is not enough that the provision reduces the number and salary of the officers of the United States or reduces the compensation of any person paid out of the Treasury, but it "must retrench expenditures" by doing that.

The proposition now before the committee does not show that the expenditures will be retrenched. Again, continuing at the top of page 371:

> Where a paragraph containing new legislation provides in one part for a discharge of employees, which means a retrenchment, and in another part embodies legislation to bring about this particular legislation, which in turn shows on its face an expenditure the amount of which is not apparent, the Chair is unable to hold that the net result will retrench expenditures.

But where the additional legislation does not show on its face an additional expenditure the Chair will not speculate as to a possible expenditure under the additional legislation. The Chair, in order to allow this amendment to be made over a point of order, must speculate as to whether there is a reduction or an increase. There is no evidence before the Chair, nor could there be placed at this time evidence before the Chair, because the items are so numerous, the drawbacks to the Federal Treasury are so great and complicated, that without an accounting and a report from an accountant the Chair is absolutely unable to say whether the amendment increases or decreases expenditures; and if it falls into a class of speculation—and it must of necessity under the facts—then under the rulings that I have read to the Chair, the Chair must sustain the point of order.

Mr. BLANTON. Mr. Chairman, will the Chair hear me a moment? I hate to offer anything additional to that just offered by the parliamentary Daniel-come-to-judgment; but, Mr. Chairman, the Chair will take notice and judicial cognizance of the fact that this bill embraces $24,000,000 to be taken in one way or another out of the Treasury, $8,973,000 of which is paid by the Federal Government. The Chair will further take judicial cognizance of the fact that there will be appropriated under the provisions of this bill under the Cramton amendment only $8,000,000 by the Federal Government. If the Cramton amendment is adopted, the Chair can see readily at a glance that it will save to the Public Treasury at least $973,000. That being the case, under the Holman rule it retrenches expenditures to the extent of $973,000. I do not think it is necessary to argue the question further.

The CHAIRMAN. The Holman rule is involved here. That portion of it relating to this matter says:

> Nor shall any provision in any such bill or amendment thereto changing existing law be in order, except such as being germane to the subject matter of the bill shall retrench expenditures by the reduction of the number and salaries of the officers of the United States, by the reduction of the compensation of any person paid out of the Treasury of the United States, or by the reduction of amounts of money covered by the bill.

Of course it is contended here that this amendment comes under the rule because of a reduction of the amount of money covered by the bill. It is admitted in the argument that it is legislation, and the only question then for determination is whether it is a retrenchment. As to that matter the Chair is largely influenced by the opinions of past Chairmen and Speakers. It seems to me that in such an investigation it is not the business of the Chair to investigate the facts and try to find out whether in fact it does or does not involve retrenchment. It is the business of the Chair, if he can determine it on the face of the bill, to so determine. If he can not, then he ought not to go into an investigation of the facts to see if in fact it will constitute a retrenchment.

However, the Chair is justified in looking at the report which accompanies this bill. This report shows that the total amounts payable from the United States Treasury at 40 per cent is $8,973,666.80. The statement is made in the report that of the total amount recommended by the committee—that is, on the second page of the report—the Federal Government's share is $8,973,666.80.

A portion of this will be refunded by reason of the fact that the Government shares in collections from various sources in the same proportion as it contributes to the activities which produce revenue. In 1921 it received from such sources $515,-

010.55, and in 1922, $412,464.89. For 1923, the figures for which are not final, the receipts will amount to about $1,028,270.07.

This bill is an appropriation bill for the fiscal year 1925. The provisions of the statute of June 29, 1922, are called to the Chair's attention by the gentleman from Virginia [Mr. MOORE]. That statute, which introduced the 60–40 proposition, also contained language as follows:

> That after June 30, 1922, where the United States is the owner of ground or the holder thereof in trust for the public, upon which improvements have been made at the joint expense of the United States and the District of Columbia, the revenues therefrom shall first be used to pay the United States 3 per cent of the full value of the ground as a ground rent, and the remainder shall be divided between them in the same proportion that each contributed to said improvements.

Then it provides certain duties to be performed by the assessor. There are further amounts derived from motor-vehicle licenses, which shall be covered into the Treasury. For 1923, the figures for which are not final, the receipts from those sources will amount to about $1,028,270.07. What it will be for 1925 nobody knows. No statement is made. Nobody can tell. It might be one million; it might be two millions; it might be three millions.

Mr. CRAMTON. The Chair should not overlook this, that the return will be the same substantially, whether my amendment is adopted or whether the bill stands as at present. That return is not disturbed by the amendment that I have offered. The law requires that returns should be divided in proportion as the Federal Government and the District contribute. Whether it is $8,000,000 or $8,900,000, our contribution is about the same, so that the sum that will come back, the return, will be substantially the same. It would operate to reduce the $8,000,000 just as it would operate to reduce the $8,900,000.

The CHAIRMAN. Well, if that is admitted, of course the gentleman's argument is correct.

Mr. CRAMTON. It can not be otherwise. As I stated to the gentleman from Virginia a little while ago, the amendment I have offered does not touch that question.

The drawback or refund to the Federal Government continues, and the law provides that the return shall be in the same proportion as the original appropriations were. Now, I am not disturbing that in this amendment, and that is all that is before the Chair. This amendment provides the relation, we will say, of between $8,000,000 out of $24,000,000, and the amendment provides for a difference between $8,900,000 and $8,000,000.

The CHAIRMAN. If the gentleman's statement is correct, that changes the Chair's view.

Mr. CRAMTON. There is nothing in my amendment to disturb that return. The law does not say it shall be a return of 60–40, but the law says the return shall be in the same proportion as the two governments have made the original contribution, and I am not disturbing that at all.

Mr. GARRETT of Tennessee. May I ask the gentleman a question?

Mr. CRAMTON. Yes.

Mr. GARRETT of Tennessee. If the amendment offered by the gentleman should be adopted without other amendments, would it change the aggregate amount which will be carried in the bill?

Mr. CRAMTON. Well, not directly, no; but it does change the amount contributed by the Federal Government.

Mr. GARRETT of Tennessee. In other words, the aggregate amount carried in the bill, made up from two different sources, is $24,000,000.

Mr. CRAMTON. It does not change that.

Mr. GARRETT of Tennessee. It does not change the amount carried in the bill. Now, as I recall, the only part of the Holman rule upon which this amendment could depend for life is that which reduces the amount carried in the bill.

Mr. CRAMTON. No.

Mr. GARRETT of Tennessee. Because, avowedly, it does not reduce salaries and it does not retrench expenditures.

Mr. CRAMTON. It does retrench expenditures from the Federal Treasury, and we are legislating for the Federal Government.

Mr. GARRETT of Tennessee. That raises this very particular question, and I think it is quite important: That it does retrench Federal expenditures; that is, I assume it would.

Mr. CRAMTON. We are assuming that, of course.

Mr. GARRETT of Tennessee. But the Holman rule does not apply to Federal expenditures alone. The Holman rule applies, if it has any application at all, to the District bill as well as to all other appropriation bills.

Mr. CRAMTON. The Holman rule was intended to protect the Federal Treasury. It was enacted with the view of protecting the Federal Treasury. Suppose a river and harbor bill were pending with an appropriation of $5,000,000 for the improvement of a certain harbor or a certain river, and it contained the provision that so much of it should come from the Federal Treasury and the balance from the State or city treasury. We could pass such a bill, but if the provision in the bill were for $3,000,000 from the Federal Treasury and $2,000,000 from the treasury of the city of New York, an amendment that would cut the Federal contribution to $2,000,000 and leave the contribution of the city of New York at $3,000,000 would certainly be in order under the Holman rule, because it would be a retrenchment of expenditures from the Federal Treasury, and that is what this House is primarily concerned about. That is what the Holman rule has reference to. It has no reference to the question of retrenchment in the expenditures of the city of New York or in the District of Columbia. Wherever there is a cooperative effort the issue is, How much of it is coming out of the Federal Treasury?

Mr. GARRETT of Tennessee. Mr. Chairman, of course, the gentleman states a supposititious case, while what we have before us is an actual bill. It is a general appropriation bill.

The CHAIRMAN. Let the Chair ask the gentleman a question, because this is very confusing to the Chair.

Mr. GARRETT of Tennessee. I am willing to try to answer any question, although I did not care to get into this argument. However, I am rather in favor of lump sums.

The CHAIRMAN. This bill purports to carry $8,973,000 as the 40 per cent which the Federal Treasury shall bear. Now, if this $8,000,000 proposition is agreed to, will the Government have to pay any less?

Mr. GARRETT of Tennessee. Will the Government have to pay any less?

The CHAIRMAN. Will there be any less paid out of the Federal Treasury? That is the question.

Mr. GARRETT of Tennessee. Assuming that it will carry $8,500,000 out of the Federal Treasury, I suppose that if you provided it shall carry only $8,000,000 out of the Federal Treasury, of course it will only carry $8,000,000 out of the Federal Treasury; but unless it reduces the aggregate amount, it means that that much more will be made up out of District funds that are deposited in the Treasury. The point is that it does not reduce the aggregate amount of the bill, but it shifts the amounts that shall come from the respective funds.

The CHAIRMAN. That leads to another inquiry. When the Holman rule says "retrenchment" does it mean retrenchment so far as the Federal Treasury is concerned, or does it mean a retrenchment in the total amount expended? In other words, are we here to regard only the Federal Treasury and regard the District funds as something separate and apart? What does the word "retrench" mean?

Mr. GARRETT of Tennessee. Well, Mr. Chairman, that of course carries us into the fiscal relations. As I understand it, all the funds which are collected by taxation in the District now go into the Federal Treasury.

Mr. BLANTON. To the credit of the District.

Mr. GARRETT of Tennessee. To the credit of the District. They are separate funds, but nevertheless they go through the Treasury.

Mr. BLANTON. Will the gentleman yield?

Mr. GARRETT of Tennessee. Surely I yield.

Mr. BLANTON. The adoption of the Cramton amendment would simply mean this: That the present $1.20 tax rate on the $100 would have to be raised to about $1.35 or $1.40.

Mr. GARRETT of Tennessee. That may be the meaning, and that may be very proper, but that does not, after all, affect the merits of the point of order.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Surely.

Mr. CRAMTON. Of course, the gentleman is quite correct in saying that the illustration which I used was only a hypothetical case. Manifestly there could be only one question pending here now, but the case to which I called attention is one that might arise to-morrow, and it is an illustration of what might often arise. What I am proposing is to fix a limit to the expenditures from the Federal Treasury, and to the extent that the expenditure is reduced, so far as the Federal Treasury is concerned, it is increased so far as some other treasury is concerned. It appeals to me that it would be a dangerous doctrine for this House to adopt, that the Holman rule is not primarily concerned about the Federal Treasury; that the Holman rule is as much concerned about the treasury of the District of Columbia as the Federal Treasury, or that it is as much

concerned about the treasury of the city of New York or the State of Missouri or any other treasury as it is the Federal Treasury. The only safe construction to carry out the purpose of the Holman rule, which is economy in Federal expenditure, is to hold that its chief concern is the matter of retrenchment of Federal expenditures.

Mr. GARRETT of Tennessee. Let me ask the gentleman a question. At the time the Holman rule was adopted, even the old form of the Holman rule, the first form—and, of course, the gentleman, being familiar as he is with the development of that rule, knows that it is in a different form now from when it was first adopted—but even when the original rule was adopted the same system of appropriating was in effect then as regards District appropriations as is in effect now.

Mr. CRAMTON. I think the system of appropriating is quite immaterial. The appropriations come from the same source.

Mr. GARRETT of Tennessee. The District bill was regarded then, as now, as a general appropriation bill.

Mr. CRAMTON. Yes; I suppose it always has been.

Mr. GARRETT of Tennessee. And does not the gentleman suppose that the logic of the Holman rule applied to the District bill as well as to all other bills, and that it would have to carry a retrenchment of the whole amount expended, no matter from what source it came?

Mr. CRAMTON. Retrenchment of the Federal expenditure.

Mr. GARRETT of Tennessee. That is not what the Holman rule says.

Mr. CRAMTON. For the protection of the Federal Treasury.

Mr. JOHNSON of Kentucky. Mr. Chairman, I am the author of the present law relative to this subject. I did not favor that law except because it was the best that could be gotten under the then existing circumstances. I think a lump-sum appropriation very much better than a fixed proportion to be paid by each the United States and the District of Columbia. With that statement I wish to say that the case put by the gentleman from Michigan is not, as has been alleged, a hypothetical case when he referred to the rivers and harbors appropriations. The Army appropriation bill which passed the House the other day contains appropriations for rivers and harbors. In that bill there are several provisions appropriating money out of the Public Treasury, and naming the amounts, upon condition that different localities supply the other part of the amount needed.

Under the Constitution Congress legislates exclusively for the District of Columbia, although the District of Columbia is just as distinct from the United States as is any other city or as the rivers and harbors.

If the District of Columbia were legislated for by another body than this body, then no sort of confusion would arise, because the question then would be so plain that Congress is acting in the dual capacity of legislating for the United States and at the same time legislating for the District of Columbia.

In the Army appropriation bill certain appropriations were made by Congress, while the rest of the needed money was appropriated by the State legislature or by a city government. If the District of Columbia had its own legislature having authority to appropriate, then Congress would appropriate part of the money needed for any purpose and the District of Columbia would appropriate the remainder. Exactly that thing is now being done here, except it is done by one legislative body acting in a dual capacity.

Therefore the amendment of the gentleman from Michigan proposing to reduce the amount of the contribution upon the part of the United States is in order.

Under the Holman rule the proposition offered by the gentleman from Michigan is to reduce the amount contributed by the United States.

The CHAIRMAN. Let the Chair ask the gentleman a question. Does the gentleman understand the term "retrenchment of expenditures covered by the bill" simply to mean the funds that are to come out of the United States Treasury?

Mr. JOHNSON of Kentucky. Yes; in my judgment it means that the $8,900,000 would come out of the United States Treasury.

The CHAIRMAN. And does not refer to the District of Columbia funds?

Mr. JOHNSON of Kentucky. No; because under the law which the Chair has before him it provides that whatever revenue is gathered from the District of Columbia shall go into the Treasury of the United States to the credit of the District of Columbia, and this is the first question that has been raised since that law of 1922 was passed.

Mr. CRAMTON. Mr. Chairman, may I call to the attention of the Chair a precedent, on page 367 of the Manual, where the language is as follows:

A motion to recommit the District of Columbia appropriation bill with instructions to reduce the proportion of the fund appropriated from the Public Treasury from one-half, as provided in the bill, to one-fourth of the entire appropriation is in order, since the effect of the amendment, if adopted, would reduce the expenditure of public money, although not reducing the amount of the appropriation.

That is as squarely in point as a case could be, and there is cited the Journal of the Fifty-second Congress, first session, pages 86 and 87.

The CHAIRMAN. The Chair was of the impression when this question first arose that these refunds mentioned in the act of June 29, 1922, would operate as an offset to the amount carried by this bill, and therefore it might not be possible to tell whether the $8,000,000 was a retrenchment or not. But it appears on further consideration of the matter that the bill carries an appropriation from the Federal Treasury of $8,973,000. That is subject, of course, to reduction or retrenchment by any amounts that will be paid into the Treasury as the result of drawbacks, whatever they may be. The fact that they are set-offs to the amounts covered by the appropriation bill will not change the amount at all if the amount covered by the bill is $8,000,000. Manifestly the same offset will occur whether the appropriation is 40 per cent and the amount $8,973,000, or whether it is $8,000,000, and therefore the amount will be reduced equally in any event.

The Chair is justified in assuming the amount is properly stated in the report accompanying the bill. The Chair has not computed it but is justified in assuming $8,000,000 a retrenchment and reduction below $8,973,000.

The Chair will state his idea about retrenchment. Under the ruling read by the gentleman from Michigan the word "retrenchment," as used in Rule XXI, was held to be retrenchment of the amount to be taken out of the Federal Treasury. It does not mean the total amount appropriated by the bill but the amount taken out of the Federal Treasury. The amount in this case would be $8,000,000, and the rest would be taken out of the Treasury of the District of Columbia, which is a separate governmental entity, and, while under the control of Congress, the funds are its own and the retrenchment of the amount covered by the bill is a retrenchment of the amount from the Federal Treasury. In view of these considerations, the Chair overrules the point of order.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes and have permission to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to proceed for 10 minutes and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Chairman, I realize the desire to make progress on the bill, and it is my desire to confine myself to the 10 minutes. This is an old question with which the House is very familiar and I do not want to trespass on your time.

The amendment I have offered is a part of a bill I offered in the last Congress and again in this, which in all reads as follows:

A bill (H. R. 473) to fix the amount to be contributed by the United States toward defraying expenses of the District of Columbia

Be it enacted, etc., That on and after July 1, 1924, the Government of the United States shall not bear any fixed proportion of the expenses of the District of Columbia, but shall pay the sum of $8,000,000 annually toward defraying such expenses of the District as may be appropriated for by law.

SEC. 2. That on and after such date there shall be credited wholly to the District of Columbia any revenue now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived.

SEC. 3. That nothing contained in this act shall be construed to prevent, until July 1, 1927, the advancements permitted to be made for expenses of the District by the Treasury Department in accordance with the first paragraph of section 1 of the District of Columbia appropriation act, approved June 29, 1922.

It proposes that instead of the 40 per cent contribution which we now make to the District expenditures and which is indefinite, the amount contributed depending on what is the sum total of the bill, we shall appropriate a definite amount. The larger the bill for the District, under the present arrangement, the larger the Federal contribution, and I substi-

tute for that a definite fixed lump-sum appropriation of $8,000,000, the balance being paid by the District, and the larger the appropriation bill the larger the District contribution, the Federal contribution remaining constant.

That amount of $8,000,000 is approximately what we are expending now, when you give credit for the rebates, assessments, and so forth that come back to the Treasury. I am not particularly desirous of reducing the Federal contribution, but wish to guard against a continued increase in it, while at the same time making possible more rapid development of the District with District taxation.

While I have not in the amendment at the desk been able to include any proposal to change the law as to drawback or rebates because of the legislative situation, I should say to the committee that if that amendment is agreed to I shall offer another amendment that will propose that there be no rebates to the Federal Treasury, so that the $8,000,000 would be the net Federal contribution with no return of any part of it to the Federal Treasury. It will be a definite fixed sum. That is about the net amount that has been contributed of late. The gross and net contributions by the Federal Government and the part borne by the District the past 10 years are as follows:

Statements showing amounts paid by the United States for expenses at the District of Columbia, fiscal years 1914 to 1924; municipal revenues credited to the United States; net amounts paid by the United States; and amounts paid by the District of Columbia

Fiscal year	Paid by the United States			Paid by the District of Columbia
	Gross amount paid by United States	Municipal revenues credited to United States	Net amount paid by United States	
1914	$5,799,011.89	$232,886.95	$5,566,124.94	$5,924,740.11
1915	6,118,015.99	215,909.82	5,902,106.17	7,372,719.46
1916	6,332,691.79	275,440.02	6,057,251.77	6,497,267.78
1917	6,313,903.06	255,865.13	6,058,037.93	7,069,582.01
1918	7,052,403.17	211,771.38	6,820,631.84	7,186,911.98
1919	8,083,958.46	368,025.63	7,715,932.83	8,826,442.81
1920	9,953,256.74	394,332.93	9,558,922.81	10,352,496.30
1921	9,218,092.97	515,010.55	8,703,082.42	13,127,811.52
1922	9,187,792.98	412,464.89	8,775,328.09	13,718,199.43
1923	8,910,086.05	628,270.07	8,281,815.98	13,739,427.46
Total	76,949,212.10	3,509,977.32	73,439,234.78	93,835,598.88

The amendment that I am proposing would accomplish three things which I think are desirable. It would protect the interests of the Federal Treasury at this time when its burdens are unprecedented, and when the taxpayers of the Nation who are contributing such large amounts to the Federal Government have such tremendous tax burdens upon them in their own cities, counties, and States. Second, it would make possible needed development in the District. This is a growing city, and we are not appropriating for it as rapidly as the needs of the District demand. It paves the way for the District to get improvements by increasing their own contribution, and because of the rapid increase in taxable property here, the local contribution can be constantly increased without any great increase in the rate. Third, it would remove the year by year contention between the District and Congress. Congress constantly feels that the District is not paying its share of local expenses. The speeches made this last week or two show that, and I refer to the discussion of the local tax rates. On the other hand, the District feels that Congress is niggardly in District appropriations; that we do not take care of their needs for schools, and sewers, and streets, and so forth. But let this new arrangement be brought about with a fixed contribution by the Federal Government; then when the District comes to Congress and says "We want a bigger appropriation, we want more sewers, more schools," Congress will realize that the District is asking for something that is to come out of its own pocket with no increase of burden on the Federal Treasury. The people of the District then, asking for larger appropriations, would be placed in a dignified position, and so long as their tax rate is reasonable and the things they ask for are wise and judicious, I do not know of any reason why Congress should refuse to give it to them under that condition. It is not the purpose to reduce particularly the amount now contributed by the Federal Government to local expenses, but it is rather my purpose to make it possible to increase the District contribution as much as the District may need and may desire without a parallel increase in the Federal contribution.

At the present time the tax rate of the District is $1.20 per hundred. I am not going to take any time in arguing whether that is a low tax rate or not. Each one of you can compare it with conditions in your own home,

I do not care where you live, and regardless of basis of assessment, you must know that $1.20 is a lower tax rate than prevails in your town or city. The Census Bureau reports that the average rate per $100 of assessed valuation in the entire United States, town and counties, in 1922 was $2.81. Certainly with a rate of $1.20 in Washington some slight increase could be made without any hardship to anyone. In my little town we wanted a new school building, and it has boosted my tax this year very materially. I do not complain, because I know that we needed the school building, and that was the way to get it. We voted it out of our own money. If the people here want a new school building or to have new schools built more rapidly than is possible on the basis of present appropriations, let them pay with a little increase in taxes. An increase from $1.20 to $1.30 would produce a million and a half dollars additional. But instead, notwithstanding a reserve is being built up, the rate, which was $1.30, has been reduced to $1.20 and, on the present program, will be further reduced in the near future.

This city is building up rapidly, and as it does build up these thousands of new homes and apartments will furnish more material for taxation, so that even at the present rate of $1.20 there will come a considerable constant increase in the amount raised by taxes here. That means a reduction in the rate or an increase in the Federal contribution. I can plainly see in the near future, under the present plan, there will be a constantly decreasing local tax rate, accompanied by a discreditable holding back of needed public improvements, or a rapid increase of the Federal contribution to $10,000,000, to $12,000,000, or to $15,000,000. I am equally opposed to both alternatives.

Some impression of the rapid building up of Washington, its surprising expansion, the rapid increase in taxable property, may be obtained from the following statement of building operations given me by the District officials, the years referred to being the fiscal years ending June 30—

1910: Number of permits, 10,937; valuation, $16,431,946.
1920: Number of permits, 8,196; valuation, $22,659,452.
1921: Number of permits, 8,561; valuation, $19,025,291.
1922: Number of permits, 10,097; valuation, $36,223,089.
1923: Number of permits, 13,296; valuation, $57,690,038.
1924, July 1, 1923, to March 31, 1924: Number of permits, 5,762; valuation, $26,928,530.

[From records of building inspection division.]

(Does not include Federal Government buildings nor municipal schoolhouses or other municipal buildings.)

In 1923, the fiscal year ending June 30, 1923, the valuation of building operations was not $16,000,000, as it was in 1910, or $22,000,000, as in 1920, but it was $57,690,038. That shows how rapidly the city is growing. Real-estate valuations in the District were $345,000,000 in 1914, 10 years ago, and in 1923 they had mounted up to $723,000,000. The personal tangible property has increased from $48,000,000 in 1910 to $123,000,000 in 1923. The following figures covering the total assessments and tax levies the past 10 years on real estate and tangible and intangible personal property are furnished me by the auditor of the District:

Real-estate levies

Year	Assessment	Levy
1914	$345,124,144.00	$5,176,862.16
1915	360,098,849.00	5,851,482.74
1916	394,209,904.00	5,913,148.56
1917	402,099,232.00	6,031,488.48
1918	410,173,009.00	6,162,404.14
1919	414,610,601.00	6,219,160.37
1920	426,623,630.00	6,399,354.45
1921	434,794,786.00	8,478,498.33
1922	472,945,805.00	8,607,613.65
1923	723,199,298.00	9,401,590.48

Assessment personal property

TANGIBLE

Year	Levy	Rate	Assessment
1914	$1,230,091.87	$1.50 per $100	$48,803,413.79
1915	1,275,827.30	do	51,341,826.17
1916	1,318,342.72	do	52,564,563.04
1917	1,371,374.92	do	55,989,058.19
1918	1,482,286.98	do	61,504,147.12
1919	1,704,631.70	do	77,422,530.16
1920	2,120,704.97	do	94,981,374.13
1921	3,107,000.44	$1.95 per $100	116,928,920.09
1923	3,999,193.73	$1.82 per $100	119,526,184.55
1923	2,734,916.46	$1.30 per $100	123,763,372.85
1924			
Total	19,534,371.09		800,215,420.69

Assessment personal property—Continued

INTANGIBLE

Year	Levy	Rate	Assessment
1918	$890,779.39	0.3 of 1 per cent...	$296,926,464.00
1919	880,519.34	....do.....	293,506,445.00
1920	969,093.83	....do.....	320,031,277.00
1921	971,848.74	....do.....	323,949,583.01
1922	1,007,249.46	....do.....	335,749,819.00
1923	1,825,395.45	0.5 of 1 per cent...	365,079,089.00
1924			
Total	6,544,886.21		1,935,242,677.01

But the Federal interests here are not increasing in the same proportion. The Federal property, in area or in value, is only slowly increasing. The $8,000,000 contribution the United States is now making is a fair figure and ought not to increase simply because the private interests in the District are rapidly being augmented.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. AYRES. In investigations made by the gentleman, does he not find that the Government possessions here have about reached their maximum?

Mr. CRAMTON. It is my impression that they have. I have been here for 12 years, and I have seen a wonderful development of the city in that time, but the Government activities have not increased materially. What the United States should contribute I think is based on two things. First, the amount ought to be sufficient to be a fair repayment for what the Government gets here in the way of police protection, and so forth, in lieu of taxation; and, second, there should be some contribution by the Nation in the upbuilding of the Capital City to make it beautiful. But there is a limit beyond which we can not afford to go for that purpose, especially in these postwar days when the burden of taxation everywhere, except in Washington, is so distressing.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DAVIS of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRAMTON. I urge this, first, in the interest of the Federal Treasury, and, second, in the interest of the District of Columbia. This city is growing rapidly. It is not able to get its schools and sewers and paving as rapidly as it ought to have them. This offers a way for the people here to get them. Let me illustrate how the present plan works. Last August the Budget called for preliminary estimates, and the Commissioners of the District sent to the Budget office their preliminary estimate, amounting to $32,538,702. Generally speaking, I have no doubt that those were fair estimates. I do not believe they were extravagant. I think that the things that were asked for are probably needed in the District. Under the present law that would have taken $12,800,000 from the Treasury, three to four million more than heretofore. What did the Budget office say? Because the President had given word or instruction to the Budget office that the total Federal expenditure must be kept down to $3,000,000,000, therefore, the Federal contribution in the District had to share in the common cut with other Federal expenditures, and the Budget told the Commissioners of the District $25,144,882 would be the limit that could be allotted the District, not because the expenditures proposed were not desirable or needed, but because the Federal contribution had to be limited, as are all other Federal expenditures. In that way $7,000,000 of desired and needed and proper expenditures in the District were turned down by the Budget, not because the District could not afford to pay for them, but because the Federal Government could not afford to contribute more than 40 per cent of $25,000,000.

But if my amendment should become a law—and I am not overly encouraged at the prospect, though I do want an expression of this committee and of the House and the final accomplishment will be greatly helped thereby—and if the Congress should put it on this fixed contribution basis of $8,000,000, then when the estimates would come in, everything above the $8,000,000, whether the total should be $25,000,000 or $32,000,000, its approval by the Budget and by Congress would not revolve about how much the Federal Government could afford, because its contribution would be fixed, but how much the District could afford to pay, and desired to pay, and what would be a fair tax rate, and whether the improvements desired were proper improvements. Under that condition the District would get needed improvements more rapidly.

Mr. McKEOWN. And if the gentleman's amendment was adopted, who would have supervision over the amount of money that would be raised by the District? Would there be anyone to pass on that?

Mr. CRAMTON. Oh, the law provides now for the fixing of a tax rate in the District within certain limits.

Mr. DAVIS of Minnesota. I do not think there is any limit. I think they can fix anything they wish.

Mr. CRAMTON. They fix a tax rate sufficient to raise their share of the expenditures. The tax rate has varied a little.

Mr. McKEOWN. There would be no necessity then to submit their requirements to the Budget Committee if we should contribute a fixed sum?

Mr. CRAMTON. Under the present machinery unless there was other legislation they would submit them to the Budget and come to Congress as now.

That would be the only function of the Budget and it would be up to the Congress to say whether it desires to have the Budget Bureau continue exercising that function and make a preliminary investigation of the advisability of the expenditure, but the condition of the Federal Treasury would have no connection with it.

Mr. McKEOWN. So the gentleman thinks if this amendment were adopted it would be right and fair to them——

Mr. CRAMTON. That is another question apart from this. I yield now to the gentleman from Texas.

Mr. MANSFIELD. The gentleman has answered the question I intended to ask, except where it might come through the Budget, would it be submitted to the Congress?

Mr. CRAMTON. Yes; as under the present law. My amendment only operates as to the fixing of our contribution.

Mr. HASTINGS. Would the gentleman have read his proposed amendment.

Mr. CRAMTON. My amendment simply strikes out the provision in the bill providing for a 40 per cent limitation and inserts $8,000,000.

Mr. HASTINGS. I thought the Chair sustained the point of order on the amendment.

Mr. CRAMTON. No; the Chair did not, I am thankful to say.

Mr. TINKHAM. Mr. Chairman, I wish to speak on the Cramton amendment, and I ask unanimous consent that I may address the committee for 15 minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to proceed for 15 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. TINKHAM. The discussion of this amendment must, it seems to me, be purely academic unless this committee wishes to repudiate the agreement formally entered into to which they have formally committed themselves in relation to the fiscal relationship between the District of Columbia and its treasury and the Federal Treasury. What is the law that it is proposed to revise by this amendment? That law is found in the 1922 District of Columbia appropriation bill, and it reads, in part, as follows:

> That annually from and after July 1, 1922, 60 per cent of such expenses of the District of Columbia as Congress may appropriate for, shall be paid out of the revenues of the District of Columbia derived from taxation and privileges, and the remaining 40 per cent by the United States, excepting such items of expense as Congress may direct shall be paid on another basis; and that in order that the District of Columbia may be able annually to comply with the provisions hereof, and also in order that the said District may be put upon a cash basis as to payment of expenses, there hereby is levied for each of the fiscal years ending June 30, 1923, 1924, 1925, 1926, and 1927 a tax at such rate on the full value, and no less, of all real estate and tangible personal property subject to taxation in the District of Columbia as will, when added to the revenues derived from privileges and from the tax on franchises, corporations, and public utilities, as fixed by law, and also from the tax, which hereby is levied, on such intangible personal property as is subject to taxation in the District of Columbia, at the rate of five-tenths of 1 per cent on the full market value thereof, produce money enough to pay such annual expenses as may be imposed on the District of Columbia by Congress, and in addition to such annual expenses a surplus fund sufficient to enable the District of Columbia to get upon a cash-paying basis by the end of the fiscal year 1927.

You have made a contract or, if you will, adopted a policy until 1927 with the District of Columbia.

Mr. BEGG. Does the gentleman care to be interrupted at that point? How can the District of Columbia make a contract with the Congress of the United States?

Mr. TINKHAM. They can come before a committee of Congress that proposes certain legislation and agree to it, and that agreement can be embodied in legislation, and it can be fairly said that there is a contract.

Mr. BEGG. How does the gentleman mean they can come?

Mr. TINKHAM. I mean the citizens, either individually or represented by their organizations and their officials.

Mr. BEGG. If the gentleman will yield, I do not care to interrupt or take up time, but I think this is a very vital point. I can not understand how the District of Columbia can make a contract with the United States Congress. Is not that a law which was passed in an appropriation bill?

Mr. TINKHAM. When I said "contract," I meant that what I have just read, which is now law, was an assertion on the part of the United States as to what it proposed to do for five years with regard to its fiscal relations with this District. It calls for accumulations of money on the part of the District which have been to date accumulated, and if the District or its representatives would not agree to a change in the contract—I call it a contract; you may call it a policy—I should deem it improper for the Congress to repudiate it.

Mr. BEGG. Right there. I listened to the reading of that law and I did not detect anything in the law that said this law that was passed was accorded priority of privilege over every other law, namely, that it could not be repealed.

Mr. TINKHAM. I do not say Congress can not repeal it.

Mr. BEGG. Are we doing, then, what the gentleman said—violating a contract?

Mr. TINKHAM. In my opinion, you are violating a moral contract upon which the District of Columbia had a right to rely and under which they have accumulated a surplus, or have performed their part, which contract two years after its adoption you propose to repudiate. The agreement, or policy, if you wish to call it so, was to hold good until 1927 and must if honorable conduct and high standards are to be maintained by Congress.

Mr. CARTER. I want to ask the gentleman one question, and that is this: Does the gentleman claim——

Mr. BEGG. If the gentleman from Oklahoma will permit, by the same logic of reasoning that the gentleman is going through now regarding the District of Columbia, if we should change the Volstead law we would be violating a contract with the American people, would we not?

Mr. TINKHAM. I think not. No limiting dates were set in that law, and no surpluses were to be accumulated. It was a criminal law.

Mr. BEGG. The gentleman would not be in favor of that, would he? [Laughter.]

Mr. TINKHAM. That is not involved here. There is no parallel.

Mr. BLANTON. And if we should change conditions down in Mississippi or in Georgia we would be violating the contract. Now will the gentleman permit a question?

Mr. TINKHAM. Yes.

Mr. BLANTON. That so-called contract that the gentleman speaks of was put in here by about 10 Members, and 425 other Members did not have anything to do with it. Here is our friend from Vermont; his people were not a party to it. And here is the gentleman from Nevada; his people were not a party to it. Do you mean to say that a law like that can not be set aside, and the present tax rate must be continued when the gentleman's constituents are paying about $3.20 taxes on the hundred?

Mr. TINKHAM. It was a solemn arrangement, that was to continue in effect for five years in accordance with its very terms. Particularly should it stand when there has been no hearing before a legislative committee, when there has been no hearing before a commission, when the proposition is simply offered from this floor with only 50 Members present, a complete change in an asserted policy for a term of years.

Mr. CARTER. The gentleman does not contend that there have been no hearings on that proposition?

Mr. TINKHAM. There were none on this particular policy and since the 1922 law was passed.

Mr. CARTER. Oh, I have not heard anything in this Congress for the last 10 years but that.

Mr. BLANTON. If the gentleman had stayed here on the floor he would have heard this discussed every week during the entire session of Congress.

Mr. TINKHAM. But that is not what we call a hearing of the interested parties on both sides.

Mr. DAVIS of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. Yes.

Mr. DAVIS of Minnesota. If the gentleman will permit, he does not seem to understand this contract, moral or otherwise. I myself had something to do with the making of that so-called contract. The contract was this: Heretofore, for 25 or 30 or 40 years, the District of Columbia tax receipts did not begin to come into the Treasury, so that they could use them, for five or six or eight or nine months, and the United States Treasury advanced anywhere from $5,000,000 to $10,000,000 for several months under those circumstances. Accordingly, when this contract that the gentleman speaks of was gotten up, the object was that the District should raise a little surplus from year to year, so that by the year 1927 they could begin to pay their own bills without borrowing from the Treasury in any instance. That is all there is in this so-called contract.

Now if this law goes into effect, they need not raise so much money. It was discretionary with them how much they should raise to meet their tax for the year 1927.

Mr. TINKHAM. Why did not the honorable gentleman from Minnesota two years ago propose this policy which should have been adopted then—this policy that he now proposes in the bill?

Mr. DAVIS of Minnesota. I have proposed so many policies in the District of Columbia that I am tired of proposing. Here is a smarter man from the State of Michigan. I live in an older State, away up where the Indians come from.

Mr. TINKHAM. Is there not enough confusion already existing in the fiscal relations between the District of Columbia and Congress because of the many new policies that have been adopted without end? Fix a policy such as was fixed in 1922 and stand by it. That is the only sound course of procedure. Change it if necessary but in a regular way and upon the date upon which the policy is to terminate by its terms.

Mr. CRAMTON. I was a conferee on the District bill in 1922 when that language was agreed upon, so that this is not the first time when the fiscal relations between the District and the Government were touched upon in the District of Columbia appropriation bill. What the gentleman from Minnesota [Mr. DAVIS] says is entirely correct. The date fixed was simply the date effective when the District should begin to pay their own bills. But the 60-40 ratio has nothing to do with this fixed date of 1927, and the 60-40 ratio is law just as long as it is law. But when we appropriate on a different basis that new arrangement will be just as sacred an obligation as the 60-40, and no more.

Mr. TINKHAM. I ask the honorable Representative from Michigan why he comes here two years after he has made that arrangement, which has been satisfactory and acceptable to the District of Columbia, and proposes a new arrangement which, if it is right, should have been proposed two years ago?

Mr. CRAMTON. There are just two reasons why that proposal was not made two years ago. First, I hope I have learned more in association with my distinguished friends in Congress; and second, I was only one member of the committee of conference.

Mr. TINKHAM. I hope next year there will be further light shed on the gentleman's mind. But I hope it will not lead to more chaos and confusion to this vexatious question.

Mr. THATCHER. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. Yes.

Mr. THATCHER. In what way, if any, are the people of the District harmed by the proposed change? In other words, have they, in the face of the law under discussion, made investments or arranged their business affairs in such a way that they will be materially harmed by this change?

Mr. TINKHAM. Let the organizations of the District of Columbia reply. I have in my hand a petition of citizens of the District of Columbia with regard to the fiscal relations existing between the citizens and the United States. It is signed by the chairman of the executive committee of the Citizens' Joint Committee on District of Columbia Fiscal Relations; by the president of the Board of Trade; by the president of the Chamber of Commerce; by the president of the Merchants and Manufacturers' Association; by the president of the Federation of Citizens' Associations; by the president of the Bar Association; by the president of the Columbia Heights Citizens' Association; by the president of the Northeast Citizens' Association; by the president of the Georgetown Citizens' Association; by the president of the City Club; by the president of the District of Columbia Bankers' Association; by the president of the Real Estate Board; by the president

of the Rotary Club; by the president of the Kiwanis Club; and by the president of the Civitan Club.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts may have five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. What is that that the gentleman is reading from?

Mr. TINKHAM. This is a petition from these various organizations on the subject now at issue.

Mr. BLANTON. We do not often have the pleasure of hearing the gentleman from Massachusetts speak. It is an unusual pleasure. I was wondering if that petition is what has brought the gentleman here on the floor?

Mr. TINKHAM. Not at all. But the improper and ill-considered action now proposed.

Mr. BLANTON. Another question: Does the gentleman know exactly how much this Federal Government has given this city, not when it paid off its bonded indebtedness, but actually out of the Treasury, out of this fiscal relations plan? Does the gentleman know how much it has paid already?

Mr. TINKHAM. I do not know exactly.

Mr. BLANTON. I will tell you, $215,000,000. Two hundred and fifteen million dollars in addition to all the sums that the Treasury has taken out of the people's tax money and spent here, and the gentleman wants us to continue that, as I understand him. We have never done that for Boston.

Mr. TINKHAM. May I say to the honorable Representative from Texas that I served four years on the Committee on the District of Columbia, of which he is a member, and I have served six years on the subcommittee having in charge the appropriations for the District of Columbia, so I am somewhat familiar with both the appropriations and the laws relating to the District of Columbia. The gentleman should remember that this is no other territory than Federal territory and that we are responsible for its management, its development, and its improvement.

Mr. BLANTON. It has ceased to be Federal territory; it belongs to Theodore Noyes, William Randolph Hearst, Garfinkle, and Woodward & Lothrop.

Mr. TINKHAM. Oh, I think not.

Mr. McKENZIE. Will the gentleman yield?

Mr. TINKHAM. Certainly.

Mr. McKENZIE. I have listened to the gentleman's argument on this proposition, and I gather from it that he views this proposition as a breach of faith on the part of Congress with the people of the District of Columbia.

Mr. TINKHAM. I do.

Mr. McKENZIE. I want to ask the gentleman this further question: In view of the fact that your ancient ancestors came over on the *Mayflower* and your more recent ancestors stood at Concord and Lexington fighting for a principle, is not your principle animus against this legislation due to the fact that you believe it is taxation without representation?

Mr. TINKHAM. I think there is an important element of that principle in it; that is, that we are disposing of matters vitally affecting the taxpayers of this District, who are not represented here, in a most cavalier and casual way, and that having implied for five years that the relations were to be upon a certain fixed basis and then lightly to repudiate that basis, the fact that they are not represented here has a bearing and an important one upon my opposition to the treatment of the question that is now under discussion.

Mr. SCHAFER. Will the gentleman yield?

Mr. TINKHAM. Certainly I shall, if I may have time to read the protest of the people of the District of Columbia as presented in this petition.

Mr. SCHAFER. The gentleman opposes the amendment, as intimated, on the ground of taxation without representation. That being so, would not the gentleman advocate that the Federal Government pay all the cost of operation of the government of the District of Columbia?

Mr. TINKHAM. No; I should not say that. There should be some division of obligations. There is a joint use and benefit.

[Mr. TINKHAM began the reading of the petition, which appears in full at the end of his remarks, and during the reading of which the following colloquy occurred:]

Mr. CARTER. The committee with which they had this agreement?

Mr. TINKHAM. Yes.

Mr. CARTER. And that committee is now attempting to repudiate the agreement and make it 50–50?

Mr. TINKHAM. No; they are simply reciting the history of the proposition and bringing it down to the present.

Mr. CARTER. But they say it ought to be 50–50.

Mr. TINKHAM. No; I think not, except, perhaps, in retrospect.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TINKHAM. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes more in order to read this petition.

Mr. BLANTON. I do not object, but everyone of us has read it. I have read just such slush as that.

Mr. DAVIS of Minnesota. Mr. Chairman, I ask unanimous consent that all debate upon this amendment close in 20 minutes.

Mr. BLANTON. No. We have another important amendment to offer to this section.

Mr. DAVIS of Minnesota. I said this particular amendment.

Mr. BLANTON. We have another amendment to offer.

Mr. DAVIS of Minnesota. Then I withdraw my request.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to proceed for 10 additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. Will the gentleman yield?

Mr. TINKHAM. Yes.

Mr. BLANTON. Fortunately the gentleman is a great stickler for the Constitution. Is not that so?

Mr. TINKHAM. I am.

Mr. BLANTON. Well, you are not now preaching against the Constitution?

Mr. TINKHAM. I am not.

Mr. BLANTON. The Constitution is responsible for that condition. The very condition the gentleman is protesting against in what he is reading is a fixed matter of the Constitution.

Mr. TINKHAM. I am not protesting against treating this District as a Federal district but I am protesting against the law which is proposed because Congress is not treating, by statute, the Federal District, as constituted by the Constitution, in a fair manner, but is attempting to violate what is more or less of a pledge or policy which it set two years ago.

Mr. BLANTON. What particular halo is there about the heads of these outside millionaires who move into Washington and buy property, conduct businesses here, have no connection with the Government and make millions out of it. What halo is there about their heads that this Government should give them everything free?

Mr. TINKHAM. It does not seem to me, let me say to the honorable Representative from Texas, that his remarks are particularly pertinent to the exact issue before us. The exact issue before us is whether we should carry out a policy that was fixed in relation to this District in 1922 or whether we should not; and whether, if there is going to be a change in that policy, it should be decided upon on the floor of the House of Representatives without argument, without representation from the District before a Committee of the House or a commission appointed for the purpose.

Mr. BLANTON. We have given the distinguished gentleman 35 minutes to argue it.

Mr. TINKHAM. That is a good deal for me by this committee, I realize.

Mr. SNELL. Will the gentleman yield for a question?

Mr. TINKHAM. I will.

Mr. SNELL. I did not know we had ever adopted a final policy in regard to the taxation of the District or what we should contribute to the District.

Mr. TINKHAM. May I ask the honorable gentleman from New York whether he heard me read part of the appropriation bill of 1922, in which for five years plans were made to be carried out by the District government and the Federal Government? The District government having carried out its arrangement——

Mr. SNELL. Is there anything in that provision guaranteeing that we would pay 60 per cent or 40 per cent or 75 per cent of the taxation? Is there anything in that particular act you refer to that does that?

Mr. TINKHAM. Congress can change, of course, its enactments overnight if it wants to, but is it sound to do so?

Mr. SNELL. I guess the gentleman does not understand me.

Mr. TINKHAM. I think I do.

Mr. SNELL. As I understand it, we did not guarantee for any particular period of time to pay a certain amount toward the running expenses of the District government.

Mr. TINKHAM. It depends on what the honorable Representative means by "guaranteeing." If this Congress enacts into law a statute which purports to fix for five years the financial relations between the United States Government and any person or organization or Federal district, and for a period of two years that arrangement is carried out by the National Government and carried out by the other party, it seems to me there is an obligation, in reasonable honor, as a business matter, for them to carry it through, unless something has arisen which should change the status of the arrangement.

Mr. SNELL. Are we to assume from the language you have read that it was understood we should pay 60 per cent for a period of five years?

Mr. TINKHAM. Shall I read the enactment?

Mr. SNELL. Just to that extent.

Mr. TINKMAN. It says—

that annually, from and after July 1, 1922, 60 per cent of such expenses of the District of Columbia as Congress may appropriate for shall be paid out of the revenues of the District of Columbia derived from taxation and privileges, and the remaining 40 per cent by the United States.

And then continues:

There shall be levied for each of the fiscal years ending June 30, 1923, 1924, 1925, 1926, and 1927, a tax at such rate on the full value——

Mr. SNELL. Let me ask a question right there.

Mr. BLANTON. Where did the gentleman get that?

Mr. TINKHAM. Out of the statutes.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. SNELL. Mr. Chairman, I ask unanimous consent that the gentleman may have two additional minutes.

The CHAIRMAN. Is there objection?

Mr. AYRES. Mr. Chairman, reserving the right to object, there has got to be a halt put on this discussion sometime, and I want to serve notice at this particular time that I am going to object to any further extensions of time, after this speaker, especially where an extension over 10 minutes is asked.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. SNELL. As I understand it, that language does not definitely commit the Congress to pay 60 per cent for five years. It speaks about a levy of taxes for five years, but I have always understood that these arrangements were made from year to year.

Mr. BLANTON. Of course, they are.

Mr. TINKHAM. Appropriation bills, of course, are passed from year to year. All of them are annual bills.

Mr. SNELL. This matter comes up during every Congress and I supposed that it was a matter of policy which we settled from year to year and have never tried to settle it for any distance in the future, and there is nothing in what the gentleman has read that convinces me that Congress did not intend to do that in this instance.

Mr. TINKHAM. But there was a clear implication that it was the intent of Congress it should continue for five years or it would not have said so.

Mr. SNELL. That speaks of the levy of taxes but does not refer to the previous paragraph, in my judgment.

Mr. CRAMTON. If the gentleman will yield, is it the contention of the gentleman further that in 1927 the present arrangement does expire?

Mr. TINKHAM. It well can be argued that it does expire, and I would suppose that it might expire, but I do not believe, in honesty and in fairness to the District, that it expires now, nor do I believe it is a high standard for Congress to repudiate what on its face can be called a definite agreement.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. TINKHAM. Mr. Chairman, I ask unanimous consent that I may insert in the RECORD the petition which I had not finished reading.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to insert the petition to which he has referred in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The petition referred to follows:

PETITION OF CITIZENS' JOINT COMMITTEE ON FISCAL RELATIONS BETWEEN UNITED STATES AND DISTRICT OF COLUMBIA FOR PRESERVATION OF JUST PRINCIPLE OF DEFINITE PROPORTIONATE CONTRIBUTIONS BY NATION AND PEOPLE OF WASHINGTON IN CAPITAL UPBUILDING

Petition to Congress, urging rejection of H. R. 473, which substitutes lump-sum payment by Nation for Capital upbuilding in lieu of definite proportionate contribution payment, as provided by new organic act of June 29, 1922.

To the Congress of the United States:

Your petitioners, the Citizens' Joint Committee on Fiscal Relations between the United States and the District of Columbia and the presidents of its constituent organizations respectfully represent:

The Citizens' Joint Committee on Fiscal Relations between the United States and District of Columbia, organized in 1915, is now composed of authorized representatives of the Board of Trade, Chamber of Commerce, Merchants and Manufacturers' Association, Federation of Citizens' Associations, Committee of One Hundred, Builders and Manufacturers' Exchange, Bar Association, Columbia Heights Citizens' Association, Northeast Citizens' Association, Georgetown Citizens' Association, the City Club, the District of Columbia Bankers' Association, the Real Estate Board, the Rotary Club, the Kiwanis Club, the Civitan Club, and the Cosmopolitan Club.

The platform of principles laid down by the joint committee and adhered to in the committee's brief in the hearings before the joint select committee in 1915, the House District Committee in December, 1919, and the Senate Appropriations Committee in April, 1920, is as follows:

We contend: First, that the United States should contribute largely to the expenses of the District. Second, that this contribution should be a fixed and definite proportion. Third, that this proportion should be at least one-half.

This platform was modified by the District's new organic act of 1922, which reaffirmed the principle of definite proportionate contribution by local community, and Nation toward Capital upbuilding, but changed the 50–50 ratio to 60–40, imposing the 60 per cent burden upon the local taxpayers.

The committee's platform of principles, thus modified, was announced by the executive committee of the citizens' joint committee October 31, 1923, as follows:

We contend, first, that the United States should contribute largely to the maintenance and upbuilding of the National Capital; second, that this contribution should be a fixed and definite proportion; third, that this proportion should be 60–40, 60 by the District taxpayers and 40 by the United States.

House bill 473 provides "that on and after July 1, 1924, the Government of the United States shall not bear any fixed proportion of the expenses of the District of Columbia, but shall pay the sum of $8,000,000 annually toward defraying such expenses of the District as may be appropriated for by law." This bill thus destroys utterly the definite proportionate related plan of Capital contribution, to protect which practically all of organized Washington has united in the citizens' joint committee.

This bill (H. R. 473) should be rejected for the following reasons:

1. It destroys the definite proportionate contribution system, under the beneficial operation of which the National Capital has wonderfully developed, and which after seven years of exhaustive investigation and prolonged discussion has been vindicated by retention in the 1922 law.

2. It destroys the unrepresented Capital's safeguard against excessive and unjust taxation. The compromise law of 1922, coupled with the imposition of new and heavier tax burdens upon the Capital, the vitally important offsetting benefit of retention of the principle of definite, proportionate contribution, the District's safeguard against excessive and unjust taxation by a taxing body in which it is not represented. This bill deprives the District of the only feature of the compromise law of 1922 which is clearly advantageous to the people of the Capital.

The vital feature of the act of 1922, carried over from the act of 1878, is that it fixes a definite equitable standard of national participation in Capital making, related to the contribution exacted in taxes from the Capital community, and does not leave this standard to the shiftings of caprice.

From 1800 to 1874–1878 the national and local Capital contributions were indefinite and unrelated. Each contributed what it pleased toward Capital upbuilding. The Nation measured its own obligations in terms of dollars as next to nothing. The local community raised and disbursed its own taxes at its pleasure. It measured its Capital obligation considerably beyond the limits of its meager taxable resources, and twice became practically bankrupt in performing almost unaided the Nation's task of Capital building.

In 1878 the Nation confessed its violation or gross neglect of its Capital obligation. It gave practical expression to its revived sense of

this obligation in its undertaking to pay one-half the accumulated funded indebtedness of the District and one-half of future expenses. It took from the District the power of self-taxation and assumed completely exercise of the right to fix the local contribution as well as its own. In thus exercising taxation without representation over the District the Nation safeguarded the national community by the pledge that to every dollar collected in taxes from the local taxpayers should be added a dollar from the National Treasury, and that the aggregate revenue should be expended for Capital upbuilding. This provision protected the District from excessive taxation by causing a taxgatherer alien to the unrepresented District to appropriate from his own Treasury for the District's benefit every time he appropriated from the District's tax revenue. Every dollar he took under the tax power from the local community increased correspondingly his own Capital contribution.

The law of 1922 retains the principle of definite related Capital contributions in which the law of 1878 was rooted. That the ratio of this relation was changed from the 50–50 to 60–40 did not alter the basic principle involved.

The pending proposition destroys all relation between the national and local contributions and, leaving all taxing power in the hands of the United States, deprives the unrepresented Capital of its safeguard against excessive taxation by a taxing body in which it is not represented.

3. It destroys the fiscal peace settlement promised by the new organic act.

To raise now the issue of a lump-sum payment substitute for a definite proportionate contribution by the Nation is to reopen the fiscal relations peace settlement of June 29, 1922, and to plunge the House and Senate into the old, wearisome wrangle, so hurtful to the District, over the issue of definite or indefinite proportionate contribution toward Capital upbuilding and over the ratio (50–50 or 60–40) of definite proportionate contribution.

The avowed purpose and promised result of the new law were to bring to House and Senate and people of the District a period of wholesome and refreshing rest from fiscal-relations controversy. If the act of 1922 is left for a few years to work out its vindication on its merits or its failure on its demerits, this needed rest will be secured. If the old controversy over definite proportionate contribution is to be renewed by compulsory discussion of this bill, this rest will be denied, one of the avowed main purposes of the act of 1922 will be defeated, and the understanding upon which this compromise legislation was based will be flagrantly violated.

4. It teaches a false theory concerning the relation of Nation to Capital.

It obtrudes annually upon the attention of Congress the suggestion of a large cash donation to the Capital, as if the primary obligation of national city upbuilding were upon the local taxpayers, and the Nation were only an incidental contributor, a voluntary and benevolent donor. Since the Nation in 1878 recognized and assumed its National Capital power and obligation, its responsibility in respect to the Capital has been primary and dominating. As late as 1916 this relation of Nation to Capital was fully recognized and clearly set forth in the report of the joint select committee of Congress, which made the most thorough, exhaustive, and able study of the fiscal relations of Nation and Capital that statesmen had given to the subject since 1874–1878. As long as all the assets and revenues of the national and local joint contributors toward Capital upbuilding are in the hands of the national joint contributor, and as long as all decisions concerning the amounts to be paid by the joint contributors, respectively, and concerning the expenditure of the joint revenues are to be made by the national contributor, the latter must in equity, and will, in fact, bear the primary responsibility of Capital upbuilding, and the local taxpayers will be recognized in their true relation as merely incidental contributors of tax money, not fixed in amount by themselves, but exacted at the pleasure of the other joint contributor.

5. It reduces to a minimum or destroys any chance of equitable proportionate contribution by the United States in appropriating and spending the District's accumulated Treasury tax surplus.

Another practical effect of destroying the 60–40 ratio will be to reduce to a minimum any chance of equitable proportionate contribution by the United States when our accumulated tax surplus comes to be expended. This tax money was collected by authority of the half-and-half law solely to apply upon the District's half of District appropriations. Whenever it is expended, it would be equitable to spend it under the half-and-half law, the United States duplicating it. If when the surplus comes to be used the proportionate contributions are on the 60–40 ratio, the Nation through Congress will either apply, as equity seems to demand, the 50–50 ratio, or will make the existing 60–40 ratio retroactive and add to the District's surplus only 40 per cent from the National Treasury. But if both the 50–50 and the 60–40 ratios are destroyed, and when the surplus comes to be expended there is no definite proportionate contribution by Nation and taxpaying Capital, then the chances are 100 to 1 that the Nation will not participate at all under any percentage of obligation to enlarge the surplus fund for the upbuilding of the Capital.

6. There are no offsetting benefits to the injuries inflicted by the bill.

Broadly, Washington is tempted to surrender its safeguard of national proportionate contribution by the assurance that through a lump-sum payment system the Capital will escape the tender mercies of the Budget Bureau and will win the privilege, not of taxing itself without restraint but of being taxed by Congress without limit for the upbuilding of the Nation's city.

It is suggested that there will be immunity from Budget Bureau cutting down of Uncle Sam's Capital upbuilding outlay, if the expenditures are made in a lump sum instead of as a proportionate part of the District's total municipal appropriation.

But if Uncle Sam is compelled by any year's fiscal conditions to cut down all of his expenditures, including his outlay on National Capital upbuilding, he will obviously make this retrenchment, whether in order to do it he reduces a lump-sum contribution or holds down the total District outlay, of which he pays a proportionate part. Indeed, it is easier to make this direct specific reduction than indirectly by cutting and mutilating the District appropriations. There is greater fixity to the definite proportionate contribution than to that of a lump sum. It is far easier for those who think that the Nation should pay nothing to-day toward Capital maintenance and development to reduce or deny entirely the annual lump sum than to change the ratio of proportionate contribution.

This bill will not cause the District to escape supervision and national-contribution cutting by the Budget Bureau. It does not increase the certainty of a national contribution or fixity in the amount of such contribution. It does not avoid friction-breeding ratio discussion, but on the contrary aggravates it. It does not increase a particle the District's power to participate in its municipal legislature. Congress still has exclusive power to determine how much it shall be taxed, and by whom and for what purposes its tax money shall be expended.

7. This bill is jug handled, one-sided, unfair. It gives back to the Nation its pledge of proportionate contribution, which accompanied national seizure of the Capital's power of self-taxation, without restoring to the District this self-taxing power of which it had been deprived. Its practical effect is to place a maximum limit on the contribution of the United States and to remove the limit entirely from the contribution of the local taxpayers.

Indeed, the announced purpose of the proposed legislation is to enable a taxing body in which the District is not represented to increase the local burden of taxation at its pleasure unchecked by the existing requirement that every such increase be reflected in some measure in national taxation for Capital upbuilding.

The maximum national contribution is made definite during the time in which Congress refrains from diminishing it; but all limits are declared off in respect to the local contribution, and it remains definite only in the certainty that the local tax burden will be largely increased and that the local taxpayers will not participate at any time in the decision of the amount of the increase, the methods of taxation by which the increase is secured and the purposes for which the tax money is spent.

For the reasons above stated your petitioners earnestly urge the rejection by Congress of House Resolution 473.

Theodore W. Noyes, chairman executive committee of Citizens' Joint Committee on District of Columbia Fiscal Relations; E. F. Colladay, president Board of Trade; Isaac Gans, president Chamber of Commerce; Anton Stephan, president Merchants' and Manufacturers' Association; Chas. A. Baker, president Federation of Citizens' Associations; Stanton C. Peelle, president Bar Association; Herbert L. Davis, president Columbia Heights Citizens' Association; Evan H. Tucker, president Northeast Citizens' Association; J. A. Oliver, president Georgetown Citizens' Association; H. E. Stringer, president City Club; H. V. Haynes, president District of Columbia Bankers' Association; J. C. Weedon, president the Real Estate Board; Arthur D. Marks, president Rotary Club; Harry G. Kimball, president Kiwanis Club; James M. Proctor, president Civitan Club.

Mr. AYRES. Mr. Chairman, I want to renew the suggestion I made a few minutes ago in order not to be discourteous to any Member while discussing this amendment, and they might just as well be governed accordingly because I will certainly object to any extension of time over 10 minutes.

Mr. MOORE of Virginia. Mr. Chairman, I have no property interests in the District of Columbia and no business affiliations of any kind here so I can speak without prejudice on

this subject. For once we have no constitutional question here and I am free to admit that there is no question of contract. I think the only question is the question of the policy that is to be adopted for the coming fiscal year and the future.

The policy desired by the Committee on Appropriations is expressed in this bill. The committee took something like 600 pages of evidence and apparently passed over any suggestion of changing the basis of the fiscal relations between the Government of the United States and the District of Columbia. So we have the Committee on Appropriations not recommending any change at this time. The gentleman from Michigan last year in the last Congress——

Mr. DAVIS of Minnesota. Will the gentleman yield?

Mr. MOORE of Virginia. I have so little time——

Mr. DAVIS of Minnesota. For just one statement. You know the Committee on Appropriations can not inaugurate a new law because that would be subject to a point of order.

Mr. MOORE of Virginia. Oh, they can under the Holman rule, but they did not undertake to do so, and that is all I mean to say about that because I am not intending to criticize anybody. It is a simple naked fact that there is no recommendation by the Appropriations Committee that there should be a change.

The gentleman from Michigan in the last Congress introduced a bill which is the equivalent of his amendment which is now pending. He did not secure action by any legislative committee on that bill. He has introduced a bill in the present Congress and has not yet secured any action upon it. And so we are asked to do something very important in the estimation of a good many people without any real consideration; we are to put aside the orderly processes of legislation usually obtaining here. I, for one, think that is unfortunate. I have great respect for the gentleman from Michigan, but when he rises here and says he thinks that $8,000,000 is a proper amount I am at liberty to believe his individual conception ought to be passed upon in the normal way.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MOORE of Virginia. I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MOORE of Virginia. And then another point: My friend frankly stated that some machinery will have to be devised in order to couple up his proposition with many activities affecting the District relative to the Budget Bureau, and so forth. That all leads me to the conclusion that we should not take action now.

Anticipating that this amendment would be offered, and also anticipating that possibly the point of order would not be sustained—and I have no criticism to make of the Chair because of his ruling upon the point of order—I addressed an inquiry to the president of the Board of Commissioners of the District of Columbia and he has upheld the inquiry I made of him as to whether in his opinion this thing ought to be done all at once or await some additional consideration.

Here is the letter:

MAY 1, 1924.

Hon. R. WALTON MOORE,

House of Representatives, Washington, D. C.

DEAR SIR: The Commissioners of the District of Columbia have the honor to inform you, in response to your inquiry of yesterday as to whether they have any objection to the substitution of a fixed or lump-sum contribution by the United States for the present percentage proportion basis of appropriating for the expenses of the District of Columbia, that they most strongly feel that no change should be made in existing fiscal relations between the United States and the District except as the result of careful investigation and consideration by Congress of the equities involved.

The commissioners believe that Congress, through the appointment of a committee of Senators and Representatives, should conduct such an investigation, as otherwise it would be extremely difficult to ascertain the equitable proportions of appropriations that should be borne by the United States and the District of Columbia. The proposal to substitute the lump-sum contribution should wait upon the results of this investigation.

Very respectfully,

CUNO H. RUDOLPH,

President Board of Commissioners of the District of Columbia.

Mr. CRAMTON. Will the gentleman yield for an observation?

Mr. MOORE of Virginia. I will.

Mr. CRAMTON. Is it not a fact that Mr. Rudolph, chairman of the Board of Commissioners, has personally and repeatedly indorsed my proposal?

Mr. MOORE of Virginia. I think that only adds force to what I am suggesting. We have the president of the Board of District Commissioners, who, the gentleman from Michigan tells us, is in favor of a lump-sum appropriation, which I did not know to be the fact, saying, and he speaks for the other commissioners, that we ought not to act hastily but as a result of careful, deliberate investigation.

Adopting the thought expressed in the letter of Commissioner Rudolph, since the ruling of the Chair on the point of order, I have put in the box a resolution providing for the appointment of a special joint committee of the Senate and House to take up this entire matter in all its features, and many other matters which relate to the District, and consider and make a report upon them. In the beginning of this Congress I recall distinctly that one of the oldest Members of the House and one of the ablest of our associates, the gentleman from Ohio [Mr. BURTON], in the course of his remarks on the modification of the House rules said that the entire situation should be dealt with in order that Congress itself may be relieved of a great deal of work and conditions in the District become more satisfactory.

Mr. MANSFIELD. Will the gentleman yield?

Mr. MOORE of Virginia. I yield.

Mr. MANSFIELD. The gentleman realizes that that has been done on two or three occasions.

Mr. MOORE of Virginia. Yes; and there has been hardly any important subject that has not been under scrutiny by Congress on many occasions.

Mr. Chairman, I ask permission to incorporate in the RECORD the resolution which I have mentioned and which I offered about an hour ago.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The resolution is as follows:

Resolved, etc., That a joint committee to be composed of three Senators, to be appointed by the President of the Senate, and three Representatives, to be appointed by the Speaker of the House of Representatives, is created and is authorized and directed to inquire into the present fiscal relations between the United States and the District of Columbia with a view of ascertaining and reporting to Congress whether the present percentage proportion basis of appropriating for the expenses of the government of the District of Columbia should continue; and if so, what percentage of appropriations for such purpose should be paid by the United States and the District of Columbia, respectively; or whether the United States should contribute a fixed or lump-sum amount annually as its share of appropriations for the District of Columbia in lieu of the existing or any other percentage proportion basis; and if so, what would be a fair and equitable amount to be so contributed.

The committee is further authorized and directed to inquire into the relations of the government of the District of Columbia with departments and branches of the Government of the United States with a view of ascertaining and reporting whether there should be vested in municipal officers certain duties and responsibilities in connection with estimates, appropriations, and expenditures of the District of Columbia now vested in the Federal officers.

The committee is further authorized and directed to make a survey of the administrative services of the government of the District of Columbia and report what changes, if any, may be desirable or expedient in the present municipal organization.

That the officers and employees of all administrative services of the government of the District of Columbia shall furnish to the committee such information regarding powers, duties, activities, organization, and methods of business as the committee may from time to time require, and the committee, or any of its employees when duly authorized by the committee, shall have access to and the right to examine any books, documents, papers, or records of any administrative service for the purpose of securing the information needed by the committee in the prosecution of its work.

The committee shall report its findings relative to all matters herein contained to the Senate and House, respectively, on or before the first Monday in January, 1925.

Mr. BLANTON. Mr. Chairman, I offer a substitute for the Cramton amendment.

Mr. MANSFIELD. Mr. Chairman, I offer an amendment to the Cramton amendment which, I think, would have preference over the substitute.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Texas [Mr. BLANTON].

The Clerk read as follows:

Substitute amendment offered by Mr. BLANTON to the amendment offered by Mr. CRAMTON: Page 1, line 4, after "1925," strike out the balance of the paragraph and insert in lieu thereof the following:

"No contribution shall be made out of the Federal Treasury toward such expenses until property owners within the District of Columbia, in lieu of the present tax rate of $1.20 on the $100, shall themselves pay toward such expenses a tax rate of as much as $2.50 per $100 full valuation on all real and personal property subject to taxation within the District of Columbia: *Provided*, That whatever amount needed each year additional to the revenue derived from taxes levied, assessed, and collected on all real and personal property, full valuation within the District of Columbia, shall be furnished and appropriated by Congress out of the Federal Treasury."

Mr. BLANTON. Mr. Chairman and gentlemen, the Cramton amendment will not remedy this situation, but the amendment I have offered will. Now, what is the situation? I have placed in the RECORD lately for your consideration the result of letters I have received from the mayors of every city in the United States of any size, showing you that these people elsewhere in their cities are paying a tax running all the way from $2.75 up to $8 per $100. And the people of Washington pay a total tax of only $1.20 per $100, and even with the Cramton amendment adopted they would pay only about $1.30 or $1.40 on the $100, while they would pay $2.50 under my amendment.

Let me again quote a few excerpts from the letter sent me by the mayor of the city of Peoria, Ill.:

[City of Peoria, Ill. Mayor's office. Edward N. Woodruff, mayor]

NOVEMBER 1, 1923.

HON. THOMAS L. BLANTON,
Representative, Washington, D. C.

DEAR SIR: Answering your questionnaire of October 15, concerning relative tax rates of the cities of Washington and Peoria:

The tax rates on each $100 taxable valuation levied against the real and personal property of the citizens of Peoria for the year 1922 is itemized as follows:

City corporate tax, including library, tuberculosis, garbage, and police and fire pension fund	$1.94	
Street and bridge	.24	
School district	2.70	
Park district	.41	
		$5.29
State	.45	
County	.59	
County highway	.25	
		1.29
Total, all purposes		6.58

Unless there is a tremendous revenue derived from sources other than from taxes, the rate of $1.20 for Washington is ridiculous. While I have never had my attention called to this disparity, I am amazed that the light has not been let into financial affairs of the Capital City long before this time.

You should be supported by every colleague in your effort to compel the citizens of Washington to do theirs, even as every citizen outside the District is doing his.

Wishing you success, I am,

Very truly yours, E. N. WOODRUFF, *Mayor.*

The foregoing statement from the mayor of Peoria, Ill., fairly indicates the sentiment of the people over the United States. It might be enlightening to quote from a few of the letters received the tax rates of some of the cities over the United States as certified to me by the mayors of such cities.

During the recess of Congress I wrote to the mayor of every city of any size in the United States and asked them to advise us of their local tax rate, of the charges for water, sewer, paving, and so forth, and what rate, in their judgment, they thought Washington people should pay as a minimum. I want to insert just a few in this report. The consensus of opinion was that the rate here should be at least $2.50 per $100, and there was a large per cent who were in favor of it being much higher, and the rates for taxation ranged from $2.75 to over $6.50, and in all these cities the people were charged more for water, sewer, and paving.

When I speak of the tax rate of these cities I, of course, mean their total tax—State, county, school, and municipal—which is the total tax citizens of those respective cities have to pay on their property, as compared with the $1.20 on the $100 rate Washington people have to pay in the District of Columbia.

The tax rate paid by the people in Baltimore, Md., $3.27 on the $100; in New Orleans, La., $3.16½ on the $100; in Portland, Oreg., $4.52 on the $100; in my birthplace, Houston, Tex., $4.29½ on the $100; in Ogden, Utah, $3.33 on the $100; in Cheyenne, Wyo., $3.75 on the $100; in Fort Smith, Ark., $3.32 on the $100; in New Bedford, Mass., $3.13; in Burlington, Vt., $3.10 on the $100; in Pittsburgh, Pa., $3.22 on the $100; in St. Louis, Mo., which is a distinct political subdivision of the State, the city tax is $2.43 on the $100; in Boston, Mass., $2.47 on the $100; in Rochester, N. Y., $3.36 on the $100; in Portland, Me., $3.40 on the $100; in Boise City, Idaho, $4.29 on the $100; in Mobile, Ala., $3.40 on the $100; in Detroit, Mich., $2.75 per $100; in Duluth, Minn., $5.79 on the $100; in Atlanta, Ga., $3.15 on the $100; in Kansas City, Mo., $2.93 on the $100; in Minneapolis, Minn., $6.52 on the $100; in Salt Lake City, Utah, $3.18 on the $100; in Oakland, Calif., $4.02 on the $100; in Austin, the capital of Texas, $3.54 on the $100; in Denver, Colo., $2.76 on the $100; in Trenton, N. J., $3.22 on the $100; in Racine, Wis., $2.87 on the $100; in Nashville, Tenn., $2.80 on the $100; in Charlottesville, Va., $2.85. And let me illustrate as the tax rate runs generally over Texas: In Paris, Tex., $4.10 on the $100; in Port Arthur, Tex., $3.54 on the $100; in Tyler, Tex., $4.61 on the $100; in Denison, Tex., $3.32 on the $100; in Waco, Tex., $3.63 on the $100; in Amarillo, Tex., $3.55 on the $100; in Temple, Tex., $3.15; in Wichita Falls, Tex., $5.05 on the $100; in Beaumont, Tex., $4.04.

Mr. Edward F. Bryant, tax collector for San Francisco, Calif., has sent me a statement certifying that the following is the tax rate paid by the citizens in the following cities: In Seattle, Wash., $8.80 on the $100; Chicago, Ill., $8 on the $100; in Reno, Nev., $7.38 on the $100; in New York, N. Y., $5.48 on the $100; in Philadelphia, Pa., $6 on the $100; in Detroit, Mich., $4.48 on the $100; in San Francisco, Calif., $3.47 on the $100; in Los Angeles, Calif., $3.89 on the $100.

What excuse have we to offer to our constituents back at home who are paying the above tax rates for permitting by our votes here the 437,000 people in Washington, D. C., to continue paying the measly little pittance of only $1.20 on the $100, based on a half to two-thirds valuation, when our constituents have to pay all the balance of the expenses of this great city?

PRESENT 60–40 FISCAL RELATION

Under the present system now in force the people of Washington pay a total tax of only $1.20 on the $100, on both real and personal property, with a personal property exemption of $1,000 free of all taxation, and with their property assessed at about half valuation, and the whole people of the United States then pay all the balance of their expenses under this ridiculous 60–40 fiscal system, under which the Government makes numerous appropriations for the District of Columbia local civic matters, in numerous supply bills, where the appropriation is taken out of the United States Treasury 100 per cent.

THE OLD SLOGAN HAS WORN THREADBARE

Whenever a Member of Congress seeks to change the unjust system of allowing the people of Washington to pay the ridiculous tax rate of only $1.20 on the $100, the newspapers and citizens' associations immediately resort to their old battle cry—

That Washington is the Nation's Capital and must be made the most beautiful city in the world; that the Government should pay a big part of the local city expenses because it owns so much property here.

Washington is the Nation's Capital and should be made the most beautiful city in the world, and I will go just as far as any other man through all legitimate and proper means to make it the most beautiful city in the world. Before the Government built all of its fine institutions here Washington was a mere village. Property here was of little value. It is because of the fact that the United States has spent its millions here that has caused some lots to jump in value from $100 to $100,000. Every piece of property owned by the Government in Washington is daily enjoyed by the people of Washington.

The local pay roll of the Government is a bonanza to the merchants and business enterprises of Washington. The Government pays its nearly 100,000 employees in Washington their wages promptly every two weeks in new money that has never been spent before. Chicago, or any other big city in the United States, would gladly exempt the Government from paying all taxes on its property to get it to move its capital to such city.

Because we want to make it the most beautiful city in the world is no reason why the Government should pay for building million-dollar school buildings and employing 2,500 teachers and buying the schoolbooks for the 70,000 school children of the thousands of families living in Washington who have no connection whatever with the Government except to bleed it on all occasions and to grow rich on the Government pay rolls expended here.

Because we want to make Washington the most beautiful city in the world is no reason why the Government should pay for the army of garbage gatherers, the army of ash gatherers, the army of trash gatherers, the army of street cleaners and sprinklers, the army of tree pruners and sprayers, and the street-lighting system for the several hundred miles of private residences owned by rich tax dodgers who have no connection whatever with the Government; nor is it any reason why the Government should pay for their water system, their sewer system,

their police protection, their fire protection, for playgrounds for their children, for parks for their enjoyment, for their municipal golf grounds, for their numerous public tennis courts, for their bathing beaches, for their skating ponds, for their cricket grounds, for their baseball and football grounds, for their horseback riding paths, for paving the streets in front of their residences and maintaining and keeping them in repair, for building their million-dollar bridges, furnishing million-and-a-half-dollar market houses, their municipal trial and appellate courts, their jails and houses of correction, their municipal hospitals, asylums for their insane, special asylum schools for their deaf and dumb, asylums for their orphans, a university for their 110,000 colored people, their municipal libraries, their municipal community-center facilities, salaries of all their municipal officers, employees, buildings, furnishings, equipments, sanitary and health departments, and the hundreds of other things that all other cities of the United States must furnish and pay for themselves, but a very substantial part of which the people of Washington have been getting out of the Federal Treasury for years.

The magnificent Capitol and its beautiful grounds are daily enjoyed by Washington people. The Congressional Library, which cost $6,032,124, in addition to the sum of $585,000 paid for its grounds, and for the upkeep of which Congress annually spends a large sum of money, is daily enjoyed by the people of Washington. The Government furnished and maintains the magnificent Botanic Garden here for the pleasure and enjoyment of Washington people. The Government furnished and maintains the wonderful Zoo Park with all of its interesting animals for the instruction and amusement of Washington children. The Government furnished and maintains the extensive and most beautiful Rock Creek Park, with its picturesque picnic grounds, its miles of wonderful boulevards, its incomparable scenery, all for the pleasure of Washington people. Congress has spent millions of dollars reclaiming and purchasing the lands now embraced in the Potomac Parks and Speedway, daily used and enjoyed by Washington people. The Government has spent several million dollars building the various bridges spanning the Potomac River and huge sums for the bridges spanning the Anacostia River, and spent $1,000,000 building the beautiful "million-dollar bridge" on Connecticut Avenue. The Government has spent millions of dollars on the Lincoln Memorial, grounds, and reflecting pools, the Washington Monument Grounds, Lincoln Park on East Capitol Street, and the numerous beautiful little parks scattered all over the city, all for the pleasure and benefit of Washington people.

CONGRESSMAN MANSFIELD'S SPEECH

This Congress and the country owes a debt of gratitude to our distinguished friend and colleague from Texas, Judge MANSFIELD, for the very enlightening speech he made on this subject day before yesterday. Let me quote the following from his speech:

> Under the sharing plan inaugurated in 1874 Congress appropriated to the District for the four years, 1874 to 1877, sums aggregating $10,725,141.39. For the 44 years under the 50–50 plan, 1878 to 1921, the appropriations amounted to $178,871,480.58. For the three years under the 40–60 plan, 1922 to 1924, the sum of $25,860,375.11 was appropriated. In all, 1874 to 1924—51 years—the direct appropriations to the District from the Treasury of the United States amounted to the enormous sum of $215,456,997.20.
>
> These sums, enormous as they may appear, do not by any means represent the sum total of the appropriations to the District from the Federal Treasury. These are simply the amounts that have been carried in the annual District appropriation bills. In addition to all this, many of the departmental bills carry large sums for the District to which neither the 50–50 nor the 40–60 plans have ever been applied, but which have been paid in full out of the Treasury of the United States.
>
> Under the War Department bills so many millions have been expended in the District that it would require an expert in figures to estimate the totals.

No wonder the people of Washington only pay the ridiculous little tax rate of $1.20 on the $100, when through certain bills alone Congress has given these people $215,456,997.20 for civic purposes, besides the many other millions of dollars in other bills.

The people living here to-day in the District of Columbia, in our Nation's Capital, the most beautiful in the world, enjoy more privileges and special benefits from the Government than all of the rest of the people in the United States do put together. They enjoy the water system, the main conduit of which is owned wholly by the United States, and toward the expense of which this District and the people of it have never contributed one dollar. In this bill now there is an authorization of $8,900,000 more of the people's money to be spent upon that water system. They enjoy that water at a nominal rate. They have 2,675 school-teachers here who are partly paid by the people of the United States outside of the District.

Their free schoolbooks for their 70,000 school children are partly paid for by the people of the United States outside of the District.

In this bill we are providing $1,174,910 annual expense for their fire department. In this bill we are providing $1,743,000 for their police department, notwithstanding that the Government furnishes its own police for the public buildings and parks. In this bill we are providing as their annual allowance for public schools $6,974,007 more than any city in our home States receives. And for street paving, improvements, and repairs we are providing in this bill $1,112,750.

Yet these 437,000 people here continue to pay a tax of only $1.20 on $100, and thousands of them are rich—millionaires, who have come here to live in this city because of these advantages, and have no connection whatever with the Federal Government.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SCHAFER. Has the gentleman received any figures showing the value of the Government property within the confines of the District, as compared with the value of non-Government property?

Mr. BLANTON. That is a pertinent question. All property owned by the Government is daily enjoyed by the people here, yet if it were taxed at the same rate paid by them it would not have to pay one-third of what we now are paying. Talk about this $8,000,000 that our friend from Michigan proposes that the Government shall pay annually as a fixed contribution! That is just about three times as much as the Government should pay, when all people profit by and enjoy every feature of the Government's plant here.

I have given you gentlemen the benefit of my investigations as a member of the District Committee. It is foolishness, it is ridiculous for the people here in this District to talk about the property of the Government. There is not a piece of property that belongs to this Government but is daily enjoyed by the people of Washington. They enjoy everything the Government has here. It is for their own pleasure and enjoyment, and yet they fight against paying more than a little measly $1.20 on the hundred. I say again what I said on this floor before. A distinguished southern Senator told me only recently that he has a residence down in his home city which he has been for several years trying to sell for $7,000 and can not do it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. He can not sell that residence in his home city for $7,000, and yet he pays more taxes down in his home city on that $7,000 residence than he pays on his $25,000 residence here in the city of Washington. It is a shame and a disgrace that we Congressmen sit here and permit that to longer exist. The Cramton amendment gives us no relief, for it will not require these people to pay more than about $1.30 per $100 taxes.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I have only five minutes.

Mr. CHINDBLOM. I am wondering whether the Senator was getting any particular privilege.

Mr. BLANTON. He is getting the benefit of this law that allows that low taxation on the $25,000 residence, and this particular Senator said, "BLANTON, we ought to stop it." He was not in favor of it. Oh, there are Senators and Members of the House who own great big gobs of property in the District that is taxed at $1.20 on the hundred. Of course it appeals to some of them, but, thank God, this southern Senator told me that he was going to vote to stop it, and we ought to stop it. It is foolishness. You can not go home and face your constituents and defend it.

What is offered by the Cramton amendment? Nothing. It will merely raise their taxes from $1.20 to perhaps $1.25 or $1.30. Is there anything radical about my amendment? Is there anything wrong about it? Is there anything unjust to the people about it? It simply requires them to pay as much as $2.50 on the hundred as their total taxes. There is not another city in the United States that has as low a tax rate, counting all the taxes their people have to pay. I do not even ask them to pay as much as the people do in the lowest city, which is about $2.75. I merely ask that they pay $2.50 on the hundred, as they did some years ago, and then the balance

shall be paid out of the Federal Treasury, and you will stop all of this opposition and fight. It will be really a Godsend to the people of the District to have my amendment passed.

Mr. HASTINGS. What is the average rate of taxation in cities of this size at a full valuation?

Mr. BLANTON. About $4.10 on the hundred in cities having anything like the advantages of Washington.

Mr. LOWREY. What is the personal exemption here in the personal tax?

Mr. BLANTON. One thousand dollars personal property.

Mr. LOWREY. It is $250 in my town.

Mr. BLANTON. This amendment of mine does not hurt the poor people. Every poor person in this city has an exemption of personal property to the extent of $1,000, and that makes everything they have in their homes free from taxation. It is only those who are able to pay who would have to meet this. Our friend TINKHAM comes in here and talks about a contract. Is there any contract here in laws that some other Congress passed that binds our friend from Wisconsin by? Have they bound our friend from Minnesota with the act of some other Congress? They know how these laws are passed. They are brought in here by some committee, and about seven or eight of the committee know something about the bill, and the balance of the members do not know a thing on God's earth about what is in the bill. It is passed and then Brother TINKHAM talks about a binding contract on all Congresses to come hereafter. This is a good opportunity to correct this very unjust situation. I am for my amendment first and for that of my colleague [Mr. MANSFIELD] second; and if they fail, I am, of course, for the Cramton amendment, which affords at least a crumb of relief.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BEGG. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair has already indicated that he would recognize next the gentleman from Texas [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, I ask that my amendment be read.

The CHAIRMAN. The gentleman from Texas [Mr. MANSFIELD] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. MANSFIELD to the amendment offered by Mr. CRAMTON——

Mr. DAVIS of Minnesota. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Minnesota moves that all debate upon this amendment and all amendments thereto close in 15 minutes.

The gentleman from Texas has been recognized. Does the gentleman yield for that purpose?

Mr. MANSFIELD. If it will not be taken out of my time, I yield.

The CHAIRMAN. The gentleman from Minnesota moves that all debate on this section and all amendments thereto close in 15 minutes.

Mr. DAVIS of Minnesota. Twenty minutes.

Mr. BEGG. Mr. Chairman, I would like to have five minutes of that time. I do not want to oppose the expedition of the bill, but I would like to know if that means just close it up and anybody get recognition.

Mr. DAVIS of Minnesota. How much time does the gentleman from Texas think he desires?

Mr. MANSFIELD. If I may have five minutes.

Mr. DAVIS of Minnesota. I move that all debate upon this section and amendments thereto close in 25 minutes.

The CHAIRMAN. The gentleman from Minnesota moves that all debate upon this section and amendments thereto close in 25 minutes.

The question was taken, and the motion was agreed to.

Mr. MANSFIELD. Mr. Chairman, I believe my amendment has not been read yet.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. MANSFIELD to the amendment offered by Mr. CRAMTON: Strike out the figures "$8,000,000" and insert in lieu thereof "$5,000,000."

Mr. MANSFIELD. Mr. Chairman, I will first answer the question propounded by the gentleman from Wisconsin [Mr. SCHAFER] in regard to the value of Government property in the District of Columbia, and in reply to that question I will say that the Federal property in the District of Columbia is greater in value than the property of half a dozen ordinary States. If he will read the hearings heretofore held upon the question of the fiscal relationship between the Federal Government and the District of Columbia, he will find that the representatives of the District have come before committees of Congress and actually demanded the right to levy taxes upon the money in the United States Treasury, and sometimes that is of very great amount. A few years ago I was in a vault in the Treasury where there was $15,000,000,000 of Government securities in one vault. If this Government is going to have the District of Columbia levy taxes upon such property as that, then we might as well quit and be done with it.

Mr. WEFALD. Turn it over to them.

Mr. MANSFIELD. Yes. Now, the ground upon which this subvention or tax to the District of Columbia has been based is that the Government owns property here which the District has no right to levy taxes upon, and that this is a liability to the District because they claim that they have had to pave the streets around Government property and all such as that. They have also claimed that they have had to furnish police for the purpose of guarding Government property. No man can justify the Congress in paying for the expense of their schools and the thousand and one other things which we are paying now. The people of the District of Columbia should no more be released from the payment of taxes for these purposes than the people of New York or Chicago or the least town in the country. Now, if you will examine this bill you will find that there is approximately one and three-quarter million dollars for police service and one and three-quarter million dollars for the upkeep of streets. That makes three and a half million dollars. And if we bear the whole of that, it would be only three and a half million dollars. They have never claimed we ought to pay more than half.

Mr. JOHNSON of Kentucky. Will the gentleman yield?

Mr. MANSFIELD. I will.

Mr. JOHNSON of Kentucky. Is it not true that the expense of the police is paid out of public funds as to private property and the United States Government polices all of its own property at its own expense?

Mr. MANSFIELD. That is correct.

Mr. BLANTON. One hundred per cent out of the Treasury.

Mr. MANSFIELD. Yes, sir. Now, the amendment I have offered not only allows enough to cover all the police expense of this District, all street improvements of this District, but I am giving one and a half million more in addition to that; and, I say, there is no man in this House or elsewhere who can pretend to justify higher appropriations than that to the District of Columbia upon the ground of right or reason, common sense, or public morals. I agree with the gentleman from Texas [Mr. BLANTON] that it is an outrage that because a man lives in the city of Washington that the claim should be made that he should be granted exemption from taxation. The question of the great National Capital, as it is spoken of, cuts no figure in this case at all. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BEGG. Mr. Chairman and members of the committee, I am opposed to all amendments save the Cramton amendment, and I am heartily in favor of that. There are a number of reasons why, but time will not permit a discussion of all of them, and I think it is absolutely irrelevant to discuss the tax rates as a basis of comparison for the purpose of passing a law. I do not care what my rate is. It is a question on what that rate is figured that is all vital. Now the common expression, when the attention of any official in the District of Columbia is called to the conditions that are not what they ought to be, is for them to come back in the newspapers and by a private conversation always to say that Congress does not give them enough money to do so and so. Now, if we appropriate $8,000,000 I will be for a bigger sum or a smaller sum, but this gives a fair share. I want the United States Government to pay even more than our fair share, and I am relying on the gentleman from Michigan and the gentleman from Minnesota to determine that amount.

Now, the self-respect of the citizenship of the District of Columbia will be higher if the citizens are permitted to run their own affairs financially, and as to the various agencies about which we are talking, namely, the school policy; and I am going to say that it is to the shame and disgrace of whoever is responsible, Congress or otherwise, that the condition of the school buildings in Washington is as it is. There is

not a city of the same size of the city of Washington that has not better school facilities for the children of their community than has this city. If the people of this District know that they will get $8,000,000, and then if it is left to them to levy enough tax to establish and lay down a complete program for their schools, there is not a Congressman who has any authority or right to stand up and vote against that policy and that tax rate.

The same thing is true with respect to streets. At the present time the condition of the streets in this city is getting worse every single time the sun sets, and yet the citizenship in this city are absolutely at the mercy of the Congress for their money, regardless of the fact that the Federal Government pays only 20 cents on a dollar for the street improvements. The fire and the police patrol, let me say, are not on a standard with any city of the United States of this size. And yet in talking to the police commissioner last fall about some things that should be done to solve even the traffic problem he shot back at me the statement, "If you will give us more money we can rectify those things."

I want to be in such a position that we can give them a stipulated amount, and then place the responsibility for the welfare of the city squarely on the people who live here, because after all that is where the responsibility for the welfare of any community ought to rest.

Mr. TINKHAM. Mr. Chairman, will the gentleman yield?

Mr. BEGG. Yes.

Mr. TINKHAM. How can you place the responsibility on the citizenship of Washington when the responsibility for making the appropriation is placed on Congress?

Mr. BEGG. Well, I will come to that. I want to say a few other things first. If we give them this $8,000,000 and say to them by implication, "We will ratify whatever tax you bring in, no matter how high it is," that is placing the responsibility on them.

Mr. TINKHAM. Who shall come in?

Mr. BEGG. The officials will come in. If a scheme is devised so that they can have representation on their tax problem, I shall be for that. [Applause.]

The CHAIRMAN (Mr. MAPES). The time of the gentleman from Ohio has expired.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, Washington at the outset had a peculiar beginning. It was proposed to be set aside along the line that Campbell Russell tried to erect in Oklahoma, a New Jerusalem, a place to be the seat of the government. But it soon got away from that. The lots in the city at the start were drawn in a lottery, and the prize in the lottery was a $50,000 hotel, and a woman up in Pennsylvania drew the prize of that $50,000 hotel, and they tried to skin her by putting only $16,000 into the building, and she had to bring a suit in the United States court and get a judgment for the balance. The District of Columbia should have been kept directly under the Congress. But that is water that has gone over the wheel.

You did not permit them to have manufacturing industries here. The city is only a place primarily to live in.

Mr. JOHNSON of Kentucky. I will ask who denied them the privilege of having manufacturing industries?

Mr. McKEOWN. There is no law; it is just a custom. It has not been selected as a manufacturing place.

Mr. BLANTON. The chamber of commerce is inviting them every day.

Mr. McKEOWN. Yes; but they do not come.

What I want to say is this: A situation now confronts us where the Congress ought to get rid of the burden of having to go through these budgets and figures and allocating amounts. A great burden is put upon this Congress and it can not devote enough of its time to it. Its time ought to be given to the Nation. They have not the time here to spare on this one city in the United States. What you want to do is to fix the amount you are going to give them. I am inclined to think $8,000,000 is too much.

I do not know about that; but you ought to fix a definite amount. Then you ought to give the people of the District of Columbia an opportunity to be heard upon what tax rate shall be enforced against them. In other words, no two or three fellows down here in this department ought to fix a tax rate upon these people and say they will have a budget without giving the real taxpayers a chance about the rate. You ought to fix a limit, 2½ mills or 3 mills. If it gets above that, let the bona fide residents and taxpayers vote as to whether they will have the magnificent and fine improvements that some of these fellows always want Congress to do and appropriate for. Whenever you put a lump sum of money aside for the use of the District of Columbia, then they will have to get down their knitting and figure out just what they will spend when they have the responsibility of spending it. They ought not to have to report to the National Budget Committee as to their part of the Budget. Why should the National Government supervise it? What you should do would be to create a board, a special board, that will review the tax levies, and if they propose to give more money than a certain limit, say 2½ or 3 mills, on these taxpayers, the taxpayers ought to have a referendum and have a vote on that. In all the States we fix the power somewhere to limit the amount to be levied on the people.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. CHINDBLOM and Mr. JOHNSON of Kentucky rose.

Mr. CHINDBLOM. Mr. Chairman, I want to speak in opposition to all the pending motions.

Mr. JOHNSON of Kentucky. If the Chair will recognize me next I am willing that the gentleman from Illinois proceed now.

Mr. CHINDBLOM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CHINDBLOM. How much time is left?

The CHAIRMAN. Ten minutes. The Chair will recognize the gentleman from Illinois for five minutes.

Mr. CHINDBLOM. Mr. Chairman and gentlemen of the committee, during the five years I have served in the House I think this is the first time I have asked for five minutes' time to discuss matters relating to the District appropriation bill. I have sat here patiently during all these years listening to the debates and I have voted upon the various propositions that have arisen as my best judgment dictated.

I want to say to the committee that I think this House ought to legislate more intelligently and more permanently upon this subject. Every year since I have been here this question of the apportionment of the appropriations for the District between the Federal Government and the District of Columbia has come up during the consideration of the appropriation bill, and every year the question of the tax rate in the District of Columbia has been discussed in connection with the appropriation bill. Those subjects do not belong here. In my opinion, the proper committee should frame and report to the House a permanent law or a proposal for a permanent law to establish the fiscal relations between the Federal Government and the District of Columbia.

At this particular time I want to voice my protest against any further tinkering with this matter. I do not take the position that seems to have been taken by some gentlemen, namely, that we made a contract with the District of Columbia in 1922, but I do say that we adopted a provision in the District bill for 1922 which was intended to be in force for five years. The debate upon that bill will show it and the language of the bill itself shows the intent that that arrangement should continue for five years. The arrangement began as follows: "That annually from and after July 1, 1922." "Annually"; not for the years 1923, 1924, or 1925, but annually each year, 60 per cent of the expense should be paid by the District of Columbia and 40 per cent out of appropriations by the Federal Government. Then the act went on to say that the taxes collected in the District of Columbia should be levied upon the full value of all property for a period of five years, naming the years 1923, 1924, 1925, 1926, and 1927, in order that the District of Columbia might, during these five years place itself upon a cash-paying basis, and so it might catch up with the deficiency which it was having annually.

Mr. MANSFIELD. Will the gentleman yield?

Mr. CHINDBLOM. I have not much time, but I will yield if it is a question.

Mr. MANSFIELD. It is a question. Does the gentleman realize that since that time the District itself has reduced its own tax rate?

Mr. CHINDBLOM. Well, I say this: We did this in 1922; let us stay put sometime; let us stand by our own legislation sometime, and let us give the District a chance for the five-year period we fixed. But every year, in connection with the appropriation bill, we bring in this legislation, because whatever may have been the technical ruling—and I have no doubt the technical ruling was correct upon the point of order—the fact is that this is legislation, and every year when we go to make up the appropriations for the District we try to establish the fiscal relations between the Federal Government and the District of Columbia on some new basis. But I say: Let us maintain the present law for the period which was agreed upon in 1922.

I think it is as fair an arrangement as we can possibly make at the present time. And then let the proper committee, the District of Columbia Committee, or some special commit-

tee, if you please, take up this whole matter of the relations between the District and the Federal Government, and recommend to Congress some permanent policy with reference to taxation in the District and the contribution of the Federal Government toward the expenses of the District. That would be statesmanlike; that would be businesslike; and that would be for the benefit both of the Federal Government and of the District.

The CHAIRMAN. The time of the gentleman from Illinois has expired. The gentleman from Kentucky [Mr. JOHNSON] is recognized for five minutes.

Mr. JOHNSON of Kentucky. Mr. Chairman, it is an old, old saying that nothing is settled until it is settled right. The settlement of this matter has been going on for many years. It has just been remarked—I believe by the gentleman from Massachusetts [Mr. TINKHAM]—that there is a contract between the United States Government and the District of Columbia, made by the act of 1922, to which the gentleman from Illinois [Mr. CHINDBLOM] has just made reference.

The act of 1878 came to be considered by the people of the District of Columbia as "the organic act." Notwithstanding that, from the very first minute that act was passed until this minute, that act has been infringed upon at the behest of the District of Columbia.

In 1878 a tax rate of $2.50 was fixed. That was regarded as a permanent act, yet within a very short time after its enactment the District people—forever beating at the door of this body—prevailed upon the District Committee and upon Congress to reduce that rate of taxation from $2.50 to $1.50. Then their next progress was to reduce the value of taxable property to two-thirds instead of three-thirds, and in that way they got another reduction, leaving the rate on personal property standing, except as to intangible personal property, and they wiped out all taxation whatever against that. So I say no man has a right to come here now and say that any act which Congress may fix as permanent will be considered as permanent by the taxpayers of the District of Columbia, who are getting off lighter than any other people in the country.

Even now, while we stand here—and every man knows it has been going on during all of this session—there is propaganda to change the law that is now being dignified by being called a permanent law, and while it passed only in 1922, they want to change now for the benefit of the local taxpayers. They want to repudiate it for their benefit, but they deny that right to anyone else if that change embodies anything for the benefit of the taxpayers throughout the land, who are asked to pay the taxes for the people of the District of Columbia. They are the most favored people in this country in the way of taxation, and yet they are forever complaining.

Mr. MANSFIELD. Can not the gentleman say they are the most favored in the world?

Mr. JOHNSON of Kentucky. I have not looked up other parts of the world, but if the people here are not complaining it is because they do not know that other places in the world have a cheaper rate.

One thing that you see in the local papers is that the District of Columbia pays a larger per capita tax than some other place. A tax is not levied upon persons, but is levied on property, so if more property is found in the District of Columbia than in any other place then a tax should properly be levied on that property, although it be here.

I can pick out a few men in the United States and locate them in one little place and make that a place where the greatest per capita tax would be placed. I would pick out Henry Ford and Rockefeller and the present Secretary of the Treasury and a few others and put them in one small locality and thereby increase the per capita tax greater even than that which obtains in the District of Columbia.

When it comes to making a "permanent law" for the District of Columbia, relative to taxation, you will never make one that five minutes after it is made they will not be beating at the doors of this Capitol for the purpose of changing and reducing it so they can get off lighter.

Mr. SCHAFER. Mr. Chairman, has all time expired?

The CHAIRMAN. All time has expired. The question is first upon the amendment of the gentleman from Texas [Mr. MANSFIELD] to the amendment offered by the gentleman from Michigan [Mr. CRAMTON].

Mr. BLANTON. Mr. Chairman, may we have that amendment reported?

The amendment to the amendment was again reported.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 11, noes 15.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I ask that that may be again reported.

Mr. CHINDBLOM. Mr. Chairman, a parliamentary inquiry. Does the gentleman from Texas want to know what his own amendment is?

Mr. BLANTON. No; I want the gentleman from Illinois to know it.

Mr. CHINDBLOM. I heard it read, and did not ask for it to be read again.

The CHAIRMAN. Does the gentleman from Illinois object to its being read again?

Mr. CHINDBLOM. I do not object.

The substitute amendment was again reported.

The CHAIRMAN. The question is on the substitute amendment.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 14, noes 18.

So the substitute amendment was rejected.

Mr. BLANTON. Mr. Chairman, if there were enough Members here to provide tellers, I would ask for them; but there are not enough present.

The CHAIRMAN. The question now is on the amendment of the gentleman from Michigan [Mr. CRAMTON].

The question was taken; and on a division (demanded by Mr. CHINDBLOM) there were—ayes 28, noes 5.

So the amendment was agreed to.

Mr. CRAMTON. Mr. Chairman, I offer a further amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Insert after the figures "1923," in line 3, page 2, the following: "and any revenue now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived, shall be credited entirely to the District of Columbia wherever the activity or source from which such revenue was derived is maintained by appropriations herein."

Mr. BLANTON. Mr. Chairman, I make a point of order against the amendment. It is legislation on an appropriation bill, unauthorized by law. It is a change in existing law without authority from a legislative committee, and there is no retrenchment of expenses and therefore does not come within the Holman rule.

Mr. CRAMTON. Mr. Chairman, if the gentleman from Texas will withhold his point of order, or with a point of order pending——

Mr. BLANTON. I prefer to make it now, because we have wasted enough time on the bill. It is clearly subject to a point of order, because it is legislation.

Mr. CRAMTON. I should like, Mr. Chairman, to be heard on the point of order. I will say that the amendment that is before the Chair simply provides that the returns that come back from fines, from assessments, and from rentals, and so forth, instead of being divided in the proportion that the appropriations are made, as is the present law, shall instead go entirely to the District in order to end the uncertainty as to amounts and make it definitely a fixed sum contributed by the Federal Government with no question of any refund.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. Whatever force there may be in the point of order made by the gentleman from Texas, and I am obliged to admit that there is some force in his point of order, I should be very sorry, indeed, to have the point of order made or to have the amendment stricken out, because it does not, in my mind, leave the matter entirely in a just position.

However, if the gentleman from Texas should insist upon his point of order, as he has said he would, and the Chair should sustain the point of order, I would still hope that before the change should become finally fixed and definite the situation would be corrected either in this body or in another body.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. I yield.

Mr. BLANTON. If the gentleman had attached this amendment to his first amendment, the Chair would have held his first amendment out of order, because instead of retrenching expenses the two amendments together will make this Government pay more under this bill than it has paid under the last year's bill or the bill of year before last.

Mr. CRAMTON. I am obliged to admit there is a great deal of force in what the gentleman from Texas says.

Mr. BLANTON. Then you are not retrenching, but you are increasing expenses on the Federal Government, and I insist on the point of order.

The CHAIRMAN (Mr. GRAHAM of Illinois). The point of order will have to be sustained. This amendment constitutes legislation and does not retrench expenditures. It seems to add to them, and the point of order is therefore sustained.

Mr. CHINDBLOM. Mr. Chairman, a parliamentary inquiry. Is all debate closed on paragraph 1?

The CHAIRMAN. The Chair is so informed.

Mr. CHINDBLOM. For information I ask unanimous consent that it may be read as it now stands, so that we may know how it reads with the changes that have been made.

Mr. BLANTON. I object, Mr. Chairman. That is water that has gone over the wheel, and we want to get along with the bill.

The CHAIRMAN. Objection is heard, and the Clerk will read.

The Clerk read as follows:

GENERAL EXPENSES

EXECUTIVE OFFICE

For personal services in accordance with the classification act of 1923, $40,500, plus so much as may be necessary to make salary of engineer commissioner $7,500: *Provided*, That in expending appropriations or portions of appropriations contained in this act for the payment for personal services in accordance with the classification act of 1923 the average of the salaries of the total number of persons under any grade or class thereof in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act: *Provided*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, or (2) to require the reduction in salary of any person whose compensation is fixed, as of July 1, 1924, in accordance with the rules of section 6 of such act, or (3) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the classification act of 1923 and is specifically authorized by other law.

Mr. BLANTON. Mr. Chairman, I make the point of order to that part of the paragraph in line 8 which, without authority of law, attempts to increase the salary of the engineer commissioner from $5,000 to $7,500. The present law authorizes only $5,000. This bill from the Appropriations Committee seeks to increase it to $7,500 without authority of law.

Mr. DAVIS of Minnesota. This is to put the salary of this man on an equality with the other commissioners. Under the reclassification law they are entitled to $7,500.

The CHAIRMAN. Is it a change of existing law?

Mr. CRAMTON. Mr. Chairman, I understand the situation to be about this: The reclassification law authorizes $7,500 for each commissioner. The engineer gets his pay in part from the Army. If it were not for that he would draw $7,500 under the reclassification act. Under the law he would be entitled to $7,500 in this bill, but the part that he gets as an officer in the Army is carried in the Army appropriation bill, so that it would not be desirable for this bill to carry $7,500. It is not necessary or desirable to appropriate except that part of the $7,500 to bring the Army salary up to the reclassification salary. So I understand that there is law for this appropriation.

Mr. BLANTON. Mr. Chairman, so far as the merits are concerned, I want to pay the engineer commissioner just as much as the other commissioners. I am merely trying to protect the integrity of the rules of the House and the jurisdiction of the Appropriations Committee and the jurisdiction of the legislative committee. There is no law authorizing the engineer commissioner to be paid more than $5,000. The reclassification act does not apply to the engineer commissioner. If it did, they would not have to put it in, for he would get it automatically. He is in a class by himself; he is not affected by the reclassification act. The reclassification act has nothing to do with it.

Mr. BEGG. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. BEGG. The engineer commissioner, in addition, whenever he ceases to be engineer commissioner, continues to hold his place in the Army and enjoy the benefits of two-thirds pay on retirement.

Mr. BLANTON. Yes; he, of course, will be retired under the Army pay. He is in an entirely different class. I am willing to fix his salary by proper legislation from the proper legislative committee, by a proper bill at $7,500. If the Appropriation Committee wants to retain the present situation in the House of 35 men bringing in all the appropriations, it must quit encroaching on the legislative committees. There is legislation from the first page to the last page in this bill, and I am going to call the attention of the House to it. There is legislation all through the bill. I commended the committee for trying to keep down appropriations, but they have put legislation in this bill to a greater extent than any other appropriation bill that has come from their committee this session. Mr. Chairman, I insist on the point of order.

Mr. CRAMTON. Mr. Chairman, I want to call the attention of the Chair in confirmation of what I have said that the schedules for the salaries in the District of Columbia authorized by the reclassification is at the back of the hearings beginning on page 546. That is the schedule fixed under the law, and the first line of that schedule says "commissioners, fiscal year 1924, base rate $5,000, 1925, $7,500." Of course that is the salary fixed by law for that character of service. The engineer commissioner would not draw $7,500 under this bill for I understand he gets $7,000 out of the Army appropriation bill. It is contemplated by the law that he should get the extra $500 to bring him up on a par with the other commissioners.

The CHAIRMAN. Can any Member cite the Chair to the statute assigning an engineer officer of the Army to this commission?

Mr. BLANTON. If they could, that would be all the Chair would want.

Mr. CRAMTON. I have the reference here but not the statute. It is 21 Statutes, 460; that is the original statute as I understand it, but the reclassification act changes that salary.

Mr. JOHNSON of Kentucky. Mr. Chairman, while I have not the law before me, I think I can state it. By the act of 1878 the District of Columbia was given two civilian commissioners and one engineer commissioner to be detailed from the Army by the President. When that act first went into effect the engineer commissioner received salary of an Army officer only, but, at a later date, during my service here, it was deemed wise that the engineer commissioner should receive as much salary as the civilian commissioners receive. Therefore, for many years the District of Columbia appropriation bill has contained a clause fixing the salary of the engineer commissioner at the same figure that is paid to the civilian commissioners. The reason has seemed good for many years, and I see no reason why it should not be just as good at this time.

Mr. CHINDBLOM. Mr. Chairman, it might be suggested that the very language itself shows that it is a retrenchment. It is a diminution of expenditures because it provides not that the full sum of $7,500 shall be paid but that only so much of it as may be needed to make the salary that sum shall be paid.

The CHAIRMAN. It might be a retrenchment, but is it?

Mr. CHINDBLOM. I think the chairman can look only to the language of the proposal.

Mr. BLANTON. But the statute says $5,000.

Mr. CHINDBLOM. I think the burden is on those who make the point of order to show that there is no authority for it.

Mr. BLANTON. And we have so shown.

The CHAIRMAN. The Chair thinks that he has a fairly intelligent idea of this matter. The appropriation act covering the general expenses of the District of Columbia for 1881 is found in Twenty-first Statutes at Large, on page 460. It first provides for two commissioners at $5,000 each, for a secretary and certain other subordinate officers who are named, and then contains this language:

And hereafter the engineer commissioner shall be entitled to receive such compensation in addition to his Army pay and allowances as will make his compensation equal to $5,000 per annum, and a sum sufficient to pay such additional compensation is hereby appropriated.

The committee will observe that that language is legislative, that hereafter he shall receive a certain amount for his salary. How it got into this appropriation act I do not know. Evidently no point of order was made to it, or similar rules did not obtain at that time as obtain now. In any event it is legislation and nothing has been indicated to the Chair that there has been any change in that legislation, so that the salary is fixed by law at $5,000. The language in the bill does not purport to change the law. It simply makes an appropriation. It reads:

For personal services in accordance with the classification act of 1923, $40,500, plus so much as may be necessary to make the salary of engineer commissioner $7,500.

That, of course, is appropriation language and not legislative, so that no change of law is made by that. The Chair is referred to the hearings before the subcommittee of the House Committee on Appropriations in regard to the District of Co-

lumbia appropriation bill for 1925, page 546, giving the classification of salaries as established by the reclassification act. It is true, as the gentleman from Michigan [Mr. CRAMTON] says, that in that report indicating the base pay of the District Commissioners for 1924, the sum of $5,000 is fixed, and then the report fixes the pay for 1925 at $7,500, for two commissioners. But that is not all that appears here. The line, to read it in full, is as follows:

Commissioners, 2, service, C. A. & F., grade 14, $7,500.

That shows plainly that the classification act extends only to the two commissioners and not to the engineer commissioner. The Chair thinks that must be the situation, that the classification act did not extend at all to the Army officer who temporarily sits with the District Commissioners, and for that reason the point of order is sustained.

The Clerk read as follows:

Purchasing division: For personal services in accordance with the classification act of 1923, $49,880; temporary labor, $200; in all, $50,080.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. What is the necessity for raising the expense in this paragraph $9,640?

Mr. DAVIS of Minnesota. Owing to the reclassification of the employees under the classification act.

Mr. BLANTON. Then the chairman will admit that he is raising the salaries of the employees in this paragraph $9,640?

Mr. DAVIS of Minnesota. Under the classification act, yes.

Mr. AYRES. The bonus amounts to $7,440 and the reclassification raised that somewhat.

Mr. BLANTON. But this is $9,640 more than it was in the bill of last year.

Mr. DAVIS of Minnesota. I read exactly what it is. There is $7,440 in the bonus and $2,200 in the reclassification.

Mr. BLANTON. But it is $9,640 more than this paragraph carried in last year's bill.

Mr. DAVIS of Minnesota. Yes.

Mr. BEGG. Mr. Chairman, I move to strike out the last two words. I do that for the purpose of asking the chairman of the committee a question which seems to me to be vital. The Cramton amendment was adopted, and that appropriates $8,000,000 toward the expenses of the District of Columbia. We have started now to wade through item by item, and we come now to this one of $40,500. Where are we getting off?

Mr. BLANTON. We have been getting on instead of off.

Mr. BEGG. And where are we going?

Mr. CRAMTON. With the chairman's permission I shall be glad to answer that question. The Cramton amendment which has been adopted does not need to change our attitude toward the balance of the bill at this time, because it is not yet a law. It must first meet the approval of the House and of the Senate and become a law. If it were a law, then my own attitude and that of the gentleman from Ohio [Mr. BEGG] would undoubtedly lead toward the extension of more liberality in meeting the needs of the District so far as that course might meet with the views of the taxpayers of the District. Inasmuch as the Cramton amendment is not yet law, and it is not certain it will become law, I think we should proceed with the bill just the same as if it had not been adopted.

Mr. BEGG. But supposing that the Cramton amendment becomes a law in this bill. What happens to the item of $40,500?

Mr CRAMTON. It makes no difference whatever, not a particle; it has nothing to do with it.

Mr. BEGG. On the ground that out of that $40,000 we will contribute whatever the proportionate part $40,000 bears to the $8,000,000.

Mr. CRAMTON. Yes; surely.

Mr. HASTINGS. Mr. Chairman, I am not going to detain the committee more than five minutes. But I want to state what my position is with reference to the taxing of the people of the District of Columbia. I would ascertain the tax rate of cities of the size of Washington all over the United States. Then I would tax the people of the city of Washington the average tax rate that the people of like cities are taxed throughout the United States. I do not see how I could justify myself if I went out home and somebody asked me, "What are you taxing the people in the city of Washington? Are you not paying the expenses of the city of Washington from the Federal Treasury?" I would say, "Yes" But if I said "We are taxing them at an average rate that cities of a like size are being taxed throughout the United States and paying the additional amount from the Federal Treasury," I feel like I would answer any criticism that may be leveled against the system, and I believe the people of the country would be satisfied. But I can not understand, if the gentleman from Texas is correct, when he says the average rate of taxes in like cities is $4.50——

Mr. BLANTON. Four dollars and ten cents.

Mr. HASTINGS. Whereas we are taxing the people of the city of Washington $1.20. I can not justify that rate, and I can not justify such legislation if I were criticized out in my own State and in my own district.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. HASTINGS. I will.

Mr. CHINDBLOM. Does not the gentleman think, as I had the temerity to suggest awhile ago, that either the District of Columbia Committee, or, perhaps, a special committee, should go into this whole question and report permanent legislation?

Mr. HASTINGS. No; in answer to the gentleman's statement, I think not. I was elected to Congress in 1914, and we have been considering this very question every year since I have been here in Congress. Now, it seems to me, assuming the population is 450,000 or 400,000, we should take, I believe, 10, 15, or 20 of the cities of the United States about the same population and ascertain the taxes of all of them and find the average taxes that the citizens pay in all the cities of like size and then place that same tax upon the citizens of Washington. Then I think you would do justice and be fair to the citizens of Washington as well as the Federal Treasury.

Mr. CHINDBLOM. If the gentleman will yield for one word more. The gentleman, of course, appreciates that at this time we have changed the entire system of taxation for the District upon an amendment proposed by a single Member of the House, a very distinguished and very able gentleman, and still the proposal itself does not come from any committee.

Mr. HASTINGS. The gentleman from Oklahoma does not believe we have gone far enough. I would increase the tax rate upon the people to the average rate paid by citizens of cities of like size and pay the remainder, if any, from the Treasury.

Mr. BLANTON. Even if the Cramton amendment becomes a law, and the gentleman goes back to Muskogee, and the people ask what the tax rate is fixed at on these people, he will say that while it was $1.20 we raised it to about $1.30.

Mr. HASTINGS. I will be compelled to tell my own people out home that their local tax rate is approximately four times as much as they have in the city of Washington, and that will not justify a vote on that basis. The people of the country want us to deal fairly with the residents of Washington; but I think we are dealing fairly with them if we cause them to be taxed the average rate that citizens of cities of a like size pay. Will anyone deny that?

Mr. SCHAFER. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from Oklahoma [Mr. HASTINGS] what he can say to his people in his district when he explains to them the average tax rate of cities about the size of Washington which average rate he would require the citizens of Washington to pay, if one of those citizens would state that while those cities whose average you have taken to fix a tax rate in the District of Columbia have a voice in the expenditure of the money when they pay the taxes, have a voice in the Government, have the right guaranteed under the Constitution to vote, to vote for their board of aldermen, and other officials, or if a town, for their town officials who will spend the money, whereas the people of the District of Columbia do not have that right, and should they bear the same burdens of taxation as the citizens of other cities bear——

Mr. HASTINGS. Why not?

Mr. SCHAFER. Not when the citizens here have no voice in their Government.

Mr. HASTINGS. Why is that unjust to the citizens who do have a voice and who do fix the tax rate, and if they do not fix it higher than it is fixed in cities of this size throughout the United States where is the injustice in fixing that tax rate here?

Mr. SCHAFER. Those citizens of the cities upon which the average tax rate would be fixed have taxation with representation. They have a voice in the municipal government, have a right to determine what rates they shall pay, and furthermore they have a right to determine for what purposes the money raised by taxes should be expended. We, as Members of Congress, sit here and legislate and spend the people's money in the District of Columbia and they have no voice in the District government or the expenditure of money raised by taxation. Should we then say to those people of the District they shall pay the same tax rate as other cities, and we, the Congress, should spend the money and run the District government. The people in other municipalities do have a voice in their municipal governments. I believe we should have an investi-

gating committee to investigate the possibilities of bringing before this House of Representatives legislation which will give the people of the District of Columbia the same rights as the citizens of other municipalities have under the Constitution, the right of suffrage and the right to have a voice in the government of the District.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. BLANTON. That is the reason why they have not the right to vote. It is because the Constitution says so. They knew that when they came here to live. They knew that the Constitution said they had not the right to vote.

Mr. SCHAFER. If that is so then let us amend the Constitution. We have had various other amendments to the Constitution. Let us give them the right to vote.

Mr. HASTINGS. Does the gentleman think $1.50 is high enough?

Mr. SCHAFER. I do not think it is.

Mr. HASTINGS. Do you think $2.50 is too high?

Mr. SCHAFER. I should say any rate, whether 20 cents or $1.20, is too high if they have not the right to vote and have a voice in the Government.

Mr. HASTINGS. Then you do not believe they should have any rate?

Mr. SCHAFER. Yes; but I should say they ought not to be taxed without representation.

Mr. HASTINGS. You would not tax them at all?

Mr. SCHAFER. Not unless you gave them the right of representation—a voice in the government of the District.

Mr. DAVIS of Minnesota. Then you would never have school buildings here at all.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

Building inspection division: For personal services in accordance with the classification act of 1923, $57,080; for temporary additional assistant inspectors, $15,000; in all, $72,080.

Mr. BLANTON. Mr. Chairman, reserving a point of order, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. BLANTON. First, Mr. Chairman, I will reserve a point of order on the whole paragraph. I want to ask the chairman of the subcommittee what was the reason for adding $13,140 to the salaries? That is increasing them from the amount allowed under the present law to $57,080, which is a raise of $13,140.

Mr. DAVIS of Minnesota. The former amount, $6,960, was raised by the classification act by $5,150. We have added one employee.

Mr. BLANTON. That is more than the basic law allows.

Mr. DAVIS of Minnesota. We have simply followed the classification.

Mr. BLANTON. But you have added more than the law authorizes, although some of these employees have been in the previous appropriation bills unauthorized. "Additional assistant inspectors, $15,000." There is no authority in law for that.

Mr. DAVIS of Minnesota. Oh, yes.

Mr. BLANTON. You have "For temporary additional assistant inspectors, $15,000."

Mr. DAVIS of Minnesota. The same thing has been year after year.

Mr. BLANTON. That has been in the appropriation bill, but there is no law for it.

Mr. DAVIS of Minnesota. I can not help it.

Mr. BLANTON. I make a point of order on it.

Mr. DAVIS of Minnesota. I do not think it is subject to a point of order.

Mr. BLANTON. I make the point of order to the language "For temporary additional assistant inspectors, $15,000." It is legislation unauthorized on an appropriation bill.

Mr. DAVIS of Minnesota. The law imposes on the District here the duty of supervising the construction of buildings and having building inspectors, and there is no limit as to the number they can employ.

The CHAIRMAN. Has the gentleman the statutes there?

Mr. DAVIS of Minnesota. We have not. If we did have all the statutes here there would not be room enough in this Chamber for them.

Mr. BLANTON. The gentleman had better have the statutes here, because a point of order will be made against each of these legislative items in this bill. You had better get your statutes here.

Mr. DAVIS of Minnesota. For 20 years we have had the same bill, and this is the first time a point of order has been made on these items.

Mr. BLANTON. That is no excuse. Does the gentleman remember when the gentleman from New York [Mr. SNYDER] began operating on that Indian appropriation bill one day, and when he got through there was hardly a paragraph left in it? He was not controlled by what had been permitted to happen in 20 years. He wanted to stop the Appropriations Committee from putting in legislation. It took a special rule to reframe that bill before he got through with it.

Mr. DAVIS of Minnesota. I have not the statutes here respecting the District of Columbia since the year 1878.

The CHAIRMAN. The gentleman from Texas claims there is no law to sustain this item. He says it is not authorized by law. Can the gentleman from Minnesota state whether there is or not? The Chair will have to have some time to investigate that matter if the gentleman from Minnesota can not enlighten him upon it.

Mr. BLANTON. There is no law for it.

Mr. DAVIS of Minnesota. I think there is, but I could not say. It has been in every bill since I have been in Congress.

The CHAIRMAN. The Chair has not time to look at the various statutes on this matter. The Chair understands that the parliamentary rule is that where an item is challenged on the ground that it is not authorized by law the burden is upon the committee to sustain it.

Mr. BLANTON. Of course it is.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

Mr. DAVIS of Minnesota. If you will give us time, we can look up the law.

The CHAIRMAN. Let me suggest that the gentleman from Minnesota asks unanimous consent to pass over this item.

Mr. DAVIS of Minnesota. I will do that. I ask unanimous consent, Mr. Chairman, to pass over this item.

Mr. BLANTON. I suggest this: Let the point of order stand, and if the gentleman later on can show the law for it, I am willing for the point of order to be set aside by the Chair.

The CHAIRMAN. The Chair thinks the better procedure is to let the point of order stand, and let the paragraph stand for the present. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

To reimburse eight inspectors for expenses incurred by them in the maintenance of their own motor cycles or automobiles incident to the performance of their official duties, at the rate of $13 and $26 each per month, respectively, $2,028.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word and reserve a point of order at the same time.

The CHAIRMAN. The gentleman from Texas reserves a point of order on the item.

Mr. BLANTON. Mr. Chairman, the committee in line 14 has raised the allowance from $10 to $13 and from $20 to $26. Why was that raise made?

Mr. DAVIS of Minnesota. Two years ago it was $15 and $30.

Mr. BLANTON. And we cut it down?

Mr. DAVIS of Minnesota. Yes; we cut it down, and we put it back. We have been running through the bill a uniform schedule here of $13 and $26, instead of $15 and $30.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Minnesota. Yes.

Mr. BEGG. What is the basis for raising to $26 a month and $30 a month?

Mr. DAVIS of Minnesota. I can not tell you what the basis is except that it costs that much to maintain the machines.

Mr. BEGG. Is the Government paying for the repair of those machines and for the gasoline for joy riding in the evening? I think this is a poor policy for the Government to operate on.

Mr. DAVIS of Minnesota. I agree with you.

Mr. BEGG. If it is subject to a point of order, I think it ought to be stricken out. I would suggest the policy of furnishing the machines.

Mr. DAVIS of Minnesota. You can not do that.

Mr. BLANTON. Does not the gentleman know that most of these are Ford cars? You can now buy a Ford touring car for about $295, and you can maintain it and operate it for about $15 a month. So what is the use of allowing $26 a month? They can buy a new Ford car every year with the money they will save. Mr. Chairman, I make a point of order against the items in this section unless the chairman will accept an amendment to reduce these items to the amount carried in last year's

bill. If the gentleman will consent to that, I will not make the point of order.

Mr. DAVIS of Minnesota. I can not do that.

Mr. BLANTON. Then, Mr. Chairman, I make the point of order against the paragraph that they have exceeded the allowance authorized by the present law. The present law authorizes $10 for a motor cycle, and they have raised it to $13; the present law authorizes $20 for an automobile, and they have raised the allowance to $26, all without authority of law.

Mr. CRAMTON. Where does the gentleman find that basic law?

Mr. BLANTON. I am going to let the distinguished chairman of the subcommittee submit that to the Chair, because it is his duty to do so.

Mr. CRAMTON. I only want to make this suggestion to the Chair, and I regret I have not been in touch with this matter and prepared to cite specific authority. But, with all due respect to the gentleman from Texas, I am obliged to argue from the premise that there is no statute which fixes the amount that can be paid to these employees as an allowance for the care of their own motor cycles and automobiles.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. I yield to the gentleman from Texas in order that he may give me that information.

Mr. BLANTON. Does not the gentleman from Michigan remember the other day when we had the police and firemen's bill here, a legislative bill from the legislative Committee on the District of Columbia? That bill authorized what should be allowed for a motor cycle and for an automobile, and even for horseback policemen; so much for each one of them.

Mr. CRAMTON. I can not yield further because the gentleman is not contributing to the total sum of my knowledge at all. The matter of what we allow the police has nothing to do with building inspectors.

Now, my assumption is that there is a statute requiring the inspection of buildings—unfortunately, it is not right at hand although it ought to be—but there is a statute requiring the inspection of buildings, and it is necessary for the building inspectors to get about the city to the various buildings; it is in the interest of efficiency and economy of time that they should do so, and unless there is some limitation fixed by law as to what that transportation—which is necessarily incident to their employment—shall cost then $13 is just as much in order as $10.

Mr. BEGG. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. BEGG. Does the gentleman think for a minute there is a statute authorizing our giving them $1?

Mr. CRAMTON. There is no necessity of finding a statute authorizing the giving of $1 to them, because when we require these officials to inspect buildings located all over the city and we authorize a definite or indefinite number of employees for that purpose it is a necessary incident of the employment that they should have some means of traveling about the city.

Mr. BEGG. Does the gentleman argue that they could hire a limousine to go out and inspect these buildings?

Mr. CRAMTON. Yes; if the Congress should give them the money to do that, and Congress has the authority to give them the money.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. BLANTON. The gentleman knows that we have been fixing the subsistence allowance at $4 until recently when the House raised it to $5, $6, and $7, but it took legislation to do that.

Mr. CRAMTON. There is a statute fixing the limit as to that, but in this case in the absence of a limitation of $10, which the gentleman says exists and in which I have been sufficiently interested to ask him to tell me where it is——

Mr. BLANTON. I am asking the chairman of the subcommittee to show us any law that authorizes a $13 and a $26 allowance. But he can not do it.

The CHAIRMAN. Can the gentleman from Minnesota cite the Chair to any authority for this allowance?

Mr. DAVIS of Minnesota. I can not do that, but it has been the custom, and I know there is a law providing building inspectors, and the number of them depends upon the amount of the appropriation. Now, this has been the custom in every bill I have ever seen. They have had the allowance as high as $30 and as low as $20. We have now fixed it at $26. I do not know of any definite statute fixing the amount for an automobile, but I do know we must have building inspectors and I know the number is fixed by the Budget. In this case it was fixed by the Budget and we left the amount where we found it.

The CHAIRMAN. Can the gentleman cite the Chair to where the amount was fixed by the Budget?

Mr. DAVIS of Minnesota. I do not know that the Budget fixed the amount on automobiles, but they fixed the number.

Mr. BLANTON. That would not be law.

Mr. DAVIS of Minnesota. The Budget fixed $13 for a motor cycle and $26 for an automobile.

Mr. BLANTON. What has the Budget to do with it? That is just a little secretarial adjunct of the President's office.

The CHAIRMAN. The Budget Bureau, as the Chair understands it, is an official bureau that passes on estimates which are made by the heads of the various departments. Now, the question arises whether, if an item in an appropriation bill is based upon the estimate of the Budget Bureau, it is not presumed to be based on a matter of law?

Mr. BLANTON. No.

Mr. BEGG. I certainly think the gentleman would not even intimate that the Chair would hold on any such assumption as that.

So far as the gentleman from Ohio is concerned, it is immaterial how the Chair rules, other than to keep the precedents of the House somewhat in order, but on the intimation of the Chair, suppose the Budget was in favor as an individual of something that was not appropriated for at all or was not legislated for, and should put in $100,000 for that purpose, would the Chair hold that on the ground the Budget was infallible and could not go wrong——

The CHAIRMAN. The Chair does not so hold. The Chair is simply indicating to the gentleman——

Mr. BEGG. I take it the Chair was only intimating that in the question that was put.

The CHAIRMAN. That is all, and the Chair is in doubt whether it can be safely assumed that the Budget Bureau will not pass on any item that is not authorized in law.

Mr. BEGG. If the Chair will permit, I think I can suggest a test to put to this that will at least form a good deal of argument one way. If there is a law anywhere fixing an allowance, the committee would not be bobbing up and down on either side of it every year.

Mr. BLANTON. May I suggest this to the Chair? The Budget Bureau has lately approved of an item of $14,000,000 to build what is known as the proposed Lincoln Memorial Bridge across the Potomac. That has been sent here to the Congress by the President with the approval of the Budget asking for such a law. There is no such law now. That matter is pending right now before the Committee on Buildings and Grounds of the House, and the Chair could not hold just because the Budget had approved of a matter——

Mr. HUDSON. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HUDSON. Is it not a fact that the Budget commissioner and the Budget Commission is to try to keep the expenses within the revenues of the Government, and that is all?

Mr. BLANTON. Why, certainly. The Budget Bureau just maps out how far we can go in passing laws to take money out of the Treasury.

Mr. McKENZIE. Mr. Chairman, I do not want to argue the point of order because I am not a parliamentary shark, but it does seem to me, as suggested by the Chair, that the Budget Bureau in making up estimates found those estimates on law, and it seems to me that when a question comes up such as the one now before the Chair, it is a fair presumption that the Chair should take judicial notice of the fact that these estimates are based on law to the extent that the burden is on the person challenging that fact to show that there is no law on which such an enactment could be based rather than placing the burden on the committee.

Mr. BEGG. Will the gentleman yield at that point?

Mr. McKENZIE. Certainly.

Mr. BEGG. Why, Mr. Chairman, if the gentleman from Illinois is correct in his assumption, there is not a private bill which comes before the House carrying an appropriation that does not carry with it a letter of recommendation from the Budget commissioner saying that it is not out of harmony with the program of the Budget.

Mr. BLANTON. Of course.

Mr. BEGG. And there is no law for it at all.

Mr. McKENZIE. I fail to see the analogy.

Mr. HUDSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HUDSON. Should the point of order be sustained, does that strike out the paragraph?

The CHAIRMAN. The paragraph would be stricken out. Gentlemen of the committee, the Chair is in an unfortunate position about this matter. If these points of order are to be in-

terposed to each section or to several sections of the bill, and I assume that will be done wherever there is an item that is questioned, the parliamentary precedents are that the burden is on the committee to sustain their bill by proof that there is some law authorizing the items.

Mr. CRAMTON. Mr. Chairman, will the Chair permit an interruption?

The CHAIRMAN. Yes.

Mr. CRAMTON. I realize fully the attitude of the Chair, with which we must all coincide, and I have here a statute (20 Stat. 131), the act of June 14, 1878, "An act to authorize the Commissioners of the District of Columbia to make and enforce regulations relative to the sale of coal, and also building regulations":

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they hereby are, authorized and directed to make and enforce such rules and regulations relative to sale of coal in the District of Columbia as shall insure full weight to the purchasers of coal; also such building regulations for the said District as they may deem advisable.

SEC. 2. That such rules and regulations made as above provided shall have the same force and effect within the District of Columbia as if enacted by Congress.

And it is my information that that is still the law. We authorize the commissioners to make regulations as to buildings in the District, and having authorized them to do that, the Committee on Appropriations of the House has the authority to recommend the employment of employees to carry out those regulations. Those regulations, we will assume, require that when a new building is being erected, the plans must be submitted, and that as the building progresses, it must conform to the specifications set forth in the regulations which the commissioners have made, on the authority of Congress, and then the owner who is constructing the building must submit to inspection of it as the work progresses; and that certain regulations for the prevention of fire shall be followed in the building of that structure. Having authorized the regulations making certain requirements, it follows, as a necessary incident, that they have the authority to employ such persons as Congress may provide the money for to follow up and make these regulations effective. In the work of inspection, transportation is a necessary incident, and in so far as there is no limitation in some labor law, any amount would be in order as an appropriation for inspectors or for their necessary expenses, including transportation.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. I yield.

Mr. BLANTON. You will find a basic legislative law authorizing every employee of this District government, every one of them. They have all been provided for by legislation, and whenever they want additional employees they come to the legislative committee; except when they can get the Committee on Appropriations across the hall here to stick in something of this sort.

Mr. CRAMTON. The gentleman has made a very broad statement which is contrary to my information and belief. I think the gentleman is very much in error about that.

Mr. BLANTON. That is where you are in error; the burden is on you.

Mr. CRAMTON. I have cited the Chair the statute which requires the commissioners to make regulations, and when they have made them they shall have the same effect as law enacted by Congress. A necessary incident is to make the inspection provided for.

Mr. BLANTON. Regulations have nothing to do with the employment of inspectors.

Mr. AYRES. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. AYRES. Does the gentleman say that the law applies to every employee in the department?

Mr. BLANTON. Yes.

Mr. AYRES. Then why did the gentleman make the point against the assistant inspectors?

Mr. BLANTON. Because there was no law for them, and the Chair sustained it.

Mr. AYRES. I know the Chair did, but I thought the gentleman made the statement that there was a law providing for all the various officers and employees.

Mr. BLANTON. I meant every employee of the District government—authorized employees. Of course, there are provisions that this Appropriations Committee has put in here that have gone through because nobody made a point of order against it.

Mr. AYRES. Do I understand the gentleman to say that there is a law providing for inspectors?

Mr. BLANTON. For every employee not subject to a point of order you will find a basic law. I am not going to discuss any academic questions.

Mr. AYRES. But the gentleman said there was a law providing for every department employee.

Mr. BLANTON. Yes; members of the police force, firemen, teachers, trash gatherers, and so forth.

Mr. AYRES. And plumbing inspectors and building inspectors. Then why did the gentleman make the point of order against the assistant inspectors?

Mr. BLANTON. Because there was no authorization of law.

The CHAIRMAN. The act of June 14, 1898, cited by the gentleman from Michigan, authorizes the Commissioners of the District of Columbia as follows:

The Commissioners of the District of Columbia be, and they are hereby, authorized and directed to make and enforce such building regulations for the District as they may deem advisable.

That is as broad as any authority can be.

Mr. JOHNSON of Kentucky. Mr. Chairman, may I interrupt the Chair?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. JOHNSON of Kentucky. Is the Chair inclined to believe that the enforcement of law can be otherwise than through the courts?

The CHAIRMAN. The Chair does not quite understand the gentleman's question.

Mr. JOHNSON of Kentucky. What I mean to say is that the commissioners can not enforce a law by the failure or explicit authorization of Congress to make appointments. The law is executed only through the court for those who might fail to obey the rules and regulations made by the commissioners.

The CHAIRMAN. That may be true; the only question here is whether the item appropriating this sum is authorized by law—whether there is any authority at law for building inspectors, and any authority at law for paying them.

Mr. JOHNSON of Kentucky. I trust that there is, because we are bound to have them, but I think for the benefit of orderly procedure the point of order ought not to be overruled or sustained unless proper authority is shown for it. I do not believe it was ever contemplated that the commissioners should have the right without limit to appoint inspectors, and neither do I believe that they are authorized to give them transportation.

Mr. BEGG. Will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. BEGG. Does the gentleman think under the interpretation of the law as intimated by the Chair that the building inspectors or the committee would be authorized to provide Packard automobiles with a chauffeur for them to go to and from their work?

Mr. JOHNSON of Kentucky. If the commissioners have the right to provide a Ford or a bicycle for the inspectors they have a right to provide a Packard.

Mr. BEGG. That is the point, they could send them about their work on a special train under the law if they could send them with an automobile or a motor cycle.

The CHAIRMAN. The Chair is ready to rule. The statute provides that they shall make such building regulations as they may deem advisable. Under that language they may deem it advisable to have 15 inspectors and provide for them and to get Packard automobiles. If there is no limitation, if that is all the law there is, it is as broad as any authorization could be. Under such authorizations 15 inspectors are possible or 50 are possible. Of course it is for Congress to appropriate for such expenses of this department as it desires. It is always a question of how far Congress will go.

Mr. JOHNSON of Kentucky. But, Mr. Chairman, the right to appoint one inspector is challenged. There is no authorization for the appointment of the first one. The commissioners may make rules and regulations, but there is nowhere authority at all given to appoint even with a limit or without limit.

The CHAIRMAN. Suppose the District Commissioners should make rules and regulations providing for the appointment of 50 inspectors.

Mr. JOHNSON of Kentucky. It would be unlawful unless they have authority.

The CHAIRMAN. The authority is so broad that it would give them authority to do most anything in that line.

Mr. JOHNSON of Kentucky. If it does, they will exercise it.

The CHAIRMAN. Unless the committee can show that it has been restricted——

Mr. JOHNSON of Kentucky. If the Chair will permit me, the chairman is about to decide upon the presumption that the

gentleman who made the point of order must furnish the authority. The burden is on the other side.

The CHAIRMAN. The Chair does not assume that. The Chair assumes the contrary, and so stated, that where the legality of an appropriation is challenged the burden is then upon the proponents of the bill to show that it is sustained by law. In answer to the proposition of the gentleman from Texas [Mr. BLANTON], the gentleman from Michigan [Mr. CRAMTON] has shown this statute to the Chair, which is extremely broad. If there are any limitations on that, it is now the burden of those who make the point of order to show the Chair that this statute has been limited by some subsequent enactment.

Mr. BLANTON. Mr. Chairman, will the Chair indulge me for a moment?

The CHAIRMAN. Certainly.

Mr. BLANTON. I know what is running in the mind of the Chair, that because they are allowed to make regulations they could provide the means of carrying them out. I want to show the absurdity that would lead to.

Suppose they provided for a chief architect at $50,000 a year, and that he should have a White House mansion to live in; that they should further provide in these regulations that there should be 10,000 assistant architects, each drawing $25,000 a year. If the Chair would carry out what he has intimated he may rule, he would hold that that was absolutely beyond the reach of a point of order on the floor of this House.

The CHAIRMAN. The Chair would hold that it was justified by the original authorization, but that it would be up to Congress to say whether it would appropriate for such foolish purposes.

Mr. BLANTON. I am afraid the Chair will have to back up on that later on, because he will reflect on it some time and see how absurd it is.

Mr. JOHNSON of Kentucky. Mr. Chairman, to get a specific ruling, may I ask if the Chair holds that when a commission is authorized to make rules and regulations it may employ officers without limit?

The CHAIRMAN. The Chair has held, as regards these officers, that the Chair believes the commissioners could under this authority of law employ such building inspectors as they desire. The Chair can not see any limit to the authority at all, if that is all the authority there is, and the only limitation this act places upon them is the limitation which we have a right to exercise here by failing to appropriate for such purposes as they may provide.

Mr. JOHNSON of Kentucky. Mr. Chairman, since we have one commission that has been operating for 114 years which makes rules and regulations, and since we have another commission which has been operating for sixty-odd years which makes rules and regulations, and since we have an almost untold number of commissions that make rules and regulations, I think that this question should not be passed in any trivial way; in other words, that it should be met in the most serious way. Therefore, with all due respect to the Chair, I ask that the question be submitted to the House.

The CHAIRMAN. The Chair has not yet ruled, but the Chair will rule now. The point of order is overruled. The gentleman from Kentucky appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the committee?

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. JOHNSON of Kentucky. Mr. Chairman, I believe that the whole House or least a larger membership than is present ought to have a voice upon this most important question which ultimately will cost the Government untold millions. Therefore, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Kentucky makes the point of order that there is no quorum present.

Mr. CHINDBLOM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CHINDBLOM. The point of order was decided, and as I understand it there was some statement by the gentleman from Kentucky, and at the conclusion of that statement he made the point of order that there is no quorum present, so that the point of no quorum will have no reference to the decision of the point of order?

Mr. JOHNSON of Kentucky. It may go over.

Mr. BLANTON. The question is not decided until a quorum decides it.

Mr. CHINDBLOM. This is an independent point of order of no quorum, it seems to me.

Mr. LONGWORTH. Mr. Chairman, I did not quite follow the proceedings, but I understood the Chair to call for the ayes, which voted, but that the noes did not vote.

The CHAIRMAN. Both sides voted and the Chair announced that the ayes seemed to have it. Thereupon the gentleman from Kentucky rose and said that he thought that there ought to be a quorum here, and he called for one.

Mr. LONGWORTH. In case no further action is taken with reference to the committee rising there will be a call of the committee?

The CHAIRMAN. If no quorum is present, there will be a call of the committee.

Mr. BLANTON. And then we would have another vote upon it.

The CHAIRMAN. The Chair will count. [After counting.] Thirty-two Members are present, not a quorum. The Clerk will call the roll.

Mr. BEGG. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Ohio moves that the committee do now rise.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. BEGG. Mr. Chairman, on that I ask for tellers.

The CHAIRMAN. The committee will divide first, and then the gentleman can ask for tellers.

The committee divided; and there were—ayes 11, noes 13.

Mr. BEGG. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. BEGG and Mr. BLANTON to act as tellers.

The committee again divided; and the tellers reported ayes 16, noes 24.

The CHAIRMAN. A quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Abernethy	Gallivan	Milligan	Strong, Pa.
Aldrich	Garrett, Tex.	Mills	Sullivan
Anderson	Geran	Mooney	Summers, Wash.
Anthony	Gifford	Moore, Ill.	Sweet
Bacharach	Gilbert	Moores, Ind.	Swoope
Barkley	Goldsborough	Morin	Taber
Beck	Greene, Mass.	Morris	Tague
Bell	Greenwood	Mudd	Taylor, Colo.
Berger	Harrison	Murphy	Taylor, Tenn.
Boylan	Haugen	Nelson, Wis.	Thomas, Ky.
Britten	Hawes	Newton, Minn.	Timberlake
Browne, N. J.	Hawley	Nolan	Tincher
Burdick	Hoch	O'Brien	Treadway
Burton	Holaday	O'Connell, N. Y.	Tucker
Byrnes, S. C.	Howard, Nebr.	O'Connor, La.	Tydings
Byrns, Tenn.	Howard, Okla.	O'Connor, N. Y.	Underhill
Cable	Hull, Tenn.	O'Sullivan	Upshaw
Campbell	Hull, Iowa	Oliver, N. Y.	Vare
Carew	Hull, Morton D.	Parker	Vestal
Casey	Hull, William E.	Peavey	Vincent, Mich.
Clark, Fla.	Humphreys	Perkins	Vinson, Ga.
Connolly, Pa	Johnson, W. Va.	Perlman	Voigt
Corning	Kahn	Quayle	Ward, N. Y.
Crisp	Kelly	Rainey	Ward, N. C.
Curry	Kendall	Ransley	Wason
Davey	Kiess	Reece	Watkins
Dempsey	Kindred	Reed, W. Va.	Watres
Dickstein	Knutson	Reid, Ill.	Watson
Dominick	Kvale	Robinson, Iowa	Welsh
Doughton	Langley	Robsion, Ky.	Wertz
Doyle	Larson, Minn.	Rogers, N. H.	Winslow
Drane	Lindsay	Rosenbloom	Winter
Edmonds	Lineberger	Sanders, Ind.	Wood
Fairchild	Little	Schall	Woodrum
Faust	Logan	Sears, Nebr.	Wright
Favrot	Lyon	Sears, Fla.	Wurzbach
Fenn	McClintic	Shreve	Wyant
Foster	McNulty	Snyder	Yates
Fredericks	Magee, Pa.	Sproul, Ill.	Zihlman
Frothingham	Michaelson	Sproul, Kans.	
Funk	Miller, Ill.	Steagle	

The committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 8839, finding itself without a quorum, under the rule he caused the roll to be called, whereupon 271 Members answered to their names, a quorum, and he presented the list of absentees to be placed in the Journal.

The SPEAKER. The committee will resume its session.

The CHAIRMAN. When the committee rose the committee was dividing an appeal from the decision of the Chair made by the gentleman from Kentucky [Mr. JOHNSON]. The question is now, Shall the decision of the Chair stand as the judgment of the committee?

Mr. AYRES. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AYRES. There are quite a number of Members here now who were not present at the time the appeal was taken. Would it be all right now to have the decision or, rather, the point, explained to the committee? Only about 25 or 30 Members were present at the time the appeal was taken.

The CHAIRMAN. That can be done by unanimous consent.

Mr. AYRES. Mr. Chairman, I ask unanimous consent that the decision of the Chair be explained to the committee now, and also that the ruling of the Chair be explained.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that the ruling which the Chair made upon which the committee divided shall be explained. Is there objection?

Mr. BEGG. Reserving the right to object, if that is done it opens the whole question for discussion for half or three-quarters of an hour, and I think I shall be forced to object to it.

The CHAIRMAN. Objection is heard. The question is, Shall the decision of the Chair stand as the decision of the committee?

The committee divided; and there were—ayes 105, noes 11.

So the decision of the Chair stood as the decision of the committee.

Mr. HUDSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment of Mr. HUDSON: Page 3, line 14, after the word "of," strike out "$13 and $26" and insert "$10 and $20."

Mr. HUDSON. Mr. Chairman, this puts the matter back to where it has been in previous bills.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chair announced the ayes appeared to have it.

On a division (demanded by Mr. DAVIS of Minnesota), there were ayes 55, noes 12.

So the amendment was agreed to.

MESSAGE FROM THE SENATE

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Welch, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House of Representatives to the bill (S. 1631) to authorize the deferring of payments of reclamation charges.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 6820) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1925, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. HALE, Mr. PHIPPS, and Mr. SWANSON as the conferees on the part of the Senate.

APPROPRIATIONS FOR THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

The committee resumed its session.

The Clerk read as follows:

Plumbing inspection division: For personal services in accordance with the classification act of 1923, $21,420; for temporary employment of additional assistant inspectors of plumbing and laborers for such time as their services may be required, $3,000; three members of plumbing board, at $150 each; in all, $24,870.

Mr. BLANTON. Mr. Chairman, I make a point of order to the following language of this paragraph. In line 17, after the figures "$21,420," I make the point of order against the following language: "for temporary employment of additional assistant inspectors of plumbing and laborers for such time as their services may be required, $3,000."

That is legislation, Mr. Chairman, unauthorized by any existing law on an appropriation bill.

The CHAIRMAN. What does the gentleman from Minnesota have to say about that?

Mr. DAVIS of Minnesota. Mr. Chairman, I read from chapter 53 of the Statutes, volume 27:

That the Commissioners of the District of Columbia and their successors be, and hereby are, authorized and empowered to make, modify, and enforce regulations governing plumbing, house drainage, ventilation—

And so forth. Now I read from section 4:

That the inspector of plumbing and his assistants shall be under the direction of said commissioners, and they are hereby empowered accordingly to inspect or cause to be inspected houses in course of erection—

And so forth. And under that there is no question but what they are authorized to employ temporary employees for the time being.

Mr. BLANTON. Mr. Chairman, there is no provision anywhere for employing temporary assistant inspectors.

The CHAIRMAN. There are two statutes authorizing this item; one that the Chair has before him, and the other cited by the gentleman from Minnesota [Mr. DAVIS]. The first one is found in section 6 of the Legislative Code of the District. It reads:

And the health officer of the District of Columbia is hereby authorized, under the direction of the commissioners, to execute and enforce regulations covering dwellings, house drainage, and house sewers.

Then this is the section referred to by the gentleman from Minnesota:

That the inspector of plumbing and his assistants shall be under the direction of said commissioners, and they are hereby empowered accordingly to inspect or cause to be inspected all houses when in course of erection in said District, to see that the plumbing, drainage, and ventilation of sewers thereof conform to the regulations hereinbefore provided for.

The Chair does not see how the commissioners and the inspector of plumbing and his assistants can carry out those statutes without also having the right to appoint inspectors and temporary inspectors; and in view of the fact that there is no inhibition in the law against their so doing, the Chair overrules the point of order. The Clerk will read.

The Clerk read as follows:

To reimburse five assistant inspectors of plumbing for provision and maintenance by themselves of five motor cycles for use in their official inspections in the District of Columbia, $13 per month each, $780.

In all, executive office, $192,368.

Mr. HUDSON and Mr. BLANTON rose.

Mr. BLANTON. Mr. Chairman, before the Clerk finished reading that last item both the gentleman from Michigan and myself were on our feet. I yield to the gentleman from Michigan.

Mr. HUDSON. Mr. Chairman, on page 4, line 2, after the word "Columbia," I move to strike out "$13" and insert "$10," in accordance with the last amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. HUDSON: Page 4, line 2, after the word "Columbia," strike out the figures "$13" and insert in lieu thereof the figures "$10."

Mr. HUDSON. Mr. Chairman, I think I ought to explain to the members of the committee the situation here. This places the allowance for motor cycles, and in the other amendment adopted for automobiles, the same as we are paying now. We are now paying 50 per cent more than the cost of the upkeep, as shown in the committee hearings.

Mr. DAVIS of Minnesota. I think the gentleman will find that the amounts heretofore paid, $15 and $30—$15 for motor cycles and $30 for automobiles—were cut down last year to $10 and $20. This year we insert $13 and $26. My information, from all that I can learn, is that if they do not receive $13 for motor cycles and $26 for automobiles they will not keep their own machines, and it will cost more money to the District of Columbia than if we leave it at $13 and $26.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. DAVIS of Minnesota. Mr. Chairman, a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 38, noes 19.

So the amendment was agreed to.

Mr. HUDSON. Mr. Chairman, will the Clerk correct the total?

Mr. BLANTON. Ask unanimous consent that the Clerk be authorized to correct the total.

Mr. HUDSON. Mr. Chairman, I ask unanimous consent that the Clerk may be authorized to correct the total.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the Clerk be authorized to correct the total. Is there objection?

There was no objection.

Mr. DAVIS of Minnesota. That is what I was going to suggest.

Now, another thing: All through this bill you will find very many items for $13 for motor cycles and $26 for the upkeep and care of automobiles. I ask now, since the House desires to cut this amount down, that the Clerk be authorized to change those figures wherever they occur throughout the entire list.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that the Clerk be authorized to correct the totals in accordance with the amendment just adopted.

Mr. DAVIS of Minnesota. From $13 for the motor cycle and $26 for the automobile down to $10 for the motor cycle and $20 for the automobile, in accordance with the vote heretofore taken.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that the Clerk be authorized to change the totals and to change the allowance for motor cycles and automobiles to conform with the amendment which has just been made by the committee.

Mr. DAVIS of Minnesota. And in accordance with the previous amendment just before this.

The CHAIRMAN. Yes. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CARE OF DISTRICT BUILDING

For personal services in accordance with the classification act of 1923, $44,000; services of cleaners as necessary, not to exceed 48 cents per hour, $14,400; in all, $58,400: *Provided*, That no other appropriation made in this act shall be available for the employment of additional assistant engineers or watchmen for the care of the District Building.

Mr. BLANTON. Mr. Chairman, I reserve a point of order against the paragraph. The chairman has increased the payment from 30 cents an hour, which is now allowed, to 48 cents an hour, and has increased the appropriation from $40,000, which is now allowed, to $58,400; in other words, there is an increase of $18,000. May I ask the chairman why that is necessary?

Mr. DAVIS of Minnesota. Under the reclassification act there is $3,400 for the reclassification of employees, and $9,600 on account of the bonus. Then we increased the amount for cleaners from $9,000 to $14,400. We raised the cleaners from 30 cents an hour to 48 cents an hour.

Mr. BLANTON. But the reclassification act does not raise them from 30 cents an hour to 48 cents an hour.

Mr. DAVIS of Minnesota. No; except that everybody down there was getting their salaries raised and we thought we ought to raise the cleaners from 30 cents an hour to 48 cents an hour.

Mr. BLANTON. That is unskilled labor.

Mr. DAVIS of Minnesota. I know it is; but unskilled labor has got to live and, as you know, the cost of living here is high. I think this raise is not as much in proportion as the raise for the clerks, and so forth, and I think it is a very moderate raise.

Mr. BLANTON. Does the gentleman know how much time they put in?

Mr. DAVIS of Minnesota. Four hours is all they put in.

Mr. BLANTON. If that is all the time they put in I will withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn, and the Clerk will read.

The Clerk read as follows:

For fuel, light, power, repairs, laundry, mechanics, and labor not to exceed $5,000, and miscellaneous supplies, $35,000.

Mr. BLANTON. Mr. Chairman, I make a point of order against the paragraph. My point of order is that this is a new paragraph which has been placed in the bill. This paragraph was not carried last year.

Mr. DAVIS of Minnesota. This is just transferred from another place in the bill; that is all.

Mr. BLANTON. Probably it is authorized, and I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn, and the Clerk will read.

The Clerk read as follows:

ASSESSOR'S OFFICE

For personal services in accordance with the classification act of 1923, $115,740; temporary clerk hire, $3,000; in all, $118,740.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. The committee has increased this appropriation by quite a large amount. I have not had the time to figure it out. Is there more than the reclassification bill authorized in this?

Mr. DAVIS of Minnesota. Nothing more than the reclassification bill, which is $3,750, and the bonus, $13,920. The temporary clerk hire is increased from $1,000 to $3,000.

Mr. BLANTON. That makes an increase of $19,000 in this one paragraph.

Mr. DAVIS of Minnesota. There are 65 employees, though.

Mr. MADDEN. It is not an increase of $19,000, because the bonus was not carried in the bill before.

Mr. BLANTON. I just want to call attention as we go along to the fact that every paragraph in this bill has been increased from $2,000 and $3,000 on up to $25,000, $30,000, and $40,000.

Mr. DAVIS of Minnesota. Under the reclassification bill we were obliged to make these increases.

Mr. BLANTON. Yet the gentleman from New Jersey, our good friend [Mr. LEHLBACH], who had charge of that bill and who railroaded it through here, assured us it was not going to cost us so much.

Mr. LEHLBACH. I will call the gentleman's attention to the fact that you are avoiding the bonus.

Mr. DAVIS of Minnesota. We carried the bonus in another bill and that is why it is added here.

Mr. BLANTON. The people who pay the taxes do not care whether you call it a bonus or something else.

Mr. DAVIS of Minnesota. But when you see the bonus added on, when it was not added on before, you think it is an additional appropriation, but it is not; it is not an additional appropration.

Mr. RAKER. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to extend my own remarks in the RECORD on H. R. 5, its present and past history.

The CHAIRMAN. The gentleman from California asks unanimous consent to revise and extend his remarks in the RECORD on H. R. 5. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

Hereafter the charge for each certificate of taxes issued by the collector of taxes of the District of Columbia shall be $1.

Mr. BLANTON. Mr. Chairman, I make a point of order against the paragraph. The point of order is that this legislation is unauthorized by law.

Mr. DAVIS of Minnesota. To which paragraph does the gentleman make his point of order?

Mr. BLANTON. Beginning "hereafter."

Mr. DAVIS of Minnesota. I will admit it is subject to a point of order. It was 50 cents and we thought we should raise it to $1 in order to get a little return for the benefit of the Government and the District of Columbia.

Mr. BLANTON. I am against putting any more taxes on the already tax-burdened people of the District of Columbia.

Mr. DAVIS of Minnesota. The gentleman objects, then, to paying $1 for a tax certificate because that might add something to the Government's revenue?

Mr. BLANTON. Yes; when we have raised their taxes to the great sum of $1.30.

The Clerk read as follows:

For installation of refrigerating plant at the morgue, $5,000.

Mr. BLANTON. Mr. Chairman, I make a point of order against the paragraph in lines 16 and 17, which is legislation unauthorized on an appropriation bill.

Mr. DAVIS of Minnesota. Mr. Chairman, this is an absolutely necessary facility in order to run the morgue.

Mr. BLANTON. But it is legislation.

Mr. DAVIS of Minnesota. I do not think it is. It is simply a requirement that is absolutely necessary. In order to run a morgue at all you have to have a refrigerating plant.

Mr. BLANTON. You have not had one, have you, and the morgue has been running for 15 years?

Mr. DAVIS of Minnesota. They have been asking for it all the time, and we find that they have been keeping ice in a little old ice box and this is to take its place.

Mr. BLANTON. It is something you absolutely had to have and yet you have not had it.

Mr. DAVIS of Minnesota. It is work in progress, so far as that is concerned.

The CHAIRMAN. The point of order is overruled. This is in continuation of an existing work, the Chair thinks.

The Clerk read as follows:

For the maintenance of a nonpassenger-carrying motor wagon for the morgue, jurors' fees, witness fees, making autopsies, ice, disinfectants, telephone service, and other necessary supplies for the morgue, and the necessary expenses of holding inquests, including stenographic services in taking testimony, and photographing unidentified bodies, $6,000, and including an allowance at the rate of $26 per month to the coroner for furnishing an automobile in the performance of official duties.

Mr. BLANTON. Mr. Chairman, I make a point of order against the following language on page 5, line 24, after the figures "$6,000," against all of the balance of the language, to

wit, "including an allowance at the rate of $26 per month to the coroner for furnishing an automobile in the performance of official duties." There is no legislation whatever authorizing the Committee on Appropriations to furnish an automobile at $26 a month to the coroner.

Mr. DAVIS of Minnesota. Mr. Chairman, that $26 should be changed to $20, as I requested awhile ago.

Mr. BLANTON. But there is no legislation for this man having it at all. There is no authority for him to have it to begin with. If there was such authority, you could furnish an automobile to every one of the 37,000 needless, surplus employees whom we now have working in Washington.

Mr. DAVIS of Minnesota. The coroner furnishes his own automobile, and he would have to be furnished an automobile by the District of Columbia if he did not furnish his own machine, and they prefer to let him furnish his own automobile and then allow him $20 a month.

Mr. BLANTON. Does the Government furnish the gentleman from Minnesota an automobile? It does not furnish me one, and it does not furnish me with any maintenance or upkeep.

The CHAIRMAN. The Chair is ready to rule. The office of coroner, I assume, is established by law. The coroner is authorized by law to perform certain duties. Therefore there is ample authority for the work he does. If Congress desires to appropriate for some of his expenses, that is a matter that Congress alone can determine. The point of order is overruled.

Mr. BLANTON. Mr. Chairman, while there is only $26 per month in money involved in this question, it is nevertheless a very serious matter. Would the Chair hear me on this point? The Chair does not want to overrule the precedents of this House for 100 years.

The CHAIRMAN. The Chair does not overrule the precedents of the House.

Mr. BLANTON. If without specific authority you can allow this $26 a month or $20 a month to this officer to maintain an automobile, there would be ample authority for the Committee on Appropriations to allow every Congressman and every Senator a Rolls-Royce limousine with a chauffeur and with gasoline to run it.

The CHAIRMAN. Let the Chair suggest to the gentleman that the House has passed at the present session an authorization for an appropriation adding to the clerk hire of Members of Congress.

Mr. BLANTON. But that came from a specially created legislative committee created by Congress for that express purpose.

The CHAIRMAN. That does not make any difference. If this work is authorized by law appropriations for it are authorized, and the Chair is satisfied that the office of coroner is authorized by law and that his work is authorized by law.

Mr. BLANTON. Well, expediency controls lots of rules.

The Clerk read as follows:

ENGINEER COMMISSIONER'S OFFICE

For personal services in accordance with the classification act of 1923, $244,760.

Mr. BLANTON. Mr. Chairman, I reserve a point of order. The committee has raised this amount from $182,210 in the present bill to $244,760. This is a raise of over $62,000 for one commissioner's office. It occurs to me this is an unusual raise.

Mr. DAVIS of Minnesota. There is $29,000 and some odd on account of reclassification alone, and the balance of it is on account of the bonus.

Mr. BLANTON. In other words, the employees of one commissioner's office are raised $62,000.

Mr. DAVIS of Minnesota. Yes, sir; in consequence of the reclassification and the bonus.

Mr. BLANTON. There is no way of stopping it. If there was, I would try to stop it.

Mr. CRAMTON. The gentleman's statement is not quite correct. The gentleman overlooks the bonus, which was carried in a separate bill.

Mr. DAVIS of Minnesota. This item is simply raised $29,370 over the present bill.

Mr. Chairman, I move the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8839, the District of Columbia appropriation bill, and had come to no resolution thereon.

ADJUSTED COMPENSATION BILL

Mr. GREEN of Iowa, chairman of the Committee on Ways and Means, presented for printing under the rule a conference report on the bill H. R. 7959, the veterans' adjusted compensation bill.

LEAVE TO ADDRESS THE HOUSE

Mr. DENISON. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes to-morrow morning after the conclusion of the other speeches.

The SPEAKER. The gentleman from Illinois asks unanimous consent to address the House to-morrow after the conclusion of the other speeches. Is there objection?

There was no objection.

POWER TO DRAFT WEALTH IN WAR

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the power of Congress to draft material resources from the country in time of war to take the profits out of war.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

THE WAR POWER OF CONGRESS

Mr. McSWAIN. Mr. Speaker, Congress is given the power to lay taxes, duties, imposts, and excises to "provide for the common defense," also the power "to declare war," and "to raise and support armies," and "to provide and maintain a navy," and "to make all other laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof." It will be observed that, coupled with the power to declare war, and therefore to conduct and carry on war, is not only the power to raise armies but to support armies and not only the power to provide a navy but to maintain a navy. To support and maintain navies and armies requires not merely men but material and supplies for sustenance and machinery and transportation facilities and money with which to provide all of these material things.

THE ENTIRE NATIONAL POWER OF SELF-DEFENSE VESTS EXCLUSIVELY IN CONGRESS

The power to declare and carry on war by means of armies and navies is the exclusive province of the Federal Government. No such power is reserved to the States except the power to appoint the officers of the State militia according to the discipline prescribed by Congress. Every other scrap of the war-making prerogative of Government vests exclusively in the Federal Government. Therefore the Federal Government has all the power that any nation has with respect to the making and conduct of war. The power is absolute and unrestrained except by the discretion of the Congress and the Chief Executive. There is no constitutional limit set for its exercise. No part of that power is vested in any other Government or department.

It has been held that the fifth amendment whereby it is provided that "No person shall be held to answer for any capital or otherwise infamous crime unless on a presentment or indictment of a grand jury" has no application to the punishment of military offenses by courts-martial. In other words, the argument that this particular congressional power to prescribe rules to govern the land and naval forces of the United States must be exercised in accordance with all the other restrictions and limitations on Federal power has been made and presented to the United States Supreme Court and rejected in the following cases:

Kurtz *v.* Moffit (115 U. S. 500) the court citing Dynes *v.* Hoover (20 How. 65), Ex parte Mason (105 U. S. 700), and Wales *v.* Whitney (114 U. S. 564).

From Northern Pacific Railway Co. *v.* North Dakota (250 U. S. 149), we find the following proposition:

> The complete and undivided character of the war power of the United States is not disputable. (Selective Draft Law Cases, 245 U. S. 366; Ex parte Milligan, 4 Wall. 2; Legal Tender Cases, 12 Wall. 457; Stewart *v.* Kahn, 11 Wall. 493.)

In Selective Draft Law Cases (245 U. S. 380), we find the following:

> In fact, the duty of the citizen to render military service and the power to compel him against his consent to do so was expressly sanctioned by the constitutions of at least nine of the States, an illustration being afforded by the following provision of the Pennsylvania Constitution of 1776. "That every member of society hath a right to

be protected in the enjoyment of life, liberty, and property, and therefore is bound to contribute his proportion toward the expense of that protection and yield his personal service when necessary, or an equivalent thereto." Article 8 (Thorpe, American Charters, Constitutions and Organic Laws, vol. 5, pp. 3081, 3083).

Again at page 381 we find the following proposition:

When the Constitution came to be formed it may not be disputed that one of the recognized necessities for its adoption was the want of power in Congress to raise an army and the dependence upon the States for their quotas. In supplying the power it was manifestly intended to give it all and leave none to the States, since besides the delegation to Congress of authority to raise armies the Constitution prohibited the States, without the consent of Congress, from keeping troops in time of peace or engaging in war. (Article I, par. 10.)

In the case of Hamilton v. Kentucky Distilleries Co., Two hundred and fifty-first United States, at page 156, we find the following statement respecting the war power of Congress carrying with it a police power, and that such police power is not restrained by the fifth amendment any more than State police power is restrained by the fourteenth amendment:

That the United States lacks the police power and that this was reserved to the States by the tenth amendment is true. But it is none the less true that when the United States exerts any of the powers conferred upon it by the Constitution, no valid objection can be based upon the fact that such exercise may be attended by the same incidents which attend the exercise by a State of its police power, or that it may tend to accomplish a similar purpose. (Lottery Case, 188 U. S. 321, 357; McCray v. United States, 195 U. S. 27; Hipolite Egg Co. v. United States, 220 U. S. 45, 58; Hoke v. United States, 227 U. S. 308, 323; Seven Cases v. United States, 239 U. S. 510, 515; United States v. Doremus, 249 U. S. 86, 93–94.)

The war power of the United States, like its other powers and like the police power of the States, is subject to applicable constitutional limitations (Ex parte Milligan, 4 Wall. 2, 121–127; Monongahela Navigation Co. v. United States, 148 U. S. 312, 336; United States v. Joint Traffic Association, 171 U. S. 505, 571; McCray v. United States, 195 U. S. 27, 61; United States v. Cress, 243 U. S. 316, 326); but the fifth amendment imposes in this respect no greater limitation upon the national power than does the fourteenth amendment upon State power. (In re Kemmler, 136 U. S. 436, 448; Carroll v. Greenwich Insurance Co., 199 U. S. 401, 410.) If the nature and conditions of a restriction upon the use or disposition of property is such that a State could, under the police power, impose it consistently with the fourteenth amendment without making compensation, then the United States may for a permitted purpose impose a like restriction consistently with the fifth amendment without making compensation, for prohibition of the liquor traffic is conceded to be an appropriate means of increasing our war efficiency.

In the case of United States v. Billings, Two hundred and thirty-second United States, at page 282, we find announced that the power of the United States to tax is not restrained nor subject to the fifth amendment. The power to tax is an absolute power like the power to make war. At page 282 we extract the following:

It has been conclusively determined that the requirement of uniformity which the Constitution imposes upon Congress in the levy of excise taxes is not an intrinsic uniformity, but merely a geographical one. (Flint v. Stone-Tracy Co., 220 U. S. 107; McCray v. United States, 195 U. S. 27; Knowlton v. Moore, 178 U. S. 41.) It is also settled beyond dispute that the Constitution is not self-destructive. In other words, that the powers which it confers on the one hand does not immediately take away on the other; that is to say, that the authority to tax, which is given in express terms, is not limited or restricted by the subsequent provisions of the Constitution or the amendments thereto, especially by the due process clause of the fifth amendment. (McCray v. United States, 195 U. S. 27, and authorities there cited.)

So we must conclude that since Congress has the sole exclusive power of national self-defense by war, the other parts of the Constitution are not to be held to paralyze the war arm, will not be construed to restrict the Nation's duty of self-preservation by self-defense by war. The fifth amendment can not weaken the war power.

WAR IS THE GREATEST EMERGENCY

In Parham v. The Justices (9 Ga. 341), it was declared:

It is not to be doubted but that there are cases in which private property may be taken for a public use without consent of the owner and without compensation and without any provision of law for making compensation. There are cases of urgent public necessity, which no law has anticipated and which can not await the action of the legislature. In such cases the injured individual has no redress at law—those who seize the property are not trespassers, and there is no relief for him but by petition to the legislature. For example, the pulling down houses and raising bulwarks for the defense of the State against an enemy; seizing corn and other provisions for the sustenance of an army in the time of war, or taking cotton bags, as General Jackson did at New Orleans, to build ramparts against an invading foe. These cases illustrate the maxim salus populi suprema lex—the good of the public is the supreme law. Extreme necessity alone can justify these cases and all others occupying the same grounds.

LIMITS OF FIFTH AMENDMENT

Bedford v. United States (192 U. S. 217) was a case where the Government constructed a revetment or line of wall along the banks of the Mississippi River, the effect of which was to resist the erosion of the bank by the water, there being no other interference with natural conditions. The court held that an action for damages as the result of such improvements could not be maintained, and that such incidental consequences as the result of the improvement were not a taking of the property within the meaning of the fifth amendment.

In United States v. Certain Lands (112 Fed. Rep. 622) the erection and use of a fortification for coast defense were declared by the owner of a summer residence upon neighboring lands not taken for the public use "to defeat much of the purpose he had in view in the purchase thereof and in making his erections and improvements thereon." The court held that the fact that the value of his estate is impaired thereby gives him no right to compensation. Acts done in the proper exercise of governmental powers and not directly encroaching upon private property, though their consequences may impair its use, are universally held not to be a taking within the meaning of the amendment.

The principles of American democracy require that all citizens, irrespective of age or sex, shall contribute to bearing the burdens of war as equally as practicable. As a corollary of these principles American fair play was written into the fifth amendment that individuals shall make no special and unusual contributions to the common welfare and defense out of private property but shall be fairly compensated from money raised by a general tax levy.

DRAFT BOTH MAN-POWER AND MONEY POWER

It was argued against the draft law, that while Congress had "power to raise armies," it does not have power to compel men to serve in the Army, but could beg for volunteers and plead with the people to lend it money with which to pay and "support" these men under arms. It was unanimously decided (245 U. S. 380) that the "power to raise armies" means "power" unlimited and unconditional and that Congress must choose the ways and means to raise armies. So, it must follow, by the same logical process, that Congress has "power to support armies," not merely begging citizens to sell to the Government arms, ammunition, clothing, food, and so forth, and by begging the people to lend the Government money to pay for these things, but "Congress has power to support armies" by compelling citizens to furnish arms, ammunition, food, clothing, and so forth, and by compelling people to furnish money with which to pay for same.

In the spirit of American fairness, expressed in the fifth amendment to the Constitution that "private property shall not be taken for public use without just compensation," in the spirit of democratic justice and republican equality, it is intended that the money thus compulsorily exacted to pay for war supplies shall be collected, as are taxes, according to the abilities of the taxpayers and the proportionate benefits derived or to be derived from, or loss and damage to be averted by war. By compulsory draft, conscription, commandeering, or taking of arms, ammunition, food, cothing, and so forth, it is not intended that they shall be taken without compensation. As all citizens would not possess, and therefore all could not contribute in proportion to respective ability, arms, ammunition, food, clothing, and so forth, to support the armies, to take from some and not from others, and to take more from some than from others, would not only violate the letter of the fifth amendment, but the spirit of American fair play, and instead of "equalizing the burdens of war," would increase the inequality of burden.

The proposition is simply to tax the financial resources of the country on a fair and just basis for justly distributing the burdens of war sufficiently to raise money to pay for what private property the Government shall draft, conscript, or commandeer to support the Army and maintain the Navy with arms, ammunition, food, clothing, and so forth. Observe there is to be no haggling, dickering, and bargaining about prices. The Government will take whatever material things it needs

to support the Army and maintain the Navy, and if not in existence will order manufacturers to produce it, and will order railroad and steamship companies to transport it, and then by "courts of compensation" will award fair and just compensation and pay it to the citizen from whom things were taken, drafted, or commandeered. The Government did not bargain, haggle, or dicker with the men, living human bodies, bearing minds, and immortal souls, about the price to be paid for time, service, suffering, and life itself. It is true there is no constitutional provision saying that "human beings can not be taken for public purposes without just compensation." Private lives, personal suffering, human lives, and emotions were sacrificed without price upon the altar of public defense. Consequently, in the same spirit of American fair play and democratic justice, efforts have been made to readjust by increasing the compensation paid to human beings for services rendered for the public benefit. Though nearly six years since the armistice have passed, numerous efforts to readjust that compensation have failed. Just how much opposition to this adjusted compensation for human services has been inspired and financed by those persons and interests that reaped huge financial benefits from and during the war is hard to estimate. It is true that practically every profiteer that heaped up his millions high during war is now bitterly opposing any increase of compensation for human services. If the principles of the legislation now sought to take the profits out of war and to equalize the burdens of war had been operative in legislation and administration during the World War, the long struggle and bitter feelings over adjusted compensation would never have occurred.

Money power is no more sacred essentially than man power. Since we are to require all citizens qualified physically to render personal services in war, whether in actual combat or in serving or supplying or transporting or supporting the combatant forces, then we must follow out the same principle and collect by tax or levy sufficient money, or evidence of debt, or actual materials, to carry on and pay for the war while it is being fought, so that none shall gain great profits and riches while others sacrifice time, service, and life.

The provision of the fifth amendment to the Constitution that private property shall not be taken for public use without just compensation, applies only to cases where the property itself is actually taken, and in the case of real estate the taking must be such complete physical dominion as to imply the conversion of the possession and the fee. In the case of mere consequential damages, or where property is taken in the case of an emergency, for a limited period of time, not to be appropriated perpetually, then the provisions of the fifth amendment have no application. In support we cite the case of United States *v.* Horstmann (257 U. S.) and extract the following from page 146:

> It is to be remembered that to bind the Government there must be implication of a contract to pay, but the circumstances may rebut that implication. In other words, what is done may be in the exercise of a right and the consequences only incidental, incurring no liability. (Bedford *v.* United States, 192 U. S. 217; Kansas *v.* Colorado, 206 U. S. 46; Tempel *v.* United States, supra.) And there is characterization of the Lynah case in United States *v.* Cress (243 U. S. 316).

Where the Government destroyed the value of oyster beds along the river banks, said destruction resulting from the improvement of the channel of the river for navigation purposes, the Government is not liable to make compensation because the oyster beds were not taken within the meaning of the fifth amendment. (Lewis Oyster Co. *v.* Briggs, 229 U. S. 82.)

War is certainly a national nuisance. Even though justifiable from every point of view, it certainly is a public evil which must be endured as the lesser of two evils. In the case of Richards *v.* Washington Terminal Co. (233 U. S. at p. 554) we extract the following proposition to support the principle that there is immunity from liability to pay for private property suffering damages necessarily incident to a public enterprise for the promotion of the common benefit:

> Any diminution of the value of property not directly invaded nor peculiarly affected, but sharing in the common burden of incidental damages arising from the legalized nuisance, is held not to be a "taking" within the constitutional provision. The immunity is limited to such damages as naturally and unavoidably result from the proper conduct of the road and are shared generally by property owners whose lands lie within range of the inconveniences necessarily incident to proximity to a railroad. It includes the noises and vibrations incident to the running of trains, the necessary emission of smoke and sparks from the locomotives, and similar annoyances inseparable from the normal and nonnegligent operation of a railroad.

The distinction between actual taking and incidental damage is squarely made and decided in the case of Bedford *v.* United States (192 U. S.), from which we extract, at page 224, the following:

> The Constitution provides that private property shall not be taken without just compensation, but a distinction has been made between damage and taking, and that distinction must be observed in applying the constitutional provision. An excellent illustration is found in Gibson *v.* United States (166 U. S. 269). The distinction is there instructively explained and other cases need not be cited.

SPECIAL COURTS OF COMPENSATION CONSTITUTIONAL

Supporting the constitutionality of the "courts of compensation" proposed to be set up by section 33 of H. R. 8111, to the effect that the court need not be a regular law court or a court of equity, with all its machinery, including a jury, but may be in effect a board or commission charged with the duty of fixing just compensation, I cite the case of Bauman *v.* Ross (167 U. S.), and at page 593 I extract the following:

> By the Constitution of the United States the estimate of the just compensation for property taken for the public use under the right of eminent domain is not required to be made by a jury, but may be intrusted by Congress to commissioners appointed by a court or by the Executive, or to an inquest consisting of more or fewer men than an ordinary jury. (Curtiss *v.* Georgetown & Alexandria Turnpike Co., 6 Cranch, 233; Secombe *v.* Railroad Co., 23 Wall. 108, 117, 118; United States *v.* Jones, 109 U. S. 513, 519; Shoemaker *v.* United States, 147 U. S. 282, 300, 301; Long Island Co. *v.* Brooklyn, 166 U. S. 685.)

It must be remembered that the Constitution nowhere confers upon any department of the Federal Government the power to take private property for public purposes, but that power or right of eminent domain is implied and necessarily implied by the first existence of government. This implication is strong in the event of a taking for the purpose of carrying on a war of defense, because the war may involve the very life of the Nation, and in any event it would be better for the citizens to part with a large part of their property in order to maintain national independence rather than that this same property should be paid as a part of an indemnity to a foreign nation that might be victorious over us in war. (U. S. *v.* Jones, 109 U. S. 513.)

COTTON

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD an article from Mr. Wanamaker, president of the American Cotton Association.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to extend his remarks in the RECORD by printing an article by Mr. Wanamaker, president of the American Cotton Association. Is there objection?

Mr. LONGWORTH. Reserving the right to object, I think I must object. If the gentleman were to extend his own remarks, I would have no objection.

Mr. FULMER. This is a scientific article, a cotton article, giving the amount of cotton on hand, and so forth, by the president of the cotton association.

Mr. LONGWORTH. I will not object.

Mr. FULMER. Mr. Speaker, under permission granted me, I herewith insert in the RECORD an article written by Mr. J. S. Wannamaker, St. Mathews, S. C., president American Cotton Association, which is as follows:

> The recent article in the Manufacturers' Record regarding the "Sully" year, 1904, under the heading "History repeats itself," is not altogether an analogous application to the present cotton situation. The fundamental business conditions, especially in this country, were nothing like so sound in the spring of 1904 as they are to-day. Hardly has there been at any time within the past half century less excuse for the world-wide demoralization which has been artificially injected into the cotton industry and the enormous losses inflicted upon legitimate business as at present.
>
> In regard to stocks of cotton in the United States: The total stocks of cotton in the country, including estimates of invisible, on March 31, were 4,055,000 bales, against 5,019,000 a year ago and 10,444,000 bales three years ago. If the same disappearance occurs from April 1 to August 1 this year as last, the total stocks of all cotton in this country on August 1 will be 1,058,000 bales, against 2,111,000 a year earlier, the smallest for several decades. The most important change in stocks of cotton from normal years is the insignificant amount of invisible, or uncounted, cotton, which was 573,000 bales on March 31 against 606,000 a year ago and 3,855,000 three years ago. Something like this same proportion probably exists in other countries also. Southern mill stocks were 365,000 bales less than for March 31 a year ago. It seems that southern mills have allowed the demoralized cotton goods market to prevent them from purchasing cotton even on the recent very low level.

It is not surprising that the decline in cotton prices would cause goods jobbers to refrain from buying, but it is astonishing that mills would allow a temporary decline to prevent them from taking any advantage of it. It is conceded by every reputable student of the cotton industry that it is necessary to have a minimum of 2,000,000 bales of cotton in this country at the end of the cotton year to carry the consuming establishments over until the new cotton can be spun, it being necessary to mix a certain amount of old cotton with the new cotton. The present crop is getting an extremely late start. This is disastrous under boll-weevil conditions. The early cotton in Texas, which reaches the market the latter part of July, was all killed, and it will be necessary to plant that over, so that there will be no new crop of cotton to relieve the famine conditions until fully 30 days later. All of these facts point to the inevitable certainty that we are facing an acute famine of cotton and cotton goods.

Even in 1920, with an anticipated surplus of eight to nine million bales of cotton in the American crop, prices were maintained at very high levels of values until artificial deflation in market values was drastically enforced by nation-wide curtailment of credits and contraction of the currency. The visible supplies of raw cotton for consumptive requirements were much more favorable in the spring of 1904 and 1910, when prices reached comparatively high levels of value for both those years. Furthermore, the cotton season years of 1903–4 and 1909–10 were followed, in both instances, with large crops in excess of consumptive demand, creating an unwieldy and depressing surplus.

No such conditions have been experienced since 1920. Quite the contrary. The textile world has faced three successive short-crop years, and the large surplus brought over from the crop of 1920 has been consumed. Since 1920 there has been an exodus of fully 600,000 farm laborers from the Cotton Belt States, and the totally abandoned farms in the southeastern cotton States have been reliably placed at 840,000. The widespread devastation of the cotton boll weevil, reinforced by scarcity of farm labor, has combined not only to make the industry of cotton growing extremely hazardous but has largely increased the relative cost of production.

There can be no dependable forecast of a full crop of cotton this year, even though an abnormally large acreage be planted. In no year in the past history of cotton growing has the crop of one year been in excess of 35 per cent of the previous year's production under the most favorable southwide climatic conditions. If the South should possibly produce 13,500,000 bales in 1924, every posted cotton authority knows that famine conditions in the raw product 12 months from to-day would be more pronounced even than at the present time. Moreover, the cost of growing cotton is steadily increasing instead of decreasing. Federal statistics estimated the cost of growing cotton from 1918 to 1921 to be from 28 to 35 cents per pound, bulk line. In 1922 the average cost was estimated to have been 24¼ cents per pound, bulk line.

It is a well-known fact that the present pending famine in raw cotton supplies will become exceedingly acute before the 1924 crop can be harvested. Under this condition the question might well be asked: Why is cotton selling at $50 per bale less than the price the staple commanded last November? Why is it the contract market on the exchanges fluctuates so widely each day as to disorganize the entire textile industry? Probably no crop in the past 50 years has been sold in such large quantity on "call" as the crop of 1923. At the high level values in November hundreds of thousands of bales of cotton were sold on call for delivery in spring months by individual farmers. Realizing a pending cotton famine, cotton sold on a basis of 35 cents at the time expected to be called at higher values as the dates of delivery months in the future were reached. It is estimated that nearly a million bales of such cotton were sold by farmers on call around 35 cents per pound at the time the transactions were made. It is also estimated by the best posted authorities that fully 2,000,000 bales of cotton were sold by cotton merchants in November under contracts for actual delivery of spot cotton which had not at the time been bought.

The fact that the world was facing a cotton famine was realized by every line of the cotton industry in the early fall. It was heralded to the world by every cotton authority, and correctly so, that we were facing the most acute famine since the sixties, and far higher prices were predicted by practically every reputable authority, and it was these facts which bring about this condition—those who had cotton to sell accepted the glittering proposition of selling on call, being assured of far higher prices in the spring, and many speculators and investors bought cotton. It was established by every reputable authority the first part of December that the present cotton crop had been sold on contract for sale over a million bales in excess of the total amount of cotton available, and there is no question had the law of supply and demand been permitted to function, instead of the market being assassinated by the sale of the call cotton, we would have had far higher prices.

The party owning cotton wished to sell it on seller's call at the most distant months possible, this giving him the right to fix the price and feeling convinced he would be able to call the price far higher. The buyer, especially the speculator, wished to buy on buyer's call, feeling likewise convinced far higher prices were inevitable and wishing the opportunity to call the price at once. Therefore the party selling the cotton did not call; the party buying immediately called, so that when the trap was sprung and the crash came in prices both were caught, the buyer, not only the speculator but many legitimate lines, having fixed price at the peak, the seller not having fixed his price at all, although he had had the opportunity to fix at the peak; and both the seller and buyer have been caught between the lower and upper millstones and ground to powder and have been forced to pay a fearful penalty.

Cotton sold on call, and its value, largely drawn against, must be margined, if the market declines, at the rate of $5 per bale for each 100 points decline. Instead of advancing as anticipated, the market steadily declined and margins were called for from the sellers. It is reported that 800,000 bales sold by farmers on call—who had exhausted their ability to continue margins—below 28 cents, were forced to deliver the spots at that price with a net loss of $40 per bale in margins, or a total loss of $32,000,000.

While the market was advancing last November mills which could not secure deliveries of spot cotton bought futures and ultimately lost heavily. Others who anticipated a decline sold futures and made money. The failure of the trade to deliver the spot cotton and later unexpected decline in the markets practically forced many mills to speculate to protect their interests, thereby seriously jeopardizing the textile industry.

With the knowledge that 1,000,000 bales of spot cotton had been sold by farmers on call and that 2,000,000 bales of spots had been contracted for future delivery by merchants, all of which had to be margined on a declining market, the stage was set for the most spectacular and uncalled-for drive against the market in the history of the industry. The first bearish factor upon which the pyramid of an unprecedented speculative drive was constructed was the February 1 report on cotton supplies and distribution issued in an admittedly padded report by the Department of Commerce. This misleading bearish report, showing 579,999 bales of cotton in the estimated supplies which had no existence in fact, was quickly reinforced by concerted action of the English spinners to go on an extended 50 per cent curtailment of mill operations. Leading speculative interests took advantage of the whole situation to sell large blocks of fictitious cotton, and with immediate falling prices in February a national and world-wide buyer's panic was created in the spot cotton and dry goods markets. New England mills curtailed consumption, and the stagnation in the dry-goods market soon forced southern mills to go on short time to check the piling up of manufactured fabrics in their warehouses which could not be sold except at heavy losses.

The buyer's panic of 1920 has been repeated in 1923–24, without rhyme or reason, and in the face of depleted stocks of raw cotton and a pending famine of cotton supplies. The combination of interests to artificially depress the value of spot cotton worked smoothly on both sides of the Atlantic but with far greater intensity and effectiveness in this country.

There were three classes of the legitimate cotton trade caught in the dragnet of the bearish speculative drive against the market, namely: The growers, whose cotton was sold, approximately 800,000 bales, on call at around 35 cents per pound, and which would have to be margined under a decline in values; cotton merchants, who contracted sales of actual cotton on call; and the cotton mills, which had bought their forward supplies at the higher level of prices. The precipitation of a buyer's panic by artificial manipulation of the market forced these three classes to hedge down until margins were practically exhausted, and a year of prosperity indicated in January was quickly turned into a shambles of disappointment, wreck, and ruin, comparable only to the experiences of 1920–21.

The orderly law of supply and demand based upon actual conditions was nullified by an unprecedented orgy of speculation, artificially enforced by manipulation, which in less than two months has demoralized trade and has cost the legitimate interests engaged in the cotton industry losses totaling hundreds of millions of dollars. Had the legitimate law of supply and demand been upheld by protective Federal statutes, actual demand for raw cotton would have kept fully apace with the limited supplies available for consumptive requirements, the mills would have maintained full operations, there would have been no stagnation in trade conditions and the small balance of the 1923 crop would have been readily absorbed at a fair level of values to the growers and the cotton merchants. Huge fortunes have been harvested by the speculative interests, while a trail of chaos and heavy financial losses have been left along the highway of an artificially created buyer's panic in the ranks of the legitimate cotton trade and manufacturers of the staple. Thousands of farmers are grieving to-day because for the first time in history their cotton was sold on call around 35 cents and above, with certain expectancy of higher prices, had the law of supply and demand been permitted to function. Hundreds of mills and merchants are despondent and financially depressed, while a number of cotton firms have been forced into bankruptcy.

If legitimate trade conditions can be artificially overthrown at the will of speculative manipulation and a country-wide buyer's panic created, the only protective solution of the problem lies in Federal correction of the abuses which are permitted under cotton-futures trading.

The unlimited sale of fictitious cotton by those who can command millions of dollars for such purpose should be restricted within reasonable limitations. The buyer of a futures contract should have the same rights to call for deliveries of such contract during the several periods of the delivery month as the rights now accorded to the seller of such contract. The seller should be forced to deliver and not allowed to violate the contract by the payment of a small penalty. The contract should be arranged so as to put the buyer absolutely on an equal footing with the seller. Bills are now pending in Congress assuring a correct census of cotton and cotton goods annually and to arrange for the issuance of all reports on cotton and cotton supplies by one department—the Department of Agriculture—and other measures are also being enacted to prevent a repetition of the disastrous conditions brought about by the report of 1923.

These reforms must be inaugurated or else the various legitimate departments of the cotton trade will continue to be helpless and absolutely defenseless against the present arrogant power of the purely speculative traders. There can be no hope or expectation for stability of cotton prices so long as existing methods can be employed, backed by Federal statutes, by speculative agencies for market manipulations and daily violent fluctuations in prices.

The extreme shortage of cotton supplies and the gradual improvement in domestic consumption and export demand will unquestionably force the market to gradually reassert itself by a normal return to sane and sound conditions.

As explained in the foregoing paragraphs, during the past year the entire cotton trade was thoroughly converted to the idea we were facing a cotton famine and that far higher prices for cotton were therefore inevitable. It was conceded by every reputable student of the cotton industry that it would be necessary for mills to curtail production on account of insufficent supplies, and this was correct. So converted were all lines to the idea of the certainty of higher prices that everybody who owned cotton wished a string tied to it so as to get the benefit of the higher prices. The speculators and investors were in the market for buying cotton, feeling convinced of higher prices.

Now, the party who owned cotton, in selling on call, wished to sell seller's call, usually basis May or July, as this would give him the right to call the price, and he wished to call it as high as possible, and felt convinced he would be able to call it, based upon the information which he was being fed, at the highest price since the sixties, 45 and 50 cents being freely predicted.

The investors, speculators, merchants, and various legitimate lines of the cotton trade were in the market for buying cotton. They wished to buy it on buyer's call, so they could immediately fix prices. Now, those who were selling cotton did not call the price at all. Those who bought cotton under this régime immediately fixed the price, frequently at 36 and 37 cents, so that as the market was forced down it paralyzed those who had bought cotton and in like manner paralyzed those who had sold cotton, and it finally came to the point where neither could margin. Of course, their margins were swept into the earnings of those behind the drive.

It was a peculiar situation. In face of a cotton famine, under ordinary operations of the law of supply and demand, it has been extremely hard to buy cotton. Much of it has been held until the very last part of the year and some carried over into the following season on account of the uncertainty of the new crop, thus forcing far higher prices; yet all precedents were broken and, regardless of a cotton famine, the crop was sold under contract up to December 1 and then the trap sprung.

JUAN SORIANO (S. DOC. NO. 102)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with accompanying papers, referred to the Committee on Foreign Affairs.

To the Congress of the United States:

I transmit herewith a report respecting a claim against the United States for the death on October 2, 1923, at Guerra, Dominican Republic, of Juan Soriano, a Dominican subject, who was killed by the landing of an airplane belonging to the United States Marine Corps, with the request that the recommendation of the Acting Secretary of the Navy as indicated therein be adopted, and that the Congress authorize the appropriation of the sum necessary to pay the indemnity as suggested by the Acting Secretary of the Navy.

I recommend that, in order to effect a settlement of this claim in accordance with the recommendation of the Secretary of State, the Congress, as an act of grace, and without reference to the legal liability of the United States in the premises, authorize an appropriation in the sum of $2,000.

CALVIN COOLIDGE.

(Inclosure: Report of Secretary of State, with inclosure.)

THE WHITE HOUSE, *May 1, 1924.*

LEAVE OF ABSENCE

By unanimous consent, the following leave of absence was granted:

To Mr. SUMMERS of Washington, for to-day and to-morrow, on account of the marriage of his son, Paul D. Summers, in Philadelphia.

To Mr. PARK of Georgia (at the request of Mr. CRISP), indefinitely, on account of the serious illness of his wife.

HOUR OF MEETING TO-MORROW

Mr. LONGWORTH. Mr. Speaker, in view of the slow progress to-day on the District of Columbia appropriation bill I ask unanimous consent that when the House adjourns to-night it adjourn to meet at 11 o'clock a. m. to-morrow.

The SPEAKER. The gentleman from Ohio asks unanimous consent that when the House adjourns to-night it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent that on Saturday immediately after the reading of the Journal and disposition of business on the Speaker's table the gentleman from Michigan [Mr. MAPES], a member of the Committee on Interstate and Foreign Commerce, may address the House for 20 minutes on the subject of the so-called Barkley bill.

The SPEAKER. The gentleman from Ohio asks unanimous consent that the gentleman from Michigan [Mr. MAPES] on Saturday next immediately after the reading of the Journal and disposition of business on the Speaker's table may address the House for 20 minutes. Is there objection?

There was no objection.

SPEAKER PRO TEMPORE TO-MORROW

The SPEAKER. The Chair, having an engagement to-morrow at 11 o'clock, in case he should not be present, will designate as Speaker pro tempore the gentleman from Michigan, Mr. MAPES.

ADJOURNMENT

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.) the House adjourned until to-morrow, Friday, May 2, 1924, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

448. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Justice for the fiscal year ending June 30, 1924, for additional funds in connection with court appropriations and to provide a supplemental amount sufficient to continue investigations in connection with War transactions, $2,187,000 (H. Doc. No. 253), was taken from the Speaker's table and referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SNYDER: Committee on Indian Affairs. S. 966. An act for the continuance of construction work on the San Carlos Federal irrigation project in Arizona, and for other purposes; with an amendment. (Rept. No. 618). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 5424. A bill to provide for the rendition of accounts by United States attorneys, United States marshals, clerks of United States courts, and United States commissioners; without amendment (Rept. No. 619). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 5425. A bill to provide for the disposition of moneys paid to or received by any official as a bribe, which may be used as evidence, in any case growing out of any such transaction; without amendment (Rept. No. 620). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 5428. A bill to provide for accounting by clerks of United States district courts of fees received by them in naturalization proceedings; without amendment (Rept. No. 621). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WOODRUFF: Committee on Naval Affairs. H. R. 1445. A bill to change the retired status of Chief Pay Clerk R. E. Ames, United States Navy, retired; without amendment (Rept. No. 622). Referred to the Committee of the Whole House.

Mr. WOODRUFF: Committee on Naval Affairs. H. R. 4732. A bill to correct the naval record of Garnet A. Sylvester; with an amendment (Rept. No. 623). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. COOPER of Ohio: A bill (H. R. 9009) to provide for the settlement, mediation, conciliation, and arbitration of railway labor disputes between carriers and their employees and subordinate officials, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 9010) to regulate the pay, allowances, and grades of certain officers in the United States Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 9011) providing that chief warrant officers on the active list of the Navy shall be allowed to compute their service in the same manner as is now authorized for retired warrant officers on active duty; to the Committee on Naval Affairs.

By Mr. RATHBONE: A bill (H. R. 9012) to make available an officer of the Army of appropriate grade for service in charge of public buildings and grounds of the District of Columbia and for the exercise of certain other functions; to the Committee on Military Affairs.

By Mr. SMITH: A bill (H. R. 9013) to amend the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922; to the Committee on Military Affairs.

Also, a bill (H. R. 9014), granting to the State of Idaho 200,000 acres of land in said State; to the Committee on the Public Lands.

By Mr. DRANE: A bill (H. R. 9015) authorizing the sale of Gasparilla Island Military Reservation; to the Committee on Military Affairs.

By Mr. LUCE: A bill (H. R. 9016) to further amend an act entitled "An act to regulate foreign commerce by prohibiting the admission into the United States of certain adulterated grain and seeds unfit for seeding purposes," approved August 24, 1912; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER: A bill (H. R. 9017) for the relief of the Choctaw and Chickasaw Tribes of Indians of Oklahoma, and for other purposes; to the Committee on Indian Affairs.

By Mr. BRITTEN: A bill (H. R. 9018) for making changes in the turret guns of 13 battleships, and for other purposes; to the Committee on Appropriations.

By Mr. SUTHERLAND: A bill (H. R. 9019) to extend the operation of the laws of the United States relating to the development and disposition of minerals to lands in Annette Island, Alaska; to the Committee on the Public Lands.

By Mr. MOORE of Virginia: Joint resolution (H. J. Res. 252) to create a joint committee to inquire into and report on fiscal matters between the United States and the District of Columbia, and for other purposes; to the Committee on Rules.

By Mr. BRAND of Ohio: Joint resolution (H. J. Res. 253) to provide for an investigation in respect of the suspension and determination of the suspension of the operation of the provisions of section 28 of the merchant marine act of 1920; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLGOOD: A bill (H. R. 9020) for the relief of heirs of James W. Fennell; to the Committee on War Claims.

By Mr. BACON: A bill (H. R. 9021) for the relief of Edgar William Miller; to the Committee on Military Affairs.

By Mr. GARDNER of Indiana: A bill (H. R. 9022) granting a pension to Robert T. Burton; to the Committee on Pensions.

Also, a bill (H. R. 9023) granting an increase of pension to William H. Grimes; to the Committee on Invalid Pensions.

By Mr. HILL of Maryland: A bill (H. R. 9024) granting a pension to Maggie Garner; to the Committee on Invalid Pensions.

By Mr. HOWARD of Nebraska: A bill (H. R. 9025) granting a pension to Lulu Stanley; to the Committee on Invalid Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 9026) granting a pension to Roy Kelley; to the Committee on Invalid Pensions.

By Mr. WILSON of Louisiana: A bill (H. R. 9027) authorizing the Secretary of the Interior to sell and patent to William G. Johnson certain lands in Louisiana; to the Committee on the Public Lands.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2624. By Mr. CULLEN: Petition of the New York Commandery, the Naval and Military Order of the Spanish-American War, indorsing House bill 5097, known as the Hull bill; to the Committee on Naval Affairs.

2625. By Mr. FROTHINGHAM: Resolution of the City Council of Brockton, Mass., favoring the bill providing for an increase in pay for postal employees; to the Committee on the Post Office and Post Roads.

2626. By Mr. FULLER: Petitions of Hon. C. B. Brown, mayor of Sycamore, Ill.; J. A. Colberg & Sons, of Pecatonica, Ill.; and A. L. Bartlett Co., of Rockford, Ill., protesting against any change or amendment of the present transportation act; to the Committee on Interstate and Foreign Commerce.

2627. Also, petition of the Chicago Woman's Club, favoring the McNary-Clarke bill (H. R. 4830) for a national-forest policy; to the Committee on Agriculture.

2628. Also, petition of the Shop Employees' Association, Union Pacific system, opposing the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2629. By Mr. GALLIVAN: Petition of Paint and Oil Club of New England, protesting against enactment of House bill 6645, which proposes to place the supervision of industrial alcohol under the prohibition enforcement officers; to the Committee on the Judiciary.

2630. Also, petition of Railroad, Harbor, and Terminal Workers, Lodge No. 342, American Federation of Railroad Workers, Jersey City, N. J., protesting against the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2631. By Mr. JACOBSTEIN (by request): Petition of various citizens of the thirty-eighth congressional district, New York, for the repeal of all unfair war-excise taxes, as those on motor vehicles; to the Committee on Ways and Means.

2632. By Mr. KVALE: Petition of Railroad Post, No. 416, American Legion, St. Paul, Minn., urging continuation of the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

2633. Also, petition of 29 members of the Woman's Christian Temperance Union, of Hector, Minn., protesting against any modification of the national prohibition act; to the Committee on the Judiciary.

2634. Also, petition of Anna Lee Johnson and 43 other citizens of Russell, Minn., protesting against any modification of the national prohibition act; to the Committee on the Judiciary.

2635. Also, petition of the Great Lakes-St. Lawrence Tidewater Commission of Minnesota, protesting against consideration of the Oswego-Hudson canal route for the Great Lakes to Atlantic Ocean deep waterway; to the Committee on Rivers and Harbors.

2636. Also, petition of United Garment Workers' Local, No. 171, St. Paul, Minn., protesting against the so-called equal rights amendment; to the Committee on the Judiciary.

2637. Also, petition of Central Labor Union, Willmar, Minn., approving results reached by the Stephen G. Porter Narcotic Commission, and urging enactment of legislation to carry out recommendations of the commission; to the Committee on the Judiciary.

2638. By Mr. SITES: Papers to accompany House bill 9000, granting a pension to Allen R. Read; to the Committee on Pensions.

2639. By Mr. WILSON of Indiana: Petition of 68 voters of the State of Indiana, protesting against adoption of House bill 7016, which aims to increase parcel-post rates; to the Committee on the Post Office and Post Roads.

SENATE

FRIDAY, *May 2, 1924*

(Legislative day of Thursday, April 24, 1924)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Dial	Lodge	Smith
Bayard	Dill	McKinley	Smoot
Borah	Ferris	McLean	Stephens
Broussard	Fess	Oddie	Sterling
Bursum	Frazier	Overman	Walsh, Mass.
Cameron	Gooding	Pepper	Walsh, Mont.
Capper	Harris	Phipps	Warren
Caraway	Howell	Reed, Pa.	Willis
Copeland	Johnson, Minn.	Sheppard	
Cummins	Keyes	Shortridge	
Curtis	King	Simmons	

Mr. CURTIS. I wish to announce that the Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I request that this announcement may stand for the day.

I was requested to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from Oregon [Mr. MCNARY], the Senator from North Dakota [Mr. LADD], the Senator from Illinois [Mr. MCKINLEY], the Senator from South Carolina [Mr. SMITH], the Senator from Louisiana [Mr. RANSDELL], the Senator from Wyoming [Mr. KENDRICK], the Senator from Mississippi [Mr. HARRISON], and the Senator from Alabama [Mr. HEFLIN] are attending a hearing before the Committee on Agriculture and Forestry.

I was also requested to announce that the Senator from Iowa [Mr. BROOKHART], the Senator from Washington [Mr. JONES], the Senator from New Hampshire [Mr. MOSES], the Senator from Arizona [Mr. ASHURST], and the Senator from Montana [Mr. WHEELER] are attending a hearing before a special investigating committee of the Senate.

Mr. PHIPPS. I wish to announce that the Senator from Maine [Mr. HALE] and the Senator from Virginia [Mr. SWANSON] are engaged in a meeting of the conferees on the naval appropriation bill.

The PRESIDENT pro tempore. Forty-one Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The principal clerk called the names of the absent Senators, and the following Senators answered to their names when called:

Bruce	Neely	Pittman	Shields
Glass	Norbeck	Ransdell	Watson
Johnson, Calif.			

The following Senators entered the Chamber and answered to their names:

Ball	Fernald	McKellar	Stanley
Brandegee	Fletcher	Mayfield	Wadsworth
Dale	George	Ralston	
Edwards	Harreld	Shipstead	
Ernst	Ladd	Stanfield	

The PRESIDENT pro tempore. Sixty-seven Senators have answered to their names. There is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 6357) for the reorganization and improvement of the foreign service of the United States, and for other purposes, in which it requested the concurrence of the Senate.

ACCOUNTS OF THE FARM LOAN COMMISSIONER

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, which was ordered to be printed in the RECORD, and, with, the accompanying report, referred to the Committee on Banking and Currency, as follows:

THE SECRETARY OF THE TREASURY,
Washington, April 30, 1924.

Hon. ALBERT B. CUMMINS,
President pro tempore of the Senate.

MY DEAR MR. PRESIDENT PRO TEMPORE: In compliance with Senate Resolution 190, I herewith inclose a statement in detail of the funds that have been covered into the account of the Farm Loan Commissioner, together with a statement of the sources of said funds in each case and the date of each disbursement from said account. The account is stated up to March 12, 1924, the date of the resolution.

Very truly yours,

A. W. MELLON,
Secretary of the Treasury.

PETITIONS AND MEMORIALS

Mr. SHORTRIDGE presented 157 resolutions, petitions, and papers in the nature of petitions from sundry citizens and organizations in the State of California, and 61 resolutions, petitions, and papers in the nature of petitions from sundry citizens and organizations of other States in the Union, praying or favoring, respectively, an amendment to the Constitution conferring power upon Congress to regulate child labor, which were referred to the Committee on the Judiciary.

Mr. WILLIS presented a petition of sundry members of the Urbana Manufacturers' Association, of Urbana, Ohio, praying for the adoption of the so-called Mellon plan of tax reduction, which was referred to the Committee on Finance.

He also presented telegrams in the nature of memorials from officers of shop crafts (representing about 650 men employed by the Norfolk & Western Railway Co.), of Columbus, and from officers of shop crafts (representing some 1,800 employees of the Norfolk & Western Railway Co.), of Portsmouth, in the State of Ohio, remonstrating against the passage of the so-called Howell-Barkley railway labor bill, which were referred to the Committee on Interstate Commerce.

Mr. JONES of Washington presented a memorial of members of the Woman's Christian Temperance Union of Deming, Wash., remonstrating against the passage of legislation to modify or weaken the prohibition law, which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Spokane, Wash., remonstrating against the passage of legislation imposing a 10 per cent luxury tax on radio apparatus, sets, and parts, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Thurston County and vicinity, in the State of Washington, praying an amendment to the Constitution regulating the labor of persons under 18 years of age, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Okanogan Chapter No. 113, Order of the Eastern Star, of Okanogan, Wash., favoring an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

Mr. PEPPER presented the memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of House bill 7358, to provide for the expeditious and prompt settlement, mediation, conciliation, and arbitration of disputes between carriers and their employees and subordinate officials, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented the memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of House bill 2702, to relieve unemployment among civilian workers of the Government, to remove the financial incentives to war, to stabilize production in Federal industrial plants, to promote the economical and efficient operation of these plants, and for other purposes, which was referred to the Committee on Naval Affairs.

Mr. FLETCHER presented memorials of sundry citizens of Fort Pierce, Tampa, Jacksonville, Miami, Atlantic Beach, and Orange Park, all in the State of Florida, remonstrating against the passage of legislation imposing a 10 per cent luxury tax on radio apparatus, sets, and parts, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. BALL, from the Committee on the District of Columbia, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 3016) to enable the Rock Creek and Potomac Parkway Commission to improve the parkway entrance (Rept. No. 482);

A bill (S. 3077) to amend the act of Congress approved March 4, 1913, creating the Public Utilities Commission of the District of Columbia, and for other purposes (Rept. No. 483); and

A bill (H. R. 6628) to change the name of Jewett Street west of Wisconsin Avenue to Cathedral Avenue (Rept. No. 484).

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 893) for the relief of John H. Rheinlander, reported it without amendment and submitted a report (No. 485) thereon.

Mr. BAYARD, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 149) for the relief of Almeda Lucas (Rept. No. 486); and

A bill (S. 367) for the relief of James W. Laxson (Rept. No. 487).

Mr. PEPPER, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 87) authorizing the erection of a flagstaff at Fort Sumter, and for other purposes, reported it without amendment.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 73) providing for the appointment of a commission for the purpose of erecting in Potomac Park, in the District of Columbia, a memorial to those members of the armed forces of the United States from the District of Columbia who served in the Great War, reported it with an amendment.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 1051) to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the Air Mail Service of the Post Office Department, reported it with amendments and submitted a report (No. 488) thereon.

Mr. McKINLEY, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 3181) to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide additional hospital facilities, reported it without amendment and submitted a report (No. 489) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Massachusetts:

A bill (S. 3215) providing for the appointment of certain field clerks, Quartermaster Corps, whose military service during the World War prevented their appointment; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 3216) granting permission to Col. Harry F. Rethers, Quartermaster Corps, United States Army, to accept the gift of a Sevres statuette entitled "Le Courage Militaire," tendered by the President of the French Republic; to the Committee on Military Affairs.

By Mr. PEPPER:

A bill (S. 3217) granting an increase of pension to Isabel M. Quackenbush; to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 3218) to secure Sunday as a day of rest in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

FEDERAL RECLAMATION BY IRRIGATION (S. DOC. NO. 92)

On motion of Mr. McNARY, it was

Ordered, That the order to print as a Senate document the message of the President of the United States, with accompanying report and illustrations, relative to the necessity of revising the present reclamation law, transmitted to the Senate on April 21, 1924, be rescinded, and that the said message and accompanying report be printed without the illustrations.

AMENDMENTS TO TAX REDUCTION BILL

Mr. WALSH of Massachusetts submitted sundry amendments intended to be proposed by him to House bill 6715, the tax reduction bill, which were ordered to lie on the table and to be printed.

REDUCTION OF TAXATION—AGRICULTURAL EXPORT COMMISSION

Mr. NORBECK submitted an amendment intended to be proposed by him to House bill 6715, the tax reduction bill, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 6357) for the reorganization and improvement of the foreign service of the United States, and for other purposes, was read twice by its title and referred to the Committee on Foreign Relations.

LANDS ON THE FORT HALL INDIAN RESERVATION, IDAHO

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2902) authorizing the acquiring of Indian lands on the Fort Hall Indian Reservation, in Idaho, for reservoir purposes in connection with the Minidoka irrigation project, which were, on page 2, line 10, after the word "enactment," to insert: ", in so far as such uses shall not interfere with the use of said lands for reservoir purposes"; on page 3, line 1, to strike out all after "reservoir" down to and including "both," in line 4, page 3; on page 3, line 6, to strike out all after "annum" down to and including "prescribe," in line 8, page 3; on page 3, line 17, to strike out all after "be" down to and including "States," in line 18, page 3, and insert: "taken from moneys appropriated for the construction of said reservoir and deposited in the Treasury of the United States"; on page 3, line 19, to strike out all after "Indians" down to and including "prescribe," in line 21, page 3; and on page 3, line 22, to strike out all after "That" down to and including "use," in line 23, page 3, and to insert: "there is hereby authorized to be appropriated."

Mr. CURTIS. I move that the Senate concur in the amendments of the House.

Mr. McKELLAR. What is the bill?

Mr. CURTIS. It is a bill to provide for the condemning of certain Indian lands for reservoir purposes at a price of $750,000, the money to be put into the Treasury to the credit of the Indians. The only amendments made, and the members of the committee agreed to them, were, first, allowing the Indians to use the condemned land if it does not interfere with reservoir purposes; and, second, instead of appropriating or taking all the money directly out of the Treasury, an appropriation of only $100,000 is made.

Mr. KING. May I say to the Senator that I received a letter from some person who claimed to be advised that there is one appropriation—and not being a member of the Committee on Indian Affairs, I am not familiar with it—which calls for the payment, my recollection is, of only $50,000 for the condemnation of a reservoir or right of way across certain lands.

Mr. CURTIS. This is to condemn certain Indian lands for reservoir purposes and pay the Indians $750,000. If the Senator has any question about it, I will let it go over until to-morrow.

Mr. KING. It may be another matter. My recollection is that the inquiry I have was with reference to a transaction in one of the Dakotas.

Mr. CURTIS. This is in Idaho.

Mr. KING. Very well.

The PRESIDENT pro tempore. The Senator from Kansas moves that the Senate concur in the amendments of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7959) to provide adjusted compensation for veterans of the World War, and for other purposes.

INSTALLATION OF RADIO DEVICES IN SENATE CHAMBER

Mr. REED of Missouri obtained the floor.

Mr. HOWELL. Mr. President——

Mr. REED of Missouri. Does the Senator from Nebraska desire to introduce a bill?

Mr. HOWELL. I merely wish to ask unanimous consent for the consideration of a resolution which has been reported out of the Committee on Rules and which merely asks for information. As the committee has had the resolution under consideration for a month, and it has now been reported out, I thought possibly it might be considered at this time.

Mr. REED of Missouri. If it will require no discussion, and is agreeable to the Senator in charge of the pending measure, I shall yield to the Senator for that purpose.

Mr. SMOOT. I have no objection to the consideration of the resolution if it will not require any discussion.

Mr. HOWELL. I ask unanimous consent for the present consideration of Senate Resolution 197. The resolution was introduced by me about a month ago, and asks for certain information from the Navy and War Departments respecting the installation of radio devices. The resolution was referred to the Committee on Rules, and that committee has reported it out with certain amendments, which are generally agreeable to Senators. I now ask that the resolution be considered, and hope that the information for which it asks may be requested.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent for the present consideration of the resolution to which he has referred. Is there objection?

Mr. SMOOT. Mr. President, I shall have no objection provided the resolution does not lead to any discussion. If it shall do so, I shall ask the Senator from Nebraska to withdraw the request.

The PRESIDENT pro tempore. The Chair hears no objection to the consideration of the resolution.

The Senate proceeded to consider the resolution (S. Res. 197) submitted by Mr. HOWELL on March 27, 1924, which had been reported from the Committee on Rules with amendments, on page 1, line 2, after the word "hereby," to strike out "directed" and to insert "requested"; on the same page, after the word "Senate," in line 13, to strike out "and the House of Representatives"; and on page 2, after line 5, to strike out:

Resolved further, That such commission also be requested to recommend a limited area of the country that for experimental purposes be

initially afforded such broadcasting of the proceedings of Congress to the end of determining the advisability of extending such service to cover the entire country; such report to include the cost of such experimental installation, together with the expense of maintenance and operation thereof.

So as to make the resolution read:

Resolved, That the Secretary of War and the Secretary of the Navy be, and are hereby, requested to cooperate in the appointment of a joint commission of radio experts from the War and Navy Departments to investigate and report to the Senate upon the following problems, to wit:

First. The equipment of the Senate Chamber with electrical transmission and receiving apparatus such that without defacing the Senate Chamber each Senator at his desk may individually and clearly hear, without the use of a head receiver, the proceedings of the Senate at all times in whatever tone of voice conducted.

Second. The additional equipment necessary for the broadcasting by radio of the proceedings of the Senate throughout the country, utilizing the radio stations of the War and Navy Departments.

The report of said commission to include the estimated cost of installation, maintenance, and operation of the proposed systems suggested in paragraphs 1 and 2 hereof.

The amendments were agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

CONTINGENT EXPENSES OF THE SENATE FOR FISCAL YEAR 1924

Mr. WARREN. From the Committee on Appropriations I report a joint resolution making appropriation for contingent expenses of the United States Senate, fiscal year 1924, and I ask unanimous consent for its present consideration. When the joint resolution shall have been acted on I shall take a moment or two of time to explain the situation which renders the immediate passage of the joint resolution necessary.

The PRESIDENT pro tempore. The Senator from Wyoming asks unanimous consent for the immediate consideration of the joint resolution, which the Secretary will read.

The joint resolution (S. J. Res. 119) making appropriation for contingent expenses of the United States Senate, fiscal year 1924, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the sum of $100,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year 1924, for expenses of inquiries and investigations ordered by the Senate, including compensation of stenographers to committees at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WARREN. Mr. President, I desire to call the attention of the Senate for a moment or two to the condition of the contingent fund of the Senate and to the demands made upon it. Of course, it is needless for me to say that we are appropriating enormous sums for contingent expenses compared with those of former times. The money has to come from the Treasury upon appropriations passed by both Houses, but the Senate itself, of course, gives orders on its contingent fund and it is drawn upon from time to time.

There are a number of committees engaged in various investigations, doing their work and incurring expenses which have to be met, and some of those committees no doubt will be live committees during the recess. The Committee on Appropriations desires to know before Congress shall adjourn what may be the expectations as to expenditures of such various live committees which will carry on their work during the recess.

The expenses of the special committee to investigate the Veterans' Bureau, as I understand, have been paid, and that committee has closed its work; but the original appropriation of $20,000 for that committee fell short some $25,000 of meeting its expenses. The people to whom money was due on account of the activities of that committee had to wait until Congress assembled in the fall for their payment. That, perhaps, is all right in the case of attorneys who are employed, but in cases where witnesses and others are brought from long distances and transportation has to be paid, as well as per diem allowances, the amounts ought to be covered at once.

There are at present nine different committees which are drawing upon the contingent fund from time to time, or have been drawing upon it, in connection with the pursuit of investigations, and they have cost so far $325,000. We hope that the $100,000 appropriated in the joint resolution which has just been passed will cover such expenses until the 1st of July, although there is some reason to doubt that it will.

The estimate for next year for the contingent fund is but $200,000. The lowest cost of any of the investigating committees to which I have referred is nearly $4,000 and the highest cost is over $56,000. At least three of these committees are each expending somewhere between five and ten thousand dollars a month.

I shall ask in this connection to have printed in the RECORD a statement showing the expenditures made in connection with nine of the principal investigations conducted by the Senate from March 4, 1923, to April 16, 1924. In the meantime I should like to inform the various investigating committees that the Committee on Appropriations would like to have from them before we adjourn an estimate, as nearly as one can be made, of what amounts they will require in order to carry their work to a conclusion or until Congress shall again meet.

Of the nine committees on the list which I submit, six of them are living committees—that is, are still in action—while three of them are what may be called "dead" committees; but there are a quite large number of other authorizations for other investigations, the expenses in connection with which have not as yet commenced. As to some of these authorizations, no limit of time has been placed, while as to others there has been a time limit. For instance, the committee investigating the causes of the decrease in the production of gold and silver, as I recall, had authority to proceed through the Sixty-seventh and Sixty-eighth Congresses, but in other cases such a provision is not made. The work of the gold and silver investigating committee has cost thus far $56,409.86, and they are expending about $4,500 a month; so that we can calculate on that amount, perhaps, if it shall be necessary for them to pursue further investigations. As to some of the other investigating committees, I think the only ones who can estimate the probable future expenses are the various chairmen.

Mr. President, with that explanation, I ask that the paper I send to the desk may be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The paper referred to is as follows:

Expenditures made in connection with the principal and more extensive investigations conducted by the Senate from March 4, 1923, to April 16, 1924.

Investigation	Clerical salaries and expenses	Counsel fees and experts' salaries	Expenses of witnesses	Stenographic reporting	Miscellaneous expenses	Total
Naval oil reserves (Tea Pot Dome, etc.)	$3,111.44	$11,718.75	$8,570.09	$4,790.90	$23.26	$32,808.03
Problems of reforestation	6,300.63		39.80	2,601.40		8,941.83
Veterans' Bureau	8,820.38	30,960.00	657.03	5,137.55	327.71	45,902.67
Gold and silver (causes of decrease in production)	27,641.31	20,282.50	(1)	1,721.25	2,308.64	56,409.86
Nine-foot channel from Great Lakes to Gulf of Mexico	9,292.39			999.20		10,291.59
Election of a Senator from Texas in 1922 [2]						37,096.18
Alleged official misconduct of Attorney General Daugherty	1,760.35	520.83	4,348.93	1,638.45	27.15	13,419.07
Rental and housing conditions in the District of Columbia [3]						5,976.46
Investigation of indictment of Senator Wheeler						3,814.38

[1] No attorneys.
[2] Collection, care, and counting of ballots.
[3] Services of special investigators and assistants and their expenses.

Mr. WARREN. I thank the Senator from Missouri for yielding me the time.

TAX REDUCTION

Mr. SMOOT. I ask that the unfinished business be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, the pending question being on the amendment of the Committee on Finance to strike out on page 52, after line 18, the following paragraph:

(c) The amount of the deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, and the amount of the deduction provided for in paragraph (5) of subdivision (a) shall be allowed as deductions only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title.

Mr. REED of Missouri. Mr. President, the last thing any government can afford to do is to break its contracts. It can not afford to break its contracts either in letter or in spirit; and the breach of a contract is not relieved from its enormity by the fact that some subterfuge may have been devised which will enable the doing of a particular act in a manner which avoids the technical legal obligation.

The States of the Union, the municipalities thereof, and the Federal Government, have from the first issued securities which were exempt from taxation. The exemption from taxation is as much a part of the obligation as is the promise to pay. These securities have been sold in the market upon the faith of the various governmental agencies that the debt will be paid, and that the securities will not be taxed.

It is now proposed by an artifice to breach that contract, and to place the United States Government in the position of saying, notwithstanding its obligation and despite its solemn agreement, that it proposes by a trick, a device, to circumvent and avoid the plain intendments of the obligations assumed by the Government.

To say in one breath that a security shall remain untaxed, and in the next breath that deductions shall be allowed on general taxation, but that if a citizen shall hold tax-exempt securities the extent of the reduction shall be diminished by the interest on the obligations of the Government which he holds, is only another way of saying that a tax shall be levied upon these securities.

Mr. President, an individual who would resort to that sort of device to escape the terms of his obligations would be a dishonest man, and he would not be able to maintain his standing either in financial or business circles; and he would be the most foolish of individuals, for he would write across his own name and character the word "dishonor," and he would in advance dishonor every obligation he might thereafter issue; for every man thereafter purchasing his obligations would know that he was dealing with a rogue who would escape payment if he could possibly conceive of any device or design that would enable him to breach the terms of his contract.

If this Congress should pass the bill in the form it was brought to the Senate, this Congress would prove itself capable of repudiating the contracts of the Government, would place itself on a par with those governments of Europe which have sought to repudiate the debts of their predecessors, and it would do so with less excuse. There may be some sort of moral ground afforded for a revolutionary government which has overthrown a preceding government which it claims was oppressive and unjust to repudiate the obligations of that preceding government. Of course, neither I nor any other man pretending to be honest will sanction such a doctrine; but there would be more justification for it than there can possibly be for this Government in a time of profound peace, and with no other motive than to collect a little tax, to repudiate the obligations heretofore made by the Government.

Mr. President, the Senate convened this morning and then proceeded to adjourn one at a time. I am, therefore, going just briefly to state my reasons for supporting the motion to strike out this provision of the bill, and I shall not try to argue it, because there are in the Senate Chamber now, I think, 9 Senators all told, perhaps 10. I am not criticizing——

Mr. SIMMONS. Mr. President, if the Senator will pardon me, I should like to say in this connection that in my mind there is no more important proposition involved in this bill than the one which the Senator is now discussing. As the country has come to understand what it means there is great interest in it outside of this Chamber, although there does not seem to be much inside of the Chamber. I have felt myself in discussing the matter—I have addressed myself to it twice—that it was highly important, even if we could not succeed in accomplishing our purpose, to let the country understand what the bill proposes to do with respect to this question.

Mr. HARRELD. Mr. President, will the Senator yield?

Mr. REED of Missouri. Certainly.

Mr. HARRELD. I feel that I ought to say, in defense of those who are not here, that I think it is a bad practice to have the Senate begin at 11 o'clock a. m. every day.

Mr. SIMMONS. It has seemed to me to be so.

Mr. HARRELD. Because these committees are grinding so that Senators are all in committee meetings at this hour, and we can not get them here. I know from my own experience that I have been at two committee meetings this morning, and just had to pull away from them to get here; and I want to protest against the 11 o'clock sessions.

Mr. SIMMONS. The Senator is entirely right about that. I am perfectly willing to come here at 11 o'clock; but we threw away the hour that we attempted to save yesterday, and I think it is just for the reason that the Senator gives. There are a great many committees that are now hard at work, because they are anxious to get their bills before the Senate in order that we may take them up and consider them rapidly. The general feeling is that we want to get away from here as soon as possible, and the committees are working to that end. They are considerably behind. The time taken up in these investigations probably put them a little behind, and they are now trying to catch up, and I think this hour is devoted to that purpose.

Mr. REED of Missouri. Mr. President, of course I am making no complaint. I am simply saying this by way of explanation of the fact that I do not intend to argue the pending bill at length, and I am cutting my remarks short because there are so few Members in attendance; and I fully appreciate the fact that it is neither discourtesy to me nor, perhaps, lack of interest in the bill. I think these unusual hours of meeting are always a mistake. We might save some time in the Senate if Senators could refrain from injecting bitter, partisan political speeches into the RECORD, and then bringing forward partisan replies, and having a sort of a joint debate regarding what somebody said at some other place. We might save some time in other ways. We are now approaching the time when the Senate will desire to adjourn, and we are doing what we have always done; we are making haste on important measures, having thrown away a vast amount of time in discussing unimportant measures in the early part of the session.

The matter that is now before us is important. It has been perhaps sufficiently discussed, however, by men much abler than myself. I was asked to make some remarks upon it, and I shall endeavor to bring what I have to say to a speedy close.

I have already said that this is an attempt at the repudiation of an obligation. No candid man can examine the bill without knowing that to be the case; and it is simply appalling that any single Member of either House of Congress could ever have induced himself to introduce a bill having for its purpose the repudiation of any part of any obligation that his Government had taken, and it is still more appalling that the bill in that form should have passed one of the Houses of Congress.

I say, however, that in all probability it passed the House of Representatives without the attention of the Members being particularly challenged to the bald attempt at breach of contract and repudiation of obligations which the measure contains. Nor is there anything substantial to be gained even of a temporary nature by this attempted repudiation. The excuse offered is that there are certain individuals or companies possessing very large fortunes and making very large profits, and that some of these institutions or individuals, in the desire to escape heavy surtaxes, have resorted to the device of investing their money in the so-called tax-exempt securities of the Government or of the various political divisions of the country, and that in order to stop that practice we should resort to this device, so that in fact we would levy a tax upon securities which were nontaxable. Suppose what I have said is an accurate statement of the facts.

The first thought occurring to any person ought to be that the penalties of the bill are visited upon the ordinary investor, just as they will be visited upon the few individuals or corporations engaged in the practice to which I have referred. These bonds of the United States are held even to-day, I have no doubt, by hundreds of thousands of people, and because a few individuals or corporations may be investing their money in tax-exempt securities in order to avoid the higher brackets of the tax bill, it is proposed to breach our contract with

every man, woman, and child in the United States who ever bought a Government bond.

It is proposed, in my judgment, to do a thing we can not do: to impose by this indirect method a tax upon the securities issued by the sovereign States of this Union and by the municipalities and subdivisions thereof. I should be very much disappointed in our courts if they did not, under the rule that has been announced in several cases in the last year, look behind the pretense of the law to its real purpose and, having ascertained that the purpose is violative of the Constitution, to declare the law itself unconstitutional and void. That was the doctrine laid down in the Nebraska case, where it was sought to prohibit the teaching of a certain language under the claim that it was a police regulation for the benefit of the health of the child. The fact was it was a law born in the hatred of somebody's heart for a particular race of people, and it was intended to prohibit teaching the language of that people. The Supreme Court looked back of its declared purpose and destroyed it.

Likewise, in several other cases our Supreme Court has adopted the rule that when the real purpose of an act is something different from the pretended excuse for the act the court will determine the validity of the act by its real purpose and intent, instead of determining it by looking at the language of the act, as under the old rule, which was laid down first, I believe, in the State bank tax cases, followed afterwards in other cases.

I do not desire to spend more time upon that phase of this question. I invite the Senate's attention to the broader question which is involved in this amendment, namely, the attempt being made to entirely do away with tax-exempt securities. More confusion has been caused in this world by the use of improper descriptive terms or names than by almost any other reason. These so-called tax-exempt securities are the only securities that are never exempt from taxation. The tax-exempt securities, so called, ought to be described as securities which pay the tax at the source and pay it every year and never escape it.

Here are two classes of securities being issued. One is the security of the corporation or individual, which is taxable. That security brings 6 or 7 per cent, and the corporation out of its coffers, or the individual out of his pocket, must raise the money every year to pay the 6 or 7 per cent interest. Here is another class of securities, issued by the State or by the Federal Government and not taxable, and they bring in normal times 3½ or 4 per cent interest, because the governments do not levy any tax upon them. The man who buys the 6 or 7 per cent security has added the amount of the tax he may have to pay to the interest which he has charged, and he collects it every year from his debtor and pays his taxes out of it, if he can be caught by the assessor. The man who buys the 3½ or 4 per cent security because it is untaxed has cut his rate of interest to a greater extent than the tax will ever amount to, and that amount of money which he thus has discounted remains in the Public Treasury in place of the tax which otherwise would have to be levied.

I can illustrate that. Let us assume a $100,000,000 tax levy of the State of Missouri for road purposes. This is purely an illustrative statement I am making. If the securities were to be taxed, that State would be obliged to pay at least 6 per cent to get its money, and it would therefore be forced to collect $6,000,000 every year from the taxpayers to pay the interest. Then the State of Missouri might get part of it back out of taxes it levied on the securities, and it might not.

On the other hand, if those securities are tax exempt and are sold at 4 per cent, there is collected from the taxpayer to pay that interest only $4,000,000, and that leaves $2,000,000 in the treasury more than would be there under the other arrangement. So that under the 6 per cent arrangement, where the taxes are to be levied, what is done is this: For the sake of levying a tax upon these securities to the extent of a much smaller sum than the difference, which I will show in a moment, they resort to the levying of taxes upon all the people to the amount of $2,000,000 in the illustration I have given. The tax which would ordinarily be paid upon an income of $6,000,000 would be $174,817, the expert informs me. The tax that is saved to the State by sending out what is called a tax-exempt security would be $2,000,000. The difference against the State is $1,825,000, which would be the result of adopting the new-fangled notion.

I do not know whether I have stated that very well or not. If a State issues $100,000,000 of tax-exempt securities at 4 per cent interest, which the taxpayers must raise, they pay every year $4,000,000. If those securities are taxed, the State will have to pay 6 per cent, or $2,000,000 more, which the taxpayers must every year take out of their pockets and turn over to the man who buys the security.

Suppose we assume that he paid his taxes on all those securities and paid back the whole of the $2,000,000 in taxes; the State would gain nothing, but, as a matter of fact, on the ordinary income the tax he would return to the State or to the Government would not equal more than 10 per cent of the $2,000,000 which the State is obliged to pay in excess over the amount it would pay if it sold its securities as tax exempt. The proposition is simply monstrous when you come to consider it in that way. What would be thought of an individual who provided that his own note should bear some heavy burden, that he himself would pay that burden, and then think he was getting rich by that sort of a device?

Mr. President, there is another phase of this matter. Let us assume the case of the State of Missouri again. It issues a 6 per cent security which is taxed. The people of the State of Missouri must collect $6,000,000 every year from their taxpayers to pay that interest. They send that interest to the holders of those securities. If that gentleman lives in England or outside the United States he may wholly escape any tax upon those securities. If he lives in a State where the taxes are very light, and he generally goes to that sort of a State, he escapes a large part of his taxes. But if he goes to any other State and holds the securities, the taxes are paid in the State of his location, and consequently they do not come back to the State of Missouri, yet the people of Missouri must pay the additional $2,000,000 every year because some gentlemen undertake to repudiate the obligations that have ordinarily existed in cases of this kind.

Illustrations can be multiplied, and I could stand upon the floor of the Senate by the hour and produce them, but the cold fact of the matter is that when we put a tax upon the securities of the Government we simply increase the rate of interest by that amount and take out of the taxpayer's pockets the money with which to pay that increased interest, and then there are some people foolish enough to think that we can get rich by taxing the people who own the securities to get back the taxes that we have already taxed the people to pay for the additional interest on the securities. That is about the last word in idiocy, if idiocy can have a last word.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Utah?

Mr. REED of Missouri. I yield.

Mr. KING. Does not the Senator see a difference between a direct tax on tax-exempt securities or an attempt to impose a tax upon tax-exempt securities—either by the State, for instance, or by the Federal Government, and we are dealing now, of course, with the Federal Government—and a provision in the law which merely says that a taxpayer may not use the income derived from his tax-exempt securities for the purpose of diminishing his gains or for the purpose of deducting from his gain which would be subject to taxation, and a provision which, putting it in the alternative, in effect says that he may not use tax-exempt securities for the purpose of going into the field of speculation to enable him in those speculative ventures to protect himself against losses that he may sustain in connection with his activities?

Mr. REED of Missouri. The Senator has made his question so long and so complicated and injected so many conditions into it that it is hard to answer it either directly or indirectly.

I see nothing in this measure except an attempt to take away from tax-exempt securities the benefit of their exemption under certain particular cases; in other words, to breach the contract to that extent. That is the purpose and the fraud so badly perpetrated that it would not even need a court of equity to set it aside because it is apparent upon its face and it would be disregarded in a court of law. That is the purpose. Somebody sat down and thought he had devised a scheme that would work out the end, and yet that he could go around the law and cover his tracks in a way so that he could deny to tax-exempt securities the full benefit of the exemption. That is the purpose. There is no escape from it. So far as I am concerned, I do not propose to be a party to ever writing a bill or ever passing a bill and making it a law that undertakes to repudiate by one jot or tittle, by one hair's weight, any obligation the United States Government assumes.

Mr. President, there is another phase of the matter to which I shall refer very briefly, and that is the cry that has been put forward that all of the money of the country is being put in tax-exempt securities and that all the rich men of the country are putting their money away in that form to escape taxes. As I have already shown, when a man buys a 4 per cent

obligation when the money market is 6 per cent and buys it at 4 per cent because it is tax exempt, he is paying his 2 per cent taxes in the purchase price, for the public that pays the taxes to pay the interest is relieved of the taxes to the extent of the difference between the tax-exempt interest and the interest that is levied upon ordinary securities.

Mr. President, what is there in all that talk? The public of the United States, the people of the United States, through their Federal Government, through their State governments, and through their various municipal governments, desire to borrow money and they borrow in the form of public bonds. They want to sell those bonds at as low a rate of interest as possible in order that their taxes to pay their interest shall be as small as possible. Now it is baldly proposed—not in this particular amendment, but the proposition is akin to this amendment and embraces it—that the people of the United States and of the various States and municipalities shall deny to themselves the opportunity to sell their securities at a low rate of interest. Who would gain anything by that? Certainly not the taxpayer, because the man who buys a security and buys it at a low rate of interest must pay or suffer the loss incident to that low rate of interest every year. He never escapes. The man who buys a 50-year bond at 3 per cent interest when the market is 6 per cent for taxable money pays every year his 3 per cent into the public treasury because he saves the taxpayer paying 6 per cent as he otherwise would be obliged to pay. So the public is not going to gain anything.

Who will gain? Who is back of this propaganda? Every big trust company in the United States that wants to loan money at 6 per cent would be very glad indeed if its rival, the State or the Government, was obliged to charge 6 per cent, but if the Government or the State can sell its securities at 3½, 4, or 4½ per cent, some of the money will be obtained by the Government at these low rates, and to that extent there will be a lack of money to buy the higher securities. The Government is a dangerous and bad rival for the gentlemen who have vast sums of money which they want to loan or want to invest. They would like to remove that rivalry and get the foolish Government to vote away the little advantage it now has in the matter of the issuance and sale of its own securities. This movement is not intended merely to affect the securities of the Federal Government, but every big loan company in the United States would like to see a condition created whereby no municipality, no State, nor the Government itself, would get its money in any better market than these great loan companies afford. That is the long and the short of the whole business. That is why this agitation. It never would be heard of otherwise.

Now, let me make one further remark. Suppose that it does happen that a few great capitalists put their money into tax-exempt securities and escape the highest brackets of the tax law. They at least have afforded a market and a ready market for the securities of the various States and municipalities. The better that market is, the better prices the bonds will bring and the lower the rate of interest will be. I am in favor of promoting that kind of a market, because it is one case where direct benefits flow directly to the people of the States and of the municipalities and of the United States.

How do we come to hear that argument from the particular voice that is now advancing it? We hear it from Mr. Mellon and Mr. Mellon's crowd of financial overlords. Mr. Mellon tells us that we should reduce the taxes upon the very large incomes, and in the same breath he gives as his reason that those large incomes are being invested in Government bonds. He wants their taxes reduced. What right has he, then, to complain if these gentlemen, in an effort to reduce surtaxes, do put their money in Government bonds? It is a forked-tongue argument. The truth is he wants to reduce the surtaxes upon those great incomes and then he wants to fix it so that the possessors of those great incomes may have an untrammeled field in which to loan their money and the Government be denied the right to go into that field to sell tax-exempt securities and get a decent rate of interest. That is the cold fact about this matter.

It is said that Mr. Mellon is one of the greatest financiers in the United States, and I think he is; but I do not want to follow blindly the advice of a man who knows as much about finance as does Mr. Mellon and whose private interests are so great that he can not help thinking of those private interests every time he writes a bill or makes a recommendation to this body. A man with his wealth and with his financial entanglements has no business to be Secretary of the Treasury, because his own interests are constantly pulling him in their direction. He has no more right to occupy that high position, under the law of this country as it stands, than has a judge to occupy the bench in a case where he has a financial interest. Senators may think they can Mellonize this country; he himself may think that he can Mellonize this country; but there is one melon he will not cut, and that is the American people at the next election.

I have no war in the world to make upon money; I have no war to make upon the institution that has gained great wealth and gained it honestly; I have no war to make upon any man because he has succeeded in financial ventures; but I insist that it is not right to put and keep a man at the head of the finances of the United States whose own interests are so large that every time he writes a tax bill he is trying to have the taxes reduced upon his own swollen fortunes and upon the swollen fortunes of his associates; and when we find him recommending measures here to take the taxes off the very great incomes we are warranted in concluding that he is thinking about his own fortunes and the fortunes of his associates instead of thinking about the interests of the entire country.

But, Mr. President, above everything else let us keep the faith. We issued these bonds, and I care not who holds them, let us keep the faith. When we issued them we made them fully negotiable. They can now pass from hand to hand; we knew they would pass from hand to hand. We sought to make them attractive to the investor. We wanted to get our money as cheaply as possible; therefore we said, "These obligations shall be forever exempt from taxation." Now it is proposed to deny to them the attributes and the qualities which every man who purchased them understood they would possess until the day of their final redemption. It is now proposed to single them out and to say that in certain instances the income derived therefrom shall not have the same benefits as the income derived from other securities. That is simply a crooked, fraudulent, scandalous thing for any nation to undertake. Any nation that does undertake it will soon find that its security has gone. No nation can afford to take it, for it will thereby lose more than it will gain.

Who is it to-day who does not know that Great Britain gained more than the total amount of money represented by the bonds which she issued to us in payment of her debt? She gained it in credit; she gained it in standing. While she drove a hard bargain and got a low rate of interest—a ridiculous rate of interest under the circumstances—nevertheless, she kept her contract, in the sense that she signed one which was accepted by us. In the end that will be worth more than the four and one-half billion dollars to Great Britain. I will ask the Senator from Utah [Mr. SMOOT] whether she is to pay us three and a half or four and a half billion dollars?

Mr. SMOOT. The amount of the principal of the British debt to us is $4,600,000,000.

Mr. REED of Missouri. Very well; that will do.

Mr. SMOOT. But she ultimately will pay $12,000,000,000 to us.

Mr. REED of Missouri. Yes; but she will escape the payment of $22,000,000,000, representing the difference between the interest she ought to pay and the interest she will pay us running through to the end of the term. But she signed up. France, however, will lose a great deal more than the amount that she owes us if she repudiates that debt, even if our Government is supine enough to wait forever and allow repudiation.

If England and France were to engage in a struggle to-morrow or next year, as they may—for they have been at war more than have any other two nations on earth—and if they desire to get money—and money it is that wins wars now—and they came to the United States or went to any other nation on earth to borrow money, which of them do you think would get the money—England, who at least measurably has kept her obligations, or France, who up to this date has repudiated her obligations? One would go into the money markets of the world with credit; the other would go into them with discredit. When one of them gave its obligation, it could get money, because the man who furnished the money would know he was going to get it back; the other could not get money, because there would be a grave doubt whether it ever would be returned.

So in this instance we have issued tax-exempt bonds, and have done so from the first. Any proposal to cut down or whittle away that obligation, or take from it so much as a hair's weight of its value, is unworthy of a great nation, and unworthy of a great body representing that great nation.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Utah?

Mr. REED of Missouri. I was about to yield the floor.

Mr. KING. I did not perhaps make myself very clear, because, as the Senator suggested, of the rather complicated

nature of the question which I asked a moment ago. I will put it in a more concrete form and ask again if the Senator does not see a distinction between an attempt to tax directly tax-exempt securities and to deny the right of deductions to tax-exempt securities? Suppose the Senator had an income of $50,000 a year from his practice—and his ability is worth four or five times that amount, of course—and that he had tax-exempt securities amounting to $1,000,000, and should take those tax-exempt securities and borrow $1,000,000 at 5 per cent. Under existing law, as I understand it, he would be permitted to deduct from his earnings of $50,000, upon which he would otherwise pay taxes, the entire amount of interest, which would in that case be $50,000, and he would escape all taxation. Then, of course, he would derive interest from the Government from the tax-exempt securities.

Mr. REED of Missouri. I do not understand that can be done.

Mr. KING. That can be done and is done.

Mr. SMOOT. It is done right along.

Mr. KING. And the House provision is aimed at the evils arising from that character of transaction.

Mr. REED of Missouri. Very well. There is no form of security that can be issued and no tax bill that can be drawn as to which somebody can not devise some sort of a scheme of that kind. If you want to reach that sort of a situation, do not reach it by attacking the obligations of your own Government; reach it by changing the law, so that a man, no matter what his securities may be, can not deduct any more than a certain percentage or a certain amount; but do not lay your hand upon a tax-exempt security and say, "We issued this security; we solemnly signed it and put it forth to the world, and we said that it should be exempt from taxation; that it was our obligation; but now we propose to say that as to our obligation we will discredit it by denying it the privileges and advantages which the obligations issued by a private corporation might have under the same circumstances." Do not say that. We can not afford to say that. Reach the evil in some other way. If there be such an evil as that spoken of, it is very easy to reach it in another way. I can sit down with a tax expert who will explain the minutia of this matter, and draw a measure that will meet it, and do it in 15 minutes after I have a thorough understanding of the details; and so can my friend from Utah.

No, Mr. President; let us keep our obligation; let us let it be said forever that when old Uncle Sam issues his note of hand and says that it is tax exempt and that it will be paid, it goes through this world with his faith and credit stamped upon it; and that means 100 per cent of principal, 100 per cent of interest, 100 per cent of tax exemption, 100 per cent of good faith by the only 100 per cent Government there is on earth.

Mr. ADAMS. Mr. President, what I have to say is really an inquiry of those in charge of the bill, with a suggestion, rather than any effort to make comment of any considerable extent.

I listened a few days ago with great interest to the speech of the senior Senator from Idaho [Mr. BORAH], in which he laid great stress upon the tax burdens of the farmer. He urged expedition in connection with the income-tax measure, and in part, at least, based his argument upon the farmer's condition. The farmers in my country have not seen a net income for so long that they would not recognize it if it came their way. Consequently, the farmer is not concerned with the income tax directly.

The particular provision which is under discussion in fact will operate to increase the burdens which are now upon the farmer. Those burdens which the farmer feels are the State taxes, the county taxes, the school taxes, and the district taxes of one kind and another. When you strike down the tax-exempt features of the bonds issued by those public corporations, you increase the taxes of this already overburdened part of our people.

So it seems to me that we ought to follow in good faith the suggestion of the senior Senator from Idaho and endeavor to work out this problem in a way that will accomplish first the purpose of the framers of this section. There are great evasions of income-tax payments by means of the borrowing of moneys on the part of men of large interests. The illustration given by the junior Senator from Pennsylvania [Mr. REED] the other day pointed it out clearly.

A rich man borrows $31,000,000. He pays on that sum $1,800,000 of interest. He deducts that from his net income. It so happens that his total net income from taxable securities and other sources is substantially the same as the amount of interest he paid upon his borrowings. The result was that he paid no income tax whatever. So far as normal taxes were concerned, he made practically no gain. The place where the Government lost was in connection with the surtaxes. In the absence of this borrowing this rich man probably would have paid 30 to 40 per cent in the way of surtaxes, so that he was saving 30 per cent or 40 per cent or even 50 per cent at a cost to himself of 5½ or 6 per cent. It is in that way, as I understand, that the Government loses. It is in the reduction of net income upon which surtaxes are calculated. I am correct in that, am I not?

Mr. REED of Pennsylvania. Substantially, that is so; yes.

Mr. ADAMS. So that so far as a man is concerned who is not paying surtaxes, he can not accomplish any substantial evasion of tax payments through the process of borrowing money.

Mr. REED of Pennsylvania. It is not worth while for a man who pays only the normal tax to do it, because the interest he pays is usually slightly in excess of the interest on the tax frees. It is worth while only for the man with the big surtax, which in the particular case I cited ran up to 50 per cent. An income of $1,800,000 is in the 50 per cent surtax class.

Mr. ADAMS. He is really in a position to save 44 per cent of that 50 per cent tax, practically; that is, the 50 per cent surtax, less the 6 per cent that he pays upon his borrowings, and he probably borrowed at a little less than 6 per cent.

The point I have in mind is substantially this: Throughout the United States are many men holding small amounts of Liberty bonds. The senior Senator from Utah [Mr. SMOOT] is in error, I think, in his statement that no one holding tax-exempt securities would at the same time borrow. I happen occasionally to see the interior of a couple of small banks in my community, and I know that perhaps 20 per cent, perhaps 30 per cent, of the notes in those banks are secured by Liberty bonds. The banks encourage their borrowers to hold Liberty bonds and to use them as collateral for their loans.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. REED of Pennsylvania. The language of this amendment as it is drawn would apply only to the 3½ per cent Liberty bonds, because they are the only ones that are wholly tax exempt. It does not apply to the 4¼'s, because it uses the words:

> The interest upon which is wholly exempt from taxation under this title.

And the 4¼'s are not wholly tax exempt. The kind of bonds that the Senator has in mind are those held by the small investor. Almost without a single exception the small investor holds the 4¼'s. I am a director in a savings bank, too, where we lend millions of dollars on Liberty bonds as collateral, and there are thousands of just such cases as the Senator speaks of; but I have never known a single case where a small investor owned a 3½ per cent tax-free Liberty bond.

Mr. SMOOT. Mr. President, I was going to make the same statement that the Senator from Pennsylvania has made, but I will add this: I know that the bank of which I am president has not a single, solitary loan made upon a 3½ per cent tax-exempt security. I want also to add this, and I suppose it applies to the bank to which the Senator referred: Those notes in many cases have been carried the whole time since the purchase of those bonds for war purposes. I know that notes are held in the bank there on which the bank loaned the money for the very purpose of purchasing those bonds from the Government, but they are all the other bonds, which are not wholly tax exempt.

Mr. ADAMS. Mr. President, I puzzled over the clause called to my attention, the matter of their being "wholly exempt from taxation under this title." I felt that, perhaps, that was the intention of it, but to me it is not absolutely beyond question that that would be the interpretation of the clause. I have had some experience with the interpretation placed upon tax matters in the department, and notwithstanding the Supreme Court of the United States has frequently declared that the benefit of all questions of doubt shall be given to the taxpayers, I know, as a matter of fact, that the benefit of the doubt is given to the Government, and the instructions to the collector in the past, at least, have usually been "get the money," and the taxpayer is advised that if the construction is unfavorable to him he can seek recourse by an appeal to the department or by some other proceeding. I am afraid that this language, "wholly exempt," is open to that construction. If you mean the 3½ per cent bonds, it is very easy to describe that particular issue of bonds definitely in this amendment.

Mr. SMOOT. Mr. President, I want to say to the Senator, and I think it will quiet his apprehensions on the matter, that these are the exact words of the existing law. The ruling of

the department has already been that this language applies only to the wholly tax-exempt bonds, the 3½ per cent bonds that the Government issues.

Mr. REED of Pennsylvania. And, of course, the municipals.

Mr. SMOOT. And, of course, the municipal bonds. I am speaking now of the Government issues.

Mr. ADAMS. I feel, however, that there is in this section a discrimination which is unfair, and which ought not to be made. Assuming that the limitation is as is suggested, I do not understand why the man who holds the bonds and who is not compelled to borrow, or who does not for any reason wish to borrow, should be given an exemption which is denied to the man who does borrow; that is, under conditions where the borrowing is in good faith and not for the purpose of evasion. That is, you are drawing a line on one side of which the holder of this bond is given the benefit of the deduction privileges, and on the other side it is denied to him, and that is solely because of his own personal financial necessities. You deny it to the man who, perhaps, has been compelled to borrow for his personal uses.

Take my community; take, for instance, my own case. I have a very few of these bonds laid in a safe-deposit box, so that if something should happen to me and my family should be in need of something there would be an available source of ready money. Bonds of this character are one of the best forms of providing a fund to meet the emergency which comes to a family when the man who ordinarily looks after them is stricken down. Like many others, I am compelled from time to time to borrow. I do not go to this small group of bonds and selll them in order to get that money, but I hold them intact for my own personal purposes. I may be exercising bad judgment in doing that, but I have the right to make that election in my own personal business.

Mr. REED of Pennsylvania. Mr. President, would the Senator mind saying whether those are 3½ or 4¼ per cent bonds?

Mr. ADAMS. I have a few of both.

Mr. REED of Pennsylvania. Of course, this would not apply at all to the 4¼'s.

Mr. ADAMS. My holdings were so small that I did not take the trouble to have them converted. I was not concerned with the interest feature, frankly; but I do feel, to go back of that, that there is another group of bonds that ought to be considered in this connection, and those are the bonds of the State, of the county, of the municipality, of the water district, and of the school district.

As I understand, the amount of those bonds outstanding is far greater than the amount of these particular 3½ per cent bonds, so that you are seeking to take away from the holder of the bonds of the State and its subdivisions this right of deduction for income-tax purposes. I think that so far as they are handled in good faith, that ought not to be done. I have in mind, apparently, two conflicting purposes. One is to do justice to the man who owns these securities in good faith for his own purposes, and the other is to prevent the abuse of this privilege by the man who uses them to evade the surtax; and my suggestion, Mr. President, is this:

If those who are sponsoring this particular clause are willing to limit the application of this clause to surtaxes, they can do so by assimilating the section to the provisions which we have already put into effect governing dividends from corporations as to deductions for income-tax purposes. We say that dividends received from a corporation are deductible so far as the normal tax is concerned, but are not deductible so far as the surtax is concerned. So I am suggesting to the Finance Committee and those who favor this clause that you revise your wording so as to say that so far as the normal tax is concerned the taxpayer may deduct the interest he pays upon his borrowings, even when he holds these tax-exempt securities, but that he may not deduct it for the purpose of computing surtaxes.

Mr. SMOOT. Mr. President, I think there is a good deal in what the Senator says in relation to having this language not apply to normal taxes, but apply only to surtaxes. If the Senate amendment is not agreed to, the House provision, of course, will stand, and then will be open to amendment; and I see no particular reason why such an amendment as that suggested by the Senator, allowing this provision to apply to surtaxes but not to normal taxes, should not be adopted. I will say to the Senator frankly that as far as I am concerned I am perfectly willing to accept such an amendment.

Mr. ADAMS. Would not the insertion of words such as these accomplish the purpose?—For instance, after the word "deductions," in line 23 of that language as it stands, suppose there were inserted the words "for the computation of surtaxes."

Mr. SMOOT. "Only."

Mr. ADAMS. The word "only" is there already.

Mr. SMOOT. Yes; I see.

Mr. ADAMS. If you cause it to read "shall be allowed as deductions for the computation of surtaxes only," if it is really to prevent the evasion of taxes by those paying great surtaxes and not for the purpose of striking at other tax-exempt bonds, such as farm-loan bonds and others which are not held by those much concerned with surtaxes, an amendment of that kind will protect the municipality and the State largely, will protect the small holder, and yet will prevent evasion by the large holder.

Mr. SMOOT. I will submit the offer to the draftsman, and if the Senate disagrees to this amendment, I will submit to the Senator an amendment to carry out the idea expressed by him before it is suggested when the bill gets into the Senate.

Mr. NORRIS and Mr. FLETCHER addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Colorado yield; and if so, to whom?

Mr. ADAMS. I yield to the Senator from Nebraska.

Mr. NORRIS. I have been very much interested in listening to the Senator from Colorado. In fact, I am convinced that he has the proper solution, which will bring justice all around. But I want to suggest to the Senator that it is not necessary for him to wait until we vote on the pending amendment before offering his amendment. The committee amendment is to strike out the House language.

Mr. SMOOT. The whole of it.

Mr. NORRIS. The committee amendment is not to strike the provision out of the House text, but simply to strike out some of the language of the House text.

Mr. SMOOT. The whole paragraph.

Mr. NORRIS. Is not that paragraph subject to amendment, and would not an amendment offered to amend the part sought to be stricken out take precedence over the committee amendment? In other words, may not the language be perfected first before the vote is taken on striking it out?

Mr. SMOOT. This is not a substitute. The only way to get the House provision back into the bill is to disagree to the amendment of the Senate committee.

Mr. NORRIS. If the Senator will permit me——

Mr. SMOOT. I will ask the Senator to look at the language on page 52.

Mr. NORRIS. I have not the bill before me, but I have had it before me a good many times in the last two or three days. The amendment is a committee amendment, to strike out certain language in the House text. That is pending. Before we vote on it, have we not a right to perfect the language sought to be stricken out by the amendment? If so, then the suggestion made by the Senator from Colorado would be in order, and we would vote on it before we voted on the committee amendment to strike it all out.

If there is any question about that, I submit the proposition to the Chair. I would not like to see the Senator from Colorado put in a position where he and others, perhaps, might want to vote for the committee amendment striking it out unless he knew that the language sought to be stricken out was first modified. So the Senator's amendment ought to be voted on first. I ask the Chair, as a matter of parliamentary law, whether an amendment offered by the Senator from Colorado or any other Senator to the language the committee amendment seeks to strike out does not take precedence over the motion to strike out all of the language?

The PRESIDENT pro tempore. The Senator from Nebraska makes a parliamentary inquiry, and the Chair will say in reply that the Chair is of the opinion that the text of the House can be amended, and that such proposed amendment would be first voted upon, before the motion to strike out is acted upon.

Mr. NORRIS. That makes it perfectly plain, I think, and, of course, the Senator ought to follow that opinion of the Chair.

Mr. ADAMS. Mr. President, following that suggestion I desire to offer an amendment, if permissible. On page 52, at the end of line 23, following the word "deductions," I move to insert the words "for the computation of surtaxes."

Mr. REED of Pennsylvania. Will not the Senator make it read "in the calculation of the surtaxes"? It means the same thing, and I think conforms to the other wording of the bill.

Mr. ADAMS. Very well.

Mr. REED of Missouri. What is the amendment?

The PRESIDENT pro tempore. The Secretary will state the proposed amendment.

The READING CLERK. On page 52, line 23, after the word "deductions," the Senator from Colorado proposes to insert the words "in the calculation of the surtaxes."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Colorado.

Mr. SIMMONS. The Chair has ruled that this amendment is in order?

The PRESIDENT pro tempore. The Chair answered a parliamentary inquiry to the effect that a motion to amend the House text is in order.

Mr. REED of Pennsylvania. A point of order, Mr. President.

The PRESIDENT pro tempore. The Senator from Pennsylvania will state his point of order.

Mr. REED of Pennsylvania. Under Rule XVIII of the Senate it is provided that "motions to amend the part to be stricken out shall have precedence." So I submit that the motion of the Senator from Colorado necessarily has precedence.

The PRESIDENT pro tempore. So the Chair ruled.

Mr. FLETCHER. There is no doubt about that. Nobody has questioned it. I think the amendment offered by the Senator from Colorado will very greatly improve the language, if it is not to be stricken out. I am in favor of striking it out absolutely, however, and I hope the Senator will support the committee amendment to strike out the paragraph, even after it has been amended.

Mr. SIMMONS. Mr. President, I agree with the Senator from Florida. The amendment of the Senator from Colorado would improve the language to some extent if it is finally adopted by the Senate; but what would be left in the bill would still be subject to all the objections we have made to it. It would simply ameliorate the situation; that is all.

Mr. REED of Missouri. I would like to suggest to my friend from Colorado that he allow a vote to be taken on whether we are going to strike out the paragraph as it now stands. If the Senate strikes it out, that ends the iniquity. If the Senate leaves it in, then the Senator will still have an opportunity to offer his amendment when the bill comes into the Senate.

Mr. SMOOT. Will the Senator yield at that point?

Mr. REED of Missouri. Certainly.

Mr. SMOOT. Even if we took the course the Senator suggests, when the bill got into the Senate we could offer the same amendment, including the amendment of the Senator from Colorado.

Mr. REED of Missouri. That is what I have said.

Mr. SMOOT. So we might just as well vote on it right now in the way the Senator from Colorado suggests. It makes no difference.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

The PRESIDENT pro tempore. The question now is upon agreeing to the committee amendment striking out the paragraph as it has been amended.

Mr. REED of Missouri. I move to strike out the two lines at the top of page 53, which read, "the interest upon which is wholly exempt from taxation under this title."

The PRESIDENT pro tempore. The Secretary will state the amendment of the Senator from Missouri.

The READING CLERK. On page 53, lines 1 and 2, the Senator from Missouri moves to strike out the following words, "the interest upon which is wholly exempt from taxation under this title."

Mr. SMOOT. Mr. President, I want to say to the Senator from Missouri that then it would apply to all securities.

Mr. REED of Missouri. I intend it to.

Mr. SMOOT. I did not know whether the Senator went that far or not.

Mr. REED of Missouri. I intend that it shall.

Mr. SMOOT. I hope that the amendment will not be agreed to.

Mr. REED of Missouri. I am trying to strike out of the bill the discrimination against our own obligations.

Mr. SIMMONS. The amendment does not affect that at all. It still subjects the securities of the States and the Government to the provisions of the bill.

Mr. REED of Missouri. If my amendment is agreed to, then they would all stand alike.

Mr. SIMMONS. Let us strike out the whole thing.

Mr. NORRIS. The way to strike out the whole thing is to vote for the committee amendment.

Mr. REED of Missouri. I withdraw the amendment I suggested.

The PRESIDENT pro tempore. The Secretary will state the pending amendment.

The READING CLERK. On page 52, after line 18, to strike out:

(c) The amount of the deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, and the amount of the deduction provided for in paragraph (5) of subdivision (a) shall be allowed as deductions in the calculation of the surtaxes only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title.

The PRESIDENT pro tempore. The yeas and nays have been ordered, and the Secretary will call the roll on agreeing to the amendment.

Mr. REED of Missouri. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. REED of Missouri. What is the form of the question before the Senate?

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee to strike out the House text as amended.

Mr. REED of Missouri. An affirmative vote will be a vote the effect of which would be to strike out the House provision?

The President pro tempore. An affirmative vote upon the question will be a vote to strike out the entire paragraph as amended.

The reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senaor from New Jersey [Mr. EDGE], and vote "nay."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], which I transfer to the senior Senator from Vermont [Mr. GREENE], and vote "nay."

The roll call was concluded.

Mr. CURTIS. I wish to announce that the Senator from Washington [Mr. JONES] and the Senator from Iowa [Mr. BROOKHART] are detained at a committee hearing.

I also wish to announce the following pairs:

The Senator from Illinois [Mr. MCCORMICK] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Utah [Mr. KING].

Mr. FLETCHER. I desire to announce the unavoidable absence of my colleague [Mr. TRAMMELL]. He is paired with the Senator from Rhode Island [Mr. COLT]. If my colleague were present, he would vote "yea."

Mr. WALSH of Massachusetts. I desire to announce the unavoidable absence of the junior Senator from Rhode Island [Mr. GERRY]. If he were present, he would vote "nay."

Mr. SWANSON (after having voted in the affirmative). I have a pair with the senior Senator from Washington [Mr. JONES]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and let my vote stand.

Mr. MOSES (after having voted in the negative). I transfer my pair with the Senator from Louisiana [Mr. BROUSSARD] to the Senator from Maryland [Mr. WELLER] and let my vote stand.

Mr. WALSH of Massachusetts. I desire to announce that the junior Senator from New Jersey [Mr. EDWARDS] is paired with the senior Senator from West Virginia [Mr. ELKINS]. If the junior Senator from New Jersey were present and at liberty to vote, he would vote "nay."

Mr. CURTIS. I have been requested to announce that the Senator from New Jersey [Mr. EDGE] and the Senator from Missouri [Mr. SPENCER] if present and at liberty to vote, would vote "nay."

The result was announced—yeas 37, nays 36, as follows:

YEAS—37

Bayard	Fletcher	Ladd	Shields
Bruce	Frazier	McNary	Shipstead
Bursum	George	Mayfield	Simmons
Cameron	Harris	Neely	Smith
Caraway	Harrison	Norbeck	Stanley
Copeland	Heflin	Overman	Stephens
Dale	Howell	Pittman	Swanson
Dial	Johnson, Minn.	Ralston	
Dill	Jones, N. Mex.	Ransdell	
Ferris	Kendrick	Sheppard	

NAYS—36

Adams	Fernald	McKinley	Stanfield
Ashurst	Fess	McLean	Sterling
Ball	Glass	Moses	Wadsworth
Borah	Gooding	Norris	Walsh, Mass.
Brandegee	Hale	Oddie	Walsh, Mont.
Capper	Harreld	Pepper	Warren
Cummins	Keyes	Phipps	Watson
Curtis	Lodge	Reed, Pa.	Wheeler
Ernst	McKellar	Smoot	Willis

NOT VOTING—23

Brookhart	Elkins	La Follette	Shortridge
Broussard	Gerry	Lenroot	Spencer
Colt	Greene	McCormick	Trammell
Couzens	Johnson, Calif.	Owen	Underwood
Edge	Jones, Wash.	Reed, Mo.	Weller
Edwards	King	Robinson	

So the amendment was agreed to.

Mr. KING subsequently said: Mr. President, I was unavoidably detained from the Senate for just a few minutes and therefore was not present on the last yea and nay vote. I understand that I was paired with the Senator from Missouri [Mr. SPENCER]. If I had been here and had been permitted to vote, I should have voted to retain the House provision in the bill.

Mr. SMOOT. Mr. President, I desire to give notice that I shall ask for a separate vote on the amendment when the bill reaches the Senate.

On account of the vote just taken, I ask that we may return to page 47 of the bill. On that page there is an amendment passed over, beginning in line 22 and ending in line 2, on page 48.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 47, line 22, strike out the word "indebtedness" and insert "indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this title," so as to read:

(2) All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this title.

Mr. SMOOT. The action just taken by the Senate will require the adoption of the amendment just stated. I ask that it may be agreed to at this time.

Mr. FLETCHER. I think there is really no objection to it, but the action just taken does not necessarily require its adoption.

Mr. SMOOT. I am perfectly willing, if the Senator does not think it is required, to let it be rejected. I know it is required inasmuch as we have agreed to the other amendment. I am perfectly willing that this amendment should not be agreed to.

Mr. FLETCHER. Oh, let it be agreed to.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair.) The question is on agreeing to the amendment of the committee on page 47.

The amendment was agreed to.

Mr. JONES of New Mexico. Mr. President, I desire out of order to introduce certain amendments and have them printed and lie on the table.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

Mr. JONES of New Mexico. The amendments which I propose are designed to be substituted for the provisions of the bill relating to the taxes upon corporations. I will state very briefly the proposal and what is intended to be accomplished by the amendments.

The amendments are proposed as a substitute for the majority Republican plan to impose a uniform tax of 14 per cent upon the taxable net income of all corporations, and are as follows:

1. By unanimous agreement of the shareholders the net income of the corporation may be returned by shareholders and taxed to them in the same manner as net income of a partnership.

2. The normal tax on net income is reduced from 14 per cent to 9 per cent.

3. A surtax is imposed upon the net income which is undistributed to shareholders on the basis following:

(a) The "surtax income" includes taxable income subject to normal tax and also dividends from other corporations and income from Government obligations which are exempt only from a normal tax.

(b) All dividends, whether paid in cash or interest-bearing obligations, which would be subject to the surtax imposed upon individual shareholders and the amount of the normal tax and 10 per cent of the total "surtax income," are exempt from any surtax.

(c) The "undistributed net income" is the amount by which the surtax net income exceeds the amount of the normal tax plus the amount of the cash dividend paid during the 12 months preceding the fifteenth day of the third month following the close of the taxable year.

(d) No surtax is imposed upon undistributed net income which does not exceed 10 per cent of the surtax income.

(e) If the undistributed net income exceeds 10 per cent of the surtax income, a graduated tax is imposed upon the undistributed net income based upon the proportion which the undistributed net income bears to the surtax income. The surtax rates commence with one-fourth of 1 per cent of the undistributed net income if such income is more than 10 per cent but not more than 11 per cent of the surtax net income. Upon each additional per cent of undistributed net income an additional tax is imposed graduated according to the plan of the graduated surtaxes upon individual incomes in such manner that the maximum surtax reaches the maximum surtax imposed upon individual incomes. This maximum is reached at the point where the undistributed net income equals or exceeds 60 per cent of the total surtax income.

4. The amount of revenue to be derived from this substitute is estimated to be the same as would be derived from a flat or normal tax of 14 per cent levied upon the taxable net income of all corporations.

5. All corporations which distribute in dividends more than 30 per cent of their net income will pay less taxes than they would pay under the proposed 14 per cent flat or normal tax. Of the 48,875 corporations paying any dividends in 1922, 80.4 per cent of them will pay less taxes under this substitute provision than under the 14 per cent flat tax proposal. The purpose of the substitute is both to reduce and equalize taxation upon corporate incomes. It reduces taxation upon the shareholders of corporations which are doing business in a reasonable and normal way and equalizes taxation by increasing the tax upon shareholders which are using the device of corporate organization for the purpose of evading their just share of the tax burden.

Mr. SIMMONS. As a whole, the Senator's amendment is a tax-reduction proposition?

Mr. JONES of New Mexico. It is a tax-reduction proposition.

The PRESIDING OFFICER. Without objection, the amendments will be printed and lie on the table.

Mr. SMOOT. The next amendment passed over is on page 111, under the subhead "Returns to be public records."

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. The next amendment passed over is, under the subhead "Returns to be public records," in section 257, on page 111, line 17, after the word "records," to strike out "but they" and insert "but, except as hereinafter provided in this section, they," so as to read:

SEC. 257. (a) Returns upon which the tax has been determined by the commissioner shall constitute public records; but, except as hereinafter provided in this section, they shall be open to inspection only upon order of the President.

The PRESIDING OFFICER. The question is on the adoption of the amendment.

Mr. SIMMONS. Mr. President, we are now taking up a very important amendment. A number of Senators who are interested in it, and probably did not expect to have it called up at this time, are absent. I think we ought to have a quorum, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from North Carolina suggests the absence of a quorum. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fess	McKinley	Simmons
Ashurst	Fletcher	McLean	Smith
Borah	Frazier	McNary	Smoot
Brandegee	Glass	Mayfield	Stanfield
Bruce	Hale	Neely	Swanson
Bursum	Harris	Norbeck	Wadsworth
Cameron	Harrison	Norris	Walsh, Mass.
Capper	Heflin	Oddie	Walsh, Mont.
Copeland	Johnson, Minn.	Overman	Warren
Curtis	Jones, N. Mex.	Pepper	Watson
Dale	Kendrick	Ralston	Wheeler
Dial	Keyes	Reed, Mo.	Willis
Dill	King	Reed, Pa.	
Fernald	Ladd	Sheppard	
Ferris	Lodge	Shipstead	

Mr. CURTIS. I desire to announce that the Senator from Iowa [Mr. BROOKHART] and the Senator from Washington [Mr. JONES] are detained from the Senate in attendance upon a special investigating committee.

The PRESIDING OFFICER. Fifty-seven Senators having answered to their names, a quorum is present.

Mr. NORRIS. Mr. President, I desire to offer an amendment. I understand that we have returned to that portion of the bill where my amendment will apply.

Mr. SMOOT. I will say to the Senator that I do not think there is any objection to the amendment which has been stated, as found on page 111, but I did not want to have action on the amendment until I was sure that it was not objected to by the Senator from Nebraska. I advised him that I would take that course.

Mr. NORRIS. The amendment which I desire to offer comes in on the same page.

Mr. SMOOT. Inasmuch as the Senator from Nebraska is present I suggest that the amendment on page 111, in lines 17 and 18, be agreed to. It is merely a clerical change, I will say.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment passed over was, in section 257 (a), on page 111, line 20, after the words "approved by the," to strike out: "President: *Provided*, That the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a special committee of the Senate or House, shall have the right to call on the Secretary of the Treasury, and it shall be his duty to furnish any data of any character contained in or shown by the returns or any of them, that may be required by the committee; and any such committee shall have the right, acting directly as a committee, or by and through such examiners or agents as it may designate or appoint, to inspect all or any of the returns at such times and in such manner as it may determine; and any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and House, as the case may be: *Provided further*, That the" and in lieu thereof to insert the word "President" and the following paragraphs:

(b) (1) The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a standing or select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such committee sitting in executive session with any data of any character contained in or shown by any return.

(2) Any such committee shall have the right, acting directly as a committee, or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

(3) Any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and the House, as the case may be.

So as to read:

Shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President.

(b) (1) The Secretary and any officer or employee of the Treasury Department, etc.

Mr. NORRIS. Mr. President, the amendment which has just been stated at the desk ends on line 4, page 113. I should like to ask the Chair whether the amendment which I desire to offer would be in order at this time, or whether the committee amendments must first be acted upon. My amendment proposed to strike out, as the Chair will notice by observing the bill, not only the committee amendments but the language of the House text. My amendment commences after the word "records," in line 17, page 111, and proposes to strike out the remainder of that page, all of the next page, and the first four lines of page 113, and in lieu thereof to insert other language. The question I wish to submit to the Chair is whether my amendment is now in order while the committee amendments are pending, or whether we must first dispose of the committee amendments?

The PRESIDING OFFICER. The Chair understands that the amendment intended to be proposed by the Senator from Nebraska commences after the word "records," in line 17, page 111.

Mr. NORRIS. Yes.

The PRESIDING OFFICER. The Senate has just adopted an amendment in that same line, which is printed in italics.

Mr. NORRIS. Yes; but there are some other amendments included in the language which I seek to strike out by my amendment that as yet have not been acted upon.

Mr. FLETCHER. Would it not be in order to allow the Senator's amendment to be offered as a substitute for the committee amendment?

Mr. NORRIS. But it strikes out more than is proposed to be stricken out by the committee amendment, I will say to the Chair.

The PRESIDING OFFICER. The first difficulty that occurs to the present occupant of the chair is that the Senator from Nebraska would have to secure a reconsideration of the vote by which the amendment on line 17 has been adopted.

Mr. NORRIS. I do not suppose there would be any objection to that request, but I should like to direct the attention of the Chair to the fact that my amendment strikes out not only the amendment which has been agreed to and the committee amendment which is pending but certain portions of the House text which the committee does not seek to amend. In other words, my amendment proposes to strike out not only what the committee seeks to put in but it proposes to strike out a portion of the House text as well. I can not, therefore, offer it as a substitute for the committee amendment. It has always seemed to me that the proper way would be to dispose first of the committee amendments, and then it would be in order to strike out, whether the committee amendments were adopted or not, because I seek to strike out not only what they would put it in if they were agreed to but some of the text of the House bill as well. Still, I do not want to take any chances.

Mr. SIMMONS. Would not this difficulty arise: The Senate having adopted the amendment, it could not then consider an amendment which changed that amendment.

Mr. NORRIS. No, Mr. President; the Senator, I think, does not understand the situation. The Senate has adopted an amendment, but my amendment strikes out the House text as well. It strikes out the whole thing. I could not seek to offer it as a substitute for the committee amendment, because I include in it something that the committee amendment does not strike at or change.

Mr. FLETCHER. Mr. President it seems to me clearly it would be in order to offer it as a substitute. The committee amendment proposes to strike out certain portions of the House bill and insert new matter. Now, the Senator wishes to substitute something for what is proposed to be inserted and to strike out some additional matter in the House bill. I see no reason why his amendment is not a good substitute for the committee amendment, striking out some language of the House bill and as a substitute inserting all the new matter which he proposes.

Mr. NORRIS. I have no objection, if the Senate wants to proceed on what to me seems a perfectly illogical proposition, to offering it as a substitute for the committee amendment, but a substitute which strikes out not only the committee amendment but a lot of other language that is not included in the committee amendment.

Mr. FLETCHER. That is all right.

Mr. NORRIS. It is not a substitute for the committee amendment. It would be wrong to say that it is, because it substitutes language not only for the committee amendment but for two or three committee amendments and some additional House text. If the Chair wants to hold that way, however, it does not make any difference to me.

Mr. FLETCHER. But where a committee amendment strikes out a certain portion of the House text, it would be proper to include some more language in the substitute.

Mr. NORRIS. I have not offered it yet.

Mr. SMOOT. Let me ask the Senator a question, so that I may understand his amendment. I understand that his amendment strikes out everything after the word "records" in line 17, page 111, down to and including the word "be" in line 4, page 113.

Mr. NORRIS. That is correct.

Mr. SMOOT. Then it seems to me the proper way to do is for the Senate first to agree or disagree to the pending committee amendment, and then, if it is agreed to, the Senator can offer his amendment as a substitute.

Mr. NORRIS. I agree entirely with the Senator from Utah. That is the idea I have been trying to convey. I think that is the proper procedure. I have not any doubt about it; but if there was some doubt about it I did not want to go on and be put in a hole where I could not offer any amendment at all.

The PRESIDING OFFICER. The Chair simply desires to remind Senators that the committee amendment strikes out and inserts. It is within the rights of any Senator to offer an amendment either to the House text which is proposed to be stricken out or to the committee text which is proposed to be inserted. The Senator's amendment goes further than that.

Mr. NORRIS. Yes; that is right.

The PRESIDING OFFICER. The Senator's amendment, if offered now, would not strike out the Senate committee amendment, because that is not in the bill.

Mr. NORRIS. I agree with the Chair. Then suppose we act on the committee amendment, and the Chair will recognize me when it is acted on, because no matter what words are put in or out I want to offer the substitute.

Mr. FESS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. FESS. Suppose the Senate acts upon the committee amendment and inserts it. Can it be stricken out after it has been once inserted?

Mr. NORRIS. It can be stricken out, because I seek to strike out something else with it. It would not be right simply to strike it out by itself; but I include about three committee amendments and a lot of House text.

The PRESIDING OFFICER. Three committee amendments?

Mr. NORRIS. Two at least.

The PRESIDING OFFICER. It is all one amendment.

Mr. NORRIS. Is it? All right.

The PRESIDING OFFICER. There are three subdivisions, but the committee substitute for the House language in one amendment.

Mr. NORRIS. There is one committee amendment on line 17, but——

Mr. SMOOT. That has been agreed to.

Mr. NORRIS. I understand, but that one committee amendment I strike out. Then another committee amendment strikes out a lot and inserts a lot more. I strike out all of that.

Mr. McKELLAR. Mr. President, have all the committee amendments been agreed to?

Mr. SMOOT. No; not as yet.

Mr. McKELLAR. Then just let them be agreed to, and then we will offer this as an amendment.

Mr. SMOOT. It seems to me that is the proper way to proceed.

Mr. McKELLAR. We can do it by unanimous consent. Let us do it that way.

Mr. SMOOT. It seems to me the proper way is to agree to the committee amendment, and then allow whatever amendment may be offered to it to be considered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, which strikes out the language commencing at the end of line 20 on page 111, down to and including the words "That the" on line 10, page 112, and substitutes the language printed in italics immediately following, ending on line 4 of page 113.

Mr. SMOOT. That is correct.

Mr. SIMMONS. Mr. President, I have no objection to a vote upon that question, but I want to be quite sure that if we adopt the committee amendment a subsitute for it will be in order.

Mr. McKELLAR. The Chair has already held that.

The PRESIDING OFFICER. The Chair has not made any ruling. The Chair has assumed from the colloquies that have been going on that such an amendment would be offered and that no one would object to it.

Mr. SMOOT. No one will object to it.

The PRESIDING OFFICER. Strictly speaking, none but committee amendments are in order at this time, but the Chair would not raise the question himself.

Mr. SMOOT. I should like to have it understood——

Mr. SIMMONS. I understand that none but committee amendments are in order at this time.

The PRESIDING OFFICER. The present occupant of the chair understands the point, and the Chair certainly will not raise any objection.

Mr. SMOOT. Mr. President, I should like to have the Senate consider, and will ask unanimous consent that the Senate shall consider, the amendments that are to be offered as amendments to the committee amendment. Then there will not be any question about it.

The PRESIDING OFFICER. Without objection, that understanding will be entered into.

Mr. SMOOT. Very well. That will cover the whole thing.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. NORRIS. Mr. President, I now offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 111, line 17, after the word "records," it is proposed to strike out all down to and including line 4 on page 113, and in lieu thereof to insert the following:

and shall be open to examination and inspection as other public records, under the same rules and regulations as may govern the examination of public documents generally.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. NORRIS. I yield; yes.

Mr. McKELLAR. I have an amendment somewhat similar to the Senator's amendment, but I believe I like the Senator's amendment better than I do my own, with one exception—that immediately after the language that the Senator would insert by his amendment I should like to insert a few words. Has the Senator my amendment before him?

Mr. NORRIS. No; I have not the Senator's amendment, but I have mine.

Mr. McKELLAR. I will pass it over to the Senator. Immediately after the word "generally" in the Senator's amendment I would offer the last paragraph of the amendment that the Senator from Nebraska now has in his hands, which reads in this way:

All claims for abatement or refunds of taxes shall likewise be public property, subject to inspection under similar rules.

If the tax returns themselves are to be public, then of course applications for refunds and abatements should likewise be public.

Mr. NORRIS. Mr. President, I fully agree with the Senator from Tennessee. I think the Senator's suggestion improves my amendment, and I will gladly accept it and modify it accordingly.

Mr. McKELLAR. I thank the Senator.

Mr. SIMMONS. Mr. President, I want to inquire of the Senator from Tennessee if he would not be willing to withhold his amendment until the amendment of the Senator from Nebraska is acted upon, and then offer his amendment as an additional one? My reason for making that suggestion is this: There are some Senators, I think, who might be in favor of the proposition of the Senator from Nebraska who might not be in favor of the proposition of the Senator from Tennessee, and I think his proposition would complicate the vote.

Mr. McKELLAR. With the understanding that I can offer my amendment later, if that is satisfactory to the Senator from Nebraska, I shall be glad to do it.

Mr. NORRIS. What is the suggestion?

Mr. McKELLAR. The suggestion is that we vote first upon the amendment of the Senator from Nebraska, and then, in the next place, upon my suggestion.

Mr. NORRIS. The Senator's amendment, of course, would be in order afterwards.

Mr. McKELLAR. I think so.

Mr. NORRIS. Oh, yes; there is no doubt about it.

Mr. SIMMONS. I suggested the segregation because I think the other course would complicate the proposition, and it would be better to vote upon the two matters as separate propositions.

Mr. NORRIS. All right; that may be, although I was glad to accept the amendment.

Mr. McKELLAR. I think it strengthens the original amendment, but I yield to the view of the Senator from North Carolina.

Mr. NORRIS. As far as I can see, I think the amendment is a very good one. Then, under that suggestion, I will withdraw the modification I have made, and let my amendment stand as I have offered it.

Now, Mr. President, upon the question itself I want to speak but briefly.

This is not a new question to the Senate. It has been up in every income tax bill that has ever been presented to the Senate since I have been a Member of it. I have always had definite ideas on the question, and have always wondered why it was that those who oppose it so often—not always, all of them, but so often—did it with bitterness, it seemed to me, with a feeling that those who favor this kind of an amendment were really not acting, perhaps not trying to act, for the best interests of the country generally.

I can not myself see any objection to the publicity of these tax returns, and I can see, I think, a great many ways in which the country would be benefited if they were made public records. It is akin to the return that we all make in our home States to the assessor. As far as I know, there is not a single State but that provides that those returns shall be public, and that they shall be liable to inspection by any citizen, under reasonable rules and regulations. In my own State the law not only provides that they shall be open to inspection but it provides for the making of objections to the return of any taxpayer in the county by any other taxpayer, and there is a provision for hearing and summoning taxpayers when complaints are made.

I never have known of any danger or injury to a man's business because his tax returns to the assessor were public property. I can not myself understand how, in making an income-tax return to the Federal Government, there is any more reason why it should be secret than the tax returns made under our State laws, which, instead of being secret, are held to be public documents and public property, subject to examination. The fact that this is true has a tendency to bring about more honesty in returns and a fairer statement of property—in this case of incomes—because it is known that it will be possible for people to examine the return when it is filed and becomes a public record.

But, Mr. President, I am not trying to argue that point. It seems to me that that, perhaps, is apparent to everybody. There is another reason, the importance of which has been disclosed during this session of Congress, why publicity should take place.

We voted just to-day upon an amendment, and there was practically a tie vote upon it in the Senate, when if we had had publicity of returns it would have been so plain that there would not have been any doubt as to what the Senate should do. As it was, Senators all of whom were trying to reach the same conclusion voted differently, and there was practically a tie in the Senate.

Here we have discovered, or we think we have—the Senate committee thinks so, and the House thought so—a loophole by which men are avoiding the payment of their income taxes; and the provision in the House bill was intended to close up that loophole. Nobody knows just to what extent it has been carried on in the past because of the secrecy of these returns, because there is no publicity of the records; and we are confined for our consideration to a few cases that become public property when a man dies, and his estate is subject to administration under the law.

We appointed a committee some time ago, known as the Couzens committee, to make certain investigations of the Bureau of Internal Revenue. There were some other things that crept into that, of a partisan nature, perhaps, and I am going to have something to say about that when we consider either the motion to discharge the committee or to give it power to hire an attorney, and I do not want to discuss it in detail now. I only want to refer to it as far as the investigation applied to the question now before the Senate is concerned. I was in favor of the appointment of that committee, mainly because I thought it would bring out some of the things that were hidden that would enable Congress properly to legislate on the income-tax provisions of the law. We are all in the dark. When that committee got to work, they came up against this law of secrecy, so that they would have been in the end of a blind alley if it had not been that some people, including the Secretary of the Treasury, agreed that the secrecy covering their returns provided for by the law should be set aside, and that the committee should have information as to the returns. They got some information in that way. I have read a good part of the hearings, as far as they went. They just got started when the whole thing was stopped on account of the illness of the Senator from Michigan.

What little evidence was adduced throws a good deal of light on the question of how we ought to legislate in this very bill now before the Senate. It was disclosed, in what little came out, that when a claim is made by the taxpayer of some error in the assessment, he goes before a board or a collector, or somebody—it is hardly disclosed just what is done—he gets before some kind of a tribunal and has a hearing, and it is secret.

If he finds out that something is wrong with his tax assessment; if he finds he has been erroneously assessed, that the Government has taken too much, we will say, and they refund it to him, there may be a thousand other men in the same predicament, but they do not find it out. The very wealthy, the very large corporations, in some way or other usually do find out such things, get in and get their remedy. So, in a case like that, it is an injury to the taxpayer, and it all comes about because of the secrecy in this great machine, in this great bureau. Publicity of these returns would relieve it of every one of these objections. If, on the one hand, a man has been erroneously assessed, and he shows it, and there is publicity of the official action of the department or the bureau or the officer, every citizen in the United States knows about it the next day. If some one else is in the same predicament, if the same thing has happened to him, he will be enabled to get justice, whereas perhaps he might not even have knowledge that a mistake had been made in his case.

Mr. CARAWAY. And secrecy lends itself to the corruption.

Mr. NORRIS. Absolutely; there is no question on earth about that. Secrecy lends itself to the corruption not only of the man who is dishonest and wants to evade proper taxation in his return, but it lends itself to corruption of the people who are passing on the question in secret, if it is ever raised before any tribunal.

Mr. CARAWAY. May I suggest to the Senator that when a taxpayer goes and tries to get an adjustment, he is met with this situation: The Government will receive in confidence statements made against him reflecting upon the honesty of his return, and he never knows who makes the statements. Therefore it is an invitation for somebody who wants to give trouble to some one else to make a confidential statement to a secret agent of the Government. The whole thing reeks with corruption, and affords untold opportunities for blackmail and for doing everything else wrong.

Mr. NORRIS. If the Couzens investigation had gone on, I think all of this would have been disclosed along the very lines the Senator from Arkansas has pointed out. What little has been done has disclosed that in some instances some clerk in the bureau having a confederate on the outside, knowing in secret what has happened to this man's claim or that man's claim and a thousand other claims, where perhaps the man does not know anything about it, can communicate with his confederate, giving the names of the taxpayers. His confederate then can communicate with the taxpayers, be employed as an attorney, perhaps on a 50-50 basis, when there is really nothing to do, but because it is all secret, the clients do not know anything about it. They pay extortionate fees to get what they ought to have without the payment of any fee.

Mr. CARAWAY. May I just suggest right there that a man who has held a most important position in the Treasury Department told me that they were splitting fees four ways. He would not permit me to quote him, because he, like many other people, would rather have a job than be an honest man. He wanted me to make certain inquiries to establish the truth or falsity of his statement without revealing his name, and I would not do it.

Mr. NORRIS. Mr. President, it has been disclosed in the argument on the amendment we have voted on to-day that Mr. William Rockefeller died, that publicity was given, of course, to the settlement of his estate, and that it was discovered that this loophole in the present tax law, which everybody wants to close up, was resorted to by him, and he escaped paying income taxes. Nobody knew anything about it until the settlement of a dead man's estate brought it into public view. Nobody knows now how many thousands of other cases there are like that or whether there are thousands of other cases like it. We do know it worked very successfully in that case. No person anywhere outside of the bureau itself knows to-day how many million dollars of taxation have been avoided by the taxpayers creeping through that one loophole, which was discovered only by the death of some one who had been using it to escape taxation. Maybe we can not remedy the matter. Maybe we will find that some of these things can not be remedied. The Senate disagrees as to just how it should remedy this one, but we never will know anything about it until we take off the shield of secrecy and see and examine the conditions just as they are.

Who would be hurt by it? Where is there a citizen in the United States who would be injured by publicity? I can not myself imagine such an individual. No one who is willing to pay all the income tax he ought to pay under the law, whether he believes the law to be right or not, it seems to me, can have any legitimate objection to publicity of income-tax returns.

Mr. President, it will not only enable us to legislate correctly and to finally get a law without loopholes, but it will bring into the Treasury of the United States many millions of income taxes, coming from men who are avoiding the payment of proper taxes simply because there is no publicity.

Mr. CARAWAY. It will also put an end to the activities of a great many people and some corporations pretending to be gold mines and getting people to invest in schemes on the statement that they make large earnings.

Mr. NORRIS. It will do that. I thank the Senator. That is quite an important proposition, it seems to me.

Mr. DILL. Mr. President, I suggest that it might also prevent some of our investigation work, where we try to find out some of these things. They would all then be a matter of public record.

Mr. NORRIS. Yes; I was trying to show that the investigation going on by the so-called Couzens committee of the Bureau of Internal Revenue so far has disclosed nothing except what would have been public to everybody if it had not been for the secrecy that surrounds this entire business.

The PRESIDING OFFICER (Mr. LADD in the chair). The question is on agreeing to the amendment offered by the Senator from Nebraska.

Mr. McKELLAR. Mr. President——

Mr. REED of Missouri. Let it be reported.

Mr. McKELLAR. It can be reported when I finish what I am about to say. I offer an amendment similar to that of the Senator from Nebraska, and ask to have it printed in the RECORD.

There being no objection, Mr. McKELLAR's amendment was ordered to be printed in the RECORD, as follows:

On page 111, line 17, after the word "records," strike out the semicolon and all of the paragraph down to and including line 10 on page 112, insert a comma and the following: "and shall be open to inspection by any citizen under rules and regulations prescribed by the Secretary and approved by the President, covering only the time and manner of such inspection, to the end that all officials and employees of the Treasury in charge of such records may be inconvenienced as little as possible in the discharge of their usual duties and that the business of the department may be as little interfered with as possible.

"All claims for abatement or refunds of taxes shall likewise be public property subject to inspection under similar rules."

Mr. McKELLAR addressed the Senate. After having spoken for 20 minutes,

Mr. BAYARD. Mr. President——

Mr. McKELLAR. I yield to the Senator from Delaware for a question.

FORMER SENATOR WILLARD SAULSBURY

Mr. BAYARD. Mr. President, from 1913 to 1919 Hon. Willard Saulsbury was a Senator from the State of Delaware in this body. In the last week or two the Secretary of War and the Secretary of the Navy have seen fit to make public announcement in regard to his record so far as practicing before those departments is concerned. Those statements are absolutely false in fact, and I have letters to me refuting them, copies of letters to the several Secretaries, and a copy of the letter of the legal firm with which Mr. Saulsbury was said to be associated. I ask unanimous consent that this correspondence be placed in the RECORD, inasmuch as the alleged statements were heretofore published in the RECORD.

Mr. SMOOT. Mr. President, the Senator says the Secretaries saw fit to make public statements. The Secretaries answered a resolution of the Senate. They could not do otherwise.

Mr. McKELLAR. I do not yield for a colloquy on this subject.

Mr. BAYARD. Does the Senator object to my offer?

Mr. SMOOT. No; I do not object.

Mr. McKELLAR. The Senator has made his statement, and I do not want all this matter brought up in my time.

The PRESIDING OFFICER. Without objection, the correspondence will be printed in the RECORD.

The matter referred to is as follows:

WASHINGTON, D. C., *May 1, 1924.*

Hon. THOMAS F. BAYARD,
United States Senate, Washington, D. C.

DEAR SENATOR: I notice in the CONGRESSIONAL RECORD of April 28 last a report of the Secretary of War in which my name appears as one of the former United States Senators who appeared as attorney in connection with claims before the War Department.

It is stated that "former Senator Saulsbury is understood to have been a member of the firm" of Britton & Gray, who, on May 8, 1919, wrote a letter to the War Department concerning demurrage on some cars to Aberdeen, Wash., the amount involved being $60. I noticed in one of the newspapers recently a similar reference to myself as connected with the same firm which had had some business with the Land Office, possibly at or about the same time. I paid no attention to it, but as it seems to be considered a proper thing in making reports under the Senate resolution to refer to me as being connected with or interested in matters presented to any of the departments by Messrs. Britton & Gray, and as nobody can foresee what conclusion some evil-disposed person may seek to draw from the attempt to connect me with claims against the Government, I think it is excusable for me to make this statement:

I have never been personally and pecuniarily interested in any case which the firm of Britton & Gray had or has before any department of the Government. On May 8, 1919, I doubt if I had ever been in their offices. In December, 1920, I became associated with that firm, but not as a partner, simply having my Washington office in their suite. This was an agreeable connection for me because the firm of Britton & Gray, under that name, has been a firm of the highest reputation among the lawyers of the District for more than 50 years. They have a very large practice in the various departments, and not a day passes, I am sure, that communications are not going backward and forward between one or more of the Government departments and Britton & Gray concerning business to which they are attending for clients in the legitimate practice of their profession. As is known to everyone connected with such firm, their practice is very large before the General Land Office, and with that office I have never had the slightest connection, nor have I any knowledge of that branch of the law which would justify me in attempting to practice in that office.

As you know, for a long time prior to my election to the Senate I was the chairman of the board of censors of my home bar association, and only resigned that position when I went into the Senate. I should, therefore, be supposed to have more than average knowledge of the ethics of the legal profession; therefore, any imputation of impropriety of any character connected with my profession is extremely disagreeable to me and absolutely without any foundation.

I inclose copies of letters just sent by Britton & Gray to the War and Interior Departments. May I ask you to give this communication such publicity as was given the War Department report? If anything further occurs in the Senate which you think would call for any explanation or denial on my part, I will greatly appreciate it if you will let me hear of it.

Yours very truly,

WILLARD SAULSBURY.

MAY 1, 1924.

Hon. JOHN W. WEEKS,
Secretary of War, Washington, D. C.

SIR: In a report made over your signature to the President of the Senate it is stated that Britton & Gray, attorneys at law of this city, on May 8, 1919, wrote a letter to your department regarding a trifling claim amounting to $60, made by one of their clients for demurrage on cars, and this gratuitous, unnecessary, and untrue statement is included—

"of which firm (Britton & Gray) former Senator Saulsbury is understood to have been a member."

I can not escape the conclusion that the object of inserting this falsehood is the endeavor to connect my name with the nauseous and disgusting condition disclosed in some of the Government departments. For this reason I can not attribute it to you personally.

I had not the slightest connection with Britton & Gray's office for more than a year and a half after the date given for this letter. The triviality of the matter would make it unworthy of notice were it not for the motive. I, however, have the honor to suggest that any one of your subordinates who would be guilty of such an act is unworthy of confidence and unfit to hold any Government position where he may be further enabled to show vicious partisanship.

Yours very respectfully,

WILLARD SAULSBURY.

MAY 1, 1924.

Hon. JOHN W. WEEKS,
Secretary of War, Washington, D. C.

SIR: We note in the CONGRESSIONAL RECORD of April 28 a report by you to the President of the Senate with respect to any ex-Members of the House of Representatives, ex-Senators, or any ex-Cabinet officers who may have appeared as attorneys or agents in connection with claims of the War Department, as follows:

"Willard Saulsbury: May 8, 1919, Britton & Gray, attorneys at law, of which firm Senator Saulsbury is understood to have been a member, wrote a letter to the Engineer Department concerning certain demurrage on cars furnished at Aberdeen, Wash., in September, 1917, which had been disallowed by the Auditor for the War Department. The correspondence requested further information as to the dates the cars were placed on order of a representative of the Engineer Department. This could not be furnished, and, so far as known, the disallowance stands. The amount involved was $60."

Permit us to advise you that ex-Senator Saulsbury has never been and is not a member of the firm of Britton & Gray. In January, 1921, we arranged with ex-Senator Saulsbury that he should use a portion of our offices, which arrangement still continues.

It seems to us with a firm of practitioners, having daily business before your department, and with established headquarters in this city, it would have been a very easy matter for the officials in charge to have called upon Britton & Gray for the facts before making such an erroneous return in response to Senate resolution, and in view of the above we respectfully request that you may supplement your previous report by advising the Senate in accordance with the facts.

Very respectfully,

BRITTON & GRAY.

MAY 1, 1924.

To the SECRETARY OF THE INTERIOR,
Washington, D. C.

SIR: In a recent number of the CONGRESSIONAL RECORD we notice that, in reply to the resolution of the Senate of the United States calling for information with reference to ex-Members of the House of Representatives, ex-Senators, and ex-Cabinet officers who have appeared as attorneys or agents in connection with claims before your department, a statement that ex-Senator Willard Saulsbury, of Delaware, had appeared as counsel or attorney in the case of the Bolton oil and gas lease.

The oil and gas lease to which reference was made was in the hands of the firm of Britton & Gray, with which firm ex-Senator Saulsbury has never had any official connection. Ex-Senator Saulsbury is associated with the firm of Britton & Gray in the sense that he has office rooms in connection with those of this firm. He had no connection or knowledge of any kind with the matter above referred to, and this fact could have easily been ascertained by the officer in your office having charge of the matter if he had called upon this firm for information.

In view of the above, we respectfully request that you may correct your previous report to the Senate, so that the facts may be correctly placed of record.

Yours very respectfully, BRITTON & GRAY.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. McKELLAR resumed and concluded his speech, which is entire, as follows:

Mr. McKELLAR. Mr. President, I agree with what has been so well said by the Senator from Nebraska [Mr. NORRIS] in reference to the publicity of tax returns. I do not think there is a more important provision in this bill. Publicity of tax returns is in exact accordance with the spirit if not the very letter of our Constitution. That is provided for in an article which is not very generally kept; but, at the same time, it is in the Constitution now. Section 9 of Article I of the Constitution provides as follows:

A regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

The framers of our Government intended that its affairs should be transacted in public, and especially its tax affairs. I doubt if it was dreamed by them that the Government would ever impose taxes and make the records concerning their imposition secret records, only to be opened upon the direction of the officer in charge of their collection.

I stop here long enough to say that under the present law no officer of this Government except the Secretary of the Treasury and those whom he designates has the right to look at any tax return. No Member of Congress, not a committee of this body, not a committee of the other House, has the slightest right or power to get any information from the Treasury about tax returns.

It is a remarkable thing that Members of both Houses of Congress would be willing to impose taxes on the people of the United States and then provide for their being secretly imposed, secretly refunded, secretly abated; yet that is exactly the provision in the present law.

A policy of secrecy in reference to the collection of billions of dollars of taxes a year is in effect now. Not even a Congressman or a Senator is permitted to look into the records, not even a committee of either House is permitted to look into the records. They are hermetically sealed, and only by passing a resolution is the Congress through its committees able to get any information concerning taxes, and then, when the information is obtained the records are sacredly guarded by the official in charge of them, and an expert, so I am informed, is sent along to the committee for the purpose of explaining the return.

The Senator from Nebraska said a few moments ago that he had read the report of the hearings before the Couzens committee. I ask him if there was an officer of the Treasury Department brought along to explain all returns to the committee when they were offered to the committee. Was that the way it was handled?

Mr. NORRIS. I can not answer the question. I do not know whether that occurred in all cases or not. That did happen, I think.

Mr. McKELLAR. The papers so reported.

Mr. NORRIS. Whether that was the case always or not, I can not say.

Mr. McKELLAR. What information can a committee of the Senate or the House get as to these secret returns, none of them being specialists in taxation, involving the most complicated questions of law and fact? What information can they get, other than what the expert is pleased to give them, upon an examination of the returns in that way?

Again, Mr. President, the secret imposition of taxes—for that is what it means—the secret repayment of taxes, the secret abatement of taxes, is contrary to the genius and policy of American institutions, and ought not to be tolerated in any free country.

We have 48 States in this Union, all imposing taxes; almost innumerable counties imposing taxes; almost innumerable cities, all imposing taxes; and the tax records of every city, of every county, and of every State are public records, and, so far as I know, the tax records of the United States are public records except in the case of income taxes. They alone are secret. What is the reason for this secrecy? Why should we have secrecy in tax returns?

Again, Mr. President, what has been the result of this policy of secrecy in connection with income-tax returns? It has become almost a public scandal. In 1921, there were refunded in taxes by the Treasury Department, in round numbers $28,000,000. In 1922 they refunded $48,000,000 and in 1923 $229,000,000. They went so far beyond the estimate that we have just passed a bill—I do not know whether the bill has actually become the law now—but we have just passed a deficiency bill appropriating the enormous sum of $105,000,000 for the purpose of refunding taxes that have been declared illegally assessed and collected. What kind of a department have we down there that in one year has illegally assessed against the citizens of the United States $220,000,000 of taxes? Is it any wonder that there is to be an investigation of the department that is so inefficient, so utterly incompetent, that it makes mistakes and admits it has made mistakes in the assessment of taxes in the enormous sum of $229,000,000 in one year?

Were they refunded openly? Were these refunded after a public hearing? Oh, no. They were refunded only after a secret hearing. The taxpayer makes a claim to clerks in the Internal Revenue Bureau, and if he is able to convince those clerks that such taxes should be refunded, the matter goes through, and thus hundreds of millions of dollars are being returned to taxpayers without a public hearing, without it being judicially passed upon. All other claims against the Government have to go before a public tribunal. These claims alone do not have to go before a public tribunal. In like manner, claims for abatements are made by taxpayers. They are passed upon by clerks in the department, and I mean no offense when I speak of clerks. Some of the best men I know are engaged in this business.

Mr. WATSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Indiana?

Mr. McKELLAR. I yield.

Mr. WATSON. Is the Senator aware of the fact that while the refunds amounted to $123,000,000——

Mr. McKELLAR. There was $124,000,000 appropriated in the previous bill and there is a deficiency bill now before the Congress, which means that there will be, by July 1, 1924, the end of the fiscal year 1923, $105,000,000 more refunded.

Mr. WATSON. But for 1917 and 1918, which were the great years when all this difficulty occurred and all these complexities arose that had to be solved, the refund of taxes amounted to $123,000,000. However, in going over all of those tax returns, they collected the additional sum of $600,000,000 for the Government, while at the same time they were refunding $123,000,000 to the taxpayers. The largest of them all, $9,000,000, to any one individual was the result of a decision of the Supreme Court of the United States.

Mr. McKELLAR. The Senator talks about there being $600,000,000 additional collection of reassessments that were made by us. I think I have seen those figures, but the amount of abatement that has been allowed to the taxpayers of the country upon claims largely exceeds the enormous sum that has been paid in refunds. So that I doubt, from the figures we have been able to obtain, whether we have really gained anything or not. We have to use a gimlet in order to extract any information from the department about it. For a long time the Secretary of the Treasury refused or failed to give any information about it. I had to offer a resolution. I had resolutions passed twice in this body before we could get any information about it, and the amount of the abatements and of the refunds is probably more, I will say to the Senator, than the amount of additional taxes collected.

Mr. WATSON. But in the first place there are no figures for the total abatements——

Mr. McKELLAR. Oh, no, the Treasury Department is not giving them to us. I have asked for them time and again and did not get them. I did get figures as to the refunds, and the only reason why I could get those figures was because in an old law it was provided that the figures should be prepared and sent to the Speaker of the House of Representatives. The Speaker of the House of Representatives told me that he had sent them to the chairman of the Ways and Means Committee. When I went to the chairman of the Ways and Means Committee for them he said that they were buried in some cellar. I went to the cellar for them, and when I finally got them I published them. That was the only way I could get them. I understood from the gentleman who actually made the investigation of them in the cellar that the Treasury Department did not want them turned over to me even under those conditions, but they are in the RECORD. The enormous amount of refunds for the last three years aggregated over $24,000,000 in 1921, $48,000,000 in 1922, and $229,000,000 in 1923, amounting in the aggregate to the enormous sum of approximately $300,000,000.

Mr. WATSON. I am trying to tell my friend some facts about the situation.

Mr. McKELLAR. I hope the Senator has them. That is what we have been trying to get from the Treasury Department. I hope the Senator from Indiana has the information.

Mr. WATSON. It is easy enough to charge dereliction of duty in the collection of a vast sum, and especially when billions of dollars of taxes had to be collected by a department wholly inadequate from the time of the beginning of the war.

Mr. McKELLAR. We collected a great many more taxes than that during the war and by the same department.

Mr. WATSON. No; that is when the trouble occurred, in 1917 and 1918.

Mr. McKELLAR. Oh, no; the Senator is mistaken about that.

Mr. WATSON. That is when practically all of the trouble occurred.

Mr. McKELLAR. Oh, no; the Senator is mistaken.

Mr. WATSON. No; I am not. I know exactly what I am talking about.

Mr. SMOOT. The reports were all made in those years.

Mr. McKELLAR. The abatements occurred to a very great extent during that time.

Mr. WATSON. The department keeps no figures as to the total amount of abatements, because that is a purely temporary question. A man comes in and for some cause or other wants the question held up.

Mr. McKELLAR. The Senator said abatements are temporary?

Mr. WATSON. Certainly.

Mr. McKELLAR. They may be temporary, but the claims for abatements are the most effective way of the rich taxpayer withdrawing funds from the Treasury that ought to be retained in the Treasury.

Mr. WATSON. That is another assertion, if my friend will permit me in all kindness to say, which is unfounded.

Mr. McKELLAR. I challenge the Senator to bring from the Treasury Department the claims allowed as abatements and the names of those to whom abatements were given. I challenge him to do it. Will he do it?

Mr. WATSON. If my friend will permit me to make an assertion——

Mr. McKELLAR. No. I want to know if the Senator will bring them.

Mr. WATSON. No; because they are not kept as the Senator thinks.

Mr. McKELLAR. Not kept?

Mr. WATSON. On all these questions of refunds and abatements, when they were settled, there were $123,000,000 of refunds and $600,000,000 of additional taxes collected after all the proposition of abatements had been determined. A taxpayer comes in, whether he be rich or poor, and makes a statement upon which he asks for a reaudit, and they simply hold up the final decision until a reaudit is given. That is an abatement. It is not a final settlement of the question. It does not finally determine the amounts to be paid, but when it is all said and done and all the declamations shall have been indulged in, the fact remains that $123,000,000 has been refunded and $600,000,000 of additional taxes collected, and that is the sum and substance of it all.

Mr. McKELLAR. That is not the sum and substance of it all. The Senator from Indiana is not at all informed about the matter. I ask him to read the letters of the Secretary of the Treasury that were published in the RECORD on March 12, 1924, and he will see how mistaken he is. The Senator says they do not keep a record of abatements.

Mr. WATSON. Oh, no.

Mr. McKELLAR. I am a taxpayer. A reassessment is made on the ground that I have not given a proper return. An inspector is sent to my home and an examination is made and I am reassessed, say, for $100,000 taxes. Of course, that could not be in my case because I have no such fortune. But suppose it is done; I come here by my agent or by some former employee of the Treasury Department and get that claim for abatement allowed.

Mr. WATSON. Will my friend permit me?

Mr. McKELLAR. Then the Senator from Indiana says in a case like that, though I have escaped the $100,000 of taxes that have been reassessed against me, that the Treasury Department does not even keep a record of it.

Mr. WATSON. Oh, no.

Mr. McKELLAR. If it does not keep a record of it, it ought to keep such a record.

Mr. WATSON. The Senator from Indiana did not make any such statement.

Mr. McKELLAR. If the Senator will look at his remarks in the RECORD he will see that is just what he said.

Mr. WATSON. The Senator from Indiana, of course, knows——

Mr. McKELLAR. If the Senator does not think that is so when it is submitted to him in its exact form, then I am glad to have him change his position.

Mr. WATSON. The Senator from Indiana is perfectly familiar with the operations of the Treasury Department.

Mr. McKELLAR. I am glad to hear that.

Mr. WATSON. I am a Member of the Committee on Finance and I have some knowledge of the situation. The Senator from Indiana knows that each separate record of abatement of course is kept by itself, but no compilation of the total amount is kept. No compilation of the amount is kept because it is purely a temporary proposition.

Mr. McKELLAR. The Senator says he is familiar with it. He is on the Finance Committee, and, of course, he is one of the leaders on the floor and one of the keynoters of the Republican Party.

Mr. WATSON. Oh, no.

Mr. McKELLAR. Will the Senator furnish a list of the abatement claims or a copy of the abatement claims that have been made for 1923? The Senator does not answer.

Mr. WATSON. I did not hear the Senator's question. My attention was diverted.

Mr. McKELLAR. I asked if the Senator will see that the Treasury Department furnishes the Senate with the abatement claims for 1923 that were allowed.

Mr. WATSON. They would have to go through every case of abatement and it would take weeks and weeks to do it. What is the difference whether or not a claim was abated?

Mr. McKELLAR. I will tell the Senator what the difference is. The difference is between an honest collection of the revenue of the country that has been imposed by the Congress and one that is partial and shows favoritism.

Mr. WATSON. Not at all. In other words, a far greater number of cases that were abated were finally decided against the taxpayer than were decided in favor of the taxpayer.

Mr. McKELLAR. The Senator says there is no record kept. So how can he make that statement?

Mr. WATSON. The Senator did not say there was no record kept. I have repeatedly stated that there was a record in each case kept, but no record of the compilation of the total amount.

Mr. McKELLAR. Why ought not such a record be kept?

Mr. WATSON. Because it would involve an endless amount of work for no purpose. Why should it be done? Has the Senator any idea in the world of the vast amount of work done in the Treasury Department?

Mr. McKELLAR. Of course, and I know, too, the vast body of men employed down there to do the work. We furnish all the necessary employees to do that work and they ought to do it. If they have not the information as to abatements, one of the most important things in the department, so far as revenue is concerned, they ought to have kept it. I believe if the Senator from Indiana would make inquiry he would find that they have the information and could furnish the information, but when it is furnished it will be found that the abatements so far exceed what has actually been collected on reassessment that it would show a condition that they do not want to have shown.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Wyoming?

Mr. McKELLAR. I yield with pleasure.

Mr. KENDRICK. In connection with the question of publicity, I am in favor of publicity as provided in the amendment offered by the Senator from Nebraska [Mr. NORRIS]. I want to ask the Senator from Tennessee if he does not believe that in the interest of fairness to the taxpayer some provisions more satisfactory than the present ones should be made for levying an increase on one's taxes. In all the cases that have been brought to my attention the taxpayer is first notified that his taxes have been increased, without giving him any hearing whatsoever in connection with such increase. Some provision should be made which would give him a hearing before an increase in taxes is levied. I ask the Senator if he does not believe that such an arrangement, either through administration or provision of law, would go a long ways toward correcting the return of taxes?

Mr. McKELLAR. I agree with the Senator entirely, but I merely wish to point out to him what is done. The Senator from Wyoming, we will say, makes out a tax return for some corporation with which he is connected. That return is examined by some employee of the Internal Revenue Bureau, who then sends an inspector to Wyoming or designates an inspector who is already in Wyoming, to examine into the accounts of that corporation. That inspector acts secretly; there is no openness about it; he can take just what course he pleases. He usually goes over the books and makes an assessment. It is done secretly. He sends his report here to Washington and his assessment is placed on the tax books. He increases the assessment, he increases the amount of taxes, and that increased assessment of the tax is sent to the collection district of which the Senator's State is a part, and frequently without any knowledge of the taxpayer. Then the taxpayer's only recourse is to send a man all the way to Washington to look into the matter.

Mr. KENDRICK. He usually has to send an attorney.

Mr. McKELLAR. It is usually an attorney who is selected, or a man who has been in the tax bureau and is no longer there; some man who practices before the Internal Revenue Bureau. He goes to see a clerk or perhaps two clerks. By the way, I have no complaint to make of them; they are very nice gentlemen. But there is a secret hearing on the taxes of the corporation in which the Senator is interested; the matter is passed on in secret. When it is over, a statement of the amount of the tax which has been assessed is sent to the Wyoming district; and the Senator's corporation has got to pay it outright or pay it under protest, and then sue the Government in order to get it back.

Now, Mr. President, the Senator is exactly right in his position that in such cases as that there ought to be a tribunal which is open, just as open as is any court, where the Senator may go or where the Government may go and undertake to collect the taxes from the Senator's company, if the tax is due; but after the Senator has made his return, after it has been examined into, and after he has paid his taxes, the matter certainly ought not to be opened up in secret in any such way.

Mr. KENDRICK. Mr. President, it seems to me it could hardly fail to be a public benefit to have these records made public.

Mr. McKELLAR. That is absolutely true.

Mr. KENDRICK. And at the same time, I see no reason why, in the interest of fairness, the taxpayer should not be given a hearing before his taxes are increased.

In connection with the method of procedure at this particular time, I desire to say that it involves a trip of 2,020 miles from my home town to Washington in order to correct an increase which has been made by the Government even though it were made in error.

Mr. McKELLAR. Not only that, Mr. President, but when such increase is made it is done secretly; the whole proceeding is in secret. The taxpayers do not know of it. There are innumerable rules in the Treasury Department, none of which are published, none of which the public knows. The officials of the department pass upon those rules and regulations and are familiar with them, of course, but cases are often times settled on such rules of which the taxpayer never heard, and which have never been submitted to him.

Mr. KENDRICK. Mr. President, I merely wish to say one more word about this matter. I am one of those who are not sitting in judgment upon the Treasury Department. I believe that the officials of that department are enforcing the law as nearly with integrity as they know how, and under very great difficulties, because the income tax law is even yet an innovation in our country, and there are many complications connected with it. I have been unable in the past, however, and I am now unable, to see any good reason why the present arbitrary method of raising one's taxes without first giving him a hearing, should be employed.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I yield to the Senator from Utah.

Mr. SMOOT. I wish to state to the Senator that every taxpayer now has that right if there is a question raised as to the amount of taxes due. The Senator would not have the law require that the taxpayer should be present when his tax returns are examined, would he?

Mr. KENDRICK. No.

Mr. SMOOT. Just a moment. There is a just criticism offered by the Senator in relation to the taxpayer having to come here or to send somebody here in case there is a dispute as to the amount of his taxes. Such disputes, of course, arise, but in this bill we provide a tax-appeal board; and some of the members of that board will sit somewhere near the State of Wyoming, perhaps in Wyoming, or in Utah, or in Colorado, so that the cases which arise in that section can be considered by the appeal board without the taxpayer coming near Washington.

Mr. KENDRICK. Mr. President——

Mr. McKELLAR. Allow me just a moment to answer the Senator's suggestion. The Senator from Utah says that under this bill we are going to send out a nomadic court or board.

Mr. SMOOT. Yes.

Mr. McKELLAR. Does the Senator mean to tell me that the committee has returned to the tax-collection principles and laws of Henry VII of England? That was the way in which he proceeded.

Mr. SMOOT. No; Mr. President.

Mr. McKELLAR. Henry VII was known as the greatest tax collector in the world, and the way he proceeded was to send out from his office in London a nomadic court, which went around and levied and collected taxes from the various citizens in his dominions. I hope the Senator from Utah has not reintroduced the principle and policies of tax collection of Henry VII.

Mr. SMOOT. I should like to say a word further to the Senator from Wyoming [Mr. KENDRICK].

Mr. McKELLAR. Very well.

Mr. SMOOT. I wish to say to the Senator from Wyoming that the taxes for the year 1917—and that is the year in which the first tax returns which amounted to anything were made—are the ones that are not settled up to date. They have involved more time and more expense than have the tax returns for all the other years put together, with the exception of the year 1918.

Mr. McKELLAR. Mr. President, the Senator knows that there is a five-year limit.

Mr. SMOOT. Oh, well——

Mr. McKELLAR. Wait one moment. It has been said by the Senator from Utah and the Senator from Indiana that most of the tax claims and most of the contested tax payments arose during the years of the war. Why, Mr. President, every tax claim brought about by the war has been barred by the statute of limitations for more than 18 months.

Mr. SMOOT. The Senator says that, but he does not mean it.

Mr. McKELLAR. Yes; I do mean exactly that. There is a five-year limitation, and this is 1924 and not 1922.

Mr. SMOOT. I will tell the Senator that waivers were made in those cases; and if waivers had not been made suits would have been started.

Mr. McKELLAR. But there were not many of such cases.

Mr. SMOOT. That action was taken before the present administration went into office. I never talk politics here when I talk business, and this is business and not politics; and I want to state to the Senator——

Mr. McKELLAR. I think it is very fine political business—that often certain taxpayers of the country can get refunds utterly out of proportion, in my judgment, to what is due.

Mr. SMOOT. The refunds amount to about 2 per cent of what we have collected.

Mr. McKELLAR. The Senator and I can not agree as to that.

Mr. SMOOT. No; but the figures will speak for themselves.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Wyoming?

Mr. McKELLAR. I yield to the Senator from Wyoming.

Mr. KENDRICK. I can understand very well that the arrangement for the appointment of this board, to which reference has been made, to sit in different sections nearer to the taxpayers would prove a great convenience and a great economy.

Mr. SMOOT. There are to be not more than 28 members of the board for two years, and I wanted to explain to the Senator the reason for that.

Mr. KENDRICK. The thought I have in connection with the increasing of one's taxes is that notice might very well be given to a taxpayer that it appears to the department he owes a certain additional amount in taxes; but I insist that that increase should not be made until an examination has been had in a public manner of the facts in connection with the increased assessment.

Mr. SMOOT. That is exactly what will be done under this bill. It provides for a 60-day notice, and no action can be taken for 60 days.

Mr. KENDRICK. The Senator will remember that such a rule applies even in the counties of our States. When it is proposed to increase the taxes of a taxpayer he is given a hearing before the increase becomes effective. In income-tax cases, however, according to the circumstances which have been brought to my attention, almost invariably the taxpayer has no thought or idea that his taxes are to be increased until he is notified to pay. I say that is unfair to the taxpayer.

Mr. SMOOT. Under this bill that is prohibited, I will say to the Senator, and the taxpayer is given 60 days. There will be a hearing before an impartial board, and no action can be taken by the Government until after the 60 days have elapsed.

Mr. KENDRICK. I am glad to hear that is true.

Mr. McKELLAR. Mr. President, all other claims against the Government, except tax claims, have to go before a public tribunal. Tax claims, the most important of all claims to our citizens, are alone singled out to be determined in secret.

In like manner claims for abatement are made by taxpayers, and they are passed upon by clerks in the department. I mean no offense when I speak about clerks, for some of the very best men I know are engaged in this business in the revenue office. They are high-minded, conscientious, splendid young men, and I am not complaining of them. I am complaining, however, of the system of secrecy under which they work. They work in secret and their findings are in secret. They do not even advise the taxpayer until it is all settled what it is proposed to assess him.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I yield.

Mr. SMOOT. I wish to ask the Senator what he means by secrecy? Does he mean that the thousands of workers here in the Treasury Department shall at the close of each day make public what they have accomplished, or does he mean that they should not perform any work unless the taxpayer, or some representative who wants to know what they are going to do in connection with tax returns, is present? I do not think the Senator believes that that would be at all feasible.

Mr. McKELLAR. Oh, no, Mr. President. I will tell the Senator and the Senate what I believe as to how it should be done. As to the enormous claims for abatement, amounting to hundreds of millions and perhaps billions of dollars, and the enormous claims for refunds, amounting to over $200,000,000 this year, there should be a public tribunal before which the honest taxpayer may go and receive what he is entitled to, namely, a public hearing. There should be a tribunal, in the nature of a court, where a taxpayer may go and be heard and receive what he is entitled to, and where the Government of the United States may receive what it is entitled to. I am opposed to a department or bureau passing upon these enormous claims in secret, where the public is not to be taken into consideration, and where oftentimes not even the taxpayer is taken into consideration.

Mr. President, these tax records are all secret; the results are all secret; the refunds are all secret; the abatements are all secret. It is contrary to the policy and genius of American institutions to have these enormous sums either abated or refunded by secret departmental acts. It has gotten to be a scandal. It has been openly charged—with how much truth I can not say—but it has been charged time and again that the rich taxpayers having a "pull" can get refunds when the poorer taxpayers are unable to do it. We should not permit a system that will lead to this kind of a charge. We should not permit a system that on its face smacks of favoritism in government. We should not permit a system that will so readily give rise to fraud and wrongdoing in the matter of taxes.

Mr. President, it is no crime to be a rich man or a rich woman. On the contrary, if riches are obtained honestly, it is a very great credit to any person to have them. It is not necessary for these riches to be covered up. There is no reason why their possession should not be publicly known. It casts no odium upon the person who owns the riches, and therefore there is no reason why the Government should enter into a contract to keep secret the tax returns of its taxpayers. It ought to be a matter of great pride to one who has honestly made his or her wealth, who has honestly received it, for the public to know that he or she has this wealth. Mr. President, the whole purpose of secrecy is to get favors. There can be no other reason for it. There can be no other excuse for it; and favors in government should not be given. All taxpayers should be treated alike.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. SMOOT. Why was not the Senator interested in this question after the passage of the laws of 1917 and 1918? Why did he leave the matter until 1924 and then talk about it?

Mr. McKELLAR. Ah, Mr. President, the Senator knows perfectly well that in 1921, when the last revenue bill was passed, the Senator from Nebraska [Mr. NORRIS] and I made identically the same fight that we are making here to-day; and I will stop here long enough to give the names of the Senators voting on the matter on that occasion. It was voted on on November 7, 1921, just the time when the Senator said I ought to have made the fight, and I did make the fight at that time.

Mr. SMOOT. The Senator——

Mr. McKELLAR. Let me finish this.

Mr. SMOOT. But that was the question of making the records public.

Mr. McKELLAR. Yes; making public tax returns; and whenever you do that you have cured this situation.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I will yield to my friend, but I want to put in here just what the Senator has called out, and I will ask him to wait for just a moment.

On the Norris amendment—and it was substantially the same amendment that this is, almost in words exactly the same—there were 28 yeas and 34 nays.

The yeas were:

Ashurst	Jones, N. Mex.	Myers	Reed
Broussard	Jones, Wash.	Norbeck	Sheppard
Capper	Kenyon	Norris	Shields
Fletcher	King	Overman	Stanley
Gerry	La Follette	Pittman	Swanson
Harris	McKellar	Pomerene	Walsh, Mass.
Heflin	McNary	Ransdell	Walsh, Mont.

The nays were:

Ball	Frelinghuysen	Nelson	Smoot
Brandegee	Gooding	New	Spencer
Bursum	Hale	Newberry	Sutherland
Cameron	Keyes	Nicholson	Townsend
Curtis	Lenroot	Oddie	Warren
Edge	Lodge	Penrose	Watson, Ind.
Ernst	McCumber	Phipps	Willis
Fernald	McKinley	Poindexter	
France	Moses	Shortridge	

Mr. President, the Senator wanted to know why I was not fighting for this publicity at a time when a fight might be effective. I was fighting for it then, and at that very time the Senator from Utah by his vote and by his speeches was undertaking to defeat the very publicity that we are now talking about.

Mr. SMOOT rose.

Mr. McKELLAR. I will yield to the Senator in a moment, but before I do so I want to read another list. The one Senator who was defeated who voted "yea"—that is, in favor of publicity—was Mr. Pomerene, and here is a list of those who were defeated who voted "nay":

France	McCumber	Newberry	Sutherland
Frelinghuysen	New	Poindexter	

All of them were defeated. I do not mean to say that they were defeated on this question; but I am calling attention to the fact that eight Senators were defeated who voted against publicity as against one who was defeated who voted for publicity.

Mr. WATSON. Mr. President, does the Senator honestly think, down in his heart, that anybody in the States of either one of those Senators ever mentioned that as an issue?

Mr. McKELLAR. They may not have, but it indicates the general trend of senatorial conduct. It indicates the reactionary view that those Senators had, which reactionary view, in my humble judgment, brought about their defeat.

Mr. WATSON. That is going a long way to make an answer, or a pretended answer, to my question. Does the Senator really think, now, back in the back part of his head, that that question was ever mentioned by anybody in the campaign in any of those States as a reason why that Senator should be defeated, or that any Senator who voted "nay" on that question ever lost a single vote on that account?

Mr. McKELLAR. Yes; I think this was one of the votes cast by these gentlemen, taken with others, all of a similar reactionary nature, that brought about their defeat; but I want to say, for the benefit of my distinguished friend from Indiana, whom I love very dearly, who is always in a good humor and always smiling, that I hope when the next election rolls around in which he is interested the voters will be thinking about other questions and not about this, and that the Senator may escape.

Mr. WATSON. I thank the Senator; but it is entirely agreeable to me to have them think about that question, because I propose to vote precisely as I voted before and, if necessary, to defend it on the stump.

Mr. McKELLAR. I am quite sure of that. I think the Senator, however, will have a very hard time defending on the stump a position in favor of secret tax imposition, secret tax assessment, secret tax collection in this country, regardless of who it is that the taxes are assessed against.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I yield to the Senator. I will say to the Senator before he starts, however, that though I find his name here as voting "nay," just as he is going to vote "nay" in a little while, I hope personally that he will escape the penalty of having voted against the best interests of the American people.

Mr. SMOOT. Mr. President, I have been up for election since that vote, and it did not worry me. The Senator, however, mentioned Senator Sutherland. Senator Sutherland did not run since 1916, which was about five years before the vote to which the Senator refers.

Mr. McKELLAR. This vote was in 1921, and Senator Sutherland and all the other Senators that I have mentioned here ran in 1922 and were defeated. I am talking about Senator Sutherland of West Virginia. There are other Sutherlands besides the distinguished and splendid former Senator Sutherland of Utah.

Mr. SMOOT. Oh! I apologize to the Senator.

Mr. McKELLAR. That is all right. I knew the Senator just had them mixed up.

Mr. SMOOT. I thought the Senator referred to Senator Sutherland of Utah.

Mr. McKELLAR. I am sure of that.

Mr. McLEAN. Mr. President——

Mr. McKELLAR. I yield to the Senator from Connecticut.

Mr. McLEAN. Has the Senator from Tennessee any objection to having incorporated in the RECORD at this time and read a letter written by the present chairman of the Democratic National Committee, the Hon. CORDELL HULL, to Mr. MILLS, of the House of Representatives, on this subject?

Mr. McKELLAR. I have no objection to its being put in the RECORD, but I want it to go in, not in my speech, but in the other part of the RECORD. I shall be glad to have the Senator compliment the distinguished chairman of the Democratic National Committee, Mr. HULL, who is my warm friend, and one of the best men in the country and one of the ablest men in the country. I shall be delighted if the Senator will put it in the RECORD and let is be published in the part of the RECORD where it should be published.

Mr. McLEAN. I have no doubt the Senator has very great respect for Mr. HULL's opinion.

Mr. McKELLAR. I have great respect for his opinion. I do not always agree with him, but I have great respect for him.

Mr. McLEAN. I should like to have the letter put in now, because it relates to this very subject.

Mr. McKELLAR. I am perfectly willing to have it put in, but not in my speech.

Mr. McLEAN. I will ask to have it read by the Secretary.

Mr. McKELLAR. Let it go in under the rule, Mr. President.

The PRESIDING OFFICER. The letter will be printed in the RECORD under the rule.

Mr. McLEAN. I want it read.

Mr. McKELLAR. Oh, no; I am not going to have it read at this time.

Mr. McLEAN. I will read it when the Senator finishes, then.

Mr. McKELLAR. All right.

Mr. President, it has been truly said that the science of taxation is the science of government. It is the one all-important thing in government. It is the most important thing in government. Without it there can be no government; and yet this Government has adopted the policy of secrecy, of covering up the sources from which it gets the taxation, and in doing so, in my judgment it violates every principle of honest, free, open government, and such a course ought not to be tolerated for a moment. This policy of secrecy leads to frauds. It leads to impositions upon the Government. It leads to impositions upon the taxpayers. It leads to evasions of taxes. It leads to ignorance in assessing and collecting our taxes. The Congress can not properly deal with the subject of taxation when they do not know what the real facts are about taxation. We have no such actual information about taxes in our country that we can really intelligently deal with the subject, and we can not have such information until this policy of secrecy in the assessment and collection of taxes is done away with and a policy of publicity established.

Look at the present situation. If a billion dollars of claims for abatement of taxes were allowed last year, is not that a fact that Congress should know about? If the revenue department abated a billion dollars in taxes last year, or half a billion dollars in taxes last year, or even $100,000,000—and nobody estimates the figure as low as that—ought not Congress to know it? And how can we deal intelligently with it unless we do know it? Yet we have covered it up ourselves. We tell the Secretary: "You take charge of the tax returns. You are the only one that is permitted to read them, to see them, to know about them." No other person in this country has the right to look into them. Not even the Senators, not even the Congressmen, not even our committees, are permitted to do it. It is a policy of secrecy that we ought not to permit to go on for one moment longer.

Three years ago, Mr. President, there were many of us who fought for this policy of publicity—not a halfway publicity, not the kind of publicity under which a Senator or Congressman can take his hat in his hand and go up to the Secretary of the Treasury and say, "Mister, please let me look at your books"; not the kind of publicity that requires a committee of the Senate to pass resolutions and then merely get a peep at the records, but the kind of publicity that will mean something, that will mean honest imposition of taxes, honest collection of taxes, a fair and just administration of the system of national taxation.

Surely the Government has nothing to hide. Why, then, should we continue this system of secrecy? I have been informed that no other government in the world has secrecy of returns except the United States.

Mr. McLEAN. Mr. President, precisely the contrary is the case.

Mr. McKELLAR. There is no other State in this Union that has secrecy of tax returns.

Mr. McLEAN. The Senator said "no other government in the world."

Mr. McKELLAR. What nation has it? Let the Senator state what nation has it. My information is that the other nations of the world all have open tax returns.

Mr. McLEAN. England, Holland, Denmark, Austria, Canada, France are among those.

Mr. McKELLAR. Among those?

Mr. McLEAN. And many others.

Mr. McKELLAR. Mr. President, that is not my information.

Mr. SMOOT. Well, that is correct.

Mr. McLEAN. I am giving as my authority the statement made by the chairman of the Democratic National Committee, and I understand——

Mr. McKELLAR. When was that made?

Mr. McLEAN. June 14, 1918.

Mr. McKELLAR. Mr. President, if it is made on that authority, I will just say that I will examine into it; but I am confident the chairman of the national committee made a mistake about it. Canada does not have secret returns, nor has Great Britain. That was six years ago, when the greatest war that ever occurred was on.

Mr. McLEAN. It ended shortly after that.

Mr. McKELLAR. The war was on in the year 1918, as I remember it, unless I am very greatly mistaken. The Senator is mistaken about the war not going on at that time. Armistice day was November 11, 1918.

Mr. McLEAN. We all remember that date. I said just before the close of the war.

Mr. McKELLAR. What was the date?

Mr. McLEAN. November 11, 1918.

Mr. McKELLAR. I know that was the date of the armistice, but I want to know the date of the letter.

Mr. McLEAN. June 14, 1918.

Mr. McKELLAR. I may be mistaken and the Senator may be right, but, as I recall it, the war was going on on June 14, 1918; but we will dismiss that as purely immaterial. I want to say this: That there are 48 States in the Union, and many of them have income tax laws, and in not a State in our Union do we have secret tax returns as to income taxes or any other

taxes. In the very nature of things the taxes that are paid by citizens ought to be a matter of public record which any citizen should have a right to examine into. I believe that should be the rule.

As illustrative of what the secrecy of tax collection does, just a month or two ago the Secretary of the Treasury wrote a letter to me saying that he had not undertaken to enforce section 220 of the act, by which an attempt was made to prevent evasions of the income tax law. He said he had been advised by many lawyers, not his own lawyer, not the Attorney General of the United States, not the solicitor of his department, but by many lawyers—and who the many were we do not know—that this provision of the tax law was unenforceable.

Mr. President, if we had publicity of tax returns that section of the law would have been enforced just as any other section of the law was enforced, or the Secretary of the Treasury would have filed a bill in the proper court, or would have caused a bill to be filed in the proper court, having the courts construe the statute before he permitted that section to be violated or evaded.

If Senators vote to-day to put the Norris amendment into this bill providing for publicity of tax returns there will be no more sections of any revenue law declared unconstitutional and void or nugatory upon the advice of many lawyers, or of any lawyer, in my judgment.

What we need, so that all taxpayers may be treated fairly and alike, is for the light of publicity to be turned upon tax returns. What has anybody to fear? Why is anybody fighting? Why is it that the department fights against publicity? Why are Senators who are in control of the Government against publicity? What is there to be concealed about tax returns? Why should we conceal from the public documents that are inherently public records? When those records are made, when taxes are paid under those records, they are public property, and this bill declares them to be public property. Yet, after declaring them public property, it is said that nobody can see them. Let me read the provision of this bill. Listen to this:

> Returns upon which the tax has been determined by the commissioner shall constitute public records.

That is in the present law, and it is proposed to put it into the law we are about to enact. Then Senators say that they can only be examined under rules and regulations established by the Secretary of the Treasury and approved by the President. You do graciously permit, not in the old law, not in the secret law you voted for in 1921, but yielding a small amount to public opinion, in this bill you do graciously agree that committees of the two Houses of Congress may have a squint at them if they act pleasantly and graciously and do not find anything in them.

You, gentlemen, even have that in the secret law which you passed three years ago, but you found that eight of those who voted against publicity went down in ignominious defeat the last time—I should say nine of them; I left one of them out. Seeing the Senator from Minnesota, I recall that there is another one. You still declare them public records, but then say that they shall only be examined by a committee of Congress, and whenever a committee of Congress wants to examine them you denounce the members of the committee, although three out of five are members of your own party; you denounce them as being muckrakers, meddlers, inquirers into something they ought not to inquire into.

That is the kind of law you are passing for the American people, when about the most important thing they have is their tax returns. The most important thing in Government is the tax returns, and you declare them to be public records, and then say the public can not see them. You declare them to be the property of the United States and then will not permit anybody in the United States to see them.

It is a manifest subterfuge and virtually a fraud upon the American people to put anything like that in the law. Why do you declare them public records if you are going to keep them secret? You do keep them secret.

Mr. President, there is but one way in the world that taxes can be fairly and honestly collected, and that is under a system of publicity. I have read already the list of Senators and how they voted on this before. The proposal to make the records public was lost by 7 votes. I hope the changes that have come in the Senate will be sufficient to bring about publicity of tax returns, and that the amendment of the Senator from Nebraska may be adopted.

Mr. McLEAN. Mr. President, the Senator did not mention my name as one of the candidates for the Senate who was defeated two years ago. I was reelected, and it is probable that it was largely due to the fact that I had as high Democratic authority as there is in the country in favor of keeping these tax returns secret.

I ask that this letter, written by the Hon. CORDELL HULL, be read into the RECORD. I think everyone who is acquainted with Mr. HULL or knows about his record in the House will agree with me that he is probably as well posted on the subject of taxation as any man in either branch of Congress. I ask that the Secretary read this letter.

Mr. WILLIS. He is chairman of the Democratic National Committee.

Mr. McKELLAR. It has already been said that he is the chairman of the Democratic National Committee. He has been a Member of Congress from Tennessee for many years. He is one of the finest men in this country, one of the ablest men in this country, one of the most expert men on taxation in this country. He is really one of the authors of the income tax law. There is nothing too good to be said about Judge HULL by me. My vocabulary is not sufficient to say what I would say. I want to give him the credit for everything that the Senator has said about him, and then ten times more. But I say this, that no man is infallible, and if Judge HULL argues for secrecy of income-tax returns, or argued for it six years ago, he made a mistake.

Mr. McLEAN. I think he is qualified.

Mr. McKELLAR. Some men change their minds when they make a mistake. I hope——

Mr. WILLIS. Has Judge HULL changed his mind?

Mr. McKELLAR. I do not know. I did not know he had taken that position until the Senator from New Mexico said so, but with six years of added wisdom, six years of service to his country, six years of knowledge of how this thing runs, I hope he has changed his mind.

Mr. WATSON. My friend from Tennessee is as far off in his argument as he is in his geography when he places my friend on my left [Mr. McLEAN] as being from New Mexico.

Mr. McKELLAR. I said Connecticut, did I not?

Mr. WATSON. The Senator said New Mexico.

Mr. McLEAN. I hope the Senator from New Mexico agrees with me; I do not know whether he does or not.

Mr. McKELLAR. I apologize to the Senator.

Mr. JONES of New Mexico. The apology is due the other section of the country.

Mr. McKELLAR. I make it to both, then.

Mr. SMOOT. I want to say to my genial friend from Tennessee that that very letter was read into the RECORD when Congressman HULL was present, and he did not deny it.

Mr. McKELLAR. That may be so.

Mr. SMOOT. That was about two months ago.

Mr. McKELLAR. I imagine that the Senator from Utah, the Senator from Connecticut, and the Senator from Indiana are prepared to put Judge HULL's views on secrecy of tax returns in their party platform in order to defend themselves against the mistake they are going to make when they vote for secret tax returns here this afternoon.

Mr. WATSON. Let it be read.

The PRESIDING OFFICER. The Secretary will read.

The principal clerk read from pages 2956 and 2957 of the CONGRESSIONAL RECORD of February 22, 1924, as follows:

WASHINGTON, D. C., *June 14, 1918.*

MY DEAR SIR: May I venture to offer limited comment on the subject of the publicity of income-tax returns, which course has been rather vigorously urged from time to time by certain phases of sentiment in the country? I am not quite sure whether the chief reason advanced is that publicity would secure fuller and more accurate returns of taxable income, or whether it is based on the desire which has manifested itself more or less during recent years for unrestricted publicity of the affairs of business generally to the end that any improper trade policies, methods, or conduct might be exposed.

If the demand for publicity rests on the former ground, I should like to set out some of the points of the opposing views; if it rests on the last ground, without regard to the effect of publicity on the success of the tax, I should like in this connection to suggest that, however desirable and necessary this character of publicity may be—and I strongly favor it to the fullest extent suggested by the public interest—the plan should not be coupled with and made a part of the general tax law unless it were calculated to sustain, rather than materially to injure, the operation of the tax law.

Attention may be called to the enactment of the Federal Trade Commission act, one of the prime purposes of which was publicity of the inner affairs, private trade methods, trade practices, and conduct of business concerns whenever deemed to be in the public interest. This act, however, imposes penalties on any officer or employee of the Federal Trade Commission for divulging any facts of this character de-

veloped by the commission, unless first authorized to do so by the commission itself. The commission is only authorized to make public such portions of the information obtained by it "as it shall deem expedient in the public interest," and it is entirely prohibited from making public "trade secrets and names of customers." The report of the commission after an investigation of a business concern on charges of antitrust practices can only be made public in the discretion of the commission. It will thus be seen that careful restrictions against any general publicity are contained in the law, one of the underlying purposes of which is to expose to the condemnation of the public and, by appropriate official proceedings, to curb certain business practices, methods, or conduct, including that prohibited by antitrust and other legislation.

What is, or at least what should be, the main ground on which the policy of publicity of tax returns is urged is to secure fuller and more accurate returns of taxable income. The controlling purpose of any tax statute designed to secure a large revenue yield should be such satisfactory and effective administration as would secure the maximum yield, and no other plan or purpose should be allowed materially to hamper or handicap the law operating to this end.

In the abstract and at the first blush it seems most natural that these tax returns might or even should be subjected to any and every kind of publicity at all times. Assuming, as I have, that the Department of Justice, the Federal Trade Commission, and numerous other governmental agencies and authorities have been given ample statutory authority to deal effectively with any and all acts, trade practices, methods, or other conduct on the part of any citizen or business concern which the Federal laws have thought it wise to suppress or prevent. I have investigated and reached my individual conclusion with respect to the proposed general publicity of income-tax returns solely from the standpoint of the most satisfactory and successful administration of the income tax law and the securing of the largest possible yield of revenue. Viewed from this standpoint, I have been unable to bring myself to the conclusion that publicity would secure the most desirable revenue results. I may first refer to the experience of some governments which have tried out income taxation for the longest periods. England, after 75 years' experience with her present income tax law, retains her policy of keeping the results secret. There is no demand from any source, so far as I am advised, for publicity of English income-tax returns. Holland retains secrecy under her income tax law, which has been in operation some 25 years. Denmark pursues the same policy of secrecy under her income tax law, in operation for 14 years; Austria pursues the same policy under her law, enacted some 75 years ago; Canada's recent income tax law contains the same provision; France in her recent law has some form of secrecy, the exact nature and extent of which I am not definitely informed. This policy of these different countries, after many years' trial, is controlled entirely by the question of the most satisfactory administration and the largest revenue yield of their respective laws. They evidently have not felt justified in allowing considerations of collateral or other government policies, however strongly and plausibly urged, to effect a change of this policy.

Let us now turn to the United States. The first Civil War income tax acts did not prohibit publicity. The Commissioner of Internal Revenue early recommended a provision of secrecy to Congress. This was disregarded, however, until the income tax act of 1870 was enacted. A lengthy debate on this act occurred in Congress, during which Garfield referred to one feature of the income tax "which has made it very odious in many parts of the country," namely, publicity of returns. The outcome of the discussion was the insertion of a provision in section 11 requiring secrecy, and it became a law. The view on which this provision was inserted was that it would meet the complaint that income tax laws are inquisitorial and also that publicity often discloses secret trade processes, methods, etc., even though ever so legitimate, and that, therefore, a taxpayer would be more encouraged to make a full and complete return when he had the assurance that his trade secrets, processes, etc., would not be exposed to his competitors.

The strength, stability, and perpetuity of the income tax is based on the rather fixed opinion among the people generally that in both theory and practice it accomplishes relative fairness among the taxpayers more accurately than any other tax method thus far devised. Both now and after the war it is extremely vital that a tax method productive of a larger revenue than any other should be safeguarded by the most effective means. Whatever may be thought or said to the contrary, there is a phase of human nature which while entirely willing to make full and complete returns of income and pay taxes accordingly in the belief that all taxpayers are receiving equitable treatment is at the same time utterly averse to the idea of general publicity of private business methods and private business affairs. The States and the Federal Government can provide for investigations and full publicity of business methods, practices, and affairs generally by separate enactment, as has already been done to a measurable extent. Publicity at this stage, when business conditions and methods have become far more complicated and consist of a far greater variety than those in existence during and following the Civil War period, would be resented by the taxpayer to a correspondingly greater extent than it was during the operations of the Civil War acts. I strongly favor any and every kind of publicity needed with respect to all phases of our financial, commercial, and industrial activities, but I think it unwise in the light of almost universal experience in the past to discredit or break down the income-tax system or seriously jeopardize it by utilizing this law instead of some separate law or laws for publicity purposes.

The Federal income tax act of 1894 in section 34 reenacted section 3167 of the Revised Statutes, containing secrecy of returns, and without special opposition, so far as I now recall. In this connection it is my recollection that when this act was declared invalid by the Supreme Court the Treasury directed that all income-tax returns on file be burned. The Federal corporation excise act of 1909 contained a provision that the returns filed in the office of the Commissioner of Internal Revenue should constitute public records and be open to inspection as such. It was soon deemed wise in the interest of the more successful administration of the law to adopt secrecy, with the result that an appropriation bill which passed Congress in June, 1910, among other things provided that these corporation excise-tax returns should be open to inspection only upon the order of the President, under rules and regulations to be prescribed by the Secretary of the Treasury and approved by the President. The Treasury later in the year issued a regulation, which the President approved, restricting inspection of these returns virtually to certain officials of the Government under certain conditions and to stockholders of a given corporation which had filed its return. This regulation also provided that returns could only be inspected in the office of the Commissioner of Internal Revenue. This policy of secrecy was followed without particular objection or complaint until the repeal of the law.

The Federal income tax act of 1913 contains secrecy as to individuals, but allows inspection of corporate returns upon the order of the President, under rules and regulations prescribed by the Treasury and approved by the President, which was the same provision as that contained in the amendment to the corporation excise act of 1909. It contained the additional provision, however, that the proper officers of any State imposing a general income tax may, upon the request of the governor, have access to said returns or to an abstract thereof showing the name and income of each corporation, at such times and in such manner as the Secretary of the Treasury may prescribe. The President accordingly approved a Treasury regulation under the act of 1913 for the benefit of State officials whose States have a general income tax law. This regulation also allowed Federal officials and stockholders to make inspections under certain conditions very similar to the Treasury regulation allowing inspections under corporation excise act of 1909. The States, however, are only allowed, I believe, to secure the name of the corporation and its income. The character and extent of publicity of income-tax returns above described practically represents the present policy of publicity of the Federal Government under existing income tax law.

Wisconsin has the most modernized, successful, and comprehensive income tax law of any State. It contains a provision requiring secrecy of returns. A new, progressive income tax law of Massachusetts requires secrecy except as to the name and address of the taxpayer. It will thus be seen from the proven experience of foreign countries, of our Federal Government, and of the States, which have the most successful revenue-producing income tax laws and which have been able most successfully to overcome the objection of inquisitorialness, that secrecy of returns has been found essential to this result.

Another consideration and object lesson which arises in connection with the publicity proposal under our Federal law relates to the general property-tax systems in most of the States. It is a fact generally recognized that the general property-tax systems of most of the States have measurably broken down in their administration, with the result that personalty, and especially intangible personalty, almost entirely evades or avoids taxation. Some of the States, such as Connecticut, New York, Pennsylvania, Maryland, and New Hampshire, have always maintained the widest publicity of tax returns under their general property-tax systems, but this system has fallen down just as rapidly and extensively in those States as it has in other States where publicity was not practiced or permitted. This experience of the States with publicity proves, at least, that it was powerless to increase or even maintain the revenue yield, or to prevent the breaking down of the laws. This experience but illustrates that phase of human nature which discourages and gives but little credit to the informer, no matter how good or worthy his intentions. No tax or penal law the successful operation of which is dependent upon facts voluntarily furnished by informers, with or without pecuniary reward, can expect more than a precarious existence.

With respect to the question of securing information, the present income tax law specifically requires, under severe penalties, every citizen who has personal knowledge of the receipt of income by his neighbor or another citizen, by reason of having paid it, to transmit

such information in writing to the Commissioner of Internal Revenue, in all cases where the amount of fixed income exceeds $800, and in case of interest from corporate bonds without regard to amount. This provision, therefore, really provides for and requires all direct information, except what might be rumor and hearsay, save as to isolated items or as fixed income under $800.

There is still another condition arising from the operation of the present general property-tax systems of the States which should be considered by the Federal Government in determining the policy of publicity. It is a well-known fact that when a citizen undertakes to make a full return of his property at its full value the present general systems of the States impose a most severe penalty on his honesty by levying practically confiscatory rates, which amount to nearly 40 per cent of his income on the average. The result is that most citizens in the various States by general consent give in their real property at figures substantially below its value and their personality, on the average, at almost a nominal value. The tax rates of the States are now almost confiscatory when applied to full values, for the reason that they have been raised to considerable heights in order to secure adequate revenue from greatly scaled valuations of property which the citizens are now in the habit of giving in for taxation. From past experience it would appear but natural that if the citizen should make a full and complete return of his income for Federal taxation this would be equivalent to making a like full return to his State in many cases, and the result would be that he would undertake to make the same inadequate return to the Federal Government that he now makes to the States rather than to have the full value of his property subjected to the present practically confiscatory rates of the States. If it would assist the States in rehabilitating their present general property-tax systems and equalizing their tax burdens under these systems, I should strongly favor any reasonable sacrifice on the part of the Federal Government in aiding to bring about this situation; but if instead of revitalizing and putting into successful operation the grossly inequitable and broken-down general property-tax systems of the States, the effect of publicity would be likewise to discredit and more or less break down the Federal income-tax system, I am unable to discover any advantage or benefits which could be repaid either by the States or the Federal Government from such course.

Whenever the States reform their general-property tax systems, or whenever they adopt general income tax laws similar to the Federal law, there could and should be the fullest and freest cooperation between the States and the Federal Government in the successful administration of their respective laws, just as there is cooperation now with respect to State and Federal income tax on corporations.

My individual opinion is that the only effective method by which either the States or the Federal Government will ever be able to reach for taxation in full measure the income from personality, and especially intangible personality, will be under a system of so-called collection or retention at the source.

In conclusion I may call attention to the course of the Treasury Department under authority now given it by statute to compile and make public income-tax statistics. Under this statute the Treasury will give amount of the individual and corporate income as a whole, by States, by industries, by classification as to the number of taxpayers, amount of income and taxes paid as to classes of individuals, the percentage of the income of each to the total amount, as well as the percentage of taxes paid to the total, etc. This information, which will come out annually as to each preceding tax year, should meet practically every requirement, expectation, or desire of the public in considering and dealing with economic conditions, apportioning the tax burdens, and properly curbing or regulating any practice, method, or conduct of general business or any class of business.

Very respectfully, CORDELL HULL.

During the reading of the letter,

Mr. McLEAN. Mr. President, I wish we could have order in the Senate. It seems to me the letter is not only interesting, but sound.

The PRESIDING OFFICER. The Senate will be in order.

After the conclusion of the reading of the letter,

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Nebraska [Mr. NORRIS].

Mr. McLEAN. Mr. President, the Senator from Tennessee [Mr. MCKELLAR] stated the amount of refunds for the year 1923 and for one or two other years. I think it might be interesting to have published in the RECORD at this point the total of the additional assessments and collections and refunds from the year 1917 down to the year 1923 and including the first three months of the year 1924. I make the request that they be published in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The matter referred to is as follows:

Year	Total internal revenue receipts	Amount of additional assessments and collections resulting from office audits and field investigations	Amount of refunds of taxes illegally collected
1917	$800, 393, 640. 44	$16, 597, 255. 00	$887, 127. 94
1918	3, 668, 955, 820. 93	29, 984, 656. 00	2, 068, 565. 46
1919	3, 850, 150, 078. 56	123, 275, 768. 00	8, 654, 171. 21
1920	5, 407, 580, 251. 81	466, 889, 359. 00	14, 127, 008. 00
1921	4, 595, 000, 765. 74	416, 483, 708. 00	28, 656, 357. 95
1922	3, 197, 451, 083. 00	266, 978, 873. 00	48, 134, 127. 83
1923	2, 621, 745, 227. 57	600, 670, 632. 00	123, 992, 820. 94
Total (7 years)	24, 180, 276, 868. 05	1, 920, 880, 250. 00	226, 540, 269. 33
1924 (first 3 months)	694, 083, 590. 02	113, 820, 881. 00	35, 624, 968. 73
Grand total (7 years, 3 months)	24, 874, 360, 458. 07	2, 034, 701, 131. 00	262, 165, 238. 06

Mr. McKELLAR. I am glad the Senator has given that information. My figures were obtained from the Treasury Department in this way: There was received from the Secretary of the Treasury a letter which was published by me, in which he gave the total amount of refunds for 1923——

Mr. McLEAN. As being one hundred and twenty-three million and some hundreds of thousands of dollars.

Mr. McKELLAR. The amount was one hundred and twenty-three million and some hundreds of thousands of dollars?

Mr. McLEAN. Yes.

Mr. McKELLAR. Since that time there has been a deficiency bill passed by the House of Representatives and reported to the Senate and I think passed by the Senate—if I am wrong about that the Senator from Utah, who is on the committee, will probably correct me—but I think the bill has been passed; at any rate it will be passed, and carrying an appropriation of one hundred and five million and some odd thousands of dollars for the purpose of paying refunds between now and July 1 next.

Mr. McLEAN. That is for future and is based on estimates, I suppose?

Mr. McKELLAR. No; it is for deficiencies for the fiscal year 1923, and it was so stated before the committee. If up until this time or up until the time the Secretary wrote that letter and gave that explanation one hundred and three million and some hundreds of thousands of dollars had been paid out in refunds—and I take his word for it; I am sure he must be correct about it; I do not believe that he would furnish me figures which were wrong—and since that time there has been a deficiency appropriation of $105,000,000 in round numbers, by a simple calculation, $105,000,000 and one hundred twenty-three million and eight or nine hundred thousand dollars amount to about the sum of $229,000,000 of refunds for this year. If my figures are wrong the Secretary is responsible for the error, because I am taking his figures as he has sent them.

Mr. McLEAN. The statement from which I am about to quote, if the Senator will permit me, gives the total of the tax collected, the amount of additional assessments and collections and refunds for seven years, beginning in 1917 and ending on the 1st of April last.

Mr. McKELLAR. When did the refund end?

Mr. McLEAN. This statement includes the first three months of the year 1924. It extends to the 1st of April of this year.

Mr. SMOOT. That is for the fiscal year of 1924.

Mr. McLEAN. The total revenue receipts for the seven years and three months was $24,874,360,458.07; the total amount of additional assessments and collections resulting from office audits and field investigations was $2,034,701,131; while the total amount of refunds of taxes illegally collected was only $262,165,238.

It would not be fair to say that this very large sum of $2,000,000,000 and upward in additional collections was due to attempted frauds upon the Government; they were made possible because of underestimates; probably in many instances the additional collections were due to mistakes that were unintentional; but still, Mr. President, it is a very large sum of money which the Government has collected from the taxpayers of the country upon a renudit and further examination of tax returns.

I think it very important that the Senate in passing upon this question should take into consideration the question of the revenue to be collected. We know from experience that when we place taxes too high the taxpayer will evade the tax. So

when we come to consider this matter we want to produce, if possible, the largest revenue yield; and that is the point which was stressed by Mr. HULL in his letter.

Mr. HULL considered this question free from any political interest of any kind. He is one of the ablest authorities on taxation in the country, and is so recognized. His letter goes back into the history of revenue legislation in other countries and in the States of this Union, and shows that experience has demonstrated the necessity of throwing a reasonable amount of protection around the tax returns. Otherwise, the taxing authority will lose very large sums of money. I think it very significant that in the State of Wisconsin it has recently been found necessary to provide secrecy for their tax return, for what reason I do not know; Mr. HULL does not state; but, as we all recognize that to be one of the most progressive States in the Union, I think it is safe to say that they have tried the experiment which seems just now to be so popular in the minds of Members of this body and have found, as other States have found and as other nations have found, that it occasions serious loss in revenue.

There is a reason for that. We all know that competitors in business—large business interests—can not afford to disclose all of their business secrets, and they ought not to be compelled to do so; yet, if these returns are made public in every particular, it seems to me that we add a thousandfold to the temptations which now exist for these companies and other large producers of the country to indulge in all manner of concealment rather than to let their competitors know their innermost trade secrets.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. McLEAN. Certainly.

Mr. NORRIS. The Senator has referred to the action of the State of Wisconsin. I am not informed as to what the law of that State is or what change may have been made, and both of the Senators from Wisconsin are absent on account of illness, as the Senator knows. It is fair to say that those Senators would have some knowledge about the State of Wisconsin that none of the rest of us has, I take it, and as bearing on that subject I wish to call the attention of the Senator to the fact that since this amendment has been offered this afternoon I have been communicated with by a representative of the senior Senator from Wisconsin [Mr. LA FOLLETTE], who, it seems, was informed or found out in some way of this amendment and advised that, if present, he would vote for it. I was not aware that he even knew that the amendment was pending, but he found out that it was going to be offered, because the amendment that I have offered was printed a week or so ago.

Mr. BROOKHART. It was printed on April 24.

Mr. NORRIS. Yes. So, as I have said, since this amendment has been offered this afternoon I have been asked by a representative of the senior Senator from Wisconsin to announce that when the vote came on this amendment, if he were present, he would vote for it, and that he is paired with another Senator here in the Chamber.

I have not heard from the junior Senator from Wisconsin [Mr. LENROOT], but when he voted on this question at a previous time, as I remember, he also voted for the amendment. I may be wrong about that, but we can ascertain the fact by looking up the RECORD. It seems to me, therefore, that, so far as Wisconsin is concerned, the best evidence we have here of how the people of Wisconsin are satisfied with the proposal I have made would be the vote of the Senators from that State, and, as I have announced, the senior Senator from Wisconsin is in favor of the amendment.

Mr. McKELLAR. Mr. President, the RECORD shows that the senior Senator from Wisconsin [Mr. LA FOLLETTE] voted for publicity, while the junior Senator from Wisconsin [Mr. LENROOT] voted against it. That is found in the RECORD of November 7, 1921, at page 7519.

Mr. McLEAN. I do not know how the Senator from Wisconsin stands on this subject, and I did not quote him.

Mr. NORRIS. I do not want to be understood as intimating that the Senator did. The Senator's statement in regard to the action of Wisconsin was perfectly fair. He obtained it from what was read at the desk.

Mr. McLEAN. It is one of the States of the Union that has found it necessary to throw some secrecy around tax returns. I mentioned the State of Wisconsin because we all assume that it is one of the most progressive States in the Union.

Mr. NORRIS. Yes; I think we can assume that. I merely offered the suggestion I did in reference to the senior Senator from Wisconsin to show that if he were here, in the face of whatever had been done in Wisconsin, he would favor this amendment.

Mr. McKELLAR. If the law has been changed in Wisconsin I have no doubt it has been done over the protest of the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. McLEAN. Mr. President, there was no disposition on the part of the Committee on Finance to cover up or protect tax returns any further than seemed necessary in order to secure the largest possible amount of revenue. When we learned that in the last seven years the Government by reaudit has collected more than $2,000,000,000 from the taxpayers of the country, it seemed to us that if we threw the returns open to the public, large corporations and large business interests—I say "large," but I imagine that there are a great many small producers of the country whose business competition is very active and that the number as a whole would be very great—rather than have their secrets exposed to their competitors would be under an almost irresistible temptation to conceal facts from the Government, and when we considered the additional activities that would be required on the part of the Government to make the necessary investigations, we feared that it would disturb the whole revenue situation and, perhaps, bring about a condition of temporary chaos; but we went as far as we thought necessary to permit any legitimate inquiry into the tax returns of any individual.

I wish there were more Senators here, because I think the committee went to the full extent that is necessary to enable not only the officers of the Government but any interested party to secure any information that may be necessary to secure the last penny of legitimate tax from any citizen or corporation in this country.

I want to read just what the full amendment provides:

> The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a standing or select committee of the Senate or House—

We provided for a permanent standing or select committee whose sole duty it may be to investigate and inform Congress, and we naturally supposed that upon any information showing a proper cause that committee would immediately act—

> or a standing or select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such committee sitting in executive session with any data of any character contained in or shown by any return.
>
> Any such committee shall have the right, acting directly as a committee or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

Not only may the committee, acting as a committee, get this information, but any agent whom they may designate may make these investigations.

Further, we provide that the commissioner shall publish—

> the name and the post-office address of each person making an income-tax return in such district, together with the amount of income tax paid by and the amount of refunds made to each such person.

So we made public the total tax paid by every taxpayer in this country, and that has not been done before. So I say, Mr. President, that it seems to me that before we go any further in this matter it will be wise to experiment with the provisions for publicity which the committee recommends; and if, in the course of time, we find it necessary to make these returns public from the start, we can do it. Experience teaches, however, and the Treasury Department is very certain, that if we throw them open to public inspection without any protection it will result in serious loss to the Government.

The committee provides in another part of the bill for a court of appeal, where any contested case may be heard, and the findings of that court are to be made public, so that where there is any question about an income-tax return, and it is contested, a hearing is had before this newly established court, and the finding of that court is made public. I submit that the committee itself has gone as far as we ought to go, and I am confident that to throw open these accounts to the public without any protection whatever will be regretted by the very gentlemen who insist now that it is necessary in order that we may collect all the tax that ought to be collected.

Mr. BROOKHART. Mr. President, a long letter has just been read from CORDELL HULL. He is described as a Democrat—I guess as chairman of the Democrats or something of that kind. That seemed to disturb the Senator from Tennessee [Mr. MCKELLAR] a good deal, and he came back with many profuse compliments without changing his mind.

So far as I am concerned, it does not make any difference to me if Mr. HULL is a Democrat; I should judge, from the reading of his letter, that he is a standpatter. If that letter had been read in my State, I should have said at once that it had been written by the tax experts of the Burlington Railroad. It sounds exactly like the arguments that are constantly made by those experts for secrecy, and then for leniency in tax rates on the big fellow.

To me one of the most remarkable arguments I meet all the time on this tax question is that if you levy an adequate tax on a rich man he is going to dodge it; if you levy on him a rate that he can justly pay, he will turn criminal and get out of it in some way or other.

I do not think any more of a tax dodger than I do of a bootlegger, and I am not in favor of modifying the law or covering it up with secrecy or anything else to shield the one any more than I am the other. I have reached the conclusion that secrecy is one of the great enemies of honest business. Investigations which we have just been holding show that the big business of this country is not only keeping secret its systems and its methods but it is employing a secret-service system to spy on every other big business. It has developed the most remarkable system of espionage that I have ever read about in the history of the world, and it has all developed under this theory of secrecy for everything.

I investigated a little different system of business during the past summer. I investigated the cooperative business as it is in operation on a very great scale in 15 different countries. I found in many of those countries that the cooperative business is the big business of the country. That is true of Great Britain, but there is none of this secrecy about it. The experts of the Department of Commerce who assisted me in every one of those countries, who helped me in every way, told me everywhere that they could go to the cooperatives and get the details of their business all the time, and they were always complete and always reliable; but they told me if they got it at all from other lines of business it was necessary to do it almost by this system of espionage.

As I compared the two systems I think the civilized system is the cooperative system, and I am for open publicity in business and in tax returns and in everything else where the interest of the public is involved.

I want to fix this law to catch the fellows described by the Senator from Connecticut [Mr. MCLEAN], who as soon as the light of publicity is turned on will hide their taxable assets.

I have not any sympathy at all with those fellows, and I would go a long way to strengthen the law to bring them to justice. I am not so much concerned in whether the amount of this tax is going up or down as a result of this publicity. The great principle involved is that it will make it open and fair and honest, and everybody will have a better chance to pay his honest proportion of the taxes and no more.

Publicity is not going to weaken the administration of this tax collection, in my judgment. I believe the tax will be collected more easily than it is now. My guess in regard to it would be that there would not be so many rebates as there are now. My guess in regard to it would be that the effect would be the opposite from what the Senator from Connecticut says. I believe we will get more taxes; but, of course, that is only a guess. At any rate, the truth is not going to hurt anybody, and publicity of the truth is certainly not going to hurt the honest man at any time.

What is our system of business in this country? I have just been checking through the investigations of the Federal Trade Commission that were mentioned in the letter of Mr. HULL. Those trade organizations that have been built up for criminal purposes in the United States were all built up under this system of secrecy, built up to maintain prices, to control production, and to violate the laws of our country. Publicity will do more to cure them, perhaps, than any kind of prosecution. Publicity will do more than anything else to make this question of taxes honest.

I am against the whole secret system. I do not believe in it on principle. I do not believe that it is American in any sense; and I say that the business of this country must halt in this criminal progress that it has been making under these secret combinations. The time has come when the big business man must transact his affairs in the open light of publicity, the same as the little business man or the worker or the farmer must transact his business. Those are public and known. There is nothing concealed in their affairs; but the crime of excess profits, which is the crime of our civilization at this time, is covered up, protected, developed, brought about by the system of secrecy in our business.

Let us publish these income-tax returns as a public record, and that will be one step toward curing one of the greatest business evils of the time.

Mr. COPELAND. Mr. President, if I rightly understood the Senator from Connecticut [Mr. MCLEAN], he used the fact that other countries have a different custom from the one proposed in this amendment as the reason why the United States ought to follow the same system they use over there. I am frank to say that so far as I am concerned those old countries, which are broken down and deserted of popular following, should not be used as models for our country. If we really believe that this is a Government of the people, we must conclude that the officials who are in office just now are only temporary representatives of the people; they are not the people.

It is my judgment that every official act performed by any governmental body should be an open and public act. I do not think there should be secrecy as regards the records of the various departments of the Government. Permits and licenses which are issued should be made public. We have from earliest times had our tax rolls of real property open to the public. There is no reason why any exception should be made as regards income taxes.

My feeling is that the burden of proof in this matter lies with those who oppose publicity. For myself, I am amazed that anybody should appear to oppose publicity of official papers and records.

In the debate which we have had on this matter of tax reduction the public has learned a lot of things. The public has learned the fallacy of the doctrine that the loss of income has come from investment in tax-exempt securities. There is an accumulation of evidence that there has been an evasion of the spirit of our tax laws. Rich men have incorporated and have paid simply the corporation tax, and have evaded the payment of the surtaxes.

The Senator from Connecticut says that there will be chaos if we adopt this plan of publicity. There will be chaos with those who seek to evade the payment of taxes. There will be unhappiness in the hearts of those who seek to evade doing their part to maintain the Government.

Relentless publicity is the surest way to make people honest. No matter what the inclination may be to evade the payment of taxes, to cover it up in the return in some secret way in the hope that there may be no discovery of the deception, when it is known that all such papers are to be open to the public and that the competitors spoken of by the Senator from Connecticut will have access to those papers, the man who files his tax returns will file honest returns.

So, as I see it, from every standpoint, from the standpoint of common sense, of desire to maintain the Government, of desire to place on the tax rolls all the income which should go there, everything points in the direction of publicity. I trust that this plan of full publicity will be put into effect.

Mr. McLEAN. Mr. President, I want to say to the Senator from New York that if the Senator were in business and heavily in debt, and subject to active and fierce competition, he might not like to have his competitors know just how severely his credit was affected. He might feel that the Government could collect his tax, and ought to be able to collect his tax, without ruining him, and putting him in a position where he could not obtain another dollar of accommodation.

Mr. REED of Missouri. Mr. President, every institution which seeks to borrow money must lay before the money lender the very information to which the Senator refers. He now says that if that information is filed with the Government, the man would be unable to borrow any more money, and his financial condition would be exposed. Yet he must expose it in order to borrow money, because there is no financial institution that loans any considerable sum of money to anybody without financial statement.

Mr. McLEAN. His competitor does not get that information, and the public does not get that information. His bank may have the information.

Mr. REED of Missouri. The bank gets the information.

Mr. McLEAN. And the Secretary of the Treasury gets it. I will say to the Senator from Missouri that if he were in business and wanted to borrow money that is quite as far as he would want the information to go.

Mr. REED of Missouri. Certainly, that is quite as far as a man would like to have it known, because everyone of us would like to transact all of his business between four walls, not that we are engaged in crooked business but because every man naturally would like to keep his business private. But there comes a point where you must come in contact with the outside world, and you are required to make a return of your taxes. I have no doubt that there will be occasional instances

where a competitor might come, look over the tax returns, and find out some facts about his competitor which he might otherwise not know, but upon the other hand there will be a flood of useful information obtained which will far offset the disadvantage referred to.

To begin with, a great door of fraud will be closed to concerns which claim to be healthy, claim to be solvent, which may be floating their securities, being exposed by this means to the absolute truth, and if a concern is in fact insolvent, is in fact floating its securities and borrowing money when it is not entitled to, the complaint that it may be discovered through the means of a public tax return does not appeal to me.

On the other hand, if a concern is engaged in floating its securities, is engaged in putting them off upon the public when it is in an unsubstantial condition, that fact may be discovered through the tax returns, just as it may be discovered through other sources.

Mr. CARAWAY. May I make just one other suggestion to the Senator? He spoke of discovering concerns floating securities when they were not solvent. On the other hand, a good many concerns which might be regulated, like public utilities, which are making very much more than the public is aware of, might also have that fact disclosed.

Mr. REED of Missouri. Certainly; it would go to that extent.

Mr. McLEAN. We provide for that, because we provide that the total tax shall be made public, and that would cover any instance of excessive earnings, or large earnings, or surprising earnings.

Mr. CARAWAY. It would not disclose the fact that there might be a holding company, that there might be 20 ways to conceal where earnings may have been made by one concern and absorbed by some affiliated company.

Mr. McLEAN. We have tried to prevent that, and I hope we have done so.

Mr. CARAWAY. You never have presented it before.

Mr. McLEAN. Mr. President, I have just one thing to say, and then nothing more to say on this subject. Among other objections to this amendment entertained by the committee was this: That it would give an opportunity to the very strong concerns in this country—monopolies, if there are any such—to know the weak points of all of their smaller competitors, and to put them in a position where they could crowd them out of business entirely.

Mr. REED of Missouri. Mr. President, I am going to answer that. All of the concerns to which the Senator refers now have access to inside information with reference to all of their competitors. Every one of them is a subscriber to the Dun and Bradstreet agencies and to other commercial agencies, and every institution of any importance is rated in Dun and Bradstreet, and every subscriber has the right to call for the detailed information upon which Dun and Bradstreet act. When I speak of Dun and Bradstreet I include all commercial agencies. So that business institutions, if they desire to get information upon which to wreck their competitors, if they want to know whether their competitors are in a safe condition or not, if they want to know the amount of the loans of their competitors, are in a position to get that information substantially to-day through these various agencies.

They get the ratings. They may not get every detail, but they get a sufficient rating to enable them to tell whether an institution is sound or unsound. I am not speaking now of the published book, but of their right to call for specific information and to get it. So there is not much in that argument, although there is something in it.

Mr. McLEAN. I have heard the Senator discuss very ably and at great length the right which the individual has to resist search of his private papers.

Mr. REED of Missouri. Yes; and I am standing for that now. But when a man files a tax return with his Government it is not private. Public records belong to the public and public business belongs to the public, and every element of secrecy that enters into it affords an opportunity for crooked dealing and for chicanery and fraud of every kind. Whenever you take any department of this Government out of the light of public action you imperil the integrity of that department.

It has been recently exposed that a department or an agency of the Government created for the purpose of merely detecting the commission of crime has been employed to search the private books and papers and to break into the desks of officials of the Government. For that matter, to break into the desk of a Senator or of a Vice President is no worse than to break into the desk of any citizen, but the boldness of the operation is accentuated or evidenced by the fact that this Secret Service has not hesitated, in violation of law, to unlock the private files of Senators of the United States and of Congressmen. It has been suspected for a long time that they have not hesitated to open the letters of private citizens and violate the statutes, and they make themselves criminals when they do that.

That condition of affairs would hardly ever have arisen if the officers had been public officers, if they had been known as officers engaged in a particular line of business. It is when a thing can be done in the dark, when it can be covered up, when men can proceed along the line of absolute secrecy, working in the shadows, that corrupt and offensive things occur. There was such a department connected with the Government of France, and the name of the man who organized that department to spy upon the people of his country is anathema to-day and has become synonymous with criminality and oppression. That is apparently a long distance from the question we are discussing, but it serves to illustrate what happens when public officers are allowed to secrete their acts.

Upon the other hand, there are great benefits to flow from the publicity of tax returns. First, if tax returns are falsely made, and if they are made public, somebody is very likely to find it out or to know that the return is false and to report it. Second, the officers of the Government in dealing with public problems have absolute facts before them upon which they can base their action. Third, the general public, becoming advised of the condition, have the necessary accurate information to enable the general public or the individuals composing the general public to act wisely with reference to any matter.

Discussing the latter proposition, it is said there are certain institutions that make such enormous profits that if they had to expose the facts in their tax returns they would commit perjury to conceal the facts from the public. Admitting that some of these gentlemen would commit perjury and that they would thereby succeed for the time being in concealing the amount of their profits, it must be true that the majority of them would not do that wicked and dangerous thing.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

Mr. REED of Missouri. Certainly.

Mr. CARAWAY. If a man morally is so irresponsible that he is willing to commit perjury to keep the public from knowing what he earns, would he not be equally willing to commit perjury to keep the Government from finding out what he earned?

Mr. REED of Missouri. I was about to say that if a man were willing to commit perjury to keep other people from knowing how much he was making, that individual would certainly commit perjury to keep the Government from separating him from his money in collecting a large tax. I do not think there is much in that argument, but assuming that some of them should commit perjury we must deal with them as we would with other criminals. When their perjury is found out we must punish them as we would other individuals for a similar crime. But we must assume that infinitely the larger number would not commit perjury. Let us then conclude that there might be laid before the American people the fact, the awful fact, that some people were making an enormous percentage on their business, and thereby would follow another awful fact that, it being supposed that the business was exceedingly profitable, somebody else might enter the business and the profits might be cut down; but the public would get the benefit. Now, what would be wrong with that? Would not that be a thing that would be of benefit to the public? It seems to me it would.

Mr. McLEAN. We have provided for that.

Mr. REED of Missouri. If that has been provided for——

Mr. McLEAN. The amount of the tax is made public.

Mr. REED of Missouri. The amount of the tax, but the amount of the investment is not known, nor how it is made nor where it is made. The Senator does not escape from my argument and yet maintain his own when he asserts that he has already provided for publicity and yet says that publicity is destructive. He can hardly occupy the two positions at the same time.

There is abundant reason also of a public nature why the facts regarding business should be known. It is especially true when we are called upon by great numbers of business institutions to pass laws for the purpose of increasing their profits.

My friend the Senator from Connecticut has sat on the Finance Committee, the distinguished Senator in charge of the bill [Mr. SMOOT] has sat there for a long time, and they have both seen men come before the committee urging a high protective tariff be levied for the purpose of keeping their business from going to destruction; that a high protective tariff be so laid as to raise prices or enable them to raise

prices to the American consumer. Both of my distinguished friends have heard more than one man, when he was asked the profits of his business upon which he was asking an additional profit, to be made possible by virtue of the law he was advocating, decline to state the profits of his business and to say that it was his private matter.

When business institutions come to the United States Government, as they have been coming for many years, and assert that they are in an impoverished condition or a condition of danger of impoverishment, and when they ask us to levy a tax upon the American people so that they may increase their profits, business has so far called for governmental aid that it is in no position to say that it is not willing to expose to the Government the full facts touching its business.

Mr. President, there has been some argument about whether tax returns are public in England and in other European countries. I do not know what the facts are. I think we can always learn something from other governments, but I constantly bear in mind the fact that because a European government may pursue a certain course is no conclusive reason why we should follow it. If we were to do that, we might adopt their entire system of government and create a few kings and dukes, counts and no-accounts, as my friend the Senator from Arkansas [Mr. CARAWAY] suggests. We might set up a nobility. So that the fact that any particular thing happens to be done in Europe is not conclusive. I do not say that it is even persuasive.

The fact that Mr. CORDELL HULL some years ago wrote a letter is not very conclusive with me. I speak of him with the utmost respect, but I have no more respect for the opinion of Mr. CORDELL HULL upon a tax question than I have for the opinion of any single Senator in this body, and I say that with all respect to Mr. HULL. The fact that he happens to be chairman of the Democratic committee does not, in my opinion, qualify him as a tax expert who speaks with the lips of infallibility and whose word is a finality.

In fact, I would hardly regard the opinion even of the chairman of the Republican Committee, whom, we understand, is to be speedily displaced, as conclusive, and yet I have respect for him as a man, as I have respect for all gentlemen who differ from me on this question. The opinion of any man is worth just as much as the reasons upon which it is based, and I have heard no sound reason advanced why the public records of this country should not all be made public without an exception, except in preliminary or temporary negotiations with foreign governments which it is sometimes necessary, during the period of negotiation, to withhold from the general public but which, before they are made consummate, should always be laid before the general public.

Mr. President, as the years go by we all are compelled to realize that great industries constantly become more and more important in their relations to the private citizens, more and more important in their relation to the Government itself. Conservative as any of us may be, we recognize the fact that a great organization which may in its inception have been purely a private business enterprise, without any necessity of governmental interference or control being attached to it, may grow to such proportions as absolutely to become a public utility, and between the absolute public utility and the entirely private institution there are all gradations and degrees. Just in proportion as those great institutions become powerful, capable of great good or of great injury, the necessity increases for a full advisement to the public of that which they are doing. It is on behalf of those very large institutions that the plea of secrecy in tax returns is chiefly made.

Speaking for myself I hope I will never be called upon to cast any vote which keeps from the people of the United States the information with reference to the transaction of their business by the temporary agent who happens to be here in Washington.

Furthermore, to reiterate what has already been said, regardless of what European governments may or may not have done, the fact remains that in nearly every State of the Union no one dreams of saying that the tax books shall be kept under lock and key. Every return made is a public return. Every citizen has the right at proper times and under reasonable conditions to look into those public records. Of course that carries with it the right to know what refunds of taxes are made.

The courts of the world on down through the ages, bad as they have been at certain times, oppressive as they have appeared at certain intervals, have, nevertheless, always represented the purest part of existing governments. In our own country our courts, although far from infallible, nevertheless have from the first represented, and do at the present time represent, the purest and highest attributes of our governmental functions. Why is that so? It is largely because every act in a court of justice must be made a public record. The decision must be publicly rendered. The appeal, if it be taken, must be publicly made, and the decision of the judges of the court of last resort, including the Supreme Court of the United States, must be publicly delivered and publicly recorded for all time; so that every man composing the judiciary knows that upon his every act the eyes of the public can be directed at any moment and that for whatever he does he must be answerable at least at the bar of an enlightened public conscience. Our courts have remained pure; and one of the great reforms wrought in the jurisprudence of the Anglo-Saxon race was when the final vestiges of secrecy were removed from the tribunals of justice.

Most frequently where tyranny or corruption have sought to accomplish their purpose in any way through the judiciary, it has been in those countries where secret decisions could be rendered and secret processes issued. In the last analysis the best safeguard one can have for his business which is being conducted by his agents is to know what his agents are doing. We are but the agents of the people of the United States; Treasury officials are but the agents of the people of the United States; and the people of the United States have the right to know every act of every agent they employ.

Mr. HOWELL. Mr. President, to-day the price of liberty is not only eternal vigilence but also publicity. I know of nothing, of no procedure in this country of a public character, where it is not required that there should be publicity except in the matter of income-tax returns. As the Senator from Missouri has recently stated, it was with the dawning of liberty that secrecy in judicial procedure was wiped out; and yet we have reactions of this character constantly in public affairs.

In this matter, for instance, we have returned to secrecy, and for what reason? It is urged, for the protection of business interests, to protect competitors from each other. As I have sat here and listened to the proceedings of the Senate I have been impressed with the thought that if we could conduct more of our business in executive session we would proceed with far greater expedition than we now do; there is no question about that. That is one of the reasons why, in private affairs, the action of boards of directors is behind closed doors and not in public. It leads to the expedition of business.

Why do we in this Chamber not proceed in such a manner, when at this time we are so behind in our work? It is simply because it would be against public policy. Public policy requires that in public affairs there should be the utmost publicity. It is not because of a theory, but because it has been found that secrecy is of the greatest aid to corruption. The criticism that has been made of Secretary Fall for his action in connection with the oil leases was largely because of the secrecy employed in leasing the naval oil reserves and in not asking for public bids. That was one of the chief criticisms made here; and yet in the Treasury Department last year hundreds of millions of dollars of the taxpayers' money was returned to complaining individual taxpayers behind closed doors. Mr. President, there is no such thing possible elsewhere in the United States to-day. It would not be tolerated in any State.

It is urged, as I have stated, that competitors would know about each other's business and that as a consequence the big fellows might swallow up the little fellows. We have had publicity in banking for decades. We require reports every so often. Does anyone pretend to urge that that sort of publicity is a disadvantage to the banking business of the country or urge that that kind of publicity places the small banker at the mercy of the big banker? Not for a moment.

As the Senator from Missouri has stated, Dun and Bradstreet afford to competitors just such information. It was suggested that only their ratings were procurable, but anyone knows that he can get a special report going into the details of the affairs of any business or firm in this country from Dun or Bradstreet. There is absolutely nothing to that argument. If one wishes to find out the condition of a wholesale drug house in some city he can go to its competitors and, if he can get them to talk, he can ascertain all he wants to know. The competitors know the condition of their rivals; they know exactly what they are doing; they can tell one how many million dollars' worth of business a competing concern did last year, what it is doing this year; and they can tell how many men it has out on the road. There is no source of information so complete with reference to any business as that to be obtained in the offices of a competitor. All one has to do is to subscribe to Dun or Bradstreet, send in a request for a special report, and he will get the details about the assets, the liabilities, and other affairs of any institution. So there

can be no argument that there is secrecy now so far as competitors are concerned.

Then, why should we have secrecy respecting income-tax returns? It has been suggested that we might lose in taxes which we now collect.

Mr. REED of Missouri. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. HOWELL. I yield.

Mr. REED of Missouri. The Senator from Nebraska has just mentioned banks as an illustration. I call his attention also to insurance companies, which are now required in nearly every State to make detailed public statements and to be subject to examination. I recall when we were originally passing those laws the great complaint that went up from insurance companies that it was an interference with private business and would destroy their institutions. The fact is that insurance companies never became the great institutions they now are until some of their bad practices were weeded out under inspection and publicity, and thereupon the public became satisfied that insurance was an investment and not a speculation. As suggested by the Senator from Arkansas [Mr. CARAWAY], Secretary Hughes made his great reputation in investigating an insurance company and bringing it to book. That is another illustration merely of what the Senator from Nebraska has already advanced.

Mr. CARAWAY. Mr. President, if I may merely make a suggestion concerning the cry that publicity of tax returns is an invasion of private rights. Congress by law requires a newspaper to disclose who owns it, who publishes it, and who owns its securities down to 1 per cent. That is certainly a greater invasion of private rights than merely to require the making public of tax returns; yet it was thought to be wise, because back of the newspaper might lurk some sinister interest and it was to be brought to light so that the public might know who was molding its opinion. If we thought well of that, why should we not disclose how much those publications make by making public their returns?

Mr. HOWELL. Mr. President, private rights must give way before public necessity, and I will call your attention to this fact:

Not 25 years ago the public-utility corporations in this country insisted that their affairs were their own, that we were not entitled to know anything about their incomes and their expenditures; but to-day those same public-utility corporations in nearly all the States are insisting upon State regulation and willingly granting the facts respecting receipts and costs of operation. The argument respecting the loss of taxes, as I stated a few moments ago, it seems to me, is the least cogent that has been offered.

The fact that a man is under the duty of paying income taxes in this country arises from the fact that in most cases he acquires his income here, or largely here, from investments or an occupation, and therefore it is almost impossible for him to shirk taxation even with secrecy; but if he were compelled to make a public statement of his income in detail the difficulties would be very much greater.

The practice in Great Britain has been referred to. I have great respect for English methods. There is no such tax avoidance in England as there is in this country. It is true that the taxation of land in Great Britain has been a scandal for a great many years, but that has been because of the valuations placed thereon; but when it comes to collecting taxes due from individuals and business institutions on account of income England affords an example of careful, expeditious, and economical collection. She has levied an income tax for a great many years, and we for only a comparatively few years, and her expegience has dictated that, as with the secrecy of court proceedings, the secrecy of income-tax returns can not be tolerated.

In my opinion, the reason why secrecy has been practiced in this country is because there are those who have something that they do not want the public to know; not competitors, for, as I have stated, competitors do know. Such interests do not want the public to know because of their fear of public condemnation; and inasmuch as in the case of every other function exercised by a public body in this country we afford the utmost publicity, we certainly should not hesitate when it comes to the matter of income-tax returns. Such returns should be open to the inspection of everyone, the same as with every other tax return, wherever made.

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to present an important amendment to H. R. 6715, seeking to substitute an inheritance tax for the estate tax provisions of the bill. I ask that it be printed and lie upon the table.

The PRESIDENT pro tempore. Is there objection? The Chair hears none; and the amendment will be received at this time, printed, and lie on the table.

Mr. SMOOT. Mr. President, I will say at this point that I should like to have the amendment printed and on the table of every Senator by to-morrow morning. I give this notice so that the Public Printer will print it to-night; and I should like to have it placed upon the desk of every Senator in the morning.

Mr. WALSH of Massachusetts. A preliminary proof has already been submitted, so that there will be no trouble about it being printed by to-morrow morning.

Mr. SMOOT. The reason why I make the announcement now is so that it will be on the desks in the morning.

THE VETERANS' BUREAU

Mr. CARAWAY. Mr. President, I wish not to discuss the pending amendment, but to put into the RECORD, as I shall do from time to time, some of the occurrences at the Veterans' Bureau. We are discussing publicity, and I have dedicated myself to be an agent of publicity for some of the wonderful occurrences that take place in that institution.

I have in my hand the correspondence dealing with the claim for compensation of Giles L. Matthews, of Conway, Ark. He is an ex-service man, and claims to be entitled to compensation for injuries received during service. His case is now pending before the Board of Appeals here in Washington, and has been there for nearly four months. Excuses have been given for not deciding it. Last week I had a letter from Charles E. Mulhearn, assistant director in charge of claims and insurance service, in which he tells me that the claim is being delayed because he has not yet received a report from The Adjutant General, to whom he had applied for information.

That sounds all right, Mr. President, if this were not the fact: This man was in the Navy. On each of the papers filed in this record appears this notation:

Giles L. Matthews, apprentice seaman, United States Navy.

Therefore, here is the legal department, the head of the appeal board, holding up a claim of a disabled ex-service man for four months to get a report from The Adjutant General, when had he asked the negro who runs the elevator, he would have been told that he must apply for this information to the Surgeon General of the Navy.

That is such an intelligible, such a comprehensive, understandable thing showing why there is complaint against the bureau. The head of its legal department says he can not pass upon the claim of this ex-service man because he can not get a report of The Adjutant General, when everybody except this learned lawyer knows that the information would have to come from the Surgeon General of the Navy.

Mr. DILL. Mr. President, will the Senator yield?

Mr. CARAWAY. I yield.

Mr. DILL. The Senator knows that we have pending before the Senate now on the Veterans' Bureau bill an amendment to raise the salary of the director $2,000 a year. Does he think that instances of this sort would justify an increase in the salary of the director?

Mr. CARAWAY. There is no justification at all, because this is the usual, ordinary, intelligent course of disposing of these matters.

I have many of these instances that have come to my office. I shall publish them from time to time for the enlightenment of the Senate. And yet we are expected to be patient while they reorganize the Veterans' Bureau, when there is not an elevator conductor who could not have told the assistant director that he ought to have applied to the Surgeon General of the Navy and not to The Adjutant General of the Army when he wanted the record of some one who had served in the Navy.

I will reserve this correspondence for publication, together with the entire correspondence, because it is so enlightening.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. DILL. Mr. President, I wish to take just a moment to express my approval of the amendment offered by the Senator from Nebraska [Mr. NORRIS] for the publicity of income-tax returns.

In 1916, when this amendment was offered in another body, there was scarcely a handful of Members who would support such a proposition. The sentiment for it has grown. It is still growing, and if not sufficient to-day to amend this bill, it

will be so within a very few years. It is so manifestly proper that the income-tax returns filed with the Internal Revenue Bureau of the Government should be made public that just as certainly as time goes on converts will be won to it.

I hope that to-day we shall amend this bill so that in the future the income-tax returns, like other tax returns, will be public for everybody in this whole country to know.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from Nebraska [Mr. NORRIS].

Mr. NORRIS, Mr. SMOOT, and Mr. McKELLAR called for the yeas and nays, and they were ordered.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. NORRIS (when Mr. LA FOLLETTE's name was called). I was requested to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on account of illness. If he were present and not paired, on this question he would vote "yea." He is paired with the Senator from Missouri [Mr. SPENCER].

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], which I transfer to the Senator from Vermont [Mr. GREENE] and vote "nay."

The roll call was concluded.

Mr. BALL. I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. I transfer that pair to the senior Senator from New Jersey [Mr. EDGE] and vote "nay."

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from West Virginia [Mr. ELKINS] with the Senator from New Jersey [Mr. EDWARDS].

Mr. STANLEY. Has the junior Senator from Kentucky [Mr. ERNST] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. STANLEY. I have a general pair with that Senator, which I transfer to the Senator from Montana [Mr. WHEELER] and vote "yea."

The result was announced—yeas 48, nays 27, as follows:

YEAS—48

Adams	Ferris	Jones, N. Mex.	Ralston
Ashurst	Frazier	Jones, Wash.	Reed, Mo.
Borah	George	Kendrick	Sheppard
Brookhart	Glass	King	Shipstead
Broussard	Gooding	Ladd	Simmons
Bruce	Harreld	McKellar	Smith
Capper	Harris	McNary	Stanley
Caraway	Harrison	Mayfield	Stephens
Copeland	Heflin	Neely	Swanson
Cummins	Howell	Norbeck	Underwood
Dial	Johnson, Calif.	Norris	Walsh, Mass.
Dill	Johnson, Minn.	Overman	Walsh, Mont.

NAYS—27

Ball	Fernald	Moses	Stanfield
Bayard	Fess	Oddie	Sterling
Brandegee	Hale	Pepper	Wadsworth
Bursum	Keyes	Phipps	Warren
Cameron	Lodge	Reed, Pa.	Watson
Curtis	McKinley	Shields	Willis
Dale	McLean	Smoot	

NOT VOTING—21

Colt	Fletcher	Owen	Trammell
Couzens	Gerry	Pittman	Weller
Edge	Greene	Ransdell	Wheeler
Edwards	La Follette	Robinson	
Elkins	Lenroot	Shortridge	
Ernst	McCormick	Spencer	

So Mr. NORRIS's amendment was agreed to.

The PRESIDENT pro tempore. The Chair understands that the following amendment is to be acted on at this time, which the Secretary will report.

The READING CLERK. The Senator from Tennessee [Mr. McKELLAR] proposes to add as a separate paragraph following the amendment just agreed to:

All claims for abatement or refunds of taxes shall likewise be public property subject to inspection under similar rules.

Mr. McKELLAR. Mr. President, that is exactly the same question which has just been acted on. It merely refers to claims for abatement and refunds, which shall likewise be public property under exactly the same conditions.

Mr. SMOOT. It all applies to the returns, which will be public under the vote just taken.

Mr. McKELLAR. Perhaps it does. I ask for the yeas and nays on this amendment.

Mr. REED of Missouri. I would like to have the privilege of seeing what is in the amendment.

Mr. SMOOT. There is no need to take the yeas and nays on agreeing to it. There is nothing in it but what has been voted on.

Mr. BRANDEGEE. The Senator would not want to say that they were to be "public property."

Mr. McKELLAR. Open to inspection.

Mr. BRANDEGEE. Made "public," then; not "public property."

Mr. McKELLAR. If I strike out the words "public property," will it be acceptable? If so, I will do that.

Mr. REED of Missouri. I move to insert in the amendment——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield?

Mr. McKELLAR. I yield to the Senator from Missouri to offer an amendment. I desire to perfect my own amendment by making it read as follows:

All claims for abatement or refunds of taxes shall likewise be subject to inspection under similar rules.

Mr. REED of Missouri. I move to insert after the word "taxes" the clause "including the records of all rulings."

Mr. SMOOT. They are all made public and printed.

Mr. REED of Missouri. The final record is, the mere decision, but not the proceedings.

Mr. SMOOT. Then the Senator should change the wording, because all rules of the department are published.

Mr. REED of Missouri. I use the term "all rulings." I mean by that decisions.

Mr. BRANDEGEE. The Senator has used the term "records of all rulings." I do not know what he means by that.

Mr. McKELLAR. "All claims for abatement or refunds of taxes, including the records of all rulings."

Mr. REED of Missouri. Including all decisions.

Mr. McKELLAR. I accept the amendment offered by the Senator from Missouri.

The PRESIDENT pro tempore. The Senator from Tennessee accepts the suggestion, and modifies his amendment so as to read:

All claims for abatement or refunds of taxes, including the decisions, shall likewise be subject to inspection under similar rules.

Mr. WADSWORTH. Will the Senator from Tennessee enlighten me as to what, in his judgment, is the meaning of the word "claims" in that connection? Perhaps I can shorten the Senator's answer by elaborating my question.

Mr. McKELLAR. I shall be very glad to have the Senator.

Mr. WADSWORTH. The amendment proposes the making public of all claims. Merely the lodging of a claim for a refund is a comparatively simple matter. Does the Senator mean, however, to include in that all the papers, the records, documents, and account books of any person or concern making application for a refund, which, of course, must be examined by the internal-revenue people? Are all those things to be made public in their last detail?

Mr. McKELLAR. Just such records as are filed with the department in making a claim for a refund. As a rule, as I understand it, affidavits are filed, copies of papers are certified frequently. Such evidence and such documents as accompany the claim for a refund or for abatement should be open to public inspection.

Mr. WADSWORTH. Of course, the Senator realizes that in the prosecution of these claims by persons for refunds from the Internal Revenue Bureau the bureau constantly calls for additional information, more and more accounts, more and more statements, down to the last details of where every penny was spent by the taxpayer, for what it was spent, to whom it was paid, every penny he has borrowed, from whom he has borrowed it, how much he has borrowed, the rate of interest, and the purpose for which it was borrowed. Does the Senator intend under that phrase "all claims for refunds" to make public everything that any man does in business, of any kind or description?

Mr. McKELLAR. Whatever is placed in the record at the tax office. The Senator no doubt has seen the files that are kept.

Mr. WADSWORTH. They are immense.

Mr. McKELLAR. Some of them are, just as the papers in some lawsuits are immense; but they are public records, and it seems to me that they should be made public records in the same way, if an effective administration of this department is desired.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Tennessee, as modified.

Mr. JONES of New Mexico. May I inquire of the Senator from Tennessee whether he thinks it would carry out his thought more clearly if he were to insert after the word "claims" the words "and evidence pertaining thereto"? The word "claims" might be subject to a very narrow interpretation. The word "claims" as used——

Mr. WADSWORTH. In order to make it complete, why not add the words "relevant or otherwise"?

Mr. McKELLAR. It seems to me that the wording is sufficient as it is.

Mr. JONES of New Mexico. Very well, if the Senator thinks so.

Mr. McKELLAR. I think it is.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

Mr. McKELLAR. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FLETCHER (when Mr. TRAMMELL's name was called). I wish to announce that my colleague, the junior Senator from Florida [Mr. TRAMMELL], is unavoidably absent. He is paired with the Senator from Rhode Island [Mr. COLT]. If my colleague were present, he would vote "yea."

Mr. WATSON (when his name was called). I again announce my general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE] and vote "nay."

The roll call was concluded.

Mr. FLETCHER (after having voted in the affirmative). I have a general pair with the Senator from Delaware [Mr. BALL]. In his absence, I transfer that pair to the Senator from Louisiana [Mr. RANSDELL] and let my vote stand.

Mr. STANLEY. I have a general pair with the junior Senator from Kentucky [Mr. ERNST]. In his absence, I withhold my vote.

Mr. HARRISON. I wish to announce that the Senator from Rhode Island [Mr. GERRY] is necessarily absent.

The result was announced—yeas 47, nays 26, as follows:

YEAS—47

Adams	Fletcher	Jones, N. Mex.	Ralston
Ashurst	Frazier	Jones, Wash.	Reed, Mo.
Borah	George	Kendrick	Sheppard
Brookhart	Glass	King	Shipstead
Broussard	Gooding	Ladd	Simmons
Bruce	Harreld	McKellar	Smith
Capper	Harris	McNary	Stephens
Caraway	Harrison	Mayfield	Swanson
Copeland	Heflin	Neely	Underwood
Dial	Howell	Norbeck	Walsh, Mass.
Dill	Johnson, Calif.	Norris	Walsh, Mont.
Ferris	Johnson, Minn.	Overman	

NAYS—26

Bayard	Fess	Oddie	Sterling
Brandegee	Hale	Pepper	Wadsworth
Bursum	Keyes	Phipps	Warren
Cameron	Lodge	Reed, Pa.	Watson
Curtis	McKinley	Shields	Willis
Dale	McLean	Smoot	
Fernald	Moses	Stanfield	

NOT VOTING—23

Ball	Elkins	McCormick	Spencer
Colt	Ernst	Owen	Stanley
Couzens	Gerry	Pittman	Trammell
Cummins	Greene	Ransdell	Weller
Edge	La Follette	Robinson	Wheeler
Edwards	Lenroot	Shortridge	

So Mr. McKELLAR's amendment was agreed to.

Mr. SMOOT. Mr. President, I ask that we may now turn to page 234 of the bill, to the amendment relating to the board of tax appeals. I would like to say to Senators at this time that if we can dispose of that amendment and the radio amendment, I shall be glad to move to take a recess until to-morrow.

Mr. HARRISON. Will not the Senator agree that if we dispose of the amendment on page 234, we shall then take a recess and let the radio proposition go over until the first thing in the morning, or else take up the radio proposition to-night and dispose of it and let the board of tax appeals amendment go over until to-morrow?

Mr. SMOOT. I have told so many Senators that this amendment would come up next and so many have asked me to have the amendment considered first that I think it better to dispose of it first.

Mr. HARRISON. The Senator is moving along rapidly in the consideration of the bill.

Mr. DILL. I hope the Senator will let the radio amendment go over until to-morrow if possible.

Mr. SMOOT. We will take up the board of tax appeals amendment now and see about the other when we get through with it.

I intend to take just time enough to read from the report affecting this title of the bill. I hope Senators will listen to it because in the report there is given the specific provisions of the bill and an explanation, I think, in as few words as it is possible to give it. It is as follows:

The bill provides for the establishment of a board of tax appeals to which a taxpayer may appeal prior to the payment of an additional assessment of income, excess-profits, war-profits, or estate taxes. Although under the existing law a taxpayer may, after payment of his tax, bring suit for the recovery thereof and thus secure a judicial determination on the questions involved he can not, in view of section 3224 of the Revised Statutes, which prohibits suits to enjoin the collection of taxes, secure such a determination prior to the payment of the tax. The right of appeal after payment of the tax is an incomplete remedy and does little to remove the hardship occasioned by an incorrect assessment. The payment of a large additional tax on income received several years previous and which may have since its receipt been either wiped out by subsequent losses, invested in nonliquid assets, or spent, sometimes forces taxpayers into bankruptcy and often causes great financial hardship and sacrifice. These results are not remedied by permitting the taxpayer to sue for the recovery of the tax after this payment. He is entitled to an appeal and to a determination of his liability for the tax prior to its payment.

Under the existing law a taxpayer prior to the payment of his tax may appeal to the commissioner, who has established the committee on appeals and review to determine these appeals for him. The objections that have been raised to this procedure are four: (1) The appeal is from the action of the Bureau of Internal Revenue, but is taken to a committee in and a part of the bureau. It is urged that such an appeal does not involve a review by an impartial outside body, such as the taxpayer is entitled to prior to payment of the tax. (2) In the hearing on the appeal the person who is to decide the appeal acts both as advocate and judge, since he must both protect the interests of the Government and decide the questions involved. Such conditions do not insure an impartial determination of the case. (3) If the decision on the appeal is in favor of the Government, the taxpayer has the right to test the correctness of the decision in the courts, but if the decision is in favor of the taxpayer, the action of the bureau is final and the correctness of the decision can never be tested in the courts. It is contended that this condition results in the decision of most doubtful points in favor of the Government. (4) The taxpayer is usually forced to come to Washington for the hearing on his appeal, an expensive and burdensome procedure.

Under the provisions of the proposed bill creating a board of tax appeals the taxpayer may, prior to the payment of the additional assessment of income, war-profits, excess-profits, or estate taxes, appeal to the board of tax appeals and secure an impartial and disinterested determination of the issues involved. In the consideration of the appeal both the Government and the taxpayer will appear before the board to present their cases, with the result that each member of the board will sit solely as judge and not as both judge and advocate. The provision allowing the commissioner to sue in court for the recovery of any taxes thought by him to be due in excess of that decided by the board to be due relieves the board from the responsibility of finally passing upon questions involving large amounts and removes the necessity for a decision in favor of the Government in order to force the issues into court. The divisions of the board will sit locally throughout the United States to enable taxpayers to argue their cases with as little inconvenience and expense as is practicable. This proposal meets all the objections that have been raised as to the existing system and at the same time provides for a flexible and informal procedure which will permit the board to determine expeditiously the cases brought before it on appeal.

Mr. McKELLAR. Mr. President, I have an amendment that I desire to offer, which I shall read, and perhaps the Senator from Utah will accept it.

On page 237 I desire to add a new section to the committee amendment, which shall be known as subsection (EA) and reading as follows:

The board shall have original jurisdiction to try and determine all claims for abatements or refunds on account of losses, depletions, depreciation, or otherwise where the amount of tax involved is in excess of $10,000. All such claims for abatements or refunds involving more than $10,000 of taxes shall be automatically referred to the board and heard upon the evidence on file and such other evidence as may be presented under the rules of the board. The board shall certify its findings to the Treasury Department, such findings shall be final, and

the taxes shall be collected by the Commissioner of Internal Revenue upon the basis of such findings.

The board shall also have original jurisdiction to determine all cases arising under section 221 of this act, and when their findings are certified to the Treasury Department such findings shall be final and the Commissioner of Internal Revenue shall collect the taxes thus found to be due as provided by this act.

The inquiry I wish to make of the Chair is, if this amendment shall be agreed to, will I then have the right to offer my amendment or should my amendment be offered now?

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I hope the Senator from Utah will accept the amendment.

Mr. SMOOT. Mr. President, I ask unanimous consent that a vote be taken upon the committee amendment, and then I shall ask unanimous consent that any amendment desired to be offered by any Senator may be offered to the committee amendment.

Mr. McKELLAR. That will be entirely satisfactory.

The PRESIDENT pro tempore. The Chair then is not required to answer the inquiry of the Senator from Tennessee [Mr. McKELLAR].

Mr. McKELLAR. I am satisfied with the arrangement for unanimous consent.

The PRESIDENT pro tempore. The Chair is not bound by any suggestion made by the Senator from Utah [Mr. SMOOT]. The question is upon agreeing to the committee amendment.

Mr. NORRIS. Mr. President, I desire to inquire, is the pending amendment the amendment commencing on page 234 of the bill?

Mr. SMOOT. Yes; that is, the House provision begins on page 234, and the amendment begins at the bottom of page 235.

Mr. NORRIS. And ends on line 21, page 237?

Mr. SMOOT. Yes; it ends on page 237.

Mr. NORRIS. Is the main difference between the provision as it comes from the other House and the provision as reported by the Senate committee the salary which is to be paid to members of the tax board? I notice the House text provides for a salary of $7,500, while the bill as reported from the Senate committee provides for a salary of $10,000.

Mr. SMOOT. The difference which the Senator from Nebraska has stated is about the only difference between the proposition of the House and the Senate committee, so far as money matters are involved. We think that the wording is a little clearer in the committee amendment than in the House provision; as the language now stands it is virtually the House provision so rewritten as to make it clearer, and providing for an increase of salary above the $7,500 provided for by the House.

Then there is another quite important change to which I will call the Senator's attention. The Senate committee amendment provides that the number of judges after the two years shall be 7, while the House provides that 28 judges shall continue to constitute the court.

The Senate committee amendment proposes to change the text of the bill in that respect, because the committee thought that by having the judges do nothing else and requiring that they shall sit in the different districts in two years, a great majority of the cases could be decided, and then, after that, the one court, consisting of seven members, could take care of the appeals.

Mr. NORRIS. Mr. President, I have not any objection—indeed, I do not know enough about the matter to act on it intelligently without further time to consider it—if the Senator from Utah is willing to accept an amendment to the committee amendment striking out the salary of $10,000 and inserting a salary of $7,000. If the Senator will do that, I shall make no further controversy in reference to the amendment.

Mr. SMOOT. I think that there is an amendment to be offered to increase the salary from $10,000 to $12,000.

Mr. NORRIS. That amendment may be offered, of course.

Mr. SMOOT. Then, we had better vote upon the question of the salary at once. I am perfectly willing to do that.

Mr. NORRIS. I wish to submit merely a few observations. In the first place, an appeal will be from this court to a regular United States court.

Mr. SMOOT. That is correct.

Mr. NORRIS. We are now proposing to set up an intermediate court, a lower court, and yet we are providing for an appeal to a higher court, and we are providing for the payment of a larger salary to the judges of the lower court than is received by the judges of the higher court. To my mind, that is not the proper kind of a law to pass. What will be the result? If we provide for a salary of $10,000 for the members of this court, we shall be importuned at once to increase the salaries of all the Federal judges, because they are of a higher grade than are the judges of the tax court.

Mr. SMOOT. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. Yes.

Mr. SMOOT. I should like to tell the Senator the reason for this action in so far as the majority of the committee were concerned.

Mr. NORRIS. Very well; I will yield to the Senator from Utah.

Mr. SMOOT. The Senator from Nebraska knows that 21 of the judges provided for will be appointed for only two years. We do not wish them to act as judges in tax cases unless they know their business, unless they are familiar with the revenue laws of the United States. In order to get such men to leave their business for two years and then to be retired, it seems to me $10,000 is as little as could be paid in order to secure the proper kind of men.

Mr. NORRIS. The probabilities are that the tax court judges, unless they are made the footballs of politics, which I hope they will not be, will be selected out of the department itself. The probabilities are that we shall have judges selected who are now engaged in this work, perhaps, performing the same kind of service on a salary of $2,000 or $3,000 a year. It seems to me that would be the natural result. It looks to me as though the appointing power, unless, as I said, it be desired to make a lot of political appointees here—and I assume that is not going to be done—would select men who are already in the Government service, and who are more or less familiar with the kind of work which the tax court is going to be called upon to perform.

It seems to me, Senators, that if we consider only the merits of the question it is inexcusable to set up a court of original jurisdiction whose judges shall draw salaries larger than the salaries drawn by the judges of the courts of appeal to which the cases, many of which will be of importance, will be appealed. That is contrary to our entire system, not only judicial but legislative and otherwise.

Mr. President, this question was debated in the House of Representatives. The committee brought in a report calling for salaries of $10,000.

Mr. SMOOT. That is correct.

Mr. NORRIS. A Representative from my State made the motion to cut the salary down to $7,500, and on the floor of the House that was done after a vote on this identical question without anything else being involved. So the language of the House bill, so far as the salaries are concerned, represents the opinion of the House of Representatives. That entitles the proposal to more weight than though it had gone in simply as a matter of form, because it was decided on the floor of the House after debate. I do not know whether there was a roll call on the question or a vote by tellers, but it was put in by a very large majority.

Mr. President, if we start out by adding 28 inferior judges to our judicial system, and fixing their salaries higher than the salaries of district judges of the United States and of judges of the court of appeals of the United States, let us not forget that we will be confronted at once—and properly so—with a request to increase the salary of every Federal judge in the United States. How are we going to refuse to take such action? There might be times when it would not be so serious, but when a large proportion of our countrymen, particularly the agriculturists and farmers of the country, are not able to make both ends meet, I tell you, Mr. President, it is a poor time for us to make a precedent of fixing salaries at $10,000 a year, which will be used as a stepping stone to fix the salaries of hundreds of other men at $10,000 a year.

If we fix the salaries of these officials at $10,000 a year, a district judge who now receives $7,500 a year would have a right to say, "I am above the court on which these tax judges sit; an appeal lies from that court to mine." It would be like going from the court of a justice of the peace to the common pleas court or the district court and from there to the Supreme Court, and starting in by giving the justice of the peace a salary higher than that received by the supreme judge and higher than that received by the district judge, so that as the courts are reached where we are supposed to get more wisdom and more ability the salary paid is less. That argument can not be met when the proposition will be made to increase the salary of every one of the Federal judges.

Mr. DILL. Mr. President——

Mr. NORRIS. I will yield in just a moment. Then, going on from the district court to the United States court of appeals, the judges of that court receive $8,000 a year, and yet it

is proposed to jump the salaries of the tax court clear over the salaries received by the other judges and give them $10,000 a year. It is inconsistent; it is illogical; it is not necessary; and, in my opinion, the country is not in a condition to stand it now when we are trying to economize and cut down expenses. I now yield to the Senator from Washington.

Mr. DILL. Mr. President, what is the particular requirement in the way of ability for these men that they should have the high salary of $10,000 a year?

Mr. NORRIS. I do not know of any. They ought to be good men; I concede that.

Mr. McKELLAR. Are there any legal requirements? Are there any of them to be lawyers?

Mr. NORRIS. I can be corrected if I am wrong, but I hardly suppose that these men would have to be admitted to the bar under the definition in the bill.

Mr. SMOOT. No; but there is no doubt that they will be.

Mr. NORRIS. I think they will be; I assume that they will be.

Mr. McKELLAR. I did not hear the statement of the Senator from Utah.

Mr. SMOOT. I said there is no doubt that they will be members of the bar.

Mr. McKELLAR. Does not the Senator think that we ought to require that some of them shall be lawyers?

Mr. SMOOT. I do not think so.

Mr. McKELLAR. Some of the members of this court should be lawyers.

Mr. SMOOT. There will be lawyers on it, no doubt.

Mr. NORRIS. Mr. President, I do not care to yield the floor for a debate between other Senators. There may be two sides to the question, whether the members of this board ought to be lawyers or not; I assume that they will be. It seems to me if I had the appointing power I would want to appoint men well versed in the law, because their duty is going to be to pass on legal questions.

Now, let me compare them with the district judges and see what type of ability will be required. A district judge receives $7,500 a year and has to pass upon all kinds of litigation that comes before him. He has to be versed——

Mr. JONES of New Mexico. Mr. President——

Mr. NORRIS. I will yield in a moment. He has to be versed in all branches of jurisprudence and of law. The members of the proposed tax court are going to become, after they have been educated by serving for a while, experts in tax matters only; they will have nothing else to do.

The man who has the qualifications of a district judge possesses qualifications much superior to the qualifications necessary to fill one of these places, and a judge of the court of appeals more yet, so there is not anything involved in this work that requires a salary superior to that of our judges.

Mr. FLETCHER. Mr. President——

Mr. NORRIS. I will yield to the Senator, but first I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, I wanted to call the attention of the Senator from Nebraska to this peculiar situation: These judges are appointed for two years only.

Mr. NORRIS. Yes; that has already been called to my attention. Some of them will be permanent.

Mr. JONES of New Mexico. Under paragraph (c), on page 237, they will be prohibited from appearing before the board of appeals subsequently for a period of two years. I think that makes the situation quite different. I could understand the argument of the Senator if he would suggest an amendment providing that the seven judges retained after the expiration of the two years should receive a salary of $7,500 only. That would be entirely consistent with the argument of the Senator, but these people serve only two years, and are prohibited for two years thereafter from appearing before the board in this kind of work. I think that presents a situation entirely different from that where a judge goes ahead year after year, and if he should happen to go off the bench he is permitted to carry on his profession the next day before his successor. Under the provision, however——

Mr. NORRIS. I have heard the Senator's suggestion, and I appreciate the force of it. It has already been suggested by the Senator from Utah. In my opinion it is not at all conclusive. When we talk about judges who are appointed for life, who serve for life, and are trying to fix their salaries, this is the kind of argument that is always made. They say: "Why, these men are taken out; they are taken away even from society sometimes. They can not go into business. They have to give up investments. They can not do this, and they can not do that, because they are going to isolate themselves, as it were, for life, and therefore we ought to pay them a big salary."

Now, it is said that because these men are going to be on the bench for two years only, therefore we ought to pay them a big salary because they do not stay on longer.

Mr. President, I do not believe there is going to be any trouble in getting good men for two years for $7,500 a year. Probably we will be extending the time, and it will be more than two years; and bear in mind that to get the most effective results men will be appointed for two years who are already in the service of the United States, and at the expiration of the two years they will go back into the service, and go back, very likely, at a reduced salary. They are getting a bonus for the two years they will serve. They ought to be prohibited from practicing before the board after they have gone off the bench, I think. That ought to apply not only to them but to everybody else in the departments.

Mr. President, I move to amend the committee amendment, on page 237, line 4, by striking out "$10,000" and inserting "$7,500"; and upon that amendment I ask for the yeas and nays.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Nebraska to the amendment of the committee. Upon that amendment the yeas and nays have been requested. Is the request seconded?

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. NORRIS (when Mr. LA FOLLETTE's name was called). I have been requested to announce that if the Senator from Wisconsin [Mr. LA FOLLETTE] were present, he would vote "yea" on this question.

Mr. OVERMAN (when Mr. SHIELDS's name was called). I have been requested to announce that the Senator from Tennessee [Mr. SHIELDS] is unavoidably detained.

Mr. STANLEY (when his name was called). I transfer my general pair with the Senator from Kentucky [Mr. ERNST] to the Senator from Louisiana [Mr. RANSDELL] and will vote. I vote "yea."

Mr. WATSON (when his name was called). Making the same announcement as on the preceding vote with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. LODGE. I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senator from Virginia [Mr. SWANSON] and will vote. I vote "nay."

Mr. JONES of New Mexico (after having voted in the negative). I have a general pair with the Senator from Maine [Mr. FERNALD]. I understand that that Senator, if present, would vote as I have voted, and I therefore allow my vote to stand.

Mr. HARRISON. On this question I am paired with the Senator from New Jersey [Mr. EDGE]. If at liberty to vote, I should vote "yea," and the Senator from New Jersey would vote "nay."

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Illinois [Mr. MCCORMICK] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from New Jersey [Mr. EDWARDS];

The Senator from Pennsylvania [Mr. PEPPER] with the Senator from Rhode Island [Mr. GERRY]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Mississippi [Mr. HARRISON].

The result was announced—yeas 41, nays 26, as follows:

YEAS—41

Ashurst	Dill	Jones, Wash.	Reed, Mo.
Borah	Ferris	Kendrick	Sheppard
Brookhart	Fletcher	King	Simmons
Broussard	Frazier	McKellar	Smith
Capper	George	McNary	Stanley
Caraway	Harreld	Mayfield	Stephens
Copeland	Harris	Neely	Swanson
Cummins	Heflin	Norbeck	Walsh, Mont.
Curtis	Howell	Norris	
Dale	Johnson, Calif.	Overman	
Dial	Johnson, Minn.	Ralston	

NAYS—26

Adams	Glass	McLean	Sterling
Ball	Gooding	Moses	Wadsworth
Bayard	Hale	Oddie	Warren
Brandegee	Jones, N. Mex.	Phipps	Watson
Bursum	Keyes	Reed, Pa.	Willis
Cameron	Lodge	Smoot	
Fess	McKinley	Stanfield	

NOT VOTING—29

Bruce	Gerry	Pepper	Trammell
Colt	Greene	Pittman	Underwood
Couzens	Harrison	Ransdell	Walsh, Mass.
Edge	Ladd	Robinson	Weller
Edwards	La Follette	Shields	Wheeler
Elkins	Lenroot	Shipstead	
Ernst	McCormick	Shortridge	
Fernald	Owen	Spencer	

So Mr. NORRIS's amendment to the amendment of the committee was agreed to.

The PRESIDENT pro tempore. The question now is upon agreeing to the committee amendment as amended.

Mr. REED of Missouri. Mr. President, I understand that we are now on section 1000. I offered in the committee an entirely different plan than has been reported here, one which I desire very much to submit to the Senate. I have talked to the chairman of the committee, who has been very courteous and accommodating in regard to this bill, and asked him to allow this particular provision to go over until to-morrow morning. Apparently, he does not feel that he can do that; and yet I feel impelled to insist that the question shall be discussed before the Senate as in Committee of the Whole. I am sorry not to be able to agree with the Senator in charge of the bill.

If this particular provision could be passed over until to-morrow morning, I would be ready to present my objections to it, and a substitute for the provision. I hope the Senator can allow the bill to take that course.

Mr. SMOOT. I would like to do it, but the Senator can offer the amendment when the bill reaches the Senate. I do want to get through with this and the radio amendment.

Mr. REED of Missouri. Then let us take up the radio amendment.

Mr. HARRISON. Will the Senator from Missouri yield?

Mr. REED of Missouri. I yield.

Mr. HARRISON. May I say to the Senator in charge of the bill that he will recall that this is one provision in which the Senator from Missouri was more interested than any other provision of the bill; that is, he discussed it quite fully before the committee. We have been in session since 11 o'clock this morning, seven hours, in the consideration of this bill, working hard——

Mr. McKELLAR. And made good progress.

Mr. HARRISON. And we have made fine progress. It does seem to some of us over here that the Senator is almost unreasonable in his insistence that we finish with this provision to-night and take up the radio proposition, on which there will be many speeches.

Mr. SMOOT. Mr. President, all the vital part of the bill is yet untouched. We have the normal tax, the surtax, the corporation tax, the estate tax, and the gift tax all yet to be acted upon, and there will be more discussion on those amendments than there has been on all the amendments we have acted on.

Mr. HARRISON. The Senator appreciates the fact that there have been many changes in the administrative features of this proposed legislation and that we have been considering the measure but a few days. Heretofore the consideration of a tax bill has taken weeks on weeks of time. We can finish the consideration of this bill by the end of next week, at least, it would seem to some of us, and these matters will be discussed. The Senator from North Carolina [Mr. SIMMONS], who has been working hard on the surtax proposition, will be able to go on to-morrow. All these matters can be settled to-morrow, and then we can take up the surtax and the normal-tax features.

The Senator ought to bear in mind also that the Democrats have been in caucus for two nights in succession, last night and the night before last. He does not want to work us to death.

Mr. SMOOT. The Senator from Missouri can offer his amendment in the Senate, and there will be no objection whatever to that course. It can be discussed and voted upon.

Mr. REED of Missouri. That is true; but how much time would we be able to save by that? If it should go over until to-morrow it would be discussed in the Committee of the Whole, and that would be the end of it, in all human probability. All I am asking is a day's delay. If I withhold the amendment now until the bill gets into the Senate, the discussion will occur and the delay will be just as long. If it can go over until to-morrow I will be in a little better shape to present my views, and I think I can save some time. If I had to explain my position on the amendment to-night, in my present unprepared condition, I am afraid it would take so long to do it that we would really not save any time.

Mr. SMOOT. There are some amendments which the Senator from Tennessee [Mr. MCKELLAR] desires to offer. Let us discuss those amendments now. The Senator is ready to discuss those, anyway.

Mr. REED of Missouri. My proposition is an entire substitute for this section; and if my amendment should succeed, then the discussion of any amendments to this particular section would have meant time lost.

Mr. SMOOT. I would like to have the Senator from Tennessee go on.

Mr. McKELLAR. Very well. Mr. President, I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will report the amendment offered by the Senator from Tennessee.

The READING CLERK. After line 21, on page 237, the Senator from Tennessee proposes to add a new subsection, to be known as (EA), as follows:

The board shall have original jurisdiction to try and determine all claims for abatements or refunds on account of losses, depletions, depreciation, or otherwise, where the amount of tax involved is in excess of $10,000. All such claims for abatements or refunds involving more than $10,000 of taxes shall be automatically referred to the board and heard upon the evidence on file and such other evidence as may be presented under the rules of the board. The board shall certify its findings to the Treasury Department, such findings shall be final, and the taxes shall be collected by the Commissioner of Internal Revenue upon the basis of such findings.

The board shall also have original jurisdiction to determine all cases arising under section 221 of this act, and when their findings are certified to the Treasury Department such findings shall be final and the Commissioner of Internal Revenue shall collect the taxes thus found to be due as provided by this act.

Mr. McKELLAR. Mr. President, I will explain, in a very brief manner, the meaning of this amendment. I am inclined to think that this board is a step in the right direction. We ought to have had it long ago. I think it can be made a very useful piece of tax machinery. This amendment merely gives to that board jurisdiction over claims for refunds or abatements where the amount of taxes claimed is more than $10,000.

It seems to me that in matters of such importance the tax board which is created by this act manifestly should try and determine those claims for refunds and abatements. When that is done it seems to me this provision makes it certain that those taxes will be collected, and they are to be matters of public jurisdiction, and there is no reason in the world why this board should not have jurisdiction of them.

As to the second provision of the amendment, it will be recalled that letters from the Secretary of the Treasury show that section 221 has not been enforced. Section 221 relates to corporations formed or used for the purpose of evading taxes. It merely gives this board jurisdiction to determine those matters. I hope this amendment will be agreed to, and I hope the Senator from Utah will accept it.

Mr. SMOOT. I do not think that even the Senator will ask that it be agreed to when he knows what it means.

Mr. McKELLAR. I think I do know what it means.

Mr. SMOOT. This is what it means: It means that instead of having 28 judges we will have over 300 judges. We have over 5,000,000 claims pending now, and if they are all to go——

Mr. McKELLAR. Mr. President, it relates only to claims of over $10,000.

Mr. SMOOT. I know that it relates to claims of over $10,000. Could 400 judges handle it? I am sure we would have to have at least 300 before the expiration of the time fixed in the amendment. I know the Senator has not studied the question. In fact, when I looked at it myself first I did not know how many claims there were.

Mr. McKELLAR. How many claims did the Senator say there were?

Mr. SMOOT. Over 5,000,000.

Mr. McKELLAR. Of over $10,000 each?

Mr. SMOOT. Of over $10,000.

Mr. McKELLAR. In taxes?

Mr. SMOOT. These claims.

Mr. McKELLAR. I asked the Senator's assistant, the gentleman from the Treasury Department, to give me the facts and he said he could not do it, that it would take him some time to find them.

Mr. SMOOT. That was as to claims and abatements. That is quite different from this amendment. This amendment relates to any claim, refund, or abatement.

Mr. McKELLAR. There are how many?

Mr. SMOOT. Over 5,000,000.

Mr. McKELLAR. Above $10,000?

Mr. SMOOT. Above $10,000.

Mr. McKELLAR. That involves quite a large amount of money.

Mr. SMOOT. It certainly does.

Mr. McKELLAR. Five million claims of over $10,000 each? I am sure the Senator can not be accurate in his statement.

Mr. SMOOT. All I know is that I have been informed by the department, since reading the amendment, that that is the fact. I asked for the information, and that is what they told me.

Mr. McKELLAR. Has the Senator any information he can put in the RECORD from the department that there are over—did the Senator say 10,000,000?

Mr. SMOOT. Five million.

Mr. McKELLAR. That there are more than 5,000,000 claims of over $10,000 each?

Mr. SMOOT. We can get the information for the Senator by to-morrow.

Mr. McKELLAR. I ask to be allowed to have the amendment go over until we can get the facts.

Mr. SMOOT. There is no necessity of that. If there were half that number, we have not enough judges. We are not going to provide 200 judges.

Mr. OVERMAN. The Senator certainly did not mean 5,000,000 claims?

Mr. McKELLAR. That would mean $50,000,000,000——

Mr. SMOOT. I do not mean that.

Mr. McKELLAR. I am sure the Senator could not mean that.

Mr. SMOOT. I do not mean in dollars at all; I mean in claims.

Mr. McKELLAR. Five million claims of more than $10,000 each would be over $50,000,000,000 in claims.

Mr. SMOOT. The claims are not to be paid.

Mr. McKELLAR. I know, but——

Mr. SMOOT. Not 2 per cent of them have been paid, as I stated to-day, and as the Senator knows; but the claims are made, and whenever there is a dispute as to the taxes, the taxpayers claim nearly all the amount of their taxes, and therefore all such claims would have to go to a court, and we would not have courts enough in the United States.

Mr. KING. Will my colleague yield?

Mr. SMOOT. I yield.

Mr. KING. May I say to my friend from Tennessee that the situation is like this: Many of those claims go back to the year 1917, and there are claims by many taxpayers for 1917, 1918, 1919, 1920, 1921, 1922, and 1923. Nearly every taxpayer of any large amount makes some sort of a claim for refund or for abatement, so that there may be two or three or four or five or six claims by the same taxpayer. In the aggregate, I am told that it would be several million. That does not mean that each one claims $10,000, but they make a claim for a refund or abatement upon an assessment that involves in the aggregate more than $10,000.

Mr. McKELLAR. If there were 5,000,000 claims of $10,000 each in taxes, it would be something so stupendous that the mind of man could hardly conceive it. I am sure the Senator from Utah [Mr. SMOOT], who is generally accurate and who accused me of not knowing what my amendment meant, has his facts sadly mixed on this proposition. I challenge him to bring the facts from the Treasury Department. The Treasury Department can give them.

Mr. SMOOT. I have already stated to the Senator that I have not made a personal examination into those claims, and no one else has done so outside of the Treasury Department; but the Treasury Department officials tell me that there are over 5,000,000 claims which would be affected by this amendment. It is impossible to have enough judges to handle those claims. Of course, there is nothing to many of the claims. There probably is nothing to 98 per cent of them. But the taxpayers have a right to file claims. They make the claims, and I refer to claims to abatement as well.

For the reasons I have given, I hope the amendment will not be agreed to.

Mr. McKELLAR. It is absolutely a physical impossibility from the indisputed facts for any such number of claims to be in the Treasury Department. There are 4,300,000 taxpayers. A tax claim can only go back five years. Back of that time they are barred by the statute of limitations. When the Senator tells me that there are a million taxpayers in the country whose taxes involve more than $10,000—1,000,000 for each of the years—he is just saying something that he can not, in my judgment, substantiate from the records in the Treasury Department. Just think of it for a moment—4,300,000 taxpayers of all kinds. It is impossible that there should be 5,000,000 involving taxes of over $10,000. It is a physical impossibility.

Mr. SMOOT. The Senator may think that, and it may be so.

Mr. McKELLAR. Then let us get the facts. The Treasury can give us the facts to-morrow morning.

Mr. SMOOT. There is no question about it that there are so many claims that without a particle of doubt any kind of an amendment of this sort would require many additional judges. It is impractical, and the amendment should not be agreed to.

SEVERAL SENATORS. Vote! Vote!

Mr. McKELLAR. Mr. President, just a moment before we vote. I want to ask the Senator, if I permit this amendment to be agreed to, when it is reached in the Senate will the Senator give us the information about the number of claims, or have it given to us by the Treasury Department?

Mr. SMOOT. The Senator has a perfect right to bring up the question in the Senate.

Mr. McKELLAR. I know, but I want to get the information. The Senator has disputed the facts.

Mr. SMOOT. I will give the information that I have already given, and the source from which it came, when the bill reaches the Senate.

Mr. McKELLAR. If it is not disposed of now, I will offer it to-morrow.

Mr. SMOOT. But I want to dispose of it now.

Mr. McKELLAR. Very well. I withdraw my amendment for the present.

The PRESIDENT pro tempore. The Senator from Tennessee withdraws his amendment. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

Mr. SMOOT. Mr. President, on page 197 I am informed that the word "Mah-jongg" is spelled wrong and I ask that the spelling of that word in line 3 be "Mah-jongg."

Mr. DILL. Does the Senator know where the correct spelling can be found? Is the Senator establishing the correct spelling legally?

Mr. SMOOT. This is the legal spelling of the word, I am informed by an expert in whom I have great confidence.

Mr. SWANSON. Will the Senator from Utah have incorporated in the RECORD as a part of his remarks the rules governing the game? [Laughter.]

Mr. SMOOT. I have never played the game and do not know anything about it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. I now desire to have the Senate take up the amendment on page 197, line 5.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 197, line 5, the committee proposes to insert:

(10) Radio receiving sets, 10 per cent.

Mr. WADSWORTH. Mr. President, may I ask the chairman of the committee to state to the Senate the committee's attitude on the taxing of radio sets?

Mr. SMOOT. Yes; I think I can do it in a very few words. Your committee was advised that radio sets are made by one great concern in the United States, a monopoly pure and simple. They are demanding to-day every dollar that they can get, and yet keep up the maximum demand. Every dollar that the trade will bear is being charged for them now, and any tax that is imposed upon them will not make a single penny of difference in the price at which they will be sold.

Mr. DILL. What is there in the proposed amendment that will keep the Radio Corporation, which the Senator says is a monopoly and which I shall not argue just now, from adding the amount of the tax to the present price?

Mr. SMOOT. Because if they do it their sales will be cut off, and because of the fact that they are charging now every cent that they can get.

Mr. DILL. That is merely the Senator's opinion about it.

Mr. SMOOT. I get it direct from a large stockholder of that concern.

Mr. DILL. I disagree with the Senator very much.

Mr. WADSWORTH. I am not prepared to contradict flatly the statement of the Senator from Utah, but I would observe that it is a very, very sweeping one.

Mr. SMOOT. Yes; it is.

Mr. WADSWORTH. And apparently his testimony comes from one person. I am not prepared to agree with the statement that all the radio sets used in the United States

are made by one concern, by a monopoly, and that the last penny is being wrung from the public in the sale of them. I know this, however, about the sale of them, that they are sold within the reach of the public at present prices and that they are being sold by the millions. I do not detect any great degree of oppression manifest upon the consumers or customers by whoever makes the sets. I know that little boys are able to buy them with from $12 to $15 as the price.

My object in bringing the matter up at this hour, and I do not intend to discuss it at length, is simply to make this observation. Here we have a brand-new development. It is in its infancy. Apparently the committee believes that because it has had such an astonishing spread all over the country, "here is something to tax right away; do not let it get away." We do not know what is going to develop out of it. It is in its infancy. We can not tell what it will be two or three or five years from now. It seems to me the Government might at least wait a year or two or three years before it places its heavy hand upon a brand-new undertaking which bids fair to be so successful. If it turns out in the years to come that the industry becomes stabilized and the character of the instrument becomes standarized and we all know what we want and what we mean when we say a radio set or the spare parts thereof, whatever it is, then let us tax it. But it seems to me this is proceeding pretty fast.

Mr. SMITH. Mr. President, if the Senator will allow me, I do not think anyone here would think for a moment that the tax which we impose on this business which, as the Senator from New York said, is in its infancy——

Mr. SMOOT. Not so far as its profits are concerned, I will say to the Senator.

Mr. SMITH. We know that it is just now beginning to be appreciated by the people. It is not only educational in its influence, but it is a wonderful convenience to a vast number of people. The Senator knows that the moment we put this tax on it will automatically reflect itself in the sale price.

Mr. SMOOT. No; the Senator from Utah does not know that.

Mr. SMITH. The Senator knows that it will check the spread of it to the extent that the tax adds to the cost thereof. The Senator will not forget that when we added the war tax to the moving-picture shows it immediately was seized upon by the moving-picture people and not only was added to the price of the tickets but became the basis of raising prices almost three or four times. The Senator is well enough acquainted with statistics and with finance to know that when we put a tax upon an article it is not alone the imposition of the direct tax in the sale, but it multiplies itself two or three times before it reaches the ultimate consumer or possessor of it.

Mr. SMOOT. Not in this case, I will say to the Senator from South Carolina.

Mr. SMITH. I protest that here, right in the very dawn of a most wonderful scientific discovery that is available for everybody, taking the place possibly in the next few years of our system of telephoning and telegraphing and making available a new means of communication—right at the very inception of it, before anything is standardized or perfected, we begin to discourage it by imposing taxes on it. I sincerely hope, in the interest of the development of this wonderfully applicable invention or triumph, that we shall not begin to discourage it by taxation.

Mr. SMOOT. Mr. President——

Mr. SMITH. If the Senator will allow me, we have gotten ourselves in a position where——

Mr. SMOOT. Where we are not raising enough money to pay the expenses of the Government; that is where we have gotten ourselves to.

Mr. SMITH. It does seem to me that we tax everything on land and on sea, and for God's sake let us try to leave the air at least free.

Mr. SWANSON. Will the Senator from Utah allow me to ask a question? Are there any other taxes imposed by this bill on new subjects of taxation.

Mr. WADSWORTH. There is Mah-jongg.

Mr. SMOOT. There is Mah-jongg.

Mr. DILL. Is there any significance that Mah-jongg and radio are put on the same plane?

Mr. SWANSON. I ask the question for information. I thought this was a tax reduction bill and not a tax increase bill, and I am very loath to vote for taxes on new items in a tax reduction bill or to increase the tax on anything in what is designated as a tax reduction bill. Is there any other new item on which we impose a tax?

Mr. McKELLAR. We have increased the tax on corporations to $19,000,000.

Mr. SMOOT. If there is anything on earth that is a luxury it is this.

Mr. CARAWAY. Does the Senator refer to the radio?

Mr. SMITH. Radio is a luxury?

Mr. SMOOT. Yes; it is a luxury.

Mr. CARAWAY. The air one breathes, then, is a luxury, because radio has largely to do with the air.

Mr. SMOOT. The tax is on the receivers.

Mr. CARAWAY. The receivers will be the American people when the Senator from Utah gets through.

Mr. SMOOT. I know the Senator feels that there is politics in it; that it is going to have an effect throughout the country, and that our action will be radioed from one end of the land to the other and will be charged up to the Republican Party. I will say, however, that there was not a member of the committee who did not vote for this amendment.

Mr. DILL. Mr. President, will the Senator from Utah yield to me?

Mr. SMOOT. I yield.

Mr. DILL. Does the Senator think it is a luxury to the farmer who is getting market reports and weather reports tonight by radio?

Mr. SMOOT. The farmer who is using the radio gets such reports from the daily papers every day.

Mr. DILL. I wish to say to the Senator that there are literally thousands of farmers who can not get newspapers, but who get reports through the air every night.

Mr. SMOOT. Then, the farmer buys a radio set.

Mr. COPELAND. But if we tax the radio set the farmer will have to pay more for it.

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. I yield.

Mr. COPELAND. The most familiar argument to which we listen from the Republican Party is that the public does not pay the tax; but the public does pay the tax, and if we put a 10 per cent tax on radio sets, the owners of the patents, who, as the Senator has said, have gotten everything they can from the public, will add 10 per cent more, and the public will pay it.

Mr. SMOOT. They will if they can sell their receivers for any more than the price at which they sell them to-day, but they are selling their receivers for every dollar for which they can sell them and keep production going. That is understood.

Mr. COPELAND. Mr. President, in my judgment, several things have done very much to promote the happiness of the human family—the daily newspaper, the free delivery of mail, the telephone, the automobile, and now the radio; but I look upon the radio as the most remarkable of all inventions, not because of the mystery attached to it but because of the result coming from it. There is not any question but that it has wiped out the isolation of millions of families. It is a means for the dissemination of education in every line, even the dissemination of knowledge of political movements. I assume that the President of the United States will make great use of the radio during the next few months.

Mr. SMOOT. Then he can pay a 10 per cent tax on his receiver.

Mr. COPELAND. I think the tax would be very desirable in that case.

Mr. JOHNSON of Minnesota. Mr. President, there is a church in my county the congregation of which could not afford to hire a minister, so they bought a radio set and now they can listen to the sermons of ministers of other churches.

Mr. COPELAND. Mr. President, the use of the radio gives a knowledge of health, of the chemistry of the soil, of the weather, of marketing, of literature, and of music. It has done much for the comfort and happiness of the people. I say it would be a great mistake to tax the people who now are paying, as the Senator from Utah has said, every dollar which can be extorted from them still more in order that they may have this great convenience, this invention which adds not alone to their happiness but to their length of life.

Mr. SMOOT. I recognize that the radio is a great convenience and has great utility. There is not any doubt about that; but, Mr. President, it is not the only great convenience which we propose to tax.

Mr. McKELLAR. How much revenue would be derived from the tax?

Mr. SMOOT. It is estimated that it would amount to about $10,000,000.

Mr. SIMMONS and Mr. HEFLIN addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield the floor to the Senator from North Carolina. He may take it.

Mr. SIMMONS. I simply wish to say——

Mr. FLETCHER. Mr. President, will the Senator allow me to interrupt him long enough to ask to have noted in the RECORD petitions on this subject from various sources?

Mr. SIMMONS. Very well.

[The petitions will be found noted in their proper place in the RECORD.]

Mr. HEFLIN. Mr. President, will the Senator from North Carolina permit me to ask the Senator from Utah if it is his purpose to ask for a vote on the amendment to-night?

Mr. SMOOT. Yes; I desire to have a vote on the amendment to-night.

Mr. SIMMONS. Mr. President, I think, so far as this matter was presented to the committee, the situation was about this: We were discussing a reduction of miscellaneous taxes and the committee decided to impose a tax upon telegrams and telephone messages, the House having stricken that tax from the bill, and also to impose a tax upon radio. The view that I had at the time was that, if we were to tax telegrams and telephone messages, we probably ought also to impose a tax upon radio. It was for that reason that I acquiesced in the action of the committee. But the Senate has decided not to impose any tax upon telegrams and telephone messages, and I do not see why, if that action is to stand, we should not also reverse our action upon the subject of radio.

Mr. SMOOT. The Senator knows that there were not 20 Senators in the Chamber when the action as to telegrams and telephone messages was taken.

Mr. SIMMONS. I was going to suggest to the Senator—and that is the reason I rose—that I presume there will be another vote after the bill shall be reported to the Senate.

Mr. SMOOT. Yes.

Mr. SIMMONS. Why not, therefore, let the radio tax go out now, just as the tax on telegrams and telephone messages has gone out; and if in the Senate the tax on telegrams and telephone messages is restored, then we may take another vote with reference to radio and restore that tax also, so as to let them go along together; but if when the bill gets into the Senate we confirm the action taken as in Committee of the Whole on the subject of telegrams and telephone messages, then let the radio tax go out with the tax on such messages. I simply make that suggestion to the chairman of the committee.

Mr. DILL. Mr. President, has the Senator concluded?

Mr. SIMMONS. I merely rose to make a suggestion; that was all.

Mr. DILL. Mr. President, I wish to say to the Senator from Utah that there are a number of Senators who have left the Chamber with the understanding that the radio tax would not come to a vote to-night. I do not know where they got that understanding.

Mr. SMOOT. Nor do I.

Mr. DILL. I feel that they ought to be present if this question is to be voted on, and I think that we ought to have a quorum if this matter is going to be pressed to a conclusion to-night.

Mr. SMOOT. The Senator can suggest the absence of a quorum now if he desires to do so.

Mr. DILL. I should like to see the matter go over until to-morrow morning in order that a full Senate may be present.

Mr. SMITH. I should like to ask the Senator from Utah a question. The Senator from North Carolina [Mr. SIMMONS] has suggested that in view of the fact that the tax on telegrams and telephone messages has been removed, which action the Senator from Utah said was on account of the few Senators present and he indicates that he will ask for another vote on the question when the bill gets into the Senate, why not allow the radio tax to go along with the tax on telegrams and telephone messages and take it up when we get into the Senate?

Mr. SMOOT. So far as I am concerned, I think there ought to be a tax on radio whether there is a tax on telegrams and telephone messages or not.

Mr. SMITH. Will the Senator allow me to call his attention to a practical illustration that has just occurred and that interests me because it relates to my section of the country?

Mr. SMOOT. Yes.

Mr. SMITH. The terrific tornado that swept through the South and particularly through my State isolated the section visited by tearing down the telegraph and telephone wires, and had it not been for the radio the outside world would not have been acquainted for hours with the condition of that stricken territory. The Senator will not pretend to say that the radio in its practical application and in its service to the public is not superior to both the telephone and the telegraph, even right now in its infancy.

Mr. SMOOT. If we took that position on the tax question, we would not raise any revenue.

Mr. SMITH. Oh, no; we would be more judicious in what we imposed taxes upon, and that is what I am pleading for now.

Mr. HEFLIN. Mr. President, I wish to suggest that when the Senate meets on to-morrow, if the Senator from Utah proposes to go far beyond the usual time for adjournment, he announce to Senators that he expects to have a night session or a late session.

Mr. SMOOT. I will say to the Senator I did make such an announcement last night.

Mr. HEFLIN. Now, if we are going on, we ought to have a quorum, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Fletcher	McKellar	Simmons
Ball	Frazier	McKinley	Smith
Bayard	Gooding	McLean	Smoot
Brookhart	Hale	McNary	Stanfield
Bursum	Harreld	Moses	Stanley
Cameron	Harris	Neely	Sterling
Capper	Harrison	Oddie	Swanson
Caraway	Heflin	Overman	Wadsworth
Copeland	Howell	Phipps	Warren
Cummins	Johnson, Minn.	Ralston	Watson
Curtis	Jones, N. Mex.	Ransdell	Willis
Dale	Jones, Wash.	Reed, Pa.	
Dill	Kendrick	Sheppard	
Fess	Keyes	Shipstead	

Mr. OVERMAN. I desire to announce that the Senator from Tennessee [Mr. SHIELDS] is unavoidably detained.

The PRESIDENT pro tempore. Fifty-three Senators have answered to their names. There is a quorum present.

Mr. DILL. Mr. President, I want to take just a moment to say a few things in reply to the Senator from Utah [Mr. SMOOT] in regard to the nature of radio.

This tax, in the first place, is what might be called a nuisance tax, because it will be more trouble to collect it than the money it will bring in. It is a new nuisance tax, and it is on a new and developing art.

The Senator referred to radio as a luxury. I am surprised that the Senator, with his wide knowledge of other affairs, should call radio a luxury in this day and age, when literally thousands and hundred of thousands of people to-night will secure the only information they can secure at this time by means of radio and radio alone. It is not a luxury, but it is a practical necessity to the people who live in the country districts of this Nation. The newspapers reach them to-morrow or to-morrow night; but this evening, after they eat their dinners in their homes, they will hear the market returns, they will hear the weather returns, and they will hear all sorts of information, to say nothing of the entertainment they secure.

The Senator gives as the reason why this tax should be levied the fact that the Radio Corporation, which handles the patents on radio, is making enormous profits. If that be the principle upon which you are going to base taxes, why not lay taxes upon every other concern that is making immense profits? The Senator has not proposed any tax on the Standard Oil Co. The Senator has not proposed any tax on the use of steel articles in this country, yet the great steel corporations are making enormous profits. If the Senator wants to reach the profits of the Radio Corporation, then he should introduce a bill and let it go to the Committee on Patents to limit the amount of profit that can be made on a patent that is held as a monopoly. Then he would get somewhere in stopping the profits of this monopoly on radio concerning which he speaks.

I want to call attention to another feature of this legislation. It is unworkable. It proposes a tax upon the parts of radio sets. Who is a manufacturer of radio? Is every small boy and every high-school boy in this country who gets a little wire and a crystal that costs him a dollar or two and a set of head phones a manufacturer of radio sets? And when does he become a manufacturer? When he goes in to buy some wire, if he buys the wire for radio, they will tax him; and if not, they will not tax him. If he buys parts for a bigger set, if he buys a battery and says it is to run a doorbell, it is not taxed; but if he takes it home and uses it for radio, then, according to this amendment, it should be taxed.

Mr. SMOOT. Mr. President, the same thing applies to automobiles, and that matter is regulated by the department, and

they are having no trouble whatever about it. Under this amendment the regulations of the department will say just what is and what is not to be taxed. There are screws in an automobile; there are bolts in an automobile; but the regulations cover those things.

Mr. DILL. I want to remind the Senator, however, that there is no comparison between automobiles and radio sets, because automobiles are manufactured by great corporations or organizations. Individuals do not go around buying pieces and putting them together and making automobiles. That is a ridiculous comparison.

Mr. SMOOT. But they buy bolts, and they buy screws, and so on.

Mr. DILL. But they do it as an organization, a corporation that is engaged in building automobiles.

Mr. SMOOT. Oh, no; the Senator himself, if he is running an automobile and taking care of one, will buy parts for it.

Mr. DILL. The Senator from Washington is not going to go to building automobiles by buying parts. He has enough trouble to run the one he has.

Mr. SMOOT. He can buy the parts all right.

Mr. DILL. Then there is just one other thing: I had a letter from a farmer yesterday. He said: "You might just as well tax the rural-delivery box that the rural carrier puts my mail in as to tax my radio set." We might just as well tax the newspapers that bring the news to his door. It seems to me that in a tax reduction bill the last thing we ought to allow a tax to be imposed upon is a new and developing art that means so much to the common people, not only of this country but of the world; and just as firmly as I believe that the press ought to be kept free, and that speech ought to be kept free, I believe the right to use radio ought to be kept free, because I believe it will eventually be a greater blessing than the free press has ever been in this country.

Mr. CURTIS. Mr. President, I desire to make a suggestion. Undoubtedly this question will be taken up again when the bill reaches the Senate. I ask unanimous consent that without further debate we decide this question now on a standing vote. Then, no matter how it is decided, there will be another vote in the Senate and it will then be open to discussion.

Mr. FLETCHER. Why decide it on a standing vote?

Mr. REED of Missouri. Mr. President, I can not consent to a disposition of this matter in that way. The idea that postponing a matter until it reaches the Senate saves much time does not appeal to me. I wonder if the Senator in charge of the bill expects to get a vote on this proposition to-night?

Mr. SMOOT. Mr. President, I do desire to get a vote upon it to-night. I want to do what the Finance Committee authorized me to do, and that was, by a unanimous vote, to bring in this amendment. If the Senate feel that they want to strike it out, well and good; but it is my duty to do just exactly what I have been instructed by the committee to do, and I want a vote upon this amendment.

Mr. REED of Missouri. Of course, the committee did not instruct the Senator to get a vote to-night. It instructed him to report the bill.

Mr. SMOOT. I know that. I am perfectly aware of that.

Mr. REED of Missouri. This is an important amendment.

Mr. SMOOT. I want, however, to call the Senator's attention to the fact that we have had two days here when there has not been a vote.

Mr. REED of Missouri. Why, we have had several votes.

Mr. SIMMONS. We have had several votes to-day.

Mr. SMOOT. I do not mean to-day; I mean before to-day.

Mr. REED of Missouri. Mr. President, I have seen these attempts made to rush matters through, and I have seen the Senate held here until it is impatient and wants to vote. Perhaps everybody has made up his mind about this proposition, but I think it is a matter of great importance. Some Senators want to vote on it without discussing it. They might perhaps vote on every proposition in the bill without discussing it.

Mr. SMOOT. I have not any doubt how the Senate will vote upon this amendment.

Mr. REED of Missouri. If I had no doubt and knew they were going to vote it out, I should be perfectly content.

Mr. CARAWAY. They are.

Mr. McKELLAR. I think we are.

Mr. REED of Missouri. Very well, let us have a roll call on it.

Mr. SMOOT. I do not think there is any doubt at all about it.

Mr. McKELLAR. I call for the yeas and nays, Mr. President.

The yeas and nays were ordered.

Mr. HOWELL. Mr. President, I should like to call attention to one fact in connection with radio apparatus, and that is that the inexpensive apparatus can be used in cities where the broadcasting stations are located. It costs comparatively little. The expensive sets, those that will bear the greatest tax, must be purchased by farmers who are far away from these broadcasting stations. The consequence is that the agricultural communities will pay the major portion of this tax, and it ought not to be imposed upon them.

Mr. SMOOT. Mr. President——

Mr. DILL. Mr. President, let us have an understanding.

Mr. FLETCHER. The question is whether or not the Senate will agree to the committee amendment.

Mr. DILL. A vote "yea" is for the radio tax, and a vote "nay" is against the radio tax?

Mr. McKELLAR. That is right.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senator from Missouri [Mr. SPENCER] and will vote. I vote "yea."

Mr. McLEAN (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I transfer that pair to the senior Senator from New Jersey [Mr. EDGE] and will vote. I vote "yea."

Mr. HOWELL (when Mr. NORRIS's name was called). At the request of the senior Senator from Nebraska [Mr. NORRIS] I wish to say that if he were present he would vote "nay."

Mr. PHIPPS (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. DIAL]. I transfer that pair to the senior Senator from Maryland [Mr. WELLER] and will vote. I vote "nay."

Mr. STANLEY (when his name was called). Making the same announcement as before as to my pair, I withhold my vote.

Mr. HARRISON (when the name of Mr. WALSH of Massachusetts was called). I desire to announce that the Senator from Massachusetts [Mr. WALSH] is unavoidably detained.

Mr. WATSON (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. COPELAND. I have a pair with the junior Senator from Utah [Mr. KING], which I transfer to the junior Senator from Montana [Mr. WHEELER] and vote "nay." If the Senator from Utah [Mr. KING] were present, he would vote "yea" on this proposition.

Mr. FLETCHER. My colleague [Mr. TRAMMELL] is unavoidably absent. He is paired with the Senator from Rhode Island [Mr. COLT]. If he were present, he would vote "nay."

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from Pennsylvania [Mr. PEPPER] with the Senator from Rhode Island [Mr. GERRY];

The Senator from West Virginia [Mr. ELKINS] with the Senator from New Jersey [Mr. EDWARDS]; and

The Senator from Illinois [Mr. McCORMICK] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 13, nays 40, as follows:

YEAS—13

Cummins	Hale	Smoot	Watson
Curtis	Lodge	Stanfield	
Fess	McLean	Sterling	
Gooding	Reed, Pa.	Warren	

NAYS—40

Adams	Dill	Kendrick	Ralston
Ball	Fletcher	Keyes	Ransdell
Bayard	Frazier	McKellar	Reed, Mo.
Brookhart	Harreld	McKinley	Sheppard
Bursum	Harris	McNary	Shipstead
Cameron	Harrison	Moses	Simmons
Capper	Heflin	Neely	Smith
Caraway	Howell	Oddie	Swanson
Copeland	Johnson, Minn.	Overman	Wadsworth
Dale	Jones, Wash.	Phipps	Willis

NOT VOTING—43

Ashurst	Ernst	La Follette	Shortridge
Borah	Fernald	Lenroot	Spencer
Brandegee	Ferris	McCormick	Stanley
Broussard	George	Mayfield	Stephens
Bruce	Gerry	Norbeck	Trammell
Colt	Glass	Norris	Underwood
Couzens	Greene	Owen	Walsh, Mass.
Dial	Johnson, Calif.	Pepper	Walsh, Mont.
Edge	Jones, N. Mex.	Pittman	Weller
Edwards	King	Robinson	Wheeler
Elkins	Ladd	Shields	

So the amendment of the committee was rejected.

Mr. SMOOT. Mr. President, that covers all the amendments in the bill with the exception of the normal and surtax amendments, the amendment covering the tax on corporations, the amendment covering the estate tax, and the amendment cover-

ing the gift tax. I understand the Senator from North Carolina [Mr. SIMMONS] will be ready to take up the surtax to-morrow morning.

I ask unanimous consent that the Senate take a recess until 12 o'clock to-morrow.

There being no objection, the Senate (at 6 o'clock and 50 minutes p. m.) took a recess until to-morrow, Saturday, May 3, 1924, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, *May 2, 1924*

The House met at 11 o'clock a. m., and was called to order by Mr. MAPES, as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We praise Thee, O Lord, for all Thy impartial benevolence, for the Fatherhood of God, and the brotherhood of man. We thank Thee that Thy love is infinitely broader and deeper than the measure of man's mind. In Thy holy name may all error give way and righteous truth survive. O help truth to absorb all the little meanings that we can give the word. Direct the citizens of our land and fortify them against all the threatened inroads of destructive materialism, of selfishness, of bigotry, and hold our country close to the great truths of our Christian faith. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE

Mr. BEGG. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Ohio makes the point of order that there is no quorum present. Evidently there is not.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Abernethy	Elliott	Lyon	Schneider
Anderson	Fairfield	McClintic	Scott
Anthony	Favrot	McFadden	Sears, Fla.
Bacharach	Fish	McKenzie	Sears, Nebr.
Barkley	Freeman	McNulty	Sites
Bell	French	Magee, Pa.	Snell
Berger	Funk	Major, Ill.	Snyder
Black, N. Y.	Gallivan	Mansfield	Sproul, Ill.
Boylan	Garber	Mead	Stalker
Brand, Ohio	Garrett, Tex.	Merritt	Stengle
Britten	Geran	Michaelson	Strong, Pa.
Browne, N. J.	Gilbert	Miller, Ill.	Sullivan
Buckley	Glatfelter	Mills	Summers, Wash.
Burdick	Goldsborough	Mooney	Sweet
Burton	Graham, Pa.	Morin	Swoope
Butler	Greene, Mass.	Mudd	Taber
Byrnes, S. C.	Hardy	Murphy	Tague
Campbell	Harrison	Nelson, Wis.	Taylor, Colo.
Carew	Hoch	Newton, Mo.	Taylor, Tenn.
Clague	Howard, Okla.	O'Brien	Tincher
Clancy	Hull, Tenn.	O'Connell, N. Y.	Treadway
Clark, Fla.	Hull, William E.	O'Connor, La.	Tucker
Clarke, N. Y.	Humphreys	Oliver, N. Y.	Tydings
Cole, Ohio	Johnson, Ky.	Oliver, Ala.	Upshaw
Connery	Jost	Paige	Vare
Connolly, Pa.	Kahn	Park, Ga.	Vestal
Cook	Kearns	Phillips	Ward, N. C.
Corning	Keller	Porter	Ward, N. Y.
Cullen	Kelly	Quayle	Wason
Cummings	Kendall	Ransley	Weller
Curry	Kiess	Reece	Welsh
Davey	Kindred	Reed, W. Va.	Wilson, La.
Deal	Langley	Reid, Ill.	Wilson, Miss.
Dempsey	Leatherwood	Robinson	Winter
Dickinson, Iowa	Leavitt	Rogers, Mass.	Wood
Dickstein	Lehlbach	Rogers, N. H.	Wurzbach
Dominick	Lindsay	Romjue	Wyant
Doughton	Little	Rosenbloom	Yates
Drane	Logan	Schafer	Zihlman
Edmonds	Luce	Schall	

The SPEAKER. Two hundred and seventy-three Members have answered to their names, a quorum.

Mr. LONGWORTH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Welch, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2998. An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico; and

S. 2572. An act to purchase grounds, erect and repair buildings for customhouses, offices, and warehouses in Porto Rico.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7959) to provide adjusted compensation for veterans of the World War, and for other purposes.

SENATE BILLS REFERRED

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2998. An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico; to the Committee on Irrigation and Reclamation.

S. 2572. An act to purchase grounds, erect and repair buildings for customhouses, offices, and warehouses in Porto Rico; to the Committee on Insular Affairs.

RAILROAD LEGISLATION

The SPEAKER. By special order of the House the gentleman from Indiana [Mr. SANDERS] is recognized to address the House for 30 minutes.

Mr. SANDERS of Indiana. Mr. Speaker, I ask unanimous consent to speak for 7 minutes in addition to the time I have been already granted.

The SPEAKER. The gentleman from Indiana asks unanimous consent that his time be extended for 7 minutes. Is there objection?

There was no objection.

Mr. SANDERS of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SANDERS of Indiana. Mr. Speaker, on Monday, May 5, an attempt will probably be made to carry a motion to discharge the Interstate and Foreign Commerce Committee from the consideration of the Barkley railroad labor bill.

Under the rule but 10 minutes on each side is permitted to enlighten the House as to the advisability of taking this drastic step. It is my purpose to discuss the merits of the Barkley bill in the hope of bringing to the House an appreciation of the magnitude of its importance. The bill is composed of eight complicated sections and covers 35 pages. Its far-reaching effect is not apparent on the face of the bill but becomes manifest when considered with knowledge of labor controversies which have arisen between railroad labor on the one hand and the carriers on the other, and also controversies within labor circles.

The membership of the House, if considering the bill reported with accompanying hearings, could obtain from the hearings the information needed for a thorough understanding of the bill. Since it is sought to bring this measure up when no hearings have been held, it seems to me that it is important to bring to the House such supplemental information as will make clear the purpose and effect of the Barkley bill.

This bill is announced by its authors as "Old successful law brought down to date." It was not prepared by Mr. BARKLEY, but was created in the manner indicated by the following statement of its sponsors:

> Preparatory work on the bill: Before presenting their ideas to Members of Congress, the railway labor organizations felt it their duty to work out their solution of this problem to present a united, constructive program, to attempt to solve their own problems, not to ask Congress to lead them paternally into the paths of good citizenship, but to show their readiness and ability to find these paths themselves. Although legislation of the character now under consideration has heretofore been opposed by the railway employees they are mindful of the general trend of public thought toward the railroad problem and, having regard for the situation and in their own self-interest, they are as a unit in support of the program contained in the Howell-Barkley bill.
>
> For 18 months they labored in committees and conferences to develop their program. During the last nine months they consulted with their attorneys in order to shape their ideas in accordance with sound legal precedents and to express them in appropriate and unmistakable language in order that the letter of the law might express its spirit.

The railroad labor question involves three parties—the employees, the carriers, and the public. It is exceedingly unfortunate that the House of Representatives will be called upon to decide, after a debate of 10 minutes on each side, whether it shall

act upon legislation which has required 18 months for one of the three parties to formulate. I say this because although there may be discussion in its further consideration by the House, yet every legislator of experience knows that it must be taken or rejected as it is. A bill of this magnitude can not be rewritten on the floor of the House.

This bill comes to the Congress with a divided support of the laborers who would be affected by the bill—the majority of the national organizations favoring it. It is the third drive made since the end of the war by certain railroad labor unions to induce the enactment of comprehensive legislation relating to transportation. The first drive was for the so-called McAdoo five-year plan for extended Government operation. This occurred during Government control of railroads, and after the advisability of terminating Federal control was being strongly urged. This drive failed. The overwhelming public sentiment brought about the termination of Federal control. The second drive was for the enactment of the Plumb plan, by which it was proposed to take over the roads by a Government corporation and to divide the profits of transportation between the employees on the one hand and the Government on the other. This effort failed. Its author, Mr. Glenn E. Plumb, a lawyer of great ability, devoted to the interests of the railroad employees, who were his clients, has since died. The chief sponsor of this legislation is the successor of Mr. Plumb, Mr. Donald R. Richberg.

I believe thoroughly in organized labor. It is not always in the right. Sometimes wrongful acts are done by some of its individual members, who number into the millions. But great good has been done by organization to better wages and working conditions. I am not in sympathy with those who criticize union-labor leaders for their activities in behalf of, or in opposition to, legislation affecting employees. They are aggressively looking after what they conceive to be their constituents' interests. All other great interests in the country pursue the same general course. The particular course in forcing this bill onto the floor of the House does not meet with my approval. But a measure coming from but one of a three-party interest, inspired by its councils, molded in its conferences, drafted finally by its lawyer, which it is proposed to put through by a direct appeal to the House over the head of the committee to which it has been referred, warrants extraordinary scrutiny regardless of which of the three parties in interest may be its sponsor. [Applause.]

The essential features of the Barkley bill are as follows:

First. It wipes off the statute books all existing legislation respecting railroad labor controversies.

Second. It undertakes to provide compulsory conferences between carriers and their employees under ironclad conditions which never before have been written in any law, and in the very nature of things can not be practically formulated into law.

Third. It creates equipartisan conference boards with a total personnel of 40 members, patterned in a general way after the plan of the railroad administration during the war, yet clothed with the formality and sanctity of a governmental tribunal, the individual members of which are each given far-reaching inquisitorial powers, with no actual power as to settlement of disputes. The boards are without jurisdiction to consider controversies as to amount of wages or what rules or working conditions shall govern.

Fourth. It creates a board of mediation and conciliation, which has no initiatory powers, and whose chief and only function is to urge the parties to conciliate their difficulties, and in event of failure to do so, to try to persuade them to arbitrate. If they agree to arbitrate the board does not arbitrate, but is given certain powers to assist in effecting the appointment of arbitration machinery and in securing for the arbitration boards the necessary witnesses and other evidence.

Fifth. It brings to the jurisdiction of the labor-controversy machinery many employees, carriers, and outside associations, which have not hitherto been under the jurisdiction of the Railroad Labor Board.

Sixth. By a carefully worked-out plan it intends to accomplish for the railroad employees the closed shop as a matter of law by excluding from representation on any of the adjustment boards any employees not nationally organized.

Seventh. It writes into law an artificial classification of employees which was made by the Interstate Commerce Commission solely for the classification of labor-cost data, supplemented by certain additional provisions, which classification will be binding upon the carriers but may be modified by the organizations. In the new proposed classification the effect of the administration of the law is intended to draw into the labor organization shop foremen and many other classes of employees who have hitherto not affiliated with such organizations, and which affiliation would have a tendency to destroy the proper discipline necessary for carrying on the transportation work.

Eighth. The public is absolutely excluded from representation in determination of wage controversies except in agreed cases of arbitration.

Ninth. The result of the wage controversy can not be made dependent upon the effect it would have upon the cost to the public for carriage of freight and passengers.

Tenth. The expense of the adjustment boards, which will be equipartisan in their nature and are meant to be simply a more or less formal continuation of the effort of the parties to agree, are to be borne by the Government and the appropriation of $500,000 for the first month or two is made. The expense, on a low estimate, would run to over a million dollars a year.

I do not know that we now have the most effective and just machinery for dealing with railway labor controversies which could be devised. I am quite inclined to think that the present method can be improved upon. But this bill would be immeasurably worse than no law on the subject and would demoralize the transportation system.

The railroad labor controversies have brought about the most difficult and trying situations which have confronted the Government. They have extended over a long period of time and have been particularly acute during the last quarter of a century, and the fact that everything is not harmonious now and that the arrangement does not meet with universal approval does not argue against the present method.

The Railroad Labor Board, created at the time of the passage of the transportation act of 1920, had a most unfortunate situation with which to deal. Railroad labor had been aggressively fighting against the passage of the transportation act of 1920. This had been carried to the extent of urging President Wilson to veto the entire law. On the day that President Wilson signed the transportation act of 1920 in a letter to the railroad labor unions the President said:

> I can not share the apprehension of yourselves and your constituents as to the provisions of the law concerning the labor board. I believe those provisions are not only appropriate in the interest of the public, which after all is principally composed of workers and their families, but will be found to be particularly in the interests of railroad employees as a class. * * * My hopes are that the putting into effect of these provisions of a carefully selected labor board, whose public representatives can be relied upon to be fair to labor and to appreciate the point of view of labor—that it is not longer to be considered as a mere commodity—will mark the beginning of a new era of better understanding between the railroad managements and their employees and will furnish additional safeguards to the just interests of railroad labor.

With their prejudice against the board, the employees were lukewarm about its success. Some of the carriers were disappointed in not securing antistrike legislation and hence were not enthusiastic about the Railroad Labor Board.

The first important decision of the Railroad Labor Board was issued July 20, 1920, and made retroactive, effective as of May 1, 1920, and increased the pay roll $650,000,000 annually. On July 1, 1921, the board made a reduction, taking off of that $650,000,000 about $448,000,000, leaving an increase in the annual pay roll of $202,000,000 in excess of that paid during the Government control of railroads. Since that time increases in pay to various classes of employees have been made by individual railroads in numerous instances. When it is remembered that the increase after January 1, 1918, during governmental control in the annual pay roll of employees amounted to $965,000,000, it can not be contended that the agencies of the Government during and after Federal control have been unmindful of needed increases in pay.

There seems to be an impression in some circles that railroad labor is much overpaid. I do not share that view. I think there are instances where certain classes of employees are paid more, according to the usual standard, in comparison with certain other classes of railroad employees, than is justified, but the comparatively small number of men who leave railroad employment in the usual course corroborates the opinion that as a class railroad labor is certainly not poorly paid.

My view of the situation is that the present Railroad Labor Board should not now be disturbed. More time should be given before even amending the present law.

It is urged against the present railroad labor law that many of the railroads refused to join the employees in creating boards of adjustment. The truth about the matter is that the national organized employees desired the formation of national boards

of adjustment copied after the plan carried on by the Railroad Administration. Many of the roads concluded that the formation of such adjustment boards was not wise because the boards of that type had a tendency to lose contact with the conditions of the particular locality where the disputes arose, and that such boards tended to make a national standardization of conditions without regard to difference in local situations. That the attendance upon conferences consumed unnecessary time and money, and that the existence of these boards invited appeals for slight alleged grievances.

However the present railway labor act did not require the boards of labor adjustment to be established but merely made them permissive, and required the Railroad Labor Board to assume original jurisdiction of the grievances where no adjustment board was provided. Many of the carriers have established boards of adjustment or other similar agencies, and the relations existing at the present are as harmonious as at any time for many years.

It is proposed by this bill to organize four national adjustment boards, two to be composed of 14 members each, and two of 6 members each. These boards are to have equal representation of employees and carriers. The appointment is to be made by the President, but he must select from the nominations made by the carriers and these different national labor organizations. The public is to have no representation and each board will be composed of an even number, and being equally divided in sentiment as between carriers and employees will, of course, deadlock on every important problem presented to them. Even if one side should happen to win one vote from the other side so as to have a majority, no decision of the board is binding. It is difficult to see how this cumbersome machinery, which is to be forced upon the carriers, would help in the amicable adjustment of the controversies over which the board is given jurisdiction. If a railroad company desired local adjustment of its troubles with its employees it could entirely ignore the action of any of these national adjustment boards. No power is given to the national adjustment board to enforce its decrees.

It is urged that the national adjustment boards were tried out by the Railroad Administration during the war. There is quite a sharp division of opinion as to the value of national adjustment boards during the war, and they certainly had their attendant evils as well as their good points.

But the argument that adjustment boards during Government control succeeded and that therefore they must succeed under private control is absolutely fallacious. The fallacy is apparent to anyone who will analyze and compare the two situations. The adjustment boards under Government control were the creations of the director general, who acted for the roads and had the power of approval or disapproval of every decision. He stood in the place of the carriers and could increase or decrease wages, and could discharge or retain employees. The carriers did not depend upon their revenues, but were paid a stipulated return by the Government irrespective of earnings. In other words, all of this machinery was his own, which he could control at will. Under private control, unless the adjustment boards act under the full sanction of both carriers and employees their work is fruitless and simply constitutes lost motion in the economic world.

Aside from the cumbersome, trouble-making, power-lacking method of adjustment, these proposed boards do not have jurisdiction over controversies in which the public has the greatest interest; namely, increase and decrease in pay and changes in rules and working conditions. That is the great affirmative harm done by the proposed destruction of the present machinery and the substitution of this new machinery. The things that caused the interruption of transportation and that affect freight rates are thrown back where they were, to be adjusted between the parties. The adjustment boards and the boards of mediation and conciliation have no power or authority to investigate a dispute involving these questions, and no machinery is provided by law for making such investigations except the hazy provision for the creation of an arbitration board in the event that the parties decide they desire to arbitrate.

If the evil in the Railroad Labor Board is lack of power to enforce its decrees, all of these instrumentalities have the same evil. If dissension was caused by the Railroad Labor Board because there were representatives of both the carriers and employees who took partisan rather than judicial views, then each of these boards of adjustment inherits the same evils. But the one power given the Railroad Labor Board of great value to the public—namely, the power to investigate labor disputes involving wages, irrespective of the desires of the parties thereto—is lost when the old law is destroyed and the new one created. We lose the one thing of value; we gain nothing in its place. It is a backward step which constitutes a strike-inviting situation.

This fight to retain some semblance of Government supervision as to labor costs which enter into the cost of transportation paid by the public overshadows any mere dispute between labor and railroad capital. It is a fight for the preservation of private operation of transportation. The labor charge constitutes 55 per cent of the entire cost of transportation. When it is remembered that in 1921 the net railway operating income was but $600,000,000, and that in that year the demand for increases was $1,100,000,000, instead of the $650,000,00 granted, it is easily seen that to have granted the full demand would have meant either increased freight rates or meant the destruction of private operation of the railroads.

The history of the settlement of the disputes under the Erdman and Newlands Acts discloses that there was not a single important arbitration where the decision rendered could adversely affect the employees as to the existing status at the time of the arbitration. In other words, the questions which the parties agreed to arbitrate were questions as to whether wages should be advanced or rules and working conditions should be modified in a beneficial way for employees. In notable instances they refused to arbitrate disputes where changes beneficial to them were demanded. The carriers likewise refused to arbitrate in other instances, particularly where their contentions for changes could not also be arbitrated. This proposed law, according to its author, aside from the boards of adjustment and for conferences between the parties, is a substantial reenactment of the Erdman Act and the Newlands amendment.

The boards of national adjustment are created by this proposed law for the purpose of considering complaints of the employees that the carriers have violated an existing contract.

The power in the carrier to interpret the contract by paying the amount of wages and enforcing the rule and working conditions according to its interpretation makes unnecessary the presentation by the carrier of any complaint or grievance against the employees. But the labor provisions of the act of 1920 assure hearings of such complaints or grievances by the employees through adjustment boards and the Labor Board on the one hand or the Labor Board originally on the other hand.

Notice the significance of the machinery here builded up. It is a machinery affording employees a place to litigate every grievance which they may have. It is a machinery which, in the very nature of things, would not be appealed to by the carrier. It is a machinery in which the public has no voice, and the Board of Mediation and Conciliation has for its function the attempt to get the carrier to change its interpretation of the contracts existing or to get employees to abandon their claims that violations have been made. The Board of Mediation and Conciliation may urge the employees and the carriers to arbitrate. But the machinery provided is substantially the same as provided in the Erdman and Newlands Act, and the employees, according to the history of those acts, would never submit to arbitration any question except the advancement of wages and a change in rules and working conditions beneficial to them.

Let us look into the detail organization of these governmental tribunals.

1. They are to be paid $7,000 each per year, which means an annual cost of $280,000.

2. The secretaries are to be paid $4,000 each, an annual cost of $16,000.

3. The five commissioners of mediation and conciliation are to be paid $12,000 each, an annual cost of $60,000, making a total of $356,000.

4. The boards may employ and fix the salaries for such employees as may be necessary. In other words, they determine not only the number of employees but how much they shall be paid (bill, p. 12).

5. Boards of arbitration brought into being may employ such assistants as they deem necessary and fix compensation.

6. The Board of Mediation and Conciliation employs and—

fixes the compensation of such attorneys, assistants, special experts, clerks, and other employees as it may from time to time find necessary for the performance of their duties.

I have never seen such a raid on the Public Treasury as is here proposed.

Look at the unusual powers given not the adjustment boards but the individual members. Two of them may conduct hearings; any one of them—

shall at any time for the purpose of examination require the production of or have access to and the right to copy any book account, record, paper, correspondence, or memoranda relating to any matter which the board is authorized to consider.

Anyone denying this inquisitorial power is subjected to a penalty of $500 per day. My friends, the difficulty about this measure is that it starts out to write into law what can not be written into law. It is based upon the theory of collective bargaining. I believe in collective bargaining, but you can not write it into law, because bargaining means a voluntary contract between two parties, and there is an attempt here to write into law the requirement that whenever an employee has a complaint against a carrier, the carrier must go and negotiate with him any place along the line in the way that the organization sees fit. The carrier is denied any right to deal with the employees with respect to choosing any of their representatives. It may be that the closed shop is a desirable thing. I am not going to discuss that, but you can not write it into law. It was never undertaken before. It may be that the one big union is a good thing. It may be that all employees of railroads ought to be in this union. I am not going to discuss that, but you can not write it into law. It is not susceptible of being written into law. The very nature of it forbids it.

My friends, this bill will work havoc with the private transportation in the United States. We have the very "era of better understanding between the railroad managements and their employees" predicted by President Wilson when he signed the transportation act of 1920. Shall we destroy all that has been accomplished because perfection is not found? The sponsors of this bill urged five-year Government control; they urged the Plumb plan; Mr. Richberg himself believes in Government ownership. I do not.

Our transportation system is in the best condition it has been in for many years. The roads are carrying a greater tonnage than ever before. The train service is good. Car service is good. The equipment is in fine repair. We ought not disturb this condition. The employees are entitled to more of the glory and credit for this than anyone else. But it has been brought about under the present law. Leave this tribunal created by the present law. After it has had further trial amend it where helpful amendments can be made. The Congress must represent the public interest. The carriers have their legislative representatives; the organized laborers have theirs. It is our peculiar function to represent the public and give the very best transportation service consistent with just and adequate pay and proper working conditions to the employees with tribunals for their relief on which the public has representation. In the long run, in defeating this motion to discharge this committee and preventing the enactment of this law, we will render a service to America that it is difficult to express in words. I wish these great economic principles had the appeal in them that some of the emotional questions like the soldier legislation has. I am sorry they do not, because the happiness and the prosperity of our people throughout the entire country, in every village and hamlet, on the farm and in the city, all depend upon taking the right course in these great fundamental economic questions. When you are called upon to act, if you act wrongly, you are doing the country a great injury, and if you act rightly and vote according to the principles of economic justice, you advance the happiness and the prosperity of all our people throughout all the land. (Applause.)

The SPEAKER. By special order of the House the gentleman from Massachusetts [Mr. WINSLOW] is given permission to address the House for 30 minutes. [Applause.]

Mr. WINSLOW. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. WINSLOW. Mr. Speaker, I ask unanimous consent to continue for 10 extra minutes.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to speak for 10 extra minutes. Is there objection. [After a pause.] The Chair hears none.

Mr. WINSLOW. Mr. Speaker and Members of the House, some days ago the gentleman from Kentucky [Mr. BARKLEY] took out a petition, which he signed, for the purpose of discharging from the Committee on Interstate and Foreign Commerce a bill known as the Barkley bill, or the Howell-Barkley bill. The petition was properly signed; and we expect, on Monday next, May 5, that the petition for discharge will be taken up under the provision of the new discharge rule. It is not my purpose, after the very clear statement made by the gentleman from Indiana [Mr. SANDERS], to discuss the subject matter of the bill. I do, however, feel it is highly desirable that the Members of this House come to know as much as possible of the reasons why it may be unwise to withdraw the bill or to discharge the committee and for Members to get information which may help them in arriving at their conclusions. I voted against the discharge rule which made the discharge possible, and I did it because I foresaw, or thought I did, occasions which might arise under its provisions which would be very unfortunate and which might make the House regret its existence.

I was not alone in feeling that way among the members of our committee. In order that we may have the views of two persons, both members of the Interstate and Foreign Commerce Committee, on the merits of this proposed method of legislation, I ask permission to have read, in my time by the Clerk, some utterances of the gentleman from Kentucky [Mr. BARKLEY] when the consideration of this discharge rule was before the House, and, if it is quite in order, I would like to have marked portions of two pages of the CONGRESSIONAL RECORD read, and I wish to say, in order to forestall any query which may arise in anyone's mind, that I have not selected only parts of Mr. BARKLEY's utterances which would favor my contention, but have marked all that I thought bore on the subject at that time before us and such as will furnish information to the House.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that the Clerk read portions of Mr. BARKLEY's remarks. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

In view of the position I take I desire to call attention to a few practical situations which we might as well face. I deny that any Member or every Member in this House has an inherent right to have every bill he introduces brought before the House for consideration. [Applause.] I have been here for 10 years, and I have in mind certain bills which have been introduced in every Congress, one or two of which have been referred to the Committee on Interstate and Foreign Commerce, of which I am a member. There is a widespread, well-organized, well-paid propaganda in behalf of these bills which have never been reported from that committee, which ought never to be reported from that committee, and never will be reported from that committee by my vote. [Applause.]

Yet there is sufficient organized propaganda behind them to induce 100 Members of this House to sign a petition to discharge the committee from further consideration and bring the bills onto the floor of this House, with a debate of 10 minutes on each side, and stampede the House into their enactment.

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Mr. BARKLEY. Mr. Speaker, the gentleman from Mississippi [Mr. QUIN] has referred to the Esch-Cummins law. Members who were here when that bill was enacted will recall that I not only voted against the bill, but I made the fight which was made on the floor of this House against its adoption, and I have never yet apologized for voting against it and for fighting that bill, and I have no apology to make now. I think now I was right just as I thought I was right at that time. The Esch-Cummins law ought to be amended. There ought to be railroad legislation enacted by this Congress, but is there a Member on either side who knows to a certainty what that legislation ought to be? There have been perhaps 25 or 30 popgun railroad bills introduced, and each one represents what the individual behind the particular measure thinks ought to be done, but in order to pass wise railroad legislation or any other legislation on a subject of such magnitude as that the committee to which that legislation is referred must consider it. It must consider it from every standpoint, not only from the standpoint of the effect it may have upon the properties involved but from the standpoint of the effect it may have upon the structure of railroad rates as regards the whole country. [Applause.] Yet under this proposition you can get 100 Members to sign a petition to discharge the Committee on Interstate and Foreign Commerce from any one or perhaps a dozen of these popgun bills, and pass the bill on a debate of 10 minutes, when the Members of the House know nothing whatever about the effect that it may have upon the country.

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Mr. BARKLEY. Oh, we might as well not assume any halo or a seraphic attitude here, simply because we are Members of the House. It is true that some may come here with a halo, but we lose it soon after we get here, and very few of us acquire one after we arrive. [Laughter and applause.] The gentleman knows how easy it is to get Members to sign petitions, and that is no reflection upon the membership of the House.

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Mr. BARKLEY. Oh, let us take a practical case. Suppose some Member of the House is interested in some particular pet measure of his own. He approaches another Member to induce him to sign a petition. It is easier to sign a petition and keep on good terms with the man who makes the request than it is to refuse and run the risk of offending him.

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Mr. BARKLEY. Certainly, gentlemen, it strikes me that we ought not to be stampeded here in behalf of a proposition that will open Pandora's box of trouble, no matter what party is in power.

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Mr. BARKLEY. Oh, nobody has said anything about dishonesty. I am talking about human nature as it is. I am in favor of some method by which committees that deliberately stifle meritorious legislation can be discharged, and I am not here arguing against any proposition to discharge a committee; but I have been here for 10 years, and I am not able to say that the United States of America is any worse off by reason of the fact that any committee has failed to report any particular measure to the House of Representatives. [Applause.]

One of the functions of a committee is to kill vicious legislation as well as to bring out meritorious measures. [Applause.] That is why I deny the fact that any Member or every Member has an inherent right to have every fool bill he drops into the box reported on by a committee and brought here for consideration.

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Mr. BARKLEY. That is not a legitimate conclusion from the argument that I have made. It is an illegitimate conclusion. If you say that every man who is a Member of the House who introduces a bill has an inherent right to have that bill brought up for consideration, then you ought to follow the legitimate conclusion of that and abolish all committees and make a calendar, according to the date of introduction of every bill, and let every man's bill be brought up and voted upon according to its priority of date. The business of committees is to investigate and sift and hold hearings and consider every angle of legislation and pass judgment through a majority of that committee upon meritorious propositions that may be before it, but if you make it possible for 100 Members by signing a petition to discharge a committee and bring up a measure here and pass it on a 10-minute debate, you are opening the doors to a world of half-baked laws. Of course, I agree that it takes a majority of the House to discharge the committee, but a majority of the House upon a proposition which has not been before it and which individual Members have had no opportunity to investigate can not reach a deliberate and mature judgment in 10 or 20 minutes' debate. [Applause.]

[Applause.]

Mr. WINSLOW. The bill that we will be asked to consider on Monday in one way or another seeks to abolish the present Labor Board and to establish in its place other organizations expensive and under very new and intricate provisions. I assume Members of the House would like to have some statement, if possible, in respect of the difficulties attending the work involved in this labor legislative undertaking. When the Esch-Cummins bill was under consideration November 12, 1919, in the course of remarks that I made as representing the committee, I went on record with respect of one particular view, and I ask the Clerk to read the statement in my time.

The SPEAKER. Without objection, the Clerk will read.

There was no objection.

The Clerk read as follows:

[Extract from CONGRESSIONAL RECORD of November 12, 1919, from speech by Mr. WINSLOW]

Now, the other subject that I want to talk about is the labor question. Intricate and troublesome as the financial proposition has been to everybody, both on the subcommittee and on the full committee, I am sure it has not tried the souls of the members as has this labor proposition. That was the subject entering into the discussion of every phase of the construction of this bill. We were never without it. Its shadow was over us from the beginning to the end. We referred to it from time to time, and finally got down to the point where we had to consider it specifically, and for four days and a half we worked on that labor problem, and I think every member was dreaming of it every night. We had all sorts of suggestions, all the wild-eyed schemes you could think of, every sort of ism and squism that you could imagine. [Laughter.]

Mr. WINSLOW. My view of the situation as affecting the practical necessities in connection with this bill now before us is quite the same as reflected in that quotation. I want to give you a little idea of the highly developed transportation act of 1920 for the purpose of showing the need of consideration. On June 2, 1919, the original Esch-Cummins bill was introduced, and for weeks and months, even two or three months, it was being worked on by our committee, and it was not shot in on us with a demand that we attend to it in half a day.

HISTORY OF DEVELOPMENT OF TRANSPORTATION ACT, 1920

(Sixty-sixth Congress)

June 2, 1919: Original Esch bill introduced (H. R. 4378).

July 15, 1919, to September 27, 1919: Hearings (mostly two sessions daily) before House committee. This period covers 72 days on which witnesses gave testimony. Thereafter a subcommittee studied this bill for about four weeks and reported back duly to the full committee, which in turn held a number of sessions on the bill, which was amended and reintroduced by Mr. Esch.

November 8, 1919: Reintroduced by Mr. Esch as H. R. 10453.

November 8, 1919: Ordered favorably reported as finally passed by the committee.

November 10, 1919: Report No. 456, by Mr. Esch.

November 11, 1919: Taken up under a rule, and discussion continued over the 11th, 12th, 13th, 14th, 15th, and 17th, including a night session on the 11th.

November 17, 1919: Passed House.

December 20, 1919: S. 3288 substituted and passed Senate.

December 20, 1919: Sent to conference. In conference daily, including holidays, to February 18.

February 18, 1920: Conference Report 650, by Mr. Esch.

February 21, 1920: Conference report passed House.

February 23, 1920: Passed Senate.

February 28, 1920: Approved, Public, No. 152.

Please note that the hearings before the Interstate and Foreign Commerce Committee furnished 3,600 pages of printed testimony. The amount of this testimony bearing on the labor features of the bill was upward of 1,200 pages.

The sessions of the House, devoted to the consideration of this bill, were eight. The CONGRESSIONAL RECORD of this period discloses the fact that about one-third of all the discussion on the bill was devoted to provisions affecting labor interests.

Now we are asked with 20 minutes' debate next Monday to make up our minds whether we will take it up or otherwise. If decided so to do we are expected thereafter to proceed according to the rule and debate the bill and pass it. We all know that that rule would never have been brought in here in good faith—I do not say it was brought in in bad faith, mind you—unless somebody connected with the development of that petition and so on had it in his mind that time could be saved and that the bill could be rushed on through the House. That somebody knew as we all know that testimony was of great importance, that hearings could not be given with expressions and views which we ought to have from people interested in such a vast subject, and that somebody knew that by force only could that bill be passed, and that is by the force of might, with explanation not to be made and information not to be desired. Now the query is whether or not we want to take up a bill of such moment as this under these circumstances. Mind you, I am not discussing the merits of the bill. Do we want to jump in here and say we will pass this bill in one or two days, or whatever the time may be, and that without any definite testimony on the subject?

It will uproot the time-honored principles of this House. If this were a matter of bringing in a petition on the side for putting up a monument to somebody somewhere, I would not then think much of it; but here is a bill more intricate than any bill that has ever been before the Committee on Interstate and Foreign Commerce. There are pitfalls in it and opportunities for doing things never before presented. There are opportunities to do things which even the framers of the bill never anticipated and never foresaw.

At any rate, on February 28, 1924, the gentleman from Kentucky [Mr. BARKLEY] introduced the bill H. R. 7358. On the same day the bill was referred to the Committee on Interstate and Foreign Commerce. That was next to the last day of the month, the 28th. On March 1, 1924, as soon as the mechanical operations could be complied with and executed, our committee, in accordance with custom, started inquiries, with requests for reports from departments in regard to the bill H. R. 7358, just as quickly as could have been done.

I must hurry on, and shall have time to touch only the high spots. On the 8th of March our committee began to consider procedure as to the future program of the committee with respect of the consideration of bills. We had a little discussion on the 8th of March and a little more on the 11th of March. Then we came to certain conclusions as to what we would do. On the 14th of March the committee voted to further consider and finish all bills on which hearings had been held and which might be ready for committee action. This work continued to and included March 25. We went on until the 26th of March attending meanwhile to various bills. Then the plan of the committee procedure was discussed and fixed in respect of certain defined bills, and arrangements were made for considering all transportation bills and other bills immediately following the conclusion of bills specified for immediate action.

The details of that meeting have all been explained by me to the House and can be found in the CONGRESSIONAL RECORD. You will see by reference to them that the committee was going

along in its orderly way, attending to these things in transit, so to speak, and attending to matters which we could take up and give attention.

On April 15, 1924, without notice to the Interstate and Foreign Commerce Committee, the gentleman from Kentucky [Mr. BARKLEY] a member of the committee, made a speech on the bill H. R. 7358, the Barkley bill, and forthwith filed a petition for the discharge of the committee in respect of H. R. 7358.

Three days later, on April 18, it was my fortune to be afforded an opportunity to make a statement in reference to the procedure of the committee and to set forth the facts in regard to the action of the committee with direct and indirect reference to the bill H. R. 7358, and to read records of the committee in explanation.

On the 21st of April a petition for the discharge of the committee, with sufficient number of signatures, was filed with the Clerk of the House of Representatives. And so we are brought up to date.

There have been many rumors and statements flying about, as usual when anything is under contention here, as to what the chairman of the committee has said, or what some member of the committee said, or what the committee did do, or did not do, or would do; but it is all common everyday bunk.

It is a sewing-circle representation, as it were, that we have around here, with some few malicious ones to pass on those rumors which they find take root and develop, but so far as I have uttered on previous occasions and now, I am giving you facts and only facts. Do not mind what the other fellow tells you. If you think of something you want to know about and you want to determine its accuracy, come to the captain's office and get the record. We want you to work on the facts. [Laughter.]

Now note, gentlemen: The Interstate Commerce Committee has never discussed the question of not taking up the Barkley bill, H. R. 7358, nor was the matter ever brought before the committee for such determination, all reports to the contrary notwithstanding, and the only conclusion ever reached in respect of this bill was in regard to taking it up at any definite date. It was never set aside except for the temporary convenience of the committee as affecting its orderly procedure. The only measures connected with transportation matters which were selected for definite action, apart from the great bulk of them, were the Cooper bill (H. R. 5836) and the Hoch resolution (H. J Res. 141). Upon these the committee held hearings and gave consideration as they themselves arranged.

The Cooper bill was indorsed by large railroads and short-line railroads and by representatives of the four great railroad brotherhoods. There was no objection offered to this bill, and the committee voted to report it out favorably.

Hearings have been held on the Hoch resolution (H. J. Res. 141), but as yet the committee has not reached a vote on the bill, although hearings and executive sessions appear to have come to an end. The Hoch resolution is a measure providing for a recreated or reconstructed rate structure, and the immediate cause for urging it was the insistency of agricultural interests, which felt and represented that there were elements in the present method of establishing rates which reacted to their disadvantage, and they wanted the rates to be remade; in deference to those interests the committee gave consideration to that measure. If you want to take the evidently popular course in the Congress of the United States, you might think that we were playing politics, but we were not. We were endeavoring to meet the call of the employees of the railroads, who wanted more locomotive inspectors, and so forth, in the interest of human life and limb, as under the Cooper bill, on the one hand, and to meet the cry for a new rate structure in the interest of the agricultural interests of the country on the other hand. It was not a stand-off or anything of the kind. These were two measures that appeared to provoke little contention, and we felt we could well pass them and get them out of the way and in operation in the interest of the two elements which I have mentioned.

The committee, at the time it determined on its procedure, on March 26, postponed the consideration of all remaining transportation matters filed to the number of 78. There were, however, many duplicates in number.

It was, at the same time, determined that after the bills scheduled for consideration had been disposed of all transportation bills would be forthwith considered with a view to selection, action, and so forth, and likewise it was arranged to go over the schedule of all other bills before the committee for the purpose of fixing a tentative or final plan of procedure.

I have attempted to explain to you what the committee's attitude has been toward taking up the Barkley bill or any other railroad bill save the Hoch matter. I have undertaken to tell you what took place in connection with the labor features involved in the transportation act, 1920, as indicating the need of time, of testimony, and of consideration.

I could go further if the time were sufficient to permit and show you that there is need of House hearings and that there is need of time on the ground that we have no competent report upon which we can fully depend. The subcommittee of the general committee of the Senate, which had the Howell-Barkley bill in charge, held five days' hearings, and those hearings were unexpectedly terminated. In the course of those hearings representations were made by witnesses which, in the light of developments since then, are shown to be incorrect. No chance for contention can be made on the floor of this House; no chance for rebuttal can be offered if we discuss this thing without testimony, and there will be no opportunity to correct any misstatements which may have been made there, but we will be obliged, if we are studious enough—and I hope we will be—to read the Senate proceedings. We will be obliged to take what is on that flat printed page with no opportunity to learn anything about the representations which were incorrect, and with no opportunity to have the thoroughgoing kind of an investigation which your committee of this House is in the habit of giving.

Mr. SCHAFER. Will the gentleman yield?

Mr. WINSLOW. How much time have I?

The SPEAKER. The gentleman has 11 minutes more.

Mr. WINSLOW. Then I yield.

Mr. SCHAFER. If there are statements in the hearings before the Senate which are incorrect can not the gentleman extend his remarks to correct the statements which he claims are incorrect for the benefit of the House?

Mr. WINSLOW. I might pick out one or two, but that would be fruitless. If we had hearings or if we could get up here on the floor with unlimited time to answer any misstatements that might appear in those hearings that could be done and I would be mighty glad to do it, but it is manifestly impossible to do it now, and I do not think it would serve any good purpose to extend them in the form of suggestions.

Mr. WEFALD. Will the gentleman yield?

Mr. WINSLOW. Just this once and this is the last time.

Mr. WEFALD. I am one of those who want to have light upon this subject. I would like to know how much time the committee would require for the proper consideration of this bill.

Mr. WINSLOW. The gentleman is asking a perfectly fair question in good faith. I realize that. We have before our committee now bills relating to truth in fabrics and merchandizing, and about once a day some member of the committee asks the chairman how much longer we are going to take on those questions, and the chairman says, in effect, but not using the impolite word I shall now use, "Chestnut," and chestnut means this: I have such questions asked of me every day, and when I was young at the job I undertook to say how long it would take, but as I get older and find myself surrounded by 17 lawyers out of 21 members, I say to them, "God only knows; it depends on when you fellows get through asking questions." [Laughter and applause.]

Mr. WEFALD. I ask this question for the reason that we were told how long it took the committee to consider the Esch-Cummins bill, and I was thinking that since that did not turn out to be a good law possibly this would take a much longer time.

Mr. WINSLOW. I think the gentleman's thought is probably right. It may have been that if we had taken a year to consider that bill we would have gotten a better one, but still I believe it would have been full of holes in spite of the best we could do. If we should turn loose the proponents and opponents on this bill in hearings, I think the committee, if it did its duty strictly, might be until next September on hearings.

Mr. WEFALD. I am glad to get the mental attitude of the chairman of the committee.

Mr. WINSLOW. I always want to tell you what I think if I think I know.

We now come to the last ditch, not of defense, but in the way of overcoming the lack of wisdom shown in picking this bill up and carrying it through as is proposed. I have no ill will against the men who signed the petition. We have not had the other fellow's point of view. We do not know what the labor men themselves expect. They say they want the Barkley bill passed, but that is no argument in itself to influence a committee.

About every letter we have for or against it is based on the statement, "We want it and we want you to put it through," or "We do not want it and we do not want you to put it through." Under such circumstances, how can you expect an intelligent man to arrive at any conclusion merely from hearing

fellows say what they want or what they do not want, if they do not tell him why? It is the why we are after. [Applause.]

Now, if there is any man here who can reconcile his intelligence, can reconcile the dictates of his conscience, can reconcile himself to the provisions of the oath he has taken, and can agree to be a part and parcel of an attempt to rush through a bill like this, I say to him, "May God have mercy on your soul." I do not believe there is a man as an individual who is willing to do it. I do not believe there is a Member of this House who, in the days of his sanity, would ever say that he could take a bill like the Barkley bill and read it and understand it in one, two, or three days. I do not believe there is a man here who would ever stake his life or his reputation outside of this Congress—outside of the bunch which may go with him—on voting on this bill and determining the results of it in a single day or two days or three days. If you are willing to give the bill only House consideration, as is proposed, do so if you will, and so let the country know that a group of people representing organizations of any kind are in a position to come to us and say, in effect, "You do what we want when we want it." I was told when the rule providing for a consideration such as we will have next Monday was up for consideration and adoption that our committee would be the first one that would feel the strain, because there was a frame up to take from us a certain bill that would one day come before us.

I did not believe it then. I hate to believe it now; but when I hark back to the utterance of a member of our committee who followed me on the floor a few days ago and said that this situation was well known and that the brotherhoods, or those who are back of the Barkley bill, had looked over the personnel of our committee and taken their number—this is the substance and not an accurate quotation—had expected to have it brought up on the floor of the House. If that does not substantiate the rumor which came to me that there was a frame up going on I do not know what would.

We have had it said by others that the brotherhoods back of this were bound to put it through and put it through now. I have been told so by their friends. If such is a fact, I think it is time in this Republic of ours for the legislative branch to have a straight up-and-down showdown [applause], not on the merits of brotherhoods; I have no fight with them at all; not on the principle of unionism, there is much good in it, and more could be had; not in defense of capital or any other agency, but for the purpose of deciding who is who in running the legislative business of "Uncle Sam." Have we come to a point in the life of the Congress of the United States when any organized body or bodies outside can come to us and by the force of its might, whatever it is, say, "We do not care about your rules; we do not care about your precedents; we do not care about the history of orderly procedure; we can get bills out of your committee any old time. We do not like the members on the committee on so-and-so. We can bring our bills up directly on the floor of the House, because we can run the Congress and we can make the Members vote our way."

Whether the bill involved is this bill or any other bill, for my part I would resent such outside influence or use of power. I would resent it if every association of mine in the world were tied up in such an undertaking. We want to make this Congress good for something. We are being attacked and bullyragged all over this land for being a bunch of no-goods, and if anything on earth will prove it, it will be the adoption of the proposed plan of procedure for next Monday. [Prolonger applause.]

The SPEAKER. The gentleman from Missouri [Mr. HAWES] is recognized for 30 minutes. [Applause.]

Mr. HAWES. Mr. Speaker and gentlemen of the House, I have not, in private or in public, expressed an opinion upon the merits of the Barkley bill.

It is my intention not even to form a fixed opinion upon this bill prior to a hearing at which both sides will be heard.

I believe in the principle of mediation, conciliation, and arbitration.

But I withhold an opinion upon the matter of the official machinery by which they are to be operated.

Very painful experience has taught me the danger of committing myself in advance upon a controversial subject.

Frequently, prior to hearings and examinations, I have had strong feelings of opposition to or commendation for a measure, and hearings and testimony have changed these premature opinions.

I voted in the committee to take up the Barkley bill for consideration and will do so again and with entire confidence that the committee will order this to be done when it has disposed of some important bills introduced long prior to the Barkley bill.

If the committee, because of opposition to the Barkley bill, should refuse such hearings, I would join with other Members of the House in ordering a hearing and report.

It is not my contention that the petition for discharge should not be used in emergencies or in aggravated cases where a committee wrongfully refuses to hear a bill or attempts to smother its consideration.

I voted for the rule, believing it was a weapon to be used in extraordinary cases for the correction of abuses and to take from a committee a bill which it refused to consider or report.

This is not the case with this bill. The committee has not refused to consider the bill or been guilty of the charge of suppression. [Applause.]

I shall not discuss the Barkley bill. I shall not appeal to the House on questions of parliamentary law, but for a greater rule, the highest rule of all, the rule of common sense, and a second rule, the rule of fair play.

Next Monday the House for the first time will have under consideration the operation of an entirely new rule, upon which the debate will be limited to a total of 20 minutes, allowing but 10 minutes' discussion for those Members advocating and opposing the exercise of this rule.

It is proposed to withdraw from the Committee on Interstate and Foreign Commerce a bill introduced by the gentleman from Kentucky [Mr. BARKLEY] on February 28, to bring this bill before the House without hearing or consideration by any committee of the House; and thus, without investigation, without hearing, without affording either the friends or the opponents of the bill an expression of opinion, it is proposed for the first time in the legislative history of the House since its creation—in violation of all precedent, in violation of the theory of the right of petition—to take up for consideration and passage a measure which it has been stated it took 18 months to prepare and which contains 35 pages of printed matter.

The matter resolves itself into questions of fact.

I voted in the committee to take up the Barkley bill for discussion, and I voted for the rule of 150 by which in an emergency, where a committee wrongfully withheld consideration or suppresses consideration or wrongfully delayed consideration of a bill, the House might order that committee to report, but it never occurred to me that this Congress would proceed to discuss a bill upon which there had been no hearings and upon which both sides of the question had not been heard.

Gentlemen have referred to the hearings in the Senate. The hearings in the Senate on this subject were before a subcommittee. The hearings lasted six days. The hearings were not complete and were not concluded, but if they had lasted for six months I can not recognize the principle that the Senate will do investigating for the House and make reports for the House, and that the House exercising its function should be bound by the findings of the other body. [Applause.]

The motion for the discharge of the Committee on Interstate and Foreign Commerce was made during my absence from the House on sick leave; but since my return, in conversation with Members, I have formed the impression that many would not have signed the petition had they known the facts, and that others signed the petition because the real facts of the conduct of the committee had not been properly presented to them.

Mr. LINEBERGER. Will the gentleman yield right there?

Mr. HAWES. Yes.

Mr. LINEBERGER. Can the gentleman conceive of a Member signing the petition for the purpose of bringing out the facts?

Mr. HAWES. No, sir; not when there is only 10 minutes allowed for debate.

Mr. LINEBERGER. How are the facts to be ascertained, except by some action such as has taken place here, when explanation is made of the merits of the case such as the gentleman is now making?

Mr. HAWES. A gentleman can ask for time on the floor of this House, complain about the conduct of a committee, make his statement to the House instead of in the lobbies and in the cloakrooms and in the corners.

Mr. LINEBERGER. Would the gentleman now be on his feet making the explanation he is making, and making very ably, had this petition not been signed?

Mr. HAWES. No.

Mr. LINEBERGER. That is the point I asked the gentleman about. Could he conceive of a Member signing this petition with the object of getting such explanations as he and other Members of the committee have presented to the House this morning?

Mr. HAWES. I can conceive that there may be Members of the House who signed that petition for that purpose, and if they did, each man who signed it for that purpose performed a real service to the House.

Mr. LINEBERGER. I will say to the gentleman I signed the petition and that was the particular object which I had in view—getting information, and I find I am getting it, and I think it was because of that petition that we are now getting the information.

Mr. HAWES. My appeal to this House is not in relation to the Barkley bill. It is to look before you leap and to think before you act in a matter of this kind.

The matter that concerns me is the proper investigation of facts by committees. It may be well to consider the general subject of committee investigation and the right of public hearing before we reach this particular subject; and it may interest the House to know that at the present time it has before it for consideration 9,008 bills, and on the Senate side 3,208 bills, a total of 12,216 bills introduced at this session of Congress. In addition to these bills the House has before it for consideration 892 resolutions, making a total of 13,000 measures to be considered.

There are 435 men in the House and 96 in the Senate, a total of 531 Members in Congress. This makes an average of 25 bills to each one of the Members. Some Member of Congress, some influence somewhere, must support each one of these bills and each of these resolutions. They did not drop upon the Speaker's desk by accident. Some Member thought there was some merit in each one of these bills, and yet from that vast number of 13,000 bills one alone is selected and brought on the floor of this House to be passed without hearings. It is to be promoted above every other bill and every other resolution in the House.

It has been insinuated that the reason this was done was because the committee refused to consider this bill. I deny the truth of that statement.

The Committee on Interstate and Foreign Commerce did not refuse to consider the Barkley bill, and I believe there are men in this House who signed this petition because they were told that this committee did refuse to consider it.

We know it is physically and mentally impossible for men in this House to consider all these 13,000 bills, or even a small portion of them.

So we find that in order to expedite the business of a legislative body measures are first referred to committees for consideration and report; and this custom is not purely an American institution—it is practiced throughout the world.

Not only in England but in France, in the Chamber of Deputies, committees function in a manner similar to our own. This is true in Italy, Belgium, Holland, and Switzerland.

It is the accepted method in the legislature of each of our 48 States. In all our great cities controlled by municipal assemblies the greater portion of the work of legislation is first done by standing committees.

Not only is this the custom of State legislatures but a number of States—Pennsylvania, Alabama, Texas, Missouri, Colorado, Louisiana, Wyoming, Kentucky, and other States—require the submission and consideration of a bill by a committee prior to its passage by the legislature.

It has been found to be an indispensable essential for proper and intelligent legislation.

The First Congress began with two committees—one on enrolled bills and a House Committee on Elections. It was then the custom to do work by what was called select committees, especially selected for a special purpose. This number grew until the Third Congress, when there were 350 such committees.

This system did not last long. It proved unsatisfactory, a waste of time, and provoked endless discussion as to who should be made members of these select committees.

From the Third Congress with 350 select committees they had been reduced by the years 1813–1815 to 70 committees, and 20 years later this had been again reduced by one-half.

During this period the number of standing and permanent committees in the House had been increased from 2 to 60 and in the Senate to more than 70.

Speaking of the work of committees to investigate, digest, and arrange details of complicated subjects, Calhoun, in 1812, said:

> The House may more easily comprehend the whole, the reason for this being that this body is too large for either of these operations and therefore a reference is made to smaller ones.

I call the attention of my colleague from Kentucky to two quotations made by a Member of this House, Mr. LUCE, in his learned and able work on Legislative Procedure, where he quotes two Kentuckians on this subject:

> Hardin, of Kentucky, in January, 1816, greatly regretted to observe in the House "an unconquerable indisposition to alter, change, or modify anything reported by any of the standing committees." Three weeks later Taul, of Kentucky, confessed he distrusted his own judgment when it differed from that of any of the standing committees. "The members composing these committees," he said, "are selected for their capacity and particular knowledge of the business to be referred to them. These selections have been judiciously made. The standing committees have a double responsibility on them. Hence it is presumed that every measure, before it is reported to the House, undergoes a very nice scrutiny. Those committees have deservedly great weight in the investigation and decision of such questions as may have come before and been decided by them."

I call the attention of my colleague from Alabama to this statement in the same work:

> Then Alabama, in 1901, stiffened its provision into: "No bill shall become a law until it shall have been referred to a standing committee of each House, acted upon by such committee in session, and returned therefrom, which fact shall affirmatively appear upon the Journal of each House." Notice that the reference is to a "standing committee." Here was official and formal discord of the special or select committee system.

It would seem that in the first place all great legislative bodies throughout the world, whether of national or local importance, employ the agencies of committees for examination, hearings, and reports; and, secondly, the appointment of special committees for the consideration of subjects has been superseded by the creation of regular standing committees with a specified jurisdiction.

To-day we find this Congress has over 60 standing committees.

Sufficient has been said to show that legislative bodies can not properly function without the assistance of committees.

HEARINGS BEFORE COMMITTEES

In this country it is the universal custom to hear both sides of a question presented to a committee, and this is the rule in England, where it has been held:

> Where it is held that though the public interest should be paramount, yet public interest ought to be subserved with the least possible injury to private interest, and for this reason private interest endangered ought to be heard.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. HAWES. I yield.

Mr. CONNALLY of Texas. The gentleman said he voted in committee to take up the bill and that the committee had not refused to take it up. Did the committee take it up?

Mr. HAWES. I propose after I develop my subject to make a statement of that matter with all the details, and then I would be glad to have gentlemen ask questions.

Members who desire to take this bill from the proper committee without a hearing, before the House, leaving the impression that a hearing was refused, seem now to have some fear of a proper hearing. They want to rest their case upon a partial hearing made in the Senate by a subcommittee of the Senate. They will attempt to tell this House that hearings have been held. I deny that statement. No complete hearings on this bill have been held either in the House or in the Senate.

Mr. BURTNESS. Will the gentleman yield?

Mr. HAWES. I will.

Mr. BURTNESS. Upon these hearings which have been held in the Senate by the subcommittee, has any report ever been made by the subcommittee to the full committee?

Mr. HAWES. I understand that no report has been made by the subcommittee of the Senate to the whole committee of the Senate and the Senate committee has not reported on this subject.

Mr. BURTNESS. The subcommittee of the Senate has not held hearings sufficient for it to make a recommendation to its own committee.

Mr. HAWES. The gentleman from North Dakota is right.

Mr. KUNZ. Will the gentleman yield?

Mr. HAWES. Yes.

Mr. KUNZ. In reference to the gentleman's statement that he voted in committee to take the bill up and the statement from the gentleman from Massachusetts [Mr. WINSLOW] that he voted in opposition, I would like to know and I think the membership of the House would like to know whether that vote was taken before or after the petition was presented for the discharge of the committee from consideration of the bill.

Mr. HAWES. If the gentleman will please permit me to proceed, I propose to answer that matter in detail after further developing this subject. It seems to me this is not a matter of the Barkley bill. It is a plain question of whether a great committee of this House, composed of 21 men from 20 States in the Union, shall be practically indicted before the American people for doing something of which they are not guilty.

The primary purpose of a hearing is to secure information, and certainly it has been the custom of the committee of which I am a member to hear both sides of every question and where the matter affects a Government agency or a Government function to call before the committee officials from that branch of the Government, so that frequently three different points of view are ascertained by a committee.

Not to seek information on a bill would involve a breach of faith to the House, and the committee is justified frequently even in calling before it disinterested experts. What a committee should really seek is not so much an expression of opinion, which is usually biased by the inclination of a witness, as it is an ascertainment of the facts.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. HAWES. Mr. Speaker, I ask unanimous consent to conclude my remarks, which I shall make as brief as possible. I have been interrupted and have not really arrived at the heart of the subject because of interruptions.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the gentleman may be permitted to proceed for 20 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHALLENBERGER. Mr. Speaker, if the gentleman will permit, I hope he will explain in those 20 minutes how he could vote for the consideration of the bill and then say that the committee had not refused to consider the bill.

Mr. HAWES. I expect to go into that in detail. The State of Wisconsin considers the hearings by committees of grave importance. The State of Alabama, from which my friend HUDDLESTON comes, does the same thing, as does the State of Kentucky, from which the author of this bill comes.

So important does the State of Wisconsin consider the matter of committee hearings that it has provided by law that each committee is to keep a record in which is to be entered—

First. The time and place of each hearing and each meeting.

Second. The attendance of committee members.

Third. The name of each person appearing before the committee, and of the person, firm, or corporation in whose behalf such appearance is made.

Fourth. The vote of each member on all motions, bills, resolutions, and amendments.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. HAWES. Yes.

Mr. SCHAFER. Does not the State of Wisconsin also provide that the legislature can take up for consideration and passage bills and resolutions without committee hearings?

Mr. HAWES. I do not know of any such law. It is not the usual custom in States unless the committee has abused its privilege.

Mr. SCHAFER. Well, it does.

Mr. HAWES. The element of time is considered by legislatures, and even in the short period of the life of a legislature—from 60 to 90 days—a committee is allowed a reasonable time for the consideration of a bill, and due consideration is given to the business of that committee and to what its docket contains.

Every man in this House knows that some of the work of the House is done in committees and that the big questions require long consideration. The language of bills has to be changed, various conflicting interests considered, conciliation effected, all of which requires reasonable time; and most of the men in this House, I believe, will agree that it is impossible for the House to do this as successfully and as minutely as it can be done by committees.

When a committee has finished its hearings, they are printed for the benefit of all the Members of the House. This is followed by a majority and minority report, to be reviewed by each Member of the House. Time is given each Member to read these hearings and to study the reports.

If the House takes up the Barkley bill, it will be denied this opportunity for study and denied the benefit of hearings, all of which would help in debates and discussions upon the floor of the House.

None of our legislative machinery is perfect, and perfection has not been attained in the matter of committee hearings; but it is the usually accepted method of procedure, and no better plan has yet been devised.

For Congress to attempt to abandon this method would make perpetual sessions necessary and so clog the legislative machinery that little or nothing would be accomplished. Instead of speeding up the work of Congress it would delay and retard it.

In the case of the Barkley bill the House will not receive a report from the committee, nor has the House demanded a report from the committee. If the House had demanded a report, it would present another subject. That is not the subject we have before us. It is a matter of taking up a bill that has not been considered and which is to be given priority over 9,000 different bills in this House. The whole House has the benefit of a committee hearing. Copies of the hearings are printed for the benefit of the Members of the House. A majority report is filed, as is also a minority report, so that before a measure comes to the House for consideration on the floor every one of its Members has an opportunity to know everything the committee knew or that was stated before the committee. It is now proposed to bring before the House a bill introduced as late as February 28 without such hearing and without a report.

Just a few words about the work of the Interstate and Foreign Commerce Committee.

I believe the records will show that it meets more frequently than any other committee in the House. Questions come before it, dealing as they do with regulation and proposed extended regulation of all forms of business under the interstate commerce clause of the Constitution, requiring nice judgment in questions of law.

They are not matters to be gone over hastily, as they involve enormous sums in invested capital and diversified functions of government.

An honest criticism of the work of this committee would be not that it does not do enough work but that it has too much work to do.

This committee keeps regular minutes, including records of attendance, and in addition to the amount of time consumed in hearings I am quite satisfied that a great many members devote considerable time in the evenings and on holidays to investigation of the many legal points that arise.

I have taken the liberty of calling the attention of the House to these matters because I believe they are facts worthy of your very thoughtful consideration, and I am under the impression that Members of the House have been given some erroneous impressions regarding the conduct of this committee and the manner and volume of the work it performs.

Mr. Speaker Clark said the Interstate and Foreign Commerce Committee is one of the great committees. It has the broadest jurisdiction of any committee in the House. It deals with more diversified subjects than any other committee; this will not be disputed. Its history runs back to 1795. Its jurisdiction is as broad as the constitutional provision which reads:

> Congress shall have power to regulate commerce with foreign nations and among the several States and with the Indian tribes.

There are before our committee to-day a large number of bills. The committee now has before it 174 bills, according to a statement given to me by the clerk of the committee. Those bills refer to agriculture, aeronautics, bridges, bridge surveys, blue sky laws, coal, Coast Guard, commerce, contracts, Federal Trade Commission, Public Health Service, firearms, films, all of the Lighthouse Service, hospitals, health, maternity, canal bills, all navigable streams, the Panama Canal, quarantine stations, railroads, the interstate commerce act, the transportation act, topographical survey, trading with the enemy act, and a variety of other subjects.

It had before it for consideration 276 bills before the Barkley bill was introduced into the House. I assume that back of each one of these bills there were men who thought they were of great importance, or they would not have introduced them. Back of each of these bills was something of merit. Some sentiment caused their introduction, and just because the committee delayed its program on one special bill which followed the introduction of 274 bills, demand is made that the House shall push aside and postpone hearing on all other bills and put this bill upon passage without hearing by any committee.

Mr. LONGWORTH. Mr. Speaker, will the gentleman yield?

Mr. HAWES. Yes.

Mr. LONGWORTH. The gentleman a moment ago alluded to the fact that upon the motion to discharge the committee from consideration of the bill there is allowed but 20 minutes

for debate. Will the gentleman add that on the motion to follow that, to consider the bill at once, no debate whatever is allowed?

Mr. HAWES. That is my understanding.

Mr. CRISP. But should the House decide to consider it, then it would be considered under the general rules of the House, subject to unlimited debate and amendment.

Mr. LONGWORTH. Precisely; but it would be immediately in order to move to go into the Committee of the Whole House on the state of the Union for the consideration of the bill.

Mr. HAWES. Mr. Speaker, the gentleman from Texas [Mr. CONNALLY] propounded a pertinent inquiry, and the gentleman from Illinois [Mr. KUNZ] made the same inquiry. I now direct attention to facts which, I submit, will not be disputed by members of the committee. With 276 bills before that committee, informal discussion was held as to which bills should be first considered. That informal discussion decided that bills affecting the navigation of rivers, small bills, and bills that had been held over from the last session of Congress should be given first consideration as being greater in number and being more quickly disposed of. The committee gave some preference to a bill relating to transportation in the Mississippi Valley, a measure that is of vital interest to all of the Mississippi Valley States—not to a small group but of interest to a group that feeds America, mighty sovereign States, and finally there came the 26th day of March, a period less than one month after the introduction of the Barkley bill.

The committee then decided what bill should at that time be given immediate priority, and that is the only question they did decide. Amongst those bills to which they gave preference over the Barkley bill was a bill of great interest to union labor, introduced by the gentleman from Ohio [Mr. COOPER], involving the expenditure of $200,000 for additional inspectors. Another bill was given the next place in order, a bill proposed by the gentleman from Kansas [Mr. HOCH] that goes to the vitals of the transportation question, a bill demanded by the great agricultural interests of our country, and on a vote the committee gave the Cooper bill prior consideration, and on the next vote of the committee the Hoch bill, relating to the survey of railroad rates, was given second consideration, and then it was that the gentleman from Kentucky [Mr. BARKLEY] moved that the Barkley bill be placed next on this program for immediate consideration, and I voted for its consideration, but the committee in its judgment decided that as it had bills from that committee since last session it could be temporarily laid aside. Then I made the motion in answer to requests made upon me by representatives of agricultural interests that bills relating to truth in fabric and misbranding be given consideration, and the committee then made that bill the third in order, but at no time or upon no occasion did the committee ever refuse to take up the Barkley bill, and it is my impression that if it is called up the committee will vote for its consideration. What the committee did do was to hold the Barkley bill for later consideration.

Mr. LONGWORTH. Will the gentleman yield?

Mr. HAWES. I will.

Mr. LONGWORTH. It seems to me I recall in the last Congress the committee was quite severely criticized for not having given consideration to the truth in fabric bill.

Mr. HAWES. Mr. LONGWORTH, there are 12 bills introduced by 12 Members relating to said subjects, introduced two and three years ago, two years before anyone ever heard of the Barkley bill.

Mr. BURTNESS. Will the gentleman yield further?

Mr. HAWES. I will.

Mr. BURTNESS. The truth in fabric bill which is now being considered by the committee, as well as most of the misbranding bills which are being considered, were introduced on the very first day of this session of Congress.

Mr. HAWES. Not only on the first day of this Congress, but they were introduced in the last session of Congress.

Mr. BURTNESS. Is it not also a fact that the Committee on Interstate and Foreign Commerce has met for five or six days of every single week since it was possible to organize the committee, in the first part of January?

Mr. HAWES. This committee in the last session of Congress handled 325 bills. It had hearings on 27 different subjects. It occupied 130 days in those hearings. It had 18 days in executive session on bills, and there is no other committee of this House that has that record. It has held hearings this year on 12 different subjects, occupying 46 days. It had 24 executive meetings, and it has three or four subcommittees at work now on different subjects. We have a vast number of bills that relate to the railroad problem, the greatest problem before this country; but those railroad bills, my friends, are connected—they are related subjects—and I, for one, am ready to commence their consideration to-morrow; but when their consideration is undertaken, this House must understand that when that order is given all other legislation before that committee ceases, because it would be a physical and mental impossibility for the committee to consider anything else but railroad bills. So the committee has been trying to put out some of these other bills.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. HAWES. I will.

Mr. SHALLENBERGER. I understood from the gentleman's statement, and I agree with it, that we came to a position in the committee where a motion was made by the gentleman from Kentucky to take up the consideration of his bill after the consideration of these other bills had been disposed of, and the gentleman from Missouri made a motion as a substitute to take up before the Barkley bill these so-called misbranding bills, and that is what we are operating under now; is that right?

Mr. HAWES. The gentleman is not quite right. A motion was made after the Hoch bill that the Barkley bill be taken up, and I voted for that motion. Then the committee having voted down that motion I moved that the truth in fabric bill be given first consideraion.

Mr. SHALLENBERGER. So the committee did vote down the consideration of the Barkley bill?

Mr. HAWES. Not permanently, but only as to immediate consideration.

Mr. SHALLENBERGER. And that raises a question of whether or not we have taken up a bill of sufficient importance to warrant the attention of that great committee. We have 12 bills dealing with misbranding possibly before the committee. How many hearings have we had on those bills?

Mr. HAWES. I have been away.

Mr. SHALLENBERGER. How many of those hearings has the gentleman attended upon the bill?

Mr. HAWES. That I could not tell the gentleman.

Mr. SHALLENBERGER. How many members of the committee attend those hearings on a bill of such importance as to put aside the consideration of this bill now? I will state as a matter of fact that we can not get a quorum on that bill, and the time of the committee in my judgment if we adjourn in June will be easily taken up in the consideration of those 12 bills for which the consideration of this bill was set aside.

The SPEAKER. The time of the gentleman has again expired.

Mr. HAWES. Mr. Speaker, I must have a little more time. If I refuse to answer questions, it creates an appearance of unfairness.

Mr. SANDERS of Indiana. Mr. Speaker, I ask unanimous consent that the gentleman may have, how much time?

Mr. HAWES. Ten minutes.

Mr. SANDERS of Indiana. May have 10 minutes.

The SPEAKER. The gentleman from Indiana asks unanimous consent that the gentleman from Missouri may have 10 additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. HAWES. The new rule was intended to take a bill from a negligent committee, or a bill that was suppressed by a committee, or a bill that was unjustly or improperly held without hearings before a committee.

Each Member of this House should know whether there are any facts back of the present movement in relation to this bill justifying such course.

Two hundred and seventy-six bills were referred to this committee prior to the introduction of the Barkley bill, which was not done until the 28th day of February.

On the 26th of March, just a month later, Mr. BARKLEY moved to take up and give precedence to his bill over all the 276 bills then before the committee and which had been introduced prior to his bill. That is to say, bills representing the wishes of or prepared by 276 Members of this House were to be set aside for this one bill.

When his motion was made to take up this bill, I was one of those who voted for the consideration.

I am informed that Members of this House have been told that the committee voted not to consider the Barkley bill.

I desire to protest against such a statement because it is untrue and not in keeping with the facts.

The committee was trying to arrange a tentative program of procedure.

Mr. COOPER of Ohio had a bill of special interest to labor, involving the expenditure of $200,000 by increasing the number of inspectors for locomotives. The committee voted to

give this bill consideration after it had disposed of some unfinished work before it.

It then took up the Hoch bill, an amendment to the interstate commerce law, which provides for a survey of the entire rate structure, with the view of making such adjustments as are necessary, and placed that bill upon its program for second consideration.

Mr. BARKLEY moved that the Barkley bill should follow the Hoch bill, but the committee decided to delay consideration of this bill until such time as it could be taken up in connection with other bills relating to the railroad question, of which it seemed to be part, involving some 78 bills of more or less connected subjects.

In response to repeated demands from farm bureaus and agricultural interests, the committee then ordered for discussion and hearing 12 bills, popularly known as the "truth in fabric" and "misbranding" bills, and the hearings on these bills are now in progress.

The bills placed on this program were all introduced either in the last session of Congress or the early part of this session. They included the Cooper labor bill, the Hoch rate bill, and 12 bills relating to "truth in fabric" and "misbranding."

It will be seen, therefore, that the bills which were given priority over the Barkley bill had been in the committee for some months prior to the introduction of his bill, and some of them at least a year.

Now, it is proposed that these 276 bills shall be pushed back and that the bills which have been in the committee for a year and longer should be placed on a retired list in favor of a new bill which found its way into the House for the first time on February 28.

The committee did not vote not to consider the Barkley bill, and I am thoroughly well satisfied they want to have hearings upon this bill. Certainly I do, as expressed by my vote.

It has been stated, by way of explanation or, more properly, by way of excuse, that hearings have been held upon this bill before the Senate. As a matter of fact, a partial hearing was held before a subcommittee of the Senate, but the hearing was not conclusive or complete; yet gentlemen are advocating the very novel doctrine that the House should abandon its prerogatives and accept partial hearings held before a Senate subcommittee as conclusive upon the House.

The logic of this argument would be that all the 62 committees in the House should abandon their hearings and submit that function of the House to the Senate.

It is a new and novel doctrine. If carried to its logical extreme, it would be a humiliating abasement to which I do not for a moment anticipate the intelligent, self-respecting Members of this House will agree.

I assume there are many Members whose bills have not been considered or reported by committees who have just cause for complaint.

I feel aggrieved myself. I have some bills, introduced early in the session, long prior to the introduction of the Barkley bill, which are now before my committee. I consider them to be measures of importance which I believe will meet with the approval of this House.

Suppose each Member of the House who was disappointed or chagrined should proceed to circulate a petition for 150 signatures asking for the discharge of committees from the further consideration of bills?

How many committees would be discharged, how many bills of conflicting interests would be brought on the floor of the House, creating confusion, blocking legislation, and preventing the orderly discussion of bills properly reported from committees?

The question each man should decide is not the merits of the Barkley bill, but whether the facts justify this House in taking from one of its great committees—from one of its hard-working committees—one single bill which was only introduced on February 28, and give it precedence over 9,000 other bills now before this House.

A partial consideration and hearing on the Barkley bill before a subcommittee of the Senate, I am informed, occupied about one week.

In my judgment, it would not be possible to give a proper hearing on this bill before any self-respecting, intelligent committee of the House under two weeks, and I do not think the House, in an attempt to discuss the bill in the Committee of the Whole House, could properly do so if it occupied three weeks, and then the House would not have the benefit of the testimony of witnesses and investigation, because there is no machinery by which these witnesses can be brought before the House for the purpose of testifying.

I have tried to make this question clear. On Monday next you do not vote for or against the Barkley bill; you vote for or against the right of petition, the right of hearing. One of the old sacred rights in American and Anglo-Saxon struggles for liberty is the right of petition. The modern exercise of the right of petition means the right of hearing before legislative committees. I heard the gentleman from Alabama [Mr. HUDDLESTON], a member of my committee, complain of the practice of holding hearings before subcommittees of his own committee, and I have sustained his position on a number of occasions because I thought he was right. But now I assume that the gentleman from Alabama, who opposed hearings before subcommittees, may state that he is satisfied with hearings taken before a subcommittee of the Senate.

How many times have Members had a fixed conviction on a subject and then changed that opinion upon investigation of the facts? Many are guilty in political fights of committing ourselves to the advocacy of a bill which they have never read. The Barkley bill is a big bill. It involves the great modern questions of mediation, conciliation, and arbitration in the settlement of labor disputes. God speed the time when this House may have an opportunity to vote for a righteous measure! There is not a Member who would not almost give his good right hand to secure the passage of a fair and proper measure of such great importance. I am not one of those who are opposing that kind of a bill, but if the gentleman from Kentucky [Mr. BARKLEY] can take his bill, with 276 committee bills before it, and give it precedence over 9,000 other bills in this House, who in the future will decide what bills are to be first heard, and what bills are to be given first preference? Will the Members of this House say that the Barkley bill should be heard and the Cooper bill should not be heard? Will the Members of this House say that a great measure relating to railroad rates should be set aside for the Barkley bill? Will Members of this House say that bills waiting for a year, representing the authorship of 12 men in this House, should be set aside in order that one bill, introduced late in the session, should be given preference? If that is done with this bill, it will be done with other bills. The right of petition, the right to be heard, will be taken away.

Every man standing for and defending the rights of union labor must realize that the first thing union labor requires is a fair hearing.

It was their demand to be heard that overthrew the power of kings.

Would union labor to-day say that it favored the passage of a bill upon which the other side could not be heard?

May not the time come when union labor is on trial and a gag rule is brought in, so that their rights and their grievances could not be heard before a committee of this House?

I do not believe that understanding union labor demands that the House shall pass upon a bill upon which no testimony has been taken.

I would again vote to take up the Barkley bill, and I believe the committee will vote to take up the Barkley bill; but a committee representing 20 sovereign States in the Union should certainly be allowed the right of selection of what immediate subject shall be discussed by that committee, and that is all there is in this question. It is not the Barkley bill; it is the denial of the right of petition; it is the denial of the right of hearings. Shall we take from the House those agencies which since the time of Washington have informed the House upon the business that is brought before it? [Applause.]

NO QUORUM—CALL OF THE HOUSE

Mr. COLLINS. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Mississippi makes the point of order that there is no quorum present. It is clear that there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Alabama moves a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Abernethy	Carew	Dickstein	Gallivan
Anderson	Celler	Dominick	Garber
Bacharach	Clark, Fla.	Doughton	Garrett, Tex.
Barkley	Clarke, N. Y.	Doyle	Geran
Bell	Cole, Ohio	Drane	Gifford
Berger	Connolly, Pa.	Edmonds	Goldsborough
Boylan	Corning	Favrot	Graham, Pa.
Brand, Ohio	Cummings	Fish	Hardy
Britten	Curry	Fredericks	Harrison
Browne, N. J.	Davey	Freeman	Haugen
Burton	Deal	Funk	Howard, Okla.

Humphreys	Magee, Pa.	Reed, W. Va.	Taylor, Colo.
Jost	Michaelson	Reid, Ill.	Taylor, Tenn.
Kahn	Mooney	Robinson	Tincher
Keller	Moore, Ill.	Romjue	Treadway
Kelly	Morin	Rosenbloom	Tucker
Kendall	Morris	Schall	Tydings
Kerr	Mudd	Scott	Underhill
Kiess	Murphy	Sears, Fla.	Upshaw
Kindred	Nolan	Sears, Nebr.	Vare
Knutson	O'Brien	Snell	Vestal
Langley	O'Connell, N. Y.	Snyder	Ward, N. C.
Lindsay	O'Connor, La.	Sproul, Ill.	Ward, N. Y.
Little	O'Connor, N. Y.	Stalker	Wason
Logan	Oliver, N. Y.	Steagle	Weller
Luce	Park, Ga.	Stevenson	Welsh
Lyon	Phillips	Strong, Pa.	Wurzbach
McClintic	Porter	Sullivan	Wyant
McDuffie	Purnell	Summers, Wash.	Zihlman
McFadden	Quayle	Sweet	
McKenzie	Ransley	Swoope	
McNulty	Reece	Tague	

The SPEAKER. Three hundred and five Members have answered to their names; a quorum is present.

Mr. CHINDBLOM. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. By special order of the House, the gentleman from Alabama [Mr. HUDDLESTON] is recognized for 30 minutes. [Applause.]

RAILROAD LEGISLATION

Mr. HUDDLESTON. Mr. Speaker, it is with hesitation that I rise in the attempt to answer the remarks of the three outstanding champions in the House of the "philosophy of standing still." [Applause.] I should not do so except for the fact that the gentleman from Kentucky [Mr. BARKLEY], who introduced this bill, is unavoidably absent to-day. I felt that some advocate of the bill should make some sort of reply to the big guns of the opposition, Mr. SANDERS of Indiana, Mr. WINSLOW of Massachusetts, and Mr. HAWES of Missouri.

When I learned on yesterday that these gentlemen had obtained leave to address the House on the Howell-Barkley bill, and that Mr. BARKLEY was absent, I asked for time for myself. They had not announced upon which side they would speak, but that was unnecessary. We, who are acquainted with their habit of thought, their attitude of mind, and their point of view, would have been grossly surprised had we come here to-day and heard them make any different arguments from those which they have made, or take any different positions from those which they have taken.

The gentleman from Missouri [Mr. HAWES] is correct, so far as I know, in saying that he had not previously expressed himself on the bill; but I knew just as well as I knew the sun was going to rise to-day that at this hour and in this place I would hear the gentleman from Missouri offering some splendid reasons—I almost said excuses—for his resolve to obstruct the passage of this bill.

Oh, there are many ways of opposing measures, many ways of preventing the will of the people from being written into law, and perhaps one of the ways is just as legitimate as another. Perhaps it is just as legitimate to stab under the "fifth rib" as it is to strike in the face; perhaps it is just as legitimate to oppose bringing up a measure in the only practicable way possible as it is to say "I am against it under any and all circumstances." The people who work on the railroads—the train crews, shopmen, and others—do not feel any particular interest in whether a Member is opposed to their bill coming up or whether he is against it after it comes up. They are men of common sense and are interested in results. They will judge him by the consequences of his action.

COMMITTEE OVERBURDENED WITH LITTLE THINGS

I have almost shed tears over the pitiful plight in which the Committee on Interstate and Foreign Commerce has been portrayed. Bowed down with, oh, such an opulence of jurisdiction, multitudes of important measures pressing upon it, and no time to do anything except report bridge bills. [Applause.] Congress has now been in session for five months, and that committee, the busiest in the House, has been sitting almost daily, yet they have never completed hearings upon a single measure of prime importance.

Mr. NELSON of Wisconsin. The Cape Cod bill has come through easily in some way or other, and we are going to take that up under a special rule.

Mr. HUDDLESTON. The gentleman must remember that the chairman of the committee [Mr. WINSLOW] is especially interested in that bill.

No hearings on any measure of prime importance have been completed by that committee, yet 175 important bills are still before it. Are you not sorry for the committee? Do you not want to do something to relieve them of their burden? They have bridges to be thinking about; they have Cape Cod to think about, the Panama Canal, the Coast Guard, the lighthouse system, and a thousand and one trifling and unimportant things, and they have no time to give to railroad legislation or other matters of prime importance. [Applause.] Do you not want to do something for this great committee and its amiable chairman? I beg you do something for him, relieve him of some of his burdens, take away this troublesome Howell-Barkley bill and bring it before the House.

I remember how the gentleman from Massachusetts [Mr. WINSLOW] fought for jurisdiction of the St. Lawrence ship canal bill, how he succeeded by might and main of his influence in wresting it away from another committee and bringing it to the Committee on Interstate and Foreign Commerce. Having done that noble deed, we have never mentioned that bill in the committee from that day until this. [Laughter and applause.]

Mr. WINSLOW. Will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. WINSLOW. Did the gentleman ever ask anything about the St. Lawrence ship canal bill in the discharge of his duties as a member of the committee?

Mr. HUDDLESTON. No; I was not especially interested in that measure. I realized that there were so many other matters within our jurisdiction, real matters, and needing our attention so much worse than that bill that I did not mention it. I also realized that the chairman would deal with it at his pleasure in his own good time.

Mr. BURTNESS. Will the gentleman yield?

Mr. HUDDLESTON. I do not want to yield and have my time frittered away with questioning.

Mr. BURTNESS. I was wondering whether the gentleman was present at a couple of meetings where I personally raised the question with reference to the St. Lawrence ship canal project and the state of the situation with reference thereto, and when it was plainly shown that this was not the time when that legislation was advisable, due to the fact that a treaty had not been effected with Canada.

Mr. HUDDLESTON. Let the gentleman ask a question and then stop.

Mr. BURTNESS. That is a question.

Mr. HUDDLESTON. No; the gentleman is defending himself from the implication that he neglected that matter.

Mr. BURTNESS. But the gentleman stated that the St. Lawrence project has not been mentioned in the committee.

Mr. HUDDLESTON. The gentleman is trying to defend himself from the implication that he has neglected that bill.

Mr. BURTNESS. Not at all.

Mr. HUDDLESTON. The gentleman was not a member of the committee during last Congress; he could not have brought it up in the committee for that reason. It may be barely possible that he has spoken of the matter during the present session of Congress, but if he did mention it I have no recollection of it.

Mr. BURTNESS. If the gentleman had been at the meetings of the committee, he would know better than that.

Mr. HUDDLESTON. I decline to yield further to the gentleman. I am, as he knows, one of the most regular attendants at committee sessions.

The committee is burdened with a multitude of bills. There are dozens of bills of tremendous importance to the people of this country pending before our committee. There are bills to repeal other objectionable provisions of the transportation act. There is a bill to deal with section 15a, but it has not been considered and it will not be considered. There is not a chance to get such a measure before the House except by some method such as this which is being used on the Howell-Barkley bill.

Our committee are disciples of Fabius. We follow his strategy. We quote Fabius to the people of the country, who are vitally interested in these important bills, "If you are a great soldier, you will make us come down and fight." That is our answer, and in the meantime we hold interminable hearings upon unimportant bills; we are always busy, very busy, doing little things that might as well be done a year hence, or possibly never.

COMMITTEE FOLLOWS FABIAN STRATEGY

On the motion of the gentleman from Missouri [Mr. HAWES] we took up the truth in fabric and misbranding bills nearly three weeks ago, and since doing so he has honored us with his presence only upon one day, so far as I can recollect. We have gone on and on, holding these hearings day after day, with iteration and reiteration. We have never had a quorum pres-

ent; this morning only two Members, the gentleman from Nebraska [Mr. SHALLENBERGER] and the chairman of the committee were present. I do not blame Members for staying away. They know the committee is just following the Fabian strategy, busying themselves with doing little things so as to avoid being called upon to do important things; they know that nothing worth while is going to happen, so what is the use of going to the hearings and wasting their time.

I would like to see a real misbranding bill brought out by the committee, but do not imagine that I am such an optimist as to expect it. Such a measure as will be brought out, if any at all, will be such as the great exploiting interests of the country want brought out.

Next Monday, May 5, is going to be an eventful day in this House. We are going to put in operation for the first time the committee-discharge rule. Did we mean to use it when we adopted it? When we voted for it, did we really believe in it? It will be an eventful day, because those who did not really believe in the rule will find an excuse to vote against using the rule to bring the Howell-Barkley bill before the House.

Oh, the gentleman from Kentucky [Mr. BARKLEY], so the gentleman from Massachusetts [Mr. WINSLOW] says, argued against the adoption of the committee-discharge rule and now is going to use it. He sees an inconsistency in that. That is for the gentleman from Kentucky [Mr. BARKLEY] to defend against if it needs defense, but it looks to me like he has paid a tribute to Mr. BARKLEY. He has shown that he at least had intelligence enough to see the light, and the House having adopted this rule, he proposes to take advantage of it and use it for the benefit of the people whenever possible. But the gentleman from Massachusetts [Mr. WINSLOW] and the gentleman from Indiana [Mr. SANDERS] are undoubtedly consistent. They voted against the adoption of the rule, and they are going to vote against using it. They believe in the policy advocated to-day in his speech by the gentleman from Missouri [Mr. HAWES] of throttling bills in committees, of killing legislation which the people want because a committee has been so arranged and adjusted and manipulated that a majority can not be induced to vote for it. [Applause.]

FORCES OF REACTION WORKING EVERYWHERE

The gentleman from Missouri [Mr. HAWES] seems to think that because in my State it is required that a bill be referred to a committee and reported therefrom I am precluded from all argument. Let me say to the gentleman from Missouri [Mr. HAWES] that the forces of reaction are working down in Alabama just the same as they are here in Congress. Just as there are in Congress, so there are those in Alabama who do not want the voice of the people to be heard or their interests considered, and want to find some left-handed way of striking down legislation without meeting it squarely and saying "yes" or "no" upon the merits of a measure.

But let me say in defense of my State, that it is beyond the power of a committee in that State to pigeonhole a bill like this bill has been pigeonholed in the Committee on Interstate and Foreign Commerce. Under the established procedure in the Alabama Legislature a measure referred to a committee by a majority vote can be forced into the open for consideration and passage, exactly as we are trying to do here now.

Oh, the issue is plain, gentlemen. Let us not deceive ourselves; we will be unable to deceive anyone else. Let us not argue here with sophistry and subterfuge and evasion about this matter. The whole question is, Are you for this bill or are you against it? That is all there is to it.

It seems to me the part of courage to meet the issue squarely, and I want to say to you that the people who believe in this bill will interpret your action, whether it be by "sideswiping" or some more direct method; they will interpret your action correctly. Do not forget that.

When, against the practically unanimous opposition of the laboring people of the United States, we passed the Esch-Cummins bill four years ago they were very much wrought up over it. They have remembered it down to this good day against some Members who previously had been their friends. And Members of Congress who voted for that bill have complained to me and said, "I have always been a friend of labor and they ought not to hold this against me. They did not warn me. They ought to have told me in advance that they were going to accept my action upon that bill as the test of my friendship for them, so that I might have understood what consequences would ensue." Without thought of any threat or desire to influence your action it may be that I am doing my duty by you, gentlemen, to tell you, simply as a matter of information, that the laboring people of this country have set their hearts upon this bill and are going to accept your action upon it as the test of your professions of friendship for them. [Applause.] Now, no man can hereafter say he was not warned in time.

LOOKING ONE WAY, BUT SHOOTING ANOTHER

The gentleman from Indiana [Mr. SANDERS] said—and I ought to be able to repeat it because I have heard it so often here—the gentleman said, "I believe in organized labor." I have heard that so often in this House, and so often have I heard it come from gentlemen whose professions were the sole evidence of their statements. They said they "believed in organized labor" but always they voted against the things that organized labor wanted and asked. And I have heard another type of gentleman say, "I believe in labor, in those who toil, but I do not believe in labor organizations." That also is an old story, for I have noted on so many occasions that I might almost say always, that those who make that profession are, even as they make it, getting ready to strike at the common man, and are merely offering an excuse for the injustice which they are about to do.

I can well understand the type of mind and the political philosophy of Members who believe that those of wealth and intelligence and those who belong to the upper social classes should rule the country, and should enjoy special privileges and receive the best of everything. We once had a very respectable President of the United States who held to a similar philosophy. Gentlemen in these times are usually not so bold and open as he was, but many of them still hold to that same philosophy. Given a man who feels that way I can at least understand his voting against the common people, and I can understand his fighting labor organizations, the only organized fighting forces that labor has for its defense.

Mr. HAWES. Will the gentleman yield for one question?

Mr. HUDDLESTON. Will the gentleman excuse me just a moment?

Mr. HAWES. You refuse?

Mr. HUDDLESTON. Why, certainly, I refuse.

If a man holds to that theory, he is entirely consistent in fighting labor and organized labor and everybody that does not belong to the favored classes and being all the time for those who ride upon the shoulders of the masses. I have more respect for a man of that type than I have for one who says, "I believe in organized labor," yet always stabs organized labor, or who says, "I believe in labor but not in the unions," yet always stabs at common men and women.

Mr. BARKLEY called this bill to the attention of the committee. He moved that the committee take it up as soon as it had finished a measure which it was considering. Discussion was had, and it was decided to take up two certain matters of legislation as soon as the matter under consideration was finished. Then Mr. BARKLEY moved that his bill be taken up next following, but the committee voted by a majority against taking it up.

The bill went into the long sleep. The committee did not vote that they would never take it up. Nobody ever heard of a committee doing anything like that. But they resorted to exactly the same method as they would had they intended never to take it up.

I am sorry that the Members of the committee who have spoken are not more clear in expressing their candor. They cast the haze over the House that if given more time they would take up the bill, give it consideration, and favorably report it. Yet they know that nothing of the kind is contemplated or will be done. The committee might hold hearings as a "bluff"; but hearings would be futile, for every member of the committee knows there is not the slightest chance on earth that the bill will be favorably reported by the committee during the present Congress or even during a Congress 10 years from now if the committee should remain as at present constituted.

Mr. HAWES. Will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. HAWES. Did the gentleman from Alabama at any meeting of the committee ever move to take up one of these railroad bills?

Mr. HUDDLESTON. No. Does the gentleman from Missouri think that with men like those who compose the majority of the committee I would be foolish enough to waste my time in trying to get a reduction of railroad rates? Surely I have not a reputation in the House of utter senselessness. [Laughter.]

HOWELL-BARKLEY BILL MISREPRESENTED

Now, gentlemen, I want to discuss the bill somewhat on its merits. A great hullabaloo has been raised over it. These big guns of the stand-pat policy have tried to make you believe that it means tremendous things, something revolutionary. I suppose

their attitude is owing to their revulsion against anything that would touch the Esch-Cummins Act. Having brought that measure out of committee and foisted it upon the country, having incorporated in it section 15a, which has raised railroad rates from 25 to 40 per cent, having thrust into it the labor sections which produced the greatest strike this country ever saw, having done this great work, they feel there is something sacrosanct about the Esch-Cummins Act, and pray the Deity to strike any man who dares lay a hand on that "ark of the covenant." If a majority of the Members of the House agree with them, the sooner we know it the better.

The people of the country will find out next Monday just what to expect of the House. There is no use bluffing that you are trying to give the people relief if the majority of the House is against it. Next Monday will be a very good time for the people to find it out. That will be before the elections. It is timely that we should know on next Monday who are the Members of the House who want to do something to remedy the wrong that was done by passing the transportation act of 1920.

Mr. JACOBSTEIN. Will the gentleman yield for a simple question?

Mr. HUDDLESTON. I will.

Mr. JACOBSTEIN. Is it not a fact that President Harding recommended legislation which would amend the Esch-Cummins Act in a speech delivered in Kansas City, Mo., June 26, 1923?

Mr. HUDDLESTON. Yes; President Harding urged that the act be amended so as to stimulate consolidation, and stated that he would have legislation to that end brought before the present Congress. President Coolidge, in his address to Congress of December 6, 1923, said:

> The Labor Board was established to protect the public in the enjoyment of continuous service by attempting to insure justice between the companies and their employees. It has been a great help, but is not altogether satisfactory to the public, the employees, or the companies. If a substantial agreement can be reached among the groups interested, there should be no hesitation in enacting such agreement into law.

He also at that time urged amendments to the act which would stimulate consolidation of railroads and which would provide for a reorganization of the rate structure.

WHAT "DON'T TOUCH THE TRANSPORTATION ACT" REALLY MEANS

But the gentleman from New York [Mr. JACOBSTEIN] must bear in mind that the transportation act becomes sacred literature only when it is proposed to amend it so as to reduce rates or to relieve labor or do something else for the benefit of the general public. It is not sacred against amendments to further the interests of the railroads. Our committee would already have reported such amendments had there not been the fear that thereby countenance would be given to some "vicious" effort to amend the act in the interest of the people.

The railroads fear that, once amendment is started, some provision that is not for their interest will be inserted. Hence we have the nation-wide propaganda for standing still. "Don't touch the Transportation Act." That is the cry of every railroad executive, and its echoes come back from every railroad-controlled organization, individual, and newspaper in the land.

In harmony with the position of the railroad managers and the powerful financial interests back of them and the echoes which they have called from commercial bodies in nearly every whitewashed village in the country, the majority of the Committee on Interstate and Foreign Commerce have accepted the dogma of the inviolability of the Transportation Act. I remember that in the course of his speech in behalf of the bill when it was being forced through the House four years ago I heard the gentleman from Indiana [Mr. SANDERS] say that it was "a great constructive piece of legislation." His phrase has hung to me until this day. A "constructive piece of legislation" which raised railroad rates from 25 to 40 per cent and provoked the greatest labor disturbance in all the history of the Nation. But they hang to their obsession that no profane hand must be permitted to defile it.

A MOVE FOR PEACE NOT FOR STRIFE

This bill is a measure for industrial peace and not for strife. It is true it comes from the minds of leaders of the American labor movement. It represents the best effort they can make. It is not destructive legislation such as that advocated by the gentleman from Kansas [Mr. TINCHER], whose statesmanlike bill proposed the flat repeal of the labor sections of the act, and to leave the railroads and the employees to fight to a finish. It is constructive legislation, intended to present a remedy for labor strife in transportation. It is peace legislation, and will make for peace and harmony between the carriers and their employees and thereby promote the general public welfare. Let me say to you, my friends, that the twelve hundred thousand members of the labor organizations advocating this bill are men and women, citizens of this country and consumers, and as much interested in keeping transportation going as any class of people in the world.

In point of fact, the laboring man is more interested in preserving industrial peace than either the employers or the public. Always the laboring man is interested in preventing strikes. Always the strike costs the striking laboring man more than it does anyone else. True, the public has an indirect interest and the employer also has an interest, but the laboring man has more at stake than all the rest. When he goes on a strike, whatever the final result may be, he makes the sacrifice of a part of his life. His commodity, the only thing he has to sell, is labor; and that part of his irreplenishable stock in trade, measured by the period of the strike, spoils upon his hands and is lost to him beyond recall. The necessaries of life for himself and his family, his hope of making himself independent for his old age—all these things go when the strike comes.

Let me, as one who knows the intelligent workingman, say to you that every such man enters upon a strike even as you would go upon a surgeon's table for a major operation—only as a last resort. The laboring man strikes because he feels that his loyalty—not to his immediate, selfish interest, but to his class, to his calling, to his wife and children, and to other workingmen who shall come after him—demands that he make the sacrifice.

The SPEAKER. The time of the gentleman from Alabama his expired.

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to proceed for 20 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. HUDDLESTON. The laboring man goes out upon a strike even as a soldier goes into the front-line trench to fight for his country, fighting not for himself but for all common men, that their labor may be made to yield a just return and their future be assured. Of course the strike costs him more than anybody else.

RAILROAD EMPLOYEES WANT PEACE

The railroad employees of this country want peace between themselves and their employers, and they realize that there can be no peace under the present system. After long and careful consideration and with the aid of the most skilled advice, they have drafted this bill. They have worked it over and over from every angle. Having completed the bill they submitted it to the administration itself. They were referred to Mr. Hoover and had consultations with him. He considered the measure from the standpoint of the public. He endeavored to get the railroads executives to meet with their employees to discuss this bill but they declined to do so.

Mr. NELSON of Wisconsin. Is there a single thing in this bill that the railroad employees ask for themselves that they have not equally accorded to the carriers?

Mr. HUDDLESTON. Not one thing on earth. There has been more misrepresentation about the purpose of this bill than any measure which has been before Congress within recent years.

Mr. WINSLOW. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. WINSLOW. In order that the House may have the benefit of the gentleman's statement, with reference to Mr. Hoover's attitude, would the gentleman like to read a letter from Mr. Hoover in regard to his position?

Mr. HUDDLESTON. I will be glad to read it privately. I prefer not to take up my time with it now. So that there will be no misunderstanding I state that the President was approached about this bill by the committee which drafted it. He referred the committee to Mr. Hoover and they submitted the bill to him. Mr. Hoover made two suggestions for changes, which after discussion and explanation he did not insist upon. He made an effort to get Mr. Holden and the representatives of the railroads to confer with the employees, but was unable to get them to do so. That is the history of the matter. We do not need any letter to tell that.

Mr. WINSLOW. That is the gentleman's hearsay, but I will give the gentleman what Mr. Hoover said.

Mr. HUDDLESTON. I suggest that the gentleman print his letter in the RECORD. I feel no great interest in what Mr. Hoover says, nor in what his views may be.

What does this bill do? There is not a single important element of untried legislation in it. Do not take my word or that of the gentleman from Indiana [Mr. SANDERS] for it, but study

the bill. He has tried to scare you, and, as you know, he is a very able man and good at scaring. I want each Member of the House to acquit his conscience by studying this bill for himself, and making up his own mind about it. Do not take anyone's opinion.

I repeat, however, there is not a single substantial piece of new matter in the bill.

Mr. HUDSON. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. HUDSON. I am interested in what the gentleman is saying, and I wondered if I heard him correctly that the bill would make no new legislation.

Mr. HUDDLESTON. No legislation which has not heretofore been in force.

Mr. HUDSON. If so, what is the need for considering it at all?

Mr. HUDDLESTON. Oh, it is not now in force. I do not want the gentleman to believe that I mean that it is merely a rehash of existing law. It carries no provisions of any moment which have not heretofore been in force, nor does it introduce any new practice.

The Esch-Cummins Act, the sacred literature of the gentleman from Massachusetts [Mr. WINSLOW] and the gentleman from Indiana [Mr. SANDERS] dealt with this subject. As it was brought upon the floor of the House and originally passed by the votes of both those gentlemen the Esch bill provided for boards of adjustment and expressly provided that the labor representatives on those boards should be designated by the chief executives of the several labor organizations, specifically naming the organizations. These gentlemen voted for it, and one of them said at the time that it was a great piece of constructive legislation. These boards were permissive boards. It went over to the Senate. The Senate passed the Cummins bill, which provided for a compulsory system for the settlement of labor disputes. The legislation then went to conference.

The gentleman from Massachusetts [Mr. WINSLOW] has emphasized the need for consideration of the Howell-Barkley bill and for hearings upon it. Yet we find that when the Esch-Cummins bill went into conference entirely new labor sections were written into that bill by the conferees. No hearings whatever were held. Those sections were written by the conferees alone. The House was not taken into their confidence. The entire bill was rewritten in eight days. There was not a tenth part of the debate over it that already there has been over this bill. The conferees wrote the labor sections of the transportation act and there they provided for adjustment boards. I wonder if the gentleman from Indiana [Mr. SANDERS] has read that act recently. Section 302 reads:

> Boards of labor adjustment may be established by agreement between any carrier, group of carriers, or carriers as a whole, and any employees or subordinate officials of the carriers or organization or group of organizations thereof.

Mark you, that is a provision of the existing law. The boards are permissive or voluntary. The only difference between existing law and the provision in the Howell-Barkley bill is that the latter makes the creation of adjustment boards compulsory.

Mr. NELSON of Wisconsin. The gentleman from Indiana stressed the fact that wage questions would not be taken up by the adjustment boards. Is not that so in the present law?

Mr. HUDDLESTON. Yes; under existing law wage questions are considered only by the Labor Board.

ONLY CHANGES FROM EXISTING LAW

The only substantial changes made in existing law is: First, to substitute for the present Railroad Labor Board, a Board of Mediation and Conciliation; and, second, to make the creation of adjustment boards compulsory instead of voluntary.

Mr. MILLS. Will the gentleman yield?

Mr. HUDDLESTON. I will.

Mr. MILLS. Is it not likewise true that under the present law boards of adjustment may be created for a single railroad system as between the carrier and its employees, whereas in your bill you provide solely for national boards?

Mr. HUDDLESTON. The existing law provides that the boards may be created by a carrier, group of carriers, or the carriers as a whole.

Mr. MILLS. Whereas your present bill provides only national boards of adjustment? Is not that the fundamental difference?

Mr. HUDDLESTON. No; I think it is merely an advance in the line of economy, efficiency, and good sense, so that instead of having a hundred adjustment boards throughout the country dealing separately with every carrier over the country and every dispute separately we provide for only four boards. What would be the expense for the multitude of boards created as the gentleman from New York [Mr. MILLS] intimates he would like to have done? Instead of costing $500,000 a year they would probably cost many times that much—they would cost vastly more and accomplish no better purpose. It would be an utterly nonsensical thing to do.

PASSAGE OF BILL MADE NECESSARY BY FAULT OF RAILROAD MANAGERS

Why has it become necessary to pass this bill? Because the adjustment boards, made voluntary under the transportation act, are by it made compulsory. That is the answer, because the railroads refused to appoint the boards under section 302 of the transportation act and the result was that every labor dispute and grievance that originated among the millions of employees was thrown into the Railroad Labor Board, which was thereby so deluged with cases that they could not possibly accomplish their work. These disputes were thrown for decision into the Labor Board, which was wholly inadequate to meet the situation. The result was that several hundred of these cases are pending even to this time; some of these cases have been pending from two to three years with yet no prospects of a decision. The unavoidable delay in decisions became a denial of justice and will remain of itself a matter of grievance as long as we fail to provide some means of relief by which they may be determined.

What the employees are trying to do is to promote peace. And what are the railroads trying to do? I give you the key to it in the statement made by Mr. Atterbury who was one of the labor committee of the railroad executives appointed to consider what they should do with reference to section 302. Eight out of nine of that committee of the leading railroad executives of the country agreed that if they should appoint the adjustment boards it would promote peace, and these eight recommended that the carriers should cooperate with the employees in creating the boards. But one man stood out, the hard-boiled financier Mr. Atterbury, who boasted that "he had learned his lesson in France." He stood out and his influence, and that of the Wall Street interests which stood back of him, were strong enough to force the adoption of his recommendation by the railroads instead of the recommendation of the eight other members of the committee which had dealt with the subject.

What reason did Mr. Atterbury give for his position? I have here an extract from his minority report:

> As an evidence of the interest of the public in this situation, I invite attention to a question recently submitted by the United States Chamber of Commerce to its membership throughout the country to a referendum vote. This question, which is analogous to that with which we are dealing, read: "The right of open-shop operations; that is, the right of the employer and employee to enter into and determine the condition of employment relations with each other is an essential part of the individual right of contract possessed by each of the parties."
>
> And the vote was: In favor, 1,665; opposed, 4.

Remember that this vote was taken under the auspices of that great benevolent institution the United States Chamber of Commerce. Mr. Atterbury said further:

> Private ownership is on its last trial.

Atterbury said that, which shows that he thinks along the same line as the gentleman from Indiana, Mr. SANDERS, who made about the same statement in his speech to-day. Mr. SANDERS said that this effort on the part of the railroad employees to promote peace between themselves and their employees is an attack on private operation. That is what all that type of gentlemen say. They see a Bolshevik in every bush, and if they see a man with corns on his hands they know that he has a bomb in his coat tail.

Mr. Atterbury further said:

> Can it be possible that you will deliberately invite a condition inevitably enlarging the power and amplifying the influence of those forces which are determined to wrest from your control the properties which you now operate?

Do you notice that these men whose affairs run into millions and who represent great interests love to talk about lands, railroads, and houses as "properties" just like that? He said:

> Throughout the critical situation through which the railroads have passed from Federal control to their return to private ownership, the railroads have had, most generally, the sympathetic cooperation and support of the industrial and commercial organizations.

Later he added his climax:

Our duty is clear. Make no contract whatever with the labor organizations.

So now, my friends, you have the reason why the railroads refused to appoint the adjustment boards. It was because that by acting with them in that matter they would recognize the labor organizations. Those of the Atterbury school made it a question of whether they would recognize the labor organizations or fight them to the death. It is these railroad executives, who want to destroy the labor organizations, who are now fighting this bill. They have inspired every little town in the country large enough to have a civic body to send to Congress a lot of foolish propaganda against this bill.

WHERE OPPOSITION COMES FROM

The inspiration for the opposition of the Howell-Barkley bill comes from three sources. The first is those who have been misled by the cloud of misleading propaganda which had been emitted by the railroad executives, who are fighting the bill. The purpose of the bill has been grossly misrepresented to business interests, officials of short-line railroads, company union men, and the public generally. Well-meaning but misguided persons from almost every community in the country have been induced to write or wire their Congressman opposing the bill. Few indeed are the instances in which these parties have read the bill or have any fair idea of what it means. Their opposition is based on cold ignorance and their willingness to obey a prod from the "higher ups" of railroad lawyers and railroad officials.

The railroad propagandists have told business men to oppose the bill on the ground that "the public is not represented on the adjustment boards." There is no provision for public representation on the adjustment boards provided by section 302 of the present law. There was no reason for public representation, because the adjustment boards, alike under section 302 and under the Howell-Barkley bill, deal merely with grievances and disputes between the carriers and their employees in which wages are not involved. The public has no interest in these disputes. Nonexperts could not function in settling them. On the other hand, to take the place of the Railroad Labor Board in its function relating to wage contracts, in which the public is interested, instead of a board with three public members and equal numbers of labor and carrier members, as provided by the eixsting law, the Howell-Barkley bill creates a board of mediation composed wholly of public members and with no labor or carrier representatives thereon.

The short-line officials have been told to protest that the Barkley bill would interfere with their labor or in some other way harmfully affect them. This is not true. The short lines will be left in exactly the same situation as they are under existing law. No additional duty will be imposed upon them. They will not be forced to do anything whatsoever against their will. They will be left to settle any disputes or wage questions by conferences with their employees, just as they may now do, and if their employees are willing to work for 50 cents a day they can still work for that amount under the Howell-Barkley bill. There is no attempt by the bill to enforce union contracts, rules, conditions, practices, or other matters upon any carrier or employee.

THE "COMPANY UNIONS"

The "company unions," "system unions," and "shop unions" are so-called labor organizations, organized with the permission and under the fostering care of the employer. In most cases they are under the employer's control, do his bidding, and are intended for no other purpose than to be used as a club to fight the regular organizations. In the case of the Pennsylvania system's unions the members pay no dues. Their sole function consist in voting for their officials upon ballots upon which each voter must sign his name and which are counted by company officials. It is said that the union officers elected in this way are usually those dictated by the company. The union members hold no meetings, and their unions' existence is merely colorable. The P. R. R. Company pays the expenses and transportation of the officers of the union and any compensation which they may receive. The company even pays rent for the offices which the union officials occupy. Of course, such a union is merely an arm of the company. It represents the company and in no sense can express the sentiments of the employees.

The company-union men, who probably number from 150,000 to 300,000 nominal members, have been told to protest against the bill on the grounds that it would force them under the control of the regular organizations. This is wholly untrue. They will be left to continue their separate existence, nominal and fugitive though it may be. They can go on negotiating with their employers and accepting employer dictation as they are forced to do. There is nothing in the bill to prevent this.

But the company-union men say that the labor members of adjustment boards will be composed of members of the regular ganizations. This does not follow. Any labor organization organized on craft lines is free to make nominations for the adjustment boards if by their fundamental law the nominating organization is no confined to a locality or system—that is, it must by its fundamental law be of the nature of a national organization. It is intended that the adjustment boards shall be composed of experts and that the labor members shall be skilled craftsmen, competent to deal with disputes relating to their crafts. This purpose necessitates nominations by a craft organization, and since the boards are to have national jurisdiction, manifestly it is proper that the nominating organization should not be circumscribed by its fundamental law and confined to a single locality or system. All that the company unions need to do to entitle them to make nominations is to organize along craft lines and to omit from their constitutions any limitation upon their geographical extent and activity. We may thus have a dozen independent national organizations and associations of company unions and each of them nominating members of adjustment boards in opposition to the nominees of the regular organizations. And the President, in appointing the boards, may name the nominees of the independent, outside, or company-union organizations.

And there is the opposition which comes from gentlemen like those who have spoken here to-day who regard the Transportation Act as a piece of sacred literature, from which for anyone to take away or add a word is to invoke damnation upon their souls. They look upon it as something that must not be changed and apply to it the words found in the last chapter of the Book of Revelations:

If any man shall take away from the words of the book of this prophecy, God shall take away his part out of the book of life, and out of the Holy City—

that is to say, he shall be damned, or something worse. [Applause.] With them it is the same with the Transportation Act. They worship it. And in the meantime the people of the country groan under the burden of excessive railroad charges and the railroad employees feel that they are being deprived of their rights in connection with their employment.

Then there is another source of opposition: They are the labor haters, those who, like Atterbury, say, "Make no contract whatever with the labor organizations." A lot of this opposition comes from men who under all circumstances are fighting the workingman's organizations and who say, "Do not treat them as though they were human beings. Beat them down. The first thing you know they will be thinking they are men. Beat them down. Use every process of force. Destroy their ogranizations, undermine their confidence in their leaders, drive them down to be the brothers of the ox." That is really the philosophy back of their attitude. I wonder whether, here in this popular branch of the American Congress, where men have come fresh from the great body of the people—I wonder whether such a philosophy will be sustained. God forbid that it should.

THE RAILROAD LABOR BOARD A FAILURE

The Railroad Labor Board as an instrument for promoting labor peace has failed. Its usefulness, if any it ever had, has ended. The failure of the board has been due in part to its faulty constitution. I quote from Mr. Hoover's address to the Transportation Congress on January 9, 1924:

The present set-up of labor adjustments has not given entire satisfaction, and in considerable degree this is due to inherent faults in the construction of the board and in its authorities. We have in this board confused four different functions in labor relationship. The board has in parts the machinery for collective bargaining, for arbitration, for conciliation, and judicial determination.

The board has failed in collective bargaining because it tried to represent both sides. It has failed as an adjustment board because it was controlled by nonexpert public members who of course could not function. It has failed at mediation because it had carrier and labor members who were partisans of their separate sides. It failed as a court both because it had carrier and labor members who were partisans and because its decrees were unenforceable.

But the failure of the Railroad Labor Board has in chief been due to the fact that the employees became convinced that it had been packed against them and that its public members were prejudiced, partisan, and unfair. Even two of its labor members were appointed against the wish of the employees and with-

out having been nominated by the organizations to which they were credited. Its public member, Chairman Hooper, became an active propagandist against the employees, and while quite complacent over the flouting of the board's authority by the railroads was tremendously aroused when the employees retaliated.

The Railroad Labor Board has failed. Already certain of the powerful labor organizations have definitely decided to ignore the board entirely in future and to endeavor to settle their issues directly with the employing railroads. A few months ago, by direct negotiation with the great New York Central, the train organizations made a contract which yields them an advance in wages. Following that precedent the bulk of the great systems west of the Mississippi have negotiated contracts with their employees.

There appears to be a general tacit understanding that the Labor Board is useless and can not function in future. We are left, therefore, either to revert to the labor system in force prior to the Erdman and Newlands Acts under which railroads and their employees might negotiate contracts with each other or resort to strikes and lockouts disastrous to transportation, or to adopt some law which will promote negotiations and adjustment.

Shall the employees and the railroads fight to a finish, with the stronger left to impose its will upon the other, incidentally crucifying the public interest, or shall the public intervene by a moderate and reasonable law to promote labor harmony in the railroad world? This is the issue which is squarely up to us. It is to meet this issue that the labor organizations have prepared this bill and are asking that it should be considered by Congress.

Not by any means are all railroad executives opposing this bill. The opposition comes in chief from those who have organized company unions to fight the regular unions and who are more interested in destroying the labor organizations than they are in successfully operating a railroad. These men oppose the bill chiefly because it was proposed by organized labor. As a matter of fact, there is really nothing in this bill which should provoke the opposition of any railroad official, whether he is opposed to the unions or not. The opposition of this class is largely due to blind prejudice.

But there is no doubt that the railroad interests generally are unfavorable to the bill not because of the bill itself but because of the fear that it will prove the entering wedge for other railroad legislation. They are opposed to railroad legislation of any kind. Their cry, which they are transmitting through Civic bodies and other interests under their control, is, "Let the Transportation Act alone"; "Let us give it a further trial." They would be glad enough to amend the transportation act in particulars for their own interest if they could be sure that it would not lead to amendments offered by the interests which they are exploiting. They fear the repeal of section 15a and the reduction of freight rates. They fight all amendments in the interest of holding section 15a and their present extortionate rates intact.

"PEACE AND WAR; TAKE WHICH YOU PLEASE"

Do not think, however, my friends, when you vote for this measure on next Monday, that you are voting for or against the labor organizations, you Members who live in rural sections and who have no labor organizations or other interests except the farmers. It is not merely a question of labor. It is a question of peace in the transportation industry. It is a question whether we shall have transportation interfered with by labor strikes or not. It is a question of whether we will settle disputes between railroads and their employees by peaceful methods or by the strike. That is the choice that you are invited to make.

As a sort of spokesman for the employees, I may quote the words of the Roman ambassador:

Here we bring you peace and war; take which you please.

Which do the interests of the folks at home require that you take? Will you stand with employers who can not see an inch beyond their noses and strive to drive down the American workingman to a lower basis, or will you carry in your hearts the future of our country, its development, and what may follow in the way of prosperity and success in the years that are to come?

These laboring men have brought you a bill, not drawn in their own interest, but drawn in the public interest. They ask you to bring it before the House. Are they not entitled to have it considered? Will you consign it to remain at the tender mercies of the Committee on Interstate and Foreign Commerce? If you do, do not rise up and plead infancy and non compos mentis when the question is hereafter brought up, because I tell you that to refuse to discharge the committee means that this bill will never come before the House, and you will never have an opportunity to consider it.

Consider the bill on its merits. If you feel it ought to be voted down, vote accordingly, of course. But do not shove it in a pigeonhole. Do not refuse these twelve hundred thousand working men a chance to get their measure considered. Examine it for yourselves. The issue is before you.

Mr. NELSON of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. NELSON of Wisconsin. There are hearings in the other Chamber on this question, are there not?

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. HUDDLESTON. Mr. Speaker, may I have one minute more?

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. HUDDLESTON. Answering the question of the gentleman from Wisconsin, I say yes; full hearings on this bill have been held by the Senate committee. The railroads have been represented at those hearings by nearly a dozen of the ablest railroad executives in this country, including their able attorney, Colonel Thom. They have said everything that could be called an argument that men can say against this bill. Also, the proponents of the bill have presented their views in a brief and succinct way. Those hearings have been printed. Get a copy of them. Read them, and prepare yourselves on the bill. They are better hearings than those that would have been held by our committee, for they are shorter. They are long enough. Read the hearings, and let us have a vote on this bill. [Applause.]

In recapitulation I desire to state in brief the objections which were made to the Barkley bill by the carriers' witnesses in the Senate hearing, and to make answers thereto, as follows:

I. THE GENERAL DUTY IMPOSED ON EMPLOYERS AND EMPLOYEES

There seemed to be no objection to the general duty imposed in section 2 upon carriers and employees "*to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes arising out of the application of said agreements.*"

Carrier witnesses agreed that such effort is "the established practice and is the method promoted and desired not only by representatives of employees but also by railroad management." (Testimony of Mr. Hale Holden.)

II. THE SELECTION OF REPRESENTATIVES TO DECIDE DISPUTES IN CONFERENCE

Objection A: The requirement of section 3 that conferences upon disputes shall be held "between representatives designated and authorized so to confer" is followed by the provision that such representatives shall be designated by each party "*without interference, influence, or coercion exercised*" by the other party. It was objected that this would prevent a management from "submitting its side of the case to the employees" (Mr. Walber); which was later explained (by Mr. Thom) to mean that a management would be prevented from protesting against the character or conduct of employee representatives.

Answer A: The bill *only* prohibits the employer from interfering in the *selection* of representatives, or from controlling the organizations of employees so as to dictate the selection of employee representatives. There is no limitation whatsoever upon the power of the employer to persuade the employees or their representatives to agree with him. On the contrary, the bill requires the parties to "exert every reasonable effort" to agree.

The necessity for a provision prohibiting the employer from controlling the organization of employees—whereby their pretended "representatives" are merely secret agents of the employer—has been proved by the persistent evasion in this manner of the present law by a few large railroads.

Chairman Hooper, of the present Labor Board, who testified in favor of retaining the Labor Board, nevertheless urged that the law be amended so that "the carrier should not be permitted to evade the law by conferring with somebody else under the pretense that it is conferring with the employees' representatives. If this is done, and it has been done, the very vitals of the law are cut out and cast away."

Members of Congress are now being deluged with memorials from officers of company unions claiming to "represent" thousands of employees who are stated to be opposed to this bill which would insure them *honest* representation. These company-union officers who are sending in messages are paid by the employers, *according to their own admissions in the committee hearings.* It was admitted that the railroads helped prepare their statements and paid their expenses. Their "organizations" are supported by company funds or by dues

forcibly collected from workers compelled to join these company unions. Yet these company agents insult the intelligence of Members of Congress by claiming that the employees whom they are hired to betray do not want Congress to free them from their enforced and un-American servility.

III. THE REQUIREMENT THAT CONFERENCES SHALL BE BEGUN PROMPTLY

Objection B: The carriers objected to the provisions of section 3, A–3, requiring the fixing of a time and place for conferences, on the ground that when there are many disputes it may be difficult or impossible to hold conferences within 20 days of notice.

Answer B. The bill does not require conferences to be held continuously or to be terminated within any fixed time. But they must be started promptly. A similar right is given to every litigant in any court to require his opponent to respond promptly to a motion. Then the matter is heard according to the convenience of the court and of the parties. Nothing more exacting is required by the proposed act. Nothing less will prevent carriers from evading the proposed law as they have evaded the present law, by postponing indefinitely the beginning of conferences.

Chairman Hooper, of the present labor board, testified that the mandatory requirements of the present act for conferences "have been disregarded and evaded by a number of railroads with consequent disadvantage and injustice to the employees." The requirements of the proposed act are designed to prevent such evasions.

IV. BOARDS OF ADJUSTMENT

The principal objections of opponents of the bill were directed against the creation of four national boards for the adjustment of grievances of employees arising out of the application of agreements.

Objection C 1: The carriers and others (who either misunderstood or willfully misinterpreted the provisions of the Howell-Barkley bill) objected that the four national adjustment boards would bring about standardized national wages or rules.

Answer C 1. The national adjustment boards have nothing to do with either *making* or *changing* of agreements whereby wages or rules are established. They only decide disputes over the *application* of agreements, called "grievances."

Section 4 reads as follows: "*If any dispute arising only out of grievances or the application of agreements concerning rates of pay, rules, or working conditions is not decided in a conference * * * it shall * * * be referred * * * to the adjustment board which * * * is authorized to hear and decide such dispute.*"

Section 5 provides that "*if any proposed change in rates of pay, rules, or working conditions is not decided in conference between the parties, either party may invoke the services of the board of mediation and conciliation.*"

Thus it is plain that agreements are *made* and *changed* (1) by conference between representatives of a single carrier and its employees; (2) by mediation; or (3) by arbitration. There is no provision made for any action by any national adjustment board to fix wages or rules or to make or change agreements. Nor is there any machinery provided for making any "national agreement" upon wages or rules.

Objection C 2: It has been objected that the national adjustment boards are substituted for the Labor Board and that there is no "public" representative on them.

Answer C 2: The boards of adjustment are *not* substituted for the Labor Board. The board of mediation and conciliation, composed only of *five* public members is substituted for the Labor Board, which is now composed of *three* public members, three carrier members, and three labor members. The carrier witnesses—supported by company unions—urged that the present Labor Board be changed to *five* public members, two carrier members, and two labor members. The board would then be controlled by the five public members and, as their decisions would not be enforceable, they would constitute practically a board of five public mediators *which is precisely what is provided in the proposed law.*

BOARDS OF ADJUSTMENT ARE PROVIDED FOR IN THE PRESENT TRANSPORTATION ACT

The insincerity of objections to the proposed boards of adjustment is shown by the following facts:

1. The present law provides for the establishment of boards of adjustment (sec. 302) to handle *grievances only* (sec. 303)—but they were to be established by *agreement between* carriers and employees. Such boards were recognized by railway executives (March, 1920) and the Labor Board (July, 1920) as "an essential part of the machinery to decide disputes."

2. The labor committee of the Association of Railway Executives in March, 1920, voted 8 to 1 in favor of establishing *three national adjustment boards*, substantially the same as Boards No. 1, 2, and 3 in the present bill. The carriers and the national labor unions were to name an equal number on each board. The 8 who voted for national boards were Presidents Gray and Holden—who now testify "there has never been offered any satisfactory reason for their creation"—Besler, Hustis, Loomis, Maher, Markham, and Young. Vice President Atterbury, of the Pennsylvania, *alone* dissented. Mr. Atterbury, backed by bankers and large industrial employers, advocated a labor-union-smashing campaign. "Make no contract whatever with the labor organizations," he urged. The Association of Railway Executives eventually voted with him 60 to 41, and reversed its labor committee.

3. Because the railroads refused to establish adjustment boards the Labor Board was swamped with grievance disputes which it had not been expected to handle and which it was incapable of handling efficiently.

4. The proposed act will simply establish by law the boards which were provided for—but to be created voluntarily—in the transportation act—boards which are essential to prompt, effective settlement of grievance disputes over the application of agreements.

5. Chairman Hooper testified that "the employees are correct in their contention that the failure of the carriers and employees to agree upon the establishment of adjustment boards has substantially detracted from the effectiveness of the law." This is putting it mildly. The fact is that the financial masters of the railroads deliberately destroyed the legal machinery intended to provide prompt justice for the employees, against the advice of the best railroad operating executives.

Objection D: The carriers and some company unions contend that establishing national adjustment boards will prevent single railroads from establishing local adjustment boards.

Answer D: Local adjustment boards are merely extensions of "conferences" between a single carrier and representatives of its employees. The bill requires every reasonable effort to settle disputes in *conference*. Nothing in the bill prevents the establishment of local adjustment boards by agreement whereby their decisions shall be final, so that the parties *are not required* to go before the national boards, if they agree to settle their disputes otherwise.

Objection E: A few small labor organizations object that the disputes of their members do not come within the jurisdiction of any one of the national boards, and that they have no tribunal of appeal.

Answer E: Any dispute not settled in conference or by an appropriate adjustment board will go to the board of mediation and conciliation (sec. 5). Therefore these organizations *have* an appeal to the board which is substituted for the present Labor Board.

It would be unreasonable to establish boards of adjustment for every class of railroad labor. One actively protesting organization has had less than five grievance disputes a year before the Labor Board. The board of mediation will provide ample relief for them. The purpose of the adjustment boards is to provide a speedy machinery for settling the numerous technical disputes of more than 90 per cent of all railroad employees.

NECESSITY FOR ADJUSTMENT BOARDS

The efficiency of and necessity for such boards have been proved. During Federal control the corresponding Board No. 1 decided 3,000 cases without an appeal; Board No. 2 decided 2,000 cases with less than 10 appeals; Board No. 3 decided 1,100 cases with only 1 appeal.

(Testimony of Director General Hines in hearings on Senate Resolution 23, January 24, 1922)

In its first two years the Labor Board was improperly required to decide some 1,200 cases and accumulated about 1,500 more undisposed of. At the start of this year hundreds of small cases were still undecided which had been pending for between three months and three years, working untold hardship on large numbers of employees and fermenting unrest. Furthermore, Labor Board decisions are not enforceable and have been frequently violated by the railroads (Labor Board report, November 15, 1923), whereas decisions of adjustment boards are made enforceable (sec. 4).

Objection F: The carriers and company unions object that the national organizations have the "special privilege" of "naming" the labor members of the national adjustment boards.

Answer F: The President of the United States will appoint all members of the national adjustment boards (sec. 3–B). No labor organization is mentioned anywhere in the bill. All "nationally organized crafts" have an equal right to offer two nominations for each position to be filled. This is a proper classification. It would be unreasonable to ask the President to consider the nominees of every local organization (of perhaps 50 or 500 men) for an appointment to represent perhaps 100,000 workers. But *any* national organization of employees whose work comes within a board's jurisdiction has the privilege of offering two nominations to the President. It is, of course, assumed that the President will desire to appoint bona fide representatives of the largest groups of employees interested. The regulation of how nominations shall be made and what organizations come within the spirit of the law can, and should, be left to the discretion of the President.

FOUR OBJECTIONS OF THE CARRIERS TO NATIONAL ADJUSTMENT BOARDS

Speaking for all the carriers, Mr. Holden listed four objections, which will be answered briefly.

Objection G 1: That national boards lose contact with local conditions.

Answer G 1: If the present law remains, all disputes will go to the Labor Board, which is a *national* board, having no contract with local conditions. This Labor Board has three public members who have no technical knowledge of railroad operation. The carrier and employee members will not be technically informed on a large proportion of the disputes they must consider. The proposed boards will be composed entirely of experts in the particular controversies which they will review. Being removed from the local atmosphere of prejudice they will be able to interpret contracts in the impartial light of good railroad practice.

Objection G 2: That national boards will standardize conditions.

Answer G 2: These boards will only standardize *interpretations* of agreements; that is, they will only standardize the law of railway labor contracts, which is obviously desirable. They will have no power to make or change rules, whereas the present Labor Board, having power to decide disputes over the making of rules, will continue its demonstrated tendency toward standardizing rules.

Objection G 3: That national boards will offer an invitation to appeal and so prevent settlements in conference.

Answer G 3: The present Labor Board, having the three nonexpert members, encourages appeals of poor cases. A disputant with a poor case will be far less inclined to appeal to an expert board, which would give him short shrift.

Objection G 4: That these boards involve unnecessary expense in maintaining and attending upon them.

Answer G 4: The expense of maintaining these boards will be far less per case than that of the Labor Board, because they will not sit as judicial bodies and require a staff of stenographers, clerks, examiners, and investigators. Their procedure will be simple and inexpensive and the cost to disputants will be infinitely less than the present excessive cost of producing evidence and making a record to educate the lay members of the Labor Board. These assertions are amply proved by experience with adjustment boards and with the present Labor Board.

V. THE CLAIM THAT THIS IS "NEW AND PARTISAN LEGISLATION"

Objection H: The carriers claim that the proponents of this bill are seeking new and partisan legislation.

Answer H: Ninety per cent of the Howell-Barkley bill is merely a rewriting of previous acts of Congress. It is a codification of tried and successful legislation. The duties imposed and conferences required are taken from the present transportation act. The provisions for mediation, conciliation, and arbitrations are simply revisions of the Erdman and Newlands Acts that have been the law since 1898. Under these acts peace was preserved on the railroads for 20 years. From 1913 to 1919, under the Newlands Act, which only covered train-service men, 148 major disputes were adjusted, affecting 586 roads and 620,810 men, without a single strike resulting.

The adjustment board provisions in this bill were in effect and operated with remarkable success (as previously shown) during two years of Federal control. Similar boards, established by the train-service men, by agreement with certain roads, have operated with uniform success since Federal control. Similar boards have been in completely successful operation for years in Canada.

In the conference between the Senate and House on the Esch-Cummins bills in 1920 the conferees agreed to provide for three national boards of adjustment (comparable to the proposed boards 1, 2, and 3), the labor members of which were to be appointed *directly by* the chief executives of the national labor organizations that are supporting the present bill. At the last moment, at the suggestion of Mr. Hines, the director general, but previously and now a railroad official, this provision was stricken out and the boards were left to be created by agreement.

Mr. Hines evidently assumed that the railway executives would continue voluntarily these boards, which he declared to have been "eminently satisfactory." The good faith of his suggestion is not questioned, but it was misplaced faith and did incalculable injury to the employees and the public.

The fact remains clear that Congress was on the verge of establishing in 1920 national boards of adjustment whose labor members would be *directly named by* certain designated national labor organizations. Yet in 1924 when *these same organizations* seek merely the privilege, in common with any other nationally organized crafts, of offering nominations to the President they are accused of advocating "new and partisan legislation."

MINOR OBJECTIONS

The carriers and other witnesses have offered some minor objections to the bill which need receive little attention. A sincere objector who has any constructive purpose should be able to present such objections in the form of proposed amendments. But since no such amendments have been offered such objections can be properly regarded as simply efforts to discredit the constructive work of those who are seeking the enactment of a just law. One example of these minor objections will suffice:

Objection I. One carrier witness (Mr. Walber) objected to the provision (section 1, (7)) adopting the Interstate Commerce Commission's classification as a "legal classification" of railway employments and prohibiting changes without approval of the commission, on the fanciful ground that it interfered with managerial freedom of action.

Answer I. If some fixed occupational classification is not established, a railroad management is able merely by changing an employee's title to make the claim that he can no longer be represented by his craft organization. This method of depriving an employee of the right to the representation he desires has been repeatedly used by certain railroads to evade the provisions of the present law. That is the purpose and necessity for providing that the Interstate Commerce Commission classifications shall furnish an official description of a railroad employment "*for the purposes of this act.*"

SHORT-LINE RAILROADS

Objection J: Representatives of short-line railroads objected that the proposed bill would increase their expense of operation and made a pathetic plea against burdening their semibankrupt roads any further.

Answer J: To carry grievance disputes or wages and rules disputes to the present Labor Board costs far more than it will cost to take unsettled grievance disputes to the proposed adjustment boards or to invoke the services of the proposed board of mediation and conciliation in disputes over wages and rules. The short-line objections were simply assertions contrary to facts.

The records of previous Federal mediation and of the Labor Board show clearly that some machinery must be provided to insure adjustment of the many disputes which have threatened to interrupt service on these lines. The proposed machinery is less expensive for all parties than the present machinery and the short lines offered no evidence to prove the contrary; relying simply on unsupported assertions. As has repeatedly happened when legislation has been proposed, the short lines came forward with a plea of poverty to excite sympathy in order to pull chestnuts out of the fire for the class I railroads.

EXPENSE

Objection K: Some objections have been made, though not very vigorously, to the expense entailed by enactment of the proposed law.

Answer K: The appropriations for the Labor Board have been between $400,000 and $350,000 annually. This has been the *direct* cost to the Government of this unhappy experiment. In addition the Government paid, in 1922, over $2,000,000 for expenses of the Department of Justice in connection with one strike alone—the shopmen's strike. This strike cost the public hundreds of millions of dollars. It cost the railroads in "out-of-pocket" expense *alone* over $100,000,000. It was brought about largely through the ineffectiveness of the Labor Board, which instead of functioning as a body of public mediators attempted arbitrarily to force drastic changes in wages and working conditions. Thereby the board appeared to the employees as merely an instrument of certain railroad managements in bringing about what Federal Judge Anderson described as a "provoked strike" as a means for smashing the labor organizations. The cost of maintaining such a tribunal was Government money thrown away. If a real board of mediation had been available it is the firm belief of the proponents of the present bill that that costly strike would have never occurred.

To make effective even the machinery of the present transportation act it is generally admitted that boards of adjustment must be established. The least possible number would be the four provided in the present bill. Therefore this additional expense over the Labor Board expense is inevitable.

The board of mediation and conciliation which will be substituted for the present Labor Board will cost less than $100,000 per year—thus between $250,000 and $300,000 will be saved over the cost of the present Labor Board by establishing the proposed tribunal of proved success for the present tribunal of proved failure.

The national boards of adjustment should be *Government tribunals*, in order (1) that their authority may be clearly established and (2) that they may not be abolished at the will of either party, which would be always possible if they were privately supported. It is doubtful whether Congress could constitutionally *compel* the railroads and their employees to maintain a prescribed machinery at their own expense. Therefore the money saved in abolishing the Labor Board should be expended upon the maintenance of these boards, for which $400,000 annually should be sufficient. Thus by an annual expenditure of approximately $100,000 more than at present the Government can provide a well-tested and proven machinery for settlement of labor problems in the transportation industry—an investment of public funds that will return 100 times the investment annually to the entire American people whose comfort and prosperity depends upon transportation service.

It is hardly believable that advocates of false "economy" can persuade Congress that an additional expenditure of $100,000 per year to insure just treatment of 2,000,000 workers and the resulting continuous reliable operation of the railroads is unjustifiable.

Congress appropriates $5,000,000 annually for the Interstate Commerce Commission—and the value and necessity of its labors would

warrant a larger amount. This expenditure is all for the purpose of requiring railroad managements to furnish adequate service at reasonable rates and without discrimination. But, as the late President A. H. Smith, of the New York Central, stated, "95 per cent of this railroading is human; the other 5 per cent is merely coal and steel, and it is not worth anything if you do not get good men with it."

One-tenth of the amount appropriated for the Interstate Commerce Commission is surely not a large sum to expend upon a machinery to insure the fair treatment of human beings who perform "95 per cent of this railroading."

It has been found necessary to establish a public machinery to compel the railroads to treat the public fairly in furnishing service and in making charges. Likewise it has been found to be necessary to establish a public machinery to compel the railroads to treat their employees fairly in fixing working conditions and rates of pay. This proposed machinery is required for the public interest as urgently as the machinery of rates and service regulation. It is opposed by selfish private interests in the railroads, just as they have always opposed every exercise of public authority to protect public interests. It is sponsored by the genuine representatives of "the overwhelming majority of the railroad employees and subordinate officials, stated by those who are in a position to speak with confidence and authority to be more than 90 per cent." (Interstate Commerce Commission Report in Ex parte 72.)

The organized railway employees bring forward a tried and successful program for industrial cooperation with the encouragement and support of governmental authority. It is submitted as the most effective measure ever presented to Congress to eliminate strikes from the American railroads. It will be absolutely effective if railroad managements cooperate, particularly because the employees will be pledged to the public and to each other to prove that their constructive program to solve labor problems in the transportation industry is in truth a program of peace.

The SPEAKER. The gentleman from Illinois [Mr. DENISON] is recognized to address the House for 15 minutes.

The SPEAKER. The gentleman from Illinois [Mr. DENISON] is recognized to address the House for 15 minutes.

Mr. DENISON. Mr. Speaker and gentlemen of the House, different ones among us approach this subject from different points of view. It happens that I see my duty from just a little different viewpoint from that of all those who have addressed you on the subject to-day. Perhaps that is the best excuse I can offer for asking to take up a few minutes of your time just now.

Mr. Speaker, I am representing here what may be properly called one of the largest labor districts in the country. My constituency contains about 50,000 bituminous coal miners and several thousand railroad workmen, as well as many other thousands of organized laborers. With very few exceptions these men are all American citizens, loyal, patriotic, striving against hard economic conditions and aspiring to own their own homes, educate their families, and improve their conditions in life.

I am interested in their welfare. It is my duty to represent them in this Chamber. I have been their consistent friend during my entire service in Congress, and I intend to remain their friend and support all legislation that will fairly benefit them and improve their conditions and that will not be injurious to others who may be affected thereby. If I could not do this conscientiously and willingly, I would no longer ask to be here to represent them.

For the past six years I have been a member of your Committee on Interstate and Foreign Commerce. That committee, I believe, is the most important strictly legislative committee of this body. Its chairman and its members are men of splendid ability and without exception devoted to the duties and traditions of the committee. In the performance of their duties no committee of the House would have worked more assiduously or more fairly to those whose interests are committed to them and with less partisanship than has the Committee on Interstate and Foreign Commerce.

I owe it both to the people I represent, whose support I must have if I remain here, as well as to the members of my committee and of the House, without whose good opinion and respect service here would be to me of little value, to state briefly my position with reference to the pending proceedings connected with the consideration of the so-called Barkley bill, or railway labor bill.

This bill as introduced on February 28 last.

On March 26 Mr. BARKLEY asked the committee for hearings. Between those dates the committee had held hearings on the Cooper bill to provide for additional boiler inspectors for the railroads, a bill in which the railroad men of the country were very deeply interested. Hearings were also held on other important bills, including the Hoch bill to provide for a general survey of freight rates of the country. I was in favor of the consideration of each of these bills. There were pending before our committee a great number of bills known as the truth in fabric or misbranding bills. Many of these bills had been before Congress for a great many years. Some had been pending before our committee ever since I have been a member, and I know not how long before. We had been urged by the farmers of the country, and by many others interested in them, to have hearings and give the bills consideration. And I may say in that connection that the motion to discharge might well have been filed, and, I have no doubt, would have been filed to discharge our committee from consideration of those bills if we had longer delayed hearings on them and had begun consideration of the Barkley bill.

On March 26 the committee decided to hold hearings on the truth in fabric and misbranding bills. I was not present when this decision of the committee was taken. I left for my home in Illinois that day and did not participate in the proceedings which resulted in the decision to hold hearings on those bills. Had I been present I would have voted to hold hearings on the Barkley bill.

On April 15 the gentleman from Kentucky [Mr. BARKLEY] addressed the House, discussing ably and at some length the provisions of his bill, and in the course of his remarks announced that he would that day file a motion to discharge the Committee on Interstate and Foreign Commerce from further consideration of the railway labor bill. He took occasion to criticize the committee for failing to hold hearings on his bill, and in substance charged the committee with ignoring it and refusing to give it consideration. His criticism of the committee was, I think, unfair to the committee and wholly without justification, and has, I regret to say, placed the committee in a position before the House which the records and facts, if they were fully known, would not sustain. The committee took no action indicating any desire or intention to ignore the gentleman from Kentucky or the bill he had filed. There was no disposition shown, so far as I could discover, to refuse prompt hearings and consideration of that bill. There was no unusual delay in view of other important business pending before it, and such delay as there was, was due wholly, I think, to a desire on the part of the committee to give hearings on other bills that were of great importance and that had been pending before the committee not only for months but for years.

I regret that the management of this proposed legislation has been allowed to assume a political aspect. There is not the slightest justification for making such legislation a partisan matter. Legislation affecting the interests and the welfare of those employed on the railroads of the country is too vital to them and of too great importance to the country to be considered and determined from a political or a partisan point of view. And yet somebody is responsible for allowing or causing this bill to be treated as a political matter.

The gentleman from Kentucky [Mr. BARKLEY] has chosen to proceed under the new discharge rule adopted by the House early in this session and on next Monday will ask the House to discharge the committee from further consideration of the bill and to consider it in the House without hearings.

This new discharge rule is the one exclusively political rule among all those we now have that govern the proceedings in this Chamber. It was conceived and proposed for political purposes. It was adopted by an unnatural political combination of the Democratic and progressive or radical parties in the House. It will enable a minority party to begin proceedings to discharge committees from the consideration of important legislation and will authorize a combination of minority parties to take from the majority party the control of and responsibility for legislation which it ought to control and for which it ought to be responsible. It is subversive of orderly parliamentary procedure. It is revolutionary, in that it tends to and in my judgment will ultimately overthrow the committee system for considering legislation that has for more than a hundred years been recognized as a fundamental part of our legislative procedure. It will deprive the people of the right to be heard on legislation that will affect their interests and will result in the enactment of unsound, unfair, and inadequately considered legislation. I voted against the adoption of this rule, and I venture the prediction that sooner or later it will have to be modified or repealed.

Now, when those who prepared and drafted the Barkley bill were ready for its introduction they chose to make use of the two political minorities who were responsible for the adoption of the discharge rule. They asked Mr. BARKLEY, a Democrat, and Senator HOWELL, a radical or so-called progressive, to introduce the bill in the House and the Senate. And the same

combination, with a few exceptions, signed the petition to discharge the committee. I wish that this had not been done. I regret that those who are responsible for the management of this bill have chosen to make a political matter of legislation which I think is meritorious. I wish that it might have occurred to them to at least consult some Republican who is responsible here for the control of legislation, with reference to the introduction of the bill and its course through what is supposed to be a Republican Congress and up to a Republican President for his approval. But instead of doing that, the Republicans in the House were ignored; and this bill was placed in the hands of the political combination of Democrats and so-called progressives; they signed the petition to discharge the committee and have been placed on the so-called "honor roll."

Gentlemen, does anyone in this Chamber seriously think that if this bill is jammed through Congress without a fair and reasonable hearing and without proper consideration, if the committee to which it is referred is flouted, and if the Republican leadership of the House and the Senate is wholly ignored; does anyone seriously believe that the President would approve it?

I want to submit that thought to the gentleman from Alabama [Mr. HUDDLESTON] particularly, because I believe that my sympathies and his are the same in these matters. We are both alike interested in the welfare of the workingmen who are employed on our railroads.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. DENISON. I will.

Mr. HUDDLESTON. Does not the gentleman think we can trust the President to approve it if it is a proper bill?

Mr. DENISON. I do.

Mr. HUDDLESTON. And if it is right for him to approve it, he will approve it?

Mr. DENISON. I think so.

Mr. HUDDLESTON. Irrespective of whether the committee would report it out or not?

Mr. DENISON. No; I do not think the President would countenance the passage of a bill of this importance through Congress in this manner and without giving those interested in it a chance to be heard.

Mr. HUDDLESTON. Does the gentleman think the President should veto a proper and right bill merely because a committee of the House did not report it out?

Mr. DENISON. The gentleman is assuming in his question that the President would find it was a proper and right bill, but I am saying this—that I do not believe the President would approve this method of passing a bill. I believe the President would think that a bill of this importance ought to be given careful consideration by the committee, after those who were both for and against it were allowed to be heard. Therefore, if the proceedings now begun are continued, I do not think he would give it his approval.

Mr. HUDDLESTON. Does not the gentleman think the House is competent to decide its own processes in passing legislation?

Mr. DENISON. I think I have explained my point, and I do not care to yield further.

Is it possible that there are those here or elsewhere who want this bill vetoed on the threshold of a national campaign with the hope of promoting the interests of some candidate for President, or possibly of injuring those of another? Should the interests of the hard-working railroad men of the country be made a political football? So far as I am concerned, I will not join in such a movement.

I do not think it is fair to the railroad workmen themselves who, of course, know nothing about our parliamentary procedure and who are themselves not directly responsible for the way the bill is handled, that it should have become tainted with partisanship. Railroad workmen have their own politics. They can not be delivered politically to any candidate or to any party. There are Members of this House who belong to both of the old political parties who are loyal to the best interests of the railroad men. We want to promote their welfare, but we must also maintain our loyalty to the political party with which we are affiliated. I am a Republican and I think the Republicans here can handle legislation for the railroad men just as well as the Democrats or Progressives can.

And so, Mr. Speaker, I regret that an attempt has been made in connection with this bill to put the Republicans here in the attitude of opposing it. It puts us in a false attitude because the railroad men of the country have no better friends than will be found among the Republicans of this House.

As to the merits of the Barkley bill, I want to say this: I was a member of the Committee on Interstate and Foreign Commerce when the transportation act of 1920 was under consideration. We held hearings on that important legislation which lasted from June until October, I believe. I voted against the Esch-Cummins bill because I did not approve some of its provisions. I stated in this Chamber that I did not approve the method provided for settling labor disputes. I did not believe that the Railroad Labor Board would prove satisfactory to the men or to the railroads.

My study of this question has convinced me that the most effective and most satisfactory method of adjusting differences and settling disputes with reference to grievances and wages and working conditions is to allow representatives of the men themselves and of the companies to get together and without obstruction or interference by outside parties counsel and consider and resolve their differences among themselves; and I have favored any legislation that would authorize and legalize some such method of disposing of disputes between the railroads and their employees.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. DENISON. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes more.

The SPEAKER. The gentleman from Illinois asks unanimous consent to proceed for 10 additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. DENISON. I have not had time to give careful study to all the provisions of the Barkley bill. It is long and more or less technical and is somewhat difficult to understand, but from what I know of it I approve in the main of the plan there proposed for settling railroad labor disputes. Therefore I want it understood that in the main I am in favor of the general plan for adjusting labor disputes that is proposed in the Barkley bill.

But it is a matter of such vital importance to the railroad laborers and the railroads themselves, it is a matter of such far-reaching importance to the entire country, that I do not believe it ought to be given merely superficial consideration. I think this bill should have been allowed to take the usual orderly course of procedure that is followed in the consideration of other important legislation.

We are not confronted by any impending emergency. The railroads and their employees are at peace. There is no impelling necessity for such precipitate haste as to make it necessary that this bill be passed without allowing anyone whose interests may be involved to appear before a committee and be heard. I think the House should carefully preserve the long-established policy of committee hearings on important legislation. The people whose interests are so vitally involved have no other effective way to petition Congress and make known their wishes and their views. Railroad men have nothing to conceal nor any reason to fear the fullest investigation of any legislation that is proposed for their benefit or relief. This legislation is too important to be considered on the floor of the House without some knowledge or information of the interests and the conditions about which we are to legislate.

There are various provisions in the Barkley bill that the Members of Congress can not understand unless they chance to be familiar with all of the delicate relations that exist between railroads and their employees and the difficult and far-reaching problems involved in a national transportation system. For instance, I have received in the last few days a number of petitions and letters from railroad men and organizations of railroad men in my district protesting against this bill and claiming they are not represented on the various adjustment boards provided for in the bill. They ask for the privilege to be heard. None of us can know how much this bill will cost the Government. A reasonable time for hearings would allow all parties interested in the legislation to be heard, estimates as to the amount it will cost the Government to be presented, and suggestions which might improve it or remove some objections to it could be offered, and the House would be enabled to consider it intelligently and in an orderly way.

I believe that if there could be hearings on this bill and if it could be carefully considered by the committee, and if perhaps objections that may be made to some of its provisions could be removed by amendment, the bill will be approved and passed by the House. But without hearings, without full information, and without careful consideration by both the committee and the House, I fear the best interests of the millions of railroad men in the country will not be considered on their merits and the bill will not pass.

I think it is unfortunate that this bill could not have been filed a year or more ago. The Railroad Labor Board has been

in existence four years. Congress could then have had ample time to consider it on its merits with no national presidential campaign imminent. I regret that it was not filed until near the 1st of March, when it was known that the committee calendars were crowded and Congress was trying to adjourn before the national conventions.

I understand that 18 months were required for the preparation and final drafting of the bill. And yet our committee was asked to consider it and dispose of it to the exclusion of all other business of the committee within a month or so after it was filed. I do not think this is quite fair to the committee or to the House or to the men whose interests are involved.

So, Mr. Speaker, while I approve of the general principles of the bill and intend to vote for it, I do not approve of the method adopted by the gentleman from Kentucky [Mr. BARKLEY] for forcing its consideration by the House without hearings and without time for its consideration by the committee to which it was referred. I do not approve of his criticism of the committee of which I am a member, nor will I by my vote become a party to the plan unfairly to put our committee in the false attitude of either obstructing or refusing to give prompt consideration to this bill. For these reasons I shall vote against discharging the committee, and I shall vote against the consideration of the bill until hearings are held. [Applause.]

Suppose the railroads, or their attorney, Mr. Thom, referred to by the gentleman from Alabama, had spent 18 months in preparing a bill for the adjustment of labor disputes from their point of view; that he had filed it and then tried to rush it through Congress without hearings, without giving the men an opportunity to be heard or the committee a chance to consider it. I am wondering how many would have walked up here to the Clerk's desk and signed a petition to discharge the committee from the consideration of such a bill. I wonder how many here would vote to take up such a bill on the floor of the House and try to put it through Congress without hearings or orderly consideration. I would vote against a bill of that kind and I would not vote to discharge the committee under such circumstances. I want to be fair with all and deal justly with both sides.

Mr. BLANTON. Will the gentleman yield for one question?

Mr. DENISON. Yes.

Mr. BLANTON. If this should be an improper bill, does the gentleman think it would be possible to frame it and amend it on the floor of the House under the rules?

Mr. DENISON. I do not concede it is an improper bill, in the first place. In the main, I think it is a good bill, but it is not possible to consider it properly on the floor of the House. Everyone familiar with our procedure here knows that. I think if a chance is given to have hearings on the bill and it is given intelligent consideration that in the main it will be found to be all right.

If the House will lay aside politics and follow the course of precedent, wisdom, and fairness, and send the bill back to the committee for further consideration, I will approve holding immediate hearings and giving the bill prompt consideration.

I appeal to the better judgment of my friends on the Democratic side of this Chamber, many of whom I know are really interested in securing the enactment of legislation that will provide a better method of settling disputes between the railroads and their employees. Let us not do or attempt to do anything here that will be futile. Let us not try to play politics with the railroad men. Let us try to pass a bill through the House that will pass the Senate and receive the President's approval. If this bill can be returned to the committee for hearings, I venture the assertion that it will be fairly considered, those whose interests are involved can be heard, the legislation will be more carefully considered, and the interests of the railroad men and of the country will be better promoted and we may then pass a law that the President will approve. [Applause.]

ADJUSTED COMPENSATION BILL

Mr. GREEN of Iowa. Mr. Speaker, I call up the conference report on H. R. 7959, the veterans' adjusted compensation bill.

The SPEAKER. The gentleman from Iowa calls up a conference report, which the Clerk will report.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that the statement be read instead of the report.

The SPEAKER. The gentleman from Iowa asks unanimous consent that the statement be read instead of the report. Is there objection? [After a pause.] The Chair hears none.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7959) to provide adjusted compensation for the veterans of the World War, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 7, 21, 34, 35, 36, 47, and 48.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 6, 8, 9, 9½, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 49, 51, 52, 53, 57, 58, 59, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 73, and 74, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by said amendment and on page 4, line 24, of the House bill strike out "or"; and on page 5, line 9, strike out the period, insert a semicolon and the word "or"; and on page 5, after line 9, insert the following paragraph: "Any individual who was discharged or otherwise released from the draft—for the period of service terminating with such discharge or release" and a period; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "March 1, 1925" and a comma; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment which, in addition to the language stricken out by the Senate amendment, strikes out, on page 17, line 13, of the House bill, the following: "either (1)"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "(as soon as practicable after receipt of an application in accordance with the provisions of section 604, but not before March 1, 1925)"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment which restores the language of the House bill except the words "upon him for support" appearing on page 21, in lines 4 and 5 of the House bill; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "(2) The widow or widower shall be presumed to have been dependent upon the veteran upon showing by them, respectively, the marital cohabitation; the father and mother, respectively, shall submit under oath a statement of the dependency, to be filed with the application" and a period; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: On page 7 of the Senate engrossed amendments, line 8, after "veteran" insert "on or"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: On page 8 of the Senate engrossed amendments, line 4, strike out the period, insert a comma and the following: "together with the facts of record in the department upon which such above conclusions are based" and a period; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "For the administration of the provisions of this act, the President may except from the operation of section 4c of the act entitled 'An act for making further and more effectual provision for the national defense, and for other purposes,' ap-

proved June 3, 1916, as amended, or of any act amendatory thereof or supplemental thereto, not more than seven officers of the Army" and a period; and the Senate agree to the same.

W. R. GREEN,
W. C. HAWLEY,
ALLEN T. TREADWAY,
JNO. N. GARNER,
Managers on the part of the House.

CHARLES CURTIS,
JAMES E. WATSON,
GEO. P. MCLEAN,
F. M. SIMMONS,
DAVID I. WALSH,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7959) to provide adjusted compensation for the veterans of the World War, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following amendments are clerical changes, and the House recedes: 9½, 11, 13, 18, 27, 29, 32, 40, 58, 67, 68, 69.

On amendment No. 1: This amendment excludes from the term "veteran" any individual who was discharged or otherwise released from the draft. The House bill contained no such provision; and the House recedes with a clarifying amendment and inserts the amendment at the proper place in the bill.

On amendment No. 2: This amendment provides that in the case of a member of the Porto Rico Regiment of Infantry, service in the Panama Canal Zone shall be considered as oversea service. The House bill contained no provision upon this subject; and the Senate recedes.

On amendments Nos. 3, 4, 5, and 6: The House bill provided that in computing the adjusted service credit no allowance shall be made to a cadet of the Coast Guard, a Philippine Scout, a member of the Porto Rico Regiment of Infantry, and a female yeoman of the Navy or the Marine Corps, respectively. Amendment No. 3 extends the House provisions to a cadet engineer of the Coast Guard; amendments Nos. 4, 5, and 6 strike out the House provisions in the case of a Philippine Scout, a member of the Porto Rico Regiment of Infantry, and a female yeoman of the Navy or Marine Corps, respectively. The House recedes on amendments Nos. 3, 5, and 6, and the Senate recedes on amendment No. 4. The result of this action is to give the benefits of the act to members of the Porto Rico Regiment of Infantry and female yeoman, and to exclude cadet engineers of the Coast Guard and Philippine Scouts.

On amendment No. 7: The House bill provided that in computing the adjusted-service credit no allowance shall be made to any member of the Public Health Service—for any period during which he was not detailed for duty with the Army and Navy. The Senate amendment excluded any member of the Public Health Service, irrespective of whether he was detailed for duty with the Army or Navy; and the Senate recedes.

On amendment No. 8: This amendment is a change in a subheading; and the House recedes.

On amendment No. 9: This amendment strikes out surplus language of the House bill and inserts "(hereinafter referred to as the 'director')" where the first reference is made to the Director of the United States Veterans' Bureau; and the House recedes.

On amendment No. 10: This amendment strikes out surplus language; and the House recedes.

On amendment No. 12: This amendment requires the Secretary of War or the Secretary of the Navy to transmit the facts of record in his department upon which his conclusions in respect of the application of a veteran are based. The House bill contained no such provision; and the House recedes.

On amendments Nos. 14, 15, 16, 17, and 19: The House bill provided three agencies, namely, the Secretary of War, the Secretary of the Navy, and the Director of the United States Veterans' Bureau, to administer the act and pay the benefits provided in the bill. The Senate amendments to the bill make the Director of the United States Veterans' Bureau the agency through whom the benefits are to be paid, and confine, as far as possible, the general administration of the act to the director. The foregoing amendments relating to publicity are necessary in carrying out this policy; and the House recedes.

On amendment No. 20: The House bill provided for publicity to inform veterans of their rights under the act. The Senate amendment extends this publicity to dependents; and the House recedes.

On amendment No. 21: The House bill provided that the findings of the Secretary of War and the Secretary of the Navy as to the number of days of service in the military and naval forces of the veteran shall not be subject to review by the General Accounting Office. The Senate amendment strikes this provision from the bill; and the Senate recedes.

On amendments Nos. 22, 25, 28, 30, 31, 59, 60, 64, and 65: These amendments conform with the action of the conferees as explained in amendment No. 14; and the House recedes.

On amendments Nos. 23 and 66: The House bill exempted from attachment and taxation sums payable to veterans and to dependents of veterans under sections 308 and 607, respectively. The Senate amendments combine these provisions; and the House recedes.

On amendments Nos. 24 and 63: The House bill provided penalties for the collection of unlawful fees from veterans under section 309 and similar penalties in the case of dependents under section 605. The Senate amendments combine these provisions; and the House recedes.

On amendment No. 26: The House bill provided that payment, in the case of those entitled to cash, should be made as soon as practicable, but not before the expiration of nine months after the enactment of the act. The Senate amendment makes July 1, 1925, the date upon which such payments should begin; and the House recedes with an amendment changing the date to March 1, 1925.

On amendment No. 33: This amendment eliminates fractional parts of a dollar from the face value of the adjusted service certificate; and the House recedes.

On amendments Nos. 34, 35, and 36: The House bill provided that the adjusted service certificates shall be dated on the first day of the month in which the application is filed, but in no case before January 1, 1925. The Senate amendments made the date July 1, 1925; and the Senate recedes on these amendments.

On amendments Nos. 37 and 41: The House bill provided that the rate of interest charged upon a loan by the bank shall not exceed by more than 2 per cent the rate charged at the date of the loan for the discount of commercial paper, under section 13 of the Federal reserve act by the Federal reserve bank for the Federal reserve district in which the bank is located. The Senate amendment, for the purpose of definiteness, provides that the rate for 90-day commercial paper is the one to be followed in reckoning the interest rate; and the House recedes on both amendments.

On amendment No. 38: The House bill provided that upon the indorsement of any bank and subject to regulations to be prescribed by the Federal Reserve Board, any such note secured by a certificate and held by a bank shall be eligible for discount or rediscount by the Federal reserve bank for the Federal reserve district in which the bank is located. The Senate amendment provides that the indorsement shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively; and the House recedes.

On amendment No. 39: This amendment makes a clerical change for purposes of clarity; and the House recedes.

On amendment No. 42: The House bill provided that any such note secured by a certificate may be offered as collateral security for the issuance of Federal reserve notes under the provisions of section 16 of the Federal reserve act. The Senate amendment strikes out this provision; and the House recedes.

On amendment No. 43: The House bill authorized the Federal Reserve Board to permit a Federal reserve bank to rediscount, for any other Federal reserve bank, notes secured by a certificate. The Senate amendment broadens this provision so as to require member banks to rediscount the notes on the affirmative vote of at least five members of the Federal Reserve Board; and the House recedes.

On amendments Nos. 44, 45, and 46: These amendments are clerical changes for the purpose of clarity; and the House recedes.

On amendments Nos. 47 and 48: Subdivision (c) of section 502 of the House bill provided that the notes of the veteran during the time they are held by the director shall pay interest at the rate of 6 per cent, compounded annually, in order to insure the redemption of the notes upon maturity. Subdivision (d) made provision for the redemption of the notes in the event of the death or failure of the veteran to redeem same before the certificate matures, applying the same rule in respect of interest. The Senate amendments strike out the compound-interest requirement; and the Senate recedes on both amendments.

On amendment No. 49: This amendment is a clerical change for the purpose of clarity; and the House recedes.

On amendment No. 50: The House bill provided that the loan basis of any certificate shall be an amount which is not in excess of either (1) 90 per cent of the reserve value of the certificate on the last day of the current certificate year, or (2) 60 per cent of the face value of the certificate. The Senate amendment strikes out the 60 per cent limitation; and the House recedes with an amendment making a clerical change.

On amendment No. 51: This amendment is a clerical change for the purpose of clarity; and the House recedes.

On amendment No. 52: This amendment inserts a subheading; and the House recedes.

On amendment No. 53: The House bill provided that if the United States has not made or is not obligated to make any payments to any person on account of the death of a veteran (either as compensation under the war risk insurance act, or as insurance under such act), the dependents of the veterans should be entitled to the benefits of the bill. The Senate amendment removes this limitation; and the House recedes.

On amendment No. 54: The House bill provided for the payment of the adjusted service credit to the dependent of a veteran in the event of his death in an order or preference named in the bill without stating the time for payment. The Senate amendment provides that payment shall be made as soon as practicable after receipt of an application, but not before the expiration of nine months after the enactment of this act; and the House recedes with an amendment providing that payment shall not be made before March 1, 1925.

On amendment No. 55: The House bill provided that no payment shall be made to any individual under Title VI unless at the time of the death of the veteran such individual was dependent upon him for support. The Senate amendment struck out this provision; and the House recedes with an amendment reinstating the language of the House bill with the exception of the words "upon him for support."

On amendment No. 56: The House bill provided that the widow, widower, father, or mother of the veteran shall be presumed to have been dependent upon him at the time of his death upon filing an affidavit to that effect with the application. The Senate amendment presumed dependency in the case of a widow or widower upon showing marital cohabitation, and required the father or mother to submit a statement under oath of the facts of the dependency, together with the affidavit of one or more disinterested persons having knowledge thereof. The House recedes with an amendment which presumes the father or mother to be dependent upon submitting a statement under oath with the application.

On amendment No. 57: This amendment inserts a subheading; and the House recedes.

On amendment No. 61: The House bill provided that an application by the dependent shall be made on or before January 1, 1928, and if not made on or before such date shall be held void. The Senate amendment broadens this provision so as to allow the dependent six months to file application after the death of the veteran if he had failed to make application six months prior to the date fixed; and the House recedes with an amendment making a clerical change.

On amendment No. 62: The House bill provided for the transmittal of the application from the Secretary of War or the Secretary of the Navy to the director in the case of a veteran, but made no such provision in the case of a dependent. The Senate amendment inserts a new section to take care of the dependent; and the House recedes with an amendment adding additional language to make the provisions uniform in each case.

On amendments Nos. 70 and 71: The House bill provided that, with the exception of such special experts may be found necessary for the conduct of the work, the appointments made under this act shall be subject to the civil service laws, but for the purposes of carrying out the provisions of section 305 such appointments may be made without regard to such laws, until the services of persons duly qualified under such laws are available. The Senate amendments confine the appointments to those entitled under the civil service laws; and the House recedes.

Amendment No. 72: The Senate amendment provides that the Senate may except not more than seven officers of the Army from the provisions of the national defense act, as amended, with reference to detail with troops, for the purpose of carrying out the administrative provisions of this act; and the House recedes with an amendment making a clerical change.

On amendments 73 and 74: These amendments strike out surplus language; and the House recedes.

W. R. GREEN,
W. C. HAWLEY,
JNO. N. GARNER,
ALLEN T. TREADWAY,
Managers on the part of the House.

Mr. GREEN of Iowa. Mr. Speaker, I notice a misprint in the statement with reference to the very last amendment, No. 72. It states that—

> The Senate amendment provides that the Senate may except not more than seven officers of the Army from the provisions of the national defense act—

And so forth.

That is giving more credit to the Senate than should be given. It should be "President" instead of "Senate." It is correctly printed in the bill.

Mr. McKENZIE. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. McKENZIE. I desire to call attention to amendment No. 6 on page 4 of the bill. The House bill provided that "Indian scout, female yeomen of the Navy, or female marine of the Marine Corps" should be excluded from the benefits of this law. I desire to ask the chairman of the conference committee whether the force of the Senate amendment is that these particular yeomenettes shall be included in the bonus.

Mr. GREEN of Iowa. Yes; that is the effect of the amendment. The reason why my colleagues on the conference were persuaded to agree to that was because, under the provisions of the bill as agreed to by both Houses, which we could not change, there were yeomen of the Navy in exactly the same situation as these women who would receive the benefits of the bonus.

Mr. McKENZIE. Will the gentleman yield me two minutes?

Mr. GREEN of Iowa. Later on; yes.

Mr. McKENZIE. Right on this point.

Mr. GREEN of Iowa. Right now?

Mr. McKENZIE. Yes; while we are discussing this matter.

Mr. BLANTON. Will the gentleman from Iowa yield for a question before the gentleman from Illinois commences his discussion?

Mr. GREEN of Iowa. I will yield to the gentleman from Illinois later.

Mr. BLANTON. Will the gentleman yield to me?

Mr. GREEN of Iowa. Yes.

Mr. BLANTON. The gentleman spoke of not wanting to give too much credit to another body. I notice 74 amendments by another body, and yet the gentlemen whom we sent to conference receded as to 57 amendments.

Mr. GREEN of Iowa. It is quite true we receded on the greater number of amendments, but it is also true that the Senate receded on the really important amendments.

Mr. GARNER of Texas. Out of 57 amendments there are 47 clerical amendments.

Mr. GREEN of Iowa. Yes; that is true; they are simply slight changes in the wording, the combination of sections, the insertion of new headings, or something of that kind, which amounts to nothing whatever.

Mr. BLANTON. I was not criticizing the gentleman, because I was in a conference not long ago where we had to recede on 67 amendments in order to get an agreement.

Mr. CHINDBLOM. Will the gentleman from Iowa yield?

Mr. GREEN of Iowa. I will yield to the gentleman from Illinois.

Mr. CHINDBLOM. It is a fact, is it not, that a large number of these clerical amendments, as to which the House receded, were due to the change made by the Senate placing the administration of this measure more in the hands of the Director of the Veterans' Bureau than in the officers of the Army and Navy?

Mr. GREEN of Iowa. The gentleman is quite right as to that. I trust I will not infringe on the rules of the House or cause any astonishment or heart failure on the part of any of the Members when I say that when the Senate inserted the provision which put all of the administration of this act under the Veterans' Bureau the conferees on the part of the House, upon examining it, at once came to the conclusion that it was really a good amendment, and agreed to it.

Mr. WINGO. I notice on page 6 of the statement just read, amendment 43, you state that the Senate amendment broadens this provision so as to require member banks to rediscount the

notes on the affirmative vote of at least five members of the Federal Reserve Board; that is an error, is it not?

Mr. GREEN of Iowa. An error in what way? The original provision as carried in the House bill simply provided that these notes might be discounted. The Senate inserted a provision, to which we agreed, which authorized on the affirmative vote of at least five members of the Federal Board that the bank be directed to rediscount them.

Mr. WINGO. The gentleman does not catch the point. The statement is that the Federal Reserve Board can control a member bank, when you mean a Federal reserve bank. Your statement is in error, but your bill is all right.

Mr. GREEN of Iowa. I think the gentleman, speaking technically, is correct.

Mr. WINGO. No; I did not want that impression to go out, because we have proposals asking us to permit the Federal reserve bank to require a member bank—that is, the initial bank down in the home town—to make a loan; and, of course, I know the gentleman would not want to say that you can make a bank in his home town, through a bureau here in Washington, pass on whether or not they should make such a loan. Clearly, it should be the Federal reserve bank.

Mr. HAWLEY. That is the language in the act.

Mr. WINGO. As I understand, the conferees have agreed also on a proposition which will prevent a loan, which has one of these certificates as security, ever being the basis of a Federal reserve note issue.

Mr. GREEN of Iowa. The gentleman is correct. That is one of the Senate amendments to which the conferees have agreed.

Mr. WINGO. So there can be nothing to the cry that the provisions will mean a possible inflation of the Federal reserve note issue based upon a nonliquid asset.

Mr. GREEN of Iowa. The gentleman is correct. The House conferees considered, as a practical matter, owing to the abundance of funds on hand, that that provision was not needed at all, and there were objections to it as a matter of financial policy.

Mr. WINGO. If the gentleman will permit, those who make the demagogic statement that we are discriminating against this class of paper are either ignorant or not acquainted with the facts. The truth of the business is there is a great deal of paper that is just as prime as this that it was never contemplated should be the basis of a note issue, and it will not be necessary to have that privilege for this class of notes in order for the soldier boys to get every privilege intended under the law, because a member bank that has this note of the soldier, if it finds it needs additional funds, certainly has plenty of prime commercial paper that is a liquid asset that it can take up and rediscount and get Federal reserve notes, even for the purpose of making loans to the soldiers. So there is no necessity for the full benefit of this act to give to this class of paper a note issue basis.

Mr. GREEN of Iowa. That is the view that the House conferees took of the matter.

There are just three important amendments, or perhaps only two, of very great importance. One amendment I might mention, however, that the Senate made to which the House agreed, provided that the dependents of soldiers who were killed in the war should receive the benefits of the bill. On that the House receded. It will to a considerable extent increase the amount of cash payments; that is, the payments in 10 quarterly divisions.

The other two amendments which are important are as follows: The first related to the time in which the act should go into effect. The Senate bill provided that the cash payments should not be made until July 1 of next year, 1925, and also that the certificates should not be issued until that time. The Senate conferees receded on that point and the date of the cash payment is now fixed at March 1, which is believed to be as soon as the officers can get ready to make them, and the date when the certificates shall be issued is January 1. The point is to have this matter finally settled in the bill.

The other important matter related to the allowance of compound interest upon the notes of the veterans that were taken up by the Veterans' Bureau after being held by the bank six months. The conferees of the House believed this to be a very important provision in order that these notes might be a proper investment for the sinking fund, and also as the veterans were allowed compound interest in computing the amount of insurance it was thought proper that compound interest should be allowed the Government on these notes, and the Senate receded on that.

There was one other amendment we had a little difficulty about, and that was as to whether the accounting office should have the right to review the decisions of the Secretary of War and the Secretary of the Navy as to the amount and extent of the service of the veterans, and, consequently, determine the amount of the insurance policy or the amount of the cash payment, as the case might be. The House bill originally carried a provision that this decision of the Secretary of War or the Secretary of the Navy was not subject to review by the accounting office. The Senate struck that out, and we were not able to agree upon it on the first day. Afterwards the clerk of the committee called my attention to the fact that the provisions in the House bill were copied from the former bill; that it had not been in the former bill when it was first passed by the House, but was put in at the insistence of the Senate conferees. In other words, the Senate was now insisting on a matter when heretofore they had insisted exactly to the contrary. When that was discovered we did not have very much difficulty in agreeing on that point.

Mr. STEPHENS. How did you agree?

Mr. GREEN of Iowa. The Senate receded.

Mr. GRAHAM of Illinois. I observe in the conference report that the female yeomen are now given the benefit of this act. Also, on page 22 of the bill, amendment 56, it seems that a rule applicable to them is introduced providing that the widower of such a female yeoman entitled to the benefit under this act would be presumed to have been a dependent. Is that what the committee has decided?

Mr. GREEN of Iowa. That was a provision in the Senate bill which we regarded of no importance, as we are not aware that there are any in such position. This would apply only, if the gentleman will remember, to such of the female yeomen as died during the war. They were not on the battle field and not in any place of very great danger.

Mr. GRAHAM of Illinois. Then why put in the provision for the widower?

Mr. GREEN of Iowa. That is a general provision, and relates to all dependents. It was necessary in the original House bill.

Mr. GRAHAM of Illinois. What other females were there?

Mr. GREEN of Iowa. Army nurses and others.

Mr. GRAHAM of Illinois. The committee agreed to establish the principle that the husband should be deemed their dependent. That is surely equalizing rights.

Mr. GARNER of Texas. In the first place, the yeomanettes ought never to have been in here. The gentleman knows that the field clerks get more money, and when we came to argue it we had to yield——

Mr. GRAHAM of Illinois. Can the gentleman state how much this is going to cost?

Mr. GARNER of Texas. A small sum. Does the gentleman regard this as a debt owed by the Government, or is it a gratuity?

Mr. GRAHAM of Illinois. I do not believe I care to go on record as to that. [Laughter.]

Mr. GARNER of Texas. If it is a debt, the widower is as much entitled to it as the beneficiary.

Mr. GRAHAM of Illinois. I do not like to establish the principle that a man is wholly dependent on a woman.

Mr. GREEN of Iowa. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. McKENZIE].

Mr. McKENZIE. Mr. Speaker and gentlemen of the House, as one of the men in this House who has stood consistently from the beginning for granting adjusted compensation to the veterans of the World War, I rise to express my protest against amendment No. 6, put into the bill by the Senate and agreed to by the conferees on the part of the House. War has demonstrated that certain people benefit from it, while others make sacrifices. The soldiers of our country, in my judgment, made great sacrifices, and the sole purpose of this legislation is to recompense through adjusted compensation what the Government owed to these soldiers of our Army who sacrificed, while, on the other hand, the yeomanettes and the marinettes, with all due respect to their character, received more compensation as a general rule than they ever received in their lives before. Consequently they did not suffer in reduction of pay.

Mr. GREEN of Iowa. Mr. Speaker, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. GREEN of Iowa. We made further examination into that matter, and the reports from the War and the Navy De-

partments in many cases showed that they received less pay than they had received before.

Mr. McKENZIE. It may be that some of them did, but most of them received more pay than they ever received before, and in addition obtained allowances for their families living in Washington, Philadedphia, and elsewhere. I have tried to be consistent. I have opposed the payment of adjusted compensation to yeomanettes and marinettes from its inception. It is wrong to impose upon the taxpayers of this country the payment of the bonus to people who received more through the war than they ever received before, and I say here to-day that as an advocate of the bonus I can see only one purpose that this amendment can serve, and that is to give the President of the United States a just ground on which to veto the bill. I have hoped for this legislation. I have hoped that he would sign it, but the man who succeeded in getting this amendment into this bill has laid a foundation that is solid for the President to stand upon in exercising the veto power. When I think of the soldiers serving for $30 a month and think of these people getting from $900 up a year as yeomanettes here in Washington, receiving more in the first instance, Mr. Speaker, than many of the soldiers will receive when their compensation is adjusted, I feel that the term "adjusted compensation" means but little, and I must therefore conclude, that it is nothing more or less than a further scheme to hold up the people of this country in that one particular, when we are sincerely trying to do something for the soldiers of this country.

Mr. GREEN of Iowa. Mr. Speaker, I yield to the gentleman from Texas [Mr. GARNER].

Mr. GARNER of Texas. Mr. Speaker, let me say in reply to the gentleman from Illinois [Mr. McKENZIE], as I stated a moment ago, I do not think the yeomanettes ought to be in this bill; but there is a greater defense for putting the yeomanettes in than there was for putting the field clerks in, a good portion of whom came from the offices about this Capitol, and I think that is one reason why they are included in the bill. I do not believe you can defend the proposition of including within the provisions of this bill a young man who went to France and who did not have an opportunity to be killed. He got more money as a field clerk than he was getting here in Washington. The gentleman himself [Mr. McKENZIE] put the field clerks in this bill, and I think he is somewhat estopped from making the statement as to the hold-up which he claims to exist on account of including the yeomanettes.

I want to say one word about another amendment that is of more importance than all of the other amendments we have considered. The Senate struck out the provision in the House bill that interest at the rate of 6 per cent per annum, compounded annually, should be charged on notes given by a veteran to secure a loan made by a bank. The Senate receded from that amendment. If the amendment had remained in the bill, it would have cost us two or three hundred million dollars more for this legislation, in my judgment, because the soldier would have gotten his loan at the end of 3 years and carried it for 17 years, and by the time we got to the seventeenth year he would be paying about 2¾ per cent.

Mr. MORTON D. HULL. Mr. Speaker, I rise to ask a question of the gentleman from Iowa. There are to be included within the bill now dependents of those who were killed or who died of disease in the war?

Mr. GREEN of Iowa. Yes.

Mr. MORTON D. HULL. What will be the additional financial requirement to meet that item?

Mr. GREEN of Iowa. I can only make a guess as to the additional amount, and, in fact, nobody knows anything more than they could guess, because in the first place we have no idea what proportion of these men have dependents, but we do know, of course, that the most of them were not married. Probably not more than 20 per cent of them were married, and there would be only a small proportion who would have dependents. We can not tell how much service they had, and there is no way of figuring it at this time. There is nothing in the records of the department to tell how much service they had.

My guess would be it might take perhaps $30,000,000, which divided by 10——

Mr. GARNER of Texas. The better estimate would be one-fourth of 45, which would be from ten to fifteen million dollars.

Mr. GREEN of Iowa. Somewhere along there; it is nothing but a guess. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

CHILD-LABOR CONSTITUTIONAL AMENDMENT

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. The gentleman from Georgia asks unanimous consent to proceed for five minutes. Is there objection?

Mr. BEGG. Mr. Speaker, on what subject?

Mr. BRAND of Georgia. Well, it is not a political subject. It is an explanation of my vote on the child-labor amendment. I spoke to Mr. LONGWORTH in regard to it and he made no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. BRAND of Georgia. Mr. Speaker, in the first one of the Letters of Junius the author says:

> The ruin or prosperity of a State depends so much upon the administration of its government that, to be acquainted with the merit of a ministry, we need only observe the condition of the people. If we see them obedient to the laws, prosperous in their industry, united at home, and respected abroad, we may reasonably presume that their affairs are conducted by men of experience, ability, and virtue. If, on the contrary, we see a universal spirit of distrust and dissatisfaction, a rapid decay of trade, dissensions in all parts of the empire, we may pronounce without hesitation that the government of that country is weak, distracted, and corrupt.

The letter from which this excerpt is quoted was written 155 years ago, and yet it announces an axiom which was true then and is true now.

I am strongly against the pending resolution because I am firmly convinced if ratified into law it will create in my district and State—and I believe in all the agricultural States—a spirit of distrust and dissatisfaction; that it will disturb the peaceful relations, the happiness and well-being of the agricultural classes, and reduce to involuntary servitude the children of the working people and the poor people of both races and both sexes. [Applause.]

I am not against child-labor laws, but heartily in favor of State laws which have been enacted and which may hereafter be enacted having in view the welfare of children. Sincerely entertaining this view in regard to the protection of children against improper employment and service, and yet, being intensely opposed to this resolution, I feel it my duty in justice to myself and my constituents to explain the reasons why I am opposed to this resolution.

The Georgia law upon this subject is satisfactory to the people of my district and State. At least, I have never heard anything to the contrary. The Georgia law provides that no child under the age of 14 years shall be employed by or permitted to work in or about any mill, factory, laundry, manufacturing establishment, or place of amusement, except that children over 12 years of age who have widowed mothers dependent upon them for support or orphan children over 12 years of age dependent upon their own labor for support may work in factories and manufactories.

The Georgia law further provides that no child under 14 years and 6 months of age shall be permitted to work in or about any of the establishments mentioned between the hours of 7 p. m. and 6 a. m.

Statistics show that the Georgia law as to the prohibitive age is in consonance with practically all the States of the Union, 46 of the 48 having adopted laws regulating child labor, 42 of which puts the maximum age at 14, 5 at 15, and 1 at 16.

The pending resolution provides:

> The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

I concede to Members of Congress supporting this resolution and to all of the good women who have sponsored the movement good faith and honesty of conviction in their support of the proposition that Congress should be given the right to regulate, control, and prohibit the labor of children under 18 years of age, yet if Congress is thus empowered it remains for the

future to decree whether our children shall remain free or be reduced to servile employment.

I believe in the States controlling this question without interference on the part of the Federal Government. If a State desires to increase the age limit of children, this is its privilege and is no concern of Congress or the Federal Government. I resent this resolution because it is a deliberate attempt to impair the rights of the States. I am opposed to parents being forced to take orders from Washington and the Federal Government or being dictated to by Federal agents in regard to the services and custody of their minor children. I do not believe that there is a single family in my district whose parents would be willing to yield their rights to the control of their sons and daughters under 18 years of age to the Federal Government and its Federal agents.

Neither do I believe that the framers of the Constitution of the United States ever contemplated that the parents of this country, so far as the control of the labor of their children under 18 years of age is concerned, should ever be required to yield to Federal authority this God-given privilege or that this right of the people should ever be diminished, impaired, or controlled from Washington.

I am unalterably and eternally opposed to the enactment of any law which authorizes the Federal Government to send its agents and officers into the homes of the people when no law is being violated to dictate to the fathers and mothers of the Nation whether their children should work, when they should work, where and for whom they should work, and what character of work they should perform. This is none of the Government's business so long as the child-labor laws of the State are wise and just to minors and are being obeyed.

I have an intense fear for the liberty of the home, the freedom of its inmates, and the rights of the parents if this resolution becomes a part of the Constitution of this country. I am opposed to its adoption because it is against the spirit of the Constitution of this country; it destroys one of the fundamental rights of the States; it will work a hardship upon both races of our people, black and white alike; it substantially destroys the rights of the parents of the control of their children; it seriously impairs the rights and liberties of the children themselves; and because control of the children will be directed from a bureau in Washington by a Federal agency, hundreds of miles from the homes of the people, by persons who are rank strangers, and not only unsympathetic with the people but likely to be autocratic in the exercise of their power.

The children whose parents consent for them to receive the proceeds of their own labor will probably lose this privilege by the absorption of it on the part of the Federal Government. This proposition to control children under 18 applies not only to both the white and colored races but to both sexes, boys and girls alike, and implies loss of custody of their persons by the parents and assumption thereof by the Government, which, to my mind, is one of the vulnerable phases of this legislation.

It will create anxiety, mental anguish, and suffering on the part of the mothers and fathers of children.

I am afraid if enforced strictly, as it will likely be, the law will be disobeyed, conflicts between the citizens and Federal agents will ensue, and the Federal courts will be filled with indictments. It will upset the labor conditions in my State, and I believe in all the cotton-growing States, among the laboring people of both races. More than any other section of our country this legislation will more injuriously affect the agricultural sections of the South. It will substantially cripple, if not destroy, the labor conditions of my district and State by driving the boys of both races from the farms and the homes of the cotton growers.

It will likely bring about an era of idleness on the part of boys under 18 years of age of both races, particularly of the colored people; and if so, it may result in Congress having to establish a new bureau, which will carry with it the creation of thousands of new jobs and untold expenses to the taxpayer and to pass new laws carrying millions of appropriations annually to take care of the idle and unemployed.

Members of Congress supporting this resolution showed what was in their minds and how they felt toward the people of the agricultural sections when they voted down an amendment offered to confine the age limit to 16, and likewise did so when they voted down an amendment providing that Congress should pass no law controlling the labor of any minor in the home and on the farms of the parents or on the premises or farms where they reside.

I never did believe until I witnessed it that there would be a single Member of Congress to vote for a proposition to take away from the girls and boys of this country under the age of 18 years the right to work in their own homes for their own parents and in the places of business and the farms of their fathers, and yet this is exactly what happened. I shall never believe that any father of my district and State would ever consent to the exercise of such tyrannical authority. I do not believe there is a mother of my district or State who would look upon such a proposition with the slightest degree of patience and sympathy; but, on the contrary, would abhor such a suggestion. I can not for the life of me see how any Member of Congress, who has any compassion for the working people or pity for the poor, can get his consent to support such a monstrous proposition. [Applause.]

Thomas Paine, in his Rights of Man, speaking of the duty of man, says "the duty of man is not a wilderness of turnpike gates, through which he has to pass by ticket from one point to the other. It is plain and simple, and consists of but two points. His duty to God, which every man must feel; and with respect to his neighbor, to do as he would be done by." This is another way of expressing the immortal doctrine of the Golden Rule, first put forth on the plains of Palestine over 20 centuries ago. I hold that this doctrine applies to me as a Member of Congress as well as a man. This has been my creed during my whole public career. I have done my best to keep the faith. [Applause.]

REORGANIZATION OF FOREIGN SERVICE

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Rogers Diplomatic and Consular measure.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. LOZIER. Mr. Speaker, availing myself of leave granted to extend my remarks in the RECORD, I regret that I can not at this time consistently vote for the pending bill (H. R. 6357), which provides for a reorganization of our foreign consular and diplomatic service. I concede that such a reorganization as this bill proposes is needed, and under different circumstances would be entirely justified. But in governmental matters we can not always reorganize bureaus, commissions, and departments, even when such reorganization would promote greater efficiency, because we must always consider the cost of such reorganization and determine whether or not conditions justify us in incurring such additional expense. This measure increases the salary list at a time when the business affairs of the Nation are far from satisfactory. Existing economic conditions suggest strict economy and retrenchment in governmental expenses.

The committee reports that this bill will increase the cost of our Diplomatic and Consular Service $495,500. If the post allowances are abolished this amount will be reduced to $345,500, but in any event this bill, if enacted, will probably increase the annual expense of our foreign service approximately one-half million dollars. In prosperous times this increase might probably be justified, but in view of the nation-wide demand for reduction of taxation and economy in public expenses, it seems to me that this is not an opportune time to add a third or a half million dollars to the Budget of our national expense. By adopting this bill we add to the tax burden, postpone or limit tax reduction, and establish a salary basis that will never be reduced, but which will probably be increased from year to year.

Why not postpone this reorganization and increase of salaries until economic conditions have improved? Why not wait until the farmers get out of their present financial predicament? The reasons urged for the reorganization of our foreign service are persuasive but not entirely convincing. Conditions will not permit us to reorganize every department of our Government when such reorganization may be considered advisable. Under present conditions we must not enter upon a general salary-raising policy. Every department of our Government is clamoring for an increase in salary allowance. Every bureau or commission argues that it could function more efficiently if given more employees at higher salaries. There must be an end to this policy of multiplying the number of employees and increasing salaries.

Why not try to get along with our foreign service as now constituted until the country becomes prosperous and business conditions justify increasing the personnel and salaries in our Consular and Diplomatic Service? Moreover, unless this Government makes an earnest and aggressive effort to enlarge our world markets for our farm commodities, I see no occasion for spending any more money on our Consular Service than is now being expended for that purpose. We maintain this Consular Service, in theory at least, to supervise and extend

our markets and to aid our citizens in their commercial operations in foreign lands.

I have neglected no opportunity to bring this Congress to a realization of the importance of finding new markets for our farm products. We must enlarge and extend our markets for our farm commodities. The prosperity and economic well-being of our agricultural classes depend very largely upon our ability to introduce our agricultural products into new world markets. In the past our manufacturers have very largely benefited from the activities of our consular officers.

Too little attention has been given to agricultural commodities. From some quarters comes the suggestion that we should now abandon our export markets for some of our chief agricultural products. If this suicidal policy is to be adopted and forced on the farmers of this Nation, I see no reason why we should enlarge or improve our Consular Service. If the farm commodities are to be denied access to the world markets, and if our consular officers are to give their time primarily to promote the sale of manufactured commodities, then I shall oppose any reorganization of the service and all increases in the salaries of consular and diplomatic officers. But if the American consuls will spend as much of their time in creating new markets for our farm commodities as they spend in creating new markets for our manufactured products, then I will favor any reasonable plan of reorganization which will promote the efficiency of the service.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District of Columbia appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District of Columbia appropriation bill, with Mr. GRAHAM of Illinois in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District of Columbia appropriation bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CENTRAL GARAGE

For personal services in accordance with the classification act of 1923, $4,260.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. Why is it necessary to raise the municipal garage from $3,500 to $4,260?

Mr. DAVIS of Minnesota. The increase under the reclassification act.

Mr. BLANTON. How many employees are in this central garage?

Mr. DAVIS of Minnesota. Three.

Mr. BLANTON. How many garages are maintained here for the District of Columbia?

Mr. DAVIS of Minnesota. One central garage; that is all.

Mr. BLANTON. How many cars stay in there?

Mr. DAVIS of Minnesota. Well, I can not tell the gentleman, but quite a number.

Mr. BLANTON. There is nothing in the item except reclassification increases for three men?

Mr. DAVIS of Minnesota. Not a thing.

Mr. BLANTON. I withdraw the pro forma amendment.

The Clerk read read as follows:

All apportionments of appropriations made for the use of the munipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors, employed on construction work provided for by said appropriations, shall be based on an amount not exceeding 2½ per cent of the amount of the appropriation made for each project.

Mr. BLANTON. Mr. Chairman, I make the point of order against the entire paragraph, beginning on page 6, line 24, and ending on page 7, line 5, as being new legislation on an appropriation bill unauthorized by law and not carried in preceding bills.

Mr. CRAMTON. Mr. Chairman, the language amounts to an allotment of money, not legislation. It says—

All apportionments of appropriations made for the use of the municipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors, employed on construction work provided for by said appropriations, shall be based on amounts not exceeding 2½ per cent of the amount of the appropriation made for each project.

It is an allotment amounting to a limitation. That is, the amount out of any appropriation for building purposes that shall be available for the services of the architect's office shall not exceed 2½ per cent of the appropriation.

Mr. BLANTON. Why, it is not a limitation, Mr. Chairman.

Mr. CRAMTON. Without this language it might amount to 5 per cent. Of course, it never would; but it would be discretionary, and this language cuts it down to 2½ per cent.

Mr. BLANTON. It is clearly legislation; it has not been carried in any previous appropriation bill.

Mr. DAVIS of Minnesota. I will state it is really cut down almost in two. Heretofore they were paying a great deal larger sum.

Mr. BLANTON. They ought to cut it out entirely.

The CHAIRMAN. The Chair is inclined to think this is legislation.

Mr. CRAMTON. Let me make this illustration of just how this operates: I recall a year ago we made an appropriation of $35,000 for a nurses' home. After that appropriation was made the District authorities had the right to use any part of that which was necessary in the preparation of plans for that building. The municipal architect's office has a limited number of employees, but so far as their services are available they take care of the plans.

It is the custom for the municipal architect—that has been the case very largely in the case of municipal buildings—when the work is more than his limited funds can take care of, to hire per diem employees, draftsmen, and so forth, and they are engaged, and they work upon these plans; and without this language any part of any appropriation in this bill for new construction could be used without limit in the preparation of plans. There are some school buildings provided for here, and without this language there would be no limit upon the proportion of the appropriations that may be used for the preparation of plans. This language, if it stays in the bill, is a limitation. We could very well say, each time there is an appropriation for a new building, "Not more than 2½ per cent of this appropriation shall be used in the preparation of plans." That would clearly be a limitation. But instead of including that limitation in connection with each appropriation for construction, there is this general language employed here. But it still remains a limitation, just as it would be otherwise.

Mr. BEGG. Does not the gentleman think, when we are spending $35,000 for architects, that a better plan would be to hire them on a salary instead of on a commission?

Mr. CRAMTON. That is a question of policy, entirely apart from this question of whether a certain percentage should be used in the preparation of plans. I have had that matter up with the municipal architect. Something should be done to avoid the delay that now exists. In the particular case I refer to, the Nurses' Home, it was over a year after the appropriation was made that the plans were produced. But that has nothing to do with the point of order.

The CHAIRMAN. The Chair is ready to rule. This language is general:

All apportionments of appropriations made for the use of the municipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors, employed on construction provided for by said appropriations, shall be based on an amount not exceeding 2½ per cent of the amount of the appropriation made for each project.

That seems to be law, a general law, establishing a basis upon which these particular employees shall be paid out of the appropriations. The Chair can well see how a limitation could be framed, but if it is to be a limitation it must be framed as a limitation. This is general legislative language. It establishes law. The point of order is sustained. The Clerk will read.

Mr. DAVIS of Minnesota. Mr. Chairman, I offer this item again. After the word "appropriations" in line 24, insert the words "herein made." Perhaps that will remedy the matter.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Minnesota: Page 6, after line 23, insert "All apportionments of appropriations herein made for the use of the municipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors, employed on construction work provided for by said appropriations, shall be based upon an amount not exceeding 2½ per cent of the amount of the appropriation made for each project."

Mr. BLANTON. Mr. Chairman, I make the point of order that it is legislation on an appropriation bill, not authorized by law. I call the attention of the Chair to the fact that it changes the system and pays them on a percentage basis. It is one of the worst systems you can have. On a building costing $2,000,000 a percentage basis would absolutely exhaust any appropriation we can make here unless we know what we are doing. Most of these parties ought to be on an annual salary.

Mr. DAVIS of Minnesota. It is a limitation, and its purpose is to cut down what it has cost to make these plans and specifications heretofore. If you strike this out, each building will cost a quarter or a half more.

Mr. CRAMTON. Mr. Chairman, it is not the purpose to pay anyone a percentage for preparing the plans. The employees are either on a salary or per diem. The limit of cost of the plans is fixed. It is limited.

The CHAIRMAN. The Chair still believes this is legislation. If it were a limitation it should be couched in such language as this: "*Provided*, That not more than 2½ per cent shall be paid for certain specific purposes." The point of order is sustained. The Clerk will read.

Mr. CRAMTON. Mr. Chairman, I offer the paragraph again with this language: "Not more than 2½ per cent of appropriations herein made shall be available for the use," and so forth; then the balance of the paragraph down to and including the word "appropriations," in line 3 of page 7.

Mr. BLANTON. Now, that is better.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 6, after line 23, insert "Not more than 2½ per cent of the appropriations herein made for the use of the municipal architect"——

Mr. CRAMTON. "Not more than 2½ per cent of the appropriations herein made shall be available," and so forth.

Mr. BLANTON. You want to restrict the architect's office?

Mr. CRAMTON. If the gentleman from Texas will be quiet a moment I think we can get this right.

The Clerk read as follows:

Not more than 2½ per cent of the appropriations herein made shall be available for the use of the municipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors employed on construction work provided for by said appropriations.

Mr. BLANTON. Mr. Chairman, I make the point of order that the amendment is subject to a point of order, for this reason: If the Chair will look at that language closely, he will see that the purpose of this amendment is to make available 2½ per cent of all the appropriations made in this bill, or, in other words, of the full $24,000,000 for this office alone.

Two and a half per cent is not confined to the appropriations for the architect's office. I tried to call the attention of the gentleman from Michigan [Mr. CRAMTON] to that point, but he would not let me. The words "appropriations for the municipal architect's office" ought to be in there, and not make the appropriations in the entire bill applicable to this one item. There is no authority of law for that.

Mr. CRAMTON. They are limited to those employed on construction work.

Mr. BLANTON. It should be of the "appropriations for the municipal architect's office." Those words ought to be in there.

The CHAIRMAN. The Clerk has shown me the amendment, and those words are in the paragraph.

Mr. BLANTON. May we have the Clerk report the amendment again, and I think my point will appeal even to the gentleman from Michigan.

The CHAIRMAN. The Clerk will report the amendment again. The Chair understands that language is in the amendment, but the Clerk will again report it.

The Clerk read as follows:

Not more than 2½ per cent of the appropriations herein made shall be available for the use——

Mr. BLANTON. Right there should be included the words "for the architect's office."

Mr. BEGG. No; that is not what he wants.

The CHAIRMAN. Let the Clerk finish reading the amendment.

The Clerk continued the reading as follows:

Appropriations herein made shall be available for the use of the municipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors employed on construction work.

The CHAIRMAN. The Chair agrees with the gentleman from Texas. The Chair thinks the gentleman from Michigan should modify the amendment in that respect.

Mr. CRAMTON. I think this will reach it. After the words "appropriations herein made" insert "for new construction or building repair work."

I want to emphasize something which I think the Chair understands but which the gentleman from Texas does not. There is one appropriation in this bill for the municipal architect's office, but that is not what we are talking about here. There are numerous items for new building construction and we want to limit the percentage of each of those building items which can go into architects' fees.

Mr. BEGG. The gentleman can accomplish what he has in mind by adding this after each one of those appropriations:

Provided, That not more than 2½ per cent of this appropriation shall be used for architects' expenses.

Mr. CRAMTON. Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The Clerk read as follows:

For incidental and all other general necessary expenses authorized by law, $5,000.

Mr. CRAMTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 7, line 10, after the word "law" insert "of which not more than $1,000 shall be available for enforcement of the act entitled 'An act for the relief of street-car motormen,' approved March 3, 1905."

Mr. BLANTON. Mr. Chairman, I make the point of order that that is legislation; that it is unauthorized by law and is not germane to this paragraph; and also that it is not a limitation. There is nothing in this paragraph—which is embraced in but two lines, lines 9 and 10, reading: "For incidental and all other general necessary expenses authorized by law, $5,000"—that relates to the subject of the amendment at all. That appertains wholly to the subject of the Public Utilities Commission, and there is no relation between that subject and the subject of the gentleman's amendment.

Mr. CRAMTON. Mr. Chairman, I do not want to take a great deal of time. The act referred to is an act requiring street-car companies to inclose the vestibules of their cars, and a penalty is provided for failure to do so. Under the act creating the Public Utilities Commission the commission is charged with the supervision of matters pertaining to street-car companies. This does not give the commission any authority it does not have; it does not require them to spend any particular portion of this appropriation, but it is strictly a limitation that not more than so much shall be used for this particular purpose. It is such a worthy purpose that I had hoped to have the support of the gentleman from Texas.

The CHAIRMAN. Let the Chair make an inquiry of the gentleman from Michigan. The Chair has before him an act for the relief of street-car motormen, approved March 3, 1905. That act provides that each street-car company which operates street cars in the District of Columbia shall provide each of the same with a glass vestibule where the motorman does his work. Then there is the provision that every person or corporation who or which violates the provisions of the act shall be guilty of a misdemeanor, and upon conviction shall be fined and punished, and so forth. That makes the violation of the provisions of the act a misdemeanor. Now, just where does the Public Utilities Commission of the District get any authority?

Mr. CRAMTON. Since that time the Public Utilities Commission has been created and given general supervision of affairs concerning public utilities, and it would be entirely proper for that commission to expend money to secure evidence and to employ persons to take charge of the prosecution of such cases, even in the corporation counsel's office, and any incidental expenses of such a procedure could very well be

borne by this commission charged with the supervision of these common carriers. It is to be emphasized that the language does not confer authority but is a limitation upon expense.

Mr. BLANTON. If the Chair will hear me a moment, I will say that the act referred to merely provided for the violation of the law, with a criminal penalty attached, which places it in the corporation court and the corporation counsel has that duty to perform. The Public Utilities Commission has no function of looking for evidence for the corporation counsel. It would be ridiculous to hold that. Their function is definitely fixed by the organic act which created them and it does not involve this question at all. I do not see how the gentleman from Michigan can for one moment try to bring it within that act.

Mr. CHINDBLOM. Will the Chair permit a suggestion?

The CHAIRMAN. Yes.

Mr. CHINDBLOM. While the Public Utilities Commission, of course, would not have charge of the prosecutions, would it not be proper for the Public Utilities Commission to take steps to see to it that conveyances are equipped as required by some system of inspection, by rules and regulations, by issuing printed material advising the public utilities companies under their jurisdiction of the regulations established by them, and many other similar purposes? Could not in those ways expenditures be incurred under that act by the Public Utilities Commission?

Mr. CRAMTON. I might say, Mr. Chairman, here is a statute passed 19 years ago which has not yet been complied with by the Washington Railway & Electric Co. I presume this is the only city in the United States where weather as severe as we have here at times in the winter prevails where street cars are permitted to be operated with open vestibules, with motormen exposed to the storm and the sleet, standing in one place hour after hour operating a street car, with the safety of passengers intrusted to their keeping, and exposed to the cold and the storm. It is time that this condition was ended through some attention on the part of the public officials of the District in enforcing a law that Congress passed 19 years ago. While it is true the Public Utilities Commission can not go into the court, I think perhaps they have the authority to issue an order independent of this statute, but that they have not chosen to do, although for two years I have had the matter up with them. They do have the authority to employ men to go about the streets to check up on these companies and see to what extent they are operating cars that are in violation of this law, and that can be paid for from this appropriation.

Mr. BLANTON. I withdraw the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is withdrawn.

Mr. BLANTON. Mr. Chairman, I offer an amendment to the gentleman's amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON to the amendment offered by Mr. CRAMTON: At the end of the Cramton amendment insert: "*Provided*, That all orders issued by the Public Utilities Commission permitting electric street railways to increase the fares authorized by their charters are void, and no such orders hereafter shall be issued by such commission."

Mr. CRAMTON. Mr. Chairman, I make a point of order against the amendment to the amendment.

Mr. BLANTON. Mr. Chairman, I want to be heard on that a moment.

The CHAIRMAN. What is the gentleman's point of order?

Mr. CRAMTON. Mr. Chairman, this is the situation: If the amendment presented by me was in order, as I am sure the Chair was about to rule, it is no basis for an amendment such as the gentleman offers, which is of a legislative character. If my amendment was not in order—and I do not concede that, and I am sure the Chair agrees with me in that—still the amendment offered by the gentleman from Texas is not germane to the amendment which I offered, and hence my amendment would afford no basis for it.

Mr. BLANTON. Mr. Chairman, let us see about that. Here is a gentleman [Mr. CRAMTON] who offers an amendment which is out of order, clearly subject to a point of order, has no relation whatever to the subject, and under the rules of the House the very minute no point of order is made against it then an amendment to that amendment, which is likewise subject to a point of order, is in order. The Chair knows the precedents established here by our former distinguished colleague from Illinois, Mr. Mann. I think the distinguished Chairman was in the chair at that time.

Mr. BEGG. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BEGG. Does the gentleman claim his amendment is germane to the amendment?

Mr. BLANTON. Certainly; because it applies to street cars and to the service they shall give to the people of this District. Here are the charters of these street railways, something that is very valuable that the people have granted these street railways, which prohibit them from charging more than 5-cent fares, and yet with orders of this Public Utilities Commission they have been robbing the people of this District for several years, charging them 8 cents, when the Nation's great metropolis of New York has been charging only 5 cents for going all over that tremendous city. It is a shame, it is an outrage, it is a disgrace to this Nation's Capital, and we ought to have a chance to vote on this amendment that would make these street car companies go back to their charters and not charge these people here in the District of Columbia more than 5 cents.

One of the street-car companies here is making a fortune in profits every year. They want but 5 cents and say they can get along with 5 cents, but the company charges 8 cents because the Public Utilities Commission wants it to do so. The amendment is clearly in order as an amendment to the gentleman's amendment, which itself was subject to a point of order.

Mr. CHINDBLOM. Will the Chair permit a suggestion?

The CHAIRMAN. Yes.

Mr. CHINDBLOM. The first part of the gentleman's amendment, of course, is merely a recital. It reads, "That all orders issued by the Public Utilities Commission permitting electric street railways to increase the fares authorized by their charters are void." That is merely an expression of opinion. It might not mean anything one way or the other.

Mr. BLANTON. It is a legislative expression which absolutely repeals everything they have done in that respect.

Mr. CHINDBLOM. Fortunately, the Supreme Court has very recently called a halt on the theory that legislative bodies by so-called legislative expressions can establish status of fact.

Mr. BLANTON. Will the gentleman yield? The Public Utilities Commission is nothing in the world but a creature and a servant of this Congress. We created it. It is our creature, our servant, and we are simply saying that the act of our servant is void and repudiated by the Congress.

Mr. CHINDBLOM. Mr. Chairman, if that act is void or has been void up to this time, there have been remedies at law, and proper steps could be taken with respect to any illegal acts, but I call the attention of the Chair to the balance of the amendment; "and no such orders hereafter shall be issued by such commission." That is clearly legislation.

Mr. BLANTON. Of course it is. But as an amendment to another legislative amendment, it is in order.

Mr. CHINDBLOM. Where is the authority for that? That is an amendment to the Public Utilities Commission act, if it is anything, and can not be considered.

Mr. BLANTON. It is in order under the rules as established by a long line of precedents of this House.

The CHAIRMAN. Even if it were true that all parts of the act of March 3, 1905, were before the House at this time, which the Chair does not concede or believe, that act only makes it a misdemeanor to fail to inclose the vestibules of street cars for proper shelter, and if the amendment of the gentleman from Michigan had been held not germane and subject to a point of order, the only amendment which would be proper to it would be a germane amendment; that is, germane to the substance of the amendment itself. That amendment seems to have in mind the allotment of $1,000 for carrying into effect the act of March 3, 1905, while the amendment of the gentleman from Texas provides that all orders of the Public Utilities Commission permitting the street railway companies to increase fares are void. In other words, the amendment is not germane to the Cramton amendment.

Mr. BLANTON. Mr. Chairman, I offer another amendment. At the end of the Cramton amendment insert the following: "*Provided*, That no part of this appropriation shall be available to the Public Utilities Commission as long as any order by it shall be in force and effect permitting an increase of fares that may be charged by electric street railways greater than the amount of fares authorized in their respective charters."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON to the amendment offered by Mr. CRAMTON: At the end of the Cramton amendment insert: "*Provided*, That no part of this appropriation shall be available to the Public Utilities Commission as long as any order by it shall be in force and

effect permitting an increase of fares that may be charged by electric street railways greater than the amount of fares authorized in their respective charters."

Mr. CHINDBLOM. Mr. Chairman, I make a point of order against the amendment. This proviso does not relate to the Cramton amendment.

The CHAIRMAN. The Chair sustains the point of order. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For revision of the highway plan, $1,500.

Mr. BEGG. Mr. Chairman, I move to strike out the last word. I do that to call to the attention of the House and ask the chairman of the committee to state whether or not he thinks the Rent Commission appropriation ought to be put in this bill at this point where it was carried last year, or whether he prefers to have it come in a deficiency bill.

Mr. DAVIS of Minnesota. In the deficiency bill.

Mr. BEGG. There is no question but that it will be brought in.

Mr. DAVIS of Minnesota. I do not think there is.

Mr. BLANTON. If the gentleman from Ohio will yield, I want to say that he need not worry about that because when the Supreme Court gets through with that so-called law, which we attempted to pass, there will be no necessity for an appropriation.

Mr. BEGG. We will have the Rent Commission a long while before a decision is handed down.

The Clerk read as follows:

Free public library.

Mr. CRAMTON. Mr. Chairman, I offer an amendment that the words "free public library," in line 11, page 8, shall be printed in caps instead of small caps.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Insert the words "FREE PUBLIC LIBRARY," on page 8, line 11, in capital letters.

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

The Clerk read as follows:

For personal services in accordance with the classification act of 1923, including the Takoma Park and southeast branch libraries, $126,558.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. This paragraph in the present appropriation bill for the present fiscal year carries only $84,140, while this item carries $126,558. That is an awful big increase. If that increase is only authorized by the reclassification act, then that act is costing the people of this country a much larger amount than Members of Congress ever dreamed it would cost. On the preceding page, for the superintendent of weights and measures and markets, the first item is increased from $24,160 to $33,160. The engineer commissioner's office, lines 16 and 17, are increased from $182,210 in the present bill to $244,760 in this bill. Then the central garage from $3,500 to $4,260; the municipal architect's office from $23,060 to $30,100; the Public Utilities Commission from $31,520 to $36,120; the department of insurance from $16,500 to $17,860; the surveyor's office, $26,000 to $39,000 in one place, and increased from $36,000 to $49,920 in another place. Then under this item for the free Public Library, let me say that it was increased from $84,140 to $126,558.

Mr. DAVIS of Minnesota. Heretofore, before this bill was drawn, we had the bonus, which was carried in a separate bill, and now the bonus and the classification act are added together here.

Mr. BLANTON. But the bonus was considered merely a temporary war allowance.

Mr. DAVIS of Minnesota. Yes; but it is still in effect.

Mr. BLANTON. You are not only giving them the war bonus but a big additional appropriation that runs it up tremendously.

Mr. DAVIS of Minnesota. We are giving it what the classification bill provided for. It is law, and the gentleman can make a point of order against it if he wishes.

Mr. BLANTON. I am not going to make a point of order against it, because the Chairman would overrule it, but I think the people of the country ought to know that in every single bill we are passing there is a big increase in salaries. There has not been a bill passed by this session of Congress that has not contained a great big increase in salaries.

Mr. DAVIS of Minnesota. Does the gentleman know any way to stop it? He ought to have killed the Lehlbach bill.

Mr. BLANTON. I fought hard against the Lehlbach bill.

Mr. DAVIS of Minnesota. I can not help that.

Mr. CRAMTON. The gentleman's recollection is a little faint there. He was not recorded as voting against the bill when it became a law.

Mr. BLANTON. I do not think we had a record vote upon it.

Mr. CRAMTON. On the last record vote there was upon it the gentleman was not recorded.

Mr. BLANTON. Possibly so; but I was against the bill and did everything I could to stop it, though it passed by an overwhelming majority, and if we had known what the Lehlbach bill was going to cost us probably it never would have passed; but you Members did not realize then what it was going to cost the people.

The Clerk read as follows:

CONTINGENT AND MISCELLANEOUS EXPENSES

For printing, checks, books, law books, books of reference, periodicals, stationery; surveying instruments and implements; drawing materials; binding, rebinding, repairing, and preservation of records; purchase of laboratory apparatus and equipment and maintenance of laboratory in the office of the inspector of asphalt and cement; damages; livery, purchase, and care of horses and carriages or buggies and bicycles not otherwise provided for; horseshoeing; ice; repairs to pound and vehicles; use of bicycles by inspectors in the engineer department not to exceed $800 in the aggregate; and other general necessary expenses of District offices, including the personal-tax board, harbor master, health department, surveyor's office, office of superintendent of weights, measures, and markets, department of insurance, and Board of Charities, including an allowance to the secretary of the Board of Charities, not exceeding the rate of $26 per month, for the maintenance of an automobile to be furnished by him and used in the discharge of his official duties, $47,900.

Mr. DAVIS of Minnesota. Mr. Chairman, that rate of "$26" in line 24 should be changed to "$20."

Mr. BLANTON. It was agreed to yesterday that that change should be made all the way through the bill, but the RECORD does not show that very clearly. After the vote was taken upon the two Hudson amendments, it was agreed that wherever the Clerk finds $13 for motor cycles and $26 for automobiles they should be changed to $10 and $20, respectively.

The CHAIRMAN. The Chair did not examine the RECORD closely about that.

Mr. DAVIS of Minnesota. I made the request and asked that it be done by the Clerk clear through the bill.

The CHAIRMAN. The RECORD will show it correctly now.

The Clerk read as follows:

For the exchange of such automobiles now owned by the District of Columbia as, in the judgment of the commissioners of said District, have or shall become unserviceable, $3,000.

Mr. BLANTON. Mr. Chairman, I make the point of order against the paragraph contained in lines 18 to 21, inclusive. It is legislation on an appropriation bill and unauthorized by law. There is no law whatever authorizing these appropriations.

Mr. DAVIS of Minnesota. I do not think there is any question but that they have a right to exchange their automobiles and keep them in repair.

Mr. BLANTON. But it takes law for it, and there is no law for it.

Mr. DAVIS of Minnesota. It has been the custom and the law in every bill that I have ever known anything about.

Mr. BLANTON. The purpose of this paragraph is to buy new automobiles and turn in the old ones for the new ones, but it takes law, even for the exchange of Government property. It will be noticed in the paragraph just above that we allow $28,000 for maintenance of automobiles, and now this paragraph is designed for new automobiles, to turn in the old ones and have them apply on some new ones.

The CHAIRMAN. Is it admitted by the chairman of the subcommittee that it would require legislation to buy new automobiles?

Mr. CRAMTON. No.

The CHAIRMAN. Where is the general law?

Mr. DAVIS of Minnesota. I do not know that there is any general authority.

Mr. BEGG. Mr. Chairman, I think the position that the Chair took yesterday is ample precedent to hold this in order,

namely, that the law that creates the department authorizes the head of a department to furnish automobiles if the Congress will make the appropriation.

The CHAIRMAN. The Chair thinks that the gentleman is correct, and the point of order is overruled.

Mr. BLANTON. That is an awful precedent to set.

The CHAIRMAN. The gentleman has his right to proceed in the regular way. The Clerk will read.

The Clerk read as follows:

All estimates of appropriations for the fiscal year 1926 on account of the purchase, exchange, maintenance, repair, and operation of horse-drawn and motor-propelled vehicles, and for allowances to employees for supplying their own vehicles, shall be submitted in three paragraphs under the head of "Contingent and miscellaneous expenses." One paragraph shall apply to motor-propelled vehicles, one to horse-drawn vehicles, and one to privately owned vehicles, and each shall be accompanied by detailed information showing numbers and distribution by types, and comparative actual and estimated cost figures for the fiscal years 1924, 1925, and 1926. This requirement shall not apply to the police and fire departments, or to the activities provided for herein which are not administered by the Commissioners of the District of Columbia.

Mr. BLANTON. Mr. Chairman, I make the point of order against the paragraph. It is clearly legislation unauthorized by law. It deals not only with this fiscal year but with succeeding fiscal years. If the Chair will look at the bottom of the page he will see that it provides for the fiscal years 1924, 1925, and 1926.

Mr. CRAMTON. Mr. Chairman, this is a paragraph that is effective only during the next fiscal year. It is effective only during the fiscal year 1925. It has to do only with the preparation of estimates for the fiscal year 1926, which, as the Chair knows, must be submitted to Congress before the 1st day of next December; so that the operation of this provision is not perpetual. It is effective only during the next fiscal year. In the preparation of those estimates and in their submission to Congress certain information has to be set forth with reference to the current fiscal year and for the next fiscal year and the one to follow, but that is the nature of information that is to be included in the estimates. The operation is entirely during the next fiscal year.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. The Congress has expressed its direction to the District authorities as to how they shall submit their information to Congress during this next fiscal year through the Budget.

Mr. BLANTON. Why has not the gentleman and his distinguished committee carried this heretofore? This is the first time this language has appeared in any appropriation bill.

Mr. CRAMTON. What does that prove?

Mr. BLANTON. It proves it is new legislation. The committee has not carried it before in this bill.

Mr. CRAMTON. If it had carried it annually for 50 years heretofore, if it is legislation the fact that it had been carried for 50 years before would not cure it.

Mr. BLANTON. I think it ought to come from the proper legislative committee and not be put in the bill by the Appropriations Committee.

Mr. CRAMTON. I admit it is a new paragraph but not legislation.

Mr. BEGG. Mr. Chairman, one word. The only reason I make any comment is just for the sake of what I believe is orderly procedure. If there is any appropriation about this paragraph, I would like to have it pointed out. If there is any limitation, I would like to have it pointed out. Now, the gentleman from Michigan says it is put in there for instruction. Why, necessarily it becomes legislation. I am not trying to sustain the point of order but I do want to sustain the rules, and I do not think we ought to go wild on them.

Mr. CRAMTON. I want to say it is not my purpose to argue that, but I am stating the facts as to the amendment. As a matter of fact, this language substantially was in the bill a year ago. It was stricken out in the Senate. It was promised by the District authorities that this information would be furnished to the Congress with this present bill. That promise was not kept, and hence the Appropriations Committee, in a desire to have before it information upon which it and the House could most intelligently act, have placed here this direction.

If this is legislation, it goes out on the point of order which the gentleman from Texas makes. I will say this, that I am amazed that the gentleman from Texas, preaching economy, should object to a provision here in the interest of economy and which is intended to require these departments to furnish us information so we can know how much the automobiles are costing this Government.

SEVERAL MEMBERS. Rule!

Mr. BLANTON. One moment.

The CHAIRMAN. The Chair is ready to rule.

Mr. BLANTON. Permit me to reply to the reference which the gentleman made to me. The Chair has a right to hear me.

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. BLANTON. Mr. Chairman, I voted for the law that placed all the appropriations in the hands of these 35 gentlemen on the Appropriations Committee. It was my vote that helped to give them authority, and I am now merely trying to maintain the integrity of the rest of the committees of the House, the legislative committees, in protecting their jurisdiction.

The CHAIRMAN. This provision is manifestly legislation. It does not come within any of the exceptions of legislation on appropriation bills, and the point of order is sustained.

The Clerk read as follows:

For advertising notice of taxes in arrears July 1, 1924, as required to be given by the act of March 19, 1890, to be reimbursed by a charge of 50 cents for each lot or piece of property advertised, $5,500.

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Twenty-six Members are present, not a quorum.

Mr. DAVIS of Minnesota. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. SNELL having taken the chair as Speaker pro tempore, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 8839 had come to no resolution thereon.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL of Maryland. Mr. Speaker, this being the anniversary of my birth, I ask unanimous consent to address the House for 45 seconds.

The SPEAKER pro tempore. The gentleman from Maryland asks unanimous consent to address the House for 45 seconds.

Mr. BLANTON. Is that a second for each year of the gentleman's life?

Mr. HILL of Maryland. Mr. Speaker, I deeply regret that that is the case. Mr. Speaker and gentlemen of the House, having lived a great many years and heard both good and poor speeches in great numbers, I ask unanimous consent to extend my remarks in the RECORD by printing an excellent address on Americanization delivered by the Hon. Nicholas Murray Butler before the Missouri Society at the Hotel Plaza in New York on the evening of April 29, 1924.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. BEGG. Mr. Speaker, I object.

Mr. HILL of Maryland. I regret that the gentleman from Ohio objects, and I yield back the remainder of my time.

PREPAREDNESS FOR PEACE

Mr. MACGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech made by my colleague, Hon. HAMILTON FISH, before the New York League of Women Voters at Buffalo last Sunday.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks for the purpose indicated. Is there objection?

Mr. CONNALLY of Texas. Does that also contain the reply to his speech made by Mrs. Catt?

Mr. MACGREGOR. No. I did not propose to print the reply.

The SPEAKER. Is there objection?

There was no objection.

Mr. MACGREGOR. Mr. Speaker, under leave granted to extend my remarks, I insert a speech by Hon. HAMILTON FISH, Jr., before the fifth annual convention of the National League of Women Voters at Buffalo on April 27, 1924, which is as follows:

PREPAREDNESS FOR PEACE

It is a great honor to be invited to speak before the National League of Women Voters, and I appreciate doubly the opportunity to discuss

the peace problem and limitation of armament before an organization such as yours, which has given so much thought to solving these vital problems.

It is fitting and appropriate that your great organization, composed of patriotic and peace-loving American citizens, should meet in Buffalo to discuss ways and means to lessen the likelihood of war through limitation of armament and arbitration of international disputes, for it was in Buffalo on September 5, 1901, the very day President McKinley was assassinated, that he gave out his famous epoch-making message to the American people to the effect that the period of aloofness and exclusiveness was past, and advocated the settlement of all misunderstandings and disputes among nations by international arbitration.

We are also reminded that the city of Buffalo, the outpost of the Empire State and the sentinel city of the United States on the Canadian border, is a visible example of the result of the arrangement for limitation of armament entered into by the United States and Canada in 1817. Buffalo is one of the main beneficiaries of this limitation of armament agreement and has been far better protected than if there had been a hundred forts built for her defense. The growth of Buffalo is a mute testimonial of the efficacy of this agreement of 1817, which is the most successful example of its kind in all history and has made for peace and good will for over a century on our common borderland of 3,000 miles.

With the exception of the veterans of the World War who took part in actual battle and saw for themselves the horrors of war, no element in our body politic is more concerned with bringing about peaceful relations among nations and lessening the opportunities and likelihood of war than the women of America. That is why I am glad to leave Washington and come all the way to Buffalo to add my voice in support of President Coolidge's proposed conference to limit armaments.

I believe in preparedness. I believe in a small, efficient Regular Army, with a goodly number of officers; a large federalized National Guard; and an Officers' Reserve Corps with sufficient appropriations to provide two weeks' training annually for at least 10,000 of the 80,000 reserve officers. I have no sympathy or patience with the militarists, on the one hand, who are constantly seeking to increase our Military Establishment and perceive dire disaster in any move for peace and limitation of armaments, or with the pacifists, on the other hand, who would have America defenseless and advocate the doctrine of turning the other cheek. Without fear of contradiction, I say we are far better prepared for national defense than in any period of our history except during actual conflict.

I put my faith in preparedness for peace, believing as I do that the most vital unsolved problem to-day is the achievement and maintaining of world peace. I believe that the United States, because of its position of leadership in the world, has a great moral responsibility to exert its influence and power to promote peaceful relations between nations and show by its example that peace based on justice, cooperation, and conciliation is the only kind of peace that is lasting and worth having.

Let us prepare for peace by inculcating the right kind of peace ideals in the minds of the coming generation and by glorifying peace. Let us reveal the horrors of war and teach the truth that war is the blackest, least excusable, and most damnable crime against man and God. There can be no peace without there being a genuine desire for peace, and that will come when the women of the world unite in demanding proportional limitation of armaments and the settlement of international disputes by means of international arbitration.

I am going to let you in on a secret if you promise not to tell the Secretary of State, Mr. Hughes: It was the overwhelming, persistent, and insistent demand of the women of America on the platform, by petitions, and by letters to Congress and to ex-President Harding that caused the calling of the Washington conference to limit naval armaments. I believe that credit should be given where credit is due, and your organization was largely responsible not only for having the conference called but for arousing public opinion in support of proportional limitation of naval armaments. In my opinion it was the greatest step toward peace since the armistice, and a far greater achievement than anything the League of Nations has accomplished.

The agreement to proportionally reduce the number of battleships wiped away overnight competitive rivalry and all thought of war between Japan and the United States—so much so that even now in the stress of the immigration question there is no jingo talk of resorting to war on either side. The Washington conference accomplished much and saved the taxpayers $250,000,000 annually, but the precedent it established was of even more importance by showing how and what would be done to limit armaments and prevent war-producing competition in naval armament.

I believe that widespread education against war is an effective method of preventing war, and should be encouraged by the women of America. War is a blight, a curse to the world, and the only hope is the maintenance of peace through the aid of the united and constructive effort of such organizations as yours.

There is no one solution to the peace problem. I believe that the entrance of the United States into the World Court would be a step in the right direction. The American people, however, should be fully informed regarding the exact nature of the duties and functions of the court and not told that it will bring about the millennium, but is only a step toward adjusting international disputes and would be of psychological value in promoting peace. I hope in the near future that the great powers will agree to sign the compulsory arbitration clause, which would go a long way toward solving the peace problem.

I am not an irreconcilable, but in my opinion it would be the part of wisdom for the United States to keep out of the League of Nations for the present at least, until European nations begin to disarm, bond their debts, and signify a desire for peace. Article V of the league covenant requires unanimous consent of all nations in the league before action by the league can take place. This is just the same as if unanimous consent were required to put a bill through the Senate. It would be obviously impossible to pass any measure of importance under these conditions. That is why I am opposed to the league, because as constituted to-day it has no means of achieving or preserving the peace of the world. It is simply the enforcement agent for the Versailles treaty, without the power to amend any of its harsh or unworkable territorial provisions. I am also opposed to entering the league without a reservation to Article X guaranteeing the political independence and the territorial integrity of the members.

The league is impotent and powerless as at present constituted to limit armaments or settle major issues, and by staying out of the league we retain our freedom of action to call international conferences for the purpose of promoting world peace. The American people delivered their verdict on the league issue four years ago and there has been no new evidence produced to cause a change of sentiment. It is more than ever evident that the noble conception of the league has been turned into a combination of the victors to exploit their own advantage. The constitution of the league was so framed as to render futile any efforts to remedy or amend the Versailles covenant. The league is not a judicial organization like the Permanent Court of International Justice, but political, dominated by England and France. Were we to enter the league we could not help taking sides on questions which would involve and entangle us hopelessly in European jealousies, ambitions, and intrigues.

I introduced on January 8 a resolution calling for another limitation of armament conference, and believe that the time will soon be ripe for arousing the women of America to united and concerted action to make such a conference a success. The Premier of England, Ramsay MacDonald, has repeatedly shown his broad vision and earnest desire for peace by advocating further limitation of armaments, and it is to be hoped that the Dawes report will furnish a basis for an early settlement of the reparation question, without which there can be no peace in Europe.

In my opinion President Coolidge has a wonderful opportunity, supported by the women of America, to take an unselfish and constructive step toward promoting world peace by calling a conference in Washington to further limit armaments, which can not come too soon for the good of the world.

The present appalling situation in Europe can not last long without an appeal to the sword. The racial and national hatred there amounting to blood vengeance is too strong to be kept down by coercion and the rule of foreign bayonets. The rule of force especially applied from without can not endure and is only a passing phase in countries where civil rights and liberties have once flourished. Revolts, civil wars, foreign wars, and wars of liberation are bound to occur and reoccur for the next 30 years, unless the representatives of the big nations can reach an agreement based on justice, conciliation, and cooperation. That is the only road to peace; there can be no peace unless there is a genuine desire for peace. There can be no desire for peace in Europe with militarism gone mad, and wars and rumors of war the daily food of the entire continental population. All militarism is brutal and creates war psychology wherever it exists. In heavily armed nations there is unconsciously developed a spirit of conquest, imperialism, and belief in force. In nations like the United States with limited armaments our belief in the principles of justice, conciliation, and cooperation make for enduring peace. On our northern frontier of 3,000 miles, as emphasized at the beginning of my remarks, there is no need for a single soldier, a single gun, or a single fort, because of our belief in international righteousness and our desire for peace.

The first step toward developing a desire for peace in Europe is to call a conference, and the only way to call an international conference of the leading nations is to call it without fear, favor, or apologies. The preservation of international peace should be the continuous policy of all civilized nations, and no nation need apologize for advocating and furthering such a policy by all means within its power, particularly through its moral influence.

I will gladly cooperate with the League of Women Voters in any constructive effort to promote peaceful relations and good will among the

nations of the earth, as I believe that the preservation of international peace is the most important and vital issue affecting the welfare of humanity and the entire structure of our modern civilization.

ORDER OF BUSINESS

Mr. DAVIS of Minnesota. Mr. Speaker, I ask unanimous consent that when the House adjourns to-night it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that when the House adjourns to-night it adjourn to meet at 11 o'clock to-morrow. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, will there be anything to-morrow other than the District appropriation bill?

Mr. DAVIS of Minnesota. I hope not.

Mr. BEGG. I will say to the gentleman that there will not be. There might be a conference report or something privileged.

Mr. BLANTON. Time was also allowed to the gentleman from Michigan [Mr. MAPES]—20 minutes.

Mr. GARRETT of Tennessee. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

JUDGE DAVID PATTERSON DYER

Mr. CANNON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD concerning former Representative David Patterson Dyer.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, on Tuesday afternoon, terminating a long and eventful career at the ripe age of four score and six years, Judge David Patterson Dyer, a former Member of this House, passed peacefully to his great reward.

Judge Dyer was the last survivor of the Forty-first Congress, which convened in 1869, and the beginning of his term antedated by two years the historic service of Speaker Cannon, of Illinois, of whom he was always an ardent admirer.

A Virginian by birth and a Missourian by adoption, he represented and exemplified the highest ideals and the best traditions of both States.

His public career began in 1860 with his election as district attorney, and for the remaining 64 years of his life he was prominently identified with the public life of the State. He was elected to the State legislature in 1862 and reelected in 1864, and while serving in that capacity recruited the Forty-ninth Regiment of Missouri Volunteers, and as its colonel commanded it through the battles of an active and successful campaign in Missouri and the South. At the close of the war he was elected to Congress and served one term, beginning in 1869. He was an active supporter of President Grant, who appointed him United States attorney for the eastern district of Missouri, where he won immediate fame in the prosecution of the notorious whisky ring.

Four years later he was the Republican candidate for governor, but was defeated and returned to his law practice, where he remained until again appointed United States attorney for the eastern district by President Roosevelt. He was reappointed in 1906 and the following year was elevated to the Federal judgeship. He died as he wished to die—in the harness, holding court but two days before his death.

Few men have possessed so generally the genuine affection of the people of his section. He was particularly loved by his old neighbors, and his home-coming to attend service at old Sand Run Church was an annual event and was looked forward to as a red-letter day on the calendar of three counties. His name and career enrich and embellish one of the longest and most interesting chapters in the history of Missouri.

Able, brilliant, democratic, and of magnetic personality, his name has been a household word throughout the State for more than a generation. He was true to every trust and faithful to every obligation—soldier, statesman, jurist, gentleman.

WITHDRAWAL OF PAPERS

Mr. MACGREGOR, by unanimous consent, was granted leave to withdraw the papers on file in connection with the bill H. R. 6562, a pension bill, no adverse report having been made thereon.

ENROLLED BILL SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 7959. An act to provide adjusted compensation for veterans of the World War, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PERLMAN, for four days, on account of illness.

To Mr. JOHNSON of Texas, for to-morrow, May 3, on account of important business.

To Mr. CAMPBELL, for 10 days, on account of the illness of his wife.

ADJOURNMENT

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House adjourned until to-morrow, Saturday, May 3, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

449. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment of the United States for the fiscal year ending June 30, 1924, for expenses of inquiries and investigations ordered by the Senate (H. Doc. No. 254); to the Committee on Appropriations and ordered to be printed.

450. A communication from the President of the United States, transmitting two communications from the Postmaster General of the United States, submitting estimate of appropriations in the sum of $6,413.81, to pay 118 claims which have been adjusted and require an appropriation for their payment (H. Doc. No. 255); to the Committee on Appropriations and ordered to be printed.

451. A communication from the President of the United States, transmitting a communication from the Acting Secretary of Commerce, submitting a claim of the Oregon Short Line Railroad for damages to privately owned property in the sum of $487.39, which claim has been adjusted by the Director of the Coast and Geodetic Survey, and which require an appropriation for their payment (H. Doc. No. 256); to the Committee on Appropriations and ordered to be printed.

452. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the fiscal year 1923, $953.23, and supplemental estimates of appropriations for the fiscal year ending June 30, 1924, $51,000, for the Department of Justice, amounting in all to the sum of $51,953.23; also a draft of proposed legislation affecting the appropriation for 1925, to authorize the lease of court rooms in New York City for a period of five years (H. Doc. No. 257); to the Committee on Appropriations and ordered to be printed.

453. A communication from the President of the United States, transmitting a communication from the Secretary of the Navy, submitting an estimate of appropriation in the sum of $1,947.33 to pay eight claims which he has adjusted and which require an appropriation for their payment (H. Doc. No. 258); to the Committee on Appropriations and ordered to be printed.

454. A communication from the President of the United States, transmitting two communications from the Secretary of War, submitting claims for damages to or loss of privately owned property in the sum of $4,496.23 of seven claimants, which have been adjusted and which require an appropriation for their payment (H. Doc. No. 259); to the Committee on Appropriations and ordered to be printed.

455. A communication from the President of the United States, transmitting a communication from the Secretary of the Navy, submitting an estimate of appropriation in the sum of $40,149.04 to pay claims of Jeremiah J. Kelley and 49 others, which have been adjusted and which require an appropriation for their payment (H. Doc. No. 260); to the Committee on Appropriations and ordered to be printed.

456. A communication from the President of the United States, transmitting a communication from the Secretary of the Navy, submitting an estimate of appropriation in the sum of $6,316.74 to pay claims of the Texas Oil Co., Port Arthur, Tex., and 22 other claimants, which have been adjusted and which require an appropriation for their payment (H. Doc. No. 261); to the Committee on Appropriations and ordered to be printed.

457. A communication from the President of the United States, transmitting a communication from the Acting Secretary of Commerce, submitting claims for damages to privately owned property in the sum of $390.64 of four claimants, which claims have been adjusted by the Commissioner of Lighthouses, and which require an appropriation for their

payment (H. Doc. No. 262); to the Committee on Appropriations and ordered to be printed.

458. A communication from the President of the United States, transmitting a communication from the Treasury Department under date of March 4, 1924, submitting the claim of Richard P. Moore in the sum of $42.82 which has been adjusted and which require an appropriation for its payment (H. Doc. No. 263); to the Committee on Appropriations and ordered to be printed.

459. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State for the fiscal year ending June 30, 1924, to defray the cost of representation of the United States at the meeting of the Inter-American Committee on Electrical Communications to be held in Mexico City, Mexico, beginning May 27, 1924, $30,000 (H. Doc. No. 264); to the Committee on Appropriations and ordered to be printed.

460. A communication from the President of the United States, transmitting supplemental and deficiency estimates of appropriations for the District of Columbia for the fiscal year ending June 30, 1924, and for prior fiscal years, amounting to $359,373.20, together with certain proposed legislation (H. Doc. No. 265); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. FROTHINGHAM: Committee on Military Affairs. H. R. 5722. A bill authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes; with amendments (Rept. No. 627). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAUGEN: Committee on Agriculture. H. R. 9033. A bill declaring an emergency in respect of certain agricultural commodities, to promote equality between agricultural commodities and other commodities, and for other purposes; without amendment (Rept. No. 631). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 8586. A bill to provide for the free transmission through the mails of certain publications for the blind; without amendment (Rept. No. 633). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. H. R. 5567. A bill to provide for the inspection of the battle fields in and around Fredericksburg and Spotsylvania Courthouse, Va.; without amendment (Rept. No. 634). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WILLIAMS of Michigan: Committee on War Claims. S. 2357. An act for the relief of the Pacific Commissary Co.; with an amendment (Rept. No. 625). Referred to the Committee of the Whole House.

Mr. WILLIAMS of Michigan: Committee on War Claims. H. R. 2336. A bill for the relief of F. J. Belcher, jr., trustee for Ed Fletcher; without amendment (Rept. No. 626). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 2016. A bill for the relief of William M. Phillipson; without amendment (Rept. No. 628). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5061. A bill for the relief of Russell Wilmer Johnson; without amendment (Rept. No. 629). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5456. A bill granting six months' pay to Lucy B. Knox; without amendment (Rept. No. 630). Referred to the Committee of the Whole House.

Mr. MAGEE of Pennsylvania: Committee on Naval Affairs. H. R. 3736. A bill for the relief of James J. Meehan; without amendment (Rept. No. 632). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 6442. A bill for the relief of William H. Armstrong; with an amendment (Rept. No. 635). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SINNOTT: A bill (H. R. 9028) to authorize the addition of certain lands to the Whitman National Forest; to the Committee on the Public Lands.

Also (by request), a bill (H. R. 9029) to promote the mining of potash on the public domain; to the Committee on the Public Lands.

Also (by request), a bill (H. R. 9030) to provide for the consolidation of the land service in Alaska, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 9031) to amend section 5 of an act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916; to the Committee on the Public Lands.

By Mr. NEWTON of Missouri: A bill (H. R. 9032) to amend section 1015 of the Revised Statutes; to the Committee on the Judiciary.

By Mr. HAUGEN: A bill (H. R. 9033) declaring an emergency in respect of certain agricultural commodities, to promote equality between agricultural commodities and other commodities, and for other purposes; to the Committee on Agriculture.

By Mr. GREEN of Iowa: A bill (H. R. 9034) to provide for the regauging of distilled spirits, and for other purposes; to the Committee on Ways and Means.

By Mr. GRIEST: A bill (H. R. 9035) reclassifying the salaries of postmasters and employees of the Postal Service and readjusting their salaries and compensation on an equitable basis, and for other purposes; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 9036) for the relief of Henry Simons; to the Committee on Military Affairs.

By Mr. CARTER: A bill (H. R. 9037) granting an increase of pension to Thomas V. Hunt; to the Committee on Pensions.

By Mr. HULL of Iowa: A bill (H. R. 9038) granting a pension to Amy H. Brown; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 9039) for the relief of David F. Reid; to the Committee on Military Affairs.

By Mr. MUDD: A bill (H. R. 9040) for the relief of Clarence C. Cadell; to the Committee on Claims.

Also, a bill (H. R. 9041) granting a pension to Robert Gore; to the Committee on Pensions.

Also, a bill (H. R. 9042) granting an increase of pension to Frank Coalman; to the Committee on Pensions.

Also, a bill (H. R. 9043) granting an increase of pension to Margaret W. Dexter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9044) granting an increase of pension to Harriet E. Dennison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9045) granting a pension to Nannie Ogle Bird; to the Committee on Invalid Pensions.

By Mr. NEWTON of Missouri: A bill (H. R. 9046) for the relief of Philip Osburg; to the Committee on Claims.

By Mr. RUBEY: A bill (H. R. 9047) granting an increase of pension to Nancy C. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9048) granting a pension to Julia Dugan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9049) granting a pension to Lettie Painter; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 9050) granting a pension to Emily J. Foust; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 9051) for the relief of Joseph H. Seymour; to the Committee on Military Affairs.

By Mr. TINKHAM: A bill (H. R. 9052) granting a pension to William Smallwood; to the Committee on Pensions.

By Mr. WARD of New York: A bill (H. R. 9053) granting a pension to Anna Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2640. By Mr. BOX: Petition of S. W. Sinclair and sundry persons of Marshall, Tex., members of the International Machinists' Association, asking for the enactment of the Brookhart-Hull bill (S. 742, H. R. 2702) requiring that all strictly

military supplies be manufactured in Government-owned navy yards and arsenals; to the Committee on Military Affairs.

2641. By Mr. CRAMTON: Petition of the members of the Methodist Episcopal Church of Romeo, Mich., and the Woman's Christian Temperance Union of Romeo, Mich., protesting against any modification of the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

2642. By Mr. CULLEN: Petition of Openers and Packers' Association of the United States Customs Service, New York City, asking for a living wage, and also favoring House bill 8202, to amend the retirement act, providing for a pension after 30 years' service; to the Committee on the Civil Service.

2643. Also, petition of the Associated Traffic Clubs of America, opposing the making of freight rates out of political expediency, and viewing with great concern anything that would restrict the Interstate Commerce Commission in the free and unbiased consideration of any and all matters coming before it; to the Committee on Interstate and Foreign Commerce.

2644. By Mr. DARROW: Petition of 138 employees of the Wayne Junction car shop of the Philadelphia & Reading Railway Co., protesting against the adoption of the Howell-Barkley labor bill; to the Committee on Interstate and Foreign Commerce.

2645. By Mr. FENN: Petition of the Manufacturers' Association of Hartford County, Conn., protesting against the proposal to discharge the Committee on Interstate and Foreign Commerce from further consideration of House bill 7358; to the Committee on Interstate and Foreign Commerce.

2646. Also, petition of the Employers' Association of Hartford, Conn. (Inc.), comprising 300 business concerns, protesting against the proposal to discharge the Committee on Interstate and Foreign Commerce from further consideration of House bill 7358; to the Committee on Interstate and Foreign Commerce.

2647. Also, petition of the Connecticut Chamber of Commerce, objecting to the passage of the so-called Fitzgerald bill (H. R. 487) with reference to workmen's compensation; to the Committee on Interstate and Foreign Commerce.

2648. By Mr. FULLER: Petition of the American Federation of Railroad Workers, Harsimus Lodge, No. 99, protesting against the passage of the Howell-Barkley bill (H. R. 7358); to the Committee on Interstate and Foreign Commerce.

2649. Also, petition of the Illinois Agricultural Association, favoring the enactment of the McNary-Haugen bill; to the Committee on Agriculture.

2650. Also, petition of the Millers' National Federation, opposing the McNary-Haugen bill; to the Committee on Agriculture.

2651. Also, petitions of the Illinois Valley Manufacturers' Club, of La Salle; the Ingersoll Milling Machine Co., of Rockford; L. E. Block, chairman board of directors of the Inland Steel Co., of Chicago; and George D. Roper, of Rockford, all of Illinois, opposing amendment of the transportation act; to the Committee on Interstate and Foreign Commerce.

2652. Also, petition of the American Farm Bureau Federation, opposing the proposed tax on radio receiving sets; to the Committee on Ways and Means.

2653. By Mr. GALLIVAN: Petition of American Federation of Railroad Workers, Chicago, Ill., protesting against the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2654. Also, petition of Harsimus Lodge, No. 99, American Federation of Railroad Workers, Jersey City, N. J., protesting against passage of the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2655. By Mr. SITES: Petition of citizens of Carlisle and Cumberland County, Pa., requesting favorable consideration of House bill 3799, providing an increase in pension for Mr. B. F. Cornman, of Carlisle; to the Committee on Invalid Pensions.

SENATE

SATURDAY, *May 3, 1924*

(Legislative day of Thursday, April 24, 1924)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker of the House had signed the enrolled bill (H. R. 7959) to provide adjusted compensation for veterans of the World War, and for other purposes, and it was subsequently signed by the President pro tempore.

CALL OF THE ROLL

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fess	King	Shields
Ashurst	Fletcher	Ladd	Shipstead
Ball	Frazier	Lodge	Shortridge
Bayard	George	McKellar	Simmons
Borah	Glass	McKinley	Smith
Brandegee	Gooding	McLean	Smoot
Brookhart	Hale	McNary	Stanley
Bruce	Harreld	Moses	Stephens
Bursum	Harris	Neely	Sterling
Cameron	Harrison	Norris	Swanson
Capper	Heflin	Oddie	Underwood
Caraway	Howell	Overman	Wadsworth
Copeland	Johnson, Calif.	Pepper	Walsh, Mass.
Cummins	Johnson, Minn.	Phipps	Walsh, Mont.
Dale	Jones, N. Mex.	Pittman	Warren
Dial	Jones, Wash.	Ransdell	Watson
Dill	Kendrick	Reed, Pa.	Weller
Ferris	Keyes	Sheppard	Willis

Mr. SMOOT. I wish to announce that the senior Senator from Kansas [Mr. CURTIS] is detained from the Senate on official business. I ask that the announcement may stand for the day.

Mr. JONES of Washington. I desire to announce that the Senator from Wisconsin [Mr. LENROOT] is absent owing to illness. I ask to have this announcement stand for the day.

The PRESIDENT pro tempore. Seventy-two Senators having answer to their names, there is a quorum present.

PERSONAL EXPLANATION—VOTE ON RADIO AMENDMENT

Mr. FESS. Mr. President, yesterday on the vote upon the radio amendment I was paired with the junior Senator from Mississippi [Mr. STEPHENS]. I inadvertently voted and failed to announce the pair. I make the statement at this time that he would have voted against the committee amendment had he been present, and if the rule permitted I would withdraw my vote in order to take care of him. My vote, of course, did not affect the result. It was an inadvertence on my part.

SPECULATIONS IN WHEAT

The PRESIDENT pro tempore laid before the Senate the following communication from the Secretary of Agriculture, which was ordered to be printed in the RECORD, and, with the accompanying report, referred to the Committee on Agriculture and Forestry:

DEPARTMENT OF AGRICULTURE,
Washington, May 2, 1924.

Hon. ALBERT B. CUMMINS,
President pro tempore, United States Senate.

DEAR SENATOR CUMMINS: In response to Senate Resolution No. 9, adopted by Senate on January 8, 1924, I have the honor to transmit herewith the report of the Grain Futures Administration under the grain futures act of September 21, 1922, with respect to trading in grain futures on the Chicago Board of Trade.

Sincerely yours,

HENRY C. WALLACE, *Secretary.*

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a communication in the nature of a petition of the Trenton Council of Churches, of Trenton, N. J., praying that a more satisfactory method of dealing with the problem of Japanese immigration be found than that contained in pending immigration legislation, etc., which was referred to the Committee on Immigration.

He also laid before the Senate a memorial of the National Association of Manufacturers, remonstrating against ratification of the convention for the protection of trade-marks signed at Santiago, Chile, April 28, 1923, which was referred to the Committee on Patents.

He also laid before the Senate a petition of the constituent bodies of the Federal Council of the Churches of Christ in America, and other bodies, praying for the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a petition of the National Council of Administration, Veterans of Foreign Wars of the United States, praying that the next appointee to the Civil

Service Commission be an ex-service man, which was referred to the Committee on Civil Service.

He also laid before the Senate resolutions of the New York Chapter of the Military Order of the World War, protesting against the passage of legislation for the relief of the distressed and starving women and children of Germany, which were referred to the Committee on Foreign Relations.

Mr. DILL presented a petition of sundry citizens of Tacoma, Wash., praying for the passage of the so-called Dyer anti-lynching bill, which was referred to the Committee on the Judiciary.

Mr. WARREN presented memorials of sundry members of Laramie (Wyo.) Lodge No. 10 and Rock Springs (Wyo.) Lodge No. 16, The Shop Employees' Association, Union Pacific System, remonstrating against the passage of the so-called Howell-Barkley railway labor bill, which were referred to the Committee on Interstate Commerce.

Mr. PEPPER. I present a petition of the Roosevelt Memorial Association and request consent that it be referred to the Committee on the Library and printed in the RECORD.

There being no objection, the petition was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

Petition of the Roosevelt Memorial Association, a corporation of the District of Columbia, praying that a site in the city of Washington be approved for the erection of a monument to Theodore Roosevelt.

To the Congress of the United States of America:

Inasmuch as five years have now elapsed since the death of Theodore Roosevelt, the Roosevelt Memorial Association, desiring to erect an enduring monument to the memory of Theodore Roosevelt in the city of Washington, has set aside the initial sum of $1,000,000 for the furtherance of that purpose.

The association can not proceed with that purpose until the Congress shall have given its approval to the use of a site in the city of Washington. Such approval is necessary to the accomplishment of the plans of the association, because the association wishes to obtain a fitting design for the proposed monument through a competition which shall be limited to the best-qualified American architects, sculptors, and other artists, and the designs to be submitted can not be adequately prepared except in relation to a designated site.

In selecting a year ago the site hereinafter proposed, after close examination of numerous other sites in the District of Columbia, the association was influenced by the knowledge of President Roosevelt's part in the creation of the Park Commission plan of 1901, by his unswerving support of it, and by his insistence that each new element of beauty or utility introduced into the city should be in harmony with it. The association respectfully submits that it is peculiarly fitting that his memorial should be an important factor in the realization of the plan of 1901. It desires to carry this plan forward by placing the national memorial to him on a site so situated that the creation of the memorial will mean the development of one of the hitherto undeveloped but major portions of the plan.

The association is aware of the problems and the practical considerations involved in connection with the site which it has in view. The existence of such difficulties and the importance of their correct solution make it impracticable to define the exact nature of the memorial and the exact limits of the site desired until the whole problem shall have been considered by the architects to whom it is to be submitted.

It is equally impracticable to estimate at this time the exact cost of the memorial. In case the sum now set aside by the association for the erection of the memorial should prove insufficient for the purpose, and in case the necessary further funds should not be otherwise contributed, the association may request the Congress to appropriate such further sums as may be necessary. The association does not at the present time request any such appropriation.

Wherefore the Roosevelt Memorial Association respectfully prays that the Congress of the United States will approve by appropriate resolution the following proposal subject to the conditions thereto attached:

That that portion of the territory included in the Park Commission plan of 1901, lying in general between the Washington Monument and the Potomac River and bounded by Fifteenth and Seventeenth Streets projected southward, including the waters of Twining Lake, be granted and dedicated as a site for the erection by the Roosevelt Memorial Association of a monument to Theodore Roosevelt. This grant is made subject to the following conditions:

1. The Roosevelt Memorial Association shall proceed forthwith to secure an appropriate design for the monument in accordance with the plans embodied in its petition. The design selected shall provide adequately for the requirements of traffic circulation and recreational facilities.

2. The design selected shall be submitted to the Congress before the 1st day of January, 1925.

3. Unless the Congress approves the design submitted within one year thereafter this grant shall be deemed revoked without further resolution thereon, unless the time for submitting a satisfactory design be extended.

ROOSEVELT MEMORIAL ASSOCIATION (INC.),
WILLIAM BOYCE THOMPSON, *President.*

LAWRENCE F. ABBOTT,	ARTHUR W. PAGE,
R. J. CUDDIHY,	JOHN M. PARKER,
HERMANN HAGEDORN,	GIFFORD PINCHOT,
WILL H. HAYS,	ELIHU ROOT,
ELON H. HOOKER,	MARK SULLIVAN,
IRWIN R. KIRKWOOD,	WILLIAM BOYCE THOMPSON,
WILLIAM LOEB,	ALBERT H. WIGGIN.

The Executive Committee of the Board of Trustees,
[SEAL] HERMANN HAGEDORN, *Secretary.*
NEW YORK, *February 8, 1924.*

Mr. LODGE presented the memorial of the Association to Abolish War, of Boston, Mass., remonstrating against the enactment of legislation excluding Japanese immigrants to the United States, which was referred to the Committee on Immigration.

Mr. CAPPER presented the petition of sundry members of the Mothers' Club of Columbus, Kans., praying an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

Mr. WILLIS presented a resolution adopted by the Woman's Christian Temperance Union of Lisbon, Ohio, favoring the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the Woman's Christian Temperance Union of Lisbon, Ohio, protesting against the enactment of legislation excluding Japanese immigrants to the United States, which was referred to the Committee on Immigration.

He also presented a resolution adopted at a mass meeting held under the auspices of a committee of the Yugoslav Workingmen's Benevolent Organization at Bellaire, Ohio, remonstrating against the passage of discriminatory legislation affecting foreign-born workers, which was referred to the Committee on Immigration.

Mr. FLETCHER presented petitions of sundry citizens and business firms in the State of Florida praying for the enactment of legislation to protect the public against the so-called "cut-rate evil" and false pretense in merchandising under trade-mark or special brand of articles of standard quality, which was referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES

Mr. FESS, from the Committee on the Library, to which was referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

A bill (S. 2434) for the purchase of the Oldroyd collection of Lincoln relics (Rept. No. 490); and

A joint resolution (S. J. Res. 85) authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington (Rept. No. 491).

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2932) to quiet the title to lands within Pueblo Indian land grants, and for other purposes, reported it with amendments and submitted a report (No. 492) thereon.

Mr. KEYES, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 2284) to provide for the construction of certain public buildings in the District of Columbia, reported it with an amendment and submitted a report (No. 493) thereon.

Mr. JONES of Washington, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 2232) to amend section 2 of the act approved February 15, 1893, entitled "An act granting additional quarantine powers and imposing additional duties upon the Marine Hospital Service" (Rept. No. 494);

A bill (H. R. 1475) for the relief of Luke Ratigna (Rept. No. 495);

A bill (H. R. 6817) to provide for the construction of a vessel for the Coast Guard (Rept. No. 496); and

A bill (H. R. 8070) authorizing preliminary examinations and surveys of sundry streams with a view to the control of their floods (Rept. No. 497).

GREAT PEEDEE RIVER BRIDGE, S. C.

Mr. DIAL. From the Committee on Commerce, I report back favorably with amendments the bill (S. 3097) to authorize the building of a bridge across the Great Peedee River, in South Carolina, and I submit a report (No. 498) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments were, in section 1, page 1, line 6, before the word "bridge" to strike out "highway"; in line 7, before the word "at" to insert "at a point suitable to the interests of navigation," and on page 2, line 2, after the word "navigable," to strike out "water" and to insert "waters," so as to make the bill read:

Be it enacted, etc., That the State Highway Department of South Carolina, in connection with the Lower Peedee bridge commission, be, and they are hereby, authorized to construct and maintain a bridge and approaches thereto across the Great Peedee River at a point suitable to the interests of navigation, at or near a point known as Yawhanna Ferry, between the counties of Georgetown and Horry, S. C., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ENROLLED BILL PRESENTED

Mr. WATSON, from the Committee on Enrolled Bills, reported that on May 2, 1924, that committee presented to the President of the United States the enrolled bill (S. 1932) to change the name of Thirty-seventh Street between Chevy Chase Circle and Reno Road.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 3219) to amend the China trade act, 1922; to the Committee on Commerce.

By Mr. BURSUM:

A bill (S. 3220) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late George Mauger Burklin and the remains of the late Anton Lerch Burklin from Glenwood Cemetery, District of Columbia, to Fort Lincoln Cemetery, Prince Georges County, Md.; to the Committee on the District of Columbia.

By Mr. CARAWAY:

A bill (S. 3221) for the relief of employees of the Bureau of Printing and Engraving who were removed by Executive order of the President, dated March 31, 1922; to the Committee on the Judiciary.

A bill (S. 3222) for the relief of S. Davidson & Sons; to the Committee on Claims.

A bill (S. 3223) for the relief of certain landowners; to the Committee on Public Lands and Surveys.

By Mr. DILL:

A bill (S. 3224) for the relief of J. P. Boland (with accompanying papers); to the Committee on Claims.

A bill (S. 3225) granting a pension to A. A. Henry (with accompanying papers); to the Committee on Pensions.

By Mr. LODGE:

A bill (S. 3226) for the relief of Harry P. Hollidge (with accompanying papers); to the Committee on Claims.

By Mr. KENDRICK:

A bill (S. 3227) authorizing the Secretary of the Interior to accept on behalf of the United States title to certain lands within the Medicine Bow National Forest, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. COPELAND:

A bill (S. 3228) to encourage home ownership and to stimulate the buying and building of homes; to create a standard form of investment based on building-association mortgages; to create Government depositories and financial agents for the United States; to furnish a market for Government bonds; and for other purposes; to the Committee on Banking and Currency.

A bill (S. 3229) for the relief of the owners of the barge *Mary M;*

A bill (S. 3230) for the relief of all owners of cargo laden aboard the lighter *Linwood* at the time of her collision with the U. S. S. *Absecom;*

A bill (S. 3231) for the relief of all owners of cargo laden aboard the U. S. transport *Florence Luckenbach* on or about December 27, 1918;

A bill (S. 3232) for the relief of the owners of the steamship *Basse Indre* and all owners of cargo laden aboard said vessel at the time of her collision with the steamship *Housatonic;* and

A bill (S. 3233) for the relief of owners of cargo aboard the steamship *Boxley;* to the Committee on Claims.

By Mr. SMOOT:

A bill (S. 3234) to amend the act entitled "An act to license customhouse brokers," approved June 10, 1910; to the Committee on Finance.

By Mr. CUMMINS (Mr. OVERMAN in the chair):

A bill (S. 3235) for the relief of Christina Conniff (with accompanying papers); to the Committee on Claims.

By Mr. PEPPER:

A joint resolution (S. J. Res. 120) approving, conditionally, a site for the erection of a monument to Theodore Roosevelt; to the Committee on the Library.

AMENDMENT TO TAX REDUCTION BILL

Mr. SHORTRIDGE submitted an amendment intended to be proposed by him to House bill 6715, the tax reduction bill, which was ordered to lie on the table and to be printed.

WORLD WAR VETERANS

Mr. SHIELDS submitted three amendments intended to be proposed by him to the bill (S. 2257) to consolidate, codify, revise, and reenact the laws affecting the establishment of the United States Veterans' Bureau and the administration of the war risk insurance act, as amended, and the vocational rehabilitation act, as amended, which were ordered to lie on the table and to be printed.

AMENDMENT TO RIVERS AND HARBORS BILL

Mr. FLETCHER submitted an amendment authorizing a preliminary examination and survey, and so forth, of the Homosassa River, Fla., intended to be proposed by him to the bill (H. R. 8914) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. STANFIELD submitted an amendment proposing to increase the appropriation for investigating the food habits of North American birds and other animals in relation to agriculture, horticulture, and forestry, and so forth, from $508,880 to $652,240, intended to be proposed by him to House bill 7220, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

PRESIDENTIAL APPROVAL

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on May 1, 1924, the President approved and signed the act (S. 2821) to amend section 3 of an act entitled "An act to incorporate the National McKinley Birthplace Memorial Association," approved March 4, 1911.

METROPOLITAN POLICE AND FIRE DEPARTMENT

On motion of Mr. BALL and by unanimous consent, the bill (H. R. 5855) to fix the salaries of officers and members of the Metropolitan police force and the fire department of the District of Columbia was recommitted to the Committee on the District of Columbia.

PERSONAL EXPLANATION—BLAIR COAN

Mr. WALSH of Montana. Mr. President, the press generally on yesterday morning carried a statement to the effect that a witness—one Blair Coan—appearing before the committee investigating charges against my colleague had told that he was sent to Montana by Mr. Lockwood, secretary of the National Republican Committee, to get something on my colleague and another Senator, and that upon the adjournment of the committee, to a group of newspaper reporters, Mr. Coan had stated that the other Senator was myself. The New York World carried the news item, and in addition thereto a statement to the effect that in giving the information the witness proudly slapped his breast and said that he had in his inside coat pocket the evidence against Senator WALSH.

On yesterday morning I received a telegram from Mr. Coan, which reads as follows:

WASHINGTON, D. C., *May 1, 1924.*

Hon. THOMAS J. WALSH,
United States Senate, Washington, D. C.:

I learned to-night the New York World correspondent had sent out a story saying I said I found information in Montana sufficient to cause an indictment against you. This is not so. I made no such statement, and it was evidently sent out for some purpose. I phoned New York and had it killed in World after first edition, and have called and wired all newspapers whom I thought might have carried such a statement.

BLAIR COAN.

Notwithstanding this denial, Mr. President, the fact is that Mr. Coan did say and did do what he is reported in the New York World to have said and done. It was said and done in the presence of Mr. Kinsley, of the Chicago Tribune; of Mr. Speer, of the New York Times; of Mr. Hopkins, of the New York World; and of Mr. Bean, of the New York Times, all of whom will aver that the report in the New York World of what transpired is correct.

Mr. President, I do not desire to comment upon this transaction further than to observe that it is a perfectly plain and flagrant contempt of the Senate of the United States, not only on the part of Mr. Coan but of everyone who is responsible for his acts, calculated, as a matter of course, if not obviously intended, to intimidate Senators in the discharge of their duties in this Chamber and before the committees of the Senate.

Obviously any action taken with reference to the matter upon this side of the Chamber or by myself would be attributed to motives other than a desire to preserve the dignity and to maintain the independence of Senators. Doubtless some Senator upon the other side of the Chamber will feel that it calls for notice, if not for action, by this body.

TAX REDUCTION

Mr. SMOOT. I ask that the tax bill be now proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. SIMMONS. Mr. President, I send to the desk and offer as a substitute for the surtax provisions of the pending bill an amendment, which I will not, however, ask to be read.

The amendment proposed by Mr. SIMMONS is as follows:

On page 34, beginning with line 5, strike out all of subdivision (a), section 211, and in place thereof insert the following:

"SEC. 211. (a) In lieu of the tax imposed by section 211 of the revenue act of 1921, but in addition to the normal tax imposed by section 210 of this act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a surtax as follows:

"Upon a net income of $10,000 there shall be no surtax; upon net incomes in excess of $10,000 and not in excess of $14,000, 1 per cent of such excess.

"Forty dollars upon net incomes of $14,000; and upon net incomes in excess of $14,000 and not in excess of $16,000, 2 per cent in addition of such excess.

"Eighty dollars upon net incomes of $16,000; and upon net incomes in excess of $16,000 and not in excess of $18,000, 3 per cent in addition of such excess.

"One hundred and forty dollars upon net incomes of $18,000; and upon net incomes in excess of $18,000 and not in excess of $20,000, 4 per cent in addition of such excess.

"Two hundred and twenty dollars upon net incomes of $20,000; and upon net incomes in excess of $20,000 and not in excess of $22,000, 5 per cent in addition of such excess.

"Three hundred and twenty dollars upon net incomes of $22,000; and upon net incomes in excess of $22,000 and not in excess of $24,000, 6 per cent in addition of such excess.

"Four hundred and forty dollars upon net incomes of $24,000; and upon net incomes in excess of $24,000 and not in excess of $26,000, 7 per cent in addition of such excess.

"Five hundred and eighty dollars upon net incomes of $26,000; and upon net incomes in excess of $26,000 and not in excess of $28,000, 8 per cent in addition of such excess.

"Seven hundred and forty dollars upon net incomes of $28,000; and upon net incomes in excess of $28,000 and not in excess of $30,000, 9 per cent in addition of such excess.

"Nine hundred and twenty dollars upon net incomes of $30,000; and upon net incomes in excess of $30,000 and not in excess of $34,000, 10 per cent in addition of such excess.

"One thousand three hundred and twenty dollars upon net incomes of $34,000; and upon net incomes in excess of $34,000 and not in excess of $36,000, 11 per cent in addition of such excess.

"One thousand five hundred and forty dollars upon net incomes of $36,000; and upon net incomes in excess of $36,000 and not in excess of $38,000, 12 per cent in addition of such excess.

"One thousand seven hundred and eighty dollars upon net incomes of $38,000; and upon net incomes in excess of $38,000 and not in excess of $42,000, 13 per cent in addition of such excess.

"Two thousand three hundred dollars upon net incomes of $42,000; and upon net incomes in excess of $42,000 and not in excess of $44,000, 14 per cent in addition of such excess.

"Two thousand five hundred and eighty dollars upon net incomes of $44,000; and upon net incomes in excess of $44,000 and not in excess of $46,000, 15 per cent in addition of such excess.

"Two thousand eight hundred and eighty dollars upon net incomes of $46,000; and upon net incomes in excess of $46,000 and not in excess of $48,000, 16 per cent in addition of such excess.

"Three thousand two hundred dollars upon net incomes of $48,000; and upon net incomes in excess of $48,000 and not in excess of $50,000, 17 per cent in addition of such excess.

"Three thousand five hundred and forty dollars upon net incomes of $50,000; and upon net incomes in excess of $50,000 and not in excess of $52,000, 18 per cent in addition of such excess.

"Three thousand nine hundred dollars upon net incomes of $52,000; and upon net incomes in excess of $52,000 and not in excess of $56,000, 19 per cent in addition of such excess.

"Four thousand six hundred and sixty dollars upon net incomes of $56,000; and upon net incomes in excess of $56,000 and not in excess of $58,000, 20 per cent in addition of such excess.

"Five thousand and sixty dollars upon net incomes of $58,000; and upon net incomes in excess of $58,000 and not in excess of $62,000, 21 per cent in addition of such excess.

"Five thousand nine hundred dollars upon net incomes of $62,000; and upon net incomes in excess of $62,000 and not in excess of $64,000, 22 per cent in addition of such excess.

"Six thousand three hundred and forty dollars upon net incomes of $64,000; and upon net incomes in excess of $64,000 and not in excess of $66,000, 23 per cent in addition of such excess.

"Six thousand eight hundred dollars upon net incomes of $66,000; and upon net incomes in excess of $66,000 and not in excess of $68,000, 24 per cent in addition of such excess.

"Seven thousand two hundred and eighty dollars upon net incomes of $68,000; and upon net incomes in excess of $68,000 and not in excess of $70,000, 25 per cent in addition of such excess.

"Seven thousand seven hundred and eighty dollars upon net incomes of $70,000; and upon net incomes in excess of $70,000 and not in excess of $74,000, 26 per cent in addition of such excess.

"Eight thousand eight hundred and twenty dollars upon net incomes of $74,000; and upon net incomes in excess of $74,000 and not in excess of $76,000, 27 per cent in addition of such excess.

"Nine thousand three hundred and sixty dollars upon net incomes of $76,000; and upon net incomes in excess of $76,000 and not in excess of $80,000, 28 per cent in addition of such excess.

"Ten thousand four hundred and eighty dollars upon net incomes of $80,000; and upon net incomes in excess of $80,000 and not in excess of $82,000, 29 per cent in addition of such excess.

"Eleven thousand and sixty dollars upon net incomes of $82,000; and upon net incomes in excess of $82,000 and not in excess of $84,000, 30 per cent in addition of such excess.

"Eleven thousand six hundred and sixty dollars upon net incomes of $84,000; and upon net incomes in excess of $84,000 and not in excess of $88,000, 31 per cent in addition of such excess.

"Twelve thousand nine hundred dollars upon net incomes of $88,000; and upon net incomes in excess of $88,000 and not in excess of $90,000, 32 per cent in addition of such excess.

"Thirteen thousand five hundred and forty dollars upon net incomes of $90,000; and upon net incomes in excess of $90,000 and not in excess of $92,000, 33 per cent in addition of such excess.

"Fourteen thousand two hundred dollars upon net incomes of $92,000; and upon net incomes in excess of $92,000 and not in excess of $94,000, 34 per cent in addition of such excess.

"Fourteen thousand eight hundred and eighty dollars upon net incomes of $94,000; and upon net incomes in excess of $94,000 and not in excess of $96,000, 35 per cent in addition of such excess.

"Fifteen thousand five hundred and eighty dollars upon net incomes of $96,000; and upon net incomes in excess of $96,000 and not in excess of $100,000, 36 per cent in addition of such excess.

"Seventeen thousand and twenty dollars upon net incomes of $100,000; and upon net incomes in excess of $100,000 and not in excess of $200,000, 37 per cent in addition of such excess.

"Fifty-four thousand and twenty dollars upon net incomes of $200,000; and upon net incomes in excess of $200,000 and not in excess of $300,000, 38 per cent in addition of such excess.

"Ninety-two thousand and twenty dollars upon net incomes of $300,000; and upon net incomes in excess of $300,000 and not in excess of $500,000, 39 per cent in addition of such excess.

"One hundred and seventy thousand and twenty dollars upon net incomes of $500,000; and upon net incomes in excess of $500,000, in addition 40 per cent of such excess."

Mr. SIMMONS addressed the Senate. After having spoken for some time, he said:

Mr. President, I wish now to discuss the majority plan; and as it is about the lunch hour, and as I probably have been a little tiresome in my assaults upon the Mellon plan, I have not sufficient attendance here to induce me to proceed.

Mr. GEORGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. OVERMAN in the chair). The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fess	King	Reed, Mo.
Ball	Fletcher	Ladd	Reed, Pa.
Borah	Frazier	McKellar	Sheppard
Brandegee	George	McKinley	Shipstead
Brookhart	Glass	McLean	Simmons
Bruce	Gooding	McNary	Smith
Bursum	Hale	Moses	Smoot
Cameron	Harreld	Neely	Stanley
Capper	Harris	Norbeck	Stephens
Caraway	Harrison	Norris	Sterling
Cummins	Heflin	Oddie	Wadsworth
Dale	Johnson, Calif.	Overman	Walsh, Mont.
Dial	Johnson, Minn.	Pepper	Watson
Dill	Jones, Wash.	Phipps	Willis
Fernald	Kendrick	Pittman	
Ferris	Keyes	Ransdell	

The PRESIDING OFFICER. Sixty-two Senators having answered to their names, a quorum of the Senate is present. The Senator from North Carolina will proceed.

Mr. SIMMONS resumed his speech. It is in full as follows:

Mr. President, I think I shall follow the precedent established by the chairman of the Committee on Finance, the senior Senator from Utah [Mr. SMOOT], and ask that I be not interrupted while I am discussing this question. When I shall have finished, I shall be glad to answer questions.

Mr. President, in discussing the amendment I have just offered it may be opportune to review briefly the history of these income taxes. Prior to 1912, under the Republican Party, wealth went practically untaxed. Practically no specific levies were made against it. It is true that under the régime of Mr. Aldrich a small income tax was imposed on corporations, a tax of 1 per cent above an exemption of $5,000. The masses paid the taxes necessary to support the Government. With the exception of this little corporation income tax, wealth escaped taxation. It was a great privilege and put the masses at great disadvantage in the matter of taxation. The Democratic Party denounced this exemption as a special privilege accorded those taxpayers best able to pay, and when it came into power under President Wilson it proceeded to remedy the evil and to enact legislation abolishing discriminatory exemptions and to require wealth to contribute its fair share to the support of the Government. Naturally the beneficiaries of these exemptions wished them continued, and therefore resented the action of the Democratic Party in discontinuing them. They did not seriously complain when the war was on, but when it was over a campaign to reduce war taxes was inaugurated, not so much to reduce general taxes, but to reduce the taxes the Democrats, to equalize burdens, had imposed upon wealth.

Naturally in these conditions these people looked to the Republican Party to restore the discriminatory exemption the Democratic Party had taken from them. Therefore, to that end, in the 1920 campaign they mobilized all their resources and put them behind the movement to restore the Republican Party to power. What promises were then made or assurances given I do not know, but I do know that in the revision which was undertaken and accomplished in 1921, Secretary Mellon then demanded that surtaxes be reduced from 65 per cent to 25 per cent, as he now demands that they be reduced from 50 per cent to 25 per cent. He also suggested the reduction or elimination of certain so-called nuisance taxes, but it soon became evident that his chief interest was centered in the reduction of surtaxes. I also know that when the surtax rate was held at 50 per cent by the efforts of Democrats and progressive Republicans there was great disappointment on the part of Republicans and resentment and disgust on the part of the "interests." There were intimations that the "interests" claimed they had not received what they expected and what had been promised, and veiled apologies were made and assurances given that what they demanded would thereafter be granted.

Another election was approaching and the "interests" were doubtless demanding that something be done to make good the assurances and promises given after the disappointments of the revision of 1921. To meet these demands and arouse and rally to the Republican standard in the approaching contest these powerful forces of organized wealth something had to be done and done quickly, and the surplus in the Treasury afforded an opportunity for another revision. Accordingly a bill was prepared by the Secretary of the Treasury, known as the Mellon plan, and sent to Congress with what amounted to an emphatic demand from the Secretary of the Treasury and the President that it be passed practically without amendment. Undoubtedly if this plan could be put through as demanded and expected by its author, it would be eminently satisfactory to the interests demanding undertaxation and would have overcome the discontent growing out of the disappointing result of the revision of 1921. An attempt was made to camouflage the proposed reduction by advertising it as a measure in the interest of the mass of taxpayers. That fraud was soon exposed. By this time it is hoped that the sponsors for this unequal and discriminatory scheme of tax legislation have discovered that while fair and equal tax reduction is popular, undertaxing overgrown incomes is not favored except by its beneficiaries.

The interests which in 1923 demanded and now demand that their taxes be cut in two are also strenuously opposed to bonus legislation. I do not attribute this attitude as to the bonus to a lack of patriotism, but it is obvious that the large expenditures incident to a bonus might jeopardize or defeat tax reduction of the sort that they desire. Opposition to the bonus from this source was therefore but natural. It would interfere with, perhaps defeat, their supreme objective, which was to relieve wealth of its fair share of taxes.

Just before the adjournment of Congress in December, 1923, Mr. Mellon renewed his recommendation of 1921 and advised the Congress that instead of the deficit he himself had predicted there was a fat surplus in the Treasury and vigorously recommended the reduction of surtaxes to a maximum of 25 per cent, simultaneously warning the Congress against the bonus. Indeed, he told the people and the Congress that they must choose between tax reduction and the bonus.

It soon developed that the stage was set for the powerful, insidious, misleading propaganda which followed, not only in favor of the Mellon plan but against the bonus.

Simultaneously with the recommendations of the Secretary and the approval of the President, through all the agencies which the Treasury Department, the administration, the Republican Party organization, and the big interests could command, a nation-wide campaign was inaugurated to sell the dual scheme of the Secretary of the Treasury to the country. As was expected, both proposals appealed to the owners of big fortunes and big incomes. Under such circumstances it was not difficult to organize and launch the campaign then inaugurated to cut the taxes of the rich in two and kill the bonus.

Ubiquitous influences and agencies and the organized machinery of propaganda and publicity exercised or controlled by great wealth were quickly mobilized to put through this, to them, attractive program of the Secretary. No propaganda, no scheme of publicity, was ever more powerfully financed or more ably engineered and directed. On the other hand, the opponents of the program were unorganized. Their facilities of publicity were relatively meager. Under these circumstances the Mellon plan, both to untax the rich and to kill the bonus, had almost full possession of the field of publicity, and his schemes were subjected to the full test of public opinion and approval.

What has been the result? What has been the response?

The answer may be compressed into one sentence. No two propositions so powerfully backed have ever met with such an overwhelmingly crushing repudiation. The bonus so vigorously assailed, ridiculed, and spurned has received the emphatic indorsement of both Houses of Congress. The vaunted Mellon plan was able to command in the House of Representatives only about one-half of even the Republican strength of that body, and it is now known that its few sponsors in the Senate have abandoned hope, if they ever had any, and are fishing on both sides of the Chamber for a compromise. The overwhelming repudiation which this proposition has so far received is conclusive evidence of its utter lack of merit and of its amenability to the charge leveled against it of inherent iniquity and selfishness.

Repudiation of the Mellon plan does not mean that the people or their representatives are not in favor of tax reduction to the full extent, consistent with the public welfare.

But it does mean an emphatic disapproval of the so-called Mellon plan of accomplishing that result, and a rejection of

the assumptions and conjectures upon which the Secretary predicated his plan; and it does mean a repudiation of his suggestion that we could not have both tax reduction and a bonus.

I have denounced the Mellon plan—and that is the only plan of surtax legislation so far proposed by the majority, it is the plan before the Senate—as discriminatory in favor of the overgrown incomes of great wealth. That charge is the gravamen of our attack upon it. Therefore, before discussing this plan in detail, I deem it proper to state to the Senate in a general way the grounds upon which that charge is made.

It is not difficult to establish the fact that this so-called Mellon plan of surtax reduction clearly favors taxpayers with big incomes and clearly discriminates against the taxpayers with small incomes. It is not difficult to do it because it is written upon the face of the bill, if you will just take the time to make a mathematical calculation.

I have here a calculation of the average rates proposed by the Mellon plan upon the different groups of brackets in the bill. It shows that upon incomes less than $64,000 the Mellon plan makes an average reduction of only 22 per cent. On incomes in excess of $64,000 and up to $100,000 the Mellon plan makes an average reduction of 35 per cent—22 per cent reduction on incomes below $64,000, 35 per cent on incomes between $64,000 and $100,000, and a flat reduction on incomes in excess of $100,000 of 50 per cent! Reduced to percentages, this is a reduction on incomes in excess of $100,000 more than twice as great as on incomes below $64,000.

Mr. BROOKHART. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. SIMMONS. I do.

Mr. BROOKHART. In addition to that, is it not true that the last Congress reduced those upper brackets 15 per cent without reducing the lower ones?

Mr. SIMMONS. Yes; I will get to that later. I am talking now about the reductions from the present law.

Mr. BROOKHART. That is the true situation as to the reductions since the war taxes.

Mr. SIMMONS. Yes.

There is the evidence of our charge. It is written in the bill. It can not be camouflaged. It can not be evaded. It can not be explained. It condemns the Mellon plan as a gross, flagrant attempt to pervert legislation from the channels of public welfare into the channels of private selfishness and greed.

Carrying out the minority theory that surtax reductions should be based upon the fundamental principles of ability to pay—a principle we hold sound politically, economically, and philosophically—I offer on the part of the minority the substitute amendment for the Mellon surtax rates that I have just presented. I shall now discuss this amendment with some degree of detail and elaboration.

In the beginning of the propaganda for the Mellon plan Democrats were charged with opposing tax reduction when they denounced that plan as unfair and discriminatory, and a part of the public were temporarily deceived.

The people now understand both our position and that of the advocates of the Mellon plan. They know that the Democratic Party, in and out of Congress, stands for reductions to the full extent compatible with the Government's needs and the public welfare. They know that it demands that these reductions should be accomplished in a way that will be fair to the people as well as the classes, to the masses as well as the interests, to the small as well as the big income, and against reductions which unduly favor big and discriminate against small incomes.

The plan of reductions the minority proposes is based upon the traditional Democratic principle of ability to pay. The plan of the majority, the so-called Mellon plan, reverses that principle. It gives the greatest reduction to the man who is best able to pay and the least reduction to the man who is least able to pay.

Before discussing the details of the surtax substitute, I wish to advert to the grounds upon which Mr. Mellon and his followers base their arguments and contentions for a 50 per cent cut in the surtax rates of the present law, and the manner of distributing these reductions.

First, the Secretary of the Treasury contends that the Government will get more revenue from a 25 per cent than a 50 per cent surtax maximum. This contention would seem upon its face to be wholly illogical. This fact seems to have been recognized by the Secretary for the reason that he seeks to differentiate it from the ordinary rule by the claim that the 50 per cent maximum rate can not be effectively enforced because of evasions induced, as he claims, by the alleged excessively high surtax rate. This contention is based upon the assumption that unless these taxes are reduced to the extent he proposes investments will be withdrawn in the future, as he claims they have been in the past, from productive industries and put into tax-exempt securities, and that the result will be disastrous in the future, as he claims it has been in the past, to business prosperity and to the revenues of the Government.

The evidence offered by the Secretary to establish this contention is, first, alleged wholesale investment in tax-free securities to escape surtaxes; secondly, the decrease in the number of individual income-tax payers and the decrease in revenues received from individual incomes; third, business depression resulting from these alleged evasions.

The answer to these contentions, to my mind, is not difficult. First, as to the alleged withdrawal of capital from productive investment and its effect on business: The Secretary claims, as I understand him, not that this scheme of evasion will be inaugurated unless his plan is adopted but that it already obtains and is now going on and has been going on for some time. The rate which now obtains, and which has obtained since 1921, is 50 per cent. Do the conditions of business during this period support the Secretary's contention? Do they show a lack of prosperity or the serious embarrassment to our productive industries which the Secretary portrays? I think not.

Is there anything in the business situation of the past 18 months to justify or confirm the Secretary's contention with respect to the disastrous effect of rates 10 per cent higher than those proposed in the substitute I have offered?

Manifestly the facts of the situation do not sustain his contention, but refute it. Under a 50 per cent rate, the year 1923 was one of great prosperity; one of the most prosperous in our history; business was unusually brisk and profits large; earnings of corporations phenomenal; money for all sound enterprises plentiful; interest rates moderate.

What has happened to change so radically the situation? What has suddenly developed that makes it impossible, unless the plan of the Secretary is adopted, for the business interests of the country to proceed and continue upon the same level of prosperity as during the past year or two years? Certainly the temptation to take money out of productive industry was just as great—yes, greater—under the existing rate of 50 per cent than it will be under the 40 per cent rate we propose for future years. The truth is the Secretary has set up a bogey man, and his whole argument is predicated upon a myth.

Mr. President, neither the evidence presented nor the records of the Government sustain the claim that large sums have been thus diverted to tax-free securities.

The Government reports, which have already been presented to the Senate, conclusively refute this contention of the Secretary and his followers. There has been no sufficient answer to the record evidence in refutation of that contention presented to the Senate by the Senator from New Mexico [Mr. JONES] a few days ago in his very able speech in opposition to the Mellon rates.

I assume that in the year 1922, which I think was the year to which the statistics offered by the Senator from New Mexico applied, the number of rich men who died was about the average. I do not remember now exactly how many estates valued at amounts in excess of a million dollars were included in the table of decedents of that year presented by the Senator, but I remember that the total gross value of the estates listed for estate taxes in that year were not much below $3,000,000,000. My impression is that quite a large number of these estates were in excess of $1,000,000. The aggregate included estates of many men who while living were engaged in large business enterprises, as well as the estates of men whose business was relatively small. The official reports show that of the nearly $3,000,000,000 gross value of these estates the tax-exempt securities included were barely sufficient to defray funeral and administration expenses.

When the proponents of the Mellon plan ask that surtaxes on big incomes be reduced 50 per cent upon the ground that existing rates are forcing money out of productive channels into tax-exempt securities, it is incumbent upon them to present some reliable and tangible evidence, something more satisfactory and persuasive than assumptions and finespun arguments, to show that the alleged plan of evasion is systematically practiced and that it has attained such proportions as to jeopardize the industrial and business prosperity of the country. I submit that the Congress should not be asked to make the

sweeping and drastic cut in surtaxes proposed by Mr. Mellon in the interest of a small number of taxpayers, especially when the beneficiaries are those best able to pay taxes, unless the reason assigned for the reduction is proved and established to the satisfaction of the Congress.

Now, I do not overlook in this connection the arguments and conclusions in this behalf based on the fact that the number of individual income-tax payers has decreased and that the receipts of revenues from this source have likewise declined. It is probable that the facts as to such decreases are as contended by the Secretary, but the reason is not the one assigned by him and by the majority. If these decreases are due to successful efforts to evade surtaxes, the evasion commonly resorted to to accomplish this end is not investment in tax-free securities but evasions of an entirely different and much more attractive character, many of which the Treasury Department could probably have circumvented if it had been as keen to collect money out of the big interests for the Government as it is now to reduce their taxes.

If the Secretary has assigned the correct reason for it, if the decline in the number and in the incomes of individual taxpayers is the result of investment of funds in tax-free securities, then, of course, there is force in the suggestion. But what is the evidence of that? There is no convincing evidence that these decreases have resulted from tax evasion by the device of investment in Government securities, but there is evidence of the most satisfactory character of a wide tendency toward investment in corporations and toward the incorporation of individual enterprises because of opportunity which the corporate method affords to evade surtaxes by nondistribution of surplus earnings.

The method I have just pointed out obviously offers far greater and more attractive opportunities of evasion than investment in tax-free securities, opportunities that the evidence shows are systematically resorted to. The record of the results of these methods shows a state of facts which—approximately, at least—accounts for the decreased number of individual surtax payers and the decreased amount of revenue derived from that source. These evasions, as I indicated, can be traced to the laws and practices of corporations respecting their surplus earnings. The normal tax imposed upon corporation incomes under existing law is only 12½ per cent. That part of the income not distributed pays no surtax. This fact makes investment in corporations very tempting and attractive to surtax dodgers. It has resulted in large increases in undistributed surpluses, and it has also resulted in the systematic establishment of holding companies who hold the stock of the mother corporations and furnish a barrage to protect their earnings against the surtax gatherer. More than this, individuals engaged in productive enterprise find they can escape surtaxes by incorporating their businesses and retaining their earnings. The opportunities to escape surtax through these methods are almost unlimited and they have largely revolutionized the method of conducting business operations of considerable size.

As a result more than one-half the earnings of corporations escape surtax. Official records show that the undistributed surplus earnings of all corporations amount to about $19,000,000,000, as I recollect it—almost as much as the entire national debt. The success of this scheme of incorporation to evade surtax has been so great that it has tempted individuals to incorporate their individual business and to withhold their surplus earnings from distribution. The effect of this is to escape all tax except the 12½ per cent normal tax now imposed on corporations. Surely this situation could not have escaped the attention of the Secretary, and it is very significant that he should have confined his recommendations to legislation to prevent evasions by investment in tax-free securities and overlooked these much more extensively and effectively employed plans to accomplish the same result.

Realizing the importance of this matter, the minority members of the committee, after much study and deliberation of the question, have offered an amendment which, if adopted and effectively enforced, will go far in defeating these schemes which have so successfully evaded the payment of surtaxes and furnished a refuge for individual taxpayers who wished to escape their obligations, and which largely account for the decrease in the number of individual taxpayers and in the revenue derived from individual incomes.

Mr. President, I desire permission, without reading, to incorporate, in connection with the argument I have just been presenting in reference to corporate undistributed surplus, a table showing the earnings of corporations which are not distributed and which escape surtaxes.

The PRESIDING OFFICER. Without objection, permission is granted.

The table referred to is as follows:

Corporation statistics, 1922 income

[From Senate Document 85]

	Number	Net taxable income	Cash dividends	Surplus and undivided profits on hand at end of year
Corporations paying cash dividends	49,207	$4,485,056,843	$2,781,865,137	$15,208,522,345
Corporations paying no cash dividends	30,418	904,217,485		4,078,223,702
Total	79,625	5,389,274,328	2,781,865,137	19,286,746,047
Additional returns, data, however, fragmentary	29,688	1,197,500,436	249,459,248	(1)
Grand total	109,313	6,586,774,764	(1)	

(1) Unknown.

Segregation of industries among corporations, 1922

Industry	Number	Net income
Agriculture and related industries	1,603	$57,420,704
Mining and quarrying	2,982	272,099,590
Manufacturing	28,841	3,336,464,364
Construction	3,552	85,008,281
Transportation and other public utilities	5,776	874,616,097
Trade	31,106	939,620,578
Service	5,800	137,841,148
Finance	29,223	845,996,531
Others	430	37,707,471
Total	109,313	6,586,774,764

Mr. SIMMONS. Mr. President, the surtax amendment presented by the minority, as I have previously intimated, is based upon the Democratic theory of equalizing taxation upon the principle of ability to pay. Acting upon this principle we have applied very low rates, relatively speaking, to small incomes as compared with the rates imposed upon large incomes.

Upon incomes below $64,000 we have made reductions much greater than those provided by the so-called Mellon plan presented by the majority, and we have made reductions somewhat less than the Mellon plan on incomes between $64,000 and $100,000. We have, however, carefully graduated the reductions.

As the income increases from $100,000 upward the reductions we make are greatly less than those made in the Mellon plan, so that when we reach the maximum of 40 per cent at $500,000 the reduction from that point upward amounts to only 20 per cent from the present law as against 50 per cent under the Mellon plan as reported by the majority.

In making these proposed reductions the minority have given full consideration to two important facts.

First and foremost, as I have heretofore said, the principle of ability to pay.

A tax of $100 to a man whose income is only $5,000 or $6,000 is a heavier tax than a tax of many times that amount to a man whose income is $50,000 or $100,000, and the disparity increases as the income increases. If this principle be correct in imposing taxes, it is equally correct in reducing taxes.

But there is another consideration of determining influence which received our consideration and influenced our action. It is this: The large incomes of the country are made chiefly through the so-called productive industries, whether conducted by individuals or corporations. It has been said, and truthfully said, that it is difficult to impose a tax upon these industries that can not be passed on to the consumer, whether it be a revenue tax or a tariff tax, and that statement is true of practically all of these taxes except an income tax. Of all taxes income taxes are most difficult to pass on. To the extent that the taxes imposed by the Government can be passed on they impose but little financial burden, though some inconvenience, to the original taxpayer. This is true of tariff as it is of internal-revenue taxes. But the earners of small incomes are chiefly salaried men, artisans, mechanics, craftsmen, employees, laborers, and, under present conditions, farmers, who have nothing to do with fixing the price of their products and therefore can not pass on to others the burdens of government which are imposed upon them by taxation. These are the people who have to pay the taxes that are passed on to them by those who are more fortunate and whose incomes are large. They are the people who pay the excise tax in the last analysis imposed upon the industries; they are the people who in the last analysis pay the miscellaneous taxes; they are the people who pay the tariff

taxes imposed for the benefit of large productive industries. The tariff levies alone are estimated to cost the consumers of the country $3,000,000,000 annually. Therefore in distributing reductions in income taxes, practically the only tax which can not easily be passed on, we thought justice suggested that a larger proportionate reduction should be given to small than to large incomes.

There is another circumstance that appealed to us. In the reduction of war taxes made in 1921 large incomes were relieved to a far greater extent than small ones. The excess-profits tax upon corporations was repealed, thus remitting to them over $400,000,000 in taxes and thereby to that extent increasing the incomes of the individual stockholders of those corporations. The reductions then made in individual income taxes amounting to over 20 per cent inured chiefly to the benefit of the larger taxpayers. The total of reductions then accorded to the larger incomes was between five and six hundred millions of dollars, while the total reductions on small individual incomes were relatively very small. If the Mellon plan should pass, the big incomes would again get the lion's share of the reductions. Indeed, it is now apparent and generally recognized that the paramount objective of this Mellon scheme is to reduce the surtaxes of the big taxpayers. For this reason we felt that in the reductions now to be made special consideration should be accorded to that class of income-tax payers who were unjustly discriminated against in the 1921 revision. For these reasons the reductions we have made on incomes of less than $64,000 are much greater in percentage than those made under the Mellon plan or those proposed in any other plan that has been suggested.

While the reductions made in the minority plan upon the lower brackets are much greater than those of the Mellon bill, those upon incomes between $64,000 and $100,000 are substantially less than those of the Mellon plan, but they are carefully graduated downward.

The general result is that a taxpayer with an income of $100,000 will pay under the minority plan a surtax of only about $2,900 more than under the Mellon plan. While under the minority plan the tax rate upon an income of this size is 36 per cent, the amount of tax actually to be paid upon an income of this size is only 17.2 per cent. This is because in computing the tax upon each income the taxpayer gets the benefit of all the lower rates in the lower brackets; that is to say, upon the first $2,000 of his income he pays the rate fixed in the first bracket, which is 2 per cent normal and no surtax, upon the next $2,000 the same reduction, and so on through all the intervening brackets. Under the minority plan the total tax upon $100,000 income is $17,020, which evidently is only 17.02 per cent.

The great bulk of business—the so-called productive industries—is owned and operated by men whose individual incomes do not exceed $100,000. These are the men Mr. Mellon, the Secretary of the Treasury, claims should be safeguarded against a deterring surtax and a rate that will subject them to the temptations to evade the law or withdraw their capital from these enterprises for investment in nonproductive securities. While we do not accept either the statements of facts or the reasoning of the Secretary, we have recognized the fact that by far the larger part of the competitive business of the country is operated or controlled by individuals whose incomes do not exceed $100,000, and for that reason we have accorded liberal reductions to this class of income-tax payers.

When we get above $100,000 we soon reach the domain of the enormously rich, the realm of the overgrown trusts and monopolies that dominate business and politics, stifle competition, crush small competitors, drive out of productive channels millions invested in private competitive enterprise, and exploit the masses at will. Most of these enormous individual incomes can be traced back to these great monopolies, and the great dividends accruing from these monopolies are in part the fruits of tax evasions, such as undistributed surplus; of great benefactions at the expense of the masses, such as tariff bounties; monopolistic exploitation of the consumers of their products; and the heartless smashing of private competitors. These powerful and overweaning combinations, whose profits make possible these enormous incomes, have driven and are driving more capital out of productive channels than any and all other determining causes, including the Mellonites' bogy of tax-exempt securities.

Ought not the beneficiaries of these great incomes derived through monopolies fostered by privileges and exemptions to be taxed at a much higher percentage rate than the man of relatively small income and whose income is made in active, wholesome competition with his fellows and represents largely the earnings of personal industry, initiative, effort, and toil?

I can not agree with my Republican colleagues on the Finance Committee that it would be either fair or just to the great mass of taxpayers to make a second drastic cut in the taxes of a few thousand taxpayers whose great incomes make it possible for them to pay the taxes now imposed and yet prosper beyond the dreams of avarice. For these reasons we have felt that the chief beneficiaries of the reduction should be, and we have given it to, the taxpayers whose incomes do not exceed $100,000.

Mr. President, I have heretofore stated the average reductions made under the Mellon plan. I now wish to place in juxtaposition the reduction under the two plans. I ask that the table which I have in my hand and which states the per cent of reductions in parallel columns may be published as a part of my remarks.

The PRESIDING OFFICER. Without objection, it will be printed in the RECORD.

The table referred to is as follows:

Average reduction of surtax rates from the 1921 base

Income	Mellon plan	Simmons plan
	Per cent	*Per cent*
Less than $64,000	22	28
$64,000 to $100,000	35	24
$100,000 to $200,000	48	23
$200,000 to $500,000	50	22½
Over $500,000	50	20

Mr. SIMMONS. Under the Mellon plan incomes less than $64,000 are given an average reduction of 22 per cent. Under the minority plan they are given an average reduction of 28 per cent. Incomes between $64,000 and $100,000 under the Mellon plan are given a reduction of 35 per cent, and under our plan 24 per cent. It will be seen that upon these lower incomes, up to $64,000, our reductions are much greater than the Mellon reductions. Upon incomes from $64,000 to $100,000 our reductions are less than the Mellon reductions.

From $100,000 to $200,000 the Mellon plan gives a reduction of 48 per cent, the minority plan a reduction of 23 per cent, still proportionally very much less than the Mellon plan. Incomes are getting very large when they reach $200,000.

From $200,000 up the Mellon plan gives an average reduction of 50 per cent, while we give an average reduction of only 22½ per cent.

From $500,000 up—there is where we reach our maximum—we give a reduction of 20 per cent to all that vast wealth that is in the higher domain of finance and of business; but the Mellon plan, while giving only 22 per cent reduction to the small taxpayer whose income is less than $64,000, gives to every taxpayer whose income exceeds $200,000 a flat reduction of 50 per cent. The minority amendment gives to incomes in excess of $500,000 a reduction of only 20 per cent.

Mr. REED of Missouri. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Missouri?

Mr. SIMMONS. Yes; I yield.

Mr. REED of Missouri. The Senator's statement is very clear to those who understand the bill, but of course he means to say that the man with the $500,000 income gets upon that income exactly the same rate of taxes as the man with the small income on that proportion of his income which is within the lower brackets, and is only on that part of his income which is in excess of $500,000—using that for illustration—that he pays the higher rates. The Senator's idea is perfectly clear, but his language on that point might have been misconstrued.

Mr. SIMMONS. I will correct the mistake, Mr. President. I might as well right at this point—it is an appropriate point to do it—make some explanation with reference to the manner in which these surtaxes are assessed and calculated.

The percentage rate of taxation upon an income of $100,000 in the minority amendment is 36 per cent, but that does not mean that the taxpayer with that income will have to pay 36 per cent of his income in taxes. As a matter of fact, the tax he will actually have to pay will amount to only 17 per cent of his total net income, and the table as worked out in the substitute amendment shows that the taxes to be paid upon that income are only $17,020, which is only 17.02 per cent.

It is difficult for the ordinary man who has not studied these questions to understand how that result follows the rate imposed. It follows in this way, Mr. President:

The man who has $100,000 income gets the full benefit of the reduction given to every small taxpayer in every

lower bracket. That is to say, in calculating the amount of tax to be paid on the $100,000 income, it is divided up into parts, and the taxpayer is given the benefit of the lower rates of every bracket below the $100,000 bracket. As a result of that process the amount of tax actually to be paid upon an income of $100,000 is not 36 per cent, the rate of that bracket, for the reason, that by getting the benefit of the rates of all the lower brackets the 36 per cent will only apply to the $2,000 in the 36 per cent bracket. I wish to insert at this point a table prepared for me by Mr. Joseph S. McCoy, the Actuary of the Treasury, showing how the surtax on incomes of $100,000 is calculated under the law:

Surtax on $100,000 net income

Total net income, increasing by tax brackets	Mellon plan				Simmons plan		
	Amount	Rate	Tax on each bracket	Total tax	Rate	Tax on each bracket	Total tax
		Per cent			*Per cent*		
$10,000	$10,000	0	$0	$0	0	$0	$0
$12,000	2,000	1	20	20	1	20	20
$14,000	2,000	2	40	60	1	20	40
$16,000	2,000	3	60	120	2	40	80
$18,000	2,000	4	80	200	3	60	140
$20,000	2,000	5	100	300	4	80	220
$22,000	2,000	6	120	420	5	100	320
$24,000	2,000	7	140	560	6	120	440
$26,000	2,000	8	160	720	7	140	580
$28,000	2,000	9	180	900	8	160	740
$30,000	2,000	10	200	1,100	9	180	920
$32,000	2,000	11	220	1,320	10	200	1,120
$34,000	2,000	12	240	1,560	10	200	1,320
$36,000	2,000	13	260	1,820	11	220	1,540
$40,000	4,000	14	560	2,380	12-13	500	2,040
$46,000	6,000	15	900	3,280	13-14-15	840	2,880
$52,000	6,000	16	960	4,240	16-17-18	1,020	3,900
$58,000	6,000	17	1,020	5,260	19-19-20	1,160	5,060
$64,000	6,000	18	1,080	6,340	21-21-22	1,280	6,340
$70,000	6,000	19	1,140	7,480	23-24-25	1,440	7,780
$76,000	6,000	20	1,200	8,680	26-26-27	1,580	9,360
$82,000	6,000	21	1,260	9,940	28-28-29	1,700	11,060
$88,000	6,000	22	1,320	11,260	30-31-31	1,840	12,900
$94,000	6,000	23	1,380	12,640	32-33-34	1,980	14,880
$100,000	6,000	24	1,440	14,080	35-36-36	2,140	17,020
Total			$14,080			$17,020	

The average rate of surtax on a net income of $100,000 under the Simmons rate is only 3 per cent larger than the Mellon rate. The above table shows the method of computing the surtax.

Our rates are brought closer into the range of Mellon's rates by reason of the fact that our rates upon the first $64,000 have been largely reduced as compared with the Mellon rates, and the taxpayers whose incomes are above $64,000 will get the benefit of those reductions; so that getting the benefit of our higher reductions upon the low incomes brings the amount of the tax to be paid when we get to $100,000 income closer to those of the Mellon plan than the per cent rates of that bracket indicate. The amendment I have offered will reduce the taxes on a great many more taxpayers with incomes of less than $100,000 than the Mellon plan.

Mr. President, when the Nation was in the throes of war, and had to tap every available source of possible national income the Democratic Party, which then held the reins of government, apportioned the burden upon the broad philosophic principle of ability to pay. We paid probably one-third of the colossal expenditures incident to that great struggle from current taxes. The rest of the stupendous outlay we borrowed, and by far the greater part of that sum still hangs over us unpaid. The war is now over, but the war indebtedness still endures and must be paid. The only way open to us to pay it is by taxation. We can reduce taxes from time to time, but we can not get to a normal peace-time basis until we shall have liquidated these emergency borrowings.

In 1921, shortly after the advent to power of the Republican Party, Congress made a substantial reduction, but the reduction was not apportioned upon the theory of ability to pay but upon the contrary theory that if those able to pay are relieved from their burdens they will create a condition that will enable the weak to bear those burdens for them, and that enlightened statesmanship and sound business demanded this shifting of the burden. In other words, the Republican majority seemed to proceed upon the theory that the way to prosperity was to untax wealth and give it a free hand. But you can not untax wealth without transferring the burden thus lifted to the shoulders of the masses. Acting upon this unjust and mistaken theory in the 1921 revision the lion's share of the reductions was given to those whose ability to pay was greatest and, as I said before, overgrown wealth was relieved of between five and six hundred millions of dollars of war taxes.

Now, another opportunity is given to make a small additional reduction, only about $300,000,000, and wealth again seizes upon the opportunity to demand that their remaining taxes be cut half in two. Undoubtedly it is our duty to reduce taxes to the full extent compatible with the requirements of the Government, but undoubtedly it is equally our duty to distribute the reductions fairly, and if former reductions have been unequal, to repair that injustice as far as conditions will permit in the reductions now to be made.

The action of the minority in framing the substitute now presented has given due consideration to all the facts and conditions of the situation and has endeavored to be just and fair in their treatment of all classes.

Mr. President, in the observations I have made to-day with reference to the discriminations in favor of wealth, whether individual or corporate, I do not wish to be understood by my colleagues in the Senate or by the country as inveighing against wealth.

I have no prejudice against wealth. I have never had any. I would not knowingly do an injustice to a rich man any more quickly than I would to a poor man. But I can not give my consent to any legislation which in my judgment is discriminatory and therefore unjust and violative of that great and fundamental principle of equality in the benefits and burdens of government.

Mr. McLEAN. Mr. President, the Senator from North Caroline [Mr. SIMMONS] has just addressed the Senate in defense of the minority plan, so called, for a revision of the revenue act. He has expressed the views of the minority with great ability, as he always does when he undertakes to discuss an important question. He had for his audience six Senators a part of the time, but most of the time when I was in the Chamber he addressed himself to only three or four Members of this body. I am not surprised. We all know that the Democratic Senators held a caucus day before yesterday and decided almost unanimously to repudiate the revenue plan recommended by the Secretary of the Treasury, that they decided to maintain the high surtaxes and, in addition, to protect all the avenues through which the interests, so called, could escape the payment of their legitimate taxes.

I realize that further debate on the bill is a sheer waste of time. The minds of Senators on the other side of the Chamber and upon this side are already made up. The matter has been discussed a long time and agitated and argued, and we might just as well dispose of the bill on Monday next as to continue the discussion any longer. But as a member of the Committee on Finance, I have taken some interest in the measure with the hope that we might secure the adoption of amendments to the present law that would be approved by well-recognized authorities on the subject, the impartial, disinterested students of the subject who have no political axes to grind, no seat to keep, hoping that we might adopt a plan in a measure consonant with experience and common sense. I have, as I said, taken some interest with the other members of the committee in the endeavor to recommend such amendments as would really improve the present law. But I realize that our labors have been in vain. Still, as I have said, as a member of the committee I feel it my duty to offer a few general observations upon the question of taxation.

Mr. President, there was a period in our history when taxes were high and good money was not to be had. In some sections the only coin in circulation was the copper penny. During this period there was some concern in Connecticut as to what would happen to the exchanges when the copper mine in the town of Simsbury should fail to produce ore. There was a time when our grandmothers made cloth of wool, and when the rickets and other diseases threatened to exterminate their flocks they shook their heads at the prospect. There was a time when the bean weevil, which threatened to destroy the field bean, caused great consternation in New England, and especially in the thickly settled parts of Massachusetts. My grandfather wrote his sermons with the aid of a whale oil lamp, and he used to wonder what the good ministers would do for light when the whale crop was exhausted.

We still have money and cloth and light and beans.

If a Rip Van Winkle should awaken to-day from a century nap he would find much that is new and worth having under the sun and not much of anything old except the weather and human nature. And the weather has materially changed for the better since the glacial period. It is much better in some respects than it was in the days of Noah. Human nature has improved greatly since the Javanese gentleman ate his neighbor

for breakfast, but it is true that the homo sapiens still finds his greatest comfort in unnecessary worry.

Mr. President, I have heard so much in the last few months about back-breaking burdens and unnecessary taxes that I thought I would see if I could find a silver or at least a copper lining to our revenue cloud. The Senator from Virginia [Mr. GLASS] in his brief but earnest argument against the soldiers' bonus, graciously conceded to those who disagree with him an honesty of conviction equal to his own.

The Senator from Idaho [Mr. BORAH] in his eloquent and impressive criticism of things in general and the soldiers' bonus in particular, admitted that the hardships which the farmers and others are suffering to-day could not be attributed to a law which has not yet become a law. But realizing, as I do, that when the adjusted compensation bill becomes a law all of our subsequent misfortunes will be laid at its door, I shall take this opportunity to call attention to some of the things that I think we ought to be thankful for, some things we may well worry about, and all of which I think have an intimate bearing upon the payment of our legal and moral obligations and the best way to raise the necessary funds.

President Coolidge, in his Washington's Birthday address, told us, among other things, that the institutions which Washington founded can not be maintained unless we accept responsibilities and make sacrifices, and that "under all the laws of God and man there is no other way." A great truth this—bravely spoken by a brave and wise man. I wish the President had gone a little further and told the American people how comparatively easy it would be for them to bear their tax burdens if they would meet their responsibilities with a fair modicum of the fortitude with which the Father of his Country met his.

The fact is, no people in all history have had as few economic ills or as many economic blessings as is the lot of the American people at this hour. The average man to-day has and can afford to have many comforts which the rich did not have in Washington's day and for the simple reason that they did not then exist. The purchasing power of the average day's work to-day is more than four times what it was when Washington was a boy. Seventy per cent of the national income goes to individuals who receive less than $5,000 a year. Eighty-five per cent of the American people pay no Federal taxes. More than 15,000,000 automobiles are now registered in this country. The American people own and operate 77 per cent of the automobiles of the world. Less than five millions of people have incomes large enough to call for an income tax, and yet thirteen millions have incomes large enough to own and operate automobiles.

In the list of luxuries purchased in 1923, which I quoted the other day, totaling $24,000,000,000, I did not include a half billion dollars invested annually in fake securities. I am not criticizing expenditures—that is not my concern. I am simply calling attention to the fact that they indicate a degree of prosperity never before enjoyed by any people anywhere. These vast expenditures for things not necessary to a comfortable existence clearly demonstrate that the American people can pay their war obligations without adding a single ill to existing conditions if they will meet the tax problem with courage and foresight.

In the first place and at all times we must bear in mind that while the killing phase of the war is over the debt-paying phase is at its height. There are no more death lists for anxious mothers to read. The guns are silent, but the tax-paying battles of the war are still to be won and, of course, must be won. We remember those striking lithographs that were posted on the corners of our streets to encourage investment in the Victory loan; that rugged, patriotic workman putting his hand into his pocket and exclaiming, "Yes, I'll see it through." All praise for what he did then, and yet he was simply making the best investment of his life. From 1914 to 1919, most of us were as deeply interested in making our bit as we were in doing it. In other words, our sacrifices were largely measured in constantly increasing profits and wages. If we spent less freely than before, we put our surplus into safe investments. A few of us went without beef and gasoline one day in the week. There were a few noble men and women who made real sacrifices, but the great mass of the American people boomed the market for flags and everything else. At the end of the war we found that our wealth as a Nation had doubled; the purchasing power of the dollar was reduced, but the fact remains that the average day's work to-day will buy four times the food and clothing that it would 80 years ago.

Wages are now eight times what they were in 1848 and that is the reason why the American people can spend and do spend so many billions of dollars for things that are not necessary to sustain life in comfort. I believe in good wages and good prices—I simply want to urge the fact that with all our taxes we as a nation are more prosperous than ever before in our history and more prosperous than any other nation is or ever has been.

If the American people could be taken back to the colonial days or to the last quarter of the eighteenth century and compelled to live for two days as their forbears lived, at the close of the first day of this experience they would, upon their bended knees, beg to be returned to the United States of 1924, with all its taxes and other troubles. Anyone who is familiar with the debts and tax rates and other trials and burdens borne by those who won and gave to us the garden spot of the earth can have little patience with the men and women of to-day who, living in luxury and leisure, are prone to shirk the comparatively light responsibilities of the present hour. The fact is the generations of the American people above 21 years of age living at the time the war began in 1914 knew nothing about taxes and to-day about all the average man knows about taxes is that he wants them reduced. The prevailing idea seems to be that taxes are of unwise and evil origin. During my service as a member of the Committee on Finance I have heard from no one who feels that his tax is just or necessary. The moving pictures throughout the country and many other ingenious devices are employed to create and spread the belief that Congress is willfully negligent in that it does not immediately abolish taxes and grant liberal appropriations to help those sections of the country where profits are unsatisfactory.

If we spent $24,000,000,000 in luxuries in 1923 we must add at least $2,000,000,000 to such expenditures in 1924; and we must remain able to pay any and all kinds of prices for the things we think we want. When we indulge in our favorite fad we get a run for our money, as the sporting gentlemen say, and while we would like to have the tax or price we pay for a Rolls-Royce or a joy ride in a Ford reduced, being good sports we raise the necessary lucre. We scold about it and then we do the best we can to get even by raising the price of the things we have to sell. But when we are called upon to pay into the common purse money for the common good our sporting blood suddenly becomes cold. Rachel weeping for her first-born has nothing in the grief line on the gentleman who delivers his fat income baby to the tender mercy of the collector of internal revenue. It has been estimated that the amount of money spent every year in attempts to have taxes cut or evaded is 40 per cent of the total tax collected. This can not well be avoided. And yet with all the taxes that we pay and all the money that we pay lawyers and experts and others to help us avoid taxes, we have more money left each year with which to gratify our sporting proclivities.

During the war we did not look with much favor upon the pacifist or the boy who tried to escape enlistment. We called them "slackers," and yet a large number of the American people to-day seem to have conscientious or other scruples against paying the cost of saving the life and honor of the Nation.

I shall try to make it clear that we can pay our debts, legal and moral, and cut taxes so they will stay cut if the American people will face the situation in a spirit of intelligent selfishness. The biologists and sociologists tell us that we are losing the pioneer spirit which made us what we are; that our prosperity is becoming too heavy for our inherited capacities; that the spending habit is getting the better of the earning habit; that we are growing weaker physically, morally, and mentally, and instead of looking for salvation in the only direction it is to be found, instead of rallying around the man who carries the flag of self-reliance and individual responsibility, we are demanding that Congress stay the inevitable consequences of our physical and spiritual regression. Some of the gentlemen who are voicing this demand denominate themselves as progressives. I do not attempt to define a progressive, but I am confident that the time has come when a conservative may rightly be classed as one who defends sound principles after they have become unpopular.

The laboring man fails to realize that his most valuable tool is capital; that we can not progress industrially unless production capital increases progressively. High wages depend upon large sales at reasonable profits, which in turn require large production units. He looks upon a great factory as representing great riches, permanent wealth, but a factory that is not running at a profit is worth nothing, or less than nothing, to the owner, and the larger the factory the greater the loss. All bills in the final accounting are paid out of the national income. If the laboring man understood this subject he would demand that all taxes be collected from sources that will to the least degree directly or indirectly reduce the amount of capital required to keep the great industries in a healthy financial condition.

No estate, inheritance, or capital tax should be greater than one year's income. The right to transmit large estates by will to lazy, extravagant children is looked upon with increasing disfavor by the masses of the people. The insolence of inherited wealth, its supine self-worship and arrogant assumption of superiority, are a growing offense in the eyes of all right-minded people. We find in the estate and inheritance tax a weapon with which we can easily confiscate swollen fortunes and turn them into the Public Treasury, but the nation that permits itself to use the taxing power to equalize existing inequalities in the distribution of capital will soon find itself in a state of universal poverty. An estate or succession tax of 20 per cent during a period of hard times would close 50 per cent of the productive industries of the country if the owners should die during that period. Moreover, if estate or succession taxes are high the successful business man, anxious to provide for his children, as soon as he has accumulated a moderate fortune will be tempted to close up his business and invest his accumulations in tax-exempt securities. Inheritance taxes and estate taxes should be left to the States, where they will be fairly constant and moderate, otherwise great injustice will be done to those who die or inherit during a high-tax period.

The Federal Government should look for its income to annual profits, net incomes, and stamp and consumption taxes. The economists tell us that we can not charge surtaxes to the cost of production, that we can not shift such taxes or taxes on profits to the consumer. They are right in theory but they all admit that when we consider the effect of surtaxes and high income taxes, while they can not be shifted they prevent reduction in prices. Consequently, the consumer would be much better off with a light turnover tax which he can see than he is with an invisible tax of from 5 to 15 per cent upon many things that he buys.

There would seem to be an element of justice in distinguishing between an earned and unearned income, but when we go back a decade and ascertain the effect of the war upon earned or funded incomes, we shall find that the inequalities which would result from a lighter tax on earned incomes would be far greater than would result if we make no change in the existing law. The war laid a tax upon unearned incomes of nearly 40 per cent by reducing the purchasing power of the dollar to 60 cents. The man who worked hard all his life and left $50,000 to his widow in 1914 belongs to a class that was severely penalized by the war. The income of the widow, measured in dollars, has not increased. If it was a 5 per cent investment she gets $2,500 a year, and her dollars will not purchase as much by 40 per cent as they did in 1914. On the other hand, wages, fees, and all current expenses have been doubled by the war. When we take a sane and just view of the tax problem we should unhesitatingly collect, and collect now when prices are good, money enough to meet current expenses and provide for an ample sinking fund, and we should collect this money from profits, annual profits, and consumption taxes on luxuries or a small turnover tax on all sales. While it is true that a sales tax will be proportionately heavier on the man of small income, the surtax and other taxes upon the larger incomes will fully offset this disproportion.

It does not follow that an unpopular tax is an unwise or an unjust tax. In my desire to reach a wise conclusion as to which one of the many pending taxation plans I should support I have found it profitable to consider some of the experiments that have been tried before my time. As one who still believes that experience and the rule of three have their uses in the drafting of revenue bills, I have been interested to note the evolution of our present system of taxation. I have been greatly impressed by the diversity of opinion upon this subject that has emanated from our statesmen, and I have noted without surprise that in former days as now lawmakers have easily denounced unpopular taxes as unwise and unscientific and as easily have given their sanction to those cash-producing processes that have left unmolested the majority of the voting population.

Mr. President, for the sake of the CONGRESSIONAL RECORD, which the Senator from Utah [Mr. SMOOT] says is being widely perused at this time, I shall now call attention to a few items in history which have greatly fortified my view that our present tax burdens, though heavy and unwelcome, are not unbearable if we will meet them in the right spirit, and, I repeat, wisely use the taxing power for the purpose of raising the needed funds and as wisely refuse to use this power for destructive, punitive, or political purposes.

I have said that wages to-day are eight times what they were when Washington was a boy. In support of this statement I will put in the RECORD at this point the wages paid by one of the oldest and largest manufacturing plants in this country, beginning in 1843, and my investigation has satisfied me that they are fairly comparable with and quite as high as the wages paid in other industries.

Period	Working hours	Earnings per hour	Per week
1843	72	$0.042	$3.08
1848	72	.072	5.18
1856	72	.078	5.62
1860	72	.081	5.80
1863	60	.107	6.42
1870	60	.149	8.94
1880	60	.132	7.92
1890	60	.151	7.92
1900	60	.156	9.36
1910	60	.179	10.74
1914	55	.204	11.22
1920	48	.440	21.15
1923	48	.908	29.18

The first organized strike in the building trades occurred in New York in the early thirties, when skilled labor, working 12 hours a day for $1.37½, struck for a 10-hour day and $1.50. As late as 1850 stone masons and carpenters received 10 cents an hour and they did excellent work. I am not saying that wages were too low then or too high now. I call attention to the incomes received in former times for the sole purpose of indicating the comparative ease with which the tax burdens of to-day can be borne when compared with the taxes paid in those days.

If we go back to the period following the close of the Revolution we find our forefathers struggling for their existence without money or credit. We find them eating the coarsest food and wearing the coarsest apparel, many of the best of them living in windowless cabins and knowing nothing about the comforts which the humblest citizen enjoys to-day. I have said that the purchasing power of the dollar is less now than it was then, but this statement must be taken with many important qualifications. Many articles of food which are now counted as common necessities were much more expensive then. For many years after the Revolution sugar sold for 50 cents a pound and upward, tea for $1 a pound and upward. Wheat flour was practically unknown in the East. Pork, corn meal, and rye flour constituted a major portion of the daily diet, and these articles are cheap now. The death rate then was probably three times what it is to-day. Typhoid fever, tuberculosis, diphtheria, cholera, yellow fever, annually took a heavy toll. In many instances medical and theological students upon completing their education voluntarily contracted smallpox and went to the public pesthouses in order that, if their lives were spared, they might be immune from this dread plague and be able to administer to their parishioners and patients when their turn came. These men and women found their happiness and the courage to "carry on" in the firm belief that they were preparing themselves for mansions not made with hands and, for their progeny, a great and God-fearing Nation. So rapid has been our advance in national prosperity that we forget the hardships of yesterday and are even beginning to look upon the necessity for labor as nature's greatest bane instead of her greatest blessing. The record shows that the forces that have organized and kept in motion the historic procession from poverty to wealth and from wealth to war or paternalism and from war or paternalism back to poverty are still in working order.

When Europe goes to work again and meets the responsibilities and makes the sacrifices necessary to pay her debts and restore her lost capital and credit she will in the process breed a superior generation of men and women who will have every incentive to follow that ancient and attractive plan "which gives to him who has the power and lets him keep who can." Europe will come back sooner or later and under the leadership born of stern necessity she will mother a mighty brood whose definition of right may not conform to ours. Our title to the garden spot of the earth will be recognized as long as we are fit and strong enough to hold it and no longer. To-day we are loved by nobody but ourselves and there is no emotion more fatal to individual or national progress than self-adulation. Unless we mend our faults while we are bragging about our virtues, if we forget that everything we possess to-day that our ancestors did not have is due to the fact that we inherited from them a continent of fertile acres and heads and hands that could meet responsibilities, nothing that we remember will save us.

I have said that they were poor. I could cover pages with details of their deprivations and sufferings. At times the

burdens they were compelled to bear were due to their experiments in unsound legislation, tax and otherwise. It is most interesting to note how they slowly and ofttimes reluctantly learned that taxing the few for the benefit of the many or taxing the many for the benefit of the few are economic impossibilities.

Historians all agree that the most critical period in the history of our country embraced the years between 1783 and 1788. As Fiske says, "That period was preeminently the turning point in the development of political society in the Western Hemisphere. It was the work done in these years between 1783 and 1787 that created a Federal Nation capable of enduring the storm and stress of the years 1861–1865."

In 1774 the 13 Commonwealths began to act in concert, but how feeble did they soon find this attempt at national integrity. The most fundamental of all attributes of sovereignty—the power of taxation—was not given to the Continental Congress. It could not collect taxes. It could make requisitions upon the 13 members of the Confederacy in proportion to the assumed value of their real estate, but it had no means of enforcing these requisitions. The power of levying taxes as we understand the term was entirely retained by the States. It could not collect its requisitions for its yearly budget without firing upon its citizens or blockading State ports. Every State had its own debt and some of them were applicants for foreign loans. In 1781 for current expenses of the Government $9,000,000 was needed. It was proposed to raise $4,000,000 by loans and secure $5,000,000 from the States. At the end of the first year $422,000 had been collected. Three States refused to pay anything, one paid one-third of the amount demanded. Of the continental taxes assumed in 1783, only one-fifth had been paid by the middle of 1785. The new nation had no credit at home or abroad.

In the summer of 1783, before the British troops evacuated New York, the disbandment of the Continental troops was hastened by the inability of the Government to pay the officers and men. Naturally, there was great discontent among the officers and men, which Congress dreaded. At the critical moment Washington asked Congress for half pay for the soldiers for life. Threatened mutiny was suppressed by the tact and skillful appeals of Washington. In response to a letter from Washington to Congress the latter voted the soldiers a gross sum equal to five years' pay in certificates bearing interest at 6 per cent. In September, 1776, Congress paid a bounty of $20 and gave 100 acres of land to each noncommissioned officer. In January of that year Congress granted small bounties. In 1778, in response to Washington's appeal, Congress offered one-half pay for seven years after the war to those who remained in the service. Suffice it to say that Congress did much more for the defenders of the Nation then, in proportion to the ability of the people to pay, than we are asked to do now. Soldiers were human then as now. They would not be good for much if they were not.

On April 21, 1778, Washington, in a communication to Congress, said:

> Men may talk of patriotism, but whosoever builds upon this as a sufficient basis for conducting a long and bloody war will find himself deceived in the end. * * * I know it exists, and I know it has done much in the present contest. But I will venture to assert that a great and lasting war can never be supported on this principle alone. It must be aided by a prospect of interest or some reward. For a time it may, of itself, push men to action, to bear much, to encounter difficulties; but it will not endure unassisted by interest.

I commend this great and good man's conception of the virtues and shortcomings of the combative instinct to those who hold that the soldier should enjoy losing his life in defense of his country, and his wages as well, while so engaged, especially if he faces death and debts and disease at the command of the richest nation in the world.

At the close of the eighteenth century the "League of Friends" was drifting toward anarchy. We were bullied by England, insulted by France and Spain, and eyed with suspicion by Holland. Our position was most humiliating. Our envoys were compelled to beg for money for a Government which could give no security, which could not raise money enough by taxes to pay its current expenses. Financial distress was widespread and deep-seated. There was no accumulated capital and the great majority of the people suffered unspeakable hardships. One of the prime causes of their poverty was an irredeemable currency worth 2 cents on the dollar. It created a false and fleeting show of prosperity by violently disturbing values.

The cost of the Revolutionary War was estimated at $170,000,000, a staggering sum in those days when a paper dollar was worth 2 cents at home and nothing abroad. The Colonies secured their independence to avoid paying taxes laid by the mother country, and when they secured their independence they found that taxation with representation was equally distasteful in all its important particulars to taxation without representation. As I have stated, Congress could not compel obedience to its requisitions. It was compelled to get new money, good money, and yet had no means of collecting funds sufficient to pay the interest on the loans it might obtain.

Meanwhile, the people had never been accustomed to paying taxes into a Federal Treasury. In 1784 Congress decided to secure sufficient funds to pay the interest on the domestic debt of $42,000,000 by import taxes and secure $2,500,000 additional by requisitions on the States. This constituted the entire revenue system of 1783. The States refused to pay. Rhode Island voted to abolish taxes, to suspend the excise and emit a paper currency. In New Hampshire a mob demanded paper money, equal distribution of property, annihilation of debts, and the abolition of taxes. Between 1781 and 1786 requisitions amounting to $10,000,000 had been made on the States and less than $2,500,000 had come into the Treasury. The interest on the foreign debt was defaulted; the Treasury was empty.

Shays's rebellion in Massachusetts in 1786 was organized for the purpose of abolishing taxes and the courts and the issuance of paper money and plenty of it. At this time Washington remarked:

> It was but the other day that we were shedding our blood to obtain the constitutions under which we live—constitutions of our own choice and making—and now we are unsheathing the sword to overturn them.

State debts at that time were large. In 1786 the funded debt of Massachusetts was $1,300,000. In the general court a bill was presented prohibiting the redemption of paper money. Of this period Fiske says:

> These unspeakably stupid and contemptible local antipathies are inherited by civilized men from that clan system which prevailed over the face of the earth, and the hand of every clan was raised against its neighbor.

Referring to jealousies and quarrels between the different States, Fiske says:

> Incidents like these seem trivial perhaps; but their historic lesson is none the less clear. Though they lift the curtain but a little way, they show us a glimpse of the untold dangers and horrors from which the adoption of our Federal Constitution has so thoroughly freed us that we can only, with some effort, realize how narrowly we have escaped them In the very face of the miseries so plainly traceable to the deadly paper currency, it may seem strange that people should now have begun to clamor for a renewal of the experiment which had worked so much evil. Yet so it was. As starving men are said to dream of dainty banquets, so now a craze for fictitious wealth in the shape of paper money ran like an epidemic through the country.

The Articles of Confederation provided three ways for meeting Government obligations—requisitions, loans, and bills of credit. The first paragraph of the Federal Constitution, Article I, defines the powers of Congress and recites: "To lay and collect taxes, duties, imposts, and excises." This power alone gave life and vitality to the instrument and power to the newborn Nation.

The success of Hamilton's plan of funding the public debt and raising revenue is a matter of common knowledge. He put into practice sound principles—the same principles that have been followed to this day where common sense has attended taxation legislation. The sensation of the second session of the First Congress was the financial report of the Secretary of the Treasury. No sooner had this report been made than United States securities rose 50 per cent. But funding of the public debt and maintenance of the public credit required money, and the customs receipts were sufficient to pay only two-thirds of the annual expenses of the Government. There was a deficit of $826,000, and to meet such a contingency the Secretary of the Treasury urged the passage of excise taxes.

Most interesting are the early experiments with this latter class of taxation. All the States except Vermont and Delaware taxed land. Carriages were taxed in Connecticut, New Jersey, Pennsylvania, Kentucky, and North Carolina. Processes of the law were taxed in Maryland, Virginia, Kentucky, and North Carolina. Seven of the States clung to the uniform capitation tax, four imposed the general property tax upon all forms of wealth, while others specifically indicated the articles to be

taxed. To a limited extent and under various disguises the income tax was imposed by the States. Vermont provided for assessments proportional to the profits of all lawyers, traders, and owners of mills, according to the judgment and discretion of the assessors; Massachusetts taxed incomes from any profession, faculty, handicraft, trade, or employment. Similar taxes were to be found in Connecticut, Pennsylvania, Delaware, and New Jersey, as well as in several of the Southern States. Some of the States taxed ardent spirits until 1796 when all these taxes were relinquished for a time. Hamilton's proposal to impose excise taxes though familiar to the people in many of the States was yet an entirely new experiment in national finance. The excise tax upon spirits caused bitter opposition. It was denounced as "hostile to true liberty of the people" and would "let loose a swarm of harpies who, under the domination of revenue officers, would range the country and pry into every man's house and affairs." With characteristic courage Hamilton proposed and had passed a bill to tax snuff, tobacco, carriages, sales at auction, licenses for the practice of law, and privilege of selling wines and spirits, and the machinery which he then set up has served as a model for all subsequent legislation. But his plan was bitterly opposed by the opposition party and by taxpayers generally. Indignation meetings were held. One tax collector was tarred and feathered. The whisky insurrection had its cause in this tax levy. In three years receipts were only $350,000. The tax was condemned by the people of the South especially.

Hamilton's great purpose was to cement more closely the union of States and to establish public order on the basis of an upright and liberal policy, but he discovered that the taxing power was an unpopular instrumentality for the accomplishment of this laudable purpose. We find the same arguments against excise taxes now, namely, their tendency to contravene the liberty of the citizens, their injury to morals by inducing false swearing, their burdensome penalties, and their interference with industry. During the fiscal year 1793 the total tax receipts were $422,000; the cost of collecting was $130,000—30 per cent of the amount collected. During the fiscal year of 1923 the total revenue tax collections were $2,621,745,227; the cost of collecting was $36,501,062—about 1½ per cent of the amount collected.

In 1798 a tax was imposed upon houses, but the collections were inconsiderable.

The Democratic Party came into power in 1801, and its advent was signalized by the complete abolition of all the taxes so laboriously established by Hamilton and his successors. Jefferson, the father of Democracy, called the whole system an infernal one and hostile to the genius of a free people. All excise and direct taxes were repealed early in 1802, and from that time to the War of 1812 such taxes were not imposed. Jefferson's party made rich and prolific political capital out of the congenital hostility to taxes. In 1800 half the population were seeking empires in the West. It was the beginning of the reign of the pioneer. The hardships endured were beyond description. Poverty was extreme. Food was scarce. There was little taxable property outside the older cities and towns of the East. Jefferson's political religion was freedom from restraint and taxes.

Mr. Jefferson crowned his career as a tax expert and insured his popularity as a wise and gracious statesman by securing the repeal of all duties on spirits and refined sugar, postage on newspapers, and coaches. This bill passed Congress March 22, 1802, and deprived the Treasury of $900,000 a year. Mr. Jameson, of Pennsylvania, and Mr. Mason, of Virginia, in debating this bill declared that it was bad policy to wrest from the people their spare cash. Democracy, then as now, sought a popular tax, and not finding it they let the ax fall upon the smallest number of voters who could raise the required revenue.

The record shows that the Democratic program brought its customary results. The condition of the wage earner during that period is full of warning for those who would follow Democratic leadership. Unskilled workmen were hired by the day if they could feed themselves and find lodging, and they received from $70 to $100 a year. Farm workers were paid about $10 a month, with food and lodging. In Baltimore the prevailing wages were $6 a month for skilled labor. The average wage the country over was $65 a year, with food and perhaps lodging.

I want to be as fair as is possible to Mr. Jefferson and his party. Excise taxes were unpopular then as they are now, but conditions then were such as to render an excise tax much less defensible than now.

The War of 1812 necessitated a return to internal taxes. They were called "temporary war taxes." The articles selected were almost the same as those selected by Hamilton. Congress was abused for reimposing these taxes as it is abused now for retaining some of them; nevertheless, as was the case in 1861, the patriotism of the people met the need. The internal taxes were accepted without complaint. The people were beginning to realize that taxes are ultimately paid by the consumer regardless of their starting point.

The entire system from 1814 to 1862 was erected on the foundation of earlier days, and the very taxes which aroused so much opposition in the Nation's infancy later were the groundwork of the system under which we are living to-day.

The public debt in 1815 was about $127,000,000. The excise taxes were retained and paid without serious complaint until 1817. Their repeal was a mistake. In 1819 there was a deficit of $3,000,000, which had to be met by a temporary loan under the act of May 15, 1820. Our failure to repel immediately the invasion of 1812 was largely due to the lack of money owing to the repeal of the internal taxes.

Between 1817 and 1861 no recourse to internal taxation was contemplated by either of the great political parties. In 1860 the Treasury was practically empty. Public credit was at a low ebb. The public debt had increased to $65,000,000. The retiring Secretary of the Treasury sounded a warning, but nothing was done until the advent of the Republican administration under Lincoln.

From the opening of the extra session July 4, 1861, down to 1872 more revenue legislation was enacted than during the preceding 70 years, and the amount of money extracted from the pockets of the people in the form of loans and taxes was incredible for that period. Professor Seligman, of Columbia, in a recent report prepared for use in New York tells us that the system of indirect taxation applied in 1866 would, if in operation to-day, produce more than $2,000,000,000 instead of the $350,000,000 which we expect to collect under existing law. I commend this startling fact to those who feel that the present indirect taxes are unbearable.

Tax legislation, though based on the foundation laid by Hamilton, was experimental in many of its details and of vast proportions. Secretary Chase's financial program was to raise $318,000,000 for the annual needs of the Treasury by loans; to raise the interest on the public debt and deficiencies by taxation. The apportioned State tax was $20,000,000. An income tax of 3 per cent on all incomes over $800 was assessed. In December, 1861, direct taxes were increased and an excise-tax system modeled after that of the War of 1812 was inaugurated. The articles taxed were whisky, tobacco, carriages, bank notes, conveyances, legacies, and the like. Secretary Chase was fearful of his experiment, but so far as I am able to ascertain he underestimated the patriotism of the people. The taxes were paid without serious complaint.

The revenue tax bill of 1862, covering 57 pages of the Revised Statutes at Large, was discussed for three months in Congress, and it forms the basis of the elaborate internal-revenue system of to-day. As I have said, it was based upon the fundamental principles approved by Hamilton.

It is interesting to note the wide discrepancy between the estimated receipts of Chairman Morrill and Secretary Chase and of experts on the one hand and the actual amount raised the first year. The estimated receipts the first year were from $80,000,000 to $100,000,000. The actual receipts were $37,000,000. This was in 1863. In 1864 the same sources yielded $109,000,000 and in 1865 more than $209,000,000. These enormous and unanticipated increases were a complete surprise and were accounted for upon the theory of evasions and fraudulent returns during the first year. In 1868 business had adjusted itself to changed conditions in production, largely due to inflation and high prices.

In 1864 Congress amended the law and omitted nothing from the direct list, from the raw product to the finished commodity. An observant writer of the day said:

> The citizen of the Union paid a tax every hour of the day for each act of his life; for his movable and immovable property, for his income as well as his expenditures; for his business as well as pleasure. Stamps were affixed to the smallest agreements. Incomes were not only burdened by a regular tax but also by an extraordinary payment, while to these must be added State, county, and municipal taxes of almost equal amount.

The increasing taxes imposed upon manufactured articles were received with unconcealed opposition by the producing interest as a burden to production and they urged a sales tax.

The increase in the returns from revenue taxes from 1862 to 1866 was as follows:

1862	$1,790,000
1863	39,120,000
1864	110,210,000
1865	210,060,000
1866	310,200,000

Had there existed in 1861 income-tax machinery with which the people were familiar and which was reasonably elastic so as to permit immediate extension, the Treasury of the country would not have suffered as it did for nearly three of the four years of the war. In 1865 the public debt was approximately $3,000,000,000 with annual interest amounting to $165,000,000. The burden of taxation, as will be observed, was much greater in proportion than in 1924.

The population in 1865 was about 34,000,000, the public debt $3,000,000,000, the total national wealth about $28,000,000,000. In 1924 the total population is about 110,000,000, the public debt about $22,000,000,000, the total national wealth estimated at about $318,000,000,000. In 1865 the total debt was about one-eighth the total estimated wealth. In 1924 the total public debt is about one-thirteenth of the total estimated wealth. I am now speaking of the Federal debt, but if we add the State debts the proportion will not be materially changed.

At this point I want to put into the RECORD a statement of the public debt, the population, per capita debt, and per capita wealth of the Nation at stated periods from 1786 to 1924, as follows:

United States public debt, population, wealth, etc.

Year	Debt	Population	Wealth	Debt per capita	Wealth per capita
1786	$42,375,000	2,800,000	$2,000,000,000	$15.20	$700
1791	75,000,000	3,000,000	3,000,000,000	25.00	
1840	82,900,000	5,340,000	3,500,000,000	15.63	
1820	91,000,000	9,600,000	4,000,000,000	9.44	
1830	48,500,000	12,800,000	5,000,000,000	3.77	
1840	3,500,000	17,000,000	6,000,000,000	.21	400
1850	63,500,000	23,190,000	6,500,000,000	2.74	300
1860	64,800,000	31,400,000	16,000,000,000	2.06	500
1870	2,436,000,000	38,500,000	30,000,000,000	63.19	800
1880	2,090,000,000	50,100,000	43,600,000,000	41.69	
1890	1,122,000,000	63,000,000	65,000,000,000	14.74	
1900	1,260,000,000	76,100,000	88,500,000,000	16.60	
1910	1,146,000,000	92,200,000	180,000,000,000	12.43	
1920	24,297,000,000	106,400,000	250,000,000,000	228.32	
1924	22,000,000,000	110,000,000	320,000,000,000	200.00	3,000

It will be noted by this table that in 1850 our per capita debt was $2.74 and the per capita wealth was $300. In 1860 the per capita debt was $2.06 and the per capita wealth $500. In 1870, four years after the close of the war, the per capita debt was $63.19 and the per capita wealth was $800. In 1924 the per capita debt is $200 and the per capita wealth $3,000. In 1840, when the per capita debt was only 21 cents, we could pay our debts and have $399.79 left. In 1924, with a per capita debt of $200 and a per capita wealth of $3,000, we can pay our per capita debt of $200 and have $2,800 left.

This record seems to me to be an unanswerable argument in support of the position which I maintain that the debt of to-day, though large and burdensome and unwelcome, can be easily borne if met in the right spirit. And if, as the President says, our economic ills are due to high taxes, it is vitally important that we adopt a system of taxation that will meet current expenses, pay bills that must be paid, and establish a generous sinking fund that will save us from greater economic ills that will inevitably follow if we postpone this all-important duty until we are visited with a period of hard times when half present prices will double our debt and at the same time cut our tax-paying power by 50 per cent.

It will be observed, and it is very important that it should be borne in mind by those who phophesy an insolvent Nation and a bankrupt Treasury unless taxes are immediately reduced, that a nation's wealth like that of an individual depends upon its equities as well as its debts. In other words, a man with $10,000 in the bank and a debt of $5,000 is much better off than the man with $100 in the bank and no debts. I am not advocating a continuation of the present inexcusable extravagance in many lines of Federal, State, and municipal expenditures. I am merely stressing the fact that we are solvent and can remain solvent if we are fairly economical and adopt wise forms of taxation.

Not until 1868 did Congress make an appreciable effort to reduce internal taxes. But this reduction in taxes did not contribute as much to lower prices as did deflation of the currency. Inflation and speculation rather than high taxes brought ruin in their wake. Trade and industry were abnormal and even tax reduction could not avert the panic of 1873, and tax reduction now or later will not remove the economic evils which now exist if inflation, speculation, unwilling service, extravagance, and extortionate prices are continued.

It is to be noted that the experience from 1861 to 1871 demonstrated that time is an essential requisite in a wise excise system and that the machinery should never get out of order and that a moderate rate imposed regularly will be less injurious to the social and industrial life of the Nation than an excessive rate inviting evasion and fraud.

By the provisions of the act of 1861 a tax of 3 per cent was laid upon incomes above $800. In 1862 the exemption was reduced to $600 and the rate made slightly progressive, 3 per cent from $600 to $10,000 and 5 per cent above $10,000. In 1864 incomes between $600 and $5,000 were taxed 5 per cent, those between $5,000 and $10,000, 7½ per cent, above $10,000, 10 per cent. In July, 1864, Congress imposed a special income tax of 5 per cent on all incomes in excess of $600, in addition to the regular income tax. In 1865 all income taxes were consolidated at 5 per cent between $600 and $5,000. In 1867 the income tax was made uniform on incomes above $1,000 and in 1870 changed to $2,000. This tax was removed in 1872. In 1871 so many exemptions were allowed that receipts were only about $14,000,000, and in 1872 about $8,000,000. The testimony of this period is that high income taxes then as now shackled industry and unsettled trade. The returns from income taxes rapidly decreased as soon as the war was over. In 1866, $72,000,000 in round numbers was collected; in 1867, $60,000,000; in 1868, $41,000,000; in 1869, $34,000,000; in 1870, $37,000,000; in 1871, $19,000,000; in 1872, $14,000,000; and in 1873, the last fiscal year, $5,000,000.

I repeat, one of the sound principles taught by long years of observation and varied experience is that capital sets the limit to industry. Reduce the total of production capital and you reduce the demand for labor and when labor is not employed production ceases and the national income is correspondingly reduced.

In his work on public debts, Doctor Adams says, in substance, that the universal testimony of history is that any great industrial disturbance rests most heavily upon those who, possessing no property, depend upon their income for their daily bread. It is the wage-earning class that feels most sensitively depression in business.

The experience of the Civil War period was not unlike the experience of the past six years. It clearly demonstrated that there are limits to popular lines of taxation beyond which the Government can not go and secure revenue.

The income tax of 1913 was section 2 of the tariff act of October 13, 1913. It was frankly acknowledged by its authors as a bill to tax the money of the rich. In debating the bill in the House, April 13, 1913, Mr. UNDERWOOD said:

> We removed the tax at the customhouse on necessaries purposely to levy a tax on wealth.

But hardly a year elapsed when the Democratic majority in the House brought forward another revenue bill made necessary, as they said, because "of the reduction of revenue derived from customs receipts, caused by dislocated conditions resulting from the war in Europe." Yet the war in Europe did not begin until August, 1914. During the 10 months of the operation of the law before the beginning of the war, income tax receipts on individuals amounted to $31,344,000 and the total income tax was $45,851,000. The majority committee report in the House admitted that these small receipts were due to the unsettled business conditions. These unsettled business conditions appeared the day the Underwood Tariff Act was signed by the President, and the record shows that the receipts were falling off rapidly and additional funds were needed before the war began. The President had advised Congress that "the revenues necessary to the support of the Government have been so seriously disturbed by the war in Europe that it is necessary immediately to pass legislation that will furnish sufficient money to meet the ordinary expenses of the Government." Business was going from bad to worse before the war began and the drain upon the Treasury was not due to the war in Europe but was due to the threatened and partly accomplished destruction of American industries by foreign competition.

The act of September 15, 1914, was about to expire when a new financial crisis confronted the Treasury. The Democratic majority pleaded with Congress to continue the act of 1914 for one year to avoid serious financial difficulty and perhaps Government bankruptcy. The chairman of the House Ways and Means Committee said:

> It is necessary, unpopular as it may be.

The act of 1914 did not produce enough revenue to meet the ordinary expenses of the Government for the preceding 12 months. The act of 1914 was extended to December 31, 1916, yet up to that date the United States had not entered the World War. The World War operated as an embargo against importations and saved the country from the disastrous effect of the

Underwood tariff rates. Between September 14, 1914, and April, 1917, Congress was obliged to enact three direct tax laws increasing the revenues of the Government. The revenue act of 1917 incorporated an excise tax, higher State taxes, and a bond issue. The majority report of the committee said that our revenue system should be more evenly and equitably balanced.

War-revenue legislation began in May, 1917. It was the fourth revenue measure presented to Congress since March 4, 1913. When the bill of January, 1917, was under consideration I said in the Senate, February 20, 1917:

> In a time like the present every care should be had to use the merciless power to tax in a way that will encourage and protect the sources from which other and larger taxes may be demanded in the future. It can not be assumed that the industrial life of the Nation can be protected and sustained by excessive taxes at home and unrestricted competition from abroad.

In May, 1917, the President asked Congress for $1,800,000,000 to defray war expenses. Then was enacted the war revenue law of 1917, providing for a war income tax, a war excess-profits tax, war taxes on tobacco, on manufactures, on public utilities, on estates, on postal rates and nearly every activity. The country was hunted over to find sources of revenue. When this war finance legislation began it was started on the theory that the money should be raised one-half from taxes and one-half from bonds. Soon it was found impossible to maintain this ratio and bonds outran taxes. Again in May, 1918, the President asked Congress for money. It was planned to raise an additional $8,000,000,000 by taxes on incomes, excess and war profits, luxuries and semiluxuries.

We all realize now that it would have been wiser if we had raised more money by taxes in 1917, 1918, and 1919, when prices and patriotism were at flood tide. But our hindsight is always better than our foresight. I make these brief references to our tax history in order that we may profit, if possible, by experience and avoid the mistakes of the past.

The chart prepared by the Senator from Utah [Mr. SMOOT], based upon incontrovertible figures, shows that the returns from incomes above $100,000 have dropped from 29.5 per cent of the total in 1916 to 4.5 per cent in 1923.

If we follow the advice of the impartial and unprejudiced economist of note, if we follow our own experience, we shall collect more money by reducing the surtax to a point where evasions will be unprofitable, and by "evasions" I mean legitimate evasions. We can not expect to curtail the issuance of tax-exempt securities for some years to come. With a surtax of more than 20 per cent the recipients of large incomes can to-day and will continue to find ample opportunity to escape taxation by purchasing tax-exempt securities; by investments in nonincome producing properties, such as undeveloped mines, growing timber tracts, unoccupied building sites in and about large cities, and in antemortem distribution of large estates to children and nearest of kin.

In the throes of the Civil War when the credit of the Nation was at a low ebb and its preservation was at stake 10 per cent was the highest income tax imposed. I have said that Professor Seligman in his recent report to the New York State Tax Association estimated that the indirect tax imposed in 1866 if imposed to-day would produce $2,000,000,000, as against the $350,000,000 which we are now expected to secure. In that report Professor Seligman says that Congress at the present time "ought carefully to consider the entire situation before encroaching still further upon the restricted resources of the State revenues. There is still a vast field of indirect taxation available for Federal purposes." It is estimated by the Census Bureau that in 353 different lines of industry in 1921 the manufacturing capacity was only 56.8 per cent of its total. From the best information I can get there has been a considerable increase since that year; 1921 was a poor year, but it is probable that our industries are still short 25 per cent of their full production capacity.

A low surtax in years of full production, which means full employment and consumption, will bring much more than a high surtax which can and will be evaded, and the direct effect of which, if not evaded, will be to retard both production and consumption. In 1916, with a maximum surtax of 10 per cent, the Treasury collected $81,000,000, and in 1921, with a maximum of 65 per cent, the Treasury collected from these same taxpayers only $84,000,000.

The report is current, and I think well founded, that a constitutional amendment to prohibit the further issuance of tax-exempt securities would fail of adoption. Assuming that the capital which escapes taxation in a tax-exempt security would otherwise be taxed, these securities benefit no one but the lender and in a period of industrial depression and low prices the purchasing power of the income from these securities is greatly increased. The States and municipalities which think they are finding easy money in tax-exempt securities are blind to the inevitable consequences of such a course. Sooner or later they will realize that they have greatly increased the purchasing power of the incomes from these bonds held by the wealthy and at the same time increased the tax on real estate and other capital which is still subject to taxation. If the American people would put a stop to the issuance of tax-exempt securities, if they would approve a straight income tax with a surtax not to exceed 20 per cent as the principal norm for taxation, and would add to this a small sales tax not to exceed one-half of 1 per cent, and a tax not to exceed 5 per cent upon acknowledged luxuries, funds to meet current expenses and to pay interest on the public debt could be raised without difficulty.

Mr. President, the wealth of the United States to-day is as great as the combined wealth of Great Britain, France, Italy, Japan, Austria, Hungary, and Germany. Our public debt is about one-eighth of our estimated wealth, whereas the public debt of the European countries is eight times the total debt of the United States.

Whenever it has been suggested that we reduce or cancel any debt owed to us by a foreign country, that suggestion has been met with a storm of opposition. We do not lack courage when we demand that our debtors pay us for the money we loaned them and which saved them from destruction. This is natural and proper. But if England and Europe can pay their bills and again become self-supporting and prosperous what excuse have we for failure at home, and what right have we to permit or prophesy hard times and National and State insolvency?

Great Britain's budget for 1922 and 1923 shows $4,165,000,000 from internal taxes, of which $1,980,400,000 was from property and income, $148,300,000 from excess profits, and $88,500,000 from corporation taxes. In addition, Great Britain has a government land tax, a house tax, and a land value tax. Also, Great Britain raised $97,800,000 from stamp taxes of various sorts. In other words, Great Britain must raise annually $1,000,000,000 more than we do and her population is less than half of ours, being 47,600,000.

France's internal tax in 1923 amounted to $5,400,000,000, $7,000,000,000 from stamp taxes, $500,000,000 from turnover taxes, and about $1,000,000,000 from various other direct taxes. The population of France is about 40,000,000.

Italy's direct taxes for 1923 for ordinary purposes was $2,400,000,000, of which $1,946,000,000 was from personal incomes, $100,000,000 from stamps, $500,000,000 from tobacco. Italy's population is 37,000,000.

To be sure they have been paying these taxes in depreciated currency, but their burden will only be the heavier when the inevitable day of reckoning comes.

Here are some interesting comparisons for the American citizen to consider and then cheer up:

Country	Population	Internal tax—1923	Per capita tax
United States	110,000,000	$2,165,000,000	$20.00
Great Britain	47,600,000	4,165,000,000	95.00
France	40,000,000	5,400,000,000	130.00
Italy	37,275,000	2,400,000,000	60.00
Canada	4,300,000	228,000,000	55.00

The British pound has not greatly depreciated nor has the Canadian dollar. The per capita tax in Great Britain is four times what it is in this country, in Canada two and one-half times our tax, and, I repeat, the wealth of the United States is as great as that of Great Britain, France, Italy, Japan, Austria, Hungary, and Germany.

According to figures given in the London Economist of March 29, 1924, the burden of direct taxation in France has increased from 14 per cent of the national income in 1913 to 16 per cent in 1923 and to 20 per cent in 1924. In England the direct tax burden in 1922 was 20 per cent of the national income and to-day is probably 23 per cent.

The financial ministry in Germany has published a final report on revenue for 1922 and 1923. It calls for 958,000,000,000 marks in direct taxes and taxes on business and about 200,000,000,000 marks on consumption.

When we attempt to comprehend these incomprehensible sums which must be raised by other nations we can understand why we are envied and criticized by them.

We have more than half of the gold of the world and a mortgage upon England and Europe that all the gold in the

world would not remove. We not only lead the procession of great nations but we are around the corner and out of sight of all of them. But, once we lose our confidence in our own future, once we let the prophets of failure and apostles of despair prevail, once we conclude that our burdens are too heavy for our much-boasted racial and moral superiority, once the politicians in exchange for our votes convince us that we are incapable of meeting the responsibilities and making the sacrifices necessary to pay our bills, then I say, with all our self-complacency as the leading exemplar of the white race, we shall soon find ourselves distanced and despised by our competitors in Europe and elsewhere whose very necessities will develop braver hearts and stronger hands than ours.

In closing let me repeat that I am not encouraging extravagance or commending high taxes. To be perfectly frank I hate taxes. I was born with a mortal dread of debts; I was brought up to pay cash or go without. If I could have my way I would go to unnecessary extremes and probably be very foolish. If I could have my way I would not tickle the nettle of taxation with my nose, I would not grasp it firmly with my hands, I would not take any chances, I would stamp on it with both feet until it was dead. I would gladly make any needed sacrifice to see this $22,000,000,000 reduced to $2,000,000,000 in the next five years. But I realize that deprivation is unnecessary and would be unwise. I do not want to hurt any industry for the sake of killing nonexistent ghosts. We can pay these bills without disturbing production or consumption.

We have already paid $5,000,000,000 of them, and yet the great corporate and producing industries of the country have largely increased their incomes since 1921. Good wages and the American standard of living have been maintained. When Democrats talk about the tariff, when they talk about the Republican policy of protection to American industries, they tell us that this policy will bring disaster, but when they come to discuss income taxes they find that we have grown prosperous since the enactment of the Fordney-McCumber bill. They find that the tariff has protected first of all the wage earner, maintained his wages, and sustained his purchasing power. Now they want to imperil his prosperity by a system of taxation devised for its vote-getting power, and for nothing else.

If we would solve this problem intelligently, and by that I mean follow impartial, nonpolitical advice and avoid the mistakes of the past, this cloud of taxation will soon be dissipated. I am an optimist, but I have lived through three or four periods of business depression, and I do not want any more of them if they can be avoided.

When I hear men and women complaining as they do about taxes and pretty much everything else, I ask the ethnologists and other "ologists" for the cause, and they tell me that these whimperings are the well-understood symptoms of race senility which always appear when wealth accumulates and responsibilities lighten.

If I had the capital I would for a premium of one-tenth of 1 per cent guarantee to the American people four years of unprecedented prosperity provided they would vote the Republican ticket in November next and meet current responsibilities with one tithe of the courage and foresight that enabled our forbears to survive the threatened shortage of copper, wool, light, and beans.

PULLMAN SURCHARGE

Mr. SMITH. Mr. President, I do not know what is the purpose of the Senator having this bill in charge, but I want to take this occasion to call attention to another matter that is important.

There has been, perhaps, no measure before the Congress that has been of greater interest than the railroad legislation; and that in part has been evidenced by the number of bills that have been introduced looking toward an order to the commission to discontinue the surcharge upon Pullman fares. I, as chairman of the committee, and other members of the committee, have been criticized by the public as well as criticized by Members of the Senate for not taking some action on the bills that are pending. The bills have been introduced by Members on the Republican side as well as by Members on the Democratic side.

In justice to the committee and to myself, I want to state that when this matter was brought to the attention of the Interstate Commerce Commission they replied that they had instituted, some time in April, 1923, a full inquiry into the facts pertaining to the Pullman surcharge. It had been imposed about the time that the 20 per cent horizontal increase in rates was allowed, as a necessary step to obtain certain revenue, and, they claimed, to meet the necessities of the roads. The matter was referred to a subcommission, which, under the order of the Interstate Commerce Commission, has been in session since 1923. The subcommission has completed its work. It has gone into all the facts pertaining to this surcharge, and I desire to read its conclusion in reference thereto, and desire to incorporate the report in the RECORD in order that Senators may be fully advised as to the situation, and be prepared to meet whatever decision the Interstate Commerce Commission shall make when it meets on May 8 for a final determination as to what it will do in reference to this matter and the report.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. SMITH. I yield to the Senator from Florida.

Mr. FLETCHER. Does it appear that there is need of any further legislation? Has not the Interstate Commerce Commission now all the power and all the authority necessary to readjust that matter?

Mr. SMITH. The commission has the power to readjust the matter, but I am calling attention to the findings of this subcommission so that we may be fully prepared with the facts in case the commission, after hearing argument on May 8, should decide adversely to the findings here.

Mr. FLETCHER. Then we may have to amend the law.

Mr. SMITH. Then we may have to amend the law so as to express the view of Congress in reference to the continuation of this surcharge.

The final clause of the report is to the effect that—

> It is accordingly recommended that the commission find that the practice of respondents of assessing a surcharge on Pullman-car travel is unjust and unreasonable and that the commission order that the practice be discontinued.

I am taking occasion this afternoon to call attention to this fact in order that the public may be thoroughly advised as to the reason why the committee has not taken action in reference to this matter. It was wholly within the power of the commission, under the law, on its own initiative, to lay this tax. It is wholly within its power to remove it. I think a majority of the committee and a majority of the Senate think that the charge is an unjust and unreasonable one in view of all the facts, and we only postponed action because we were waiting until the commission could find the facts.

Mr. President, I ask unanimous consent to have this report printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The report is as follows:

Interstate Commerce Commission

(No. 14785)

This report also includes No. 11567. Order of United Commercial Travelers of America *v.* Pullman Co.

IN THE MATTER OF CHARGES FOR PASSENGERS TRAVELING IN SLEEPING AND PARLOR CARS

[Submitted May 8, 1924. Decided May —, 1924]

PRACTICE OF RESPONDENTS OF ASSESSING A SURCHARGE ON PULLMAN TRAVEL FOUND UNREASONABLE, AND PRACTICE ORDERED DISCONTINUED

Clyde Brown, Henry Wolf Bikle, N. S. Brown, George F. Brownell, E. G. Bochland, W. S. Bronson, J. C. Bills, R. V. Fletcher, Francis I. Gowen, and E. G. Buckland for eastern carriers.

James L. Coleman, Wallace T. Hughes, J. N. Davis, E. L. Bevington, R. H. Widdicombe, L. E. Wettling, R. S. Outlaw, J. M. Souby, and B. W. Scandrett for western carriers.

C. J. Rixey, F. W. Gwathmey, Edward D. Mohr, Henry Thurtell, W. N. McGehee, W. A. Northcutt, Thomas W. Davis, W. J. Craig, J. D. Rohner, C. B. Ryan, W. H. Taylor, A. H. Plant, S. A. Stockard, H. F. Cary, W. L. McMorris, and W. A. Russell for southern carriers.

G. S. Fernald, L. M. Greenlaw, Edgar E. Clark, Luther M. Walter, J. S. Lane, and H. H. Sanborn for the Pullman Co.

J. E. Hannegan for Southwestern Passenger Association.

W. H. Howard for Southeastern Passenger Association.

C. M. Burt for Trunk Line Association.

W. L. Pratt for New England Passenger Association.

C. A. Cairns and R. Thomson for Chicago & North Western Railway.

W. W. Meyer for New York, New Haven & Hartford Railroad Co.

B. Newhouse for Minneapolis, St. Paul & Sault Ste. Marie Railway Co.

E. E. Bennett for Union Pacific system.

Stephen F. Otis for Western Pacific Railroad Co.

J. E. Lyons and F. S. Howard for Southern Pacific Co.

Henry J. Hart for Bangor & Aroostook Railroad.

Eben E. MacLeod for Western Passenger Association.

R. M. Bukey and A. L. Conrad for Atchison, Topeka & Santa Fe Railway Co.

George J. Charlton for Chicago & Alton Railroad Co.

Charles M. Blatchford for Maine Central Railroad.

Charles R. Webber for Baltimore & Ohio Railroad Co.

Hugh Gordon, W. P. Geary, and J. C. Harraman for California Railroad Commission, Arizona Corporation Commission, Public Service Commission of Oregon, and Department of Public Works of the State of Washington.

Samuel Blumberg and Arthur M. Loeb for National Council of Traveling Men's Associations.

D. K. Clink for International Federation of Commercial Traviers Organizations.

W. S. Cornell for Shreveport Chamber of Commerce.

E. S. Briggs for American Fruit and Vegetable Shippers' Association.

Leon B. Lamfrom for National Association of Men's Apparel Clubs.

L. C. Parshall for Battle Creek Sanitarium and National Industrial Traffic League.

C. B. Hutchings and O. W. Sandberg for American Farm Bureau Federation.

J. A. Roberts for Roberts-Pettijohn-Wood Corporation.

Joseph H. Beck for the National Industrial Traffic League.

Seth Mann for San Francisco Chamber of Commerce.

Albert I. Loeb for California Hotel Association.

Frank M. Hill for Fresno Traffic Association.

A. J. Beirsdorf for Men's Apparel Club of California.

I. Marovitch for National Shoe Travelers' Association.

Sidney Levy for United Commercial Travelers.

Walton O. Wright for National Industrial Traffic League and Associated Industries of Massachusetts.

William E. Whelpley for Walworth Manufacturing Co.

Charles J. Campbell for American Hotel Association of United States and Canada, New York State Hotel Association, and Hotel Association of New York City.

John F. Shea for American Hotel Association of United States and Canada, California State Hotel Association, Western States Hotel Scenic Association, and California Hotel Association.

REPORT PROPOSED BY JOHN B. KEELER, EXAMINER

This investigation, instituted by order of the commission of April 2, 1923, has for its purpose the determination of the propriety and reasonableness of the charges assessed by the Pullman Co. and the railroads for the transportation and accommodation of passengers in sleeping and parlor cars. At the time of the institution of the investigation there was pending before the commission No. 11567, Order of United Commercial Travelers of America v. Pullman Co., in which the charges of the Pullman Co. were under attack. It developed during the course of the hearings in No. 11567 that much of the dissatisfaction of the traveling public with the charges for sleeping and parlor car accommodations arose from the so-called surcharge. The desirability of making a general examination of the accounts of the Pullman Co. also developed, and the commission accordingly instituted this investigation, consolidating therewith No. 11567. The public not having had full opportunity to be heard with regard to the surcharge during the hearings in No. 11567, hearings on the surcharge feature of the investigation were held at Chicago, Ill., San Francisco, Calif., Portland, Me., and Washington, D. C., during the summer and fall of 1923. It was hoped that the accounting examination could be completed so that both the surcharge and the Pullman charges proper could be considered at the same time, but that examination proved to be a task of such magnitude and intricacy that it was found impossible to have the results available without unduly delaying disposition of the surcharge feature. It was accordingly decided that that feature should be disposed of separately, and final hearing thereon was held on March 19 of this year. Briefs were presented on April 10, and the matter now stands set for oral argument before the whole commission on May 8. The railroads will be hereinafter referred to as respondents.

The surcharge, consisting of one-half of the current Pullman charge for the space occupied by the passenger, was established on August 26, 1920, as a result of the report of the commission in Increased Rates, 1920, 58 I. C. C. 220, and accrues wholly to respondents. On July 20, 1920, after the close of the hearings in Increased Rates, 1920, the United States Labor Board awarded material increases in wages to railroad employees and the surcharge was one of the ways thereafter devised to provide the additional revenue to meet this emergency. It was not necessarily established as a permanent charge.

A somewhat similar charge, known as an additional passage charge and amounting to 16⅔ per cent of the normal one-way passenger fare in the case of standard Pullman cars and 8⅓ per cent in the case of tourist cars, was established by the Director General of Railroads on June 10, 1918, but the charge proved to be so unpopular that it was canceled on December 1, 1918.

The present surcharge, which is applicable to all interstate Pullman travel and to all intrastate Pullman travel except in the States of North Carolina and West Virginia, amounts to approximately 10 per cent of the one-way passenger fare and yields approximately 3.3 mills per passenger mile from passengers traveling in standard Pullman cars and one-half of that amount from passengers traveling in tourist cars. In 1922 it produced revenue of $32,891,124, and in 1923, $37,490,869, or slightly over 3 per cent of the total passenger revenues of respondents for those years. By districts, the surcharge amounted in 1922 to $14,872,004 for the eastern, including the Pocahontas region; $13,780,549 for the western; and $4,238,571 for the southern; and in 1923 $16,035,003 for the eastern, $15,695,403 for the western, and $5,760,463 for the southern. In the amounts shown for 1923 the Pocahontas region is included in the southern district.

Respondents seek to justify the continuance of the surcharge on two general grounds—first, that it costs them more to transport passengers in Pullman cars than in day coaches, and, second, that the superior accommodations furnished passengers in Pullman cars justifies charging them a higher transportation rate than charged passengers using the day coaches.

Chief among the things cited by respondents as creating the alleged higher cost to them of handling the Pullman traffic is the greater weight transported per passenger. Respondents made studies to ascertain, among other things, the average weight, occupancy, and earnings of Pullman cars as contrasted with day coaches, and the results are set forth below:

	Average weight		Average occupancy		Average car-mile earnings[1]	
	Pullman	Day coaches	Pullman	Day coaches	Pullman	Day coaches
					Cents	*Cents*
Eastern district	148,915	124,140	[2] 13.59	27.44	43.5	87.8
Western district	144,640	97,647	11.46	14.36	36.95	46.27
Southern district	148,987	110,068	11.30	19.21	36.5	62.1

[1] Excluding surcharge.
[2] Sleeping cars—Parlor car occupancy, 18.56.

The figures submitted for the eastern and southern districts are based on studies covering selected runs for one week in May, 1923. While respondents were undoubtedly sincere in endeavoring to select runs which they considered representative, it is obvious that the judgment exercised in making the choice might materially affect the results. Furthermore, the studies which are based on the heavier passenger-carrying sections of defendants' lines are not fair to the Pullman traffic, at least from the standpoint of occupancy and car-mile earnings, for they constitute a comparison of the normal Pullman travel with the best of the coach travel. Comparisons of results of Pullman and coach operations should be predicated on the entire business of both services. The figures shown for the western district present perhaps the fairest comparison, but even these, in the case of car weights at least, are fairly subject to criticism, as they do not reflect the varying use of different classes of cars. In other words, the average car weights shown are not weighted averages. It is reasonably certain, however, that the average weight of Pullman cars is considerably greater than the average weight of day coaches. But there are many individual steel coaches that weigh nearly as much as the steel Pullman cars and more than the wooden Pullman cars, and there is as great or greater difference in weight between different classes of day coaches as between day coaches and Pullman cars. Furthermore, the heavy steel coaches are usually used in trains carrying steel Pullman cars on the long, heavy passenger runs. Figures submitted by the Pullman Co. show that for the month of April, 1923, the average occupancy of sleeping cars was 14.44 passengers and of parlor cars 17.77 passengers. The average occupancy of all coaches in the United States for 1922, excluding commutation travel, was 15.88 passengers and of all sleeping and parlor cars 12.82 passengers. The average car-mile earnings for the United States were 52.69 cents for coaches and 42.55 cents for sleeping and parlor cars, excluding the surcharge.

Among other things cited by respondents as creating the alleged higher operating costs to them of handling the Pullman traffic are extra switching incident to parking sleeping cars at stations for use by passengers prior to train departures or subsequent to train arrivals; added use of passenger terminals by reason of such parking and the necessity of keeping available different classes of Pullman cars to meet the varying demands of Pullman travel; extra switching at junction points of Pullman cars in connection with through travel and at terminals in making up trains; furnishing of sanitary cans for Pullman cars parked at stations; greater deadheading; furnishing and hauling

of observation cars and other special facilities; and greater use of the telephone and telegraph service in arranging Pullman accommodations.

Against the added expenses to respondents of handling the Pullman traffic already enumerated there is among other things the saving of capital investment in and maintenance and inside cleaning of the Pullman cars. In the case of the Pennsylvania, New York Central, and New York, New Haven & Hartford there is a further saving of running expenses as hereinafter more specifically set forth.

The following table shows for 1923 the revenue accruing to respondents under their contracts with the Pullman Co.:

	Average number of Pullman cars operated	Pullman contract revenue due railroads	Average contract revenue per car operated	Number of Pullman car-miles run	Average mileage per car
Eastern district:					
Baltimore & Ohio R. R.	202.69	$97,077.41	$478.95	28,313,373	139,688
Chesapeake & Ohio Ry.	50.26	38,001.87	1,730.93	6,761,756	134,536
Chicago & Eastern Illinois R. R.	36.84	3,374.66	91.60	4,573,495	124,145
Delaware, Lackawanna & Western R. R.	43.54	34,915.35	801.91	4,931,766	113,270
Delaware & Hudson Co.	16.40	48,493.78	3,148.95	1,844,033	119,742
Erie Railroad	30.54	30,727.75	1,006.15	4,860,795	159,162
Lehigh Valley R. R.	37.69	42,309.65	1,122.41	5,174,027	137,279
Norfolk Western R. R.	46.14	35,963.05	779.43	6,079,835	131,769
New York Central System	820.81	512,501.59	624.39	124,952,194	152,230
New York, New Haven & Hartford R. R.	195.74	140,000.00	715.23	17,266,041	88,202
Pennsylvania System	838.02	574,661.06	685.74	122,133,734	145,741
Richmond, Fredericksburg & Potomac R. R.	27.45	54,367.99	1,980.62	3,926,617	143,046
Total		1,662,388.16			
Southern district:					
Alabama & Vicksburg R. R.	2.43	2,632.21	1,083.21	319,682	131,556
Alabama Great Southern R. R.	10.49	28,214.94	2,213.05	1,698,160	161,884
Atlantic Coast Line R. R.	126.45	115,971.03	917.13	20,285,660	160,424
Cincinnati, New Orleans & Texas Pacific Ry.	27.59	38,638.25	1,400.44	4,505,158	163,290
Florida East Coast Ry.	39.84	78,000.24	1,957.84	6,175,930	155,018
Illinois Central R. R.	113.77	296,626.99	2,607.25	18,173,956	159,743
Louisville & Nashville R. R. (including Georgia R. R.)	144.12	68,920.29	478.21	20,086,361	139,372
Nashville, Chattanooga & St. Louis R. R.	31.70	15,718.66	495.86	3,760,209	118,619
New Orleans & Northeastern R. R.	5.06	5,971.12	1,180.06	839,449	165,899
Seaboard Air Line Ry.	75.45	55,492.87	735.49	10,916,997	144,717
Southern Ry. Co.	178.01	512,351.19	2,878.22	25,175,597	141,428
Western Ry. of Alabama	7.90	26,596.10	3,366.59	1,409,796	178,455
Total		1,240,133.89			
Western district:					
Atchison, Topeka & Santa Fe Ry.	377.83	1,255,158.71	3,322.02	67,075,293	177,528
Chicago & Alton R. R.	38.51	7,816.53	202.97	4,172,084	108,338
Chicago, Burlington & Quincy R. R.	161.61	489,977.38	3,031.85	25,922,493	160,402
Colorado & Southern Ry.	26.70	72,630.99	2,714.16	3,330,786	124,469
Chicago & Northwestern Ry.	132.86	419,136.63	3,154.72	21,547,124	162,179
Chicago, St. Paul, Minneapolis & Omaha Ry.	28.43	90,276.92	3,175.41	3,968,871	139,626
Chicago, Rock Island & Pacific Ry.	105.40	376,944.93	2,278.99	25,009,986	151,209
Denver & Rio Grande Western R. R.	48.90	34,060.25	696.53	6,691,220	136,835
El Paso & Southwestern System	18.12	10,240.25	704.91	3,289,460	181,538
Gulf Coast Lines	15.37	11,018.25	716.87	1,998,090	129,674
Los Angeles & Salt Lake R. R.	52.41	275,838.41	5,263.09	9,078,089	173,213
Missouri-Kansas-Texas Lines	81.54	7,940.74	97.38	10,808,965	132,552
Missouri Pacific (including St. L. I. M. & S.)	99.79	16,588.42	166.23	12,787,445	128,144
Northern Pacific Ry.	110.44	294,903.58	2,670.26	16,960,400	153,571
St. Louis-San Francisco Ry.	91.93	191,089.50	2,078.64	11,411,370	124,131
Southern Pacific Co.	455.06	1,703,266.67	3,742.95	67,635,721	148,630
Texas & Pacific Ry.	48.56	34,327.70	706.91	6,033,624	124,230
Union Pacific System	263.10	939,834.31	3,572.16	45,450,515	172,750
Western Pacific Ry.	24.13	24,819.20	1,028.56	4,215,995	174,720
Total		6,255,869.39			
Total United States		9,158,391.44			

In addition to the payments of contract revenue to the Pennsylvania and New York Central indicated above, the Pullman Co. paid on these two lines all running Pullman-car expenses, such as expenses for lubrication, ice, water, heat, and light. On the New York, New Haven & Hartford the Pullman Co. bore a large part, but possibly not all of these running expenses. The aggregate amount of running expenses borne by the Pullman Co. on these three roads was $3,282,629.81, divided as follows:

	Amount	Average per car
New York Central system	$1,611,229.61	$1,962.98
Pennsylvania system	1,451,485.07	1,732.04
New York, New Haven & Hartford	219,915.13	1,123.51

Adding to these payments for running expenses the contract revenue payments results in aggregate per car payments by the Pullman Co. to the three roads in question during 1923 of $2,587.37 in the case of the New York Central, $2,417.78 in the case of the Pennsylvania, and $1,838.74 in the case of the New Haven. The railroads which, owing to the low Pullman earnings, did not participate in the Pullman revenues accruing on their lines during 1923 are shown below:

	Average number of Pullman cars operated	Number of Pullman car-miles run	Average mileage per car
Eastern district:			
Buffalo, Rochester & Pittsburgh Ry.	4.23	467,372	110,491
Central R. R. Co. of New Jersey	16.54	1,264,597	76,457
Chicago, Indianapolis & Louisville Ry.	30.35	2,702,383	89,041
Hocking Valley Ry.	3.74	226,901	60,669
New York, Chicago & St. Louis R. R.	9.16	1,412,337	154,304
New York, Chicago & St. Louis R. R. (Clover Leaf district)	2.02	332,656	164,681
Toledo, Peoria & Western Ry.	1.33	74,227	56,233
Wabash Ry.	60.68	7,423,341	122,418
Western Maryland Ry.	.22	13,371	60,777
Southern district:			
Atlanta, Birmingham & Atlantic Ry.	3.71	388,166	104,611
Georgia Southern & Florida Ry.	14.14	1,979,492	139,992
Mobile & Ohio R. R.	7.80	1,181,763	151,508
Western district:			
Chicago Great Western R. R.	30.15	3,985,971	132,205
International & Great Northern Ry.	16.14	2,122,159	131,484
Kansas City Southern Ry.	16.58	1,917,153	115,630
Minneapolis & St. Louis R. R.	5.75	649,194	113,295
Minneapolis, St. Paul & Sault Ste. Marie Ry.	19.35	2,909,417	150,357
San Antonio & Aransas Pass Ry.	2.22	116,600	52,072
San Antonio, Uvalde & Gulf R. R.	3.13	216,547	69,184
St. Louis Southwestern Ry. and St. Louis Southwestern Ry. of Texas	12.82	1,500,234	117,023
Spokane, Portland & Seattle Ry.	13.40	1,873,571	139,819
Vicksburg, Shreveport & Pacific Ry.	3.39	432,216	120,394

It is interesting to note that the Baltimore & Ohio during 1922 received no revenue from the Pullman Co. under its contract and in 1923 received less than $500 per car, whereas its chief competitor, the Pennsylvania, received the equivalent of $2,500 per car for each year. This indicates one of two things, either that the contract between the Pullman Co. and the Baltimore & Ohio is very much less favorable to the Baltimore & Ohio than the contract between the Pullman Co. and the Pennsylvania is to the Pennsylvania, or that the Baltimore & Ohio is running much more space per passenger carried than the Pennsylvania. In this connection it may be stated that studies of Pullman car occupancy submitted in evidence indicate that on many roads sleeping cars are operated practically on a lower-berth basis. It would seem that somewhat greater use of upper berths could be enforced on many roads without seriously inconveniencing the traveling public.

There is set forth as an appendix hereto a statement showing for class I railroads surcharge collections and rate of return on investment for 1923. The rate of return is computed on basis of the 1922 investment and 1923 net railway operating income. Of the $16,035,033 surcharge collected in the eastern district $13,604,541 accrued to the New York Central, Pennsylvania, New Haven, and Baltimore & Ohio system lines. Of these all but the Baltimore & Ohio received heavy payments from the Pullman Co. under their contracts, the average being approximately $2,500 per car. Of the remaining $2,370,462 the Delaware & Hudson, Lehigh Valley, and Erie, with contract payments of $3,148.95, $1,122.41 and $1,006.15 per car, respectively, received $449,365, leaving less than $2,000,000 received by roads which had no contract payments or payments of less than $1,000 per car. The situation on the Baltimore & Ohio, which is something of an enigma, has already been commented on. In the western district 11 railroads, receiving from the Pullman Co. contract payments averaging $3,274.17 per car, received $10,552,892 of the $15,695,403 surcharge collected. Eleven other railroads receiving contract payments ranging from $97.38 to $1,028.56 per car received $1,999,425 of the remainder of $5,142,511. Of the latter the Chicago, Milwaukee & St. Paul, which operates its own cars, and therefore received all the revenue from the sale of parlor and sleeping-car space, collected $761,866. In the

southern district 10 railroads with average contract payments from the Pullman Co. of $2,433.88 per car, received $3,010,066 of the $5,760,463 surcharge collected in that district, and five other railroads with contract payments ranging from $478.21 to $917.13 per car collected $2,081,693 of the remainder of $2,750,397. From the above it will be seen that the greater part of the surcharge goes to railroads which receive substantial payments from the Pullman Co. under their contracts.

The extent, if any, to which the surcharge has curtailed travel on Pullman cars is somewhat conjectural. Respondents submitted statistics showing that over a period of years Pullman travel has increased in greater ratio than day-coach travel and that since the establishment of the surcharge the falling off of Pullman travel has not been as great as the falling off of coach travel. Immediately following the establishment of the surcharge there was a marked falling off of Pullman travel, but this was undoubtedly due in considerable measure to the fact that the deflation period commenced at about that time.

The sleeping and parlor car passenger miles for the years 1919 to 1922, inclusive, were 13,387,182,735, 14,279,557,237, 11,133,647,492, and 11,233,301,727, respectively, while the coach passenger miles for the same period were 32,971,121,005, 32,569,110,750, 26,178,938,474, and 24,273,920,273, respectively. Commencing with 100 per cent for 1919 as a premise, the sleeping and parlor passenger miles increased to 106.67 per cent in 1920, and decreased to 83.17 and 83.91 per cent, respectively, in 1921 and 1922, whereas the coach passenger miles decreased to 98.78 per cent in 1920, 79.40 per cent in 1921, and 73.62 per cent in 1922. There is, of course, no way of ascertaining what the situation would have been had the surcharge not been in effect. It is reasonable to believe, however, especially considering that it has been a great irritant to the traveling public, that the surcharge has resulted in considerable loss of business from the Pullman cars.

In the early days of the operation of Pullman cars the Pullman Co. received all the revenue from the sale of seats and berths and in addition the railroads generally paid the Pullman Co. mileage for the use of the cars in the event that the revenue derived from the sale of seats and berths did not reach specified minimum amounts. As the Pullman business grew, railroad participation in the Pullman earnings commenced and has steadily increased, until to-day it amounts to over $9,000,000 a year. It would seem that if the early arrangements were advantageous to the railroads the present-day arrangements should be very much more so without the imposition of the surcharge. But assuming that, as contended by the railroads, they are not adequately compensated under their contracts with the Pullman Co. for hauling the greater weight per passenger in the Pullman cars, does that constitute a ground for imposing a surcharge to recoup losses growing out of their improvidence in failing to make contracts which would afford them proper compensation for the service of hauling the cars? In our judgment it does not.

The Pullman passenger receives a higher class of service than the coach passenger and should pay more for it, but the payments should be through the Pullman charge proper and not spread out in two charges, one collected by the Pullman Co. and the other by the railroad. Under such an arrangement the Pullman charges could be so adjusted as to produce the revenue necessary to enable the Pullman Co. to meet its obligations to the railroads and also provide a fair return on its own operations. Under the present system, with two transportation agencies charging for what should be one service, opportunity for duplicate and excessive charges is multiplied and regulation rendered more difficult. The present system, devised temporarily to meet an emergency, is illogical and unscientific as a permanency.

Greater uniformity in the contracts between the Pullman Co. and the railroads would seem to be desirable. The present contracts are the result of bargaining between the Pullman Co. and the railroads, with the natural result of the larger roads getting the more favorable contracts. There is also considerable variation in the contracts with the larger roads. For instance, on the Southern Pacific there is participation by that road in the Pullman earnings after the earnings per standard car average $7,250, whereas on the Santa Fe there is no participation by the railroad until the per car earnings, speaking still of standard cars, average $9,000. Of course, it must be taken into consideration that the Southern Pacific contract was made in 1912, at a time when operating costs were much lower than at present, whereas the Santa Fe contract was made in 1923. But the Southern Pacific contract has six years yet to run, and assuming that at the end of that period it is succeeded by the same class of contract as in effect on the Santa Fe, there will still be in the interim a different treatment of these two great competing transportation agencies. This of itself is a strong indictment of the present system of making the contracts. The relations between the Pullman Co. and the railroads should be subject to more complete regulation by this commission. It is doubtful whether jurisdiction lies with the commission under the existing law to prescribe divisions of earnings between the Pullman Co. and the railroads, and the commission should request the Congress to correct any deficiencies in the law so that it may have full jurisdiction to prescribe all the terms and conditions as between the Pullman Co. and the railroads under which the Pullman cars shall be operated.

Considering that in connection with the handling of Pullman traffic as compared with day-coach traffic, respondents are saved the capital investment in Pullman equipment and other facilities necessary to maintain and to an extent operate the cars; that they are saved the expense of inside cleaning of the cars; that they are saved the cost of repairs and maintenance of the cars; that most of respondents are receiving substantial payments out of the charges collected for the Pullman service proper; that the greater part of the surcharge is collected for the roads which are receiving the heaviest payments from the Pullman Co.; that the average hauls of Pullman passengers is several times the average haul of coach passengers; that most of the Pullman travel is over the parts of respondents' lines which have the greatest density of traffic and lowest ton-mile operating costs; that Pullman cars are utilized to a considerable extent in the transportation of railroad officials and employees engaged in other branches of railroad service; that there can be enforced without unduly inconveniencing the traveling public more economical use of space on many roads; that the present passenger fare was established for application to both coach and Pullman travel; that there has been no reduction in passenger charges corresponding to the reduction made in 1922 in freight charges and the relationship prescribed in 1920 between passenger and freight charges has accordingly been disturbed; that there will probably be some stimulation of Pullman business as a result of the removal of the surcharge; and, further, because if, as contended by respondents, they are not adequately compensated under their contracts for hauling the greater weight per passenger in the Pullman cars, and furnishing the other extra services in connection with the hauling of the Pullman cars, they should secure that extra compensation from the Pullman Co. rather than through a separate charge for what should be treated as one service, it is believed that the time has come when the commission may well eliminate the surcharge.

It is accordingly recommended that the commission find that the practice of respondents of assessing a surcharge on Pullman-car travel is unjust and unreasonable and that the commission order that the practice be discontinued.

APPENDIX

Pullman surcharge and rate of return on investment, Class I roads, 1923 [1]

Name of district, region, and road	Pullman surcharge collections, year ended Dec. 31, 1923	Rate of return on investment
Eastern district:		
New England region—		
Atlantic & St. Lawrence R. R.	$8,440	
Bangor & Aroostook R. R.	7,266	5.56
Boston & Maine R. R.	292,484	1.30
Canadian Pacific Ry. (lines in Maine)	16,084	
Central New England Ry.	7	3.70
Central Vermont Ry.	28,417	.71
Maine Central R. R.	102,617	3.21
New York, New Haven & Hartford R. R.	1,333,070	3.47
Rutland R. R.	47,877	3.55
Total New England region	1,836,262	
Great Lakes region—		
Ann Arbor R. R.	953	2.41
Buffalo, Rochester & Pittsburgh Ry.	19,561	4.32
Chicago & Erie R. R.	17,475	1.17
Delaware & Hudson Co.	97,344	5.69
Delaware, Lackawanna & Western R. R. (system)	248,488	6.68
Detroit & Mackinac Ry.	5,511	2.01
Detroit, Grand Haven & Milwaukee Ry.	13,100	7.86
Erie R. R.	140,931	4.31
Grand Trunk Western Ry.	65,543	4.02
Lehigh Valley R. R.	211,090	2.91
Michigan Central R. R.	904,951	12.38
Monongahela Ry.	2,928	5.34
New Jersey & New York R. R.	8	
New York Central R. R.	4,135,789	6.23
New York, Chicago & St. Louis R. R.	43,528	5.74
New York, Ontario & Western Ry.	23,079	1.16
Pere Marquette Ry.	121,709	6.02
Pittsburgh & Lake Erie R. R.	38,749	17.76
Ulster & Delaware R. R.	2,150	2.55
Wabash Ry.	286,672	3.97
Total Great Lakes region	6,379,559	
Central Eastern region—		
Atlantic City R. R.	5,400	
Baltimore & Ohio R. R.	906,385	5.84
Baltimore, Chesapeake & Atlantic Ry.	865	
Buffalo & Susquehanna R. R. Corp.	19	5.44
Central R. R. of New Jersey	57,890	2.85

[1] On basis of 1922 investment and net railway operating income for 1923. Investment figures for 1923 not yet available.

Pullman surcharge and rate of return on investment, etc.—Continued

Name of district, region, and road	Pullman surcharge collections, year ended Dec. 31, 1923	Rate of return on investment
Eastern district—Continued.		
Central Eastern region—Continued		
Chicago & Eastern Illinois Ry	$191,873	4.17
Cincinnati, Indianapolis & Western R. R	5,372	1.81
Chicago, Indianapolis & Louisville Ry	129,528	5.32
Cleveland, Cincinnati, Chicago & St. Louis Ry	712,468	6.96
Hocking Valley Ry	23,106	4.47
Long Island R. R	31,288	4.31
Pennsylvania R. R	5,584,293	4.22
Philadelphia & Reading Ry	72,500	9.86
West Jersey & Seashore R. R	87,585	3.38
Western Maryland Ry	2,271	3.34
Wheeling & Lake Erie Ry	8,339	3.17
Total Central Eastern region	7,819,182	
Total Eastern district	16,035,003	
Pocahontas region:		
Chesapeake & Ohio Ry	321,902	6.27
Norfolk & Western Ry	237,572	6.02
Richmond, Fredericksburg & Potomac R. R	187,956	11.85
Virginian Ry	5,266	5.02
Total, Pocahontas region	752,696	
Southern region:		
Alabama & Vicksburg Ry	15,004	8.14
Alabama Great Southern R. R	68,017	9.66
Atlanta & West Point R. R	29,429	6.98
Atlanta, Birmingham & Atlantic Ry	8,671	
Atlantic Coast Line R. R	736,445	7.37
Carolina, Clinchfield & Ohio Ry. (system)	2,486	4.16
Central of Georgia Ry	187,142	4.98
Charleston & Western Carolina Ry	435	4.80
Cincinnati, New Orleans & Texas Pacific Ry	152,891	9.05
Florida East Coast Ry	262,693	5.53
Georgia R. R. Lessee Organization	35,931	8.90
Georgia & Florida Ry	3,068	1.40
Georgia Southern & Florida Ry	56,767	4.94
Gulf & Ship Island R. R	5,563	3.62
Columbus & Greenville Ry	68	.02
Illinois Central R. R	726,935	5.65
Louisville & Nashville R. R	725,267	5.94
Louisville, Henderson & St. Louis Ry	23,929	6.81
Mississippi Central R. R	52	3.27
Mobile & Ohio R. R	22,698	5.77
Nashville, Chattanooga & St. Louis Ry	172,150	4.88
New Orleans & Northeastern R. R	25,631	4.57
New Orleans Great Northern R. R	1,446	4.24
Norfolk Southern R. R	15,647	3.89
Northern Alabama Ry	32	6.99
Seaboard Air Line	411,900	4.01
Southern Ry	1,209,894	5.47
Tennessee Central Ry	7,739	8.95
Western Ry. of Alabama	39,153	7.45
Yazoo & Mississippi Valley R. R	60,694	2.80
Total, Southern region	5,007,767	
Total, Southern district (including Pocahontas region)	5,760,463	
Western district:		
Northwestern region—		
Chicago & North Western Ry	912,242	3.46
Chicago Great Western R. R	139,081	1.27
Chicago, Milwaukee & St. Paul Ry	761,866	2.89
Chicago, St. Paul, Minneapolis & Omaha Ry	171,139	3.49
Duluth & Iron Range R. R	376	5.75
Duluth, Missabe & Northern Ry	798	22.76
Duluth, South Shore & Atlantic Ry	23,368	1.25
Duluth, Winnipeg & Pacific Ry	4,004	.60
Great Northern Ry	401,121	5.56
Minneapolis & St. Louis R. R	13,790	1.26
Minneapolis, St. Paul & Sault Ste. Marie Ry	242,917	3.94
Northern Pacific Ry	582,457	3.19
Oregon-Washington Railroad & Navigation Co	239,140	.64
Spokane, International Ry	2,843	2.35
Spokane, Portland & Seattle Ry	53,611	3.04
Total, Northwestern region	3,548,753	
Central Western region—		
Arizona Eastern R. R	5,400	4.40
Atchison, Topeka & Santa Fe Ry	2,660,740	5.62
Chicago & Alton R. R	249,245	3.67
Chicago, Burlington & Quincy R. R	918,358	4.74
Chicago, Rock Island & Gulf Ry	30,150	3.82
Chicago, Rock Island & Pacific Ry	796,774	3.90
Colorado & Southern Ry	69,857	.92
Denver & Rio Grande Western R. R	281,361	1.73
El Paso & Southwestern Co	95,761	3.13
Fort Worth & Denver City Ry	73,923	9.47
Los Angeles & Salt Lake R. R	379,326	4.08
Northwestern Pacific R. R	27,955	2.03
Oregon Short Line R. R	242,407	4.79
Panhandle & Santa Fe Ry	40,483	4.49
St. Joseph & Grand Island Ry	2,588	.94
Southern Pacific Co. (Pacific System)	2,258,582	5.51
Toledo, Peoria & Western Ry	2,548	
Union Pacific R. R	1,115,842	7.73
Western Pacific R. R	159,823	3.03
Total Central Western region	9,411,123	

Pullman surcharge and rate of return on investment, etc.—Continued

Name of district, region, and road	Pullman surcharge collections, year ended Dec. 31, 1923	Rate of return on investment
Western district—Continued		
Southwestern region—		
Beaumont, Sour Lake & Western Ry	$8,283	10.89
Fort Smith & Western Ry	5,856	.53
Fort Worth & Rio Grande Ry	12,350	
Galveston, Harrisburg & San Antonio Ry	277,610	2.82
Gulf, Colorado & Santa Fe Ry	105,510	6.59
Houston & Texas Central R. R	150,700	4.57
Houston East & West Texas Ry	16,255	1.86
International Great Northern R. R	72,044	5.35
Kansas City Southern Ry	54,224	2.99
Louisiana & Arkansas Ry	81	6.73
Louisiana Ry. & Navigation Co	6,981	.58
Louisiana Ry. & Navigation Co. of Texas	587	
Louisiana Western R. R	45,694	9.24
Missouri, Kansas & Texas R. R	195,543	3.89
Missouri, Kansas & Texas R. R. of Texas	202,412	
Missouri Pacific R. R	485,832	2.31
Morgan's Louisiana & Texas Railroad & Steamship Co	70,291	.77
New Orleans, Texas & Mexico Ry	12,000	6.46
St. Louis, Brownsville & Mexico Ry	38,585	11.62
St. Louis–San Francisco Ry	51,825	4.87
St. Louis, San Francisco & Texas Ry	9,158	1.18
St. Louis Southwestern Ry	29,052	7.94
St. Louis Southwestern Ry. of Texas	14,967	
San Antonio & Aransas Pass Ry	7,560	3.42
San Antonio, Uvalde & Gulf R. R	11,489	2.07
Texarkana & Fort Smith Ry	4,854	17.61
Texas & New Orleans R. R	56,680	
Texas & Pacific Ry	270,529	4.10
Vicksburg, Shreveport & Pacific Ry	16,820	6.97
Wichita Valley Ry	1,714	7.06
Total, Southwestern Region	2,735,527	
Total, Western District	15,695,403	
Total, United States	37,490,869	

SALE OF ARMS TO MEXICO

Mr. WALSH of Montana. Mr. President, some time ago, in response to a resolution introduced by myself, the Secretary of War transmitted to the Senate a report concerning arms sold to the Republic of Mexico. Considerable interest has been displayed by the public in this report, and I ask unanimous consent that it be printed as a public document.

The PRESIDENT pro tempore. Without objection, the report will be printed as a public document.

The order was reduced to writing, as follows:

Ordered, That the communication from the Secretary of War transmitting in response to Senate Resolution 193, agreed to March 20, 1924, further information relative to the sale of arms and munitions to the Government of Mexico, be printed as a document.

INCREASE OF PENSIONS—VETO MESSAGE (S. DOC. NO. 103)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which will be read.

The reading clerk read the message, as follows:

To the Senate:

I am returning herewith Senate bill 5, "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars, and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows, and to certain Spanish War soldiers, and certain maimed soldiers, and for other purposes," without my approval.

For the next fiscal year the effect of this act will be to take an additional $58,000,000 of the moneys paid by the taxpayers of the Nation and add it to the pension checks of the veterans of the wars from 1812 to 1902 and their widows and dependents. This is the effect for the first year; but the burden upon the taxpayers will continue for many years to come. While impossible of accurate estimation, the Commissioner of Pensions states that the proposed addition to the pension roll will total approximately $242,000,000 for the first five years and $415,000,000 for the first 10 years.

No conditions exist which justify the imposition of this additional burden upon the taxpayers of the Nation. All our pensions were revised and many liberal increases made no longer ago than 1920. Every survivor of the Civil War draws $50 per month, and those in need of regular aid and attendance, which already includes 41,000 of them, draw $72 per month. As others come to need this the law already gives it to them. The act also proposes to extend the limits of the war period from

April 13, 1865, to August 20, 1866, so that those who enlisted during this year and four months of peace now become eligible for the same treatment as those who fought through the war. There are other questionable provisions providing for the pensioning of civilians and relating to the pensioning of certain classes of widows.

But the main objection to the whole bill is the unwarranted expenditure of the money of the taxpayers. It proposes to add more than 25 per cent to the cost of the pension roll. It is estimated that it would bring the total pension bill of the country to a point higher than ever before reached, notwithstanding it is now nearly 60 years since the close of the Civil War. A generous Nation increased its pensions to well over a quarter of a billion annually, and has already bestowed nearly $6,250,000,000 in pensions upon the survivors of that conflict and their dependents. While there has been some decrease in the annual expense, it is now proposed by a horizontal increase to pay all survivors $72 each month, without regard to age, to their physical condition, or financial condition. With the other proposals a new high record of cost would be established.

The need for economy in public expenditure at the present time can not be overestimated. I am for economy. I am against every unnecessary payment of the money of the taxpayers. No public requirement at the present time ranks with the necessity for the reduction of taxation. This result can not be secured unless those in authority cease to pass laws which increase the permanent cost of Government. The burden on the taxpayers must not be increased; it must be decreased. Every proposal for legislation must be considered in the light of this necessity. The cost of commodities is diminishing. Under such conditions the cost of Government ought not to be increasing. The welfare of the whole country must be considered. The desire to do justice to pensioners, however great their merit, must be attended by some solicitude to do justice to taxpayers. The advantage of a class can not be greater than the welfare of the Nation.

CALVIN COOLIDGE.

THE WHITE HOUSE, *May 3, 1924.*

Mr. BURSUM. Mr. President, I ask that the message be printed and lie on the table; and I desire to serve notice that I shall move to take up the message for consideration upon Tuesday next.

Mr. BRUCE. Mr. President, is unanimous consent necessary in that case?

Mr. FLETCHER. No; the Senator simply gives notice of his intention.

Mr. BRUCE. I was simply going to say that it seems to me there is no reason why we should not act on it now, instead of postponing it until next Tuesday.

The PRESIDENT pro tempore. Allow the Chair to state that in order to comply with the Constitution and the precedents of Congress it will be necessary that the Chair shall state the question, which is, Shall the bill pass, the objections of the President to the contrary notwithstanding? In accordance with the request of the Senator from New Mexico, the message will be printed and lie on the table until the Senate decides to bring it forward for consideration.

POLITICAL INCIDENTS

Mr. CARAWAY. Mr. President, there does not seem to be anything before the Senate except an understanding that is to be arrived at by Senators on the other side to try to override the veto of the President.

I want to read into the RECORD a little story of a harmonious Republican convention which was held in Memphis, Tenn., on the 29th of last month. Incidentally, may I explain that the trouble arose between the white and the black-and-tan Republicans about which should sit on the front seats. The white folks said they were entitled to sit on the front seats, but the negroes got there first and sat there. Before they could indorse the President they had to have all the police force and most of the deputy sheriffs in Shelby County, Tenn., to pull chairs off each others heads, where they had hung them in the little friendly argument.

Since this shows such beautiful harmony among the Republicans when it comes to indorsing what my friend from Ohio [Mr. WILLIS] says is the cold-storage plant of the Republican Party, I want to read this little touching story. It reads:

FIGHT BETWEEN RACES IS G. O. P. MEETING FEATURE—ROW OVER WHETHER WHITES OR BLACKS SHOULD OCCUPY FRONT-ROW SEATS PRECIPITATES ROUGH-AND-TUMBLE BATTLE AT MEMPHIS

MEMPHIS, April 29.—Police and deputy sheriffs participated in the tenth district Republican convention here to-day when the races clashed in a riot over the question of whether negroes or whites should occupy the front-row seats in the convention hall—the basement of the Shelby County courthouse.

Nobody knew exactly how the riot started, but the fight got away to a good start before the officers arrived and restored order. Chairs and fists were employed as weapons and several members of both the white and negro delegations were slightly injured. None was seriously hurt.

One negro was injured when he was struck on the head by a chair which he declared was hurled at Bob Church, local negro political leader. Church emerged from the fray unscratched. A deputy sheriff suffered a slight bruise as he entered the hall with other officers to quell the riot.

Many of the negro delegates climbed through the windows to the street, but when order was restored they returned to the hall and found seats to the rear of the white delegation.

I imagine if my good friend from New Hampshire [Mr. MOSES], who was delegated to handle the negroes for Wood in his delegation in 1920, had been present, he could have quelled the riot with less force, possibly, owing to the arguments he said he used at that time to corral negroes. I read further:

Then C. H. King, leader of the so-called black-and-tan faction, seized the chair and called the convention to order. He was overridden on the first ruling he made and the "lily-white" faction assumed control of the meeting, electing Harry Spears first as temporary chairman and then as permanent chairman. King and his followers "bolted" and organized a convention of their own in another section of the chamber.

The "regular"—

And the Lord never knows who are the regulars; you can not even tell who is regular here in the Senate on the Republican side—

The "regular" convention elected J. M. Johnson and H. O. True as delegates to the national convention and indorsed John Farley for delegate at large. They also adopted a set of resolutions and indorsed President Coolidge.

I merely wanted to call attention to the fact that they could not indorse the President until they had had a riot.

Mr. HEFLIN. Mr. President, the remarks of the Senator from Arkansas [Mr. CARAWAY] concerning the Republican convention at Memphis reminded me of something that occurred in 1916, when the Republican convention was in session at Chicago. I was going down Pennsylvania Avenue and stopped in front of the Star Building to look at the bulletin board and read the announcements as to the doings of the Republican convention. Old Uncle Rufus, a good old Virginia negro, was standing there, and he said:

"Boss, I ain't got my glasses, and I cain't read what's on the billiken board. Who did the Republicans nominate?"

I said, "They nominated Hughes."

He said, "Hughes? I ain't never heerd tell of him. Who did the Progressives nominate?"

I said, "They nominated Roosevelt; but he hasn't decided yet whether he will accept the nomination or not."

He said, "Yas, suh." He was silent for a moment, and then said, "Who do you suppose the white folks gwine nominate this time?" [Laughter.]

THE MERCHANT MARINE

Mr. FLETCHER. Mr. President, I have been receiving a number of inquiries, not only from South Atlantic and Gulf ports but from other portions of the country, with regard to the order putting into effect section 28 of the merchant marine act of 1920. The act provided that it might be made enforceable by the order of the Interstate Commerce Commission on a certificate from the Shipping Board that there was an adequate American tonnage to take care of the business through the various ports. That certificate was made some time back this year, and an order was made putting section 28 into effect, I think, to begin on May 20, but it has now been postponed until June 20.

In the meantime at a number of ports throughout the country chambers of commerce, shippers, and shipping interests have become very much exercised. They are apprehensive that it will mean great interruption to business and will very seriously affect trade conditions. That is especially true in some portions of the Gulf States, at Galveston and New Orleans, Mobile, and Pensacola. There it is felt that there is not a sufficient number of ships under our flag, that we are lacking both in quantity and in type of vessels required to handle the business from those ports. Of course, if that is true, it would be rather unfortunate to have section 28 put into effect at this time.

Mr. SHEPPARD. Mr. President——

Mr. FLETCHER. If the Senator will allow me just a minute——

Mr. SHEPPARD. Certainly.

Mr. FLETCHER. From the very beginning I have been in favor of section 28. I was in favor of it when the bill was passed in 1920 and have felt all along that there were great benefits to American shipping to be derived from the enforcement of that section. Of course, that is predicated and has always been conditioned upon there being an adequate supply of American ships to take care of our trade. I now yield to the Senator from Texas.

Mr. SHEPPARD. The Senator has referred to my State. Let me say to him that the representatives of the independent oil-producing companies have advised me that they now require more than 1,200 tank ships to carry their products abroad from Texas ports; that they are now using tank ships that are owned abroad; that the Shipping Board has less than 50 tank ships available for this service, and that, therefore, they would be placed under very severe hardship if they had to depend on tankers of the Shipping Board. I called that situation to the attention of the Senator from Washington [Mr. JONES], and he has asked the Shipping Board to make a thorough investigation of the situation. I believe I am correct in that statement, am I not?

Mr. JONES of Washington. Yes; the Senator is correct.

Mr. FLETCHER. I had heard of that situation. Of course we are not confined here to the Shipping Board vessels. If there are tankers owned by American oil companies adequate in capacity and number to meet the needs down there, that would be a compliance with the law. We are not confined to tankers owned by the Shipping Board.

Mr. SHEPPARD. But it is my information the American oil companies that own their own tank ships confine those ships to their own service. Independent oil producers do not own their tank ships and must rely on foreign-owned ships for the present at least.

Mr. FLETCHER. They are dependent on the foreign ships.

Mr. OVERMAN. I am told that at Norfolk and other places along the Atlantic Coast they have not freighters sufficient to carry the freight, the cotton, and the tobacco. I would like to know what the situation is. If the order should go into effect at once, they absolutely could not ship at all. Has the Senator investigated that matter?

Mr. FLETCHER. That is just another instance. The same sort of claim comes from Pensacola, where they require vessels for the movement of lumber, particularly to South American ports. They have been relying upon vessels that fly foreign flags, because the Shipping Board vessels are all "long-legged" fellows and draw too much water for the South American ports. That situation applies also to some extent to New Orleans, Mobile, and other ports. In other words, the kind and type of vessels is as important as sufficiency in number. The ports of nearly all South American countries, and largely the Caribbean countries and Central American countries, are comparatively shallow. It is difficult to operate Shipping Board vessels especially in that trade.

Mr. President, I ask that the statement which I have, entitled "Export and Import Rates" and reciting what has occurred with reference to section 28 and quoting the section itself, may be printed in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

EXPORT AND IMPORT RATES

The theory or underlying principle of export rates is that such rates are the same as domestic rates, except (1) when it is necessary to make lower on classes or commodities as a factor in meeting foreign competition; (2) as a factor in equalizing rates through competing ports; (3) to enable manufacturers of similar articles in widely separated groups to compete with each other on a fairly related basis.

The theory or underlying principle of import rates is to some extent different from that of export rates in that domestic competition, as contrasted with foreign competition, is not the controlling factor to the same extent as in export rates; therefore import rates are usually the same as domestic rates, except (1) when made less to meet port competition and (2) to establish a fair relationship between rates from the ports and rates on like commodities from domestic producing points, distance considered.

SECTION 28, MERCHANT MARINE ACT, 1920

This section reads as follows:

"SEC. 28. That no common carrier shall charge, collect, or receive for transportation subject to the interstate commerce act of persons or property, under any joint rate, fare, or charge, or under any export, import, or other proportional rate, fare, or charge which is based in whole or in part on the fact that the persons or property affected thereby is to be transported to, or has been transported from, any port in a possession or dependency of the United States, or in a foreign country, by a carrier by water in foreign commerce, any lower rate, fare, or charge than that charged, collected, or received by it for the transportation of persons, or of a like kind of property, for the same distance, in the same direction, and over the same route, in connection with commerce wholly within the United States, unless the vessel so transporting such persons or property is, or unless it was at the time of such transportation by water, documented under the laws of the United States. Whenever the board is of the opinion, however, that adequate shipping facilities to or from any port in a possession or dependency of the United States or a foreign country are not afforded by vessels so documented, it shall certify this fact to the Interstate Commerce Commission, and the commission may, by order, suspend the operation of the provisions of this section with respect to the rates, fares, and charges for the transportation by rail of persons and property transported from, or to be transported to, such ports for such length of time and under such terms and conditions as it may prescribe in such order, or in any order supplemental thereto. Such suspension of operation of the provisions of this section may be terminated by order of the commission whenever the board is of the opinion that adequate shipping facilities by such vessels to such ports are afforded, and shall so certify to the commission."

If and when this section is enforced, either in whole or in part, it does not require rail carriers to publish export or import rates less than domestic rates, but, in brief, does require that where export and import rates are published less than the full domestic rates that such lower export and import rates will apply as specified only when moved from or to ports of exit or entry in vessels of American registry, and that the full domestic rates will apply on movement in foreign-line vessels, subject to modification by suspension order of the Interstate Commerce Commission.

Where export rates are made less than domestic rates between the same points it represents what may be termed the rail carriers' contribution to foreign-trade development in aid to marketing our surplus products in foreign countries, and apparently the intent of section 28 is to capitalize this aid in behalf of vessels of American registry.

On February 27, 1924, the United States Shipping Board adopted the following resolution:

"Whereas adequate shipping facilities to handle the transportation of all commerce other than grain between ports of the United States and ports of Great Britain and Northern Ireland and the Irish Free State, the ports of continental Europe north of and including Bordeaux and the east coast of Asia, the islands of the Pacific Ocean, Australia, and the East India Islands and the ports of Central and South America are now afforded by vessels documented under the laws of the United States: Be it

"*Resolved*, That the United States Shipping Board certify to the Interstate Commerce Commission that the operations of the provisions of section 28 of the merchant marine act of 1920 should not be further suspended by said Interstate Commerce Commission so far as relates to all commodities except grain transported between ports of the United States and Great Britain and Northern Ireland and the Irish Free State, the ports of continental Europe north of and including Bordeaux and the east coast of Asia, the islands of the Pacific Ocean, Australia, and the East India Islands and the ports of Central and South America: And be it further

"*Resolved*, That the order of the Interstate Commerce Commission made on the 11th day of December, 1920, should be continued in force except as modified pursuant to this certification."

The third supplemental order of the Interstate Commerce Commission, issued March 11, 1924, reads as follows:

"It appearing that section 28 of the merchant marine act, 1920, provides for suspension by the commission of the provisions of that section for such length of time and under such terms and conditions as the commission may by order prescribe upon certification from the United States Shipping Board that adequate shipping facilities in vessels documented under the laws of the United States are not available, and for termination of such suspension by order of the commission upon appropriate certification of the said board;

"It further appearing that by order of June 14, 1920, and supplemental order of July 27, 1920, and second supplemental order of December 11, 1920, the provisions of said section 28 were, upon proper certifications of the United States Shipping Board, suspended until further order of the commission;

"And it further appearing that the United States Shipping Board on February 27, 1924, made further certification to the commission that adequate shipping facilities to handle the transportation of all commodities other than grain between ports of the United States and ports of Great Britain and Northern Ireland and the Irish Free State, the ports of continental Europe north

of and including Bordeaux and the east coast of Asia, the islands of the Pacific Ocean, Australia, and the East India Islands and the ports of Central and South America are now offered by vessels documented under the laws of the United States;

"It is ordered that said suspension order of June 14, 1920, as modified as aforesaid be, and it is hereby, terminated, effective May 20, 1924, as to the transportation of all commodities other than grain between ports of the United States and ports of Great Britain and Northern Ireland and the Irish Free State, the ports of continental Europe north of and including Bordeaux and the east coast of Asia, the islands of the Pacific Ocean, Australia, and the East India Islands and the ports of Central and South America.

"It is further ordered that tariffs published and filed with the commission by common carriers subject to the interstate commerce act as a result of this order shall be so published and filed upon not less than 15 days' notice to the commission and the general public.

"And it is further ordered that, except as herein otherwise provided, the provisions of said order of June 14, 1920, as modified as aforesaid, shall continue in force until further order of the commission."

This order is effective May 20, 1924. It does not apply on grain; it does apply on all other commodities to and from Great Britain (England, Scotland, and Wales), Northern Ireland, Irish Free State, continental Europe north of and including Bordeaux, east coast of Asia, islands of the Pacific Ocean, Australia, East India islands, Central America, and South America.

It does not apply to and from Cuba, Jamaica, and other islands of the West Indies, Mexico, Africa, India, Spain, Portugal, Mediterranean ports, Black Sea ports, and islands of the Atlantic Ocean.

The Interstate Commerce Commission's foreign commerce order, No. 5, of August 7, 1922, in connection with section 442 of the transportation act of 1920 and section 25 of the interstate commerce act, provides for the enforcement on part of the commission of the requirement to specify the stations of railway carriers at which information relative to the handling of export shipments by common carriers by water in foreign commerce shall be maintained, and from which railway carriers shall issue through bills of lading to the point of foreign destination in connection with vessels documented under the laws of the United States.

The handling of export and import commodities in connection with foreign-flag vessels will not be disturbed by the commission's order of March 11, except to and from countries specified therein and restricted thereby to handling in vessels of American registry in order to get the benefit of special export and import rail rates where such rates are less than domestic rates.

Mr. OVERMAN. Has the committee made any report in reference to this matter?

Mr. FLETCHER. No. I understand a bill has been introduced in the House, and I believe reported favorably by the committee, postponing for a year the effective date of the order.

Mr. OVERMAN. That is my understanding. The bill has not yet come over to the Senate, has it?

Mr. FLETCHER. A bill has been introduced in the Senate and referred to the Committee on Commerce, but we have not yet had it up for discussion.

Mr. OVERMAN. I hope the Senator will take it up and consider it, because it is a very important matter.

Mr. FLETCHER. If there is a serious question about our having adequate amount of tonnage under our flag and of the type required, of course it would be advisable not to hurry the enforcement of the section.

As I have said all along, I have felt in favor of section 28. I do not know now whether the situation is entirely such that we ought to advocate any further delay. I have felt that the importers and exporters of the United States have reached the point where they must decide which is more valuable to our foreign commerce, an American merchant marine or the continued use of foreign flag vessels. Section 28 is the most substantial advantage to American shipping that has yet been afforded and does not cost the taxpayers a cent. That is according to the testimony of all the experts on the subject and those who have written and studied it for years and years.

Mr. OVERMAN. I agree with the position the Senator is taking now, but we must not do anything revolutionary to stop our freight and to stop our people from shipping their freight. If the Shipping Board can not do it, the Senator realizes the question ought to be investigated.

Mr. FLETCHER. It will be investigated, I think, and we will decide whether or not we will ask for a postponement of the effective date of the section.

Mr. McKELLAR. When in the opinion of the Senator will it be investigated?

Mr. FLETCHER. There is a bill in the House which has been favorably reported and, I think, is on the calendar. A similar bill has been referred to our Committee on Commerce, which will be considered in due course. I should favor an inquiry being made sufficient to ascertain what is the actual condition. It may be that the certificate of the Shipping Board is premature. I do not know as to that. If it is premature, then they ought either to withdraw it or to admit that it was premature, so that we can determine whether we ought to pass the bill carrying it over further or not.

Mr. McKELLAR. It seems to me the report from such an investigation ought to be had at a very early date so we can act upon it before Congress adjourns by all means.

Mr. FLETCHER. I think so.

Mr. McKELLAR. It is an important matter.

Mr. SHEPPARD. Will the Senator allow me to say that it is my understanding that the Senator from Washington [Mr. JONES] has called on the Shipping Board for a statement of the number of ships available?

Mr. FLETCHER. I have not talked with the chairman of the Committee on Commerce about the matter as yet. In fact, I was merely going to put into the RECORD a statement of the situation and leave it there for the present. I did not know we would get into this colloquy about it. The chairman of the Committee on Commerce is here, however, and can speak for himself.

Mr. SHEPPARD. Will the Senator from Florida permit me to ask the Senator from Washington if he has had an answer to his inquiry?

Mr. JONES of Washington. With reference to the matter submitted by the Senator from Texas?

Mr. SHEPPARD. And with reference to the number of ships in general under the American flag.

Mr. JONES of Washington. No; I have not asked the Shipping Board for a statement as to the ships they might have available generally. I know they have a great many ships, and that is a matter entirely for them to consider. The Shipping Board has entire authority with reference to the suspension of the effective date of section 28. I have urged the Shipping Board to canvass the situation very carefully so that no mistake will be made. If facts have been developed and conditions have arisen that show that they have not ample ships to take care of the service and have service that is to be rendered, I have urged that it would be better to postpone further the effective date of section 28 than to put it into effect under such conditions.

Mr. OVERMAN. Is it true that shippers can ship more cheaply on American ships and that the only reason why they ship in American bottoms is to get cheaper rates?

Mr. JONES of Washington. That is true. There is no provision against shipping in foreign ships. That will continue in effect the same, but they would not get the reduction and the preferential rates.

Mr. FLETCHER. That is the whole question.

Mr. McKELLAR. If that is the question, there is no reason why it should not be put into effect at once.

Mr. FLETCHER. Of course, that ought to be considered too. I have said that section 28, if not made effective shortly, may as well be considered a dead letter along with the remainder of the merchant marine act of 1920. Its enforcement six months hence will be no more practicable or possible than at present. The Shipping Board should withdraw its certificate which it has made to the Interstate Commerce Commission and admit that it was premature, or the section should be enforced within a reasonable time, one or the other. There is no need to dilly-dally about it. Six or eight months from now we will be in no better condition than we are now to have it go into effect.

The amendment that will make its enforcement discretionary with the Interstate Commerce Commission transfers in effect the responsibility of the Shipping Board to the Interstate Commerce Commission. There is a proposal of that sort, and of course I am utterly opposed to it. I want the Shipping Board to turn its attention seriously to sections 16, 17, 18, and 19 of the shipping act of 1916. The interests that should stand solidly behind the enforcement of section 28 should be the American shipowners, American shipbuilders, operators of Shipping Board vessels, ports having a majority of American flag service, and American marine insurance companies. The opposition of foreign flag lines and allied interests reflects the value to American vessels of the enforcement of section 28.

I wish to put in the RECORD now a statement appearing in the American Economist of April 4, 1924, at page 117, discussing the subject entitled "To discourage American shipping."

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article referred to is as follows:

TO DISCOURAGE AMERICAN SHIPPING

For many years it was the custom of our railroads to make lower freight rates on certain export and import products than were charged on domestic freight. Quite some years ago the late Senator Foraker, of Ohio, sought by law to limit such reduced rates only to such goods as were carried in American vessels. But this was before the war, when the number of American ships in foreign trade could be counted on the fingers of one's hand, so to speak, and Senator Foraker found it impracticable to carry out his desire to help American ships in foreign trade.

Senator W. L. JONES, chairman of the Senate Commerce Committee, however, when he framed his great merchant marine act of 1920 had clearly in mind the opportunity this practice of lower railroad rates on exports and imports still held out to give aid to American ships, and so he proposed and provided in section 28 of that famous maritime law that as soon as it was assured that enough American vessels were available lower import and export rail rates should be limited only to such goods as were carried in American vessels. Section 28 provides, therefore, that if the Shipping Board should advise the Interstate Commerce Commission of the inadequacy of American shipping in foreign trade to carry the imports and exports that such a discrimination might divert to American vessels the Interstate Commerce Commission should suspend the section's operation until advised by the Shipping Board of the adequacy of such American shipping. Recently the Shipping Board has certified to the Interstate Commerce Commission that American shipping in foreign trade is now adequate enough to permit of the enforcement of section 28, except as to grain exports, and so the Interstate Commerce Commission has removed the suspension of the section and ordered that it shall go into effect on May 20.

It should be clear that there was nothing that compelled the railroads to reduce their freight rates on imports and exports. Quite without regard to American shipping, these lower rates were made by the railroads, no doubt with the purpose in view of benefiting the railroads by stimulating foreign trade through reduced transportation charges. The limitation of such rates, therefore, only to such imports and exports as are carried in American vessels does not subject the railroads to any loss; rather the contrary, because on imports and exports in foreign vessels rail rates would be advanced to parity with domestic rates.

These actions by the Shipping Board and Interstate Commerce Commission removing the suspension that held in check the enforcement of section 28 is not received with favor in a number of directions. First, it is regarded as injurious to foreign shipping, and it is surprising the number of people in the United States who are deeply concerned in seeing to it that no discriminations whatever are made in favor of American or against foreign ships in our foreign trade. The roots of foreign steamship lines, it is found, are actually tap roots, so deeply do they pierce our soil and so strong and hardy are they.

And so it is that all sorts of objections are being raised to the enforcement of section 28 of the merchant marine act of 1920. It is even hinted that its enforcement is not popular with the members of the Interstate Commerce Commission, and now it has developed that it is decidedly unpopular with the railroads themselves, as is shown in a policy adopted by members of the eastern presidents' conference of railroad executives, held last week in New York, at which it was planned to oppose the enforcement of section 28, because it has been discovered that railroads that extend into Canada or from Canada into the United States may be able to evade the law or divert traffic to Canadian ports that might otherwise come to American.

It was feared that the railroads would resent this interference with their voluntary application of lower freight charges on imports and exports and that no consideration for the welfare of an American merchant marine would cause them to unite to make the law popular and effective. Now, this proves to be the case. If the enforcement of section 28 can be prevented, manifestly foreign ships will benefit, and it is equally manifest that American ships will not benefit.

Nor is it believed that the enforcement of section 28 of the merchant marine act of 1920 is altogether popular with the executive branch of the Government. If a way can be devised to circumvent the enforcement of section 28, unquestionably its enforcement will be circumvented. The executive branch of our Government, led by the State Department, is opposed to any discriminations whatever that would favor American ships and the goods they carry over foreign ships and their cargoes. While the enforcement of section 28 has not been regarded as in any way opposed to any treaty provision, it is now held by Japan that it infringes articles 1 and 6 of the treaty between the United States and Japan of 1911. This is a singular attitude for Japan to take if it be true, as we understand it is, that Japan practices the very same thing in respect to import and export goods carried on Japanese railroads that the Government of Japan now claims when adopted by us to be in violation of her treaty rights. It may work out that our Government will not object to Japan's violation of treaty provisions if they are violated, but it is quite likely that if it can be authoritatively found that a law of the United States would violate Japan's treaty rights, it would not be enforced.

Before the war Germany practiced this same thing. Goods were shipped from the interior of Germany to the interior of the United States, and vice versa, on single through bills of lading at rates lower by rail in both Germany and in the United States than applied to domestic goods in transit, but the Germans saw to it that the benefits of these reduced rates applied only to such imports and exports as were carried in German vessels. No objection was made by our Government to that German discrimination, least of all did our State Department seek to discover that the German policy was in violation of any American treaty rights.

It has recently been proposed to require that at least 50 per cent of our immigrants come to us in American vessels, but at once such a provision is discovered to be in violation of treaty provisions. But for a couple of years Italy has had in force a law that requires all emigrants leaving Italy to depart only in Italian ships. We have never heard that the State Department raised the question of violation of treaty provisions in respect to the Italian law, but it is keen to discover and to oppose any similar action by the United States until our treaties are modified, the State Department, however, being decidedly opposed to any modification of treaties, least of all in a manner to help American shipping.

And so it is that the forces at work, hitherto secretly to a large extent, to discourage American shipping development in foreign trade are being smoked out onto the open. So far so good. But it is sad to find arrayed with such forces any of the executive branches of the Government. It is time, evidently, for congressional action of a very definite and drastic character.

Mr. FLETCHER. I also wish to have inserted in the RECORD a copy of a communication sent to me by Mr. Frederick I. Thompson, chairman of the committee of the United States Shipping Board on Interstate Commerce Commission Conferences, being a letter which he addressed to Hon ELLISON D. SMITH, chairman of the Interstate Commerce Committee, in which he discussed the question. I called on him for his views about the matter, and he sent me a copy of that letter as giving his views.

The PRESIDENT pro tempore. Without objection, permission is granted.

The letter is as follows:

APRIL 1, 1924.

Hon. ELLISON D. SMITH,
Chairman Interstate Commerce Committee,
United States Senate, Washington, D. C.

MY DEAR SENATOR SMITH: Conforming with your request for certain facts and conclusions with respect to the application of section 28, merchant marine act, 1920, as a preliminary, first it should be defined that the enforcement of this preferential portion of our marine laws will not alter the present export rate structure nor disturb the flow of commerce moving under the export rate where there is sufficient service by vessels under the American flag to transport that portion of the export commerce now moving under the export rate in vessels of foreign registry. The application of section 28 merely permits the present export and import rates to apply when the commerce moves in American-flag ships, as contrary to the present policy of permitting these rates to apply upon the movement in either American-flag or foreign-flag ships.

In that connection it is deemed appropriate for clarification to draw your attention to that particular statement embodied in the letter addressed to you by Hon. Henry C. Hall, chairman of the Interstate Commerce Commission, in which opposition to the enforcement of this section of the merchant marine act is reflected. Referring to the inclusion of grain products and the exclusion of grain in the certification, Chairman Hall says:

> "There has always been a close relationship between the rates on grain and on its products. To except grain and not grain products means that while grain may still move to the ports on the export rates, flour and other products will take export rates lower than the domestic basis only when shipments are moved beyond the port in American bottoms. Presumably the effect of this will be to handicap American millers in competition with foreign millers buying American grain, as the latter will be able to take advantage of any low ocean rates to foreign markets

which may be offered by vessels under flags other than the American, while the former will not unless domestic grain rates to the ports be reduced to the export basis."

The adverse effect feared by Chairman Hall, it will be noted from his language, is based upon the presumption that there will be lacking sufficient American flag facilities to transport that portion of the export flour movement now being carried in foreign flag vessels. If sufficient American-flag ships are provided, of course, the present status with respect to the transport of this commodity in no manner will be altered.

That the chairman of the Interstate Commerce Commission should oppose the application of one of the preferential features designed to build an American merchant marine upon presumption that there is absence of American-flag ships particularly is not understandable, when it is noted that no request was made of the United States Shipping Board by Chairman Hall for specific information as to whether or not there is or will be in operation sufficient American-flag ships to provide for the commerce moving under export rates in foreign ships, and when officially before him was the certification of the Shipping Board that adequate American-flag facilities did exist.

Without emphasizing the point too strongly, it would appear as unusual for the chairman of the Interstate Commerce Commission not to have sought this specific information from that other agency of Government having direct jurisdiction over American-flag shipping before voicing opposition to a preferential feature of our marine law and voicing such opposition on what was stated by him as a presumption.

With respect to the question of flour movement, it may be enlightening to advise of facts developed at the hearing held at St. Louis, Mo. A protest on behalf of the Southwestern Millers' League was filed with the committee. The stenographic record evidences that the protestant admitted that the export agent of the Southwestern Millers' League was the export agent of foreign steamship lines, prompting me, as chairman of the committee, to say that the committee, in ascertaining that fact, desired to determine—

> "whether or not those who may protest against the application of a preferential feature of our marine laws speak free from selfish or direct financial interest, and that if the protestant, the Southwestern Millers' League, maintains as its agent a man who is the representative of foreign shipping lines and financially concerned in the continuance of such relation, the committee could not construe a protest from them as reflecting an unselfish interest."

For your information it may be well to emphasize that section 28 is interpreted by the United States Shipping Board as a mandatory section of the statute, the only discretionary power lodged in the Shipping Board being that of determination of shipping facilities under the American flag. The Shipping Board held hearings upon this question at Boston and New York on the Atlantic; at New Orleans on the Gulf; at Portland, San Francisco, and Los Angeles on the Pacific; and at Chicago and St. Louis on the Great Lakes and the interior. Keeping particularly in view the fact that in addition to the established services at present in active operation, there were in reserve ample ships to meet any required addition to existing services, the Shipping Board, in possession of opinion that American-flag facilities existed, in propriety, could not nullify a law of the Congress, when upon the commissioners of the Shipping Board was imposed the duty to enforce the law. Clearly, enforcement of the law is not a matter of discretion with those upon whom the duty of enforcement rests.

At the hearings so held opposition to the application of section 28 developed from:

> "Railroads having preferential interchange of freight agreements or understanding;
>
> "Ship operators and certain organizations closely identified with the operation of vessels under foreign registry;
>
> "Exporters whose buyers in foreign countries sought to designate the transport of the commodities purchased by them in the ships of their own nation."

The United States Shipping Board also held hearings on agreements between American railroads and foreign shipping companies. With your permission, for specific illustration, I will refer particularly to the agreements between the Chicago, Milwaukee & St. Paul Railroad and the Japanese shipping line, Osaki Shosen Kaisha, and the Great Northern Railroad and the Nippon Yusen Kaisha, another Japanese shipping line. It was developed clearly that these American railroads, through preferential working agreements with these Japanese shipping lines for interchange of freight, became in effect the soliciting agents of the Japanese shipping lines operating in competition with vessels operated by the United States. The terminus of the Chicago, Milwaukee & St. Paul and the Great Northern Railroads is in the Puget Sound area, from which terminus, acting under the mandate of the merchant marine act requiring to be established strategic trade routes, the United States Shipping Board established a service to the Orient, placing in such service five of the *President* type of combined passenger and cargo ships. Quoting from the stenographic record, in reply to a question addressed to Mr. Kenney, vice president in charge of traffic of the Great Northern Railroad, he stated that he did not think "there is anything superior to it"; that the service given by the Government was "comparable to anything on the Pacific." When further asked if the preferential contract with the Japanese shipping line were prompted by a desire to procure a superior steamship connection, Mr. Kenney replied, "No, sir."

With this fact clearly established as to the adequacy of facilities under the American flag, that of 75,188 tons of export commerce originating on the lines of these two railroads, only 4,954 tons were delivered for transport to American-flag ships; yet these two railroads refused to abrogate the agreements with the foreign shipping lines for interchange of freight. The continued existence of these preferential contracts, resulting in diversion of commerce from American-flag ships, has occasioned unnecessary losses to the taxpayers in the operation of American-flag ships from the Puget Sound area, a service established for the economic protection of American consumers and producers as insuring that excessive ocean transportation charges could not be levied on American commerce. The enforcement of section 28 will correct this harmful condition.

Although desiring to avoid expression of individual opinion in this communication to you, I am prompted to refer to the adverse effect the principle of preferential contracts between American railroads and foreign shipping interests would have if accepted as a national policy. The ultimate end would be the control of ocean transportation by the rail carriers in conjunction with ships either of domestic or foreign registry; it would operate against free competition on the ocean; and would be unjust to those ports not located at the ocean terminus of the rail carriers, occasioning congested movement through certain base ports, which the merchant marine act of 1920 clearly seeks to avoid as a matter of national policy.

Except through the actual operation of ships at sea there can be no control of ocean transportation rates. Regulation of rail charges is clearly domestic, and the Interstate Commerce Commission enforces the policies established by the Congress. No such control is possible on the ocean, the only regulatory influence being the operation, under the national flag, of those nations desiring to participate in the regulation of freight charges for the protection of their nationals.

It is believed that the application of section 28 as one of the preferential features of the merchant marine act will augment greatly the tonnage moving in American flag ships; will lessen the losses now entailed in American flag operation by the Government; will tend to stabilize financially the operation of strategic trade routes and be helpful toward the ultimate acquisition by private operators of the ships at present engaged in the overseas trade. At present, exclusive of the Caribbean and West Indies services, there are approximately 20 ships engaged in overseas commerce under private ownership, and in operation in overseas trade by the United States Shipping Board 375 vessels of approximately 2,216,742 gross tons and 3,325,113 deadweight tons. If the operation by the Government under that provision of the merchant marine act requiring the establishment and maintenance of essential trade routes not covered by private American flag operation should be withdrawn it would permit the export and import movement of the United States to be controlled by foreign shipping interests whose nationals, in conjunction with their Government, could name, without interference, the ocean freight charges to be imposed upon both the export and import commerce of the United States.

Aside altogether from the economic protection referred to, the necessity for a merchant marine fleet in active operating condition for the national protection in emergency is the highest essential, and on that point the testimony of naval officers is impellingly enlightening. The operation by the Government of the ships in its possession is but a peace-time utilization of a unit of national defense, carrying with such utilization, however, a very primary purpose of economic protection and benefit to American commerce.

For these reasons the United States Shipping Board could not take cognizance of the recommendations of the American Steamship Owners' Association and the resolutions adopted by the Merchant Marine Congress, which were that the Shipping Board and Emergency Fleet Corporation should retire from the business of operating ships; should scrap immediately vessels inferior in design, equipment, or condition; should offer its remaining vessels for sale to American citizens without any restrictions; and then after the lapse of a reasonable time all vessels, even of proper design, equipment, and condition, which were not sold and were without immediate prospective sale value, should be scrapped also. To have followed the first suggestion would have been an abandonment of the mandate of Congress. To have followed the

second and fourth—to scrap all vessels except those sold and to sell the few it could without any restrictions—would have resulted in unthinkable abandonment of American flag operation on the seas and a return to the postwar condition of leaving the American manufacturer, the American farmer, and the American consumer without voice in the regulation or control of the ocean charges to be levied upon the products exported or consumed by citizens of the United States.

Attached hereto is an exhibit showing the routes at present being maintained by the United States Shipping Board through the agency of the Fleet Corporation to various world markets and base ports. It is believed that these services with the "spot" ships immediately available for entry into service meet the intent of the Congress as to the adequacy of facilities referred to in section 28; and it is to be hoped that the United States Shipping Board, having established these strategic and essential trade routes in order that both the letter and the spirit of the law may be met, will be given opportunity to test the beneficial aspects of a section of the merchant marine act unquestionably designed by the Congress to bring into being a merchant marine representative of the position occupied by the United States among the nations of the world.

Very sincerely yours,

FREDERICK I. THOMPSON,
Chairman Committee of the United States Shipping Board on Interstate Commerce Commission Conferences.

Mr. FLETCHER. I also wish to have printed in the RECORD a clipping giving the views of Mr. Winthrop L. Marvin, who is vice president and general manager of the American Ship Owners' Association. Mr. Marvin is a great student of the subject. He has written a great deal on it and lectured on it and written a book on the subject. He is fairly well posted on the whole history of the struggle to establish an American merchant marine. I discussed the matter with him. I ask to have that inserted in the RECORD, together with a clipping from the Star of April 4, 1924, showing the attitude taken by the Association of Railway Executives, which may have a bearing on it, although it is not very important. I also desire to have inserted in the RECORD an editorial from the Export Trade and Finance of April 12, 1924, page 18, entitled "What is the alternative?" It is not a very long editorial, but it is a very forceful presentation of the matter.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

UNITED STATES VESSELS BOYCOTTED BY FORWARDERS ABROAD, SAYS SHIP ASSOCIATION CHIEF—WINTHROP L. MARVIN CITES INSTANCES OF DISCRIMINATION IN REPLY TO CRITICISM OF APPLICATION OF SECTION 28—ASSOCIATION TO DEFINE POSITION ON ORDER TO-DAY

The executive committee of the American Steamship Owners' Association will consider to-morrow the subject of section 28 of the merchant marine act, 1920, reserving to American ships the carrying of export or import merchandise that receives the benefit of low preferential rates on American railroads.

"The association," says Winthrop L. Marvin, vice president and general manager, "has taken no recent action on section 28, and is open-minded on the subject. When a study is made of this section, granting a certain preference to American ships, it is necessary to consider at the same time the well-established fact that many foreign shippers in our export and import trade have long had exclusive arrangements with foreign shipping companies by which a virtual boycott has been imposed against American vessels. These discriminations have been enforced against the American merchant flag whether borne by privately owned or Government-owned steamers, and they date back to the signing of the armistice in 1918, long prior to the framing and passage of the merchant marine act, 1920.

CITES EGYPTIAN COTTON INCIDENT

"For example, the experience of American ships of the Harriman Line in endeavoring to obtain part cargoes of Egyptian cotton at Alexandria for Boston is readily recalled. Through the then dominant influence of the Liverpool liners' conference in the port of Alexandria not a pound of cotton destined for the mills of New England could be obtained for American ships in spite of persistent efforts until it was signified to this British liners' combination, of which the Cunard and Prince companies were the chief factors, that there might be reprisals on the part of the Government of the United States. Then 50 per cent of our Egyptian cotton imports were grudgingly conceded to the American flag, which was actually entitled to the whole trade as Egypt, now independent, has little or no ocean tonnage of her own.

"In September, 1922, it was reported to the office of the American Shipowners' Association that British consignees of a quantity of copper shipped from Baltimore demanded that this be sent in British ships, 'though the freight rate of American steamers was the same and abundant tonnage was available.' At the same time, a shipper of lumber through Hampton Roads to the United Kingdom declared that he was 'compelled by external interests to favor the British lines.' Chicago shippers of American flour reported 'a boycott of American steamers by orders from the other side'—rates and facilities being the same by American or foreign vessels.

FAVORED BRITISH LINES

"Manufacturers of steel nuts and bolts through Philadelphia to the United Kingdom reported that 'foreign houses insisted on controlling the routing of their shipments through a Liverpool representative who favored British lines.' A simultaneous report stated that 'Michigan lumber manufacturers declared that the same discriminatory methods were being applied to their exports of maple flooring.' Importers of grain to ports of the United Kingdom instructed their buyers in the United States 'to accept no other boat than a British steamer. There have been cases where the American boat has quoted a lower rate than the British, but the grain must go by British bottoms.' American exporters who furnished this information declared that 'there seems to be a high-handed foreign propaganda to drive American shipping out of foreign trade.'

"These foreign discriminations against American ships are still continuing. Secretary Hoover, in 'Commerce Reports' of October 22, 1923, quoted this significant instance: 'A British firm placing an order with an American company says: "We shall be glad if you will make a special note always to forward our goods in the future by the Cunard or other British lines sailing between New York and England."'

14 FIRMS BARRED UNITED STATES SHIPS

"A subsequent canvass of the manufacturers and exporters of one of the chief British commercial districts brought out a statement from 14 of 16 firms that they would not ship to the United States in American vessels under any circumstances—some of them proclaimed that they would hold their goods a month for a British ship, if necessary.

"In large part as a result of this organized and determined boycott of the American merchant flag, our American ship proportion, in value, of the carriage of American imports has shrunk from 40.59 per cent in April, 1920, to 31.72 per cent in January, 1924, and our American ship proportion, in value, of exports has fallen from 47.70 per cent in April, 1920, to 38.53 per cent in January, 1924.

"Nor is the United Kingdom the only country which enforces against us the equivalent and more than the equivalent of section 28—for that section applies to only a special list of commodities. In June, 1922, American exporters of grain complained to the United States Shipping Board of 'the discrimination shown by the Scandinavian and especially the Swedish grain trade against American vessels'—Swedish houses insisting on the use of Swedish flag ships, 'even at a higher cost of freight.' The same discriminations were enforced by Swedish merchants in the matter of our exports of flour. In July, 1922, an American firm at Baltimore offered 600 tons of heavy grain to Norwegian buyers at a freight rate of 17 cents per 100 pounds. The cable reply insisted that the grain be carried by Norwegian steamers, although the Norwegian freight rate was 20 cents a hundred pounds. Subsequently this same American house offered other grain cargoes to Norwegian houses, 'and in each instance except one the replies received stated plainly "American steamers excluded."'

"An American steamship company, with privately owned tonnage, offered space for malt to Rotterdam and Amsterdam at 25 cents per 100 pounds. Holland merchants cabled a reply that the malt must be sent by Holland ships at a rate of 30 cents per 100 pounds, 'no matter what the rate by the American lines.'

"This reply, like the others in each case, is in the hands of American merchants. It is announced in the press that the Government of Holland has sent a protest to our Government against section 28. That is to say, the Dutch, while insisting in cases like the above that American goods must be exported only in Dutch ships, are fighting against any policy by our own Government that might countervail their own exclusive discriminatory practices.

"Let it be borne in mind that every one of our trans-Atlantic American cargo steamship services above referred to is being operated by experienced and capable men, and that in general even the London insurance companies offer as favorable rates to American ships and their cargoes as to foreign ships and their cargoes.

It will be borne in mind also that these foreign discriminations above described apply to the American flag, whether borne by steamers of the Shipping Board or of the old established American private companies. The fight is against the Stars and Stripes on the ocean."

[From the Washington Star, April 4, 1924]

Section 28 of the merchant marine act, providing for through export and import rates to shippers patronizing American-flag vessels, in reality "does not effect any reduction in any rate," the Association of Railway Executives declared in a statement late yesterday. It merely imposes upon the railroad companies, the statement said, the obligation to apply the domestic rates on export and import traffic unless shipped in vessels of American registry.

The association declared traffic executives of lines serving eastern territory had carefully considered the application of the section and that in substance it requires that domestic rates and regulations affecting them shall be "applied on all export and import traffic excepting grain, unless it is exported or imported in ships of American registry."

PORTS TO WHICH RATES APPLY

The ports to which the rates will apply were said to embrace substantially all except African, Mediterranean, Spanish, Portuguese, southern Asian, and West Indian. The section does not apply, under the interpretation, to traffic originating in the United States for export to Canada or through a Canadian port, nor domestic traffic moving through Canada for exportation through an American port.

"Vice versa," the statement continued, "section 28 does not apply to traffic from the foreign ports covered by the order moving through Canadian ports to points in the United States, nor to traffic moving through an American port to a point in Canada or passing through Canada to a point of destination in the United States, nor to traffic originating in Canada and moving to a point of destination in the United States.

TRANSSHIPMENT PROVISION

"Certain transshipment rates on coal, coke, etc., which are lower than track-delivery rates on the same commodities to the port of transshipment are not included within the operation of section 28, because such rates are not based upon contemplated exportation, but, on the contrary, are based primarily on the incident of coastwise transportation to other points in the United States.

"It will of course be necessary for the carriers to police the application of export and import rates so that they may be applied only in connection with ships of American registry. Where the shipper gives reasonable assurance that the property will be exported in a vessel of American registry the export rate will in the first instance be applied. If the shipper changes the through route to provide for forwarding in a vessel of foreign registry, correction will be made to the basis of the domestic rate and the additional charges will be collected."

[From Export Trade and Finance, April 12, 1924]

WHAT'S THE ALTERNATIVE

As was to be expected, the contemplated enforcement of section 28 of the merchant marine act by the Shipping Board has raised a storm of protest among shippers throughout the country.

On all sides we hear the complaint that after May 20, when the preferential rail rates go into effect, there will not be adequate American flag services to care for all the tonnage offered, and that, as a result, operation of the law will work a direct hardship on American exporters.

That there will not be as great a frequency of choice of sailings for inland shippers to take advantage of is an obvious and undoubted truth. But in voicing their complaints it seems that many of the shippers and commercial organizations are confusing two issues. The first, and perhaps most important, is: Do we want an American merchant marine? It would seem from many of the letters, resolutions, and editorials we have read that the answer to this question is not unanimously in the affirmative. "Why should not the Shipping Board make money * * * or, lacking such success, go entirely out of business?" asked one prominent New York daily recently. Of course, for those who take the position that an American merchant marine is an uneconomic encumbrance it naturally follows that the enforcement of section 28 is an unjustifiable hardship.

But what would be the result if the merchant marine act were repealed and the American flag disappeared from the sea? Out of the pockets of the American citizen, both producer and consumer, would begin a steady drain. Rate increases on the part of the remaining foreign lines would inevitably go into effect. This is only one aspect. The need of a merchant marine as a means of defense is another. The desirability of conducting our foreign trade through channels of our own nationality is still a third. Shippers should appreciate the fact that the United States now has a merchant marine and realize that we plan to keep it in operation.

Realizing that fact, why not accept the inevitable and cooperate with the Shipping Board in making the operation of these ships profitable so that they can eventually be turned over to private ownership? Certainly some sort of direct or indirect aid is necessary. Possibly the enforcement of section 28 is not an altogether satisfactory solution of our shipping problems. Undoubtedly there will be difficulties to be overcome and necessary exceptions to be made which can only come to light after the section is put in operation.

But, as exporters and shippers, let us realize that the purpose of section 28 is to strengthen the merchant marine, and if we believe in the ultimate necessity of the American flag flying on privately owned American ships, let us at least give the Shipping Board a fair trial.

If we do not believe in the need of an American merchant marine, let us frankly say so. But the critic who with one hand waves the flag in his enthusiasm for American ocean-borne commerce and with the other pens his rabid objection to the most logical present means by which American shipping can be supported holds an untenable position.

Congress has very definitely refused a direct subsidy. Some support is necessary. Section 28 is on the statute books, a law of the country. Suppose the Shipping Board continued to refrain from enforcing its provisions, what is the alternative? Continued Government operation at an annual loss to the taxpayers of from thirty to fifty million dollars and, lacking congressional appropriations for new construction, the ultimate disappearance of the American flag from the ports of the world.

SHIPMENT OF PRODUCTS FROM FLORIDA

Mr. FLETCHER. Mr. President, a short time ago I received a letter from R. A. Brand, vice president of the Atlantic Coast Line Railroad Co., referring especially to the situation regarding the shipment and marketing of Florida cabbage, and the results. It is quite a cry from a discussion of the revenue bill and millionaires to a more homely subject like cabbage, but it is really a very important industry in Florida.

We shall produce this year some 37,000,000 tons of cabbage. Florida has become the vegetable garden of the Nation, especially for winter vegetables, and produces largely celery, lettuce, beans, strawberries, cabbage, potatoes, and other vegetables, and gets them to market before they can be had from any other portion of the country. There is some competition from a few countries of similar soil and climate in respect to cabbage, and considerable competition has developed from Holland. The statement says that:

Cabbages are not doing well the past two weeks—

This was written April 4—

On account of a lot of imported cabbage reaching the eastern cities prices have dropped from $2 per hamper to $1.25. We farmers should make an effort to keep these foreign cabbages from reaching the United States.

That is a quotation from a letter written to Mr. Brand by a grower. I have had some letters from growers and producers in various parts of the State. So the question seems to be whether or not the Holland cabbage shall be allowed to take the market away from the producers in the United States. Texas also is largely interested in this matter. Texas produces more cabbage than Florida, but Florida is next in the production of cabbage.

I took the matter up with the Tariff Commission. Of course I looked up the tariff law and ascertained what the duty was on cabbage. Under the last act the duty is 25 per cent ad valorem. I asked them to make rather a full investigation as to the causes of cabbage grown in the United States being practically unsalable and without demand in the chief markets of our own country. I have here a communication from the Tariff Commission, which is dated May 2, accompanied by a memorandum and a table giving the situation and showing that there is some misapprehension about the extent and the significance of the foreign competition. I ask to have inserted in the RECORD the communication and memorandum, with all of the accompanying figures, because they go into the whole subject and will be of very great interest to the producers of cabbage throughout the country.

The PRESIDENT pro tempore. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

UNITED STATES TARIFF COMMISSION,
Washington, May 2, 1924.

Hon. D. U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR FLETCHER: In accordance with your recent telephone request, I take pleasure in submitting herewith a memorandum on the effect of imports of cabbage from Holland on the price of Florida cabbage in the New York market.

The memorandum gives statistics of imports and of domestic production and also a comparison of prices of Holland and of Florida cabbage.

On page 8 of the memorandum will be found a comparison of Holland and Florida cabbage in respect to quality. I presume that Florida has an agricultural experiment station, and would suggest that it might lead to good results for the Florida cabbage growers if the State agricultural bureau would undertake experiments looking toward an improvement in the quality of the Florida cabbage, particularly in relation to its keeping qualities.

May I suggest also that the process of marketing might be studied to see if a glutting of the New York market can be prevented, and shipments made in quantities that would more nearly correspond to the daily or weekly demand, thus resulting in better and more stable prices.

Sincerely yours,

THOMAS O. MARVIN.

[Memorandum from the United States Tariff Commission]

CABBAGE APRIL 23, 1924.

RATES OF DUTY

Act of 1909: 2 cents each, or an equivalent average ad valorem for the period, 1910 to 1913, inclusive, of 38.8 per cent.

Act of 1913: 15 per cent ad valorem.

Act of 1922: 25 per cent—under the basket provision for all other vegetables in their natural state, not especially provided for.

THE EFFECT OF IMPORTS OF CABBAGE ON THE MARKETING OF EARLY CABBAGE

PRODUCTION

Two main types of cabbage are grown in the United States—

1. Cabbage for kraut manufacture.
2. Cabbage for table use.

It is only in cabbage for table use that there is any foreign competition. Therefore, it is to this branch of the industry that the following discussion is confined.

In the United States the production of cabbage for table use is classified as follows:

1. Early cabbage.
2. Intermediate cabbage.
3. Late cabbage.

Florida and Texas produce the bulk of our early cabbage. As the growing season progresses the intermediate cabbage comes on the market from Virginia, Maryland, Delaware, and New Jersey. For late, or fall cabbage, New York and Wisconsin are the most important States. The following table gives the production, yield, and farm value of cabbage in the United States for a series of years:

Commercial acreage, yield per acre, production, price, and farm value, of cabbage, 1920-1923

State	Acreage				Yield per acre (tons)				Production (tons)				Prices (per ton)				Farm value (000 omitted)			
	1920	1921	1922	1923	1920	1921	1922	1923	1920	1921	1922	1923	1920	1921	1922	1923	1920	1921	1922	1923
Alabama	1,080	1,600	2,200	2,200	7.8	8.0	8.5	7.5	8,400	12,800	18,700	16,500	$39.00	$27.76	$22.20	$49.76	$328	$355	$415	$821
California	7,860	7,320	7,320	5,300	7.1	7.0	6.0	7.0	55,800	51,200	43,900	37,100	18.47	13.84	26.33	42.62	1,031	709	1,156	1,581
Colorado	4,300	4,000	5,240	5,270	15.1	11.7	12.0	11.0	66,300	46,800	62,900	58,000	9.04	24.55	4.27	7.40	599	1,149	269	429
Florida	9,280	5,370	11,280	2,070	6.8	6.0	7.0	8.0	63,100	32,200	79,000	16,600	42.40	25.60	21.96	46.57	2,675	824	1,735	773
Georgia	120	250	520	220	7.8	7.0	5.0	5.5	900	1,800	2,600	1,200	37.33	35.50	25.28	35.87	34	64	66	43
Illinois	2,080	1,620	1,880	1,400	8.1	5.0	8.0	5.0	16,800	8,100	15,000	7,000	18.15	26.64	6.39	16.92	305	216	96	118
Indiana	1,300	1,090	1,660	1,300	9.8	6.0	7.0	10.0	12,700	6,500	11,600	13,000	25.75	32.89	10.21	13.61	327	214	118	177
Iowa	1,080	600	1,840	1,200	8.0	5.0	8.0	5.5	8,600	3,000	14,700	6,600	34.00	37.19	9.36	16.69	292	112	138	110
Kentucky	350	350	300	300	6.6	6.0	6.0	5.0	2,300	2,100	1,800	1,500	25.00	21.99	21.00	60.00	58	46	38	90
Louisiana	1,600	1,580	1,670	1,640	8.2	6.4	6.0	4.5	13,100	10,100	10,000	7,409	40.20	13.42	20.00	55.90	527	136	200	414
Maryland	2,180	2,060	2,750	2,000	5.8	4.8	5.0	6.0	12,600	9,900	13,800	12,000	18.00	24.70	14.67	32.71	227	245	202	393
Michigan	2,870	1,900	3,570	3,200	10.7	6.5	11.0	9.8	30,700	12,900	39,300	32,200	14.78	22.73	5.65	9.33	454	293	222	300
Minnesota	3,200	2,740	3,840	3,260	8.9	5.0	9.0	7.5	28,500	13,700	34,600	24,400	21.19	22.50	5.75	12.12	604	308	199	296
Mississippi	1,850	1,420	4,640	4,240	8.4	6.0	5.0	3.5	15,500	8,500	23,200	14,800	34.20	39.47	20.00	48.60	530	335	464	719
Missouri	720	700	700	800	8.0	8.1	7.0	6.0	5,800	5,700	4,900	4,800	43.57	44.79	30.00	28.12	253	255	147	135
New Jersey	4,520	4,220	4,500	4,100	8.1	6.5	8.0	5.5	36,600	27,400	36,000	22,600	21.27	18.65	21.80	39.75	778	511	785	898
New Mexico	200	130	400	300	6.0	8.0	9.0	7.0	1,200	1,000	3,600	2,100	26.00	28.00	22.57	50.22	31	28	81	105
New York	26,600	22,900	24,900	22,680	11.6	6.5	9.0	7.5	308,600	148,800	224,100	170,100	8.49	25.24	6.44	16.53	2,620	3,756	1,443	2,812
North Carolina	310	450	350	440	7.5	6.5	6.0	7.5	2,300	2,900	2,100	3,300	60.00	30.00	34.40	30.00	138	87	72	99
Ohio	3,190	2,360	2,870	3,220	9.1	5.7	8.2	8.5	29,000	13,500	23,500	27,400	17.76	25.64	15.14	15.22	515	346	356	417
Oregon	820	780	900	900	7.7	9.5	7.0	5.0	6,300	7,400	6,300	4,500	20.00	30.00	25.00	35.18	126	222	158	158
Pennsylvania	2,900	2,720	2,800	2,750	10.3	6.0	7.0	5.0	29,900	16,300	19,600	13,800	12.00	31.55	15.22	23.84	359	514	298	329
South Carolina	1,900	3,070	4,100	3,450	7.4	9.7	7.5	11.5	14,700	38,500	30,800	39,700	53.52	24.00	23.47	57.93	787	924	723	2,300
Tennessee	720	720	1,500	1,200	4.0	6.1	7.0	7.0	2,900	4,400	10,500	8,400	37.40	32.00	19.60	25.97	108	141	206	218
Texas	16,250	11,210	14,880	4,070	4.8	4.0	5.0	5.0	78,000	44,800	74,400	20,400	29.70	7.21	9.72	31.99	2,317	323	723	653
Virginia	5,420	6,700	7,660	6,370	8.9	7.8	8.5	6.4	48,200	52,300	65,100	40,800	44.37	38.66	17.59	27.66	2,139	2,022	1,145	1,129
Washington	1,030	920	950	890	10.2	8.0	9.0	8.0	10,500	7,400	8,500	7,100	22.40	44.27	24.07	58.27	235	328	207	414
Wisconsin	15,300	10,060	16,360	13,340	10.0	6.0	11.0	9.5	153,000	64,000	182,200	126,700	8.51	23.61	4.97	9.88	1,302	1,511	906	1,252
Total	119,210	100,430	131,780	98,200	8.9	6.5	8.1	7.5	1,062,300	654,000	1,062,800	740,000	18.54	24.43	11.83	23.22	19,699	15,974	12,568	17,183

Florida early cabbage is marketed between December 15 and March 31, and Texas cabbage from December 1 to June 15. Estimated production of early cabbage for the season of 1923–24, is 85,800 tons, compared with only 38,800 tons in the preceding season, or an increase of over 200 per cent. Southern growers vary the acreage from year to year according to the price return of the previous season.

TABLE 2.—*Early cabbage production*

State	Acreage			Yield per acre			Production		
	1922	1923	1924	1922	1923	Indicated, 1924	1922	1923	Forecast, 1924
	Acres	*Acres*	*Acres*	*Tons*	*Tons*	*Tons*	*Tons*	*Tons*	*Tons*
Florida	11,280	2,070	4,780	7.0	8.0	7.6	79,000	16,600	36,300
Texas	14,880	4,440	9,700	5.0	5.0	5.1	74,400	22,200	49,500
Total	26,180	6,510	14,480	5.9	6.0	5.9	153,400	38,800	85,800

IMPORTS

Imports have been relatively unimportant. Most of the imports come from Holland. Small quantities are also received from Canada and other countries. Holland shipped 3,328 tons from November, 1922, to May, 1923, inclusive. From October, 1923, to February, 1924, inclusive, imports from Holland were 770 tons, compared with a domestic production of early cabbage of 85,800 tons. So small an import trade can scarcely exert a material influence upon prices.

In fact, there is a somewhat distinct demand for Dutch and Florida cabbage, and the record of prices indicates that the market for each of these two products is, in some degree at least, independent of the other.

TABLE 3.—*Imports for consumption of cabbage*

	Rates of duty	Quantities	Values	Duties collected	Value per unit of quantity	Actual and computed ad valorem rate
Fiscal year:		*Number*	*Dollars*	*Dollars*		
1910	3 cents each 2 cents each	235,259	9,201	4,718		
1911	do	11,166	533	283	0.048	41.90
1912	do	7,400	562	148	.076	26.33
1913	do	4,250	238	85	.056	35.64
1914	do 15 per cent		22,861	3,430		
1915	do		1,476	221		15.00
1916	do		68	10		15.00
1917	do		61,256	9,188		15.00
1918	do		9,643	1,446		15.00
Calendar year:						
1918	do		4,483	672		15.00
1919	do		12,831	1,925		15.00
1920	do		99,808	14,971		15.00
1921	do		30,152	4,522		15.00
1922	do 25 per cent		10,902	1,737		
1923	do		84,859	21,212		25.00

TABLE 4.—*Imports for consumption of cabbage, October, 1922, to February, 1924*

	From Holland [1]		Total imports	
	Quantity	Value	Quantity	Value
1922	*Tons*	*Dollars*	*Tons*	*Dollars*
October			56.2	604
November	0.8	14	1.2	22
December			4.8	393
1923				
January	318.0	5,425	357.0	7,200
February	334.5	6,813	421.9	7,836
March	1,885.3	35,611	2,377.8	46,011
April	692.8	17,517	736.1	18,087
May	97.0	2,888	97.1	2,916
June			1.3	143
August			0.1	6
September			13.3	143
October	43.4	1,052	43.5	1,056
November	65.8	1,425	66.0	1,444
December			0.2	8
1924				
January	285.2	5,968	286.4	6,177
February	375.7	11,533	378.6	11,631
Grand total	4,098.5	88,246	4,841.5	103,677
Total, October, 1922, to May, 1923	3,328.4	68,268		
Total, October, 1923, to February, 1924	770.1	19,978		

[1] Imports from Holland consistl argely of red cabbage.

MARKET RECEIPTS AND PRICES

The increase in shipments of early cabbage for the present season is plainly shown in the following table.

TABLE 5.—*Weekly summary of car-lot shipments of cabbage (new crop)*

[Source: Crops and Markets, United States Department of Agriculture]

Period	Florida cars	Texas cars	Total this season to date	Total last season for a comparable period
Dec. 23-29, 1923	27	24	112	67
Dec. 30, 1923-Jan. 5, 1924	74	52	238	129
Jan. 6-12, 1924	80	58	376	200
Jan. 13-19, 1924	192	64	622	295
Jan. 20-26, 1924	238	48	898	380
Jan. 27-Feb. 2, 1924	261	68	1,227	495
Feb. 3-9, 1924	236	192	1,657	649
Feb. 10-16, 1924	202	177	2,036	792
Feb. 17-23, 1924	245	232	2,513	904
Feb. 24-Mar. 1, 1924	226	390	3,123	1,184
Mar. 2-8, 1924	336	481	3,948	1,456
Mar. 9-15, 1924	284	442	4,644	1,645
Mar. 16-22, 1924	225	467	5,336	1,834

The total arrivals in New York City of all types of cabbage from January 1 to March 31, 1924, was 1,365 cars. For the same period in 1923 the arrivals were only 1,038 cars. On March 31, 1924, the jobbing price range for Florida cabbage in 1½-bushel hampers (which hold approximately 50 pounds) was $1.50 to $2. The corresponding price in 1923 was about the same—$1.75 to $2.

TABLE 6.—*Comparable prices of early Florida and Holland cabbage in New York City* [1]

Date	Florida cabbage				Holland cabbage [2]			
	Per 50-pound basket		Per ton		Per 100-pound hamper		Per ton	
	High	Low	High	Low	High	Low	High	Low
Dec. 10, 1923	$2.00	$1.75	$80.00	$70.00	$2.00	$1.75	$40.00	$35.00
Dec. 17, 1923	1.75	1.00	70.00	40.00	2.00	1.50	40.00	30.00
Dec. 24, 1923	1.25	1.00	50.00	40.00	2.00	1.25	40.00	25.00
Dec. 31, 1923	1.50	1.25	60.00	50.00	3.00	2.50	60.00	50.00
Jan. 7, 1924	1.75	1.00	70.00	40.00	3.00	2.50	60.00	50.00
Jan. 14, 1924	1.75	1.25	70.00	50.00	2.50	2.25	50.00	45.00
Jan. 21, 1924	2.00	1.50	80.00	60.00				
Jan. 28, 1924	1.75	1.25	70.00	50.00				
Feb. 4, 1924	2.25	2.00	90.00	80.00	4.50	4.00	90.00	80.00
Feb. 11, 1924	2.00	1.50	80.00	60.00	4.50	4.00	90.00	80.00
Feb. 18, 1924	2.00	1.75	80.00	70.00	4.50	4.00	90.00	80.00
Feb. 25, 1924	2.25	2.00	90.00	80.00	5.00	4.50	100.00	90.00
Mar. 3, 1924	3.00	2.62	120.00	105.00	4.50	4.00	90.00	80.00
Mar. 10, 1924	2.50	2.25	100.00	90.00	4.50	4.00	90.00	80.00
Mar. 17, 1924	2.00	1.75	80.00	70.00	4.00	3.75	80.00	75.00
Mar. 24, 1924	2.50	1.75	100.00	70.00	4.00	3.75	80.00	75.00
Mar. 31, 1924	2.00	1.75	80.00	70.00	5.00	4.50	100.00	90.00
Apr. 7, 1924	2.50	2.25	100.00	90.00	5.00	4.50	100.00	90.00

[1] Prices from producers Daily Price Current.
[2] Prices are for red Holland cabbage.

Florida's first shipment to the New York market for the season 1923–24 was on December 10, 1923, when the price range was from $1.75 to $2. From December 10, 1923, to April 9, 1924, the top daily price of the domestic cabbage per basket of approximately 50 pounds fluctuated from $1.50 to $3.25. The average was approximately $2. The daily low price varied from $0.75 to $2.87, with an average low price between $1.50 to $1.75. During this period of wide price fluctuations for Florida cabbage the imported Holland cabbage sold at a relatively stable price. In December, 1923, the top price for a basket (100 pounds) of imported cabbage was $2. In January, 1924, the price rose to $3. During the latter part of January, 1924, there were no importations and no competition between the Florida and Dutch early cabbage. Nevertheless, the price of the Florida cabbage for the best grades was $2, shading off at the end of the month to $1.75 per basket of 50 pounds. With the beginning of February fresh arrivals of Holland cabbage sold at a top price of $4.50 per hundred pounds. Toward the end of the month the price of Dutch cabbage moved to $5 and in March receded to $4.50, but was followed by another rise in April to $5. The low daily price was about 50 cents per hundred pounds lower than the top price. It is, therefore, apparent that the receipts and prices of Dutch cabbage exert no appreciable influence upon the Florida product.

This difference in prices grows out of the fact that Florida cabbage is distinctly different from the Dutch or fall cabbage. The Florida cabbage is a rather small pointed head of spongy texture. It is relatively high in moisture, with inferior keeping qualities. On the other hand, the Danish type or late cabbage raised in the North is a large firm head, which may be stored for comparatively long periods without much loss. Our imports of cabbage from Holland are of the Danish type and come here particularly during the period when our supply of domestic late cabbage is becoming exhausted. Thus the Florida cabbage and Holland cabbage differ considerably from the point of view of the housewife. Although the two are used for similar purposes, the Florida cabbage must be used up immediately, whereas the Holland cabbage may be used over a fairly long period without a considerable loss through spoilage.

The factors which govern the price return of the early Florida cabbage may be listed as follows:

1. The condition of the cabbage upon arrival at the New York market.
2. The quantity offered on the market daily.
3. The quantity of the Danish type cabbage available.

As shown previously there has been a decided increase in the production of early cabbages in the present season. This, of course, has been accompanied by increased shipments, not only to New York, but to other consuming centers of the United States. However, there has been a decided decrease in the imports of cabbage from Holland. Furthermore, these imports, because of their small quantity, could have had little if any effect upon prices of the Florida cabbage, although they may have had some effect upon our northern or Danish type of cabbage. According to the market men in New York City, the price of cabbage depends largely not only upon the quantity

arriving daily, but also upon the quality, many of the shipments coming in are in part deteriorated and do not bring top prices. This is clearly shown by a study of the high and low daily prices which show fluctuations of as much as $1 between the high and low prices for a basket of 50 pounds of Florida white cabbage. Furthermore, a glut of the market, caused by the arrival of an excessive number of cars, will force the price down. Thus a study of the price changes of the Florida cabbages in the New York market shows at times violent fluctuations from day to day.

It is noteworthy that during the present season the prices obtained by the jobbers for the Florida cabbages are comparable to the prices obtained during the season of 1922–23, althought the Danish type cabbages have sold at a considerably lower figure. Furthermore, the sale of cabbages in New York City is conducted differently than that of citrus fruits and similar products. Although some cars are auctioned off at times, usually the goods upon arrival are consigned to commission men who dispose of them to best advantage. Thus the marketing problem is somewhat different than that in the case of fruits or onions, which are auctioned off daily in a centralized market.

Respectfully submitted.

HARRY L. LOWRIE,
Special Expert.

Approved:

L. B. ZAHOLEON,
Chief of Division.

THE MERCHANT MARINE

Mr. McKELLAR. Mr. President, I rose to suggest the absence of a quorum, but——

Mr. SMOOT. I do not think there is any necessity to suggest the absence of a quorum, for I was going to move that the Senate adjourn.

Mr. McKELLAR. If the Senator is going to move to adjourn, I shall not make the suggestion. I understood, however, there are some Senators who wished to be present this afternoon who are not now here.

Mr. SMOOT. Those Senators have not shown any disposition up to this moment to be present.

Mr. McKELLAR. I understood that the Senator from Pennsylvania [Mr. REED] and the Senator from Georgia [Mr. HARRIS] probably had some statements to make to the Senate.

Mr. SMOOT. I did not know that.

Mr. McKELLAR. But if they have not and if the Senator from Utah is going to move that the Senate adjourn anyway, I shall not make the point.

Mr. SMOOT obtained the floor.

Mr. JONES of Washington. Mr. President——

Mr. SMOOT. I yield to the Senator from Washington.

Mr. JONES of Washington. Mr. President, I desire to make a brief statement in relation to the same matter to which the Senator from Florida [Mr. FLETCHER] has referred; that is, with reference to section 28 of the merchant marine act of 1920. I have had a great many inquiries in regard to the situation and a great many requests for a hearing by the Committee on Commerce of the Senate. A bill was introduced in the other House extending the time for the taking effect of the section. Extensive hearings have been held before the committee of that body. The committee has presented a report, and I felt that it was unnecessary for the Senate committee to meet and duplicate those hearings, which have been printed and are available for our consideration. If the House shall act upon the bill, I want to say that when it comes to the Senate the Committee on Commerce will take up the matter very promptly and decide upon what we think is the wise thing to do.

As I said awhile ago, the Shipping Board was invested with the power and authority to put section 28 into effect. The committee felt that the administrative agency that has charge of shipping would be better able to determine when that section should go into effect than would any other agency. I feel that the Shipping Board ought to be able to take care of the situation. If the situation is not as they thought it was when they issued the order, if a showing has been made disclosing different conditions to exist from what they thought existed when they issued the order, they have the authority to withdraw that order, as I have said. I myself have urged the Shipping Board to canvass the situation very carefully and if, perchance, a mistake has been made that they should withdraw the order.

Like the Senator from Florida, I have been in favor of section 28. I believe that it is about all that is left that will enable us to give direct aid to the development of an American merchant marine. No one can tell what its effect will be until it is tried. Of course, those who oppose it, those whose interests would be adversely affected by its operation will try to keep it from going into effect, and I have not any doubt that those interests have been influencing and attempting to influence the various commercial organizations and commercial bodies and shippers throughout the country to resist the going into effect of that section. That is natural; it is a business way to proceed from their personal standpoint.

I want to see section 28 put into operation some of these days, so that it may be determined whether or not it will benefit the American merchant marine. I believe, too, that the people of this country and the interests of the country ought to be willing to endure a little inconvenience and possibly, at first, a little loss and a little disarrangement of business or transportation facilities in order to give it a trial, so that if it does what its sponsors believe it will do, they will have an American merchant marine to carry a large part of their products.

Briefly, section 28 merely provides that where under the law reduced rates are permitted over the American railroads for the transportation of goods imported into this country or of goods exported out of this country—and under the law as it is now they can be carried in any ship, whether American or foreign, and receive the preferential rates—such preferential rates can not be given when the section is put into effect except on imports or exports carried in American ships.

It can not be contended, of course, that there are American shipping lines from every port in this country to every other port in the world; there will never be a time when that condition exists. Neither is it true that there are foreign ships running from every port in this country to every port in the world. We can not expect to have American ships take advantage of the benefits of this act until the act is put into effect; but if this provision shall do what many of us hope it will do, then, when it shall be put into effect, the ports that have no American ships will probably get American ships, because American ships will know that if they go into the export and import trade they will get this preferential rate. It will be an inducement for American shipping to go into this business, but it offers no inducement to them to go into the business so long as its application may be put off from day to day or from month to month or from year to year.

For a long time American railroads were tied up by ironclad contracts with foreign shipping lines under which our railroads bound themselves to ship only over such foreign shipping lines. They bound themselves to furnish to them free docking facilities and, in many cases, wharfage facilities; they bound themselves to give many other different sorts of advantage that would aid the foreign shipping lines. I do not blame the railroads for doing that at that time, because we had no American ships; we had none built that were available; but I have not any doubt that many of these contracts are still in force. It is a very natural thing, it is a binding thing, and where these contracts are in force our own railroads are working to the detriment of American ships. I have not any doubt that in some cases our own railroads are behind much of the agitation against putting section 28 into effect. I have some confidential advices from persons, whom I know to be very reliable, who have attended the meetings of some of the commercial bodies of this country which have protested against the putting into effect of section 28, and they tell me that the representatives of foreign shipping lines and foreign railroads were present at such meetings and active and energetic in directing and influencing the proceedings.

There is not any doubt but that they have had very great effect and very great influence in working up this propaganda, which is indeed and in truth propaganda. There has come in from every section and port throughout the country telegram after telegram urging that this section be not put into effect, and then we see activities in foreign countries. I saw that over in Japan a few days ago they were protesting against this section going into effect, and even threatening to go so far as to invoke some treaty stipulations of some sort or character.

I can not believe that there are any treaty provisions that would be violated by putting this section into effect; but I want to say that so far as I am concerned one of the strongest arguments in favor of section 28 is the activity of foreign interests to prevent its going into effect.

Mr. OVERMAN. Mr. President, I desire to say that the responses of the Senator from Washington to the questions I asked have enlightened me very much, and I stand with him on this proposition.

Mr. JONES of Washington. I shall not take any more time, except that I have a few things here that I should like to put in the RECORD. I have had them here, intending to put them in, for some time, but the opportune moment did not arrive.

I see the Senator from Utah [Mr. SMOOT] looking at the large amount of matter I have before me, but I am not going to put all of it into the RECORD. It would be very interesting to do so, but I am going to put in just a little.

I have here some letters from the treasurer of the Moore & McCormack Co., of New York, managers of the Commercial Steamship Lines, which I ask may go into the RECORD. I also have here a letter from the Interstate Commerce Commission stating briefly the character of the products that have this preferential rate, and also the rates in a general form—of course not in full detail. It probably will be surprising to Senators to know how few of the articles of the country going into the export and import trade have this preferential rate. There is not such a great multitude of them.

Mr. FLETCHER. Mr. President, I think it likely that that is covered in one of the first statements I put in the RECORD; but this comes officially from the Interstate Commerce Commission?

Mr. JONES of Washington. Yes; this comes officially from the Interstate Commerce Commission.

Mr. FLETCHER. There is no doubt, as the Senator has said, that propaganda is back of this whole thing.

Mr. JONES of Washington. I ask unanimous consent that these letters may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, that order will be made.

The letters are as follows:

MOORE & MCCORMACK CO., INC.,
New York, N. Y., April 17, 1924.

Hon. WESLEY JONES,
Chairman Commerce Committee,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The recent action of the American Steamship Owners' Association, of which I am a member, was taken by the executive committee and to which action I most vigorously protested. I contend that the proposed Newton bill in effect would nullify section 28 in that it proposed discretion taken from the United States Shipping Board and vested in the Interstate Commerce Commission, which was notoriously known as hostile to section 28. I would therefore like you to know that all the members of the American Steamship Owners' Association are not in accord with the action of the executive committee.

I contend that the American Steamship Owners' Association is not concerned as to whether or not this will invite retaliation. I contend further we are not the guardians of the railroads, who apparently are very well able to take care of themselves and further seem to be very ably guarded by the Interstate Commerce Commission.

I have passed a letter to Mr. Bausman, representing the Flour Mill Association of the United States, a copy of which I am inclosing for your information.

With kind personal regards, I am,
Yours very truly,

E. J. MCCORMACK, *Treasurer.*

APRIL 11, 1924.

MR. R. F. BAUSMAN,
Manager Messrs. Washburn Crosby Co.,
17 Battery Place, New York, N. Y.

DEAR MR. BAUSMAN: I have the honor of acknowledging your letter of April 8 and note with a great deal of interest your forecast as to the effect of the application of section 28. I will reply in sequence to the various questions you raise.

1. In practical application I perceive no difference between "adequacy of tonnage" and "adequate shipping facilities." Both terms are intended to convey adequate service to meet the requirements of our foreign commerce.

2. I hesitate to question the good faith of the United States Shipping Board in their certification to the Interstate Commerce Commission that steamers of the proper type and character for the efficient handling of our foreign commerce obtains, or to prejudge that in the event of insufficient service obtaining, they will not correct the situation to meet the requirements of our commerce. I think that until such time as the United States Shipping Board fails to meet its obligations, it is ill-advised to question the sincerity of this governmental agency.

3. At the present time, the American services to various United Kingdom ports may not be on a parity with some of the foreign services. Section 28, however, was enacted into law for the specific purpose of enabling the American services to obtain a greater portion of this traffic, and the section itself is preferential and intended to bring about a situation whereby a major portion of our foreign commerce will be attracted to American vessels. The certification of the Shipping Board that adequate services obtain can not be construed as their obligation under section 28 to furnish a steamer for every barrel of flour destined to every remote hamlet or inlet in foreign countries. I know of no instance where foreign services obtain on this uneconomic basis. It is quite possible that some inconvenience does obtain by reason of shipments being discharged at Tilbury docks, some 21 miles from London, and that possibly some inconvenience may result to the shippers. But, as aforestated, section 28 was intended to develop, and facilities will obtain in the course of such development, commensurate with the support that the shippers give our Government. Certainly Mr. Woolworth did not build the Woolworth Building when he first opened his first 5-and-10-cent store. It is quite evident that you are not familiar with all the American services now in existence to United Kingdom ports. Our records indicate that you have been solicited repeatedly for cargo for Manchester without results. As to Hamburg from Philadelphia, New York, and Baltimore, I respectfully ask you to seek a little more information as to American services to German ports.

4. There is an inference in the reading of this paragraph that foreign lines have maintained, and are maintaining, adequate services to all 70 ports of Scandinavia and the Baltic. I am certain that your vast experience over so many years in the export business is sufficient to warrant more accurate information in this respect. For your information the only regular foreign service to Norway is to the port of Christiania; as cargo offers an infrequent service obtains to some of the west coast ports of Norway. There is another frequent service to Gothenburg, Sweden. It is, however, necessary to transship cargo from Gothenburg to all other ports in Sweden. To Copenhagen a regular service obtains, but cargo for Danish provincial ports is accepted conditional on transshipment at Copenhagen. To Finland there is only one direct service, which is a Shipping Board service, and to other Finnish ports we follow the same procedure as the foreign lines do in the transshipment to Finnish ports. Our other American services to the major ports of the Scandinavian and Baltic countries are as frequent and take in more direct ports than any of the foreign lines.

It would be very enlightening to ascertain the amount of foreign tonnage engaged in this traffic prior to and since the war, and compare it with the number of American vessels which have been added by the United States Shipping Board.

5. I am glad to know the flour exporters fully appreciate the value of the American merchant marine. If I may be pardoned for saying so, I think that their judgment as to the value of section 28 in the development of an American merchant marine is highly prospective and not based on any operative experience or knowledge of the operative features of an American steamer as compared with a foreign steamer. The development of the American merchant marine has been and is a problem which has taxed the minds of some of the most astute shipping men of the country. It has attracted the intelligent thought and study of the various shipping authorities of the world and up to the present no definite solution or accomplishment is in evidence. Therefore, with apologies to you for the thought you may have given this matter, I hesitate to accept your judgment or the judgment of the flour exporters which necessarily must be selfish as to whether or not section 28 is beneficial. I note your particular reference to Canadian flour in bond through the United States. The remedy to overcome what might appear to be a discrimination is to confine yourselves to the shipment in American ships and not in nullifying legislation intended to benefit American ships.

Your whole protest seems to be predicated on a prejudgment as to the adequacy of services. When the time arrives that the Shipping Board and owners of American tonnage have not fulfilled the implied requirement of establishing and maintaining reasonable services to conform with the act of 1920, you may be sure that you will have my heartiest cooperation in correcting any situation which operates to the detriment of the flour exporters or any other exporters.

Concluding, may I say that I am extremely pleased to have your comprehensive letter dealing with this situation because of the interest evidenced by the letter in the general problem with which we are all confronted? I am sure you will appreciate that we have a large investment in American steamers. The necessity of our existing and protecting our investment is as essential to us as is the sale of flour abroad to you. You are the shippers. We operate the ship. Our interests are mutual and therefore require cooperation. This mutuality is emphasized by reason of our living under the same flag.

Yours faithfully,

By ——— ———, *Treasurer.*

MOORE & MCCORMICK CO. (INC.),
New York, N. Y., April 23, 1924.

Hon. WESLEY L. JONES,
Chairman of the Commerce Committee,
United States Senate, Washington, D. C.

SECTION 28

MY DEAR SENATOR: Thanks very much for your kindly letter of April 19. You may be sure that I have no objection to your incorporating my letter to the flour exporters in the RECORD. The position of the flour exporters as to preferentials is particularly unique. The very

principle of an export rate to tidewater is a preferential rate to exporters to enable them to compete successfully with foreign competitors on their products. They have jealously guarded this preference, as applied to themselves, but protest most vigorously if it is contemplated that another American industry shall enjoy preference intended to overcome economic differentials as between American and foreign standards. In my opinion, their position is untenable and inconsistent. Now that an opportunity is given to make this preference in rail rates a weapon in favor of the hard-pressed American shipowner, the flour shippers protest vehemently because they fear some slight inconvenience to themselves in the application of the law.

Others protesting against this section have taken the position that it will invite port discrimination. From a practical standpoint I fail to follow their reasoning on this. The freight-rate structure, applying to all ports, has been developed after a comprehensive study both by the railroads and the Interstate Commerce Commission, and differentials presently exist and have been developed as a result of considering a wide scope of factors entering into each situation. I may mention some of them:

Volume of commodity originating on a trunk line.

Desire of the particular trunk line to attract that commodity to a port where it has the largest investment in terminal facilities and equipment.

Desire of the railroad to obtain the major portion of the rail haul.

Economy of handling freight at the various ports.

Limits of navigation and seasonal restrictions.

Docks and harbor facilities.

Prospect of the railroad obtaining a substantial back haul.

Steamship services and operation, and more particularly the rates, are developed by taking into consideration a number of the above factors. Steamship services have been developed as a result of the steamer following the largest volume of traffic, on the principle that volume is conducive to economy. Therefore there will always be the suggestion of port discrimination as between the larger ports having the greater number of rail arteries to and from and the smaller ports having the lesser number of rail connections. The question resolves itself down to "port jealousy versus economics." Section 28 will not change this situation.

An interesting protest was made by an attorney by the name of Defore, representing American companies engaged in the Caribbean Sea and transporting their products in foreign bottoms. These companies enjoy revenue on a basis of the American standards, and all their profits accrue from this direction, but they hesitate to make disbursements based on the same standards.

There are ports in the Caribbean Sea of very shallow draft which have not been exempted by the Shipping Board, for which service American vessels of the type necessary do not obtain, and which business is presently carried by time-chartered foreign ships, which would preclude the operators from changing the flags. In an instance of this kind, where the tonnage of a character necessary to accommodate this commerce is not available, either in the possessions of the Shipping Board or private owners, I am sure that the Shipping Board will recognize this situation and lift the ban as applying to these ports.

I have no patience, however, with operators who are operating tonnage under a foreign flag which they own and control and can readily transfer to the American flag.

I am certain that section 28 will not have the effect of eliminating any important foreign services from United States ports, for the reason that foreign buyers will continue to dictate carriage of their purchases in vessels of their own nationality, in which case they will be called upon to pay a premium for their patriotism. The American seller can always be guided by the desires of the buyer as to how far the latter cares to go from an economic standpoint with his patriotism. It is only a matter of the seller indicating two rates, one routing by an American vessel and the other by a foreign vessel, which method is not altogether new to the seller, inasmuch as there always obtained a differential as between fast and slow freight.

Knowing foreign services, as I do, I am confident that the real effect of this legislation will be to force foreign lines to absorb the amount of this differential, thus having the effect in the final analysis of placing the shipper on a parity of rates on either foreign or American vessels. The shipper will not be affected at all, but the American shipowner can more nearly meet the competition of lower foreign operating costs.

Some propaganda has been aroused by the discussion of this legislation against the Shipping Board. I am opposed to the abolishment of the Shipping Board for the reason that it is the first time in the history of the American Government that an American merchant marine has been recognized by the Congress as a necessity and has reflected such recognition in the creation of a governmental agency for such development.

If the Shipping Board functions badly, the remedy is not its abolishment or the abolishment of such beneficial legislation intended to help the American merchant marine; the remedy is changing the personnel of the Shipping Board. It may be that many changes will have to be effected before this governmental agency functions to the satisfaction of the country; but eventually this governmental agency should become just as efficient as the Interstate Commerce Commission, which, as you know, at its inception was fought strenuously by the railroads, who forecast their ruination by reason of its creation. The Shipping Board was called upon to function during a period of chaos and emergency and is still in the atmosphere of a post-war situation. That it has made many mistakes is conceded; that it will make a great many more mistakes is not beyond the range of possibility; but the remedy is not its abolishment or the abolishment of the Jones Act of 1920.

The Interstate Commerce Commission has become the bulwark of the railroads and at the same time it is the greatest safeguard and protector of the small shipper. I am sure that by the operation of the same economic laws the Shipping Board when finally it is evolved into as thorough and competent an organization as the Interstate Commerce Commission will prove to be quite as important in our commercial régime as the older body and will afford shippers in foreign trade the same degree of protection as is now afforded domestic shippers by the railroads.

Unfortunately there are very few Americans engaged in American steamship business, and, naturally, they have not the facility of broadcasting their views, but we are indeed fortunate in having a few men like yourself who have the interest of the country at heart and are not influenced by selfish propaganda.

Thanking you again for your very kindly letter, I am,

Yours faithfully,

E. J. McCORMACK.

M. & J. TRACY, INC.,
New York, April 25, 1924.

Senator WESLEY L. JONES,
Washington, D. C.

MY DEAR SENATOR: For your information, I am inclosing copy of a letter sent to the President in reference to section 28 of the merchant marine act.

Kindly be advised that, outside of the International Mercantile Marine and the Shipping Board, I do not know of any American ships, plying between here and Europe, that will be effected by section 28, as there are very few steamship operators who can afford, under the present conditions, to operate their ships between here and Europe. Therefore, the opposition to this section was not opposed by anyone but the Shipping Board representatives.

As far as section 28 is concerned, I do not believe that over 20 per cent of the tonnage exported from this port is exported on "through bill of lading" and "low export rate" of the railroads. Fully 80 per cent of the tonnage is moved on the domestic rate out of this port for European points, so that this enormous tonnage would not be effected by section 28.

I am in the hope that at least section 28 will be given a trial, and I do not hesitate to say that there will be scarcely a ripple in the export trade after a six months trial of this section.

Thanking you for your interest in the merchant marine, I remain

Very truly yours,

CHARLES L. O'CONNOR.

NEW YORK CITY, *April 25, 1924.*

To the PRESIDENT,
White House, Washington, D. C.

MY DEAR MR. PRESIDENT: Referring to the enforcement of section 28 of the merchant marine act approved June 5, 1920:

Evidently there is a difference of opinion as to how this section will work out, but anyone who will state that section 28 will not benefit the American merchant marine is stating something that is not so.

Why not let the section go into effect; and if there are not ample facilities furnished by the American merchant marine, then, according to the act, there is provision that "the commission, by order, may suspend the operation of the same."

What is simpler? And why all the protests that the section will prove a menace to the American export trade when it can be suspended by order of the board through the commission at any time a protest is made?

The flour-milling interests are the chief objectors, voicing a vigorous protest against the section. Why? Do they expect an American ship to compete against the world in foreign trade without any protection?

Why is the milling industry one of the most highly protected industries in the United States, receiving protection through the tariff to the extent of 78 cents per 100 pounds of flour, meanwhile paying $1 per bushel to the farmer for wheat and charging $6 to $7 per barrel for flour, and then requesting that the American merchant marine compete against the world without the protection which they demand for themselves but deny to the American ship?

Suppose the entire export milling industry was lost to the United States, would it affect the farmers? Very little, because the farmers could export their wheat just the same.

The export of flour for the year 1923 was about 15,000 tons per month, and when the United States Shipping Board certified that they had ample facilities to take care of the export trade, they certainly could find cargo space for only 15,000 tons of flour per month.

May I ask a few questions from the following departments of our great Government—

Executive department: Section 34 of the merchant marine or Jones Act is identical with section 102 of the La Follette Act. The La Follette Act is enforced, section 34 of the Jones Act is not enforced. Why?

State Department: The general commercial treaty between the United States and Germany signed and indorsed by this department practically signed away the power of America to protect the merchant marine. Why?

Tariff Commission: Certifying to the executive department that the Philippine Islands could not be included within the coastwise laws because it would violate certain treaty rights. What treaty rights?

Interstate Commerce Commission: We also find one of the interstate commerce commissioners criticizing and condemning section 28, but he has nothing to say about the violations of the railroads issuing through bills of lading from inland points to foreign destinations in connection with foreign flag steamers in direct violation of section 25 of the interstate commerce act as added February 28, 1920.

Congress intended that the privilege of issuing through bills of lading by the railroad applied to American vessels only and so specified it in section 25 of the act. Why has this board refused to carry out the laws of Congress?

I now make the statement that nothing can be done for the American merchant marine until the executive branch of the Government, the State Department, the Tariff Commission, and the Interstate Commerce Commission cease working to destroy the right arm of the Navy by nullifying the laws of the United States, both by delay and nonenforcement and by signing away the rights of America to protect one of the oldest industries established in this country and the only industry that by law compels the employer to protect and feed its workers according to the American standard of living. And then these bodies deny to the industry that gives him a living wage and American conditions of living the protection that should be given to an American industry that is compelled to compete against the world.

Why not give to the American ship the right to live in competition against the world by allowing the first constructive legislation that has been passed by Congress for over a century ot go into effect—the greatest piece of marine legislation ever enacted by the United States, fostered by that great American, Senator W. L. JONES of Washington? Why condemn it without a trial?

Allow the American ships to be free to hire labor in the cheapest market (the same as foreign ships) and we will take our chances of competing with them, but if you desire to protect the American boy who wants to work the sea then prescribe for him any law or condition you wish him to work under, but remember at the same time to prescribe and formulate the laws under which the ship that gives him his employment can and will compete against the ships that do not have to live up to the laws of this land. The Jones Act, if enforced in full, gives to the American ship the measure of justice that is due her by the Congress of the United States, and now that it is a law, why delay the enforcement?

Respectfully yours, CHARLES L. O'CONNOR.

INTERSTATE COMMERCE COMMISSION,
Washington, April 22, 1924.

Hon. W. L. JONES,
Chairman Committee on Commerce,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I take up for reply your two letters of April 15, previously acknowledged, in which you ask for information with respect to rate differentials maintained by our railroads between export or import traffic on the one hand and domestic traffic on the other.

Many export and import rates, particularly the former, are maintained between points in the interior of the United States and various ports which are lower than the domestic rates between the same points. These differentials between foreign and domestic traffic are not uniform and vary widely as between commodities, ports, and localities. To make a complete compilation of export and import rates, together with the domestic rates from and to the same points, in order to ascertain the existing differentials, would be a colossal task and require much time and expense. The situation is illustrated to some extent by the attached statement. This shows a number of export rates on various commodities, the domestic rates from and to the same points, and the differentials. You will note that the differentials in cents per 100 pounds range from 1 cent to $2.15. You will further note that the differentials at the various ports on the same commodities from the same point of origin differ widely. For example, on automobiles (passenger) from Detroit the differential at New York is 39½ cents, at Boston 47½ cents, at New Orleans 97 cents, at Charleston $1.26, and at San Francisco $2.15.

In further explanation of the situation it should be said that except on grain, grain products, automobiles, iron and steel articles, agricultural implements, and a few other commodities, there are few export or import rates which are made lower than the domestic rates primarily to encourage exportation or importation. The general basis for most existing export or import rates is the system of port equalization established by the rail carriers under which traffic generally moves to or from the port having the lowest domestic rate at that or an equivalent rate, but to or from other ports export or import rates are maintained lower than the domestic rates with a view to equalizing, at least in part, the flow of traffic through the various ports. Otherwise the major portion of the traffic to or from given points would tend to flow through the port having the lowest domestic rate, thereby adding to transportation difficulties and making it less possible for shippers to obtain the benefit of the most favorable ocean rates and service at any given time.

As an illustration, your attention is called to the rates on soap from Cincinnati shown on the attached statement. The domestic rate to New York is 49 cents and export traffic moves on that rate. To Boston the domestic rate is 52 cents, but the export rate is 49 cents in order to permit the traffic to move through Boston on an equality with New York. To San Francisco and Seattle the domestic rate and export rate are, respectively, $1.50 and $1.15. The latter rate is not the same as to New York but is made considerably lower than the domestic rate in order to encourage movement to the Orient through Pacific ports. As ocean rates from Pacific ports to the Orient are in most cases lower than from North Atlantic ports the combination of rail and ocean rates through Pacific ports is thus made attractive even though the rail rates from point of origin are higher than to the Atlantic ports.

The inquiry in your second letter relative to "the approximate amount of this preferential under what the amounts received by the railroads would be under normal rates" is not entirely clear. If it is intended to inquire the average differential between export or import rates on the one hand and domestic rates on the other, the data on the attached statement will indicate that owing to the great diversity of rates and the great divergence between the differentials no estimate of the average differential would be sufficiently accurate to be of material value. The regular reports of carriers to the commission do not contain data as to movements upon particular rates, and there is no information on file with the commission showing the relative tonnage of, or revenue derived from, export or import traffic as compared with domestic traffic between the same points. Even if such data were available, it would be at best a guess to attempt to approximate the effect upon the carriers' revenues of substituting domestic rates for export or import rates because of the uncertainty as to the effect of such a change upon the tonnage moving. For example, manifestly much less soap would be likely to move from Cincinnati to Seattle on a rate of $1.50 than on the present rate of $1.15.

It is hoped that the information herewith submitted will serve your purpose, but I shall be glad to supply, if I can, such additional data as you may indicate.

Very truly yours,

HENRY C. HALL, *Chairman.*

(Inclosure.)

Statement showing export and import rates and the differentials between such rates

[In cents per 100 pounds]

From—	To—	Commodity	Domestic	Export	Differential
Cincinnati, Ohio	Boston	Soap	52	49	3
Do	New York	do	49	49	0
Do	New Orleans	do	80½	46	34½
Do	San Francisco	do	150	115	35
Do	Seattle	do	150	115	35
Do	New York	Machinery	49	49	0
Do	Boston	do	52	49	3
Do	New Orleans	do	80½	47½	33
Do	San Francisco	do	203	115	88
Chicago, Ill	New York	Packing-house products.	56½	56½	0
Do	Boston	do	59½	56½	3
Do	Charleston, S. C	do	81	54	27
Do	New Orleans	do	65	50½	14½
Cleveland, Ohio	New York	Enamel ware	47	47	0
Do	Boston	do	51	47	4
Do	Charleston	do	127	45	82
Do	New Orleans	do	136½	45	91½
Do	San Francisco	do	200	195	5
Detroit, Mich	Boston	Automobiles (passenger).	130	82½	47½
Do	New York	do	122	82½	39½
Do	Charleston	do	242½	116½	126
Do	New Orleans	do	213½	116½	97
Do	San Francisco	do	465	250	215

Statement showing export and import rates and the differentials between such rates—Continued

From—	To—	Commodity	Domestic	Export	Differential
Oklahoma City	Galveston	Cotton	106	106	0
Do	San Francisco	do	164½	135	19½
Do	Seattle	do	184½	135	49½
Chicago, Ill	New York	Agricultural implements	56½	47½	9
Do	Boston	do	59½	47½	12
Do	Charleston	do	81	54	27
Do	New Orleans	do	73	41½	31½
Do	San Francisco	do	193	100	93
Pittsburgh	New York	Structural iron	34	25½	8½
Do	Boston	do	36½	25½	11
Do	San Francisco	do	115	72	43
Chicago	New York	Flour	30½	23½	7
Do	do	Grain	30	22½	7½
Do	do	Grain products	30½	24½	6
Do	do	Glucose	51	40½	10½
Do	Boston	Grain	32	23	9
Chicago	do	Grain products	32½	24½	8
Do	do	Flour	32½	23½	9
Do	do	Glucose	53	40½	12½
Do	New Orleans	Grain	45½	30½	15
Do	do	Grain products	45½	32½	13
St. Louis	New York	Sugar-mill machinery	73½	52½	21
Do	Boston	do	76½	52	24
Lexington, Ky	New York	Unmanufactured tobacco	66	57½	8½
Do	Boston	do	70	57½	12½
Ashtabula, Ohio	New York	Iron and steel	42	31½	10½
Do	Boston	do	45	31½	13½
Chicago	Pacific coast ports	Canned goods	150	120	30
Do	do	Plate glass	233½	110	123½
Do	do	Pig lead	168	100	68
Do	do	Pianos	358	340	18
Do	do	Starch	166½	110	56½

Mr. JONES of Washington. Mr. President, the documents that I hold in my hand are copies of contracts between American railroads and foreign steamship lines of the character to which I have referred. I am not going to ask to put these in the RECORD at this time, although I think it would be a good thing for us to have them printed, and I may ask that by and by. Many of these contracts have been canceled, however. Two or three years ago the Shipping Board made a very determined effort to have all these contracts canceled, and many of our railroads did cancel their contracts; but I have in my hand a copy of a contract between the Great Northern Railway Co. and the Nippon Yusen Kabushiki Kaisha, of Tokyo, in the Empire of Japan. This contract is dated the 18th day of October, 1921, and I want to read just one or two paragraphs from it.

In the first place, article 4 says:

The N. Y. K.—

That is the Japanese line—

shall have the right to name the ocean rates. The G. N.—

That is the Great Northern—

or its connecting lines shall have the right to name the inland rail rates.

* * * * * * *

ART. 6. The G. N. hereby agrees to act as agent in the United States and Canada for the N. Y. K., except at places where the N. Y. K. provides its own office, agent, and necessary help. * * *

What is the effect of that? It makes every agent of the Great Northern Railway an agent for the Japanese shipping line across the Pacific.

ART. 7. The N. Y. K. shall pay to the G. N. a commission of 2½ per cent of the revenue derived by the N. Y. K. on outward local cargo and passengers secured for the N. Y. K. through the medium of the said agencies of the said G. N.

Now, notice: The G. N. is an American railway company.

ART. 8. The G. N. shall give preference to the N. Y. K. over all other steamer lines in the routing of cargo and passengers outbound, and preference of transportation to the through cargo and passengers which are carried or are to be carried inbound or outbound by N. Y. K. steamers.

Mr. WILLIS. Mr. President, does the Senator know whether the other contracts, copies of which he has before him, are similar to this one in the statement which he has just read?

Mr. JONES of Washington. Very similar; yes.

Mr. WILLIS. I hope the Senator will place at least one of those contracts in the RECORD in full, so that the country may know of the foreign influence that is active here to break down the efforts made to build up an American merchant marine.

Mr. JONES of Washington. I am going to put this contract in the RECORD in full.

ART. 10. If steamers in addition to the steamers of the N. Y. K. shall be required by the G. N. for the transportation of through cargo and passengers carried via said ports, the N. Y. K. shall have the first right to furnish such additional steamers or accommodations.

This contract is to continue in force for 10 years, with provision, of course, for its revocation at an earlier date.

Mr. FLETCHER. What is the date of it?

Mr. JONES of Washington. It is dated the 18th day of October, 1921.

Mr. FLETCHER. I think perhaps that is the same contract that is referred to by Commissioner Thompson.

Mr. JONES of Washington. It may be. I understand, though I do not think I have that contract, that the Chicago, Milwaukee & St. Paul has a similar contract with Japanese lines; and these two roads absolutely refused to cancel those contracts, although very urgently requested and urged to do so by the Shipping Board.

I ask that this contract may be printed in full in the RECORD.

The PRESIDENT pro tempore. Without objection, the contract will be printed in full in the RECORD.

The contract is as follows:

Agreement, made in St. Paul, Minn., in the United States of America, this 18th day of October, 1921, between the Nippon Yusen Kabushiki Kaisha, of Tokyo, in the Empire of Japan, party of the first part, and the Great Northern Railway Co., party of the second part.

Witnesseth:

Whereas the parties hereto heretofore entered into a certain agreement of date the 1st day of November, 1908, said agreement being canceled, except as to unfinished business, by the agreement dated the 1st day of November, 1911, for the purpose of establishing connecting lines for the carrying of through cargo and passengers between points served by the lines of the party of the second part through Seattle, or other equally safe port on the waters of Puget Sound, and the different ports of Japan; China, including Hongkong; Russia, bordering on the Japan Sea; the Philippine group, the Straits Settlements, Dutch East Indies, ports of India, Australia, and the east generally, served by the lines of the party of the first part; and

Whereas it is the desire of the parties to continue their contractual relations for the maintenance of such through traffic, but upon terms and conditions somewhat different from those contained in the contracts as above dated;

Now, therefore, the parties hereto agree as follows:

ARTICLE 1. The party of the first part shall be hereinafter designated the "N. Y. K.," and the party of the second part shall be hereinafter designated the "G. N."

ART. 2. The parties hereto or their authorized agents may respectively issue through bills of lading and passenger tickets to various points as shown in the tariffs of the parties hereto or their connections, as authorized from time to time.

ART. 3. The through rates for the transportation of through cargo and passengers between the different ports referred to herein and the proportions thereof of the respective parties hereto shall be governed by the proper current tariffs or division agreements, subject, so far as possible, only to such changes as may be required by the necessities and exigencies of trade.

ART. 4. The N. Y. K. shall have the right to name the ocean rates.

The G. N. or its connecting lines shall have the right to name the inland rail rates.

The right to name rates hereunder conferred upon the parties hereto, respectively, shall extend only to the usual and ordinary changes in rates and published tariff rules. Any extraordinary change in rates shall be made only after mutual conference, so far as possible.

ART. 5. All contracts for through cargo and passengers, both Japan and American bound, shall be made in United States gold or its equivalent.

ART. 6. The G. N. hereby agrees to act as agent in the United States and Canada for the N. Y. K., except at places where the N. Y. K. provides its own office, agent, and necessary clerical help.

The N. Y. K. shall act as agent for the G. N. in China, Japan, and in the East generally, performing such reasonable duties as are from time to time authorized by the G. N.

Each of the parties, however, hereby reserves the right to appoint and maintain at its own sole cost and expense its own office and agent at any point for the purpose of soliciting and securing freight and passenger traffic.

ART. 7. The N. Y. K. shall pay to the G. N. a commission of 2½ per cent of the revenue derived by the N. Y. K. on outward local cargo and passengers secured for the N. Y. K. through the medium of the said agencies of the G. N.

ART. 8. The G. N. shall give preference to the N. Y. K. over all other steamer lines in the routing of cargo and passengers outbound, and preference of transportation to the through cargo and passengers which are carried or are to be carried inbound or outbound by N. Y. K. steamers.

The N. Y. K. shall give preference to the G. N. over all other rail lines in the routing of cargo and passengers inbound, and preference of transportation to the through cargo and passengers which are carried or are to be carried by the G. N., provided that the G. N. give due notice of at least 30 days to the N. Y. K. offices at Seattle or New York of space required for through cargo upon any boat and obtain confirmation thereof.

However, either of the parties hereto may forward such through cargo via other rail lines or other steamship lines under through bills of lading in case of extreme necessity or when in its judgment failure to so forward cargo will subject it to loss of future business or to claims for damage.

ART. 9. Each party shall use its best endeavors to secure through cargo and passengers hereunder, and such through cargo and passengers shall have reasonable dispatch. Special attention shall be given by the G. N. to the protection of high-class cargo, such as silk and tea.

ART. 10. If steamers in addition to the steamers of the N. Y. K. shall be required by the G. N. for the transportation of through cargo and passengers carried via said ports, the N. Y. K. shall have the first right to furnish such additional steamers or accomodations.

ART. 11. In the exchange of cargo at said Seattle or such other equally safe port on the waters of Puget Sound, delivery of such cargo shall be made alongside the steamers or at the proper place of rest in shed, or otherwise, according to the practice of the operating docks, and liability of the respective parties for such cargo shall terminate with such delivery. On delivery of such cargo by the N. Y. K. to the G. N. and on receipt of such cargo by the N. Y. K. from the G. N. receipts shall be exchanged between the parties which shall fairly indicate the loss or damage, if any, at the time of such receipt or delivery, and the responsibility of the respective parties shall be determined thereby.

ART. 12. The G. N. shall be responsible for any loss or damage to cargo, whether local or through, while the cargo is held in the possession or under the supervision of the G. N.'s docks.

ART. 13. The N. Y. K. shall keep and save the G. N. harmless from any and all damages, loss, or claims arising out of any loss or damage to the cargo transported hereunder at any time prior to the delivery of such cargo by the N. Y. K. to the G. N., or after the same shall be delivered by the G. N. to the N. Y. K.

The G. N. shall keep and save the N. Y. K. harmless from any damages, loss, or claims growing out of any loss or damage to said cargo prior to the delivery thereof by the G. N. to the N. Y. K., or after such cargoes shall have been delivered to the G. N. by the N. Y. K.

ART. 14. The N. Y. K. shall keep and save the G. N. harmless from all loss, damage, or expense growing out of any injury to passengers or to their baggage, caused by its servants or agents, or by any defects in its property, tools, or any facilities provided by it for use in the transaction of its business.

The G. N. shall keep and save the N. Y. K. harmless from all loss, damage, or expense growing out of any injury to passengers or to their baggage, caused by its servants or agents, or by any defect in its property, tools, or any facilities provided by it for use in the transaction of its business.

ART. 15. The delivery of all through American bound cargo transported hereunder shall be effected by the G. N. to be cleared when necessary by the G. N's. agents on the consular or other necessary documents to be furnished by the parties hereto, respectively, and if any expense is necessary in connection with clearance of such through cargo by the United States customs authorities, such expense shall be paid by the G. N.

ART. 16. The G. N. shall, when necessary, execute all proper bonds to the Government of the United States, to secure the right to receive and handle through cargo and passengers in bond.

ART. 17. On receipt of through cargo from the N. Y. K., the G. N. shall promptly pay to the N. Y. K. according to the proper ocean rates the full cargo earnings due the N. Y. K. on shipments on which the freight is collectible at destination, and the N. Y. K. shall promptly pay to the G. N. any amounts which have been collected by the N. Y. K. for prepayment of rail charges to be earned by the G. N. and its connecting lines.

On receipt of through cargo from the G. N., the N. Y. K. shall promptly pay to the G. N., according to the proper legal tariffs, the full cargo earnings due the G. N. and its connecting lines on shipments on which the freight is collectible at destination, and the G. N. shall promptly pay to the N. Y. K. any amounts which have been collected by the G. N. or its connecting lines for prepayment of ocean charges to be earned by the N. Y. K.

ART. 18. All accounting shall be handled between the respective offices of the parties hereto in accordance with procedure agreed upon from time to time between the parties, it being understood that any accounts kept and statements made up by the G. N. are to be kept and made up and settlements made in the money of the country where the respective officers of the G. N. are located.

ART. 19. Any loss of earnings on cargo ultimately arising without any fault on the part of either of the parties hereto, or of their connecting lines, or where the responsibility for loss or damage can not be placed as between the parties, shall be divided in proportion to the respective earnings on the shipments out of which such loss arises.

ART. 20. Any dispute concerning these presents shall be referred to the decision of an arbitrator to be appointed by mutual agreement by the N. Y. K. and the G. N., or if they can not agree upon the appointment of a single arbitrator, to the decision of a board composed of three arbitrators, one of whom shall be appointed by the N. Y. K., one by the G. N., and the third by the two so appointed, before entering upon the hearing of such dispute. Said arbitrators shall make their award in writing, and the award so made by said arbitrators or any two of them, shall be binding and conclusive upon the parties hereto, upon the matters submitted to them for decision.

ART. 21. Pending such arbitration and the decision of the arbitrators, business shall be conducted hereunder, and this agreement shall be carried out in all respects, as it was conducted and carried out prior to the submission of such dispute to arbitration; but after the decision of the arbitrators, such payments or refunds shall be made and such changes in the method of doing business shall be adopted as may be required by such decision.

ART. 22. The agreement heretofore existing between the parties hereto of date 1st day November, 1911, referred to in the recital herein, having expired, is hereby declared to be of no further effect, except that all matters and things done thereunder and yet incomplete shall be completed in accordance with the terms thereof.

ART. 23. This agreement shall take effect on the 1st day of November, 1921, and shall, except as hereinafter provided, continue in force for the period of 10 years thereafter, but either party shall have the privilege of canceling the agreement by giving six months' written notice of its desire to withdraw therefrom, it being understood that this agreement, or any supplement thereto, may, at any time be altered or amended by mutual consent.

In witness whereof, the said parties hereto, the Nippon Yusen Kabushiki Kaisha, and the Great Northern Railway Co. have, through their lawfully appointed representatives, caused their names to be subscribed and their seals affixed, on this 18th day of October, 1921, in St. Paul, Minn., in the United States of America.

NIPPON YUSEN KABUSHIKI KAISHA,
By M. WATANABE, *Attorney in Fact*,
GREAT NORTHERN RAILWAY CO.,
By RALPH BUDD, *President*.

In presence of—
W. P. KENNEY,
P. H. MCCLELLAND.

Mr. JONES of Washington. I shall not at this time ask for the printing of these other contracts; but they are very similar, going in some particulars further than this contract in the way that they agree, as I said awhile ago, to see that free wharfage facilities are furnished, and in some cases they pledge themselves to seek to relieve the shipping companies from local taxation in every way that they possibly can.

RESTRICTION OF IMMIGRATION

Mr. HARRISON. Mr. President, I notice that at least one of the Senate conferees on the immigration bill is on the floor of the Senate, and it has been rumored around on the floor of the Senate that they are going to read a statement to the Senate this afternoon. I observe that the Senator from South Dakota [Mr. STERLING] is present.

Mr. STERLING. Mr. President, did the Senator from Mississippi refer to me?

Mr. HARRISON. I have just stated that I saw some of the conferees on the immigration bill here, and it is rumored that they are going to make a statement this afternoon.

Mr. STERLING. I think it is the expectation of the Senator from Pennsylvania [Mr. REED] to do so. In fact, I thought he had already appeared in the Senate and made the statement. He can be found, I think, in a few moments, and it can be ascertained whether or not he desires to make a statement.

Mr. SMOOT. The Senator from Pennsylvania just sent word to me about adjourning. He does not expect to make any statement.

Mr. HARRISON. I had understood that there was some difference between the conferees and the President, and I was just wondering if they had gotten it ironed out.

Mr. STERLING. That was not the subject of any statement the Senator from Pennsylvania [Mr. REED] expected to make.

Mr. HARRISON. A statement will not be made, then, touching the Japanese question?

Mr. STERLING. No.

PROTECTION OF ALASKAN FISHERIES

Mr. JONES of Washington. Mr. President, I understand that the Senator from Utah [Mr. SMOOT] is about to move an adjournment until Monday. We will have a morning hour, of course, if that is done. I want to state that I should like to take up at some time during the morning hour—I think probably it can be done without very much discussion, probably by unanimous consent—House bill 8143, for the protection of the fisheries of Alaska, and for other purposes. It is a very important measure indeed. The salmon season is coming on very rapidly, and I hope I shall be able to have the bill passed on Monday at some time.

Mr. LODGE. It is a very important bill.

EXECUTIVE SESSION

Mr. SMOOT. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at 4 o'clock and 47 minutes p. m.) the Senate adjourned until Monday, May 5, 1924, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 3 (legislative day of April 24), 1924

PROMOTION IN THE ARMY

To be major

Second Lieut. Ambrose Irving Moriarty, retired, to be a major on the retired list of the Regular Army, to rank from April 28, 1924, with retired pay as prescribed by law for a major of his length of service retired prior to July 1, 1922.

COAST AND GEODETIC SURVEY

Roger Cushing Rowse, of Missouri, to be aid, with relative rank of ensign in the Navy, by promotion from deck officer, vice R. W. Byrns.

Frederick Gurnee Outcalt, of New Jersey, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice W. O. Manchester.

Edwin Jay Brown, of Michigan, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice J. A. Bond.

Henry Arnold Karo, of Nebraska, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice J. D. Crichton, promoted.

Jack Chester Sammons, of Kentucky, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice J. W. Cox, resigned.

George Livingston Anderson, of Virginia, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice Benjamin Friedenberg, promoted.

Isidor Rittenburg, of Massachusetts, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice L. O. Stewart.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 3 (legislative day of April 24), 1924

SECRETARIES OF EMBASSIES OR LEGATIONS OF THE DIPLOMATIC SERVICE

CLASS 1

John Campbell White.

CLASS 3

Raymond E. Cox.
Percy A. Blair.
Thomas L. Daniels.
Lawrence Dennis.

POSTMASTERS

PENNSYLVANIA

James I. Steel, Shamokin.
Ray J. Crowthers, West Elizabeth.

WEST VIRGINIA

Alphonse Leuthardt, Grafton.

HOUSE OF REPRESENTATIVES

SATURDAY, *May 3, 1924*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou, in whose presence our souls take delight and find calm and joy and peace, give us the faith that casts out fear and fortifies the heart. With all eagerness for truth and wisdom, may we approach our duties and bear our responsibilities. Let come into our lives a more charitable, vigorous, and richer religion, flowering into sweeter sentiments and ripening a larger harvest of human brotherhood and cooperation. Bless the Speaker and all Members and officers of this Congress. As men chosen for a great service, help us to stand for truth and right. Always bless us with the assurance that we have as our allies time and eternity, the universe, and God. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

CAPE COD CANAL

Mr. SNELL. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents a privileged report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

Report from the Committee on Rules for the consideration of H. R. 3933, entitled "A bill to provide for the purchase of the Cape Cod Canal property, and for other purposes."

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Welch, one of its clerks, announced that the Senate had passed joint resolution (S. J. Res. 119) making appropriations for contingent expenses of the United States Senate, fiscal year 1924, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate concurs in the amendments of the House to the bill of the Senate (S. 2902) entitled "An act authorizing the acquiring of Indian lands on the Fort Hall Indian Reservation in Idaho for reservoir purposes in connection with the Minidoka irrigation project."

SENATE JOINT RESOLUTION REFERRED

Under clause 2, Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 119. Joint resolution making appropriations for contingent expenses of the United States Senate, fiscal year 1924; to the Committee on Appropriations.

INLAND WATERWAYS CORPORATION

Mr. SNELL. Mr. Speaker, I present another privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents another privileged report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

Report from the Committee on Rules for the consideration of H. R. 8209, a bill entitled "To create the Inland Waterways Corporation, for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the transportation act, and for other purposes."

EXTENSION OF REMARKS

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent that I may have leave to revise and extend the remarks which I made on yesterday.

The SPEAKER. The gentleman from Alabama asks unanimous consent to revise and extend the remarks he made on yesterday. Is there objection? [After a pause.] The Chair hears none.

BARKLEY-HOWELL BILL

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Barkley bill.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks in the RECORD on the Barkley bill. Is there objection? [After a pause.] The Chair hears none.

Mr. PATTERSON. Mr. Speaker and fellow Members of the House of Representatives, during the past two weeks my mail

has consisted mainly of protests from railroad employees and business men against the passage by Congress of H. R. 7358, introduced by Mr. BARKLEY, of Kentucky. Hundreds of such letters have been received by me, the total reaching almost the same number of epistles received in favor of the plan of tax reduction advocated by Secretary of the Treasury Mellon. But one letter in favor of the passage of the Barkley bill was included in the large volume that poured into my office.

To show the wide interest that the Barkley-Howell bill is creating throughout our great country, I wish to quote the following communication, which is a fair sample of the manner in which this proposed legislation is viewed throughout the land:

DEAR SIR: Attention is respectfully drawn to a bill known as S. 2646, and the Howell-Barkley bill before Congress at the present time, which if enacted into law will deprive a great number of men working in the employ of railroads all over the United States, and particularly on western railroads, of their inalienable right to representation on any board or body presuming to function for them.

It has been pictured to the Senate Committee on Interstate Commerce that the whole country, excepting the railroad management, is supporting the bill. This is anything but the truth, and the obvious purpose of the statement is to befuddle the minds of those not fully informed in the matter so that the measure might be enacted into law for the benefit of the proponents of the act to the exclusion of others to the number of possibly 700,000.

The bill proposes adjustment boards which are made up of an equal number of men, respectively, from the managements of railroads and from the nationally organized crafts. In this connection I would beg to draw your attention to the fact that there are, as far as the crafts mentioned in boards No. 2 and No. 3 are concerned, a greater number of men that are not members of the nationally organized crafts than those that are.

The plan as laid out proposes to place a cost against our Government to the extent of $356,000 for salaries alone, and with the added expense that is made permissible the first cost can easily be increased to a million dollars a year. The fact is that the framers of the bill have appreciated the cost and have made provision in section 8 for drawing on any unappropriated funds in the Treasury to the extent of $500,000 up to the 1st of July, 1924. And this expense to be saddled upon us and the rest of the public without either of us having one iota of representation. This is "taxation without representation" with a vengeance and makes one wonder if it is going to be necessary to reenact the scenes of the Boston tea party.

Inclosed you will find a little paper published by our independent organization, which carries on page 4, under the caption "Presentation by your delegates," our statement made before the subcommittee of the Committee on Interstate Commerce April 7, 1924.

We most respectfully ask that you give said article such consideration as you can, so as to learn our views on the matter, the better to determine whether the proposed bill does not smack of class legislation.

Naturally these hundreds of letters aroused my interest and led me to make a more careful study of this legislation than might have been the case under other circumstances, especially in view of the fact that the Committee on Interstate Commerce had been relieved of any consideration of the measure by reason of the presentation of a petition to the House of Representatives signed by 154 Members, thus precipitating the matter into this body before any of the Members had had time to digest its provisions or gain any idea of its importance. Such methods of legislation bear a close relation to mob rule and should be condemned by everyone who has the interest of the people and his country at heart. The committee of this House of which I have the honor to be a member sat for 42 days to hear the proponents and opponents of an important measure before that body for consideration, and at the end of that lengthy hearing the proposed legislation was rejected by a decisive vote, and, although I was favorably inclined toward the bill and voted to report it to the House, I also had the satisfaction of knowing that the proponents of the legislation had had their day in court and had no cause for complaint.

But in this case there has been no hearing given either side, and all the information that the Members of the House have on the subject is what they have been able to obtain themselves or gleaned from the propaganda sent them by either labor leaders or the representatives of the railroads.

To my mind that is certainly a most crude manner in which to attempt to enact important legislation that is bound to affect many millions of people and cause bitter controversy in place of the peace and contentment now existing under the provisions of the present transportation act. The railroads are just getting upon their feet, and their employees are prosperous and happy. Why, then, should we start another industrial war that possibly would upset all business and lead to endless strife and trouble before we have given a fair trial to the present transportation act? To me it seems the height of folly to countenance such legislation at this time, and the only explanation I can find for this attempt to unstabilize business is the fact that we are on the eve of a presidential election, and such occasions are always seized upon as the opportune moment to force through measures supposed to be in the interest of labor. But the word that I have received from the business men and the people of my district is that they are opposed to the Barkley bill and the methods employed to attempt its forced passage by Congress, and therefore my vote will be recorded against it.

The Barkley bill, from my reading of it, provides for four boards of adjustment, two of 14 members each and two of 6 members each, appointed by the President, half from nominations made by nationally organized crafts and half from nominations made by carriers. This creates 40 annual salaries of $7,000 each, amounting to $280,000; and four secretaries, at $4,000 each, $16,000 more; besides salaries of employees to be employed by the boards at rates they fix—see page 12. Also, a board of mediation and conciliation of five members, at $12,000 per annum each, a total of $60,000; besides the pay of attorneys, assistants, special experts, clerks, and other employees provided for in paragraph 3, page 15, and arbitration boards, further provided for in section 7, the estimated annual expense being about $1,000,000. In these days, when the people are demanding a reduction in taxation and the abolition of the many useless boards and bureaus that now encumber our Government, it would seem to me that we should go rather slow in considering such legislation and adding that expense to an already overburdened public.

One of the objections to the bill is that the 16 nationally organized crafts absolutely control the appointment of one-half of the adjustment boards, while a majority of the railroads' employees are not affiliated with the nationally organized crafts, but are local independent unions, and their members will be at the mercy of the nationally organized crafts.

I am not opposed to union labor. In fact, I am in favor of it unless they go too far and make demands that are unreasonable and unjust, and that is what I claim they do in this instance. I have employed union labor for over 30 years, and have never had a dispute with my employees during that time. In that period their wages have risen from $12 a week to $60, and my firm has paid them several million dollars.

On page 5 of the Barkley bill, section 2, the reference to general duty is taken from title 3 of the transportation act, which act made it the duty of carriers, officers, and so forth, to exert every reasonable effort and adopt every available means to avoid any interruption to the operation of any carrier growing out of any dispute between carrier and employee. The Barkley bill makes it the duty of the carrier, officers, and so forth, to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions and to settle all disputes arising out of the application of said agreements in order to avoid any interruption to the operation, and so forth. But paragraph 8, page 34, relieves the employees in case of adverse decision by the arbitrators, because there is nothing to prevent them from quitting their jobs. That seems to be one of the jokers in the Barkley bill, and if the employees do not like the decision of the arbitrators the public can walk, as far as they are concerned. The report is prevalent that the bill has been designed to bring about Government control or ownership, or at least make the nationally organized unions the dictators to the railroads and the public, and you will find that a great majority of the American people are opposed to any such program. They want labor to secure fair treatment and a square deal, but they are not willing to abdicate railroad control into the power of any one class. Personally, it seems to me the bill is un-American, unfair, and not as good for the public as the legislation it seeks to replace.

There should be a clear explanation of the alleged defects in title 3 of the transportation act of 1920 and the act of July 15, 1913, providing for mediation, conciliation, and arbitration, so as to justify the repealing of those acts and substituting the provisions of the Barkley bill, with its questioned procedure and enormous expense, and that explanation should be before a committee where everyone in favor of or opposed to the pending bill could be fully heard—the public who are vitally interested, the employees not represented by nationally organized labor unions, the carriers, and the nationally organized labor unions themselves. So much labor and care were expended on the act of 1920 that it seems to me almost criminal to repeal it and substitute something else without an opportunity for interested persons to be fully heard.

SOLDIERS' ADJUSTED COMPENSATION

Mr. FAIRCHILD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the adjusted compensation bill.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD on the adjusted compensation bill. Is there objection? [After a pause.] The Chair hears none.

Mr. FAIRCHILD. Mr. Speaker, it is now nearly five and a half years since the close of the European war, when a great victory was won by the valor and the fighting qualities of the American soldier boys. Lest we forget—who is there who can forget? Who is there among the membership of this House who served during the war Congress who can forget those fearful days when by our votes more than 4,000,000 of our young men were separated from homes and loved ones, from jobs and opportunities in life, to fight the battles of our country? And they fought. They fought like heroes. They turned the tide of battle and carried the American flag to a glorious triumph, the fame whereof will live with an increasing luster as long as history continues to be written.

Lest we forget—who is there among us who can forget? During the war days, and since, our work here in Congress has constantly brought home to our knowledge the great sacrifices made by our brave soldier boys; the great sacrifices, the distress and suffering endured by the dependents at home. We have come to know something of the economical and physical handicaps from which these boys and their families have suffered. Time has not lessened our knowledge. It has, rather, increased it with each new distressing case claiming our attention and arousing our sympathies.

We know something of the vast numbers of young men who, due to their Army experiences, have suffered and are still suffering not only from economical handicaps but from physical ills as well. We have been told in one of those phrases coined by the propagandists that everything should be done for the sick and disabled but nothing for the "able-bodied young men better off because of their Army experiences." "Able-bodied young huskies," wrote one correspondent from home, influenced, no doubt unconsciously, by one of the many expressions to which a certain portion of the press has given currency. But we who served in Congress during the war and since have come, with the lapse of time, more and more to know, as distressing incidents have piled upon distressing incidents, how utterly false is that propaganda which seeks to divide the veterans into only two classes—those who are injured to a compensable degree where relief can be obtained from the Veterans' Bureau and those who are able-bodied and better off because of the war experiences.

We know there are large numbers with impaired health, with physical suffering from war experiences, not of a nature permitting compensation through the Veterans' Bureau. No statute can describe with that degree of accuracy essential to proper administration by administrative officers those ills of the many who physically are not as well off as prior to their terrible war experiences. We know when we see and converse with them and ineffectually fight their cases before the Veterans' Bureau that they have lost ground physically, and one's sympathies and sense of fair play can not but be aroused. Mothers, wives, and children, dependents of these soldier boys, have suffered and are suffering, and it is with some thought of these dependents that the adjusted compensation bill has provided a 20-year endowment policy in lieu of cash, the same as did the adjusted compensation bill that passed the last Congress.

Mr. Speaker, we have passed a bill with the purpose that it shall be enacted into law. The recognition, much too long deferred, justly due the veterans is at last in some measure to be accorded them. In its essential feature the bill is the same as passed the last Congress—a 20-year endowment policy in lieu of cash. When the boys returned home in 1919, out of employment, with their meager Army pay discontinued, and dependents unprovided for, then was the time their compensation should have been adjusted and paid in cash. The failure to do so was a grievous wrong and has entailed much suffering, as we all know.

In 1922 we met the objection of the President that without new and additional taxes no money was in the Treasury with which to pay the compensation. It was then that the plan of a 20-year endowment policy was first adopted, embodied in the bill that passed the last Congress. But by 1922 there was another and an appealing reason for the endowment policy plan instead of cash. The veterans had mostly secured some measure of employment, although it was a struggle to make ends meet with the high cost of living and with the accumulated debts for family support accumulated while the boys were at the front or before they secured employment after arrival home. Every thrift argument in favor of life-insurance 20-year policies was equally applicable to these Government endowment policies. The accrued value is made payable to the veterans at the end of 20 years, or in event of death to his beneficiaries. Here is something to take home to wife or mother. Here is something to make the veteran and his family feel that some recognition has at last been given to those whose services and great sacrifices won the war.

The speech I made in the last Congress in favor of the adjusted compensation bill is equally applicable to-day. When letters from opponents of the bill have mirrored the misrepresentations of the press, I have fervently wished that there could have been opportunity to discuss with these correspondents the various features of the proposed legislation. I realized then, and with the renewed attacks from certain of the press during this Congress I have continued to realize, that unfortunately the active business man has little opportunity for independent investigation and is therefore of necessity dependent upon the ex parte statements of the papers he reads.

The gross misrepresentations of the press opposing this legislation have exceeded in mendacity any previous instance within my experience and observation. Recently, in evident anticipation that the bill would become a law, when the truth would be brought home to the people, these papers abandoned their "five-billion raid" cry and indulged in a new falsehood to the effect that the endowment policy plan is a change from the bill in the last Congress, which it is not. There is no cash option in the present bill. There was no cash option in the bill that passed the last Congress.

In that portion of the press opposing this legislation it has been repeatedly suggested that Members of this House are being subjected to threats, coercion, and undue pressure upon the part of those who favor this legislation. I have received letters from good, sincere friends at home, misled by this false propaganda, urging me not to surrender to "the threats of bonus propagandists." Mr. Speaker, upon my solemn oath, up to the present moment I have yet to receive the slightest hint of a threat from those who favor this legislation. I have received from them appeals and arguments upon the merits but not the slightest semblance of attempted pressure or threats. This statement was made by me in the last Congress. It was true then. It is true to-day. All the threats, all the questioning of motives, have come exclusively from opponents of the bill.

It is true that I have received threats. It is true that I have been subjected to attempted coercion. A considerable number of communications have attempted to influence my vote on this measure, with threats of loss of votes for me on election day. But, Mr. Speaker, communications of this nature have been limited exclusively to those who have written in opposition to any adjustment of compensation for the boys who were taken away from opportunities in life and sent to the battle front at $1 and $1.25 per day. From those who have sympathized with these boys, with their lost opportunities, with the lack of employment they have suffered, with the uncertainties of their future, with their impaired health, has come no word of threat, not even a word of protest. Only kindly appeals have come from them. The intolerant demands, coupled with threats, have come from their nonsympathizers.

For the great majority of those who have thus threatened, no one should have other than a kindly thought. It is evident that they have been misled, carried away, by the false notion that the alleged "bludgeon" was being used by the proponents and therefore should be offset. How little they have realized that they themselves were misled into being exclusively guilty. I received an apology from one who, unprompted, has taken a second thought and has been willing to believe the truth that the legislators here in Washington have been conscientiously endeavoring to arrive at a just conclusion uninfluenced by threats or attempted coercion from any source.

To those who have attempted to influence my vote against this adjusted compensation bill, not by argument but by threats of reprisal, let me suggest that ever present before me in my home there has stood for years, in a frame, those inspiring words of the immortal Lincoln:

> I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live up to what light I have.

Mr. Speaker, in the war Congress I voted for the declaration of war, and I voted for the selective service law that took these boys from their jobs, from their opportunities in life, and sent them to the battle front. You will recall, Mr. Speaker, the burden of responsibility felt by all in this House at that time.

There was no lack of understanding. We fully realized what it all meant.

We could foresee the great loss of American lives, and if life was spared, the sacrifices required of our young men who would return home disabled not only in health and limb but also in lost opportunities in life's struggle. We could foresee all this. And we could foresee the great burden of indebtedness under which this country must struggle for many years to come. It was no easy task. The thought of the boys who would be torn from their homes brought tears to the eyes of many of us as we voted for war. Those were days burdened with heavy responsibilities, from which there was no escape. I for one am glad to be in this Congress to vote for some measure of recognition and recompense to the disabled boys; to those disabled physically to a compensable degree under the Veterans' Bureau law something additional to what they are now receiving, and something to those disabled in lost positions and lost opportunities in life, and to the many disabled physically but unable to secure compensation through the Veterans' Bureau under the present law or under any law that ingenuity could possibly devise to describe the innumerable cases of weakened constitutions and lost energy.

One good neighbor wrote me in opposition to the proposed legislation. He wrote feelingly of the loss of my only son in the war. In his reference to adjusted compensation legislation, I take the liberty of quoting from his letter:

No one could give more than you gave to the war—your only son. And I am quite sure that if he was living to-day he would feel that money offered to him for the service he did could only place those services on the same plane and the same basis as other things that can be bought with money.

To this suggestion I could only reply that—

I appreciate deeply what you say in regard to my son. You are quite right. I am sure that if my son were living to-day he would not accept the bonus if offered. He would not need it. I am also quite sure that if he were here his lack of need for himself would not prevent him sympathizing with the many who have returned from the war in need and disabled through the loss of position and opportunity. That thought is one of the elements which I feel bound to consider in my efforts to reach a right conclusion.

Mr. Speaker, this reference to my personal bereavement took my mind back to 1917 and to a thought in my mind when in the spring of that year my son graduated at Yale in the class of 1917. I recall how rejoiced I then felt that my boy had finished his college course before the war came to take him away. It was then, Mr. Speaker, my thoughts first turned to the boys who had not been so fortunate, who had to be taken from college before graduation. Most of them, unless greatly blessed in this world's goods, would be too long away to make it possible ever to retrieve the lost ground. Those of the class of 1917 were fortunate. But how about those of the later classes in the colleges of the land, except the wealthy few who could afford to return to college, where time did not count so much in their lives? I speak of those not so well off. No hope for them.

And, Mr. Speaker, what about the young men who were then just starting in a business of their own with thrifty savings all invested in the venture? The selective service law for which we voted permitted no exemption because of loss of business. The business had to be sacrificed in each case when the young man was taken. His accumulation, with his life's ambition, was destroyed overnight to meet the exigencies of war.

And how about the boys taken from jobs that meant more than the then job? In the great corporations where many were employed the job meant a life's opportunity. How about them when they returned to find the places filled by those who had not gone to the war? Is there nothing to be said for these when it is proposed to readjust to some small extent the pittance of a compensation accorded to them under the exigencies of war by our votes when they were taken away?

Accorded to them by our votes! I recall, Mr. Speaker, the debate on the selective service law when the $1 per day was agreed upon. We named $1 per day, and then later $1.25 for overseas duty. We dared not name more because we did not know how long the war would last. If we had then named $2 per day and $2.50 per day for overseas duty, no voice would have been raised in protest, and it would have been little enough. No one would have called it "placing a dollar mark on patriotism." Patriotism impels the young man to do, but patriotism requires of us who could not go that some just consideration be accorded to those who suffered the sacrifice.

Let me quote from one of the speeches of that day—April 28, 1917—when we adopted what legislation termed the "selective service" law and the newspapers designated "conscription":

Back of it all I want to see this Government, great and rich and resourceful as it is, furnish the means to pay the men who go to the front to fight its battles for it at least as much money as men can earn at home who are left out of danger to continue in the vocations that will furnish them prosperity not only for the present but after the war is over, when the soldier boys are out of their jobs.

This sentiment met with applause, but the soldier boys were voted only $1 per day. Now we propose to readjust this compensation with $1 per day additional and $1.25 per day additional for overseas service. There is no element of gift, no element of gratuity, in performing this act of justice.

I for one can not understand how any Member of this House who then voted to conscript these boys, at $1 per day, under the exigencies of war, can now fail to readjust the compensation on the basis of $1 per day additional. These boys by their valor shortened the war. If the armistice had been delayed one month, the additional cost to our Government would have been far greater than the total involved in this readjusted compensation. Every other country associated with us in the war has since the close of the war granted additional compensation to the returned soldiers. Is this country of ours, the richest country of them all, to be the only country to refuse readjustment of a pitiable small pay to the soldiers who have sacrificed so much to gain the victory for our flag?

And what will be the total cost of this readjusted compensation? One New York paper, which I have read daily since my maturity and shall continue from habit to read notwithstanding its continued despicable misrepresentations, has repeatedly reiterated the falsehood that it would cost $5,000,000,000, intending to mislead its readers with the thought that on a cash basis paid now there could be no reduction of taxes. The fact is that the provisions of this bill bear no relation whatever to the administration tax-reduction plan. It has not interfered with the tax-reduction plans one dollar nor postponed them one day. In the place of a present cash payment the bill offers a 20-year paid-up endowment insurance policy. The total cost will amount to not more than $2,000,000,000. The utmost possible maximum will not be more than $2,025,889,696, a difference of $3,000,000,000 between truth and newspaper falsehood.

Mr. Speaker, the more I have studied the provisions of this bill the more willing I have been to give it my support. The substitution of paid-up insurance policies in lieu of cash will tend to encourage thrift and will provide immediate cash payment for the full amount of the policy to the loved ones in case of death. It presents a splendid solution of a difficult problem.

Mr. Speaker, the adjusted compensation has now become the law of the land. The tax reduction bill has now been enacted into law. The country will now know that we can have both. We have both. In the adjusted compensation bill recognition has been given to the valor and to the sacrifices of the defenders of the Republic without interference with the purpose to reduce taxes. The new revenue law reduces taxes more than $400,000,000. Before its enactment the assertion was made that a deficiency would be created. The Treasury Department now admits that there will be no deficiency. A table by the Actuary of the Treasury shows a surplus under the new tax reduction law for the fiscal year 1925 of $138,900,000, exclusive of taxes to be collected for previous years. The estimated surplus for the fiscal year 1925 is more than $400,000,000. Contemplate these figures, Mr. Speaker. The people relieved of tax burden more than $400,000,000, and also we will have a surplus in the fiscal year 1925 of $400,000,000, promising a still further reduction of taxes at an early date.

Through the cordial cooperation of the Republicans in Congress with the President in effectuating Government economies this result has been achieved. It only needs the reelection of our Republican President with a Republican Congress to give him support in order to carry on the good work to a triumphant conclusion. Those of us who loyally supported the administration plans for tax reduction have had an uphill fight in this Congress, where in both the Senate and in the House the administration Republicans were in a minority. We have not obtained all for which we fought, but we have a better tax reduction bill than would have been possible if the fight had not been made. Although in the one matter of adjusted compensation for the veterans of the war, the President accorded with the views of Secretary Mellon and not with the views of the large majority of the Republicans in Congress, it is absurd to pretend that we have not given the President a cordial and willing support. The President has no misgivings on this score. The public will soon come to learn the truth. They will not remain deceived, the

misleading, exaggerated statements in the press notwithstanding.

The President has no misgivings on this score. He does not share the views of that portion of the press which, while claiming to give him support, are preaching the strange doctrine that a President of this Republic should dictate the vote of the people's representatives on every measure that comes before Congress. Here is what President Coolidge has said about Congress:

The independence of the Congress must be preserved. It is not the fortune of legislatures to be popular; they do not catch the public fancy. Being human, they may err. But no legislature ever usurped the liberties of a country, and no country ever lost its liberties until its legislative representatives had been stripped of their independence and their power. The sole defender of the liberties of the nation by the only effective means for their preservation, an independent Congress, now left to the American people is the Republican Party.

Mr. Speaker, the opposition to the adjusted compensation bill will never cease to be beyond my comprehension. It has been said that republics are ungrateful. I do not believe it. We by our votes in favor of some recognition to our brave soldiers have been unwilling to admit it. Why, Mr. Speaker, have the valiant soldiers been singled out as the sole object of attack? When the civil employees of the Government were given $240 bonus per annum to meet the increasing cost of living, no protest was made. This bonus was granted in 1918 to all civil employees receiving basic salaries up to $2,500 per annum. The increased cost of living justified the increase. The need for the increase was universally recognized for the civilian employees who had dependents to support. But the boys at the front also had dependents at home suffering from the increasing cost of living. Why the discrimination? The sacrifices were great. The sufferings were terrible. Why give a bonus to a civilian employee receiving $2,500 per annum and deny it to the soldier who far away from his dependents faces death for the Republic at $365 per annum? Will any of the opponents of the adjusted compensation bill answer this question? Treasury figures disclose that $300,000,000 have already been expended to meet this readjusted compensation for the civilian employees and their additional compensation under new legislation is to continue permanently, merged in their basic salaries. The soldier boys received only $30 per month. From this $30 was deducted $15 for compulsory family allowance. A further deduction was made to pay Government insurance premiums. From the balance of the paltry sum these soldiers were urged to purchase Liberty bonds. They did so willingly in large numbers, and living necessities compelled them later to sell their bonds far below the par they paid to the Government from their meager wages. Business corporations are required by law to pay the insurance premiums to insure their employees in hazardous employments. Fighting at the battle front is the most hazardous of all employments, and yet this great, prosperous Government compelled our soldier boys to pay for their own insurance, and those who are keeping up their insurance premiums are now furnishing the money to support the dependents of those who lost their lives in the war. They, with their premiums, and not the Government, are in great measure paying to the widows and orphans of our dead the insurance that has been substituted for pensions. It is incredible that any American citizen should be opposed to some measure of readjustment for these boys.

The Government did not tell these boys when they were called to the colors that their pay of $30 per month would be taken away from them to do the work that the Government should do—care for the dependents of dead soldiers. Deduct compulsory allotment, insurance premiums, fines for every infraction of regulations and loss of equipment, and subscription to Liberty bonds—how much was left? Where was money to come from to meet the increasing cost of living for the dependents at home?

Mr. Speaker, the intolerant attack in the press against these valiant soldiers has been disgraceful, selfishly disgraceful, beyond measure. In 1917 these boys were called "flower of our youth"; in 1918, "our brave soldier boys"; in 1919, "our heroes"; in 1920, "the returned soldiers"; in 1921, "ex-service men"; and now we hear them called by a mercenary press "Treasury raiders." To some of us, Mr. Speaker, they still are and shall ever remain the brave soldier boys who suffered much and sacrificed much, and whose dependents suffered much, for the country we love.

The Republican platform of 1920, upon which President Harding was elected and President Coolidge was elected Vice President, pledged to the people that we would discharge to the fullest the obligation of a grateful Nation to these veterans of the war. Not only must republics not be ungrateful. The platform announced that "Republicans are not ungrateful. Throughout their history they have shown their gratitude toward the Nation's defenders." Two paragraphs of the platform made pledges for the physically disabled and another paragraph pledged ourselves to discharge the obligations of the Nation in appreciation of its defenders' services. I quote this paragraph as follows:

We hold in imperishable remembrance the valor and the patriotism of the soldiers and sailors of America who fought in the Great War for human liberty, and we pledge ourselves to discharge to the fullest the obligations which a grateful Nation justly should fulfill in appreciation of the services rendered by its defenders on sea and on land.

Mr. Speaker, there was no mistake in President Harding's recognition and interpretation of this pledge. During the campaign in his speeches he advocated adjusted compensation for the soldiers. Misled by the statement from the Treasury Department to the effect that we were confronting a large deficiency, he suggested that Congress provide some new taxation to meet the payments. In his veto of the adjusted compensation bill which passed the last Congress without imposing new taxes, he said:

The latest Budget figures for the current fiscal year show an estimated deficit of more than $650,000,000 and a further deficit for the year succeeding.

We now know the extent the President was misled by the Treasury estimates. Instead of a deficit of $650,000,000 we have a surplus of $400,000,000 after payment of $200,000,000 in reduction of public debt. In other words, the Treasury Department when giving out figures to prejudice the adjusted compensation bill erred to the extent of the modest sum of $1,250,000,000. And, Mr. Speaker, we have sufficient to meet all adjusted compensation payments for several years from the balance of this year's surplus alone, after remitting to the taxpayers 25 per cent of this year's taxes in accordance with the suggestion first proposed by the Ways and Means Committee of the House.

Mr. Speaker, my convictions on the subject of adjusted compensation were given birth during the war when my vote helped to send the boys to the front and when I came to know from contact with many distressing cases the irreparable injury suffered by them and by their dependents at home. I believe that with few exceptions those who have written me in opposition would themselves be possessed by convictions as deep as mine had they had the same opportunity to be in touch with these distressing cases. The problem has been solved in favor of the soldiers, and I shall always feel that it was a privilege to be a Member of this House to lend my voice and vote in grateful recognition of the heroes of the Republic.

CALL OF THE HOUSE

Mr. JAMES. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Michigan makes the point of order that there is no quorum present. Evidently there is not a quorum present.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

Abernethy	Corning	Hoch	Mead
Anderson	Croll	Howard, Okla.	Michaelson
Anthony	Cummings	Hull, Tenn.	Miller, Ill.
Bacharach	Curry	Johnson, Tex.	Mills
Bankhead	Davey	Kahn	Mooney
Beck	Dickstein	Kelly	Moore, Ill.
Bell	Dominick	Kiess	Morin
Berger	Doyle	Kindred	Morris
Black, Tex.	Drane	Knutson	Mudd
Black, N. Y.	Drewry	Kurtz	Murphy
Bloom	Eagan	Kvale	Nelson, Wis.
Bowling	Edmonds	Langley	Nolan
Boylan	Fairfield	Larson, Minn.	O'Brien
Britten	Favrot	Lilly	O'Connell, N. Y.
Browne, N. J.	Fish	Lindsay	O'Connor, La.
Browne, Wis.	Freeman	Lineberger	Park, Ga.
Burton	Funk	Linthicum	Peavey
Cable	Gallivan	Little	Perlman
Campbell	Garan	Logan	Phillips
Carew	Glatfelter	Luce	Quayle
Casey	Goldsborough	McClintic	Ransley
Celler	Greene, Mass.	McFadden	Reed, W. Va.
Clague	Griffin	McKenzie	Reid, Ill.
Clark, Fla.	Hammer	McLaughlin, Nebr.	Robinson, Iowa
Cole, Ohio	Hardy	McNulty	Rogers, N. H.
Connolly, Pa.	Harrison	Magee, Pa.	Romjue

Rosenbloom	Stengle	Tydings	Weller
Schneider	Strong, Pa.	Upshaw	Welsh
Scott	Sullivan	Valle	Wertz
Sears, Nebr.	Sweet	Vare	Winter
Sears, Fla.	Tague	Vestal	Wood
Sites	Taylor, Colo.	Voigt	Wurzbach
Snyder	Taylor, Tenn.	Ward, N. C.	Wyant
Sproul, Ill.	Tinkham	Ward, N. Y.	Zihlman
Sproul, Kans.	Treadway	Wason	
Stalker	Tucker	Wefald	

The SPEAKER. Two hundred and ninety Members have answered to their names, a quorum.

Mr. SNELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were reopened.

ORDER OF BUSINESS

The SPEAKER. By special order of the House the gentleman from Michigan [Mr. MAPES] is entitled to address the House for 20 minutes. [Applause.]

Mr. BARKLEY. Mr. Speaker, the gentleman from Michigan has yielded in order that I may propound a request. I request that at the conclusion of the speech of the gentleman from Michigan I may be permitted to address the House for 30 minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that he may address the House for 30 minutes. Is there objection?

Mr. MADDEN. Mr. Speaker, I reserve the right to object. We have an appropriation bill on the floor of the House which has been here for four or five days and it has been kicked about from one place to another and nobody knows when we are going to get to the consideration of it. It ought to be passed, and I do not believe we ought to let everybody in under these unanimous-consent requests.

Mr. LONGWORTH. Mr. Speaker, reserving the right to object, I have no objection to the gentleman from Kentucky having some time, and believe he should have it, but in view of the fact that the gentleman has had something more than an hour and the gentleman from Michigan is having 20 minutes, would the gentleman from Kentucky object to modifying his request and asking for 20 minutes?

Mr. BARKLEY. Ten minutes does not look like much difference, but here is the situation: In my hour I spoke generally on the subject of the history of legislation of the kind we are discussing, and I did not devote more than 10 minutes to the bill which is to come up Monday. A number of speeches have been made during my unavoidable absence this week, and I think I ought to have at least 30 minutes.

Mr. MADDEN. The gentleman from Kentucky had one hour on this bill.

Mr. BARKLEY. No; not on this bill. I had an hour on the general subject, but I did not devote more than 10 minutes to the specific purposes of this bill, and in view of that I would like to have 30 minutes.

Mr. MADDEN. It does not seem to me we ought to be forever shunted from the consideration of appropriation bills.

Mr. BARKLEY. But let me call the gentleman's attention to the fact that we are nearly through with appropriation bills.

Mr. MADDEN. I shall not object to this request, but if anyone else makes a request for further time, I shall object.

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, I just want to call attention to the fact that this is Saturday and the Appropriations Committee must not expect to work us into the night on the District bill in consequence of the time that is now being taken with these speeches. The gentleman from Kentucky has already had more than an hour, but I am not going to object to his request.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none.

SENATE RESOLUTION

Mr. MADDEN. Mr. Speaker, before the gentleman from Michigan begins, I would like to make a unanimous-consent request. A resolution has just come from the Senate asking $100,000 for the contingent fund of the Senate in order to pay expenses over there. I would like to ask unanimous consent that the House agree to the Senate resolution.

Mr. BLANTON. Mr. Speaker, I object.

BARKLEY RAILROAD LABOR BILL

Mr. MAPES. Mr. Speaker, the first thing Monday morning the Members of the House will be required to vote upon the motion to discharge the Committee on Interstate and Foreign Commerce from consideration of the so-called Barkley railroad labor bill (H. R. 7358) before holding hearings upon it or giving it any consideration. I do not intend to discuss the merits of the legislation at this time, but shall confine myself to the question of procedure.

As a member of the Committee on Interstate and Foreign Commerce I wrote two of my constituents under date of March 26, 1924, that I should be glad to see the Barkley bill—

considered by the committee at the earliest practicable moment, giving due regard to the general legislative situation and the rights of other legislation pending before the committee.

For my part I intended then, and I intend now, to make good that statement, and if the bill is not taken from the committee to vote for hearings upon it and other bills proposing amendments to certain other sections of the transportation act at the earliest practicable moment after the committee completes consideration of the truth in fabric and misbranding bills upon which it is now working.

No fair or reasonable opportunity has been given the committee to consider the Barkley bill. The committee has been busily working practically every day since the bill was introduced. It has never refused to consider the bill. It did decline on a close vote to put it ahead of the truth in fabric and misbranding bills, which were introduced early in the session, and are urged by farm organizations and others. Certain members of the committee felt that they had committed themselves to vote for hearings on those bills before the Barkley bill was ever heard of.

I am one of those who believe that the transportation act of 1920, including Title III, the railroad labor provisions, should be amended. It was humanly impossible to write a law as comprehensive as it is and make it perfect. Time and experience were bound to bring out imperfections in it and to show the necessity for its amendment. But that is not the question raised by the motion to discharge the committee. The question now is whether amendments to the law are to be considered and made by Congress—in fact, as well as nominally—or are they to be dictated by the representatives of a particular group and forced through Congress without the crossing of a "t" or the dotting of an "i" and without giving its Members time to understand what they are voting upon. Is Congress going to abdicate its function as a deliberative legislative body?

One of the principal criticisms of the present law has been that no adequate consideration was given to the labor provisions in it. This in spite of the fact that the committees in Congress worked upon it intensively for upward of a year, if not more, as was fully stated by the gentleman from Massachusetts [Mr. WINSLOW] yesterday. The House committee alone held hearings on the legislation almost daily from June 15 to October 4, 1919, and the bill was pending before the committee and before Congress from that time on until it was finally approved February 28, 1920. During all that time one of the principal topics considered and discussed in connection with it by the Congress and by the public as well was the proposals for the settlement of labor questions and disputes.

Listen to the testimony on this point of the president of the Brotherhood of Locomotive Firemen and Enginemen, Mr. Robertson, before the Senate committee on the Senate bill similar to the Barkley bill (p. 2 of the hearings):

The failure of the transportation act, Title III—

He said—

is summarized as follows:

1. Its enactment was the result of hasty compromise.

It is evident that the representatives of the brotherhoods, while they may subject themselves to the charge of being "hasty" in this proceeding, do not intend to have it said of them that they were guilty of accepting any "compromise."

Mr. Robertson at the same hearing quotes with approval this statement, among others, of the Secretary of Commerce, Mr. Hoover, who, speaking of the Railroad Labor Board, said (p. 8, Senate hearings):

Whatever change is made in the machinery to solve these relationships the changes should if possible be constructively developed by the railway employees and executives themselves, plus, perhaps the assistance of independent persons who represent the public interest.

At another point in the hearings—page 9—Mr. Robertson testified:

Mr. Henry Bruère, vice president Metropolitan Life Insurance Co., for years in charge of industrial, etc., investigations, and research; Federal director United States Employment Service for New York State;

director National Railways of Mexico, etc., at national transportation conference, Washington, D. C., January, 1924, as reported in 76 Railway Age, 237 (240):

> "Henry Bruère * * * proposed that the railroad managers and their employees hold a conference to establish some plan of cooperation."

Mr. Robertson told the Senate committee, to use his own words, that—

before presenting their ideas to Members of Congress the railway labor organizations "labored" for 18 months in committees and conferences to develop their program. During the last nine months—

He continued—

they consulted with their attorneys.

He further stated that the bill as finally presented was redrafted by the representatives of these organizations "no less than six times" before it was satisfactory to them and that it not only repeals Title III of the transportation act but "establishes a new and independent machinery." (Page 15, Senate hearings.)

The counsel for the organized railway employees, Mr. Donald R. Richberg, in his statement (p. 21, Senate hearings) said:

It should not be claimed that the bill is perfect. * * * Under congressional consideration it may well be improved—

But, as he modestly stated it—

we desire to express the hope that it may not be substantially altered.

And yet the representatives of these organizations, without consulting any except their own interests, after having worked in secret with the aid of experts for 18 months before they got a bill satisfactory to themselves, presented it to Congress on the 28th day of February and immediately demanded that the committee stop the consideration of all other legislation pending before it and pass their bill at once before Congress or the country had a chance even to study it to find out what it contained.

It can not be said that there has been any public demand to take the bill from the committee because the public has not had time to study it and become familiar with its provisions. When a bill is taken away from a legislative committee it ought to be done in the public interest and not at the behest of the private and selfish interests of any particular class. [Applause.]

After years of observation and study Vice President Marshall announced this as a part of his creed:

I believe—

He said—

that every inequality which exists in the social and economic condition of the American people is traceable to the successful demands of interested classes for class legislation, and I believe, therefore, that practical equality can be obtained under our form of government by remedial legislation in the interest of the American people and not in the interest of any body thereof, large or small.

As far as we are permitted to know, no agency of the Government anywhere has recommended or approved the Barkley bill. No one having the responsibility which comes with public office had anything to do with the preparation of it, not even the gentleman from Kentucky [Mr. BARKLEY] who introduced it, according to his own statement.

The situation which confronts the House is the result of no accident. It has been deliberately planned. No one who heard the speech of the gentleman from Alabama Mr. [HUDDLESTON] yesterday will question the truth of that statement. The proponents of this legislation are familiar with legislative procedure. They know that ordinarily legislation of this importance must be introduced at the very beginning of a session of Congress in order to stand any chance of being considered and passed before adjournment. In spite of this and in spite of the fact that they had been working upon it for 18 months they waited for three months after Congress convened before bringing it to light.

I am not a mind reader, but judging from the procedure adopted in its preparation, the time of its introduction in Congress, and from the statements that have been made by the proponents of the legislation since it was introduced, one is forced to the conclusion that they never intended, if they could help it, to let Congress or the country have time to study it.

The more they reveal their plans and purposes the more it looks as though they intended from the beginning to pretend that the committee would not give them a hearing, and now they hasten to take the bill away from the committee before it has a reasonable opportunity to do so for fear it will.

The whole proceeding smacks of politics. Eliminate the politics, partisanship, and selfishness from it and there would be very little left. It is known that the national representatives of the brotherhoods are personally and politically opposed to the present Republican administration, and it has been suggested that their hope is by this maneuver to get the members of these great brotherhoods throughout the country to follow them in the coming election and vote against the Republican ticket. Incidentally, the same observation might be made about the lobbyists for certain other organizations that infest Washington. In fact, it has got almost to the point where an independent Member of Congress, even though he may agree with their views on a particular subject, resents their presence and propaganda and their apparent assumption that he can not do his duty or form a conclusion upon questions of legislation without their assistance. [Applause.]

Lobbyists may have their proper function; Congress certainly has its, and it is not the proper function of Congress to abdicate its legislative duty to lobbyists of any kind or nature.

The railway brotherhoods are strongly organized. It is said that their organization is the most compact and effective one extant in this country to-day. No sooner had the motion of the gentleman from Kentucky [Mr. BARKLEY] to take their bill away from the committee been filed than their representatives went through the House Office Building in companies of two urging the Members of this body to walk up to the Clerk's desk and sign the motion to discharge the committee on the dotted line and afterwards to vote for it. It is said that they have been assured that a majority of the Members will do their bidding and that they are confident of success. If so, there is no need of anyone being deceived over the situation. I do not complain, but I refuse to be a party to any such procedure and I think every one ought to know what it is.

Their bill may be the best piece of proposed legislation ever drafted by the pen of man, but the Members of Congress have not been given an opportunity to form any intelligent judgment of their own as to whether it is or not. The bill is one of the most important that could be introduced in any Congress. If enacted into law, it will affect not only the employees of the railroads directly involved, numbering something over two millions, and the railroads, but indirectly the welfare of all the American people and their industries. Without extensive hearings no Member of Congress can form any intelligent judgment on what its practical effect will be if enacted into law. It takes no lesson from existing law. It does not attempt to perfect that but repeals it altogether and goes much further. In the language of the representative of the brotherhoods it "establishes a new and independent machinery" after hearing only one side of the case. It may well be that some time in the future interests adverse to those who drafted this bill will come along and want to tear it up by its roots and establish a system of their choosing. Is this the way to make progress? Is this the conception that the representatives of the brotherhoods have of the recommendation of Secretary Hoover that amendments to the railroad labor provisions of the transportation act should be—

constructively developed by the railway employees and executives themselves, plus, perhaps, the assistance of independent persons who represent the public interest?

The language of the bill embraces within its scope not only the carriers now embraced in the transportation act but it includes—

interurban and suburban electric railways operating as independent units—

As well as—

as a part of the general railroad system of transportation. * * * and any receiver or any other individual or body, judicial or otherwise, when in the possession of the business of employers or carriers—

And the term "employees" is made to cover—

all persons in the employ of bureaus, associations, committees, and institutions of whatsoever kind or character maintained or supported by or existing in furtherance of the interest of carriers.

The language evidently includes suburban and interurban electric railways whether engaged in interstate commerce or not, even though they operate entirely within the territorial limits of a single State. Since when has Congress jurisdiction over carriers engaged solely in intrastate commerce?

What does the language "any receiver or any other individual or body, judicial or otherwise," mean? Does it mean that the courts are to be stripped of the power which they now

have? Is Congress going to pass upon such legislation without knowing what it is?

The gentleman from Alabama [Mr. HUDDLESTON] said on this floor yesterday:

The issue is plain.

I agree. The issue is not whether the legislation is meritorious or not but whether Congress is going to be given sufficient length of time to study it to ascertain for itself whether it is or not. In fact, the issue is whether Congress is going to abdicate its function as a legislative body in favor of the lobbyists for the railway brotherhoods and allied organizations whenever their interests are involved under the threat of political destruction. [Applause.]

Mr. BLANTON. Would the gentleman mind yielding?

Mr. MAPES. I prefer not to yield. I have only two or three minutes remaining, and I am sorry I can not yield.

They made the issue. We did not. It is of their choosing, not ours. They threw out the challenge. Are we to run away from it?

It will not hurt the committee to take the bill away from it. In fact, it will relieve it of a great responsibility and much hard work. It will hurt the cause of labor. It will be a bigger setback to labor than it has received in a generation. No fair-minded friend of labor will approve of the strong-arm method of forcing it through Congress without giving adequate time for its consideration. The rank and file of the membership of the railway brotherhoods themselves, being self-reliant, independent, and self-respecting men, as they are, must look with contempt upon the membership of this body if it surrenders its right to exercise its own judgment in this crisis. Every free American despises a truckler, even though at times he may make use of him to further his own selfish interests. [Applause.]

Mr. BARKLEY. Mr. Speaker, I have been unavoidably out of the city almost continuously since I addressed the House on the 15th of April with reference to this measure, and by reason of that unavoidable absence I have been unable to hear any of the addresses which have been delivered by those participating in the Hindenburg drive which was instituted about a week ago against the motion which I have made to discharge the committee and against the bill as a whole.

I shall not undertake in the 30 minutes which have been allotted to me, because I do not wish to ask for any more time, to go into any great detail about a description of this bill or the action of the committee in declining to consider it.

It has been attacked by the gentleman from Indiana [Mr. SANDERS] and by the gentleman from Illinois [Mr. DENISON], who in his attack undertook to ride both ways by saying that he approved of the main features of the bill but doubted whether it ought to be considered.

The gentleman from Kansas [Mr. TINCHER] and the gentleman from Massachusetts [Mr. WINSLOW] dragged their frail forms over the bill and over me in an effort not only to flatten it out physically but politically and legislatively as well, and I was somewhat astonished at what I saw in the remarks of the gentleman from Kansas [Mr. TINCHER], which plainly evidenced the fact that he knew very little about the bill or unintentionally misinterpreted it.

The effort has been made here—the gentleman who has just spoken talked about propaganda, about members of labor organizations walking up and down the corridors of the House Office Building to intimidate Members of this House. Why, Mr. Speaker and gentlemen, the greatest propaganda that has ever been instituted by anybody with reference to this measure has been by those who have sought deliberately to misrepresent its provisions and to intimidate Members of Congress against voting for it or for the motion to take it away from the committee.

Telegrams have been pouring in here for weeks, and they are being delivered on the floor of this House at this very moment from organizations either of short-line railroads or independent organizations of employees who have been induced by the railroad companies, that financed their organizations, to bombard Congress into the belief that this bill is unjust to them, because they say it gives them no protection in its operation. I want to clear up a little misapprehension with reference to that.

During the strike of 1922 certain men took the positions of those who had ceased to be employees of the railroads. I am not going to discuss the merits of that controversy, but the strike of 1922 was brought about because the men who were involved in it were unable in anyway to compel the railroads, who deliberately disobeyed the decisions of the present Railroad Labor Board, to obey them, and if the men themselves disobeyed them the only remedy they had was either to get fired or voluntarily to quit, while the railroads that saw fit to disobey could go unpunished, and there was no economic or legal power that could compel them to obey the decisions of the present Railroad Labor Board; and, as I pointed out the other day, they have violated its decisions in 148 cases, and yet there has been no violation on the part of the employees except by their voluntarily retiring from their employment or subjecting themselves to compulsory discharge on the part of the railroads themselves.

The strike of 1922 grew out of this situation. Men were gathered from the four corners of the country to take the places of those who had ceased to work, and after they had gotten in, many of the railroads organized these temporary employees who had taken the places of their regular employees who had quit work, because they found, as they thought, no remedy under the present law—they organized them into company unions. They financed their organizations and they are directing the propaganda that is coming in here to-day on the part of these independent organizations against this measure on the ground it gives them no protection.

If a controversy should arise between the independent employees or the unorganized employees of any railroad in the United States and the railroad, this machinery will be as available to them as the present machinery is, and will be more efficient and more economical and more just. These organizations have no representation on the present Railroad Labor Board. They have no power even to submit names to the President from whom he may select the three members to represent the employees on the present Railroad Labor Board.

Propaganda has been scattered here on the part of certain railroads and other interests that represent an unfriendly attitude to labor that if this bill is passed, it proposes to bring about what is known as the "closed shop" on the railroads of the United States. There is not a line—no member who has charged that interpretation has pointed to a single line or syllable in this bill that provides for that or even permits or looks toward the creation of what we know as a "closed shop" on the railroads of this country.

There is no such thing as a "closed shop" on the railroads of the United States. There never has been and in all probability there never will be because the conditions of labor that exist upon the transportation systems are entirely different from those which exist and obtain in the various manufacturing centers of the United States; and I am here to say to the credit of the organized part of railroad labor that there never has yet been a controversy that has arisen between the employees and the transportation companies, although the unorganized have no direct representation, where the interests of the unorganized classes were not cared for and sustained by the organized representatives of labor just as much as if they had been organized and had direct representation upon the boards that have settled these various disputes.

I want to speak now for just a few moments about the discharge of this committee.

Mr. STEVENSON. Before the gentleman leaves that point I want to say that we have heard a good many complaints from the short-line railroads that the law compels them to pay the same rates as the through lines and they will not be allowed to work out anything except that specifically adopted by the other roads.

Mr. BARKLEY. That is another form of propaganda that has been organized by many of the trunk lines. This bill does not in any particular affect the short-line railroads; it does not affect them any way different from the way they are now affected under the labor sections in the transportation act. They can go on and settle their labor questions on their own account, and they do settle them; they can employ such labor as they see fit under whatever terms they agree on. Of course, there are some short lines under the act regulating commerce under the interpretation of the law and the decisions of the Interstate Commerce Commission—under the law that deals with the railroads under the interstate commerce act they must deal with them all alike; they can not make exceptions. As a matter of fact the short lines have undertaken to misinterpret the law by saying that it is going to put them out of business. The gentleman from Kansas [Mr. TINCHER] said it would put the short lines out of business. It will not affect them at all except favorably, because if they can not settle their own disputes by conference the bill sets up machinery which will be available to them if they choose to use it.

Mr. KING. Will the gentleman yield for a short question?

Mr. BARKLEY. I will.

Mr. KING. Would the gentleman be willing, if the committee would begin hearings on the bill at once, to permit this bill to go back to the committee for that purpose?

Mr. BARKLEY. I do not think that would be effective, because this committee would do just what it is doing with the truth in fabric bill—prolong the hearings until the Congress is about to adjourn, and then it will be too late.

Mr. KING. But if they give reasonable assurance that this will not be the case.

Mr. BARKLEY. I have not had any reasonable assurance. If this bill should be sent back to the committee under any kind of instruction, it is dead. Gentlemen have stated that the public is not represented with reference to the boards provided by this act. I wish I had time to compare this bill with the present law. Both enjoin on the roads the settlement of their own disputes without resort to tribunals. Both provide for the appointment of adjustment boards. The difference is that the present law leaves it voluntary, while the bill makes it compulsory, and the reason is that many roads have refused to enter into an agreement with the employees to submit to expert technicians the question and let them iron out the grievances and disputes that arise during the operation of the roads.

They do not deal with wages or increase in compensation of employees. They do not deal with changes in the fundamental working conditions about which the public knows nothing and about which the public is not concerned. It is the settlement of disputes that arise in the interpretation of rules and working conditions which engages the attention of these adjustment boards.

When it comes to the settlement of wage conditions, they are dealt with by the board of five, which is drawn from the public, and the bill provides that there shall be no one on the board who is employed on or interested in the road. If anybody appointed on it should become financially interested in any railroad or becomes a member of any organization of employees, he automatically is disqualified as a representative on the board. So that the board that deals with the wage and working conditions is drawn entirely from the public.

Now let me get down to the committee. It has been stated here by one or two gentlemen that I have not as a member of the committee made diligent effort to secure consideration of the bill. It was stated yesterday by the gentleman from Illinois [Mr. DENISON] and a moment ago by the gentleman from Michigan [Mr. MAPES] that this is a political move, that politics had been interjected into this question. I ask either of the gentlemen to stand on his feet on the floor and say who first injected politics into this proposition. I have been a member of the Interstate Commerce Committee for 11 years, and it is the only committee I have been on since I have been a Member of this House.

Mr. MAPES. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. MAPES. My recollection is that the gentleman in discussing this bill referred to politics and partisanship for the first time since I have been a member of the committee.

Mr. BARKLEY. I will come to that. I have been a member of the committee for 11 years and have never been on any other committee. I never uttered a political syllable in the discussion of a bill that came out of the Interstate Commerce Committee since I was a Member of the House, and I challenge any man on the committee to say to the contrary. On the contrary, I have repeatedly over the objections of some of my colleagues on the Democratic side, and almost alone, fought for bills under previous Chairman Esch and under the present chairman, the gentleman from Massachusetts [Mr. WINSLOW].

Mr. MAPES. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. MAPES. The gentleman referred to the discussion on the floor——

Mr. BARKLEY. I am coming to that. If the gentleman will wait, I will say what happened.

In January, before I had ever introduced this bill, I undertook to find out what was the program of the Committee on Interstate and Foreign Commerce. Many gentlemen here had introduced bills, and I was one of them, seeking to repeal or eliminate the surcharge upon Pullman cars, charged by the railroads of the country. The gentleman from Illinois [Mr. GRAHAM] had introduced a bill to repeal and modify section 15a of the transportation act. There were some 15 or 20 bills introduced at the very beginning of the session of Congress pertaining to the transportation act. Some time in January I undertook to secure from the chairman of the committee some statement as to the policy of the committee with reference to legislation, and the reply was that the President was working on something and he could not find out just what it was, and he wanted to wait until the President had formulated his program. Weeks went on, probably six weeks, and nothing was said. The subject was never brought up again by the chairman until I again brought it up in the committee and asked that the committee hold an executive session to form its own program, because up until that time nothing had been brought in by the committee for consideration except what might be called chicken-feed legislation, with all of the important bills that were at that time pending before that committee. The thing was maneuvered around like a first baseman maneuvers to keep the runner from touching the sack, until weeks went by, and then I undertook again to bring it up in the committee. Finally we obtained an executive session of the committee after the delays and the maneuvers and the procrastinations on insignificant bills, some of them taking a week when a day was enough. Finally we got into executive session to formulate a program. The gentleman from Ohio [Mr. COOPER] had introduced a bill increasing the number of boiler inspectors. The gentleman from Kansas [Mr. HOCH] had introduced a bill providing for a general survey of railroad rates, and it was upon my motion that the Cooper bill was taken up.

I first moved that the Cooper bill be taken up first, that the Hoch bill be taken up second, and that my railroad labor bill be made the third bill on the program of the committee. The committee adopted the motion and took up the Cooper bill, and that was entirely agreeable. It adopted the motion to take up the Hoch bill, which was entirely agreeable; but when it came to the consideration of this labor proposition it was voted down, and immediately a motion was made to take up as the third proposition the truth in fabrics bill, and they began hearings on that bill on the 15th or 16th of April and they are still holding hearings, and, in my judgment, unless they make more progress in the future than they have in the past, when the Speaker raps the gavel for the last time to adjourn this session of Congress without day those hearings on the truth in fabrics bill will still be in progress, and if those who want that bill brought up before this House for consideration desire to get it here, they will have to get it, in my judgment, in the same manner in which I am trying to get the railroad labor bill before this House for consideration. [Applause.]

Mr. WINSLOW. Mr. Speaker, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. WINSLOW. I would like to know who told the gentleman what is going on in the committee.

Mr. BARKLEY. I am judging the future by the past. I have been unwilling to waste my time listening to witnesses who testified two years ago for nearly four weeks on this very same proposition, and by reason of the fact that I did not want to waste the committee's time I have not been present very much, if that is what the gentleman has reference to. [Applause.]

The gentleman from Michigan [Mr. MAPES] asked me a question. During these efforts on my part not only to have my bill considered but anybody's bill that affected the transportation act I did say something which possibly the gentleman from Michigan had in mind.

We have been commanded to wait and not to touch this sacred ox, the transportation act. Propaganda has come in here from all kinds of organizations, including commercial bodies, boards of trades from towns that do not even have a mayor or a policeman. We are told that we must not touch the transportation act, that we must let the railroads alone. This bill does not deal with the general provisions of the transportation act. It deals with Title III, and Title III might be cut out by the heart and it would not affect any other provisions of the transportation act. During the deliberations of the committee one day, perhaps in some disgust and with a little bit of resentment, because I had introduced this bill in good faith and not as a political measure—it was introduced in the Senate by a Republican and in the House by a Democrat in order that it might not be considered a partisan measure—during the efforts that I was making to get consideration of the bill, I did say that it might be unfortunate for the bill itself to have been introduced in the House by a Democrat and not by a Republican. I did say that, and that is all I said, and I said it after it had been made manifest that the bill would not be taken up by the committee. I have not taken a partisan view of the Committee on Interstate and Foreign Commerce, and I do not want to do it now. Nothing pains me more than to be compelled to make this motion, because I have served on the committee for nine years with the genial chairman of the committee, and Mr. RAYBURN and I are the oldest members

of that committee by reason of service. I have the greatest respect and admiration and affection for the members of that committee with whom I have associated during the last 10 or 11 years, but there comes a time in legislative history sometimes when a man must forget all about his friendships in order that justice may be done and that measures may be considered that are entitled to consideration.

This motion to discharge the committee the members of the committee seem to take as a reflection upon their integrity. I assume that this rule was adopted for some purpose. The gentleman from Massachusetts [Mr. WINSLOW] referred yesterday to the fact that I opposed the adoption of the rule in the beginning providing for 100 men to sign a petition to make a motion for discharging the committee. I did oppose that and I stand by everything that I said at that time. I voted for the motion as it was amended, however, to provide for 150, and if I had known then that I would have to deal with such an obstinate, recalcitrant, and incorrigible committee as the one which dealt with this bill I would have voted for 100 instead of 150. [Applause.]

Gentlemen, on next Monday this motion will be voted on, and I tell you that if you want this bill to be considered the only way to get it is to vote for that motion. It will do no good to refer it back to the committee where it has been. Congress is about to adjourn. Everybody is trying to get away from here by June. You know that unless this bill is taken up under this discharge rule there will be no chance to secure consideration of it during the present session. The next session of Congress is the short session in December. It can not consider anything except appropriation bills. The next Congress will not meet in all probability until December of next year, so that unless this bill is taken from this committee and given such consideration as the House may see fit to give it under the rules of the House, there will be no chance for at least two years to consider a bill of this character, dealing, as it does, with great interests from one end of the Nation to the other.

Some gentleman has said that there was no emergency that demands this legislation. Why, there was a strike to which I referred in 1922 on which the Department of Justice alone spent more than $2,000,000 in efforts to coerce a settlement of that strike, and the inefficiency, loss of time, and depreciation of railroad property cost the railroads of this country and the public together more than $100,000,000. The time to legislate and settle labor disputes is not when there is a strike, not when the emergency is at hand, not when the cloud rises and is about to precipitate a catastrophe, but the time to legislate in reference to disputes is when there is no emergency, when we may approach the subject calmly and with a desire to do justice to all sides and create the machinery that may be resorted to by both sides when the emergency does arise with some confidence that its adjustment may be respected, and that it may be respected not through fear but through a desire to obey the law [applause] and a desire to bring peace not only in industry but in the transportation systems of the United States.

Mr. GILBERT. Will the gentleman yield there?

Mr. BARKLEY. I will.

Mr. GILBERT. The impression was left on me by speakers opposing the rule that this was a step backward in that it eliminated public consideration. Do I understand the gentleman to say that under the theory in this bill in all matters affecting the public the public has more interest, in fact determines that matter exclusively?

Mr. BARKLEY. It has exclusive representation on the board. Neither side can be directly represented on the Board of Mediation and Conciliation. Mr. Speaker, how much more time have I?

The SPEAKER. The gentleman has five minutes remaining.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. BARKLEY. I will yield to the gentleman from Indiana.

Mr. SANDERS of Indiana. Is there any board or tribunal created by the gentleman's proposed measure which has the power to investigate any disputes as to increase of wages unless the parties agree beforehand they shall do so?

Mr. BARKLEY. Well, yes and no. The provisions of the original Erdman Act and the provisions of the Newlands Act, under which hundreds of disputes were settled and under which there was no nation-wide strike at any time subsequent to the enactment of either of those laws, were somewhat similar to the provisions in the bill now before the House in reference to the settlement of wage disputes. There is no compulsion upon either party to submit that dispute to the Board of Mediation and Conciliation and there can not be any compulsion upon either party under the law unless you are going to take the whole step and prevent strikes by criminal prosecution and that has never been attempted successfully. Australia attempted such a law and it is a dead letter. Canada attempted it, and although under that law there have been hundreds of violations, there have been only 11 prosecutions, and that law is a dead letter in Canada. France undertook it, and the only way she could enforce a rigid compulsory provision of an antistrike law was if there was a strike to call the employees into the army and make them work as soldiers. But we can not do that and we ought not to attempt that in the United States of America. [Applause.]

Mr. SANDERS of Indiana. I am not talking about antistrike legislation, but I am asking the gentleman if there is any tribunal under the proposed law which has the power to investigate and give to the public—independently of any agreement between parties—to give to the public their decision on the controversy irrespective of whether the decision is enforceable?

Mr. BARKLEY. The Board of Mediation is not a deciding body. It may be approached by either side or both sides, or it may offer its services and conduct investigations and give out to the public whatever it wants in reference to the facts, but it can not decide anything, and it ought not to decide anything, if you are going to leave it like the present Railroad Labor Board, without power to enforce its decisions.

Mr. SANDERS of Indiana. I would like the gentleman to point to a single phrase in his bill that gives to the Board of Conciliation and Arbitration the power to make investigations and a determination unless the parties agree to it beforehand.

Mr. BARKLEY. I do not understand it has to do with a decision. It is a board of mediation to bring parties together in an effort to induce a settlement upon the basis of agreement and contract, and it does not provide that this board shall be superimposed upon the transportation systems of the country and render a decision that one side may obey and the other may disobey without its having power to force its decisions.

Mr. SANDERS of Indiana. Then the gentleman agrees with me that there is no such tribunal provided for that can make such a decision?

Mr. BURTNESS. Mr. Speaker, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. BURTNESS. Is not the real important question, when you come right down to the merits of your proposed bill and the present law, the question whether you want to take away from the Railroad Labor Board the power to make a decision, with the incidental result, of course, that if that decision appears fair and just to the public, the public opinion will enforce the decision? Under your bill you are going away back from that situation. And, as a matter of fact, is not the main element of the question to decide as to whether that is proper or not?

Mr. BARKLEY. That is a question of distance and a question of the compass as to whether you are going back or forward. I think the present law brought you back to confusion, with the present board attempting, as Mr. Hoover said, to combine the functions of mediation with those of decision, but with no powers to mediate or to enforce decisions.

Mr. BURTNESS. I mean back in the way of practice, not in time.

Mr. BARKLEY. You go backward when you create an agency in which neither side has full confidence, and you go forward when you make it easy for both sides to be drawn together in confidence and respect. If the Congress of the United States desires to amend the bill in any provision, it has the right to do it.

Nobody has undertaken to create the impression, except those who are against the bill, that we are trying to drive it down your throats without the dotting of an "i" or the crossing of a "t." I myself am going to offer amendments to the bill if it is brought up for consideration. I say it is important enough to entitle it to consideration, and on Monday, without regard to party or the efforts of men on either side to crack the party whip, a majority of the House will, I trust, decide to discharge the committee and bring this measure before the House, where it can consider it under appropriate rules. [Applause.]

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District appropriation bill.

The motion was agreed to.

The SPEAKER. The gentleman from Illinois [Mr. GRAHAM] will please resume the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes, with Mr. GRAHAM of Illinois in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes.

Mr. DAVIS of Minnesota. Mr. Chairman, I could not hear what the Clerk read. What was it?

The CHAIRMAN. It was merely the title of the bill.

Mr. DAVIS of Minnesota. I could not hear a word that he read.

The CHAIRMAN. There was nothing pending when the committee rose yesterday. The Clerk will read.

The Clerk read as follows:

For all expenses necessary and incident to the enforcement of an act entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes," approved May 1, 1906, including personal services when authorized by the commissioners, $2,452, including an allowance at the rate of $26 per month for furnishing an automobile for the performance of official duties.

Mr. BLANTON. Mr. Chairman, I make a point of order against the following language: Page 14, line 19, against the following: "including an allowance at the rate of $26 per month for furnishing an automobile for the performance of official duties."

In that connection, Mr. Chairman, I want to say that no official of this Government and no employee of this Government is entitled to any allowance for an automobile that is not authorized by law. There is absolutely no law whatever for this. I appeal to the Chair on this point that there should be legislation before we allow it. Otherwise there might be a Congress some day that would want to give a Pierce-Arrow limousine to every one of the 300,000 employees of this Government. There ought to be some way of stopping it by points of order in accordance with the rules of this House that have prevailed for a hundred years. I submit that that is legislation on an appropriation bill and that it is not authorized by law.

Mr. CRAMTON. Mr. Chairman, the act referred to, an act authorizing the District of Columbia to remove unsafe buildings and parts thereof, and for other purposes, in section 1 provides that if in the District of Columbia any building or part of building, and so forth, is reported unsafe the inspector of buildings shall examine such structure; and if in his opinion the same shall be unsafe, he shall immediately notify the owner, and so forth. And section 3 provides that whenever a report of a certain survey shall declare a certain structure to be unsafe and the owner refuses in three days to cause such structure to be taken down, the inspector shall proceed to make such structure safe, and so forth. There is a duty imposed on the inspector of buildings to carry out the provisions of that act, and Congress of course has the authority to give an expense fund for that purpose and has the same authority to provide an automobile for the use of that inspector in making his visitations and his going about the city; the same right that it has to provide him with stationery and postage, and so forth.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Certainly.

Mr. BLANTON. Of course not, because stationery and postage are incidental to office work, and it is official, but an automobile is not.

Mr. CRAMTON. Right there the gentleman has brought the issue to the point, that if it is incidental to the proper performance of the authority given to the official, we may appropriate for it; and in carrying on the work in the District of Columbia, 10 miles square, barring what was given back to Virginia, it is self-evident that in the performance of that duty some means of transportation is necessary, and it is for Congress to decide whether an automobile is better than a street car.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. BLANTON. Then, of course, we could furnish a Pierce-Arrow limousine if Congress saw fit to vote for it.

Mr. CRAMTON. Well, when the committee proposes it, it will be time enough to talk about that.

The CHAIRMAN. The act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes, approved May 1, 1906, as cited by the gentleman from Michigan [Mr. CRAMTON], is a general act. It gives broad and comprehensive powers to a board, to be known as the Board for the Condemnation of Insanitary Buildings in the District of Columbia, to do certain things in and about the District in the examination and condemnation of insanitary buildings, a very useful work and a necessary adjunct to the government of such a place as the District of Columbia.

Now, the gentleman from Texas [Mr. BLANTON] states, in support of his point of order, that an allowance for an automobile would not be permissible and in order, unless there was some authority of law for the hiring of an automobile. The Chair can not see how that can follow. Would it be contended, for instance, that it would be necessary, before the Congress could appropriate for stationery for typewriting purposes, that there must be authority given by law to the board to buy typewriting machines?

Mr. BLANTON. If it were not for the law, this Congress could not furnish a Congressman with his stationery allowance. There is a legislative statute which authorizes it, and if it were not for that legislative statute we Congressmen would be without a stationery allowance.

The CHAIRMAN. Yes; but there is no law which authorizes the Board for the Condemnation of Insanitary Buildings to buy typewriters, to buy vehicles, or buy office furniture, specifically stating it, but it is commonly conceded that they must have that right, otherwise they could not function. So it must be true that if it is necessary for them to use an automobile they ought to have the right to do so, and if they can buy an automobile it follows that Congress may appropriate a reasonable amount for the maintenance of the automobile. That is always true when Congress gives broad, general powers and does not restrict and limit those powers, and Congress has not done so in this case.

Mr. CHINDBLOM. If the Chair will permit, as a matter of fact, there is probably nothing in the law which directly authorizes the employment of personal services.

The CHAIRMAN. The Chair sees nothing of the kind in it, and the Chair has the act before him.

Mr. CHINDBLOM. But such an appropriation is made in this language:

Including personal services when authorized by the commissioners.

The CHAIRMAN. The Chair has not closely examined the statute, but it is sufficient to say the board is authorized to inspect and examine buildings. Now, the Chair must adhere to his former conclusion. If a department is authorized by law to perform certain duties, it must necessarily follow, unless Congress has limited it, that that department must have the necessary things with which to do its business and the Congress may appropriate for such purposes. The point of order is overruled.

Mr. BLANTON. Mr. Chairman, I offer an amendment merely for the purpose of finding out where we are at. At the end of the paragraph, strike out the period, insert a colon, and add the following proviso:

Provided, That in the performance of his duties, every official connected with this department shall be furnished with a Pierce-Arrow limousine, and to cover the expense thereof there is hereby appropriated $500,000.

Mr. DAVIS of Minnesota. Mr. Chairman, I make a point of order against that amendment.

The CHAIRMAN. The point of order is sustained.

Mr. BLANTON. Well, we have gotten somewhere, then.

The Clerk read as follows:

For rent of offices of the recorder of deeds, including services of cleaners as necessary, not to exceed 30 cents per hour, to be expended under the direction of the Commissioners of the District of Columbia, $6,000.

Mr. DAVIS of Minnesota. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. DAVIS of Minnesota: On page 15, line 4, strike out "$6,000" and insert in lieu thereof "$14,400."

Mr. DAVIS of Minnesota. Mr. Chairman, this pertains to the building in which the office of the recorder of deeds is

located. It has been a known fact to all those who have investigated at all that for quite a number of years there has not been sufficient room in the two rooms they occupy on the first floor to carry on the business of the office. They are much in arrears now and it is because there is not space there in which to put a sufficient number of employees.

The original amount in the bill was $6,000, and is for rent and the services of cleaners.

Now, the gentleman from Illinois [Mr. MADDEN], and others, have been down there and investigated that building. The parties who own the building have threatened to remove—and I think they can properly remove—the recorder of deeds office forthwith from that building. The proposition they make now is that they will rent the entire building and furnish heat, light, janitor service, elevator service, and everything else, for the sum of $14,400, and this committee feels confident that it is the best solution that can be had at this time. It gives us the entire building.

Of course, in the near future, Mr. Chairman, two or three years from now, there will be a building in this city, a new building near the court house, for the recorder of deeds office, but in the interim there is no question but what they must have more room, and this gives them two additional floors and sufficient room for the sum of $14,400.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. The Committee on Appropriations, embracing 35 members, is one of the most peculiar committees you ever saw. Without any authority of Congress they exercise the right continually of putting legislation in an appropriation bill at will. They have no authority to do it, but they do it, and when one of us exercises his prerogative of enforcing the rules and makes a point of order against such improper legislation they have 47 spasms, but whenever they want to introduce legislation in the way of an amendment they do it. They do it and they do not want you to make any point of order against it. Now, they get a little out of humor when I call attention to these matters which are legislation, and when the Chair sustains them under the rules they get out of humor.

Mr. DAVIS of Minnesota. I will say to the gentleman that he can make a point of order against this if he wants to and as many more as he wants to make.

Mr. BLANTON. I do not yield to the gentleman. He is disobeying the rules now.

But when I offer, Mr. Chairman, an amendment that would benefit every man, woman, and child in this District, to restrict the street-car companies to their charter rights and not permit them to charge over 5-cent fares here, when their charter restricts them to 5-cent fares, the distinguished gentleman from Michigan gets up and makes a point of order against it and will not even let the House vote on it. The idea of charging 70,000 little school children here in this District 8 cents car fare, when most of the cities of the United States are charging 5 cents for adults and charging school children half price. They are now charging 8 cents apiece street-car fare for the 70,000 school children of this District.

Oh, but the gentleman from Michigan [Mr. CRAMTON] introduced an amendment here the other day that slightly changes the fiscal plan of this District. It is true he only raised the tax rate a few pennies, raising it from $1.20 to about $1.30, when other people everywhere else are paying $3.75; but when he does that the newspapers come out and tell us about who is going to stop it. They even name the individual who is going to put an end to that matter in this bill. They say he is not going to stand for it. He is going to have the Cramton amendment put out of this bill and is going to keep the tax rate here at $1.20. I thought maybe you would like to see where that individual lives. I can not mention his name, because the rules of the House prohibit it, but here is where the gentleman lives. I can show you this picture of his fine residence here in Washington, and if he succeeds in beating the Cramton amendment he pays just $1.20 on this fine property instead of $1.30.

I want to tell you that the time has come in this great city when every Congressman and every Senator who votes for that ridiculous $1.20 tax rate to continue at the time he votes for it ought to put in the RECORD, in fairness to his constituents, the value of his property that he owns here in Washington and the assessment and the tax rate and the measly little pittance of taxes that he pays on it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. Gentlemen, I have a list of every Congressman and every Senator in Washington who owns property here; and I have a list of his property and I have a list of the taxes he pays. I have not put it in the RECORD because it would not look nice for me to do it. Many Congressmen and Senators here who own property do not approve of this low tax rate. I do not want to make the others angry, but if they continue to keep this $1.20 tax rate here when the people of the United States are paying $3.75 all over this land I am going to put it in the RECORD some time as sure as you live, and I am going to let the people of this country know who it is that is benefiting here when they vote to keep the tax rate at $1.20.

I am going to let the people of this country know about it. Is not that right? Is there anything wrong about that? I do not think they are going to vote out this Cramton amendment; but if they do, it does not amount to very much for the people who live here, as the increase is slight. The gentleman from Michigan [Mr. CRAMTON] has not done much for the country in increasing the tax rate from $1.20 to $1.30. He ought to have accepted my amendment and put the tax rate here at $2.50, like it was a few years ago, and not let it be kept down to $1.20 on the $100 assessed at about 50 per cent of a real valuation.

I challenge one Congressman or one Senator to show that his property is assessed at more than 60 per cent of the cash market value of it right now. He can not do it. Property here is assessed at from 40 to 60 per cent of the real value and then taxed at only $1.20 per $100, and we ought to stop it. It is not fair to the people of the United States.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. CHINDBLOM. Mr. Chairman, I want to bring the discussion back to the amendment before the committee, namely, to increase the appropriation for the quarters occupied by the recorder of deeds from $6,000 to $14,400.

On this subject I merely want to say I had occasion recently to go down to the recorder of deeds' office to inspect a document which had been recorded there. I never saw a public office so congested in my life. I never saw men working in a public office under such cramped and almost impossible conditions as exist there. There is practically no room for desks and furniture, and the documents which have been recorded have to be put away in most inconvenient and inaccessible places.

I am glad the amendment has been offered and hope it will be passed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

The Clerk read as follows:

EMERGENCY FUND

To be expended only in case of emergency, such as riot, pestilence, public insanitary conditions, calamity by flood or fire or storm, and of like character; and in all cases of emergency not otherwise sufficiently provided for, in the discretion of the commissioners, $4,000; *Provided*, That in the purchase of all articles provided for in this act no more than the market price shall be paid for any such articles, and all bids for any such articles above the market price shall be rejected and new bids received or purchases made in open market, as may be most economical and advantageous to the District of Columbia.

Mr. BLANTON. Mr. Chairman, I make a point of order to the following language: "And in all cases of emergency otherwise sufficiently provided for in the discretion of the commissioners."

Mr. Chairman, that is new legislation. It was not in the last appropriation bill. It has never been put in any appropriation bill. It is something new that our friends have put in this bill for the first time.

Mr. AYRES. That is put in the bill to cover cases of emergency. For instance, take the death of President Harding. They were absolutely helpless because they had no funds to cover the expense of that funeral. This is simply to take care of matters of that kind.

Mr. BLANTON. Does not the gentleman from Kansas know that whenever any official of the Government dies, of that importance, the Sergeant at Arms of the House and the Sergeant at Arms of the Senate, the Clerk of the House and the disbursing officer of the Senate get together and arrange for the funeral?

Mr. AYRES. They do not as far as policing the District.

Mr. BLANTON. If Congress were not in session and a Member should die, our friend the Sergeant at Arms would take charge of his body and send it to his home. He would desig-

nate the ones to go with it. He is authorized to do that by law and pay the expenses out of the contingent fund of the House. That is the law of the land when Congress is not in session.

Mr. BEGG. If this goes out on a point of order, would it not meet the gentleman's objection to strike out the words in the item "such as riot, pestilence, public insanitary conditions, calamity by flood, fire, or storm, and of like character" and leave it a straight emergency?

Mr. AYRES. We put it in to cover these emergencies, and it was said at the time that it would give somebody an opportunity to talk, and that would be all there was of it.

Mr. CRAMTON. Mr. Chairman, it is not subject to a point of order. It is simply a broadening of the proposition. The hearings give as an instance of the need for this the Knickerbocker disaster where many of the fire engines were put out of order. It covers any emergency that may come up where there is necessity for a small emergency fund.

Mr. AYRES. Take the Knickerbocker disaster where the fire apparatus went back on them.

Mr. CRAMTON. We put the language in not to broaden the authority of the commissioners but to give them some money to use in cases of emergency.

The CHAIRMAN. The Chair has not had much time to look this up. This is an item of appropriation to be used as an emergency fund for the District of Columbia. What is there in the law that prohibits Congress from establishing an emergency fund for any department?

Mr. BLANTON. Congress provides for the expenditure of every dollar that is authorized to be taken out of the Treasury by the Appropriation Committee. If there is no authorization for the fund, the Appropriation Committee has no right to appropriate money for it. It ought to be appropriated only when there is specific authority to do so.

The CHAIRMAN. Here is an appropriation for an emergency fund. The Chair believes that it is a legitimate function of Congress to make such a fund if it wants to do so. For instance, Chairman Walsh on February 10, 1921, decided that an appropriation for an emergency, an extraordinary expenditure in the Navy Department, was in order as a necessary incident to the operation of the department. The point of order is overruled.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 15, line 6, after the word "character," strike out the semicolon and insert in lieu thereof a comma.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. CHINDBLOM. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 15, line 17, after the word "all," insert the word "other."

Mr. CHINDBLOM. Mr. Chairman, I do this because it has been held that general language followed by specific language will be interpreted to mean instances of the same general class.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

REFUND OF ERRONEOUS COLLECTIONS

To enable the commissioners, in any case where special assessments, school tuition charges, rents, fees, or collections of any character have been erroneously covered into the Treasury to the credit of the United States and the District of Columbia in the proportion that the appropriations for the expenses of the government of the District of Columbia for the fiscal year involved were or are paid from the Treasury of the United States and the revenues of the District of Columbia, to refund such erroneous payments, wholly or in part, including the refunding of fees paid for building permits authorized by the District of Columbia appropriation act approved March 2, 1911, $1,500: *Provided*, That this appropriation shall be available for such refunds of payments made within the past three years.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 16, line 6, after the word "proportion," strike out the language "that the appropriations for the expenses of the government of the District of Columbia for the fiscal year involved were or are paid from the Treasury of the United States and the revenues of the District of Columbia" and insert in lieu thereof "required by law."

Mr. CRAMTON. Mr. Chairman, that does not change the effect at all; but if some change was made in the first section of the bill, there would be no conflict by reason of this.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For interest and sinking fund on the funded debt of the District of Columbia, $300,000.

Mr. BLANTON. Mr. Chairman, I make the point of order against the paragraph that it is not authorized by law, that it is new legislation on an appropriation bill.

Mr. DAVIS of Minnesota rose.

The CHAIRMAN. The Chair does not care to hear any argument. The point of order is overruled. The Clerk will read.

The Clerk read as follows:

For the purchase of special typewriting equipment, typewriters, cards, and file cases, for the use of the offices of the assessor and collector of taxes, to be immediately available, $5,000.

Mr. BLANTON. Mr. Chairman, I make the point of order that this is new legislation on an appropriation bill, unauthorized by law, and that it is additional to the appropriation bill of last year. It is new matter that was not in the last District appropriation bill.

Mr. CRAMTON. Mr. Chairman, whether it was in the last appropriation bill or not is immaterial. If it was in and was then legislation it is still subject to the point of order now, and if it is not legislation the fact that it was not in a former bill has nothing to do with the question.

The CHAIRMAN. The Chair does not want to seem to be at all brusque or to dismiss these matters without consideration. The Chair has endeavored on several occasions to express his ideas about matters which were necessary for the conduct of an office which is authorized by law. When these points of order are raised, if any are raised in the future, the Chair will not go into his reasons for so holding. It is sufficient to say that the Chair thinks that he has expressed his opinion. The Chair is of opinion that such things as are necessary to carry on these legally constituted offices can be appropriated for, and therefore the point of order is overruled.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. Some time ago I went down to the collector's office and I was taken into his vaults by one of his assistants and saw there on the floor in his vault four open-top wooden boxes full of letters with checks and money attached to them, sent there in payment of taxes; checks that had been there for over a month, not cashed, lying there on the floor in those boxes. I asked him why it was and he said that they had not been able to reach them, that they did not have enough employees. The people who sent those checks there could have died or become insolvent before their checks were presented to the bank for payment. Do you know what my secretary would have done if he had been working in that office? He would have stayed there until 1 or 2 o'clock at night and on Sunday but what he would have gotten those checks filed, credited, and deposited, and he would not have done it because I told him to do it, but he would have done it from a sense of duty to his country. The idea of leaving for over a month four boxes full of checks there, together with money sent for the payment of taxes! I asked him how long they had been there and he said over a month. They ought to get some old-fashioned Yankee thrift into the business enterprises and business transactions of this District government.

Back of my house is an alley which runs behind five different houses on a down-hill grade, a very steep incline, and it has never been paved. When it rains hard the water runs away from that alley into the cellars of five different families there. About two years ago I got after the commissioners to stop that if they could. They said that they would pave the alley, and they began to send assistant engineers up there, two or three together, from time to time, and they began to look at it and make plats. It is just a little alley, about as far as from here to that door. I could have gone out there I believe myself and paved it with the assistance of a few laborers in a week. That was about two years ago that this trouble with the water began. They had been sending up there on several occasions. Finally they had a fine plan all mapped out and it was to have terraced steps down that alley. I saw how much it was going to cost and how much red tape there was to it, and I said, "For God's sake let it alone; we people will stand it if it is going to put the Government to all of that expense; stop it." And they did stop it at our request. The idea of messing around with business like that! They need some New England Yankee thrift in the conduct of their business affairs.

Mr. MORTON D. HULL. Or Illinois thrift?

Mr. BLANTON. Yes.

Mr. MADDEN. Or Texas thrift?

Mr. BLANTON. Yes.

Mr. WOODRUFF. Or Michigan thrift?

Mr. BLANTON. Yes. They ought to put some business thrift into the conduct of their government in this District.

The Clerk read as follows:

Northwest: For paving Varnum Street, Second Street to Fourth Street, 30 feet wide, $11,600.

Mr. BLANTON. Mr. Chairman, I make the point of order that that is legislation unauthorized on an appropriation bill. This same point of order affects all of these paving cases, provisions, from line 8 on page 17 down to line 8 on page 22, and will be made by me after each provision is read. It is all legislation. I do not want to repeat the point of order after the reading of each little paragraph, and I am willing to have the Chair pass on all of it at one time. It takes legislation to pave these streets. There is a legislative District Committee here to provide for it. There has not been a single representation made to the legislative committee asking for this paving. They do not come to the legislative committee, but they come to the Committee on Appropriations. They ought to be taught to come to the legislative committee for legislative matters, and it is the integrity of the jurisdiction of these legislative committees for which I am contending.

Mr. CRAMTON. Mr. Chairman, the Government owns all of these streets. Some of them have already been paved and need repaving, and some of them partially paved and need to be finished. In every case it is a continuation of a work in progress. Furthermore, the law provides that hereafter the commissioners, in submitting schedules of streets and avenues to be improved, shall each year recommend such streets and avenues in the order of their importance, as determined by them after personal examination of said streets and avenues, and there are other provisions as to how the streets shall be paved and how they shall be graded. I refer to Thirty-second Statutes, page 962. The statute clearly contemplates the paving of the streets and provides how the estimates shall be prepared. It is continuation of a work in progress.

The CHAIRMAN. The statute referred to by the gentleman from Michigan [Mr. CRAMTON] specifies how the estimates shall be made to Congress, and provides that in submitting the schedules of streets and avenues to be improved the commissioners shall arrange such streets and avenues in the order of their importance, and so forth. That estimate, of course, goes to the Congress. Then the Congress passes upon the matter as to how far it shall go in providing the money for these purposes. The gentleman from Texas [Mr. BLANTON] says that special authority should be given by the District Committee for such work. However, the Chair finds on a hasty examination of the authorities as given in the House Manual the following citations which the Chair has not had time to look up, but assumes properly bear out the syllabus:

But appropriations for rent and repairs of buildings, for Government roads, and purchase have been admitted as in continuation of a work, although it is not in order as such to provide for a new building in place of one destroyed.

Mr. BLANTON. Will the Chair yield right there for an explanation?

The CHAIRMAN. Yes.

Mr. BLANTON. This is not a Government road, for instance, like the Military Road we own over in Arlington or like the one down at Camp Meade. These are streets, if the Chair pleases, and the contiguous property owners are taxed. In other words, under the present Borland law, passed in 1914, every contiguous property owner is taxed for the pavement of 20 feet contiguous to his property. This is not a Government road; it is a public street, just as public as any street in Philadelphia or New York. The public has as much interest in it as in the streets of New York and Philadelphia and the property owners are taxed. That is one reason why there should be a hearing before the legislative District Committee. These property owners might come in and say that there is no emergency for paving this particular street that would warrant their having to pay for this 20 feet of their own property.

Mr. CRAMTON. May I call the attention of the Chair to how far the Chair has gone in the past with reference to work in progress. I recall the case of the topographic survey of the United States where an appropriation for its extension was held to have reference to a work in progress. Now, the pavement of the streets of the city is work in progress. Every single one of these pavements is to connect with an existing system of paving. There will be no breaks whatever. Every pavement to be laid under this paragraph will connect up immediately with the existing system of pavement.

The CHAIRMAN. The Chair has referred to the opinion in Fourth Hinds, paragraph 3779, which was a proposition to repair a pavement originally laid in that case in the city of Chicago, where a pavement had been laid by the Government adjacent to a Federal building in that city. The opinion was by Mr. WATSON, now Senator WATSON, of Indiana, and it goes off on the proposition entirely as to whether this road was a Government road—that is, whether the fee of the road was in the Government or not—holding by implication that if the fee was in the Government, then it was a work in progress, but inasmuch as the fee was in the city of Chicago a point of order was good against such an appropriation. Now, the fee of the streets of the District of Columbia is in the United States; they are Government roads, existing works. Corpus Juris (vol. 18, p. 1373) cites the authorities upon this proposition, citing principally Morris *v.* United States (174 U. S. 196). The point of order is overruled.

The Clerk read as follows:

Northwest: For paving Princeton Place, Warder Place to Georgia Avenue, 30 feet wide, $10,000.

Mr. BLANTON. Mr. Chairman, I am not complaining about the ruling of the Chair, because I believe the Chair is conscientious, but I am making this point of order merely to give the Chair a chance to straighten out the inaccuracy which he has fallen into from a conscientious belief in his position. Here is Princeton Place. This is to pave streets of this addition to the city of Washington. The fee to these streets is not in the Government, as the Chair indicated. Most of these streets, as the Chair will find, the dedications of those streets and additions are to the District of Columbia and not to the Government of the United States. This is the District of Columbia entity here that exists; it is Washington, D. C., not the Government of the United States. The Government has the seat of government in the District of Columbia, but every street here, every one of these additions here, the Chair will find the fee is in the District of Columbia; and I do not want the Chair's opinion to stay here in the RECORD as indicating that these streets belong to the Government, when everybody knows that they do not. The gentleman from Michigan and the gentleman from Minnesota ought not to pull the Chair into such an error. They ought to enlighten him and give him the benefit of the facts before he makes a ruling here that is to stand as a precedent in this House for all time and eternity.

Mr. CRAMTON. If the gentleman will yield, our activities are chiefly to protect the Chair from being led into error by the gentleman from Texas.

Mr. BLANTON. I know the gentleman when he wants legislation he puts it in and when he does not want it in he keeps it out. I understand the gentleman's modus operandi, and, of course, the committee backs him up in it, and he backs his brother members on the committee.

The Clerk read as follows:

In all, $482,750; to be disbursed and accounted for as "Street improvements," and for that purpose shall constitute one fund, and shall be available immediately: *Provided*, That no part of such fund shall be used for the improvement of any street or section thereof not herein specified.

Mr. GREEN of Iowa. Mr. Chairman, I move to strike out the last word. I do it for the purpose of asking the Chairman whether this is all that is appropriated for paving purposes in the bill.

Mr. DAVIS of Minnesota. Oh, no.

Mr. BLANTON. There are $550,000 on the next page.

Mr. DAVIS of Minnesota. These are all of the specific items. There is repair paving and things of that sort, and these are simply specific new items.

Mr. GREEN of Iowa. Well——

Mr. DAVIS of Minnesota. I will give the gentleman full statistics: Street improvements, specific improvements, $482,750; repairs to streets, avenues and alleys, $573,300; repairs in outlying sections, $275,000; assessment and permit work, $285,000; other miscellaneous items, $250,320; making a total of $1,876,370. I have given the gentleman the exact figures. The gentleman has read the papers, I guess.

Mr. GREEN of Iowa. No; I have not. But I have been traveling over the pavements, and I can say of all towns of this size or even very much smaller than Washington I never saw one that had such poor paving.

Mr. DAVIS of Minnesota. There has been a vast building improvement made in the city of Washington in the last few years.

There are more items in this bill, two to one, than the bill has ever carried in recent years. We have fifty-odd items here.

You can not put them all in one bill, because it would bankrupt the Treasury of the United States and of the District of Columbia; but we are taking them up just as fast as we can, consistently with the rules and with the money that is available.

Mr. GREEN of Iowa. The gentleman is all right about his figures, but he is wrong about my not having ridden over the streets in the last few years.

Mr. DAVIS of Minnesota. Of course, our committee has gone around and viewed every item recommended by the commissioners and by the Budget, and the items in the bill are the ones that in our opinion are the most important and the most needed. Heretofore, I will say, most of these improvements have gone down into the northwest portion of the city, in the so-called wealthier part; but recently there have been a lot of new and small buildings put up in the northeast section. That is the reason why we put these in. Probably the gentleman has ridden out in the northeast. The gentleman will find that it will be necessary to provide for as many or more items in next year's bill.

Mr. GREEN of Iowa. Mr. Chairman, has my time expired?

The CHAIRMAN. The gentleman has one minute left.

Mr. BLANTON. Mr. Chairman, will the gentleman let me ask him a question?

Mr. GREEN of Iowa. Yes. What is the question? I do not want to hold up the committee more than is necessary.

Mr. BLANTON. This is more than $800,000 that we are providing for the streets here. The taxpayers out in Iowa, where the tall corn grows, and in other States, pay approximately 40 per cent of this amount.

Mr. BEGG. No; 20 per cent. I will explain it to the gentleman when I get the floor.

Mr. GREEN of Iowa. Out in Iowa the taxpayers pay all the cost of the pavements. But it seems to me that the bad condition of the pavements is almost universal throughout the city here. Here and there you may find good pavements, but they are pretty rare.

Mr. BEGG. Mr. Chairman, I wish to offer an amendment. On page 22, line 9, I move to strike out "$482,750" and insert "$600,000."

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 22, line 9, strike out "$482,750" and insert "$600,000."

Mr. BLANTON. Mr. Chairman, I make a point of order against the amendment, that it is not only unauthorized by legislation but it is an increase. If the Chair is taking the last year's legislative bill as the authority, it is an increase over that item, and it is unauthorized by law.

Mr. BEGG. What are you making the point of order against?

Mr. BLANTON. Against the amendment.

The CHAIRMAN. The point of order is overruled.

Mr. BEGG. Now, Mr. Chairman, the main reason why I offered this amendment—I am sincere and think we ought to appropriate it—is to call attention to the same fact that the gentleman from Iowa [Mr. GREEN] called attention to, namely, the unreasonable and unnecessary condition of the streets in the city. This bill carries $110,000 less money for new streets than it carried last year.

Now, the statement of the gentleman from Texas [Mr. BLANTON] that the people back home are paying so much of this is not correct. They pay 20 cents on the dollar for new pavements and no more, and if the Federal Government's damage to those streets does not represent 20 per cent of the wear, then there is no justification at all for levying any tax against the Federal Government.

I think that the policy of parsimony that has been practiced by the Congress toward nearly everything in the city of Washington is a wrong policy. I would like to see the streets in Washington and the schoolhouses the best that there are in any city in the country. What I said the other day about the schoolhouses I now say about both schoolhouses and the streets. There is not a city of 500,000 inhabitants in the United States anywhere where the streets are in as horrible condition as they are in this city and where the schoolhouses are in such a shameful condition.

Why? The only reason is that we come here and talk about the part of the Federal Government's upkeep. If the Federal Government should not pay it, let us change the system in some way, so that the people who live on the streets and send their children to school may have the opportunity to have the streets and the schools in as good condition as they are in other cities, and pay for them.

What is the condition now? If every property holder on a street wants to have that street improved what is the process? Why, in other cities if they petition the city government, the city government never turns them down if there is a big enough representation of the property holders.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. BEGG. When I am through with this statement I will yield. But in the city of Washington, if every citizen resident on a street wants a pavement, and even if the street is in such bad condition that you could not drive a two-horse wagon through it, let alone an automobile, and if they do not satisfy five men on the District Committee, they have no recourse and no appeal. And I want to say to you that that is the most outrageous condition that ever existed in any city in the United States.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield? I can contribute a little illumination.

Mr. BEGG. I do not think the gentleman can contribute any illumination on that proposition. Those are the facts of the case.

Mr. CRAMTON. Mr. Chairman, it used to be that abutting property contributed nothing, and everybody wanted to improve the streets. Since we required a contribution from abutting property I asked the District authorities a week ago what was their practice. Did they wait until they received a petition from the property owners, or did they proceed without one? He said:

We proceed without them, because, since the Borland amendment, we never get a request.

Mr. BEGG. The gentleman does not know what he is talking about. "The gentleman from Ohio" did not say what the gentleman was talking about. I said if every citizen did petition for a street——

Mr. CRAMTON. But they never do.

Mr. BEGG. But I know better. The gentleman can not tell me about what I know about. Now, then, a situation like that, Mr. Chairman and gentlemen of this House, is absolutely unfair, to deny property holders an improved street if they are willing to pay for it.

Now, there is just one other comment I want to make.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BEGG. I ask for two minutes more in order to make that comment.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for two additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BEGG. When they do improve a street in the city of Washington, if it is by any other method than a pavement, they will haul out and dump ashes in it, and when the ashes dry out and the water they dump on the ashes dries out, and a wind comes up it beats any alkali storm I ever heard of or read about. If they would dump that same load of ashes in any other city in the United States that I know anything about they would be arrested before they got off the premises.

Now, I do this not to criticize the committee nor anybody else. The committee is only an agency of the machinery we set up through which the people may secure their improvements, but I make these remarks in order to call attention to a condition which I think is outrageous as regards the citizenship of the District of Columbia.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. BEGG. Mr. Chairman, I withdraw my amendment.

Mr. BLANTON. Then, Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word and is recognized for five minutes.

Mr. BLANTON. Mr. Chairman, the gentleman from Ohio is mistaken. Under the Borland Act, which was passed in 1914, every property owner contributes for the paving of 20 feet in the street. The Government and the District pay the balance 60–40. To pay that balance, 60–40, this $1,800,000 is appropriated in this bill, of which the taxpayers of the country pay approximately 40 per cent, if the gentlemen's amendment is adopted; but if it is not adopted then they pay the full 40 per cent.

You know, gentlemen, the gentleman from Ohio [Mr. BEGG] is the cutest man in this House. [Laughter.] He knows that if he gets up here on the floor——

Mr. SNELL. He admits it.

Mr. BLANTON. He does not have to admit it. We all know it.

Mr. AYRES. Mr. Chairman, I make the point of order that the gentleman is not discussing the section.

The CHAIRMAN. The gentleman will confine himself to the section.

Mr. BLANTON. The gentleman will keep himself within the rules. I know the rules, Mr. Chairman. As to knowledge about everything that exists in the world the gentleman from Ohio [Mr. BEGG] is the last word, and he admits it. He knows that if he makes this speech for Washington his picture will be in every paper in Washington, and they will all be for BEGG, while everybody who is against the amendment will be cussed by these newspapers. Naturally, he wants his picture in the papers. [Laughter.]

Mr. TAYLOR of West Virginia. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. BLANTON. Mr. Chairman, I withdraw my amendment.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

Mr. TAYLOR of West Virginia. Then, Mr. Chairman, I move to strike out the last two words. Mr. Chairman and gentlemen, it seems that the Northwest has been adequately taken care of in the preceding sections of this bill which have just been read. I know nothing about these conditions, but I was down in the Southwest the other evening, and I saw something which I feel should be called to the attention of the men who are in charge of this bill, because these men are in charge of the District. I refer to a carnival which had its tents pitched down there and had set itself up to demoralize the youth of this city. [Applause.] I find that this bill appropriates hundreds of thousands of dollars for schools, parks, playgrounds, and police protection, yet at the same time it seems the District allows carnivals to come here and set up 47 gambling devices and a lot of fake shows, where they have snake eaters, wild men, and other things which certainly do not contribute in the least to the edification or welfare of the community. It seems to me the persons in charge of the District of Columbia should see that conditions like that do not prevail in any community. [Applause.] What I saw the other evening was a disgrace to any community, much less a city of the size and standing of this great city, the Capital of our Nation.

I certainly and sincerely hope that what I say to-day will go to the persons who are in charge of the District of Columbia and that they will see to it that carnivals are not allowed to come here that do not have some standing in the community.

I am glad to say that all of the carnivals which come to the city are not like the one I saw in the Southwest.

Mr. AYRES. Will the gentleman yield?

Mr. TAYLOR of West Virginia. Yes.

Mr. AYRES. I will say that is a question for the legislative committee and not for the Appropriations Committee. That legislative committee has not much to do, and I suggest the gentleman take it up with them.

Mr. BLANTON. We have lost all jurisdiction since the Appropriations Committee assumed charge of affairs.

Mr. AYRES. I agree with what the gentleman from West Virginia has been saying.

Mr. TAYLOR of West Virginia. As I say, all of the carnivals which come to the city are not like the one I saw in the Southwest. I attended a carnival at Fifteenth and H Streets NE. recently which had some elements of respectability about it. I know there are carnivals of that kind in the country, and certainly only this kind should be allowed to come here and the revenue derived from such carnivals gives splendid regulatory powers. And yet this carnival that exists down in Southwest Washington here, on South Capitol Street, would be a positive disgrace to any community and it seems to me the District authorities should do something to see that such disgraceful shows are not allowed to pitch their tents within the confines of the city of Washington.

The CHAIRMAN. Without objection the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

To carry out the provisions contained in the District of Columbia appropriation act for the fiscal year 1914 which authorize the commissioners to open, extend, or widen any street, avenue, road, or highway to conform with the plan of the permanent system of highways in that portion of the District of Columbia outside of the cities of Washington and Georgetown there is appropriated such sum as is necessary for said purpose during the fiscal year 1925, to be paid wholly out of the revenues of the District of Columbia.

Mr. BLANTON. Mr. Chairman, I make a point of order against the paragraph that it is legislation unauthorized in an appropriation bill. Mr. Chairman, no paragraph that authorizes an unlimited appropriation ought ever to be adopted by this committee. In other words, there is no limitation whatever placed on this appropriation. It provides "there is appropriated such sum," and so forth, and of course it is without any limitation or restriction. This was merely in an appropriation act back in 1914 and is not legislative authority for this bill. It was authority simply for that year.

Mr. CRAMTON. Mr. Chairman, of course, if the proper language is used an item can be legislation as much in an appropriation act as any other place provided it is kept in the act and does not go out on a point of order.

In 1914 a certain paragraph was put in the act, which I will not take the time to read further than to say that it does authorize the commissioners to open up, extend, and widen streets, and so forth. Legislation having been passed by Congress, the paragraph before us simply provides the money to carry out that legislative enactment, and the fact that the amount is indefinite rather than definite, of course, does not render it subject to a point of order.

Mr. DAVIS of Minnesota. It is wholly paid out of the revenues of the District of Columbia, anyway.

Mr. McKENZIE. Mr. Chairman, I would like to ask the gentleman a question. Would this authorize the opening of new streets—for example, opening a street through Walter Reed Hospital?

Mr. BLANTON. Of course.

Mr. CRAMTON. It would give no authority except such as was given by the act of 1914. That act says:

That the Commissioners of the District of Columbia are hereby authorized to open, extend, or widen any street, avenue, road, or highway to conform with the plan of the permanent system of highways in that portion of the District of Columbia outside of the cities of Washington and Georgetown, adopted under the act of Congress approved March 2, 1893, as amended—

And so forth—

by condemnation under the provisions of subchapter 1 of chapter 15 of the code of law for the District of Columbia: *Provided*, That the entire amount found to be due and awarded by the jury under such proceedings as damages for and in respect of the land condemned, plus the cost and expenses of said proceedings, shall be assessed by the jury as benefits.

The paragraph before us, as the gentleman will see, is not an enlargement at all. It says to carry out the provisions of the statute which I have just read hurriedly in part, which authorizes the commissioners to open and extend highways, there is appropriated such amount as is necessary for said purpose during the fiscal year 1925. They used for this purpose $26,477.58 last year, and that is about what it runs ordinarily.

Mr. McKENZIE. Will the gentleman yield further?

Mr. CRAMTON. I yield.

Mr. McKENZIE. The gentleman is well aware of the fact that the Committee on Military Affairs in the last Congress had a bill before it to prohibit the opening of Fourteenth Street through the Walter Reed Hospital grounds.

Mr. DAVIS of Minnesota. That is in the city of Washington and this does not apply within the cities of Georgetown and Washington.

Mr. McKENZIE. It is in the District of Columbia.

Mr. DAVIS of Minnesota. No; this says outside of the cities of Washington and Georgetown.

Mr. McKENZIE. Do you say the Walter Reed Hospital is in the city of Washington or in the District of Columbia?

Mr. DAVIS of Minnesota. That is right. It is in the District of Columbia.

Mr. McKENZIE. It is in the District of Columbia, as I understand it. Following that, realizing the opposition that existed in the Committee on Military Affairs and the opposition of the Surgeon General of the United States Army to the proposition of opening Fourteenth Street through these grounds, they introduced a bill which went to the District of Columbia Committee and was reported out, and owing to opposition to the bill in the last Congress it was not finally acted upon. In this Congress there has been such a bill introduced and reported from the Committee on the District of Columbia and it is now on the calendar. There are some of us who believe in preserving the integrity of the Walter Reed Hospital grounds who have been watching that bill, hoping this Congress would defeat it. The only thing I am interested in is whether or not this provision in this bill is so written that it will permit these gentlemen in Washington to go ahead and do that which in my judgment the Congress of the United States does not want done, and that is the opening of Fourteenth Street through the grounds at Walter Reed Hospital.

Mr. CRAMTON. If the gentleman will permit, during all these years during which they have been agitating the Fourteenth Street proposition, this provision has been in the law year after year, and it is to be assumed that if the language were sufficiently broad to reach the case the gentleman has in mind, they would never have come to Congress for such authority. I am not familiar sufficiently with the facts, but my explanation would be that that extension is not a part of the permanent plan of the District of Columbia which is referred to in the statute. The statute I have read does not permit this money to be used for an extension of a street except in accordance with the permanent highway plan of the District.

Mr. McKENZIE. I do not wish to quarrel with the committee or to delay the committee, and I want to ask the gentleman from Michigan and the chairman of the committee if they will accept the following amendment, which will correct the whole thing, and that is, in line 25, after the word "highway," insert "except the Fourteenth Street extension." That will remove all question about it.

Mr. DAVIS of Minnesota. I have no objection to it—none whatever. It does not apply to such an extension, and I have no objection to your putting it in.

Mr. CRAMTON. If it is satisfactory to the gentleman from Minnesota, it is to me; but there is this danger: The present highway plan does not include this proposition or a good many other things that have been proposed. Now, to say here they may do anything that is in that statute except the Fourteenth Street matter, which is not within the statute, is a pretty cumbersome mixing up of the law.

Mr. BLANTON. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. BLANTON. The gentleman from Michigan, who has control of the bill, having agreed to the amendment, I presume the gentleman from Illinois will permit my point of order to be overruled.

Mr. McKENZIE. I am not passing on the point of order.

The CHAIRMAN. The Chair is ready to rule. The provisions of the statute, 37 Statutes at Large, page 950, was contained in the District of Columbia appropriation bill of 1914. The only question for the Chair to decide is whether that was permanent legislation or simply for the year.

Mr. BLANTON. Does it say "hereafter"?

The CHAIRMAN. This is the language of the act of 1914:

The Commissioners of the District of Columbia are hereby authorized to open, extend, or widen any street, avenue, road, or highway to conform with the plan of the permanent system of highways in that portion of the District of Columbia outside of the cities of Washington and Georgetown—

And so forth—

adopted under the act of Congress approved March 2, 1893, as amended by the act of Congress approved June 28, 1898—

And so forth.

Therefore they are authorized to open, extend, or widen any street, avenue, road, or highway in accordance with that plan. Of course, such language means that they are authorized to do it at any time, and any other contention would seem to the Chair unjustified. The Chair thinks it was permanent legislation. He is further sustained in this ruling by the ruling of Chairman Hicks in Committee of the Whole in passing on the widening of a street in the District of Columbia, who said that the widening of the street was authorized in accordance with the act of 1914. That decision was made in 1923 on a subsequent appropriation bill, and the Chair thinks it was sound. There can be no doubt that this was permanent legislation. The point of order is overruled.

Mr. McKENZIE. Mr. Chairman, I offer the following amendment, to insert in line 25, after the word "highway," the words "except the Fourteenth Street extension."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. McKENZIE: Page 22, line 25, after the word "highway," insert the words "except the Fourteenth Street extension."

Mr. CRAMTON. Mr. Chairman, I am afraid of that, and I am going to ask the gentleman if he insists on that to put in the words "and Piney Branch extension." Let the amendment cover both.

Mr. McKENZIE. Very well; I will modify my amendment.

The CHAIRMAN. Without objection, the amendment of the gentleman from Illinois will be modified and again reported.

The Clerk read as follows:

Modified amendment by Mr. McKENZIE: Page 22, line 25, after the word "highway," insert the words "except the Fourteenth Street extension and the Piney Branch Road extension."

Mr. BLANTON. Mr. Chairman, I offer the following amendment: At the end of the McKenzie amendment, add the following proviso:

Provided, That the authority given in the act of 1914 is not hereby in any way extended.

If you are going to put in these two exceptions, as the gentleman from Michigan knows, it opens up every street in the District of Columbia, both in old Georgetown and the city of Washington.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON to the amendment of Mr. McKENZIE: "*Provided*, That the authority given in the act of 1914 is not hereby in any way extended."

The CHAIRMAN. The question is on the amendment.

Mr. BLANTON. Mr. Chairman, I think, as this is an important matter, we ought to have a quorum.

Mr. DAVIS of Minnesota. I will state that if the point of order is withdrawn we will put the gentleman's amendment in a new paragraph.

Mr. CRAMTON. If it is adopted in the way the gentleman has offered it, it is right in the middle of a sentence.

Mr. BLANTON. Very well; I will withdraw the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. McKENZIE].

The question was taken, and the amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I offer the following amendment at the end of the paragraph.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 23, line 5, after the word "Columbia," insert "*Provided*, That the authority given in the act of 1914 is not hereby in any way extended."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For completion of trestle and bins in N Street NE., between First Street and Second Street, $20,000.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment.

Mr. BLANTON. Mr. Chairman, I reserve a point of order on the paragraph first and then the gentleman's amendment can be reported.

Mr. CRAMTON. Mr. Chairman, I prefer to withhold the amendment until the point of order is determined.

Mr. BLANTON. Mr. Chairman, this is a new item, lines 12 and 13, not carried in the last year's appropriation bill, and while it provides for completion, yet there is a fund provided to build a trestle and bins at N Street NE.

Mr. DAVIS of Minnesota. Mr. Chairman, in the act of October, 1922, we appropriated $20,000 for the completion of a trestle and bins at N Street NE., between First and Second Streets, and this is simply a continuation of that work and sufficient to carry out the provision.

The CHAIRMAN. The point of order is overruled. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 24, after line 13, insert the following:

"GASOLINE TAX ROAD AND STREET FUND

"For paving, repaving, grading, and otherwise improving streets, avenues, suburban roads and suburban streets, respectively, including personal services and the maintenance of motor vehicles used in this work as follows, to be paid from the special fund created by section 1 of the act entitled 'An act to provide for a tax on motor vehicle fuels sold within the District of Columbia, and for other purposes,' approved April 23, 1924:

"Northwest and Southwest: For paving Fourteenth Street, B Street south to C Street north, 50 and 70 feet wide, $30,000;

"Southeast: For paving Eleventh Street, Pennsylvania Avenue to the Anacostia Bridge, present width, $75,000;

"Northwest: For paving Twentieth Street, E Street to Virginia Avenue, 32 feet wide, $10,000;

"Northeast: For paving Central Avenue, Benning Road to District line, $78,000;

"Northeast: For paving Fifteenth Street, B Street to E Street, 82 feet wide, $38,000;

"Southeast: For paving Fifteenth Street, B Street to E Street, 82 feet wide, $38,000;

"Northwest: For paving Butternut Street, Fifth Street to Blair Road, 45 feet wide, $10,000;

"Northwest: For paving Forty-first Street, Davenport Street to Livingston Street, 30 feet wide, $49,000;

"Northwest: For paving Georgia Avenue, Military Road to Fern Street, 69 feet wide, $113,000;

"Southeast: For paving Nichols Avenue, Portland Street to Fourth Street, 56 feet wide, $25,000;

"Northeast: For paving Bladensburg Road, end of concrete to District line, 45 and 60 feet wide, $55,000;

"Northwest: For paving Wisconsin Avenue, Massachusetts Avenue to River Road, 60 feet wide, including necessary relocation of street car tracks and water mains, 60 feet wide, refund to be obtained from the street railway company so far as provided under existing law, $350,000;

"Southeast: For repairing and relooring the Pennsylvania Avenue Bridge, $20,000;

"In all, $890,000; to be disbursed and accounted for as 'gasoline tax road and street improvements,' and for that purpose shall constitute one fund: *Provided*, That no part of such fund shall be used for the improvement of any street or section thereof not herein specified: *Provided further*, That hereafter any moneys derived from assessments against private property for paving and resurfacing streets under provisions of existing law arising from the expenditure of the fund created by such act of April 23, 1924, shall be paid into the Treasury of the United States and be credited to and shall constitute a part of said fund and shall thereafter be available for appropriation in the same manner as the proceeds of the gasoline tax."

Mr. BLANTON. Mr. Chairman, I make the point of order to the following language in the amendment, which is clearly legislation and subject to a point of order:

Provided further, That hereafter any moneys derived from assessments against private property for paving and resurfacing streets under provisions of the existing law arising from the expenditure of the fund created by such act of April 23, 1924, shall be paid into the Treasury of the United States and be credited to, and shall constitute a part of said fund and shall thereafter be available for appropriation in the same manner as the proceeds of the gasoline tax.

Mr. CRAMTON. Mr. Chairman, I admit that language is subject to the point of order. I reoffer the amendment without that language.

Mr. BLANTON. It will not be necessary to reoffer it without the language, because that is all I make the point of order to, and the amendment stands with that out.

The CHAIRMAN. The point of order is sustained.

Mr. CRAMTON. Mr. Chairman, I hope before we dispose of it that the gentleman will modify his position. Explaining the amendment, recently we passed "an act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes," which was approved April 23, 1924. When that gas tax bill was pending in the House I offered an amendment which suffered some change in the course of the legislative history of the bill, but which finally stands out as follows in the law:

The proceeds of the tax, except as provided in section 10, shall be paid into the Treasury of the United States entirely to the credit of the District of Columbia, and shall be available for appropriation by the Congress exclusively for road and street improvement and repairs.

That means that the proceeds of the gas tax, the 2 cents a gallon paid by the automobile owners and truck drivers, shall be paid into the Treasury entirely to the credit of the District of Columbia, to be available exclusively for street and road improvement and repairs. Since that became a law the people of the District, who are always expecting the worst, have been sure that the worst that could be imagined has happened.

The amendment I have offered now is an attempt on my part, which I thought incumbent upon me to make as the author of that provision in the law, to keep faith with the people of the District. The motorist who pays 2 cents a gallon into this tax fund is assured that the money will be used for street and road improvement and repair. The District of Columbia bill which is now before us was made up some time ago. I understand it was completed in its terms several weeks before it was reported to the House.

Mr. DAVIS of Minnesota. Nearly two months.

Mr. CRAMTON. The gentleman from Minnesota says two months, and it was not reported to the House sooner than it was because of pressure of other business. Therefore, the bill as reported to the House carries the program for street and road improvement and repair which it would ordinarily carry if there had been no gas tax. As there has now been enacted this gas tax law, the tax to be paid by the people of the District and the tourists of the country and visitors to Washington, I am now offering the amendment to provide a program of additional street and road repair for the next fiscal year, to be taken from that fund. The estimates are that that fund will amount to about $900,000 a year. There is, of course, an element of speculation in that. The commissioners have their opinion that it will not vary $100,000 either way from that figure. The law will become effective May 23, 1924, in respect to the payment of the 2-cent tax, so that there will probably be available by the next fiscal year, 1925, a little better than 13 months' tax, or a little better than $980,000 under that estimate.

As it is my desire to see this work out in a manner perfectly fair, in a way which will keep faith, I took the matter up with the officials of the District several days ago. I remember one year ago, when we were making up the appropriations for street improvements our committee gave emphasis, and I think the committee has this year, and I think the officials in making their estimates have given emphasis to the need of adjacent property owners who were entitled to have paving in front of their several residences, where the property was 100 per cent built up, but in connection with this expenditure where it is contributed by those who drive automobiles and trucks, and so forth, it has seemed to me that a different policy should be followed.

We should endeavor to give first consideration when we are improving streets out of the gasoline tax to those arteries of travel which will be most commonly used by automobiles. The authorities of the District are in agreement with me as to that theory. I asked the authorities of the District, Major Bell, Mr. Hunt, and so forth, to prepare a program that they thought would be the most beneficial in the improving of the main arteries and streets that would be of general convenience to motorists, and the program that I have offered substantially is the one suggested by the engineer's office. There are two or three items which have seemed to me of importance that I have suggested be added to Major Bell's list, and those suggestions have been heartily concurred in by the engineer's office—for instance, the resurfacing of the Pennsylvania Avenue Bridge across the Anacostia River, and also the extension of the proposed repaving of Eleventh Street SE. so that it would go entirely from Pennsylvania Avenue to the bridge; also the paving of Fifteenth Street SE. from B to E. This program that I have suggested touches most of the main arteries leading out of the city. It proposes the improvement of Fourteenth Street, leading to the Highway Bridge; also of Wisconsin Avenue, that very important artery leading out into Maryland and the National Pike. It provides something for the improvement of Georgia Avenue.

It completes the cementing of Bladensburg Road. It provides for the paving of Central Avenue to connect up with the paved highway in Maryland at Capitol Heights. It provides for the improvement of the Pennsylvania Avenue Bridge, the completion of Fifteenth Street from Fifteenth and H Streets NE. to Pennsylvania Avenue SE., and also the improvement of Eleventh Street, leading to the Anacostia Bridge. I want to say that when the program was completed I asked Colonel Keller and Mr. Hunt, in charge of the highway improvement, and Mr. Kennedy, representing the Budget, whether in their judgment that was the best program that could be made to expend this gas-tax money for the general benefit of those who pay the tax, and they have all agreed that in their opinion it does represent the best arrangement that could be made. The chairman of the committee, Mr. DAVIS, and the ranking minority member, Mr. AYRES, with whom I have consulted, have cordially supported the proposal.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was agreed to.

Mr. CRAMTON. I will offer that part of the proposition that went out on the point of order, and ask the gentleman from Texas to withhold the point of order if he feels that he must make one.

Mr. BLANTON. Mr. Chairman, I make the point of order.

Mr. CRAMTON. Will the gentleman withhold it while I make a statement?

Mr. BLANTON. I want to state this to the gentleman as the reason why I do it.

Mr. CRAMTON. In a moment. I offer that as a proviso to be added to the amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: After the word "specified" in the last line of the amendment just adopted insert a colon and the following: "*Provided further*, That hereafter any moneys derived from assessments against private property for paving and resurfacing the streets under provisions of existing law arising from the expenditure of the funds created by such acts of April 23, 1924, shall be paid into the Treasury of the United States and be credited to and shall constitute a part of said funds and shall thereafter be available for appropriation in the same manner as the proceeds of the gasoline tax."

Mr. BLANTON. Mr. Chairman, I reserve a point of order, and I want to state this to the gentleman from Michigan. The only reason I make this point of order is this: Ninety per cent of all the streets in old Washington have been paved before the Borland amendment was passed, when the District paid one-half of all of it and the Government of the United States paid the other half of all of it, and the property owners did not pay a cent of it. Ninety per cent of such streets have been thus paved before the Borland Act passed in 1914 and became operative in 1915. Now, the taxpayers of the Government have already paid into this District $215,456,000 for civic expenses, and it is only right that this little bagatelle should go back into the National Treasury.

Mr. CRAMTON. If the gentleman will listen to me for a moment, I hope I can affect his judgment on this, because it is very imperative to keep full faith.

Mr. BLANTON. I am willing to withhold the point of order, only I want to have it understood that this is Saturday afternoon and the employees here have got to do their Sunday marketing, and they should be given time to do their Sunday marketing. I see present over there our genial friend from Massachusetts, whom we have missed every minute since he left us, who was one of the strongest legislators in the whole United States [applause], and he used to insist from a humanitarian standpoint that the employees of this Capitol should have Saturday afternoon in order to market. I wish he were back here, for he would make you committeemen stand around.

Mr. CHINDBLOM. The gentleman is referring to Judge Walsh?

Mr. BLANTON. To Judge Joe Walsh of Massachusetts, of course.

Mr. CRAMTON. Mr. Chairman, here is the way this thing works, and I want the attention of the gentleman from Texas because I want him to withdraw the point of order. This appropriation provides the entire expense of the pavings in question, and the abutting property owners will eventually, in the next three years, pay back a portion of the expenses. Now, all of this $890,000 will come out of the 2-cent gasoline tax. Every penny of it. The gentleman from Texas as a conferee, and I, as a Member on this floor, have done what we could to provide this fund, and he and I have been responsible in assuring the motorists that if they paid that 2 cents every cent of it would go into street improvement. Now, the effect of my amendment is this: If in the first instance we spend $10,000 on a street and in the next three years $4,000 comes back out of that $10,000 it goes into the Treasury, part to the credit of the District and 40 per cent to the credit of the United States. My amendment would provide when it came back, having come from the motorists, having come from the gas-tax fund, when it came back it should go to the gas-tax fund and be used hereafter just as the law provides that fund shall be used. Now, if the gentleman's point of order is insisted upon and Congress does not legislate, a little matter like this is apt to be lost sight of. Then, when the money comes back next year it goes into the general fund, 40 per cent goes to the Federal Government——

Mr. BLANTON. It ought to.

Mr. CRAMTON. It ought not. Whenever we get ready to require the District to pay back anything we think they owe us, if we ever do, let us take it out of the people of the District and not penalize those who contribute to this special fund which the gentleman from Texas and I have both pledged ourselves shall be kept inviolate for street and road improvement.

Mr. BLANTON. If the gentleman will yield, that is exactly what we are doing with the gentleman's amendment—we are spending it all upon the streets.

Mr. CRAMTON. No; we are not.

Mr. BLANTON. We are spending all the money upon the streets.

Mr. CRAMTON. And 40 per cent of it will, inside of three years, come back; and unless my amendment is adopted it will go into the Treasury, to be used by the District and by the Federal Government for anything.

Mr. BLANTON. I will tell the gentleman from Michigan how he will stop it. If, when he goes into conference——

Mr. CRAMTON. I will not be a conferee——

Mr. BLANTON. If the gentleman can get the conferees to put a provision in here to the effect that the taxpayers shall pay $2.50 on the hundred, he will solve the problem for all time.

Mr. CRAMTON. We want to be fair. I do not want the time to come when I shall not keep my plighted word to the people of the District.

Mr. BLANTON. I did not make any pledge.

Mr. CRAMTON. The gentleman was a conferee.

Mr. BLANTON. On the bill that the people of the District went to the White House and tried to get a veto on; yes. I did not make any pledge except the pledge I am going to fight here until the people of the District of Columbia pay a tax of $2.50 a hundred, and I am going to keep that fight up as long as I am in Congress.

Mr. CRAMTON. I appeal to the gentleman not to make the point of order.

Mr. BLANTON. Mr. Chairman, I make the point of order.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

BRIDGES

For construction and repair of bridges, including an allowance at the rate of $26 per month to the overseer of bridges for the maintenance of an automobile for use in performance of his official duties, and including maintenance of motor vehicles, $30,000.

Mr. BLANTON. Mr. Chairman, I do not care to make a point of order on the whole paragraph. I just make it to that part that is subject to a point of order. I make it on the word "construction" in line 15, which would cut out new construction, which requires legislation, and which is unauthorized by law. It has come from no legislative committee.

Mr. DAVIS of Minnesota. Mr. Chairman, that word "construction" has been carried in there for many years. I do not see any particular harm in leaving it in there now. It is construction and repair of bridges. I do not think there is anything wrong in it, or anything that is subject to a point of order.

Mr. CRAMTON. Mr. Chairman, I will make the suggestion to the Chair that a bridge is simply a part of a street improvement. When you proceed with your paving, when you come to the stream or otherwise where a bridge or culvert is necessary, the construction of that is simply in continuation of a work in progress.

Mr. BLANTON. Then it is not necessary that we shall have to legislate to complete this $14,600,000 memorial bridge across the Potomac.

Mr. CRAMTON. It will be necessary to get an appropriation.

Mr. DAVIS of Minnesota. You can not build it out of this fund.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Pennsylvania [Mr. Dalzell], on May 4, 1900, made a ruling that is in point here. I read from Hinds' Precedents, Volume IV, section 3794:

On May 4, 1900, the sundry civil appropriation bill being under consideration in Committee of the Whole House on the state of the Union, this paragraph was read:

"For construction of a bridge across Rock Creek on the line of the roadway from Quarry Road entrance under the direction of the Engineer Commissioner of the District of Columbia, $22,000, one-half of which sum shall be paid out of the revenues of the District of Columbia."

Mr. J. H. Bankhead, of Alabama, having made a point of order, the Chairman held:

"The Chair has no doubt that this appropriation is in continuance of a public work already begun and is not subject to a point of order."

With this the Chair concurs, and the point of order is overruled.

Mr. LOZIER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri moves to strike out the last word.

Mr. LOZIER. Mr. Chairman and gentlemen, as a new Member of this House, I had not been here but a few weeks until I became convinced that there was something radically wrong in the system under which the District of Columbia is governed. Subsequent investigation has confirmed this opinion. The length of time consumed by Congress in District of Columbia legislation is out of all proportion to the time consumed in legislating for the rest of the United States. Under the rules of this House, two Mondays in each month are de-

voted to District legislation; that is, 2 days out of every 24 must be spent by Congress in District of Columbia legislation, and the other legislative days are reserved for general legislation. Two days to legislate for one-half million people and 24 days to legislate for the remaining 109,500,000 people in the United States.

I am not criticizing Congress for this legislation, but I am criticizing a system that requires so much of the time of Congress in legislating for the District of Columbia. We are spending practically one-twelfth of the entire session in legislation involving an infinity of detail with reference to the District of Columbia, while the major things involving the prosperity and economic life of the Nation are pushed aside.

Mr. AYRES. Mr. Chairman, will the gentleman yield there?

Mr. LOZIER. Yes.

Mr. AYRES. And at the rate we are going, we shall probably spend one-twelfth more.

Mr. LOZIER. This is probably true. The Members of this House must realize that this policy was never contemplated when the District of Columbia was selected as our seat of government. And if the fathers of this Republic, who voted to establish the Capital at the falls of the Potomac, instead of at the falls of the Delaware, could see the trouble and perplexity which surround Congress now over the legislation with reference to the District of Columbia, they would wonder whether or not they were wise in coming out to what was then almost a wilderness for a site for our National Capital.

The founders of our Government encountered serious difficulties in deciding on a location for our Capital.

The Continental Congress met in different cities, having had an ambulatory experience. It assembled on 10 occasions at 8 different places—Philadelphia, Baltimore, Philadelphia, Lancaster, York, Philadelphia, Princeton, Annapolis, Trenton, and New York. The first five meetings were during the Revolutionary War. On June 21, 1783, a mob interrupted the session of the Congress in Philadelphia. This mob was composed largely of militiamen who were demanding payment for their services. The Members were not permitted to speak, and loaded muskets were drawn on the Members. As a result Congress decided to erect a building near the falls of the Delaware river (Trenton). This plan was opposed by the southern Members of the Continental Congress, who demanded that another meeting place should be provided near the falls of the Potomac and that Congress should meet first at one of these places and then at the other. The New Jersey proposition was adopted, but as the Government had no money to build a Capitol it was decided that Congress should meet in New York City until the new Capitol was ready for occupancy.

There was widespread opposition to Congress meeting in New York City, where it was claimed the Members would be under the sinister and corrupting influence of the "money power." The proposal to select Philadelphia as the permanent Capital was objected to because the Quakers favored the abolition of slavery, which indicates that even at that early day the slavery question was becoming a factor in public affairs.

The first Congress after the adoption of our Federal Constitution seriously contemplated establishing the Capital of the Nation on the banks of the Susquehanna. To Thomas Jefferson is ascribed the credit of having defeated this carefully prepared plan. He desired to locate the Capital of the Nation on the Potomac, midway between the South and North and far from the then centers of wealth and population, to the end that Congress and the National Government might at all times be free and far removed from the "corrupting influences" of the money power and commercial classes, who were then beginning to exercise a potential influence in public affairs.

Mr. Jefferson gave a dinner to which a large number of Members of Congress were invited. Among the guests were two very aggressive anti-Federalists who were opposing the assumption of the State debt by the Federal Government. As a result of "logrolling," these two anti-Federalists withdrew their opposition to the Federal Government assuming the debts of the States on condition that the Federalists vote to establish the Capital on the banks of the Potomac after 10 years, during which time the Capital was to remain at Philadelphia. The Federalists were very anxious to have the General Government assume the debts of the several States, and in order to secure the adoption of this policy a sufficient number of the Federalists voted with the southern Members to insure the location of the Capital on the Potomac.

The act of Congress of June 28, 1790, established the Capital "at some place between the mouths of the Eastern Branch and the Connogocheague." The District was laid out by General Washington. It may be of interest to note that it included the site of the ancient village of Powhatan.

A man named Pope had at one time owned and occupied this land as a plantation. Strange as it may seem, he must have dreamed that at some time the Capitol of the Nation would be located here, for in his will he called this hill "the Capitol" and a brook nearby "the Tiber."

When the Capital was established here it was far removed, as distance was then computed, from the great centers of wealth and population. Washington, Jefferson, Madison, and other constitutional fathers contributed materially to the upbuilding of the District of Columbia and the city of Washington. After the burning by the British Army, Congress decided to remove the Capital to some northern locality. The Speaker cast the deciding vote on this proposal, but the plan was abandoned and the Capitol of our Nation remained on the site where the founders of our Republic established it.

The District of Columbia was governed by three commissioners appointed by the President until 1871, at which time, in response to a general demand from the people of the District, it was given a governor, legislature, and a Delegate in Congress. After three years of self-government the District was bankrupt. During this period graft and corruption permeated every branch of the District government, and it was necessary for Congress to again assume direct legislative control over the affairs of the District.

By the act of June, 1878, the present comprehensive scheme of government was adopted. This bill has been referred to by our Supreme Court as "the Constitution of the District of Columbia." Up to 1874, all of the expenses of the District were paid by the people of the District. For a time thereafter these expenses were divided equally between the District and the Federal Government. Later on these expenses were apportioned on a 60-40 basis.

Now, we shall have in the city of Washington within less than a quarter of a century, 1,000,000 people; and the complications which now confront the Congress will be multiplied over and over again. When the people of the District of Columbia want anything they come before Congress and say, "We are the wards of the Government. The United States is the wet nurse of this municipality, and you must open the Treasury of the United States and make appropriations for the maintenance of the District." The contention as to how the expense of the District shall be apportioned waxes warmer at each session of Congress.

Now, some method must be devised within the next few years by which Congress and the people of the United States will be relieved from the necessity of legislating in matters involving an infinity of details, with reference to the municipal and local matters of the District of Columbia.

It seems to me that ultimately we shall be forced, in self-defense, to cede back to the State of Maryland this District territory, the United States Government retaining jurisdiction and sovereignty over its buildings and grounds, with such additional sovereignty and jurisdiction as may be found necessary to enable the Federal Government to efficiently and effectively function. If that is done, the District will become a part of the State of Maryland, with all the civil and political rights of the present citizens of Maryland. Then the people of the District will have representation in Congress. They will have the right to vote for President and Vice President. They will not be disfranchised as they now claim to be, and yet at the same time they will be subject to State laws and enjoy the municipal powers now exercised by the citizens of Maryland. This done, they will not be clamoring at the doors of Congress each year for appropriations, and the time of Congress can be given to the enactment of legislation in which the people of the entire United States have an interest.

I have not formulated a definite plan, but I am making this suggestion hoping that before the assembling of the second session of the Sixty-eighth Congress the leaders in the House—the men who are familiar with District affairs, the men who have studied these problems and know the needs and difficulties of the people of the District—will get together and formulate a plan which will permanently solve this complicated problem of District of Columbia government.

We have been quibbling and engaging in child's play so far as legislation for the District is concerned, and there will always be trouble and contention until we have adopted a system by which Congress will be relieved of the necessity at every session of Congress of devoting a considerable part of its time in legislating for the District.

No other nation has "a District of Columbia problem." Other nations efficiently function with their seat of government in cities which are not under national control.

I am suggesting no definite plan. I am committed to no particular policy, but I do say that a change in the system for

the government of the city of Washington and the District of Columbia is inevitable. This is a big question, and Congress might as well begin in earnest to consider its proper solution.

It is out of the question to talk about giving the District self-government in the sense of according it representation in the House, Senate, and Electoral College, but I do favor some system which will, in so far as possible, give the District self-government, with the burdens and benefits incident thereto; and it may be necessary to relinquish the District territory to the State of Maryland, the Federal Government retaining jurisdiction and sovereignty over its buildings and grounds and all such additional sovereignty and jurisdiction as may be necessary to enable the Government to efficiently and effectively function. [Applause.]

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. The distinguished gentleman from Missouri [Mr. LOZIER] complains because Congress, as he says, devotes about one-fifth of its time to District legislation, but there is not one-fifth of the Members of Congress who do that at all. Until some few extra Members came in a few minutes ago, I counted at one time to-day only 15 Members on the floor who were devoting their time to District affairs.

Mr. LOZIER. The gentleman from Missouri has been here all day.

Mr. BLANTON. If the gentleman will count, he will see that not over 30 or 35 Members devote very much time to District business at any time when this bill is up, so that when bills affecting the District of Columbia come up it is natural for those of us who have studied District business to take the floor. We have made a study of them during many days and sometimes during a part of the night, so gentlemen should not complain when we do have to take the floor.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HILL of Maryland. I just want to say that I agree entirely with the gentleman that when we are discussing District affairs, which are of so much importance to the general taxpayers as well as to Washington itself, there should be more Members here. I would like to say at the same time that the gentleman's [Mr. LOZIER] suggestion that the District of Columbia be returned to its mother State of Maryland is one which interests me very greatly.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

Appropriations hereafter made for the construction and repair of bridges shall be available for repairing, when necessary, any bridge carrying a public street over the right of way of property of any railway company, or for constructing, reconstructing, or repairing in such manner as shall in the judgment of the commissioners be necessary reasonably to accommodate public traffic, any bridge required to carry or carrying such traffic in a public street over the right of way or property of any canal company operating as such in the District of Columbia, on the neglect or refusal of such railway or canal company to do such work when notified and required by the commissioners, and the amounts thus expended shall be a valid and subsisting lien against the property of such railway company or of such canal company, and shall be collected from such railway company or from such canal company in the manner provided in section 5 of an act providing a permanent form of government for the District of Government, approved June 11, 1878, and shall be deposited in the Treasury to the credit of the United States and the District of Columbia in the same proportions as the appropriations for such purposes have been or may be paid from the Treasury of the United States and the revenues of the District of Columbia.

Mr. CRAMTON. Mr. Chairman, I offer an amendment, and I will say that this amendment is the same amendment that I previously offered.

The CHAIRMAN. The gentleman from Michigan offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 25, line 15, after the words "in the" strike out "same proportions as the appropriations for such purposes have been may be paid from the Treasury of the United States and the revenues of the District of Columbia," and insert in lieu thereof the following: "proportions required by law."

Mr. BLANTON. Mr. Chairman, I make a point of order against the amendment.

Mr. CRAMTON. Let me say to the gentleman from Texas that it does not change the law.

Mr. BLANTON. I withdraw the point of order.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken and the amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word in order to ask a question. We have several bridges across rivers here, the Anacostia and the Potomac Rivers, over which street railway companies run their cars. The law requires these car companies to pay a toll. They have gotten the benefit of the bridges which have been built at Government expense, yet I understand these street railway companies refuse to pay that toll and it is not being collected. I want to know why the committee does not take steps to make them pay for the privilege of crossing bridges which they themselves would have to furnish if they were not constructed otherwise.

Mr. DAVIS of Minnesota. Let the District legislative committee, of which the gentleman is a member, enact some law which will force them to do that.

Mr. BLANTON. The law is already here requiring them to do it, but they are not doing it. I imagine that if this committee were to withhold the salaries of the individuals whose duty it is to make them pay that toll they would begin making them pay it at once. I want to suggest that to the committee, that it withhold those salaries if they do not begin collecting those tolls in full and make them pay. Why should we furnish this big, fine $3,000,000 Francis Scott Key Bridge across the Potomac and let the railroad companies cross it, when they would have had to build it themselves if they were not given the privilege of crossing it? We had to make it wide enough to carry their tracks, and they ought to pay the full amount of the toll required by law or they ought not to be permitted to cross it.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. CHINDBLOM. This would be a fruitful subject for investigation, would it not?

Mr. BLANTON. Oh, investigations! I am sick of them; when they cost hundreds of thousands of dollars and accomplish nothing.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

Francis Scott Key Bridge across Potomac River: For miscellaneous supplies and expenses of every kind necessarily incident to the maintenance of the bridge and approaches, including personal services, $2,000.

Mr. DAVIS of Minnesota. Mr. Chairman, I offer the following amendment: After the word "Bridge" in line 4, page 26, strike out the words "across Potomac River."

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. DAVIS of Minnesota: On page 26, line 4, after the word "Bridge," strike out the words "across Potomac River."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEWERS

For cleaning and repairing sewers and basins, including the purchase of two motor field wagons at not to exceed $650 each, the purchase of two motor trucks at not to exceed $650 each, and the purchase of one motor tractor at not to exceed $650; for operation and maintenance of the sewage pumping service, including repairs to boilers, machinery, and pumping stations, and employment of mechanics and laborers, purchase of coal, oils, waste, and other supplies, and for the maintenance of motor vehicles used in this work, $231,000.

Mr. BLANTON. Mr. Chairman, I make a point of order against the following language on page 26, lines 22 and 23, which reads as follows: "and the purchase of one motor tractor at not to exceed $650," being legislation, unauthorized.

The CHAIRMAN. The Chair does not desire to be considered discourteous, but thinks the Chair has indicated his opinion on this matter. The point is overruled.

Mr. BLANTON. I offer an amendment, Mr. Chairman. On page 3, line 27, after the figures "$231,000," strike out the period, insert a colon, and add the following language:

Provided, That no part of this sum shall become available until regulations shall prescribe that parties connecting with such sewer system shall bear the full expense of all such connections, including necessary excavation.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: On page 27, line 8, after the figures "$231,000," strike out the period, insert a colon, and add the following: "*Provided*, That no part of this sum shall become available until regulations shall prescribe that parties connecting with such sewer system shall bear the full expense of all such connections, including excavation."

Mr. CHINDBLOM. Mr. Chairman, I make a point of order on that.

The CHAIRMAN. On what ground?

Mr. CHINDBLOM. On the ground it is legislation and not a limitation.

Mr. BLANTON. Oh, it is a limitation, pure and simple. I would like to be heard, Mr. Chairman.

Mr. CHINDBLOM. The language itself, as the Chair well knows, must show a limitation on the expenditure.

Mr. BLANTON. Mr. Chairman, here is the situation, I will state for the benefit of the committee, that ought to be interested in this just as much as I am. At present, just to illustrate the matter and show you that it does retrench, here is a 20-foot lot that the gentleman from Illinois [Mr. CHINDBLOM] may own. He builds a residence on it and wants to connect with this Government sewer system. He does not make the connection. He applies to the District government down here at the Municipal Building. They send their plumbers up there and their dirt diggers and make all that excavation themselves out into the street, sometimes costing $200 or $300, if you please; they lay all the pipes, they make all the plumbing connections, sometimes costing quite a large sum, and for all of that they charge the gentleman from Illinois [Mr. CHINDBLOM] only $30, or $1.50 a front foot for the 20 feet, in a flat-rate charge. That is the total charge for making such a connection.

Mr. BEGG. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BEGG. I just want a little information. I just asked the chairman of the committee about this matter. I may have misunderstood the gentleman. If they are running a sewer down a street, that, of course, the city and the Federal Government pays for?

Mr. BLANTON. Yes.

Mr. BEGG. Now, do you mean to say that if I own a lot and want to tap the main sewer the city pays the bill?

Mr. BLANTON. Yes; and you pay just $30 for a 20-foot lot.

Mr. BEGG. The chairman of the committee says otherwise.

Mr. BLANTON. The chairman does not know. I have been down to the District Building myself and have found out. I have Auditor Donovan's statement in writing over his signature that that is the case—a man with a 20-foot front lot pays $1.50 a front foot, which would be $30.

Mr. DAVIS of Minnesota. That is for the main sewer laid in the street.

Mr. BLANTON. That is for connecting the premises with that sewer to obtain service.

Mr. DAVIS of Minnesota. Where the property owner wants to connect with that sewer in order to connect it with his house he pays all the expense.

Mr. BLANTON. I have Auditor Donovan's statement to the effect that the property owner does not, but pays just $30 where it is a lot 20-foot front.

Mr. BEGG. Will the gentleman read his statement?

Mr. BLANTON. I have not the letter here. It is in my office. I have called attention to this a dozen times here on the floor.

Mr. BEGG. I think the gentleman is wrong, and the chairman of the committee says he is wrong.

Mr. BLANTON. That just shows how little some of our friends know about the District business. Let me tell you also about the water system. When the gentleman from Ohio [Mr. BEGG] and the gentleman from Illinois [Mr. CHINDBLOM] and the gentleman from Minnesota [Mr. DAVIS] have their 20-foot lots here, if they want to connect with the water system to get the water to their private family residence, with a 20-foot lot they pay $2 a front foot, which is only $40. The District and Government pay all the balance.

Mr. BEGG. What is the $2 for?

Mr. BLANTON. It is just a straight, flat-rate charge, a lump-sum charge of $2 per front foot.

Mr. BEGG. What for?

Mr. BLANTON. It is a bagatelle of an excuse for getting a connection and having the District and Government pay for it. That is the kind of benefits these people living here have been getting for 25 or 30 years.

Mr. BEGG. Will the gentleman yield again?

Mr. BLANTON. Yes. Two dollars a front foot is all they pay for getting that water connection.

Mr. BEGG. Wait until I ask the question, please. Does the city pay for the water pipe or the sewer pipe or whatever it is that is used?

Mr. BLANTON. The city and the Government pay all of it, except the $1.50 and the $2 per front foot for making the respective connections.

Mr. BEGG. For piping it into the house, I suppose?

Mr. BLANTON. Yes.

Mr. BEGG. And pay for the plumbing, too?

Mr. BLANTON. All of it and the excavation, and charges $1.50 per front foot for sewer and $2 per front foot for water connection.

Mr. BEGG. That is so ridiculous——

Mr. BLANTON. I know it sounds ridiculous, and it is ridiculous, and that is the reason I am calling attention to it. It is something that has been going on here that ought to be stopped. This is the reason the people here in the District kick when you try to make them pay more taxes. They have been getting these things almost free for years.

Mr. BEGG. Now, will the gentleman cool down and not get so excited and listen to my question until I am through so he will know what I am asking?

Mr. BLANTON. I am going to send over and get Auditor Donovan's letter and ask permission to put it in the RECORD to-night.

Mr. BEGG. Let us pass this particular paragraph until you get that.

Mr. BLANTON. Mr Chairman, I ask unanimous consent to put in the RECORD in connection with my remarks, Mr. Donovan's letter showing that these very conditions exist here.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks——

Mr. BLANTON. All I want is to put in the RECORD Mr. Donovan's letter if I can find it in my office.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. CHINDBLOM. Mr. Chairman, if the point of order leads to any particular discussion, I am willing to withdraw it, but without prejudice.

LETTER FROM AUDITOR DONOVAN

The following is the letter referred to as received from Auditor Donovan:

OFFICE OF THE AUDITOR OF THE DISTRICT OF COLUMBIA,
Washington, January 25, 1924.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: In response to your request of several days ago I take pleasure in furnishing you the information you desire.

Prior to the passage of the Borland amendment property owners were subject to an assessment for sidewalks, alleys, and curbs to the extent of one-half of the total cost. This is also the law at the present time. Property of the United States and the District of Columbia is not subject to assessment for special improvements. Roadway improvements were first charged against property owners by the terms of the Borland law. Service sewers and water mains were and are now also charged in part against abutting property.

The half cost of roadway pavement immediately abutting the frontage of assessable property, excluding street intersections between building lines of the intersecting streets and excluding any pavement area beyond a line 20 feet abutting the property, is assessed as a special improvement tax against such property. The cost of any pavement area in excess of 40 feet is borne by the United States and the District of Columbia in the proportion that each is charged with the appropriation. On streets where there are street railway tracks the railway companies are chargeable under the law with the whole cost of paving between the tracks and 2 feet exterior to the outer rail of the tracks. The property of the United States and the District of Columbia is not subject to assessment under the Borland law.

For service sewers the law at present provides for a flat rate assessment of $1.50 per front foot, with certain deductions made for corner property. This rate represents approximately 37 per cent of the cost of the work.

The special assessments received for the several forms of improvements indicated are paid into the Treasury of the United States, 60 per cent to the credit of the District of Columbia and 40 per cent to the credit of the United States, this being the proportion that each bears of the appropriations for the improvements.

For water mains the law provides a special assessment of $2 per front foot, and this amount represents approximately 66 per cent of

the cost of the work. Water-main assessments when received are paid into the Treasury of the United States to the credit of the water-department fund.

At the time of the passage of the Borland law approximately 90 per cent of the streets within the limits of the old city of Washington were already paved, and many of the streets outside of those limits also were paved. I am unable at this time to give you an idea of the proportion of the streets outside of the original city of Washington that were paved when the Borland law was passed.

Not only new paving, but the resurfacing and replacing of pavements is chargeable against abutting property under the Borland law.

The Knox case in the court of appeals involved the question of the application of the Borland law to outlying sections of the District of Columbia and to the particular matter of paving Naylor Road, near the eastern boundary of the District of Columbia. The Knox property was agricultural property. There were no settlements in the immediate vicinity. There were no sewers, water mains, electric or gas lights, curbs, sidewalks, or building lines, and no other conditions which might be called town or village conditions. The court of appeals held in that case that because of the language of the law Congress intended it to apply to those settlements or sections which exhibited town or village conditions, and that the law did not apply to situations like those presented in the Knox case. The assessments were therefore ordered to be canceled. Similar cases are now pending in the courts in regard to other localities, which are claimed to present conditions that existed in the Knox case.

The following appropriations were made by Congress for repair and maintenance of streets during the fiscal years 1921, 1922, 1923, and 1924, each of such appropriations being charged 60 per cent against the revenues of the District of Columbia and 40 per cent against the revenues of the United States:

Fiscal year 1921	$575,000
Fiscal year 1922	575,000
Fiscal year 1923	460,000
Fiscal year 1924	550,000
Total	2,160,000

The following appropriations covering the same period have been made for repairs to suburban streets and roads, payable 60 per cent from the revenues of the District of Columbia and 40 per cent from the revenues of the United States:

Fiscal year 1921	$250,000
Fiscal year 1922	250,000
Fiscal year 1923	225,000
Fiscal year 1924	275,000
Total	1,000,000

The following appropriations have been made for the same period for street improvements, including the paving and grading of streets, payable 60 per cent from the revenues of the District of Columbia and 40 per cent from the revenues of the United States:

Fiscal year 1921	$614,200
Fiscal year 1922	144,840
Fiscal year 1923	233,500
Fiscal year 1924	573,300
Total	1,565,000

The following appropriations have been made for construction and maintenance of sewers for the fiscal years 1921, 1922, 1923, and 1924, payable 60 per cent from the revenues of the District of Columbia and 40 per cent from the revenues of the United States:

Fiscal year 1921	$515,000
Fiscal year 1922	523,000
Fiscal year 1923	502,000
Fiscal year 1924	690,000
Total	2,231,000

I regret very much that it has not been practicable for me to furnish you with this information at an earlier date. In the event that you desire any more details regarding the several matters herein, I shall be very glad to respond to such a request from you.

Very truly yours,

D. J. DONOVAN,
Auditor, District of Columbia.

Mr. CHINDBLOM. Mr. Chairman, I will withdraw the point of order without prejudice.

The CHAIRMAN. The Chair is ready to rule; but if the gentleman wishes to withdraw the point of order, he can do so.

Mr. CHINDBLOM. If the Chair is ready to rule, I would like to have the ruling.

The CHAIRMAN. The Chair will rule as soon as the Clerk has the amendment in form.

Mr. CHINDBLOM. While the matter is being prepared I want to say that "the gentleman from Illinois," with his 20-foot lot in the District, is altogether hypothetical. The "gentleman from Illinois" would not know what to do with a 20-foot lot if he had it. [Laughter.]

The CHAIRMAN. This amendment provides that no part of this sum shall become available until regulations shall prescribe that parties connecting with such sewer system shall bear the full expense of all such connection, including the expense of excavation.

That is intended to be a limitation. Under the ordinary rules applicable to these matters a limitation is proper only when it reduces the amount, puts a proper limitation on expenditures of amount, if it does not require some affirmative act on the part of some executive officer or change exitsing law. If it does either of these two things, it is not a proper limitation.

Mr. BEGG. The gentleman from Illinois made a point of order against it, but I think I can convince the Chair that it is a change of existing law and hence legislation.

The CHAIRMAN. The Chair does not disagree with the gentleman. It is admitted to be legislation, but it is contended that it is a limitation and therefore comes within the rule.

Mr. BLANTON. It comes within the Holman rule.

The CHAIRMAN. That was not stated by the gentleman from Texas; the Chair understood the gentleman to contend that it was a proper limitation.

Mr. BLANTON. No; I contend that it retrenches expenditures, for it makes them pay, where we are now paying for it out of the Treasury.

The CHAIRMAN. In what manner does it reduce the item to which it is offered as an amendment? The item authorizes the expenditure of $231,000. There is nothing in the amendment making any change in the amount of the appropriation.

Mr. BLANTON. Out of that $200,000 will be made connections which the individual will pay for.

The CHAIRMAN. The item in the bill under consideration appropriates for cleaning and repairing sewers and basins, including the purchase of two motor field wagons, and so forth, for the operation and maintenance of the sewage pumping service, and so forth, $231,000. The gentleman from Texas offers an amendment which provides that none of this sum shall be available until certain regulations have been made by the District commissioners, and the consequence of such an amendment would be that after they had made such regulations the amount of $231,000 is available and can be used. Therefore it does not retrench expenditures.

Mr. CHINDBLOM. And it is not germane; it relates to sewer-pipe extension. This does not relate to the extension of sewers, it is for the cleaning of sewers.

The CHAIRMAN. The Chair is of the opinion for several reasons that the point of order ought to be sustained, and so rules.

The Clerk read as follows:

For continuing the construction of the Upper Potomac, main interceptor, $20,000.

Mr. BLANTON. Mr. Chairman, I offer an amendment as a new paragraph.

The CHAIRMAN. Will the gentleman put it in writing.

Mr. BLANTON. Mr. Chairman, while I am putting this in writing I ask unanimous consent to pass by the item with the privilege of returning to it after the amendment is completed.

The CHAIRMAN. Without objection, the item will be passed over with the privilege of returning to it when the gentleman completes his amendment. The Clerk will read.

The Clerk read as follows:

To enable the commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, dead animals, night soil, and miscellaneous refuse and ashes in the District of Columbia (no contract shall be let for the collection of dead animals), including inspection and allowance to inspectors for maintenance of horses and vehicles or motor vehicles used in the performance of official duties, not to exceed for each inspector $20 per month for a horse and vehicle, $26 per month for automobiles, and $13 per month for motor cycles; fencing of public and private property designated by the commissioners as public dumps; and incidental expenses, $900,000: *Provided*, That any proceeds received from the disposal of city refuse or garbage shall be paid into the Treasury of the United States to the credit of the United States and the District of Columbia in the same proportions as the appropriations for such purposes are paid from the Treasury of the United States and the revenues of the District of Columbia: *Provided further*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business or from apartment houses of four or more apartments in which the landlord furnishes heat to tenants.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 29, line 6, after the word "Columbia," strike out the words "in the same proportions as the appropriations for such purposes are paid from the Treasury of the United States and the revenues of the District of Columbia," and insert the words "in the proportion required by law."

Mr. CRAMTON. This is the same amendment that we have been carrying through the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken and the amendment was agreed to.

The Clerk read as follows:

PUBLIC PLAYGROUNDS

For personal services in accordance with the classification act of 1923, $71,270; for services of extra directors at not exceeding 35 cents per hour, $800; for services of extra watchmen at not exceeding 25 cents per hour, $600; in all $72,670: *Provided*, That employments hereunder other than of persons paid by the hour shall be distributed as to duration in accordance with the District of Columbia appropriation act for the fiscal year 1924.

Mr. BEGG. Mr. Chairman, I move to strike out the last word. Who are the extra watchmen, what do they do, and when are they on duty?

Mr. DAVIS of Minnesota. They are on duty quite a number of months in the year. Mrs. Rhodes is the foreman of the whole thing.

Mr. BEGG. As director or watchman?

Mr. DAVIS of Minnesota. Supervisor of playgrounds.

Mr. BEGG. What is a watchman of playgrounds?

Mr. DAVIS of Minnesota. There is a watchman and a director as to how it shall be done. The watchman stays there an hour, sometimes two, and sometimes not more than 10 minutes. He is there to see that there is nothing going wrong on the playgrounds.

Mr. BEGG. Mr. Chairman, I understand the purpose of the director, but I do not understand the need for a watchman on the playgrounds. What is he watching for?

Mr. DAVIS of Minnesota. I could not tell the gentleman, except to say that after the playgrounds are shut up he watches to see that nobody goes there and interferes with them. The gentleman knows that the playgrounds have swings and things of that sort. That is what the watchman is for.

Mr. BEGG. He goes on duty when the director goes off?

Mr. DAVIS of Minnesota. Yes.

Mr. BEGG. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

In all, for playgrounds, $151,270; of which $144,270 shall be paid wholly out of the revenues of the District of Columbia and $7,000, or so much thereof as may be expended, for the purchase of land for playground purposes, shall be paid 40 per cent out of the Treasury of the United States and 60 per cent out of the revenues of the District of Columbia.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 30, line 20, after the figures "$151,270," strike out the remainder of the paragraph and insert in lieu thereof a period.

Mr. CRAMTON. Mr. Chairman, the amendment is simply to carry out the change made in the fiscal relations. Of course, if the amendment to section 1 is continued, it will not be necessary to continue that any more.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. No newspaper in Washington ought ever hereafter to condemn the gentleman from Michigan [Mr. CRAMTON] for any amendment that he might offer to a bill as unfriendly to the District. The amendment that he has had put on this bill is not unfriendly to the District. It requires this Government to pay $8,000,000 a year. We paid over $400,000 for that playground out there opposite Mrs. Henderson's on Sixteenth Street—100 per cent out of the Treasury—and we have paid over $150,000 since to put that wall there and improve it. And for other playgrounds which have been bought and paid for partly by the Government we have spent huge sums.

The law now is that a playground shall be paid for wholly out of the District revenues, and this bill is merely providing for the present law, with the exception of $7,000. It provides that the $144,270 shall be taken wholly out of the revenues of the District, but the Cramton amendment would change it. That is in accordance with the present law, but it is fudging over the present law by providing that $7,000 shall be under this pro rata plan. The gentleman from Michigan wants to change that law. He seems to want to go back to the old law, having the Government continue to buy the playgrounds for the 70,000 children of the city of Washington. That is not right. I do not know why he has changed front on this situation so suddenly, unless possibly he does not understand the fact that that law exists. He may be squirming under this criticism that has lately been made of him. I did not think that my friend from Michigan would squirm, when he has made so many good fights for prohibition and had the wets attack him all over the country. He ought to be impervious to these attacks by newspapers by this time. I do not think it is right for this little handful of Members to change that law, although I did not want to make the point of order against it. People may as well find out where we stand on this proposition. If you are going to have the taxpayers of this Government pay even for the playgrounds for the children of the city of Washington, the taxpayers ought to know it.

Mr. CRAMTON. Mr. Chairman, I have never believed until to-day that one Member of the House could contribute so much misinformation as the gentleman from Texas [Mr. BLANTON] has succeeded in doing to-day. As a matter of fact, the amendment which I offered, the $8,000,000 proposition, provides that everything above that shall be paid by the District, and if that becomes a law that will include this $144,270, which is consuming the gentleman's soul in anguish. If I did not offer the amendment to strike out this language, the $7,000 would be still a charge in part upon the Treasury in addition to the $8,000,000, and the first part of it would be entirely unnecessary, and hence the amendment that I have offered.

The gentleman thinks that the $8,000,000 would not accomplish anything for the protection of the Federal Treasury. I am not desirous of greatly reducing the Federal contribution, but the estimates that went to the Budget this year, if they had been approved by the Budget, would have cost the Treasury $13,000,000 instead of $8,000,000. Those expenditures and those improvements ought to be made, and I am providing a way by which those expenditures and improvements can be made without increasing the $8,000,000 of expenditure from the Federal Treasury.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. BLANTON. Mr. Chairman, at this point I offer the amendment which the committee granted me leave to offer a few minutes ago.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 27, line 19, insert a new paragraph as follows:

"That no part of any appropriation made under this head, sewers, shall be paid in, covering the expenses incident to a private-property owner having his residence or business property connected up with said sewer system, in order to obtain service, but that all of such expenses shall be paid by said private-property owner."

Mr. CHINDBLOM. Mr. Chairman, I make the point of order that this is not in the proper place. This has nothing to do with continuing the construction of the Upper Potomac main interceptor, which is the paragraph immediately preceding it.

Mr. BLANTON. If the gentleman from Illinois does not want the people to pay their share of sewer connections, it is all right with me.

Mr. CHINDBLOM. I am willing that the people of the District shall pay their share of the expenses of this Government, but I want it done in a regular and orderly way. I think that a proposition of this sort should be considered by the proper committee.

Mr. BLANTON. That is a limitation pure and simple, and it retrenches expenditures.

Mr. CRAMTON. It may interest the gentleman from Texas to know that a Member of the House just called the auditor's office and he finds that the gentleman from Texas is in error.

Mr. BLANTON. What is the situation?

Mr. CRAMTON. I have not talked with him.

Mr. BLANTON. Will the gentleman who has talked with him state it?

Mr. CRAMTON. He seems to have stepped out.

Mr. BLANTON. I have the auditor's letter in black and white.

Mr. DAVIS of Minnesota. The auditor denies the statement the gentleman made a few minutes ago.

Mr. BLANTON. He can not deny his own signature.

Mr. DAVIS of Minnesota. The law absolutely denies it, too.

Mr. BLANTON. We will see when I get the auditor's letter.

The CHAIRMAN. The Chair is of opinion that the first part of this amendment is in order as a limitation and that the latter part of it is faulty. The Chair will read the amendment:

That no part of any appropriation made under this head, sewers, shall be paid in covering the expenses incident to a private property owner having his residence or business property connected up with said sewer system in order to obtain service.

Now, that plainly is a limitation. But this following language is not—

But that all of such expenses shall be paid by said private property owner.

That is legislation, and the point of order being made on the whole amendment it must be sustained.

Mr. BLANTON. Mr. Chairman, I reoffer the amendment with the other part stricken out.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 27, line 19, insert a new paragraph:

"That no part of any appropriation made under this head 'sewers' shall be paid in covering the expenses incident to a private property owner having his residence or business property connected up with this sewer system in order to obtain service."

The CHAIRMAN. The question is on the amendment.

The question was taken, and the Chair announced that the "noes" seemed to have it.

On a division (demanded by Mr. BLANTON) there were ayes 3, noes 13.

So the amendment was rejected.

The Clerk read as follows:

For alterations in police-patrol signal system in the second, eighth, and tenth police precincts, rearrangement of circuits and reconnection of certain boxes because of changes in boundaries of those precincts incident to establishment of the new twelfth police precinct, including the purchase and installation of necessary poles, cross arms, insulators, pins, braces, wire, cable, conduit connections, posts, instruments, extra labor, and other necessary items, to be immediately available, $3,120.

Mr. BLANTON. Mr. Chairman, it is Saturday evening and 4 o'clock, and I think we need a new shift, and I make the point of order of no quorum.

The CHAIRMAN. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] Thirty-eight Members are present, not a quorum.

Mr. BLANTON. Mr. Chairman, I withdraw it; we have an understanding——

SEVERAL MEMBERS. Too late.

Mr. BLANTON. Mr. Chairman, I move that the committee do now rise, and on that I ask for tellers.

Mr. AYRES. Mr. Chairman, I move a call of the House.

The CHAIRMAN. The gentleman from Texas moves the committee do now rise.

The question was taken, and the Chair announced the noes seemed to have it.

Mr. BLANTON. Mr. Chairman, I ask for tellers.

The CHAIRMAN. Three gentlemen have arisen, not a sufficient number; and the committee refuses to rise.

Mr. BEGG. Mr. Chairman——

Mr. AYRES. I withdraw my request.

Mr. BEGG. Can not we come to some amicable agreement?

Mr. AYRES. We can; we can go ahead with this bill without killing so much time. We have been on this bill for the last four days and have gotten through 26 pages, and for one I want it understood we are going to proceed with it, and if I could have my way we would stay here until 11 o'clock at night.

Mr. BEGG. Some of us are trying to help the gentleman.

Mr. AYRES. I appreciate the fact that some are and also that some are not.

The CHAIRMAN. The Clerk will call the roll.

Mr. BEGG. Mr. Chairman, I ask for a division on that vote.

The CHAIRMAN. There is no division on the question of tellers. Tellers were demanded, and not a sufficient number arose.

Mr. BEGG. On the motion that the committee rise I ask for a division.

Mr. CRAMTON. I make the point of order that the roll call has commenced.

The CHAIRMAN. The Committee voted; some gentleman asked for tellers and only three gentlemen rose, not a sufficient number and tellers were refused. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Abernethy	Fish	McClintic	Rogers, N. H.
Aldrich	Frear	McDuffie	Romjue
Anderson	Fredericks	McFadden	Rosenbloom
Anthony	Freeman	McKenzie	Rubey
Bacharach	Frothingham	McLaughlin, Nebr.	Sabath
Bankhead	Funk	McNulty	Schneider
Barkley	Gallivan	McSweeney	Scott
Beck	Garber	Magee, Pa.	Sears, Fla.
Bell	Geran	Major, Ill.	Sears, Nebr.
Berger	Gifford	Manlove	Shreve
Bixler	Glatfelter	Mead	Sites
Black, N. Y.	Goldsborough	Merritt	Snyder
Bowling	Greene, Mass.	Michaelson	Sproul, Ill.
Boylan	Greenwood	Miller, Ill.	Stalker
Britten	Griest	Mills	Stengle
Browne, N. J.	Hardy	Montague	Strong, Pa.
Browne, Wis.	Harrison	Mooney	Sullivan
Brumm	Hawley	Moore, Ga.	Sweet
Buchanan	Hayden	Moore, Ill.	Swoope
Burdick	Hersey	Morgan	Tague
Butler	Hoch	Morin	Taylor, Colo.
Campbell	Holaday	Morris	Taylor, Tenn.
Carew	Hooker	Morrow	Thomas, Okla.
Carter	Howard, Nebr.	Mudd	Thompson
Casey	Howard, Okla.	Murphy	Treadway
Celler	Hull, William E.	Nelson, Wis.	Tucker
Clague	Johnson, Ky.	Newton, Minn.	Tydings
Clark, Fla.	Johnson, Tex.	Nolan	Underhill
Cole, Ohio	Johnson, Wash.	O'Brien	Upshaw
Connolly, Pa.	Jost	O'Connell, R. I.	Vaile
Corning	Kahn	Oliver, Ala.	Vare
Crisp	Kelly	Park, Ga.	Vestal
Croll	Kendall	Parker	Vinson, Ga.
Cummings	Ketcham	Peavey	Voigt
Curry	Kiess	Peery	Ward, N. C.
Davey	Kindred	Perlman	Ward, N. Y.
Deal	Kunz	Phillips	Wason
Dickinson, Mo.	Kurtz	Porter	Watson
Dickstein	Langley	Pou	Weller
Dominick	Lanham	Prall	Welsh
Doyle	Larson, Minn.	Quayle	Wertz
Drane	Leatherwood	Ransley	Williamson
Drewry	Leavitt	Reece	Winslow
Eagan	Lindsay	Reed, Ark.	Winter
Edmonds	Lineberger	Reed, N. Y.	Wood
Fairchild	Linthicum	Reed, W. Va.	Wurzbach
Fairfield	Little	Reid, Ill.	Wyant
Favrot	Logan	Robinson	Yates
Fenn	Luce	Rogers, Mass.	Zihlman

The committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 8839, finding itself without a quorum, under the rule he caused the roll to be called, whereupon 235 Members answered to their names, a quorum, and he reported the list of absentees for entry in the Journal.

The SPEAKER. The committee will resume its session.

Mr. LOZIER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Missouri rise?

Mr. LOZIER. I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

PUBLIC SCHOOLS

Salaries: Superintendent, $6,000; 2 assistant superintendents, at $3,750 each; business manager, to be in charge of the business administration of the public-school system, and to be appointed by and responsible to the Commissioners of the District of Columbia, $3,750; director of intermediate instruction, 13 supervising principals, supervisor of manual training and director of primary instruction, 16 in all, at a minimum salary of $2,400 each; in all, $55,650.

Mr. BLANTON. Mr. Chairman, I make a point of order——

Mr. HUDSON. Mr. Chairman, I reserve a point of order.

Mr. BLANTON. I make a point of order to the language beginning in line 16, on page 33, reading as follows:

Business manager, to be in charge of the business administration of the public-school system, and to be appointed by and responsible to the Commissioners of the District of Columbia, $3,750.

That is new legislation, a new position, unauthorized by law. If, however, the school bill were passed and had become a law, this would be in order.

The CHAIRMAN. Let the Chair inquire of the gentleman from Texas, are the officers named in this particular paragraph statutory officers?

Mr. BLANTON. Yes. This particular position is provided for in the school bill which the House passed the other day,

but it has not been reported out of the Senate committee, as I understand; or if it has been, it has been in the last day or so.

Mr. HUDSON. Will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. HUDSON. Would the gentleman reserve his point of order if the position were changed so that he could be appointed by and be responsible to the Board of Education?

Mr. BLANTON. Well, I will say this to the gentleman: If the school bill passes—and I understand it will pass—it is going to be necessary for the Committee on Appropriations to bring in a deficiency bill not only for the school bill but also for the police and fire bill when it becomes a law. So we might just as well provide for all of these positions after the school bill passes. There is no use in carrying this position in this bill.

Mr. HUDSON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HUDSON. I agree with the gentleman as to his point of order, but we might as well agree here.

Mr. BLANTON. These matters all have to be threshed out after the Senate passes on the school bill.

The CHAIRMAN. Does the gentleman from Minnesota agree that these are statutory provisions?

Mr. DAVIS of Minnesota. I will concede that this is subject to a point of order. But it is the most important thing in this bill. Heretofore we have never had a business manager. The school business is tangled up because we have no efficient man to attend to the business management of the schools.

The CHAIRMAN. The point of order is sustained.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: Page 33, at the end of line 22, insert: "*Provided*, That no part of this sum shall be available for the payment of the salaries of any superintendent, assistant superintendent, director of intermediate instruction, or supervising principal who permits the teaching of partisan politics, disrespect to the Holy Bible, or that ours is an inferior form of government."

Mr. BLANTON. Mr. Chairman, I shall not make a point of order to that.

Mr. SUMMERS of Washington. Mr. Chairman, this is a limitation, and of course it is in order.

I think everyone will agree with me that no teaching of this kind should be permitted in the schools of this District nor in the public school of any city or town in any State in the Union.

I have spoken to a number of Members, and it is an exception to find one who does not say that his children have come to him with complaints in regard to one or the other of the points mentioned in this amendment.

In the interest of the highest possible standard of education in this city, and because I believe that the schools here should be as nearly as possible a model for those throughout the country, I think this thing ought to be stopped, and this amendment will have that effect.

If it should be contended that no one is guilty of permitting this, then the amendment will do no harm. If they are guilty of permitting it knowingly, then it should apply.

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes; I yield.

Mr. CONNALLY of Texas. Has the gentleman information that such things are going on in the schools which his amendment is intended to reach?

Mr. SUMMERS of Washington. I have.

Mr. CONNALLY of Texas. Who will pass upon the question as to whether this is happening or not? Who will be the arbiter?

Mr. SUMMERS of Washington. The school board.

Mr. CONNALLY of Texas. Will not the man who issues or pays these warrants be the one? This being a limitation on this appropriation, will they not pass this question up to the accounting officers of the Government?

Mr. SUMMERS of Washington. All right.

Mr. CONNALLY of Texas. In a practical way, I would like to know how that is going to work.

Mr. SUMMERS of Washington. It might be up to the accounting officers. Anyhow, there would be a way then by which one might file a complaint and stop the payment of salaries to anyone who has been permitting this pernicious teaching. It has unquestionably been going on for years, and is going on in this present year.

Mr. CONNALLY of Texas. Does not the gentleman think that the Board of Education can control this matter? Does the gentleman think it wise to put a limitation upon the appropriation?

Mr. SUMMERS of Washington. Yes, I do; because I know of no other way to reach it. This will stop it.

Mr. CONNALLY of Texas. An act of Congress would reach it in the regular way.

Mr. SUMMERS of Washington. There is no other way that I know of whereby we can reach it in a practical manner. In the interest of our children and of the Government itself this teaching must stop.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Washington.

Mr. LOWREY. Mr. Chairman, may we have it again reported?

The CHAIRMAN. Without objection, the amendment will again be reported.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken and the amendment was agreed to.

The Clerk read as follows:

Principals of junior high schools, eight at $2,700 each; seven assistant principals, who shall be deans of girls of the Central High School, Eastern High School, Dunbar High School, Business High School, Western High School, McKinley Manual Training High School, and Armstrong Manual Training High School, at $2,400 each: *Provided*, That said assistant principals shall be placed at a basic salary of $2,400 per annum and shall be entitled to an increase of $100 per annum for five years.

Mr. BLANTON. Mr. Chairman, I make a point of order against the legislation that is in this paragraph, as follows: "Seven assistant principals, who shall be deans of girls of the Central High School, Eastern High School, Dunbar High School, Business High School, Western High School, McKinley Manual Training High School, and Armstrong Manual Training High School." In that connection I will state that it is legislation unauthorized by law. If the teachers' salary bill had become a law this would be authorized, and when the teachers' salary bill finally becomes a law it is going to require that all of those salaries be taken care of in a deficiency bill, so there is no use of providing here for these new positions. In other words, there are four new assistants here provided, and the present law permits only three assistants. When the teachers' salary bill passes it will permit seven, but that bill has not yet passed the Senate.

The CHAIRMAN. Which of these schools are not authorized by law?

Mr. BLANTON. Thefollowing are not authorized by law, and they are the only ones I am attempting to reach: Business High School, Western High School, McKinley Manual Training High School, and Armstrong Manual Training High School. The only part I care to make a point of order against is that relating to the word "seven" when it ought to be "three" and those four high schools named above, because they are new positions that are created by the school-teachers' salary bill which is now before the Senate. There is no use of putting them in until the bill has passed the Senate and becomes law. The Senate might change the bill and restrict the number to six or less. A fight is now being made on this very item by one of the Senators who is on the Senate District Committee. We do not know what the Senate is going to do, so what is the use of putting it in this bill until the legislative bill passes.

The CHAIRMAN. Is the point of order conceded by the chairman of the subcommittee?

Mr. DAVIS of Minnesota. I concede the point of order.

The CHAIRMAN. The point of order is sustained against the four named by the gentleman from Texas, the Business High School, Western High School, McKinley Manual Training High School, and Armstrong Manual Training High School. The rest of the language remains. Without objection the word "seven" will be changed to "three."

There was no objection.

The Clerk read as follows:

In all, for teachers, $3,459,740.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. SUMMERS of Washington offers the following amendment: Page 36, at the end of line 17, insert: "*Provided*, That no part of this sum

shall be available for the payment of the salary of any teacher who teaches partisan politics, disrespect for the Holy Bible, or that ours is an inferior form of government."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For contingent expenses, including furniture and repairs of same, pay of cabinetmaker, stationery, printing, ice, and other necessary items not otherwise provided for, including an allowance of not exceeding $312 per annum for a motor vehicle for each of the superintendents of schools, the superintendent of janitors, the two assistant superintendents, the director of primary instruction, the school cabinetmaker, the supervising principal in charge of the white special schools, the chief medical and sanitary inspector of schools, and the supervising principal of the colored special schools, and including not exceeding $3,000 for books of reference and periodicals, $76,040: *Provided*, That a bond shall not be required on account of military supplies or equipment issued by the War Department for military instruction and practice by the students of high schools in the District of Columbia.

Mr. BEGG. Mr. Chairman, I reserve a point of order on the proviso for the purpose of asking a question. Has it been customary heretofore to have a bond?

Mr. DAVIS of Minnesota. The law requires that they shall put up a bond.

Mr. BEGG. Then, what is the reason for providing that they shall not put up a bond?

Mr. DAVIS of Minnesota. It would take $600 to pay the premium on this bond, but we want to save that and it does not amount to anything at all.

Mr. BEGG. I withdraw the reservation.

The Clerk read as follows:

For completing the construction of a building to replace the present John F. Cook School, $150,000.

Mr. BYRNS of Tennessee. Mr. Chairman, I move to strike out the last word. I was somewhat surprised when I learned that there has been no Budget estimate for the construction of new schools in the District of Columbia. From what has been told me by citizens who live here and who have children in these public schools there is, particularly in certain sections, a very crowded condition, and in a sense children are being denied proper school facilities. That is a condition which I do not think ought to exist in the National Capital.

Mr. DAVIS of Minnesota. It does not exist.

Mr. BYRNS of Tennessee. I beg the gentleman's pardon. I am going to cite the gentleman to a case where it does exist and I shall show facts which show that that condition exists.

Mr. DAVIS of Minnesota. It may exist in one or two places.

Mr. BYRNS of Tennessee. That is the point. If that is true, the Congress should provide relief for those one or two places, and that is the point I am making.

Mr. DAVIS of Minnesota. They have asked for no new school buildings at all.

Mr. BYRNS of Tennessee. I am not criticizing the gentlemen or the committee, but I am criticizing the commissioners and the Board of Education, if they are the ones who should submit such an estimate. I stated I was surprised there had been no estimate made for the construction of new schools, and it seems to me it is a neglect that ought to be called to the attention of those in authority here in the District. The Government pays 40 per cent of the expenditures of the District. Other cities do not have that contribution to their expenditures. Taxes are less in the District, as has been stated here many times, far less, than they are in any other city in the United States, where not only city taxes have to be paid but State and county taxes as well, and yet here in the National Capital we are confronted, as the gentleman says—in one or two sections, at least—with a situation that ought not to exist, because certainly the city of Washington ought to be a model for city governments throughout the United States, and certainly it ought not to be said that here in the National Capital we are denying the school children of this District proper school facilities. I want now to call your attention to a specific instance.

Mr. DAVIS of Minnesota. May I interrupt the gentleman just a moment?

Mr. BYRNS of Tennessee. I yield to the gentleman.

Mr. DAVIS of Minnesota. I will say that the construction of the buildings in this bill and what they are about to put into effect in less than three or four months will provide for 9,888 elementary pupils more than we have now and 3,000 more high-school children, so that the chances are 10 to 1 that the places the gentleman is speaking about will be amply taken care of in two or three months. One hundred and sixty-four additional rooms will be provided in this bill.

Mr. BYRNS of Tennessee. I beg the gentleman's pardon; it will not relieve the situation in the locality to which I am going to refer now. Children ought not to be required to go from one end of this District to the other in order to get to school.

We know that the city of Washington in the last few years has grown as rapidly, if not more rapidly, than any other city in the Nation of its size, and I dare say there are few other cities where in the last three or four years they have not started the construction of additional school buildings.

This is a situation which has been called to my attention by a citizen of this community. He has no selfish interest, I want to say, because his youngest child is now in the high school, but as a citizen of the community he is interested in the children of the community and is interested in seeing proper school facilities provided. I want to read to you a statement which has been submitted to me which will show you that at least in this rapidly growing section in Cleveland Park the school facilities are being neglected, and those in authority, who ought to have submitted estimates, have neglected their duty in failing to come to Congress and submit estimates for the erection of at least one new school building in this particular locality.

Mr. BEGG. Will the gentleman yield before reading that particular statement?

Mr. BYRNS of Tennessee. I yield.

Mr. BEGG. Does the gentleman think it is the business of the commissioners or the Board of Education or the Appropriations Committee to lay out a policy of new buildings, or does that belong to some committee of the House like the District Committee? I admit that what the gentleman is saying is absolutely true; in fact, I have made a statement along the same line; but who is at fault?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BEGG. I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNS of Tennessee. I said at the outset that I was not criticizing the committee of which I happen to be a member, because the Committee on Appropriations has always followed the policy, and must follow the policy, as the gentleman knows, of only acting on the estimates submitted. I am not criticizing particularly the District Committee.

Mr. BEGG. Whose business is it?

Mr. BYRNS of Tennessee. I am criticizing whoever it is in this District whose duty it is to come to Congress and tell Congress what is necessary in order to make proper provision for these children. I do not know whether it is the Board of Education or the commissioners, but somebody is certainly at fault.

Mr. DAVIS of Minnesota. It is not the fault of the committee.

Mr. BYRNS of Tennessee. I am sure of that.

Mr. BEGG. The gentleman knows that there is a whole list of new buildings in this bill, all of which could be knocked out on a point of order if anybody cared to make it, and if the Committee on Appropriations can not do this, what committee ought to take that responsibility?

Mr. BYRNS of Tennessee. The District Committee, of course, is the committee that should make the authorization.

Here is a case which I am going to call to your attention where I do not think legislation is necessary. All that is necessary is for somebody to come and tell the Committee on Appropriations what amount of money is necessary to begin the construction of a school there, and I think Congress would then have the authority to make the appropriation.

Mr. FREE. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. FREE. Is not it a fact that they have just completed a building in Cleveland Park and yet there are not facilities for the children to go to school. My two children are only permitted to go to school half a day because in that locality they have not buildings enough to take care of all of the children. My children have to stay away half a day or else go to some other part of the city.

Mr. BYRNS of Tennessee. The gentleman is correct and in accord with the statement that I am going to read. That is the locality I had in mind, and the reason for my submitting these remarks. They talk about putting up buildings. Do you know that in the Woodley Park section, the vicinity of this school, in 1921 they made an appropriation of $40,000 to buy a lot upon which to build a school building. That was three

years ago. The lot is there without having any building erected upon it. Some one in this District charged with the official duty of looking after the facilities for school children has failed to come here and tell us what is necessary to put a building on that lot. I say there is gross neglect in that particular locality of the needs of the school children of this District.

Mr. DAVIS of Minnesota. If the gentleman will yield, I want to say in that connection that the same conditions as to the school children exist in the Western High School. There are so many pupils there that they have to have two shifts a day.

Mr. BYRNS of Tennessee. I think that is the situation in almost every school in the city, if the information that comes to me is correct. Now let me read this statement:

John Eaton School, at Thirty-fourth and Lowell Streets, serves the large and rapidly growing section including Cleveland Park, the English village, Massachusetts Heights Park, and the large apartment houses on and near Connecticut Avenue from the Million-Dollar and Calvert Street Bridges to the Klingle Valley Bridge near Cleveland Park. Included in this area are Wardman Park Hotel, Cathedral Mansions, and the large apartment houses at Connecticut and Cathedral Avenues; also the large Shapiro subdivision, one block east of Connecticut Avenue, between Connecticut Avenue and Woodley Place.

When the present John Eaton School was completed it was thought the school needs of this section had been met for some time. Four portables had been used before the building was finished. Upon its completion three of these were removed.

Now the school is filled to overflowing, and a general condition of congestion prevails. It has been found necessary in order to accommodate the pupils to take the following steps:

Create a new first grade.

Create a new fifth and sixth—a combination or doubling up.

Create a new seventh and eighth—a combination or doubling up.

Put the third grade into the portable.

Put the new kindergarten in the teachers' room.

Have the first and second grades go half time.

The scholastic increase at John Eaton year before last was 100. Last year it was 150.

John Eaton School serves the immense area from Chevy Chase to the Cook and Morgan Schools on Seventeenth and Eighteenth Streets, respectively. Its present enrollment is 799, which is 121 more than the school, under school regulations, is intended to accommodate.

Around this little school there are now being finished or built, or being projected for immediate building, 730 homes and apartment houses containing 1,174 individual apartments. Real-estate operators estimate this will increase the population around John Eaton School by 7,600. Allowing one child of school age for each two adults, this will mean an addition in the near future of 3,750 school children. Nowhere in Washington in an area of like size are such extensive building operations under way, amounting to some $28,000,000.

The present situation is critical. If another year is allowed to elapse without action being taken, a crisis will have been precipitated.

School population situation near John Eaton School as shown by building under way and projected

Builder	Homes or apartments built, building, or planned [1]	Value of improvement	Increase in population	Increase in school children
Wardman	Cathedral Mansions: 500 apartments nearing completion.	$5,000,000	2,000	1,000
	English Village: 80 houses south of Klingle Road; 250 north of Woodley Road—built, building and planned—2-year project.	7,000,000	1,500	700
Joseph Shapiro	100 houses built and building—east of Connecticut Avenue, between Woodley Place and Cathedral Avenue.	1,500,000	500	250
	Apartment house to be built between Woodley Place and Woodley Road and Cathedral Avenue, 100 apartments, to be finished in year and a half.	1,000,000	400	200
Kennedy Bros	60-room apartment just built; 44-room apartment just built; 70-room apartment building; projected: 1 of 50, 1 of 50, and 1 of 300 apartments; Connecticut and Cathedral Avenues.	5,000,000	2,000	1,000
Middaugh & Shannon	300 homes Massachusetts Heights Park—built or projected for near future.	9,000,000	1,200	600
Total	1,904	28,500,000	7,600	3,750

[1] Does not include small or individual operations in this section.

And yet here we are making appropriations for the fiscal year 1925 and making no suitable provision for the increase of school children in that section of this city. In other words we are going another year without new buildings being contemplated, not due to the fault of Congress—and possibly some citizens may say that Congress is niggardly—but due to the fact that the officials of this city, those responsible for the city government, have failed to come to Congress and tell what they need and what is necessary to appropriate to give these children proper school facilities. Oh, they were quick to come to the Appropriations Committee and ask for $200,000 to increase the park and buy somebody's property up in Klingle Valley for park purposes, but when it comes to the school children, giving them proper advantages of education, then they fail to take into account their necessities.

I have taken this time to call attention to the fact that somebody is failing to give attention to the needs of the District of Columbia for the school facilities which it ought to have. Certainly the citizens of Washington pay less taxes than the citizens of any other city in the United States and can afford proper facilities for school children. I know that all who take pride in this city are particularly anxious to see that the children are given the facilities that they ought to have.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. BYRNS of Tennessee. Certainly.

Mr. SPROUL of Kansas. Who is it in the gentleman's judgment that is at fault in not looking out for this matter?

Mr. BYRNS of Tennessee. Of course, the commissioners make the estimates for the Budget Bureau. Whether there is some one who must make these estimates for the commissioners I do not know. My opinion is that if I was a commissioner in this city and if I realized the conditions are as I have described I would see to it that those who had this duty imposed upon them in the first instance performed it; or as a commissioner I would take it on myself to come to Congress and see if I could not get what is needed.

Mr. DAVIS of Minnesota. Mr. Chairman, I desire to say a few words. Had the gentleman from Tennessee been here when I opened debate upon this appropriation bill and came to the matter of schools, about a week ago, he would have got my opinion—I do not say that he would have got any information, but he would have got an idea along the lines I was talking about. I then stated everything that the gentleman has now said. You will find it in the RECORD. I said that they wanted to buy large tracts of land when they already had four large tracts bought within the last two years, one costing $215,000, two others at $50,000 each, and another at $40,000, upon which no estimates have ever been asked for buildings. I wound up my statement in conclusion by saying that it was time that some plan be devised, that they should get together and map out a regular plan and not go along haphazard, building here and buying a site there without any plan whatever. I said that I desired that to be done in order that the Appropriations Committee might proceed along proper lines.

Mr. BYRNS of Tennessee rose.

Mr. BLANTON. Mr. Chairman, I renew my point of order, that there is no quorum present.

Mr. BYRNS of Tennessee. The gentleman from Texas takes more time than anybody else in the House.

Mr. BLANTON. I know, but we have some business to attend to besides here.

Mr. BYRNS of Tennessee. The gentleman has consumed more time to-day than 95 Members of the House.

Mr. BLANTON. Yes; and I guarantee that I have spent 25 hours on this more than the gentleman has, in my office and at night, with the gentleman somewhere else.

Mr. BYRNS of Tennessee. That is not true.

Mr. BLANTON. Well, it is true.

Mr. DAVIS of Minnesota. Mr. Chairman, I am going to stop——

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. DAVIS of Minnesota. I have mapped out in my speech the same program as the gentleman from Tennessee——

The CHAIRMAN. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count.

Mr. DAVIS of Minnesota. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union,

reported that that committee had had under consideration the bill H. R. 8839, the District of Columbia appropriation bill, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. CONNERY, for one week, on account of important business.

Mr. MORGAN, indefinitely, on account of the death of his wife.

APPOINTMENT OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair designates to preside to-morrow, as Speaker pro tempore, at the memorial exercises for deceased New York Members, the gentleman from New York, Mr. PARKER.

INCREASE OF POSTAL SALARIES

Mr. RAMSEYER. Mr. Speaker, I ask unanimous consent that I may have 10 days within which to file minority views on the bill H. R. 9035, the postal salary increase bill. I understand the majority report was to be filed to-day.

The SPEAKER. The gentleman from Iowa asks unanimous consent for 10 days within which to file views of the minority on the bill H. R. 9035. Is there objection?

There was no objection.

THE LATE M. E. BENTON

Mr. DICKINSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the late M. E. Benton, a former member of the Committee on Appropriations, who died a few days ago at Springfield, Mo.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKINSON of Missouri. Mr. Speaker, a notable ex-Missouri Congressman has passed away. On April 27 at Springfield, Mo., Col. M. E. Benton, died at the home of his son, Nat W. Benton. His home was at Neosho in southwest Missouri, and he had gone to Springfield to attend a democratic State convention assembled there to elect delegates to the national convention in New York City. M. E. Benton was born in Obion County, Tenn., in 1847 and was over 77 years of age when he died. He served in the Civil War on the Confederate side. In 1870 he graduated from the Cumberland University of Tennessee and shortly thereafter moved to Missouri, following the example of his illustrious great uncle and statesman, Thomas H. Benton, who likewise was a native of Tennessee and moved to Missouri and afterwards served 30 years in the United States Senate from his adopted State.

M. E. Benton was a former Member of Congress from the fifteenth district of Missouri, now represented with ability by our colleague, Hon. JOE J. MANLOVE. This district was formerly represented by Hon. Charles H. Morgan and Hon. William J. Stone, later Senator from Missouri. M. E. Benton entered the fifty-fifth Congress and served four successive terms with honor and distinction and for three terms was a member of the Appropriations Committee. He was an active Member during his entire service—eloquent of tongue and prominent in debate. Prior to his election to Congress he was United States district attorney for the western district of Missouri under Grover Cleveland, by whom he was appointed. A notable incident occurred while he was district attorney. For years he had never failed to take part in Democratic campaigns and his services were always in demand. While holding this Federal position he accepted an invitation and went out and made a Democratic speech in campaign year, and President Cleveland promptly removed him from office. It attracted the attention of the entire country. His party did not love him less because of his sacrifice. His friends did not fail him. Senators Vest and Cockrell and other friends rallied to his support and he was reinstated to office by Mr. Cleveland, who admonished him to forego making Democratic speeches in campaign times. Shortly after that he was elected to Congress. He was a courageous Democratic leader, bold in debate, and forceful in the discussion of public questions. He had taken active and prominent part in the political activities of his party for 50 years and never failed to attend and take part in the conventions of his party, over which he frequently presided, chosen because of his ability as a presiding officer and his parliamentary knowledge. He was learned in the law and enjoyed a large practice. He was a member of the constitutional convention of Missouri that recently framed and submitted many amendments to our constitution of 1875. He earned and deserved the high place to which he attained as a great Democrat, worthy of the honors that came to him because of his ability and unusual service.

He was my personal friend, and his notable record and service here makes it fitting that mention be made here of the passing into the great beyond of this strong and historic character.

TRANSPORTATION ACT

Mr. LANKFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the proposed amendment to the labor provision of the transportation act.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANKFORD. Mr. Speaker, under leave to extend my remarks in the RECORD I wish to have printed the telegram which I received to-day and which is as follows:

WAYCROSS, GA., *May 2, 1924*.

Congressman W. C. LANKFORD,

United States Capitol Building, Washington, D. C.:

The shopmen's association of the Atlantic Coast Line Railroad, representing 7,000 employees in the mechanical department, located at various points in the States of Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama, desire to file strenuous objections against the proposed legislation designed to change the labor provisions of the transportation act. Under the present law, we are free from dictation of the so-called standard labor organization and we have worked out a harmonious method for the handling of our own affairs with our employers in a manner that we believe will result in lasting benefit to ourselves, the traveling public, and the people of the communities where we reside and work. The satisfactory conditions now existing furnish full evidence that no change is necessary. We respectfully request that you oppose in our behalf the passage of the proposed law.

G. C. STEPHENS, *President*.
R. A. EVERETT, *General Secretary-Treasurer*.

To this telegram I replied as follows:

WASHINGTON, D. C., *May 3, 1924*.

Messrs. G. C. STEPHENS, *President*, and
R. A. EVERETT, *General Secretary and Treasurer*,
Waycross, Ga.:

Your message received. I have received many telegrams and letters from workingmen, railroad owners, and citizens generally relative to the proposed change of the labor provisions of the transportation act, some advocating and some opposing it.

I am giving the matter most careful consideration, with an earnest desire to do what is best for all the people. It certainly is not my desire to do anything that will injure the workers of this country, and I would not vote for any measure which I thought would do this. I shall give your request most careful consideration; and thank you for wiring me.

W. C. LANKFORD.

Mr. Speaker, I shall indeed be very happy if we ever succeed here in Congress in working out a plan for the adjustment of the problems of labor and capital, which will be fair to both labor and capital and to the great mass of common people. Everyone is vitally interested in the proper solution of this very important problem.

I realize that capital is entitled to a fair return on its investment and that unless it receives such a return the railroads of our country and other such public utilities will cease to grow and help develop our Nation. I realize equally as well that labor is entitled to a fair return for keeping these great enterprises going and for its most splendid contribution to the welfare of the whole country. My sympathies are especially strong for railroad employees, my father having been a railroad employee for many years. He worked for several years as a track hand and later section foreman on what is now the Atlantic Coast Line, from Waycross to the Altamaha River, beyond Jesup, Ga. Although he quit the service of the railroad company before I was born I often heard him talk of his work as a railroad hand, and know that he always felt most kindly for others working for railroad companies and earning wages in any line of work. I always shared this feeling of my father. I might here add that I have every reason to be in deepest sympathy with the farmers of the country who are also vitally interested in this legislation. I was raised on the farm, and nearly all of my best friends in the world either live on the farm or were raised on the farm. So it is, Mr. Speaker, that when this bill comes up I shall approach it feeling in deep sympathy with all the parties concerned and most anxious to do what is best for all. There is no one thing which this Congress could do which would be of more vital importance to the whole Nation in the way of a law than a proper solution of the question presented by this proposed change of the labor provision of the transportation act.

ENROLLED BILL SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

S. 1631. An act to authorize the deferring of payments of reclamation charges.

ADJOURNMENT

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and, in accordance with the order heretofore made (at 5 o'clock and 13 minutes, p. m.), the House adjourned until to-morrow, Sunday, May 4, 1924, at 3 o'clock, p. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SNELL: Committee on Rules. H. Res. 278. A resolution providing for the consideration of H. R. 3933, the Cape Cod Canal bill; without amendment (Rept. No. 636). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 279. A resolution providing for the consideration of H. R. 8209, the Inland Waterways Corporation bill; without amendment (Rept. No. 637). Referred to the House Calendar.

Mr. CRISP: Committee on Ways and Means. H. R. 8905. A bill to authorize the settlement of the indebtedness of the Kingdom of Hungary to the United States of America; without amendment (Rept. No. 654). Referred to the Committee of the Whole House on the state of the Union.

Mr. PAIGE: Committee on the Post Office and Post Roads. H. R. 9035. A bill reclassifying the salaries of postmasters and employees of the Postal Service and readjusting their salaries and compensation on an equitable basis, and for other purposes; without amendment (Rept. No. 655). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. FREDERICKS: Committee on Claims. S. 87. An act for the relief of the Near East Relief (Inc.); without amendment (Rept. No. 638). Referred to the Committee of the Whole House.

Mr. FREDERICKS: Committee on Claims. S. 555. An act for the relief of Blattmann & Co.; with an amendment (Rept. No. 639). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. S. 799. An act for the relief of F. A. Maron; with an amendment (Rept. No. 640). Referred to the Committee of the Whole House.

Mr. BLACK of New York: Committee on Claims. S. 935. An act for the relief of the Erie Railroad Co.; without amendment (Rept. No. 641). Referred to the Committee of the Whole House.

Mr. STEPHENS: Committee on Naval Affairs. H. R. 1717. A bill authorizing the payment of six months' pay to Joseph J. Martin; with an amendment (Rept. No. 642). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Claims. H. R. 1830. A bill for the refund of income tax erroneously collected; with an amendment (Rept. No. 643). Referred to the Committee of the Whole House.

Mr. BOX: Committee on Claims. H. R. 2373. A bill for the relief of the Standard Oil Co. at Savannah, Ga.; without amendment (Rept. No. 644). Referred to the Committee of the Whole House.

Mr. FREDERICKS: Committee on Claims. H. R. 2989. A bill for the relief of Mrs. E. L. Guess; with an amendment (Rept. No. 645). Referred to the Committee of the Whole House.

Mr. THOMAS of Oklahoma: Committee on Claims. H. R. 4290. A bill for the relief of W. F. Payne; with amendments (Rept. No. 646). Referred to the Committee of the Whole House.

Mr. STEPHENS: Committee on Naval Affairs. H. R. 5819. A bill for the relief of Capt. D. H. Tribou, chaplain, United States Navy; with amendments (Rept. No. 647). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 6506. A bill for the relief of John Baumen; without amendment (Rept. No. 648). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 8297. A bill for the relief of the Canadian Pacific Railway Co.; without amendment (Rept. No. 649). Referred to the Committee of the Whole House.

Mr. BECK: Committee on Claims. H. R. 8893. A bill for the relief of Juana F. Gamboa; without amendment (Rept. No. 650). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 5774. A bill for the relief of Beatrice J. Kettlewell; without amendment (Rept. No. 651). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on Claims. H. R. 7194. A bill for the relief of Bertram Gardner, collector of internal revenue for the first district of New York; with amendments (Rept. No. 652). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 909. A bill to remove the charge of desertion against the name of Frank George Bagshaw; with an amendment (Rept. No. 653). Referred to the Committee of the Whole House.

Mr. ANDREW: Committee on Naval Affairs. H. R. 2105. A bill for the relief of Milton M. Fenner; without amendment (Rept. No. 656). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CRAMTON: A bill (H. R. 9054) to authorize the Secretary of Commerce to transfer to the city of Port Huron, Mich., a portion of the Fort Gratiot Lighthouse Reservation, Mich.; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWNING: A bill (H. R. 9055) to amend the national prohibition act; to the Committee on the Judiciary.

By Mr. HAWLEY: A bill (H. R. 9056) to include as part of the national forests in Oregon certain lands within the exterior boundaries of such forests, which were a part of the former Oregon and California land grant; to the Committee on the Public Lands.

By Mr. McKENZIE: A bill (H. R. 9057) amending section 27 of the national defense act of June 4, 1920, relating to enlistments; to the Committee on Military Affairs.

By Mr. CONNALLY of Texas: A bill (H. R. 9058) to provide for the purchase of a site and for the erection of a public building thereon at Gatesville, Tex.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9059) to provide for the purchase of a site for a post-office building at Mart, Tex., to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9060) to provide for the purchase of a site and for the erection of a public building thereon at Hamilton, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. GREEN of Iowa (by request): A bill (H. R. 9061) to amend an act entitled "An act to license customhouse brokers," approved June 10, 1910, and for other purposes; to the Committee on Ways and Means.

By Mr. GARBER: A bill (H. R. 9062) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any and all claims, of whatever nature, which the Kansas or Kaw Tribe of Indians may have or claim to have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. RICHARDS: A bill (H. R. 9063) to add certain lands to the Nevada National Forest, in Nevada; to the Committee on the Public Lands.

By Mr. COLTON: A bill (H. R. 9064) to provide for the protection of the Dinosaur National Monument, and for other purposes; to the Committee on the Public Lands.

By Mr. RAGON: Joint resolution (H. J. Res. 254) authorizing and permitting the State of Arkansas to construct, maintain, and use permanent buildings, rifle ranges, and utilities at Camp Pike, Ark., as are necessary for the use and benefit of the National Guard of the State of Arkansas; to the Committee on Military Affairs.

By Mr. GRAHAM of Pennsylvania: Resolution (H. Res. 280) for the immediate consideration of House bill 5195, to provide for a bureau of prohibition in the Treasury Department; to the Committee on Rules.

By Mr. FROTHINGHAM: Resolution (H. Res. 281) for the consideration of House bill 5722, authorizing the conservation, production, and exploitation of helium gas, and for other purposes; to the Committee on Rules.

By Mr. LEHLBACH: Resolution (H. Res. 282) to make in order House bill 8202, a bill to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes"; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 9065) for the relief of Joseph F. Daniels; to the Committee on Naval Affairs.

By Mr. CLANCY: A bill (H. R. 9066) for the relief of William J. Nagel; to the Committee on Claims.

By Mr. CRAMTON: A bill (H. R. 9067) granting an increase of pension to Sarah Compton; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 9068) granting a pension to Elizabeth Barnacio; to the Committee on Pensions.

By Mr. MADDEN: A bill (H. R. 9069) to credit the accounts of James Hawkins, special disbursing agent, Department of Labor; to the Committee on Claims.

By Mr. PORTER: A bill (H. R. 9070) granting a pension to Elizabeth C. R. Hill; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 9071) granting a pension to William C. Younce; to the Committee on Pensions.

By Mr. RUBEY: A bill (H. R. 9072) for the relief of Morgan L. Atchley; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 9073) for the relief of John A. West; to the Committee on Naval Affairs.

By Mr. TILLMAN: A bill (H. R. 9074) for the relief of Garrett Parker; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2656. By Mr. FULLER: Petition of Emerson-Brantingham Co., Rockford Paper Box Board Co., Rockford Manufacturers & Shippers' Association, Rockford Wholesale Grocery Co., Burson Knitting Co., Hess & Hopkins Leather Co., Barber-Colman Co., and J. Holmquist & Sons, all of Rockford, Ill., protesting against any change in the present transportation act; to the Committee on Interstate and Foreign Commerce.

2657. Also, petition of the American Federation of Railroad Workers, protesting against the passage of the Howell-Barkley bill (H. R. 7358); to the Committee on Interstate and Foreign Commerce.

2658. Also, petition of the Cox Jewelry Co. and C. A. Jensen, of La Salle; Lining Bros., of Peru; and W. T. Tress, Fred S. Keeler & Co., Fred H. Sanders, and Birger Carsen, of Ottawa, all in the State of Illinois, protesting against the tax on jewelry; to the Committee on Ways and Means.

2659. By Mr. Gallivan: Petition of Massachusetts Society, Sons of the American Revolution, Boston, Mass., petitioning that authorization be granted for the complete restoration and repairing of the frigate *Constitution* at the Charlestown Navy Yard, Boston, Mass.; to the Committee on Naval Affairs.

2660. Also, petition of general executive board, International Association of Machinists, recommending favorable consideration of the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2661. By Mr. RAKER: Petition of California Independent Telephone Association, Pomona, Calif., in re elimination of tax on telephone and telegrams; to the Committee on Ways and Means.

2662. Also, petition of National Paper Box Manufacturers' Association, Philadelphia, Pa., protesting against passage of House bill 762, providing for amendment of the pure food and drugs act of June 30, 1906; to the Committee on Agriculture.

2663. Also, petitions of T. W. Simpson, Kennett, Calif., urging support of the Howell-Brinkley bill in re abolishment of Railway Labor Board, and American Federation of Railroad Workers, Jersey City, N. J., protesting against passage of Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2664. Also, petition of Penobscot Farm Center, Cool, Calif., opposing passage of the Paige-Kelly-Edge bills; to the Committee on the Post Office and Post Roads.

2665. Also, petition of Arhold Spring, Pasadena, Calif., urging passage of Senate bill 966, the San Carlos Dam project for the relief of the Pima Indians; to the Committee on Indian Affairs.

2666. Also, petitions of Seth Mann, of San Francisco Chamber of Commerce, California, resolutions adopted in opposition to passage of Gooding bill (S. 2327), and the Associated Traffic Clubs of America, New York City, resolutions against anything that would restrict the Interstate Commerce Commission in re rate making; to the Committee on Interstate and Foreign Commerce.

2667. Also, petition of Board of Supervisors of Contra Costa County, State of California, resolution urging passage of the Reece-Capper bill providing for distribution of surplus military material; to the Committee on Military Affairs.

2668. By Mr. RAMSEYER: Petition of citizens of Eldon, Iowa, urging the passage of House bill 2702 and Senate bill 742; to the Committee on Naval Affairs.

2669. By Mr. YOUNG: Petition of the Aneta Commercial Club, Aneta, N. Dak., indorsing the McNary-Haugen bill; to the Committee on Agriculture.

HOUSE OF REPRESENTATIVES

SUNDAY, *May 4, 1924*

The House met at 3 o'clock p. m., and was called to order by the Speaker pro tempore, Hon. JAMES S. PARKER, of New York.

Rev. M. J. Riordan, pastor of St. Martin's Church, Washington, D. C., offered the following prayer:

Out of the depths have I cried unto Thee, O Lord. Lord, hear my voice; let Thine ears be attentive to the voice of my supplication. If Thou, Lord, shouldest mark iniquities, O Lord, who shall stand? But there is forgiveness with Thee, that Thou mayest be feared. I wait for the Lord, my soul doth wait, and in His word do I hope. My soul waiteth for the Lord more than they that watch for the morning. Let Israel hope in the Lord, for with the Lord there is mercy, and with Him is plenteous redemption.

Eternal rest grant unto them, O Lord, and let perpetual light shine upon them.

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the reading of the Journal of the proceedings of yesterday may be deferred until to-morrow.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that the reading of the Journal of yesterday's proceedings may be deferred until to-morrow. Is there objection?

There was no objection.

MEMORIAL EXERCISES FOR HON. W. BOURKE COCKRAN, HON. DANIEL J. RIORDAN, HON. LUTHER W. MOTT, AND HON. JAMES V. GANLY

The SPEAKER pro tempore. The Clerk will read the special order for to-day.

The Clerk read as follows:

On motion of Mr. CAREW, by unanimous consent—

Ordered, That Sunday, May 4, 1924, at 3 o'clock p. m., be set apart for addresses on the life, character, and public services of Hon. W. BOURKE COCKRAN, Hon. DANIEL J. RIORDAN, Hon. LUTHER W. MOTT, and Hon. JAMES V. GANLY, late Representatives from the State of New York.

Mr. CAREW. Mr. Speaker, I offer the following resolutions.

The Clerk read as follows:

House Resolution 283

Resolved, That the business of the House be now suspended, that opportunity may be given for tributes to the memory of Hon. W. BOURKE COCKRAN, Hon. DANIEL J. RIORDAN, Hon. LUTHER W. MOTT, and Hon. JAMES V. GANLY, late Members of the House from the State of New York.

Resolved, That Members be granted leave to extend their remarks on the life, character, and public services of the late Representatives.

Resolved, That, as a particular mark of respect to the memory of the deceased, and in recognition of their distinguished public careers, the House, at the conclusion of these exercises, shall stand adjourned.

Resolved, That the Clerk communicate these resolutions to the Senate.

Resolved, That the Clerk send copies of these resolutions to the families of the deceased.

The resolutions were agreed to.

Mr. MADDEN. Mr. Speaker and gentlemen, we meet here this afternoon to pay tribute to the memory of four men who gave distinguished services to their country in this body—W. BOURKE COCKRAN, DANIEL J. RIORDAN, LUTHER W. MOTT, and JAMES V. GANLY. I came here this afternoon, not to mourn the death of any of these men, but to call attention to the reasons why we should be happy that they lived and rendered such distinguished services to their country. I came here especially to speak of the work and life and character of my very warm personal friend and fellow associate here for 20 years, DANIEL J. RIORDAN. He was one of the most kindly spirits I ever knew. There was no day too long and no work too hard for him to do. There was no task too difficult for him to undertake for the people of the State from which he came and in which he lived.

He was a very modest, unassuming man, simple in his daily life. He had ability that few men realized. He was one of the most eloquent, interesting, and humorous men when he chose to exercise the gift of oratory. He seldom chose to exercise it. He believed that much better results for the country could be obtained by doing the real work for which he was sent here than by occupying the time of the House in delivering speeches. He was one of the most influential men who ever served on the Committee on Naval Affairs. He

served on that committee during the upbuilding of the Navy. When he first became a member of the committee the Navy was but the skeleton of a military organization. He, together with George Foss, from my own State, the distinguished chairman of that committee, one a Republican and the other a Democrat, worked to build a Navy and succeeded in its upbuilding so that it was second to none in all the world.

Mr. RIORDAN was a member of this committee during the late war. It was during that period that men's souls were tried and their ability and patriotism tested. DAN RIORDAN was always equal to the task, whatever the task might be. He had the courage of his convictions. He had the integrity of purpose that led him to the place that he always ought to go. He was foremost in his advocacy of American rights in all that terrible conflict. He was an unobtrusive Member of the House, so far as work on the floor was concerned. His work in committee was where he shone. After all, that is where the work of Congress is done. You show me a man who qualifies as a working member of the committee, with a singleness of purpose and integrity of mind and heart, with a love for his country that knows no turning, and I will show you a man who in season and out of season is the bulwark upon which the stability of the Nation may depend. DAN RIORDAN was such a man. It was my good fortune to know him, perhaps, better than most men who have not had the privilege of coming into daily contact with him.

Early in our service here we became attached to each other; and I have never known the time or the condition, where the country's interest was at stake, that DAN RIORDAN was found wanting. It is a wonderful record to leave behind to his family and to his friends.

Of riches DAN RIORDAN had none; and that is the best test, after all, of faithful public service, for public service is not calculated to enable a man to accumulate riches, if we count riches in dollars. But what DAN RIORDAN did accumulate was riches in the character of the service he rendered to his Nation and to his State. He left a heritage to those who were responsible for sending him here which ought to inspire them to do what they may be called upon to do better than they would have otherwise done it.

He was a persuasive man in his modesty. He would come and sit beside an associate in the House and tell him the story of his needs and the needs of the people who sent him here in that modest, unassuming, characteristic way of his that carried conviction. No speech after such a conversation with DAN RIORDAN was necessary to portray the subject to the man with whom he had the conversation. He had a mind that was alert. He was always on the outlook for the things that would be beneficial to his great State and advantageous to the Nation which honored him, and which he honored in the great service which he rendered.

His life was one that went out to those who were less fortunate than he. He was able to meet and greet, if I may use the expression, the down-and-outer and leave him with a better outlook on life. The man who had concluded that his days were ended, that his hopes were gone, that his life was fruitless, that misery was the only thing in store for him had his heart gladdened by the words of affection and friendship and the handshake and the smile of recognition given to him by Mr. RIORDAN. He was made to feel that life was not hopeless, and it was in things of this sort that he was conspicuous—not so by any effort upon his part to become conspicuous, but, rather, conspicuous by the the innate modesty with which he did the things that I have described. There is not much satisfaction in a man doing the things that Mr. RIORDAN did, if he did them only to become conspicuous through the effort of doing them. The conspicuity that he sought was in the work itself, with a distinct determination in his own mind that what he did no one should know except the one for whom he did it. That is the sort of thing that makes life worth living, that is the kind of service that I think makes men worth while, and if worthwhile lives are of any consequence to those who live them, then DAN RIORDAN lived a life worth while and did worth-while things.

So I say that I did not come here to mourn the death of Mr. RIORDAN. I came here to praise God that he lived, and that we knew him, and that we had the benefit of the life that he lived and the thoughts that he expressed. I came here to thank God that such a man was given to earth to mingle with his fellows, and that this man was permitted to become a part of the warp and woof of the Nation which gave him birth. It is because of this class of men that the Nation stands conspicuous throughout the world for its simplicity and determination to live for the future as well as for the present. What I mean by living for the future is to sow the seeds of service, to do one's duty well, to set an example of clean living, and to make others proud of the citizenship which they bear, and which gives them such privileges as exist nowhere else. Mr. RIORDAN was an example of this simplicity and this kind of life, and we are proud that he lived and that he served and that what he did and what he said was worthy and clean and right. There is no reason why we should mourn the passing of men like this, and particularly there is no reason why we who believe in the future life should mourn, because we have been taught to believe that there is a future, and that that future will enable us to meet again with those with whom we fraternize while here. He is gone in body, but his soul is with us. He has passed on. We are here for only a short time, and our days are not long. We should be mindful of that, and being mindful of that it should be our greatest aim in life to so live and serve that when we pass on our fellows who remain behind may be able to say of us what it has been my great pride to say here to-day of my departed friend, DAN RIORDAN.

Mr. GILLETT. Mr. Speaker, I was here during the entire service of Mr. MOTT, Mr. RIORDAN, and Mr. GANLY. I knew them all well and had a warm regard and esteem for each of them and mourned the sad and untimely end of their service here. With Mr. COCKRAN my acquaintance was much longer and more intimate. When I first came to Congress 31 years ago I found him already here with an established reputation as an orator. Although a young man in his thirties, his name was famous throughout the country, and though he had only been in Congress four years he was recognized as one of the formidable debaters and as one of the speakers whom his party put forward on gala days, and was a member of the important Committee on Ways and Means, which at that time consisted of only 17 members and was just beginning the consideration of the famous Wilson tariff bill.

The first time I ever heard Mr. COCKRAN was at the extra session of that Congress which President Cleveland called for the consideration of the silver question, and he made a great impression upon me, not only by his oratorical powers but by the philosophical way in which he sought to probe to the foundation of the subject and develop its fundamental principles.

A few years later Mr. COCKRAN and I were both members of a party which visited the Philippine Islands and in that way I came to know him intimately. He was a most agreeable and delightful companion, good tempered, considerate, entertaining, and showing those same powers of brilliant and epigrammatic speech which characterized him on the platform. Indeed, I sometimes thought that, perhaps unconsciously, he was always rehearsing in private for his public appearances, and was constantly schooling himself in forms of phrase as well as in argument and logic for public discussions. It became a habit with him to talk forensically and brilliantly. And yet, while his conversation was sparkling and argumentative, it was not so studied as to be affected or disagreeable, but indicated a mind ever on the alert and disciplining itself. He must have had a tremendous energy of temperament to be willing or able to always appear at his best and never require the relaxation which comes from careless utterance. To me that was one of his strongest characteristics, a prodigious and unfailing energy which made him always interesting, stimulating, and effective.

As an orator he was one of the best whom it has been my fortune to hear. He had a fine and powerful voice, an impressive presence, with a leonine head, great vigor and even vehemence of gesture, a consummate skill in arranging and developing his subject, a wealth of vocabulary, and an unfailing supply of wit and epigram, so that his speeches were entertaining and delightful as an exhibition, as well as powerful as arguments. Both his intellect and wit were extraordinarily quick and at his command, and the man who interrupted him nearly always suffered for his boldness. He was one of the brightest ornaments of this House. Whenever he spoke he was sure of a large audience, for those who disagreed with his opinions enjoyed the brilliancy and wit with which they were expressed.

As a friend and companion he was delightful, warm hearted, and loyal and generous, always sociable and responsive, one of those rare men blessed with the qualities of both heart and intellect which make men both love and admire them.

Mr. SNELL. Mr. Speaker, we are met here to-day to mourn the death of a colleague and friend who has answered the last roll call, who has passed to the great beyond, loved by his family and friends, respected by his associates, and honored by a constituency he had so faithfully and conscientiously served for many years.

LUTHER WRIGHT MOTT was born in Oswego, N. Y., on November 30, 1874, and died at the family homestead in that city on July 10, 1923, at the age of 51 years. He attended the public schools and graduated from the Oswego High School in 1892, and from Harvard College with the class of 1896. After graduating from college he returned and took a post-graduate course. He first entered newspaper work but soon left that to become associated with his father, the Hon John T. Mott, who was then and is now president of the First National Bank of Oswego. On account of diligent application to this work within a short time he was advanced to the position of vice president and cashier, and held these positions until the time of his death.

Coming as he did from a long line of men, both father and grandfather, who had been prominent in the politics of New York State, he naturally became interested in public affairs. His training and inherent adeptness to this work made him early in life a leader in local politics. He held a few minor city offices, but his first real prominence in New York State politics was when Charles E. Hughes, then Governor of New York State, appointed him superintendent of banks, one of the most important appointive offices in the State. From this time on he assumed an important rôle in the political life of Oswego County and the north country. Coming to Congress in the fall of 1911, the beginning of the Sixty-third Congress, he served continually until the time of his death and had been reelected to the Sixty-eighth Congress. During his service here he was a member of the Committee on Claims, Foreign Affairs, and for the last three terms had been a member on the Ways and Means Committee. He was also chairman of the New York Republican delegation.

LUTHER W. MOTT was an energetic, hard-working Member of Congress, and no man in this body was more active or knew the wishes of his constituents better than he. He was a good judge of public sentiment and at all times represented it as he found it among his people. He figured service was stronger than talk, and I know of no man who was more influential or had more friends among the people of his district. Prompt attention to the people's business was his motto at all times. He was a pioneer in both the prohibition and woman suffrage causes, and in both he proved himself not only progressive but awake to the spirit of the time.

Of all the public men I have known I think I can truthfully say LUTHER MOTT was the kindliest, and never was he too busy to do a favor or render a service to a friend. Another of his strong points was his loyalty to his friends. When a man was once a friend he always stood by him, and this loyalty of friends is plainly shown by the fact that during the seven times he was a candidate for Congress he never had a contest in the primaries and was elected each time by increased majorities. While a Member of Congress he was honored with a degree of doctor of laws by St. Lawrence University at Canton, N. Y., and George Washington University, Washington.

As a private citizen, as a public official, he maintained that same modest, unassuming mode of life, and never ceased to grow in mental power and capacity to serve his people. He met each new responsibility and successfully mastered it. He filled with credit to himself, his family, and his State each new responsibility thrust upon him. He died at the height of his popularity and usefulness, a faithful public servant, mourned by a devoted people, who loved him for his frank and kindly dealings with his fellow men.

Mr. CULLEN. Mr. Speaker, putting our thoughts in language that will properly express our feelings toward departed friends is, indeed, a hard task. To pay fitting tribute to four statesmen like WILLIAM BOURKE COCKRAN, DANIEL J. RIORDAN, LUTHER W. MOTT, and JAMES VINCENT GANLY is doubly hard, because their passing is a loss not only to their families and friends but is a loss to the entire Empire State and to the Nation.

I shall address myself more particularly to DANIEL J. RIORDAN, as I knew him best and longest. Our acquaintance and friendship covered a period of 30 years or more. We served together in the New York State Senate from 1903 to 1906 and then again in the House when I had the honor of becoming a Member in 1919 until his death, he having served continuously in this body for 18 years.

The individuals who stand out in prominence the world over are the ones whose honesty and simplicity first attract you and whose gigantic ability to perform their tasks afterwards impresses you. Words of praise can be used in the description of anybody who has ceased to exist, but truthful words describing a character that had to do with all of the different phases of human nature and came through without a scar is, indeed, the exception. This I can justly say of our departed friend, DAN RIORDAN.

He was always ready to lend a helping hand to the needy and never tired of doing favors for those in need of his service as a Representative in Congress, a position in which he so long and so ably acquitted himself. His ability as a legislator was recognized and was emphasized by his assignment to two of the most important committees in the House—Naval Affairs and Rules. It can truly be said of him that he died in the performance of duty. He came to his office in the House Office Building one afternoon. While at his desk he complained of feeling badly, but littel did those with him know how seriously he was ill. It was characteristic of him not to complain, and he assured those with him that he would soon be all right. Later that afternoon he was found unconscious sitting in the chair at his work desk. He was taken immediately to a hospital, and that evening came the announcement that his spirit had taken its flight and passed on over the Great Divide. It was a surprise and a shock.

To me it was personal. He had always been "DAN RIORDAN," tireless, undaunted, and invincible. He was my friend. His friendship was really worth having. Public life makes many fair weather friends. Many there are who shake your hand and pat your back when you are in the heyday of your power; but RIORDAN'S friendship was of the kind that was much stronger when the clouds of political or other adversity frowned upon you. He had a smile and a good word for everybody, from the highest to the lowest, who were connected with the busy life of the Capitol.

Never posing as an orator, he was never a "victim of words nor a phrasesmith." He was simple and direct in thought and action; frank, truthful, and free from hypocrisy and cowardice. Naturally he had an unconscious courage. He was an excellent judge of men and measures, and never have I known a man in the State who in the halls of legislation or in the marts of trade won a larger or more loyal followng. The attendance at his funeral bore silent testimony to this.

It was often and truthful said of DAN RIORDAN: "Everybody likes DAN." If he had any enemies, I do not know of them. Strenuous at times as were his political contests, they never left bitterness or revengeful feelings with him. He was a charitable man, and many a poor family and bereft widow today will miss the efforts which DAN RIORDAN was wont to put forth in their behalf. Among all the multitudes who knew him in boyhood and in manhood, in private and in public life, not one can recall a mean, vindictive, or deceitful word. Sincere in his beliefs, faithful to his convictions, steadfast in his friendships, he was loyal to every cause he espoused. His life has made many a man happier, his example will make many better, and his service to his constituency and to New York State will endure so long as our country shall last.

I personally deeply mourn the passing away of DANIEL J. RIORDAN, W. BOURKE COCKRAN, LUTHER W. MOTT, and JAMES VINCENT GANLY, all of whom typified the highest ideals and the very noblest and best American manhood and statesmanship. And thus I bid farewell to beloved friends and colleagues and leave them to the rest that they have so nobly earned, the rest which is the portion of the just till they are called to the dawn of the eternal day.

Mr. O'CONNELL of New York. Mr. Speaker, it is to-day my sad duty and yet my happy privilege to speak to you of the passing of one who was for many years an honored and beloved Member of this House—DANIEL J. RIORDAN, Representative from the eleventh district of New York. He was a New Yorker born and bred, a product of our teeming East Side, where he first saw the light in 1870. He attended the public schools of the district until his seventeenth year, when he entered Manhattan College, graduating from that institution four years later with the degree of A. B. He then became a partner in the real-estate business conducted by his father. He was, however, always interested in politics and an active worker for the interests of the Democratic Party, to which his family and friends belonged. This resulted at last in his selection as a candidate for the State senate, to which he was elected in 1902, at the early age of 32. He filled this office so satisfactorily that he was renominated in 1904 and once more elected. On this second election he was appointed by Lieutenant Governor Bruce a member of the committees on insurance, forest, fish and game, and military affairs. His work on these committees led to his being appointed in 1905 a member of the special insurance investigating committee.

By this time he was marked out for advancement and was nominated by his party as one of the Representatives to this

House from New York City and elected to the Fifty-sixth Congress. He was once more elected to the Fifty-ninth Congress, to serve out the unexpired term of Timothy D. Sullivan, who had resigned. After that, for 16 successive years, from the Sixtieth to the Sixty-seventh Congresses, inclusive, he served as Representative for the eleventh district of New York, covering the lower part of Manhattan and including Staten Island. He was beloved by every man, woman, and child in his district, of which he was a typical product, and was so popular that he was invariably returned to Congress by immense majorities.

This, in brief, is the story of his political career, during which he was uniformly successful and in which he has left a shining mark for those of us who were his colleagues to strive after. But to detail this is to give you only the husks and to ignore the good grain within. There is another side to this public record of office efficiently filled. That side is written in the minds and engraved upon the hearts of those—and their name is legion—whom he helped and befriended in one way or another during his long career in the people's service. Service—there is a word that largely epitomizes what this man was, what his life meant to all of us who knew and loved him. No kindness that he could do for anyone, however humble, was ever refused. His heart was big with sympathy for those less fortunate than himself, and his hand ever went out to do what his heart prompted. Hundreds of men and women on the East Side have cause to bless the memory of DANIEL RIORDAN for many a hidden act of kindness, many a private deed of unselfish charity. Unselfishness, indeed, was the keynote of his character. He gave himself constantly and unsparingly and found joy in the giving. I can testify personally to this, as can others of you who hear me to-day. Well do I remember when I first came to Washington, considerably awed by my new responsibilities and decidedly vague as to the correct performance of my duties. He took me in hand, as he did many another, and made the path easy for my feet. He was never too busy or too much engaged to give me wise advice and kindly counsel or to discuss with me some matter of policy or conduct upon which I was in doubt. His help to me was never failing, and the mere knowledge that I had his ripe experience to rely upon worked wonders for me in the way of making me sure of myself amid surroundings that were at first decidedly strange.

My story in this respect has, I am sure, been the story of all his colleagues from New York who came to this House later than he and whose good fortune it was to have in him a mentor and a guide. I can say of him whole-heartedly that he was a tower of strength to every one of us. His office door was always ajar for his fellow Members seeking advice or suggestions upon questions of importance. No man of us ever went to him for help, political or personal, and came away empty handed. And what he was to us he was in a wider sense to all his constituents, a steadfast friend and a stalwart champion. He was a true Democrat in every sense of the word, a plain man born of the plain people and devoting himself to their interests. He not only represented his district politically—other men have done that ably enough—but he was, in a manner of speaking, the soul of it, the very type and flower of what it stands for. Behind every act and word of his in this House lay the all-absorbing thought "How can I best serve these good people who have sent me here and whom I represent?" His life proved how faithfully he answered that question, and his continual reelection was the tribute paid to that unswerving devotion.

There is little more that I need say. I have pictured the man to you as he was—a great Democrat, modest in his greatness, resourceful, tender, considerate, tactful, wholly dependable and whole-heartedly generous. He had all the virtues of the kindly race from which he came and was quick to catch the hint of sadness or of mirth and to respond to either—at once a genuine Celt and a true American. He was my friend and I mourn his passing. He was beside that the friend of all his fellow Members, and I verily believe of every living soul in his district. In saying that I have said everything. No man can earn a greater reward than this, and none that I ever knew more richly deserved it.

But yesterday, it seems to me, he walked and worked among us in these narrow rooms, in this poor Chamber of ours, and then, on a sudden, his "cabined ample spirit fluttered, and failed for breath," and to-day "it doth inherit the vasty halls of death." His taking up of that great inheritance—his ending of this adventure that we call life—reminds me irresistibly, must in fact of necessity recall to us all, that we also are journeying in the same direction, and that as old Omar sings so sweetly, "The bird of time has but a little way to fly, and lo! The bird is on the wing." All too soon we also shall be called upon to take that last pilgrimage, and when that call comes for you and me my prayer is that we may set foot upon that lonely road with as high a courage and as clean a record as did DANIEL RIORDAN. If you will bear with me for a moment, I should like to recite to you some lines written by another friend of mine for an occasion such as this—lines that appeal to me as being peculiarly fitted to express what I find it hard to say:

A good man died to-day. At work he was
When Death, who wished him well, at eventide
Summoned him gently. Now, we weep because
Too soon he died.

Yet not too soon. Was not his work well done?
And when the task is o'er repose is best.
Earth hath no greater gift for this, her son,
Than peaceful rest.

Honest and honored, faithful, kind, and true,
His name untarnished he was proud to keep.
Simple and just, well has he earned his due—
A dreamless sleep.

His life was quiet, even as his end;
His homespun virtues joy about him spread.
He was a tender husband, father, friend—
And he is dead.

Nay! Never dead while in the hearts of those
Who loved him for his worth he lives enshrined.
Death takes the bloom, the perfume of the rose
It leaves behind.

So, while we keep his memory green, we know
His living presence all our tears hath dried.
Death has his body, but himself—ah, no—
He has not died.

That is the note I should like to leave with you. Let this be our friend's epitaph—one that, I think, he would himself have chosen:

TO DANIEL RIORDAN, who for a few years lived and labored with us in this House and who lives forever in our hearts.

And now in all sorrow and reverence we commend his spirit to the Great Father of us all, from whom it drew. May his soul rest in peace!

Mr. SWEET. Mr. Chairman, Members of the House of Representatives, the invitation to say something of the life and public services of LUTHER WRIGHT MOTT upon this occasion and in this presence touches me very deeply.

It is indeed an honor which I appreciate, and I am gratified at being afforded an opportunity to testify to the high character and great achievement of a dear friend with whom I was so intimately associated in social and political life.

LUTHER WRIGHT MOTT was born in old Oswego, a city rich in history and tradition, and there in his early life molded a character which stood the test throughout his entire career, both private and public; his education in the city grammar and high schools, continued through that great institution of learning, Harvard University, from which he graduated with the degree of bachelor of arts, nurtured those soul-implanted ideals that bespeak manhood, integrity, and honor.

The man who receives honor is the man whose life and work are most consonant with the ideals of the country in which he lives. To be true to such an ideal means honor and renown. In no land has such honor ever been purchased by wealth. It comes alone from service, self-sacrifice, and patriotic devotion to duty. In every land honor and renown are accorded to every citizen who fills his life with service to others in any walk of life, public or private, civil or martial; and such was the life of LUTHER MOTT. No one can point out the source of the American ideal of manhood. Like our people, our ideals seem to have been drawn from every part of the civilized globe. In them are to be discovered the religious teachings of all denominations, the self-sacrifice of the early founders of our Republic, who were willing to endure anything that they might enjoy freedom of conscience, and the courage and bravery of the early colonists, whose bold patriotism compelled them to take up arms to fight for a place where their ideals might be worked out in human conduct.

From whatever source this well-recognized American spirit came, in these days and times it expresses itself in self-reliance, fair play, and the giving of equal opportunity. We visualize the American ideal in the self-reliant man, who asks no favors but demands an opportunity as his right, in the self-sacrificing man who is willing to spend and be spent that good may prevail, and in the patriotic man who under heaven finds his country's demand superior and undeniable.

The American ideal demands honesty, clean living, fair dealing, equal opportunity to all, industry, and devotion to her institutions; and the American citizen who is true to that ideal, who is alert, active, unrestrained, and devoted in the performance of his duty, the American people have always crowned and will always continue to crown with honor; and as men who have lived consistently and honorably up to that ideal pass away the hearts of the American people are proud to acknowledge their service with the highest measure of praise, and whether or not their memorials consist of statues or other material construction, they earn and they possess an everlasting memorial in the hearts and affections of the country's people. Those of you who were privileged to know LUTHER WRIGHT MOTT and with him labor in these Halls of Congress, know of his great devotion to the interests of our country, his untiring effort for the greatest service to his district and its people, his self-sacrifice that greatest good and the best for all might prevail, know that his was a life in keeping with the ideals I have endeavored to picture and to him an indestructible monument of love, devotion, and undying confidence he himself builded in the hearts of his people.

To-day we gather to pay tribute to his memory; and while it seemed cruel that he should have been stricken from the field of activity in the summer of his life, we can but take comfort and give comfort to his loved ones who patiently wait the rejoining in the great beyond by bringing afresh to their minds that Almighty God asks nothing for nothing, and as we lift our hearts to Him in prayer we say, "Thy will be done on earth as it is in heaven." If we mean this, and if it comes from our hearts, He will respond with a balm for every wound and a joy to balance every sorrow, and He will give us each day in our affliction abundant consolation in that almost universal belief that Divine Providence makes all things equal and solves for the just man the mystery of death as life everlasting.

Mr. PRALL. Mr. Speaker, on April 28, 1923, the Members of this House and the citizens of the State of New York were shocked at the news of the sudden death of DANIEL JOSEPH RIORDAN, a Representative in Congress.

From out of the turmoil of New York life came DANIEL J. RIORDAN.

Born of Irish-American stock in an East Side district, it was the ambition of his parents to provide for him a professional career.

He was an honor graduate of the public schools of the city of New York and later Manhattan College.

As he attained manhood he became a dominant factor of that great throbbing East Side as it was constituted in those days, and naturally acquired many of the characteristics of those from whom he sprang and with whom he played such a prominent part.

Political life has its attractions for many men. Through it some seek prominence and power, others financial gain, while still others use it as a means to an end. To "DAN" RIORDAN, as he was affectionately known, it meant more than these; it meant life itself.

He considered it a mark of distinction to be selected by his fellow citizens for positions of honor that made him a force in American life.

It has been said of the French that every soldier carries in his knapsack a marshal's baton, and there is fixed in the mind of every stout-hearted American boy the thought that some day he may sit in the legislative halls of his State or perhaps of the Nation and in the end become President.

That is no mean aspiration for any American boy to cherish, and that was the aspiration of young DANIEL J. RIORDAN.

He became interested in the civic affairs of his city and an active worker in the ranks of his party.

He was of that rare type of man who never strayed from the straight path of duty and who was never out of touch with the people whom he loved and served so faithfully.

To say he was appreciated at home is merely to say that the people who supported him in his political engagements knew him best.

He was first a good citizen, a real Democrat, and a loyal party man, who, from his humble beginning, attained all of the honors during a period of years that his people could give him.

Trusted in every relation of life, he responded fully to the expectations of those who honored him.

His home life was ideal. His political life was security itself, because he fairly breathed loyalty. To his frends he was as pure gold.

He was never known to shirk an obligation. His manner was quiet and unassuming, his disposition genial and sunny, his companionship delightful, and his efforts to serve untiring.

With all these fine attributes it is no wonder that he acquired great influence with the people.

He was of the type they delight to honor and elevate to official life. In his case they did that with such regularity that his tenure of public office was practically permanent.

At the time of his death he represented the eleventh New York congressional district in the House of Representatives. In this district is located the "melting pot" of the Nation, where perhaps every nationality on the face of the globe is represented. Here also may be found the homes of the sturdy mechanic, the small shopkeeper, the clerk, and the salesman; the great shipping port of New York; Richmond, the great home borough; Wall Street, the most important financial center of the world; the wholesale dry goods mart; in fact, the center of all the great business interests of our country.

Life to him was interesting because he was in constant touch with all these elements.

The major and happiest part of his time, however, was devoted to the poor, the needy, the oppressed, and the unfortunates in his district.

He had always lived where he was born. His office was near his home. He knew every resident of his district and they in turn knew him. Their haven at all times was "DAN" RIORDAN'S home or office. There he met them and listened patiently to their tales of poverty, distress, trouble, and hardship; and these tales were never told in vain.

Sympathetic and charitable to a degree, he never turned them down.

No case was too trivial for his personal attention.

"DAN" RIORDAN knew human nature and its weaknesses, and the powerful and sustaining hand of the Congressman was always there when needed.

Day in and day out, year in and year out, the infirm and the aged, the young man or young woman starting out in life, the business man, the policeman, the fireman, the city employee or politician would go to him for something, and, regardless of race, creed, or color, it was never denied.

His method of doing things for others was quiet but persistent, and he obtained results. His life was devoted to service, which was always given willingly and cheerfully.

It is not suprising, therefore, to find that Mr. RIORDAN was elected to the Senate of the State of New York in 1902 and reelected in 1904.

Thereafter he was elected a Member of the Fifty-sixth Congress, later returned to the State senate, and again elected to the Fifty-ninth Congress, where he served continuously until the Sixty-seventh Congress, having been elected to the House of Representatives twelve times.

His service in the House was effective and of great benefit to the people of the district he represented, to the State, and to the Nation.

The very characteristics that endeared him to his friends made him a popular and beloved Member of the House.

He had old-fashioned notions regarding his work as a Member of the House of Representatives.

Receiving his daily mail, he would reply to the many requests by writing personally to his constituents.

It required many long hours to accomplish this task, and it was while he was so occupied alone in his office that he was stricken. He was so weakened before assistance came that within a few hours he had passed away.

Removed to his home in Oliver Street among those he loved and by whom he was loved, every manifestation of their affection was bestowed upon him.

High and low, rich and poor alike, called to say their last farewell to "DAN."

The city official and the business man rubbed shoulders with the peddler and the poor of the tenements in paying their respects to his memory.

Magnificent floral pieces were sent by the prosperous, while a single rose or a faded flower, purchased with the last few cents by the poor, bore silent testimony of their love and esteem.

Thousands attended the services in the church just around the corner from his home, where as boy and man he had worshiped and attended his devotions and to which he gave fealty and loyalty.

Mr. Speaker, during the last term of the Congress Mr. WILLIAM BOURKE COCKRAN, Mr. JAMES VINCENT GANLY, and Mr. LUTHER WRIGHT MOTT, former Members of this House from the State of New York, also passed along to their inevitable end, all having given generously of their talents to the Nation.

Those of us who still remain must be reminded that we, too, must soon account for our stewardship to the Great Master.

In contemplation of this thought I am reminded of a verse from a little poem:

Again a parting sail we see,
Another boat has left the shore;
A kinder soul on board has she
Than ever left the land before;
And as her outward course she bends
Sit closer, friends.

Mr. PARKER. Mr. Speaker, among the oldest customs of this House is that of commemorating the lives, character, and public services of men who die while serving in its membership. However this custom may have originated, it is particularly appropriate that it should be perpetuated and followed by the House. In this era public men are subjected to so much criticism, and so much evil is attributed to them, so many sinister motives are charged as characterizing their every public act that it is highly fitting that their intimate associates in public life should at some time make a record of the good things for which such men have been noted and the good they have been able to accomplish.

It is difficult for anyone who is not familiar with the complex life of the great metropolis of this country to understand and appreciate such a character as the late DANIEL J. RIORDAN. New York is a great cosmopolitan community to which come the poor and the oppressed from every clime in the civilized world. They naturally seek the help, friendship, and assistance of some strong, dominant personality.

Mr. RIORDAN was born in the city of New York, but his activities were identified wth the lower East Side, a section of the city much discussed but so little understood by idealists who attempt the impossible in the reformation of human nature. He was brought up in a school where strong men naturally force their way to the front. A man of great courage, of big heart, of winning personality, with sympathy always ready to extend to the unfortunate and the oppressed, he very quickly attracted to himself the loyal support of many persons who, indifferent to his political views, were attached to him because of the innumerable secret kindnesses which were extended through his bounty.

He served a number of years in the Senate of the State of New York. He was elected to this House, retired, and reelected.

He was successful in the bodies in which he had served because his peculiar talents, his indefatigable industry, and his intimate knowledge of the business transacted by those bodies made him an effective and influential member.

In political life in the city of New York there is not much else that men have upon which they can build their reputations and acquire power except the reputation for veracity, the knowledge that their plighted word is sacred, and an unswerving loyalty to their friends and associates. Whatever the turn of the wheel of fortune may be, men like Mr. RIORDAN remain loyal to their friends. No matter what trouble overtakes them, no matter what criticism is provoked, no matter what personal sacrifice may be necessary, they are loyal to their followers and to their friends. My experience in politics leads me to believe that it is the very best and the most essential characteristic for success in public men. We frequently see the cold, selfish, keen, able man ready to sacrifice everyone and every principle that contributes to his success so long as his advancement will be furthered; but the rare and enduring characteristic of the men of lasting power and influence in public life is the strong sense of loyalty always in evidence, which makes their friends, their associates, and their followers know that they will not be deserted in the time of travail and trouble.

I knew Mr. RIORDAN for 20 years. I became acquainted with him when I was quite a young man and I got to know him intimately. We join with those who have reason to cherish his memory in paying this brief tribute to the personality and character of a man who rose to power, influence, and domination in the great metropolis of this country, and who in a quiet but effective way rendered valuable services to his city and his State.

Mr. Speaker, we assemble to pay tribute to our colleagues whose lives were closely linked with the war Congresses and who recently passed from human mystery to divine understanding. Each in his way performed his duty as he believed to be right; each rendered valuable service to his country; each left affectionate recollections in our hearts.

I speak more particularly of my friend and fellow colleague of New York, who faithfully and conscientiously represented his district in formulating the laws of our Republic.

He was a student of economic questions, familiar with the political history of all ages, a man of acute knowledge of the industries of his State, which he jealously guarded, a banker of keen perception.

Men are singled by nature with positive powers to evolve new thoughts, new ideas for the benefit of the world, leaving in their wills a heritage to all mankind. Why one is born to power and another to live in obscurity is a secret that rests with Providence.

LUTHER WRIGHT MOTT was an indefatigable worker; his mind was being daily repaired by diligent application. He studied legislation with attention and deep thought. He gave his talents in the interest of the public good for peace and concord.

LUTHER WRIGHT MOTT was born, reared, educated, lived, worked, and passed away in the State of his nativity, New York.

Whenever a colleague or an associate or one who has attained distinction passes away there rises a duty which the living owe to the dead. In the discharge of that duty, solemn as it is, we are met here this day. LUTHER WRIGHT MOTT was my office neighbor.

He came from my State. He was my associate upon the floor of this House. He knew many of my acquaintances. We have strolled the streets of this city together at different times. We have exchanged views upon important pending legislation and on varied subjects. He was my friend. I grew to know the man, his methods, his purposes, his opinions and his worth.

He brought to the investigation of any subject under consideration a trained mind. His arguments were logical, forceful, his statements concise, and his judgments sound, his mental processes were rapid, his industry intense, his integrity was unquestioned, his character above reproach, and that, after all, is the best asset a man can have. He was resolute and firm in his convictions. His reputation was not confined to the boundaries of his own district; it extended far beyond. Some men like so to live that when they have gone they will be held in loving remembrance by those whom they have left behind; some there are who like so to work that when the last dread summons comes they may know that the influence and the results of good deeds wrought here may be projected far into the future. Our colleague has secured both of these. He lived as though he were to die to-morrow, and he worked as though he were to live forever. His labors are finished, his life is ended, the door was open, he crossed its threshold; he is absent but not forgotten.

WILLIAM BOURKE COCKRAN

Mr. FISH. Mr. Speaker—

None knew him but to love him, nor named him but to praise.

The life story of WILLIAM BOURKE COCKRAN is synonymous with the growth and industrial development of the United States since reconstruction days, and more especially with that of New York City. Born in Sligo, Ireland, February 28, 1854, he immigrated at 14 years of age. His phenomenal climb up the ladder to great distinction purely on his own efforts is an inspiration to hold out to immigrants and native born alike as emphasizing that recognition of individual ability and reward which merit obtains under our laws and form of government.

At his death WILLIAM BOURKE COCKRAN was acknowledged as one of the greatest orators in America, or, as a matter of fact, anywhere in the world. His massive head and sturdy physique gave added strength to his deep and resonant voice. He was skilled in all the arts of oratory and could speak in thunder tones of denunciation or in the quiet and easy flow of a conversationalist. He was never at loss for the right words to convey a particular shade of meaning, and had an extraordinary memory of all he had read or seen. He could speak fluently on most subjects with little preparation, and curiously enough this characteristic was a detriment to his reputation as an orator and as a leader of thought and molder of public opinion, for the reason that his friends took advantage of his good nature to persuade him to speak for their bills and often bolster up poor causes. It is expected of an orator so distinguished as Mr. COCKRAN that whenever he opened his lips pearls of wisdom would come forth, and frequently, through lack of preparation or a weak cause, he would disappoint his admirers.

He was without a rival as a public speaker. His varied and brilliant accomplishments, copious diction, marvelous memory, magnificent rhetoric, gracious presence, dazzling humor, glorious voice, and Irish brogue made him the complete embodiment of an orator such as has not been seen in Congress since the days of Webster, Clay, or Calhoun. There is no man who has lived in our generation who had more knowledge of the history of the world and none who saw more with the eyes of

the prophet or the vision of the seer. He was not troubled with what the world was thinking to-day, but anticipated with clearness and vision the future of to-day's politics. He predicted events with almost uncanny or superhuman divination. He was unafraid either to form his own views on important political issues or to maintain them, even to the extent of leaving the Democratic Party in 1896 because of his advocacy of the gold standard. Time has proved that he was right and his party was wrong; but because he openly supported McKinley he has been charged with being inconsistent politically, a charge that refutes itself, as he showed the courage of his convictions by upholding a great political and economic principle. He demonstrated his independence in politics again when he followed his intimate friend Theodore Roosevelt into the Progressive camp and ran a hopeless race for Congress from the Long Island district where his summer home was located, although he polled a few hundred more votes than the Republican candidate. He was impelled to join the Progressive movement partly out of friendship for Theodore Roosevelt and partly out of sheer admiration for the principles in the Progressive covenant with the people. From the beginning of his career to the very end WILLIAM BOURKE COCKRAN was a progressive in political thought.

He was a tribune of the people in behalf of human rights, and a ready champion of the oppressed of all nations, including his own much cherished but not always appreciative kinsmen in Ireland.

He was not only endowed with great intellectual and mental powers but to his last day he was blessed with remarkable physical strength and vigor far beyond that of a man of his years. I had the good fortune of knowing Mr. COCKRAN well before I came to Congress and my admiration and devotion increased as I was drawn into closer contact with him. We served on the same committee, that of Foreign Affairs, and he often helped me with legislation I was interested in, especially in having my resolution reported favoring the establishment of a homeland for the Jewish people in Palestine.

He enjoyed exercise and liked to walk up from the Capitol to the Metropolitan Club after Congress had adjourned for the day, so invariably twice a week we would take this 2-mile walk. It was no leisurely stroll as Mr. COCKRAN always acted as pacemaker and set a good gait. On the surface, my friendship with Mr. COCKRAN was that of a younger man for an older, although he flattered me by treating me as his equal, in reality it was that of a disciple or student for his master. It was a treat for the gods to walk along with Mr. COCKRAN and listen to him discuss historical, political, or religious questions. I doubt if there ever was a more charming conversationalist. I am quite sure that there is no layman in the Roman Catholic Church, and few priests who have such detailed knowledge of early church history.

I believe he could name all the Popes chronologically and explain to the smallest details the issues involved at the great church conferences of medieval days. I always marveled that one human brain could retain such a vast amount of information. He was pious to a degree, and attended mass regularly. Sincere in his religious devotions, he was never intolerant of others, and was always ready to discuss religious questions openly and with real breadth of vision. His beautiful and charming wife, daughter of Henry Clay Ide, the former Governor General of the Philippines, to whom he was devoted, remained a Protestant, and to his dying day both worshipped after their own manner, and both respected each others religious views. Deeply religious in thought and action, always kindly, courteous, and considerate of others, and with never a harsh word for his employees, two of whom, his secretary and his chauffeur, had been with him more than a score of years, he was the personification of a Christian gentleman.

He was stricken in his own house at Washington, February 28, 1923, after celebrating his sixty-ninth birthday. There was never a Christian better prepared to meet his Maker, and enter into the gates of heaven.

With the exception of Theodore Roosevelt I have never known a more gifted character, or one endowed with such vigorous physical and mental qualities. He was one of the few great public servants that New York City has developed since reconstruction, and as years go by and his speeches are studied his fame will increase. In my opinion he was one of the greatest Americans of our generation, but not fully understood or appreciated.

His funeral services were held at New York City, attended by all the dignitaries of his church and by a vast throng of friends and admirers. He had eight pallbearers, two of whom, former Congressman DANIEL J. RIORDAN and former Congressman Thomas F. Smith, have since died, and among those on the congressional delegation attending the funeral, LUTHER W. MOTT, the dean of the Republican Representatives from New York, has passed to the great beyond.

Let us remember that, whatever is the destiny of the Republic, we must die. Let us reflect how vain are the personal strifes and partisan contests in which we daily engage in view of the great account which we may so soon be called to render.

The memory of BOURKE COCKRAN will always be among the cherished treasures of the House of Representatives and in the hearts of all the Members who served with him. He was one of the few veteran statesmen left in the Halls of Congress. He touched nothing which he did not adorn. His noble acts survive him. Of him it is just to say that "all the ends he aimed at were his country's, his God's, and truth's." Those of us who knew him well admired, respected, and loved him for what he was and not for his oratory or for all his fame. Of such as him we may say with the poet—

> The dead are like the stars by day,
> Withdrawn from mortal eye;
> But not extinct—they hold their way
> In glory through the sky.

LUTHER WRIGHT MOTT

LUTHER W. MOTT, the dean of the Republican Members of Congress from New York State, came from an ancient and distinguished line of ancestors who for generations have served their country in politics. Their family history has been closely identified with the growth and development of the northwestern section of New York State.

Born in Oswego November 30, 1874, he was educated at the Oswego High School and Harvard College. He early became affiliated with the banking business, which was his sole avocation, except politics, until he died.

In 1910 he was elected president of the New York State Bankers' Association.

Mr. MOTT was elected to Congress as a Republican in 1912, the year that the Progressive Party polled more electoral votes than the Republicans. Most of the Republican candidates for Congress from New York State suffered defeat in the Democratic landslide when Woodrow Wilson was elected President. Therefore Mr. MOTT, although belonging to the minority party on his entrance into Congress, immediately became an important factor in Republican councils.

When the Republicans returned to power in the House of Representatives in 1919, LUTHER MOTT became the dean of the Republican Members from the Empire State, and was elected chairman of the delegation. He also became a member of the important Ways and Means Committee, where he took an active part in helping and in securing adequate protection for the great manufacturing interests of his State.

Gentle and courteous in manner, liberal in his views, he made an ideal Representative of his people. He always appreciated there were two sides to every question, and never rushed in blindly on account of prejudice or sentiment. He was a trained and experienced political leader, and had he lived longer would unquestionably have become one of the most influential Republican leaders in New York State politics, and consequently in the United States.

Although a banker by inheritance and training, he was an outspoken advocate of adjusted compensation for the veterans of the World War; he was equally the friend of the disabled soldiers, and stood for all veteran relief legislation.

He devoted his entire time to serving and representing his constituents, which was appreciated fully in his district, as shown by the large majorities he received. In 1922 when the Democrats swept New York State and elected their governor by 300,000, LUTHER MOTT received over 20,000 majority, whereas his Republican colleagues everywhere suffered largely reduced majorities or were defeated. He was untiring in his willingness and eagerness to do kind and obliging things for all who reasonably or unreasonably asked them at his hands at any cost or time or trouble to himself. He literally sacrificed his own personal and private interests on the altar of public service.

When he died at his home at Oswego last summer he was in the prime of life and at the height of his career, with a bright future to look forward to.

His family life had been most happy. His attractive and intelligent wife was his helpmate in politics and in social circles in Washington. He left two daughters and a son, who was a student in Harvard University.

If ever a man had a loving family, a bright political future, and everything worth while in the world to live for it was LUTHER W. MOTT.

A good name is rather to be chosen than great riches, and loving favor rather than silver and gold.

Mr. SNYDER. Mr. Speaker, those who have already addressed the House have, in glowing phrase, detailed the splendid public service of LUTHER W. MOTT to his country and sketched a loving portrait of his life. I can add no coloring to this portrait, but for many years LUTHER W. MOTT was my true and tried friend. On many occasions I drew upon his friendship, and on every occasion received from him unstinted testimonial of his affection. I can not, therefore, be silent on an occasion of this character and not lay my humble tribute upon the bier of my beloved friend.

The district which he represented in Congress adjoined the district which I have the honor of representing, and I speak for his daily associates and neighbors; people who loved him as one of their own household; people to whom his unofficial life was a beautiful inspiration. He was a devoted husband, and his death was a great loss to his family, to the Nation, and to the State of New York. Those of us whom he has left behind honor his high character and love his memory.

Mr. O'CONNOR of New York. Mr. Speaker, within a few months, about a year ago, the great State of New York suffered the loss of four of its Representatives in Congress, the Hon. DANIEL JOSEPH RIORDAN, the Hon. LUTHER WRIGHT MOTT, the Hon. WILLIAM BOURKE COCKRAN, and the Hon. JAMES VINCENT GANLY.

The time allotted to me would not permit anything like an adequate eulogy of all of those distinguished sons of the Empire State.

I shall, therefore, confine my remarks to that illustrious gentleman who preceded me as a Representative in Congress of the sixteenth congressional district of the State of New York—the Hon. WILLIAM BOURKE COCKRAN.

BOURKE COCKRAN! What memories that name conjures in our minds!

It is my privilege to-day, solely because chance has honored me by election in his stead from the congressional district which he so ably and eloquently represented, to participate in these services to his memory.

How inadequately I take his place and how unfittingly can I render appropriate expression on this occasion no one is more conscious than I. To call myself his successor would be gross vanity. He was my predecessor. No living man could succeed him, could take his place in this greatest of public forums.

Student, scholar, orator, statesman, man. Other characterizations have been and may still be applied to him.

It has been given to few men to hold a forefront place on the public stage as long as he. Whether he loved the all-penetrating calcium of public life might well be questioned, because his biography demonstrates that time and again he sought to retire to the quietude of private life only to be called again into the public service for which he was so exceptionally adapted.

Student, scholar—no college or university tutored him. He was self-instructed. Privation and laborious concentration and determination were his stimuli. Those who knew him best—and it was only my privilege to know him intimately of recent years—will lay emphasis upon his faculties as a student and a scholar. Many there are who believe that as a conversationalist he reached his greatest heights. He was a veritable storehouse of history and the world's development and progress in science, in art, in economics, in literature. He was a linguist who had encircled the globe and absorbed the thoughts and aspirations of all peoples. He was the antithesis of a provincial. He detested physical or mental confinement.

Statesman! How begrudgingly does history give space to the achievements of the man in public life. The sculptor, the artist, the scientist, the litterateur leaves tangible, age-resisting evidence of his accomplishment. How few statesmen live in the memory of the next generation! To this unfair treatment by posterity the gentleman whose memory we all honor will stand out as an exception.

Orator! The word itself does not do him justice. God's endowments are many. BOURKE COCKRAN was singled out for especial preferment at the hands of the Creator. In human form he lacked nothing to cause his personality to immediately impress itself upon all within his presence. Half close our eyes and we can see him now on the public platform or in the rostrum of this House—his fine physique, his classic head, his abundant hair, the fascination of his eyes—leaning back against this desk, inviting debate that he might submerge it with the power of his repartee.

With a voice which is given to few men, BOURKE COCKRAN will long live in memory as a master orator. In the power of expression, no contemporary was his superior, few his peer. His voice, now stilled, had resounded around the world. It had stirred multitudes. Listen! Do you hear it? The melody of Beethoven—the cadence of a cathedral organ—the sweet perfume of the rose in the flowers of his speech.

Gesture was his natural movement. Every movement of his body synchronized in perfect harmony with his voice. Those arms—those hands falling so gracefully and so expressively against his sturdy thighs.

Man! Is not this the consummation of all human attributes? With unbounded faith in his convictions, with inimitable power of voice and expression, he offended no man but welded his acquaintance into a great bond of friendship. Class or caste, party or race or creed did not confine those friends. The closest held opposite views on all or most of those subjects which so often set men off against one another. BOURKE COCKRAN was bigger than any dispute.

He was a fighter—a champion in the arena of politics, of thought of human affairs! But he knew how to wage his battles cleanly and fairly, so that his encounters and his victories left no sting.

Memories are the sweetest consolations of life. Without them existence would mean but the present transient moment. One year has passed since this great man, after 70 years of service, passed into the great beyond—passed as he had lived, a devout Christian. We exult in the memory of him. We treasure our recollection of him. We are sad because he was taken from us, but we fervently thank God for having given him to us.

Mr. MEAD. Mr. Speaker, DANIEL J. RIORDAN, at the time of his death the dean of the Democratic delegation in Congress from the State of New York, held the distinction of holding public office longer than most men are permitted to do.

Year after year he was returned to the House of Representatives by a constituency that loved and admired him. He had an unbroken record of a quarter of a century of public service. His greatest work as a Member of the House was done as a member of the most important Committee on Naval Affairs. In the trying days prior to the World War he labored unceasingly to make the American Navy ready for the tremendous task it was to accomplish, and when war finally broke upon us he aided in every possible way to uphold the glorious traditions of America's first arm of defense. When "DAN," as we all loved to call him, passed away the Navy suffered the loss of a true and steadfast friend.

Very well do I recall when first I came to Washington, after being elected a Member of the House in 1918, I called as a stranger at Representative RIORDAN'S office. The warmth and friendliness with which he greeted me left its impress upon me. Setting aside his work he came with me to the House Chamber, where he introduced me to the Members and assured me of his eagerness to help and assist me in beginning my duties as a Member of Congress. Throughout the four years I enjoyed the pleasure of serving with him I could ever go to him for advice and inspiration, and he always, as was characteristic of him, enjoyed being helpful to those who were his friends. He lived in harmony with God's commandments, for his whole life was devoted to helpfulness and service.

Fitting, indeed, were the words of his spiritual adviser who was himself moved with great sorrow at the loss of a faithful parishioner and a devoted friend when at his solemn funeral exercises, in speaking of Representative RIORDAN, he said, among other things:

> He visited the sick, fed the hungry, comforted the afflicted, and was charitable to those who met with adversity, and in doing so he carried out the corporal works of mercy until the hand of God touched him and his soul departed for its eternal reward.

Mr. Speaker, W. BOURKE COCKRAN was one of the most picturesque and striking and at the same time one of the most lovable characters in the public life of our time. His magnificent physical appearance and his superb intellectual accomplishments made him a fascinating and interesting personality. Always courteous and manly in debate, he commanded the respect and admiration of all, even those who may have differed with him on great public questions. History will record him among the greatest and most effective orators of his day and generation.

Of a deep religious nature, Representative COCKRAN'S private life was at once an example and an inspiration to all who enjoyed the privilege of his acquaintance and friendship. He lived as one in constant preparation for the everlasting life. He worked as one who would live forever. His earthly remains are no more, but his great spirit still lives in the minds and hearts of the legion of friends who are better men and women because they knew him.

Mr. Speaker, JAMES VINCENT GANLY, who represented the twenty-fourth congressional district of New York in the House of Representatives, was born in the city of New York September 13, 1878, in which city he received his education. In 1907 he began his public career as a member of the New York State Legislature, and when Bronx County was created he became its first county clerk, serving in that office from 1914 until he was elected to Congress in 1918.

Coming to Congress the same year from New York State and being affiliated with the same political party, we became fast friends. I learned to admire his manly traits and to respect the integrity of his character. He assumed the responsibilities of his office with the fervor and devotion of a loyal and patriotic citizen. He worked faithfully and earnestly in the discharge of his official duties, and although serving but one term he more than proved his ability and gave promise of attaining greater heights in his official career. Shortly after his reelection in 1922 we were shocked to learn of his tragic death.

What a mysterious messenger death is! Striking at times in the evening of life when mortal man's mission here below seems completed, and again, as in the case of our departed colleague, Mr. GANLY, in the prime of life, at the very beginning of what gave every evidence of being a most useful and promising public serivce. But while death is harder to bear and more difficult to comprehend when it occurs at such an early period of one's existence, we must place our trust in our Heavenly Father, who knows and does that which is best. Into His care we commend the spirit of our departed friend.

Mr. REED of New York. Mr. Speaker, it has been said that he who sets before his fellows an example of industry and upright honesty of purpose in life has a present as well as a future influence upon the well-being of his country, for his life and character pass unconsciously into the lives of others and propagate good examples for all time to come. I wish to pay a brief tribute of affection and respect to such a man.

Hon. LUTHER WRIGHT MOTT, whose untimely death we all mourn, exemplified the admirable virtues which I have mentioned. A man may possess these noble attributes of character and yet be unapproachable and austere. Such was not the case with our departed colleague. Although quiet and unassuming, he was always kind, courteous, and deeply interested in those who came to him for help. I am one of those who was the recipient of his many acts of kindness.

I shall not attempt to touch upon those details of his early life which are better known to the good people whom he had the honor to represent. We first met when I entered Congress in 1918. This acquaintance soon ripened into an intimate personal friendship, which I shall always treasure.

There is no need for me to set forth his achievements in Congress, for these are a matter of public record. I know that the people of his congressional district held him in high esteem not only by reason of his distinguished public service but because of his unfailing kindness to them and sympathetic interest in them. It was his constant aim and joy to be of service to his district and to his friends. This was especially true with reference to the veterans of the Civil War, the Spanish War, and the World War. He was unremitting in his efforts in their behalf. I mention this because it reveals the kindly and sympathetic character of the man.

It is safe to say that thousands of those who believed in him and supported him politically will never know of the long hours which he devoted to the duties of his office. Whether or not the files of his office or the public records ever disclose fully the burden of business which he transacted, there are some of us who feel that he worked beyond his strength. The mental and physical strain to which he subjected himself in the faithful discharge of public duties was, no doubt, a contributing cause to his untimely and sudden death. His tireless work as a member of the Ways and Means Committee and the ability with which he performed each task assigned to him is best known to his colleagues who served with him. I believe that his associates will bear witness that there are few men in public life who have discharged their duties with more energy and with greater fidelity than did Congressman MOTT during the consideration of the recent tariff measure.

I believe that his unselfish devotion to duty has a present as well as a future value to his country; that his life and his character will be an inspiration to others; that his actions and his deeds will propagate good example throughout the years to come.

Hon. LUTHER WRIGHT MOTT has left to his bereaved family the rich heritage of a spotless record of conspicuous public service and a good name.

Mr. MACGREGOR. Mr. Speaker, what is life? What is the purpose of our existence? Whence came we and whither bound? These are mysteries unsolved. Our visions are limited, our strength but small. The Creater has implanted in our being aspirations and desires and ambitions. There is also within us a sense of immortality. We do not know, but believe that the passing from this life is not the end. We reason that there must be some divine purpose in our creation. Without this belief life would be bereft of its inspiration.

When we analyze success in life we find but one true basis, and that is "service." A man may achieve fame, he may amass the wealth of a Cræsus, but if his life has not added to the advancement or happiness of mankind he has failed.

LUTHER MOTT's life was a success. The proof is that he was enshrined in the hearts of his friends and the people who knew him. He knew the people—he knew the man on the street, he knew the children, he knew the poor and the afflicted—they came to him with a knowledge that he was their companion and friend, in whom they could confide and from whom they could expect aid and assistance in time of need. They loved him. His life exemplified that beautiful poem of Sam Foss:

There are hermit souls that live withdrawn
In the place of their self-content;
There are souls, like stars, that dwell apart
In a fellowless firmament;
There are pioneer souls that blaze their paths
Where highways never ran;
But let me live by the side of the road
And be a friend to man.

Let me live in a house by the side of the road
Where the race of men go by—
The men who are good and the men who are bad,
As good and as bad as I.
I would not sit in the scorner's seat
Or hurl a cynic's ban;
Let me live in a house by the side of the road
And be a friend to man.

I see from my house by the side of the road,
By the side of the highway of life,
The men who press with the ardor of hope;
The men who are faint with the strife,
But I turn not away from their smiles nor their tears,
Both parts of an infinite plan—
Let me live in a house by the side of the road
And be a friend to man.

I know there are brook-gladdened meadows ahead,
And mountains of wearisome height;
That the road passes on through the long afternoon
And stretches away to the night.
And still I rejoice when the travelers rejoice
And weep with the strangers that moan,
Nor live in my house by the side of the road
Like a man who dwells alone.

Let me live in my house by the side of the road,
It's here the race of men go by—
They are good, they are bad, they are weak, they are strong,
Wise—foolish—so am I.
Then why should I sit in the scorner's seat,
Or hurl the cynic's ban?
Let me live in my house by the side of the road
And be a friend to man.

Our colleague's spirit has passed to the great beyond but the sweetness of his life lingers with us—a pleasant memory and an encouragement to us toward greater service to our fellow man.

Mr. RAINEY. Mr. Speaker, it has not happened within my experience that in one service we have honored the memories of four Members of this body who came from the same State. I knew them all, but I knew best COCKRAN and RIORDAN. Their careers were strangely parallel in this life. They came both from the same racial stock. Their ancestors for many generations had lived in the same section of this world. They had been submitted to the same oppressions of government, and from long lines of ancestors they both inherited their theories of freedom. They both belonged to that governing organization which usually controls the affairs of the greatest city in the world. They both belonged to the same party, they were both devoted to the same ideas, and they both entertained the same ideals. They were both Members of this body at the same time; they both left their impress upon the legislation of the last 20 years. But in what a different way.

They were both courteous and quiet gentlemen. RIORDAN in his forceful, quiet way assisted in organizing those elements of his party here which were able to effect legislative changes. He possessed in a superlative degree those elements of human sympathy which made friends of all who knew him best. Of him it can be truly said that if everyone indebted to him for a kindly act should this afternoon drop a flower on his grave, he would rest to-night beneath a wilderness of flowers.

COCKRAN did not possess the same methods of accomplishing things. He depended for his force and influence in public life upon his ability as an orator, and among all the orators this country has produced in the last 100 years there are none of them greater than COCKRAN.

How many times has this great auditorium echoed to his eloquence. How many times have men on both sides of this Chamber been convinced by his arguments. Painting, sculpture, oratory—the greatest of these is oratory. The painter with his brush and his colors transfers his ideas of beauty and his ideals to canvas and you can take it with you and live with it and it grows on you as the hours and the days and the weeks pass, and finally you understand what he means. The sculptor chisels in marble his ideas and his ideals and you can look at it day after day, and finally understand all that he means when with his art he transfers to the cold marble the ideals for which he stood. But the orator must convey his impressions instantly to the brain of man. He appeals directly to the intellect of those who listen to him, and the impression he makes must always be an instantaneous impression. The orator develops instantly an approval and an enthusiasm greater than painter or sculptor can hope to accomplish. His triumph is the greatest of all.

I remember BOURKE COCKRAN as he stood on one occasion in this middle aisle down near the door delivering an address. He was interrupted from that side of the Chamber by one of the most accomplished debaters in the House, one of the most tactful orators on that side. He was questioned as to his belief and his affiliations in 1896 when the party to which he belonged divided on the issue of silver. He was asked why he left his party on this issue, and the reply came in convincing terms—that the issue for which he then stood appealed to him. Then there came a statement from the leader on that side of the Chamber to the effect that he understood that "it was profitable" for COCKRAN to make the speeches that he did.

That story had been told before throughout the country, and throughout the country there were men who believed it. Then there came the reply of COCKRAN. I can see him now as he left his position toward the rear of this aisle and marched with great strides down to the well of the House where I now stand, holding his clenched fist aloft and shouting out at each step he took, "False! False! False!"; and that was all there was to his denial. But no man who heard it that day ever again believed that story. Then I heard him on another occasion, standing where I stand now, define a gentleman. He described a man in New York City in lowly occupation, a hod carrier, whose ideas of service were so fine, whose methods of meeting his fellow workmen were so courteous, that he was always addressed by men with whom he worked and by his superiors as "Mr." In spite of his lowly occupation, they all by this tribute agreed that he possessed the qualities which constitute a gentleman. I knew RIORDAN and COCKRAN best. My contacts with both of them were many. In their death I experienced a strong sense of personal loss.

I like to think of life as a journey over a broad highway. We start out in the morning traveling over a road watered with last night's rains, and the journey is always upward. There are those who branch out from the main traveled highway and go along into untraveled paths on either side. These are the pioneers; and finally, if they are successful in what they undertake, the highway of life broadens out and takes in also the paths over which they have traveled.

A better and a wider highway is made for those who follow. As we go along there are places where the green ferns grow, and we ought to linger there, and RIORDAN and COCKRAN knew how to do that. As you travel along there are meadows where dreams come true, and RIORDAN and COCKRAN found them many times, and so have you. As you travel along there are fields where the four-leaf clovers grow; they are the prizes of this life, and RIORDAN and COCKRAN found them many times. As you journey along always upward there comes always the call of the crest, and when you reach it there is another ascent and another crest and another call, and so the travel is always upward until there comes a call at the last crest, and it comes always from the uttermost places that lie at the back of the sun. Some hear it early in life, some late in life when they have had much of service back of them, as RIORDAN and COCKRAN had, but it comes sooner or later to all. It is the great adventure of this life. It has come to both of my friends. It came to them at the same time. They both at the same time slipped their anchors and sailed away over the unknown seas to an unknown shore, where at anchor lie the craft of those of their friends who have gone ahead of them.

Over their graves may the snows of winter lie light; over their graves may the winds of winter blow low; over their graves may the birds throughout the long summer days sing always their sweetest songs. Good night, kind friends, good night!

Mr. FAIRCHILD. Mr. Speaker, to-day with me is a day of real mourning, as we are assembled here in memorial services for four of our colleagues who have gone to the great beyond. Those among us who knew DANIEL J. RIORDAN the more intimately will speak of his splendid qualifications that endeared him to the memory of all who knew him. My closer acquaintance with my colleague and party associate, LUTHER W. MOTT; with my committee associate on the Foreign Affairs Committee, my lovable friend WILLIAM BOURKE COCKRAN; and my deep-seated regard for my three times opponent and good friend JAMES VINCENT GANLY, leads me in reference to them to express in a few words my feeling of personal loss. To each and all of the loved ones in homes made desolate our hearts go out in deepest sympathy.

My first acquaintance with LUTHER W. MOTT was at the commencement of the war Congress. I soon became impressed, as all who knew him were impressed, with his quiet, earnest, efficiency and his loyalty to his convictions. During the last Congress he was my close neighbor in the House Office Building, and I came to know him the more intimately and more and more to appreciate both his splendid qualifications and his kindly thoughtful feeling for others.

The whole world knows of the great brain, the mighty intellect of WILLIAM BOURKE COCKRAN. The world knows something of his great heart. It will always be a personal gratification to me that during the last Congress he and I served together on the same committee. It gave me an opportunity to know him the more intimately. I became more and more impressed with his brilliant intellect, but the closer acquaintance also gave me a more intimate realization of his great heart and love for humanity, which outshines, in the memory of those who knew him best, all of his other illustrious attributes.

To-day I feel like speaking more particularly of JAMES VINCENT GANLY. I met him first in the 1918 campaign, when he was my political opponent and defeated me in the election for Congress. I shall never forget when first we met and clasped hands during the early part of that campaign. Until that meeting I had heard of him only as my opponent. From the minute that I held his hand in mine and met him face to face I knew him as my friend. We went through three campaigns as political opponents, but as personal friends. He defeated me in 1918. I was the victor in 1920, but again surrendered the laurels to him in 1922. With the experience of three such campaigns I can speak with authority. He always fought fairly. Throughout three successive campaigns there was never an incident that left a feeling of rancor, and throughout three successive campaigns, with the battle lines fiercely drawn, our personal friendship for one another became closer and closer. When the news of his sudden death came to me last summer in a telegram which reached me in camp in the wilds of the high Sierras calling me home for another campaign I felt saddened with the sense of a personal loss. My heart responds in unison with my tongue when I pay here to-day a deserved tribute to the memory of one always loyal in his friendships and true to the cause he espoused. Everyone who knew him deeply regretted his death, but no one more than I.

Mr. LINDSAY. Mr. Speaker, BOURKE COCKRAN is gone. That splendid figure will grace our councils no more. The noble voice that pleased the ear no less than it convinced the mind is stilled forever. To hear BOURKE COCKRAN was to enjoy his great gift. The skill and charm of the orator were his indeed, but always was that gift expended with sincerity of belief in the matter under consideration. As a Member of Congress he lent distinction to the House of Representatives and rendered valuable service to his constituents and his State. New York City in particular admired him as her own, but BOURKE COCKRAN was known throughout the country for his devoted service to the cause which he espoused. This House pays deserved tribute publicly to his memory and unknown thousands mourn his passing.

Born in Ireland on February 28, 1854, he came to this country at the age of 17 and immediately gave himself without stint to his new allegiance. Like that brave patriot, Charles Carroll of Carrollton, who signed the Declaration of Independence, BOURKE COCKRAN, born in Ireland, received his education in Ireland and in France. On arrival in the United States he became a teacher in a private academy and subsequently became principal of a public school in Westchester County, N. Y. Like many of our great statesmen, he studied law while teaching school, and was admitted to the bar in 1876, a brief five years after he landed on these shores of opportunity. Six years later, in 1882, he was appointed counsel to the sheriff of New York City, indicating his activities in public affairs and his aptitude for a public career. He served two terms as counsel to the sheriff and then was elected a Member of the House of Representatives in the Fiftieth Congress. His long record thereafter is too well known to need recounting. It is neither necessary nor desirable that I recount his many accomplishments, for this was a modest man.

Contemporary history records his contribution to society. Man is a frail vessel, and his allotted span is brief. His highest duty is to leave things a little better than he found them.

Measured by this standard, BOURKE COCKRAN lived a long and fruitful life. Into his 70 years he crowded the experiences of greatly changing times. During the seven decades in which he lived tremendous things have occurred. And always the voice of our friend was lifted in behalf of progress and understanding.

Though BOURKE COCKRAN has left us, his words remain to remind us of our trust and our duty. The memory of his faith, his loyalty to the things in which he believed, abide with us forever.

Mr. WARD of New York. Mr. Speaker, no Member of this House, either from the State of New York or from any other State of the Union, who knew LUTHER W. MOTT has failed to have felt a sense of personal loss in his absence from these legislative Halls.

Leaves of the forest, responsive to the inexorable laws of nature, burst forth into greatest glory just before withering winter breathes icily upon them and sends them reeling to earth. So often fares the life of man. Just when he seems to have attained a period of greatest usefulness death, which is the ultimate common heritage of us all, steals forth unerringly to its goal, and, as a star twinkles and disappears in the gray of the dawn, so the life that once pulsed and throbbed, glows fitfully, grows cold, and is gathered to the eternal ages.

> Leaves have their time to fall
> And flowers to wither at the north wind's breath
> And stars to set; but all,
> Thou hast all seasons for thine own, O Death.

The inevitable hand of death laid itself upon LUTHER MOTT before his life and service had blossomed into full fruition. Born in Oswego, N. Y., November 30, 1874, he had not yet reached the half-century mark in years. Comparatively he was yet a young man.

LUTHER MOTT had served in the Legislature of the State of New York and was in his thirteenth year of service in this body. As chairman of the New York State Republican delegation, he ranked as a party leader. As a member of the Committee on Ways and Means, he had the respect of his colleagues. On the floor of this House he was held in highest esteem.

His untimely death, unexpected as it was, shocked and grieved me. I always found him kindly and affable, sincere and sympathetic, considerate and courteous, and I am glad for the opportunity of paying tribute to his memory. This House was honored and dignified by his presence. The great State of New York is better because of his service. The community in which he lived profited in him as its representative.

During my melancholy privilege of attending his funeral last July I saw first-hand an abundance of evidence in testimony to the honor and reverence of his immediate fellow citizens. It was deeply impressed upon me that though these mourners must turn away from the mound marking his eternal resting place, there would be no turning away from his memory, enshrined forever in the hearts and minds of those who knew and loved him best.

In accordance as men serve, so they live on and never die. LUTHER MOTT, colleague and friend, served well and faithfully, and we gather to-day not with misty eyes or weary hearts to dwell upon the sorrow of his passing. Rather, accepting this resignedly as part of the Divine order of things, we rejoice that LUTHER MOTT lived.

Mr. O'CONNELL of New York. Mr. Speaker, at the request of the distinguished gentleman from Ohio [Mr. BURTON] I present the following for insertion in the RECORD:

Memorial resolution upon the death of Hon. WILLIAM BOURKE COCKRAN adopted by the Committee on Foreign Affairs of the House of Representatives.

The members of the Committee on Foreign Affairs have heard with the deepest sorrow of the sudden death of Hon. WILLIAM BOURKE COCKRAN.

His association with the committee has left a lasting impression because of his remarkable knowledge of general history and his keen discernment of international policies and relations, coupled with an exalted sense of public duty and untiring industry worthy of the highest standards of legislative activity and of statesmanship.

His geniality and helpfulness were so constantly manifested that each member of the committee mourns his death as a personal loss.

For 40 years he maintained an unsurpassed position among orators of the English-speaking tongue. His eloquence and readiness in debate on manifold occasions, both in the Old World and the New, have given him a distinctive place among the public speakers of our time.

The eminence of his public service has made his name an inspiration and a permanent heritage for the country which he loved so well.

With a profound appreciation of their own loss and that of his constituency and the Nation, the members of the committee, by formal resolution unanimously adopt this memorial and convey to the bereaved wife of Mr. COCKRAN their utmost heartfelt sympathy.

Mr. DEMPSEY. Mr. Speaker, eight years ago I came to the House of Representatives and found LUTHER W. MOTT here with a service of four years. After a brief time I became more closely associated with him than any of his other colleagues. I knew, as Congressman SNELL has told you, that he came of good stock on both sides. I knew that he had graduated from that great university, Harvard, and that he had had a splendid preparation for public life. I knew that in his initial contest he had met one of the ablest men in our State, Hon. Elon F. Brown, a man much older, well known, and of rare ability as a debater, and I knew that Mr. MOTT, much younger, had defeated him. I knew that there was no man who was stronger with his constituents in all this body than was LUTHER W. MOTT, and on the surface it was hard to reconcile these known facts with Mr. MOTT's personality. He was small and not impressive in appearance. He had an unobtrusive, quiet manner. He had the misfortune of being partially deaf so that he was unable to wholly regulate by ear the volume of his own voice, and often would speak so low that the listener would be obliged to have him repeat what he had said. He rarely spoke on the floor of this House. He was not a figure in the House debates, and the question often arose how one could reconcile these things with the fact of his being so remarkably strong a figure with his constituents and in all northern New York. It was not at all difficult when you came to know Mr. MOTT and his character to reconcile these superficial contradictions, to see why he was a great force in politics, a leader among men, and to realize that his very marked success in spite of his drawbacks proved more clearly his great ability.

I remember very well walking one morning with Uncle Joe Cannon from the Army and Navy Club to the House. I asked Mr. Cannon whom in all of the long service he had in the House he regarded as the ablest debater? He told me who the man was, and said that he had seen him repeatedly make remarkable speeches, replete with quotations, logical, convincing, eloquent, without opportunity of preparation, and then I remember how Uncle Joe finished the description of that man by condemning him because he had no moral courage whatever. Mr. Cannon said that he would slink away into the cloakroom after having led his party in a remarkable debate and avoid voting. Mr. MOTT had two rare qualities. One was remarkable foresight and the other was undaunted courage. Let me illustrate this by two instances. Those of us who came to serve with Mr. MOTT, as I did, long after he had espoused woman suffrage, had the impression that he was an advocate of that cause because his wife warmly espoused it and to please her. I imbibed that opinion, as did my friends, and one day when Mr. MOTT and I were walking down town he said to me, "WALLACE, I do not believe that you know the history of my association with woman suffrage. In the first parade in the city of Washington for woman suffrage just two men marched. The day before the march my wife came to me and said, 'LUTHER, I always leave you to manage your political matters, but this is not simply a political matter, this is a social matter as well, and I am going to ask you as a favor to me not to

march in that parade to-morrow.' I said to her, 'You are absolutely wrong, and I am going to march,'" and march he did.

It was a fair and good illustration of his general characteristics. He could foresee that woman suffrage was bound to come long in advance of the generality of men who were devoting their time to politics, and he had the courage to espouse the cause when other men were afraid to advocate it. Take another public question. There was no earlier advocate, no more earnest supporter of prohibition in the United States than LUTHER MOTT in season and out of season. Throughout his district and wherever he had any influence he worked valiantly for the cause. Now, there are no two characteristics in public men more admirable or as valuable as courage and foresight, and those two illustrations, which could be multiplied, give the secret and the reason of MOTT's wonderful strength among his people and among those who knew him best. He had one other characteristic. MOTT was a man faithful and devoted to his friends. He loved politics. He loved public life. He had no other interest in life aside from his family and his social activities. He did not care for business; he loved to devote 24 hours every day to politics and public affairs, and he loved to work in that field in association with friends. Why, no man acquires friends except the man who is able to devote himself to the interests of his friends and to give them help and inspire them in their work, and MOTT had that quality in a superlative degree.

One who was his friend never had to go to him and ask him to do things, never had to go and ask what his position was in that which concerned his friend. He knew that MOTT would be for him and with him and do unsparingly, ungrudgingly, and untiringly all one friend could do for another. His home life, his family life, was ideal. His wife and he were devoted to one another. They worked together in the most admirable companionship. She is a college woman, with a splendid mind, and she entered whole-heartedly into all of her husband's plans and struggles. He had a splendid family of children of whom he was entitled to be and was proud. MOTT left a very distinguished mark in all northern New York. There was no one in all that wide expanse of country who did not believe he could accomplish results in Washington, and that he could accomplish results is evidenced in two ways. First, all over the State of New York those who were interested in the present tariff, when that bill was under consideration, came to MOTT with their tariff problems. He worked untiringly on their questions. He studied so that he understood what they ought to have, and through his efforts they secured much of what ought to have been provided for them in the bill. He had a long and hard fight to become a member of the Ways and Means Committee. It was contended by those opposing him that some one should be made a member of the committee who could come on this floor and debate tariff schedules and tariff issues, and that it was not sufficient simply to have a man who was able to sit in committee and do his work well there, but in spite of the fact that it was concededly true that he could not come here and debate because of his infirmity of hearing, MOTT, after a long struggle, after a long debate in his own delegation, went on the committee triumphantly and unanimously. Mr. MOTT will be long mourned by his multitude of friends, among whom you can include all of his constituents, all of northern New York, as well as those who bore personal relations to him. He rendered a marked and valuable public servant and made a mark upon his time.

Mr. KINDRED. Mr. Speaker, my colleagues have to-day paid a fitting tribute to the memory of Hon. W. BOURKE COCKRAN, to the Hon. LUTHER WEIGHT MOTT, and the Hon. JAMES VINCENT GANLY, late Representatives from the State of New York.

I will confine my brief eulogy to the life and services of the Hon. DANIEL J. RIORDAN, with whom I had many years of very delightful acquaintance.

It is well that we, in life, should, in the midst of life's activities, pause to sacredly observe an occasion like this and to drop a flower and a tear in memory of our departed friend. In the exercise of this high but sad duty we not only confer some measure of honor upon him who has gone to "that undiscovered country, from whose bourne no traveler returns" to greet us again on this material earth, but we at the same time cultivate our own conceptions and understanding regarding the highest of things—that is, what we call life here and life hereafter. We ourselves profit in thus meditating upon the virtues and even the failings of the lives of those who have left us and in cherishing the sublime philosophy leading us to an abiding faith in immortality of the soul.

It is peculiarly fitting, then, that we to-day gather here to memorialize the life and character of one of our most worthy colleagues, DANIEL J. RIORDAN, the late Representative from the eleventh congressional district of New York, who served as a Member of this House with honor and distinction from the date of his election to the Fifty-sixth Congress to the time of his death, with the exception of the Fifty-seventh and Fifty-eighth Congresses.

DANIEL J. RIORDAN was born in New York City in 1870. He died after the severe strain incident to his arduous congressional duties at Washington, D. C., on April 28, 1923.

He attended the district schools of his native city until 1886, when he entered Manhattan College, and was graduated in 1890, receiving the degree of bachelor of arts. He then became a partner in the real estate business conducted by his father. In 1902 he was elected to the New York State Senate as a Democrat. He was reelcted State senator in 1904, and on his election was appointed a member of the committees on insurance, forest, fish, and game, and military affairs. In the latter part of 1905 he was appointed a member of the famous special insurance investigating committee. He was elected to the Fifty-sixth Congress and to the Fifty-ninth Congress to serve out the unexpired term of Timothy D. Sullivan, resigned, and to the Sixtieth, Sixty-first, Sixty-second, Sixty-third, Sixty-fourth, Sixty-fifth, Sixty-sixth, and Sixty-seventh Congresses, and reelected to the Sixty-eighth Congress.

His course and record as a Member of the House and as an active member of the important Committees on Rules and Naval Affairs and other committees were such as to win for him the approval and friendship of his fellow Members and of his constituents, whom he always faithfully and industriously represented.

We come now to consider him in his more intimate and personal relations. Like so many others of the Irish-American race, from which he sprang, his was a choice, lovable, and true spirit, shining out most to those who knew him best. We all remember his quiet, quaint humor. It was my good fortune to have known him, as already stated, for many years. He was always a loyal friend, always sympathetic, a reliable guide, and one of the broadest, most liberal minded men I ever knew. His was a helpful, hopeful life, shedding its luster of generous, cheerful helpfulness upon all with whom he came in contact. He was free from affectation; a constructive, good citizen and neighbor; a patriotic, patient, consistent worker for the upbuilding of his city, his State, and his country; but above all these were those still nobler qualities as a family man, a faithful and devoted husband and father.

I along with many other Members of Congress attended his funeral ceremonies at St. James Church, New York City, and was profoundly impressed by the sincere evidences of genuine sorrow, love, and respect manifested by the vast throng who gathered there to honor him on that solemn occasion, representing, as they did, every phase of religious, political, and social life of the great metropolitan city in whose life he played a useful and important part, both as a private citizen and public official.

A man of DANIEL J. RIORDAN'S life and character still lives; such men do not die.

For—

There is no death; the stars go down
To rise upon some fairer shore,
And bright in heaven's jeweled crown
They shine forevermore.

There is no death; an angel form
Walks o'er the earth with silent tread;
He bears our best-loved things away,
And then we call them dead.

Born into that undying life,
They leave us but to come again;
In all, in everything, the same,
Except in grief and pain.

And ever near us, though unseen,
The dear immortal spirits tread,
For all the boundless universe is life;
There are no dead.

Mr. CROWTHER. Mr. Speaker and Members of the House, I shall be very brief at this time. LUTHER W. MOTT was a very close personal friend of mine. He was a member of the committee of which I have the privilege of now being a member, and my association with him in relation to the necessities of the particular territory in which I live showed me conclusively that he had the interest not only of his particular constituency at heart but of all the people of this great Nation. If there is one thing to be gained or to be developed from

these memorial exercises, so many of which we have been compelled within a brief time to hold, it is the inspiration gained from the record of the distinguished Members who have passed to the great beyond. It was not my privilege to know the Hon. BOURKE COCKRAN intimately. DAN RIORDAN I knew very well, and at one time I had an office in the territory where his constituents lived. I know something of the love that his constituents had for him. The Hon. JAMES VINCENT GANLY I did not have the pleasure of knowing personally, but Mr. MOTT, as I have said, was my personal friend. He was a student at Harvard College, taking a scholastic course in 1896, when I attended one of the professional schools and graduated two years later. So we had the bond of union as graduates belonging to the same alumnus.

There is a great deal of talk in this day and generation regarding efficiency, and that leads, of course, to better service, but if there ever was an efficient servant of his constituency it was LUTHER W. MOTT. MOTT was not an orator, as my colleague from New York [Mr. DEMPSEY] has stated, but he was in close touch with the needs of the home folks. He was a real friend. Somebody very aptly described a friend as one who knows all about you and still likes you, and that is a very expressive definition, if you will take the time to analyze it. So MOTT knew pretty well about me, and I knew very well about him, and we liked each other and kept up our friendship that had extended over some period of years. He was a helpful Member of the House, helpful not only to his constituents but helpful to his fellow colleagues. He was friendly to a degree, and you did not have to go and ask him if there was anything that appeared to him that would be helpful to you in your territory. If there was something; a clipping from a newspaper, if there was a thought in an editorial, if there was a news item that had any bearing, he was most anxious to go to you and help you if he possibly could. And right at the midst of his strength and his power politically he was taken from us. I was in the far West last summer when the news of his death reached me.

Our families had been acquainted, and those of you who knew of the splendid culture and refinement of his wife and his children must have realized what happiness it was to him to live, and what sorrow it was for them to lose a loved husband and father at that time. It was impossible for me to come home in time to attend the funeral services, which was a matter of great regret to me.

Many times I had occasion to call on him for services that had been asked of me by people in my own territory, and I always found him willing to serve, willing to give his advice and give me the benefit of his judgment on matters that he had some six or eight years' experience with before it was my privilege to sit with him in this House.

I hope that at some time the House in its wisdom will see fit to make these memorial services an annual affair, that we may mourn or rejoice, as my colleague, Mr. MADDEN, said he came to rejoice—and I agree with him that it is no day of mourning—that we may come here to rejoice that we knew them, served with them, and appreciated their accomplishments.

I had the temerity to differ with the political philosophy of that great orator on that side, the late lamented W. BOURKE COCKRAN, but I never permitted my prejudices to interfere with the enjoyment of his cultured, scholastic expressions. So I hope that some day the House in its wisdom will make these services an annual affair that we may have an orator of the day, the well of the House filled with beautiful palms and banks of flowers, the Clerk of the House reading the roll of the honored dead, with galleries well filled with the friends and loved ones of those who have taken the long journey, and thus pay a real tribute to those illustrious men, those resourceful, masterly, able men that devote years of their lives to the public service. Of course, the end of it all is the grave. The Arabs have a saying that "Death is a camel that kneels before every man's tent," and sooner or later comes the white messenger, and none may say him nay. We must all take that great journey.

The men with whom we associate in our daily labors sometimes forget during the life period to say the kind things and do the helpful things that will make life better and happier for men with whom we journey down the road.

You know the opportunity to do that is so often just at our elbows that we neglect it, and we think that way off yonder, somewhere, somewhere in the future, there will be the opportunity to do the things we have forgotten to do while our brother, our neighbor, and colleague walked down with us on the daily journey of life. Our duty lies here, our opportunity to express kindness, to do the kindly thing, to do the helpful thing is here on this green sward and not way over yonder somewhere, where we are always going to do it to-morrow. To-morrow is 3,000,000 miles northeast of nowhere, and that is the reason we never accomplish anything that we are going to do to-morrow. Now is the time. If I can express my thought, I will do so in these few closing lines:

A parish priest of great austerity
Climbed high in his church steeple
That he might be near to God
And bring God's word down to his people.

So on sermon script he daily wrote
What he thought came from heaven
And dropped it down on his people's heads
Two times each day in seven.

In His time God cried, "Come down and die,"
And the priest from out the steeple
Cried, "Where art Thou, Lord?"
And the Lord replied, "Down here among the people."

Mr. GRIFFIN. Mr. Speaker, may I ask if there are any other Members on your list who are delegated to speak on our late colleagues, Mr. COCKRAN, Mr. RIORDAN, and Mr. MOTT?

The SPEAKER pro tempore. There is one more.

Mr. GRIFFIN. It is now half past 5. The arrangements for the joint memorial were made with a very laudable intention, and I do not at all reflect upon that idea. But we have evidently overshot our mark. We have taken off more than we can chew. I concur very fully with all that has been said in tribute to the splendid characteristics of Mr. COCKRAN, Mr. RIORDAN, and Mr. MOTT, but I was requested to prepare and did prepare an address paying a slight tribute to Mr. JAMES VINCENT GANLY, my late colleague from the Bronx. His friends were invited here to-day to attend these services. They came. Twice during the services I was called out to answer the inquiry as to when Mr. GANLY's part of the ceremony would begin, as they had to return to New York on the 5 o'clock train. I was sorry that I could not give them any information. It seems to me in all justice to the memory of Mr. GANLY and to the Bronx, no mean borough, and to the great district which sent him here twice, we ought to have memorial exercises for Mr. GANLY alone, and I now move that next Sunday, May 11, at 3 o'clock be set apart for the purpose of holding memorial services in honor of JAMES VINCENT GANLY, a former Member of this House.

The SPEAKER pro tempore. The Chair hopes that the gentleman will not insist upon putting that motion at this time. If the point of no quorum should be made, the Chair could not put the motion.

Mr. GRIFFIN. I am sorry, Mr. Speaker, but I must insist upon the motion being recorded. I can not withdraw it.

Mr. DEMPSEY. Would it not be well to withhold the motion and to take up the matter during the week and see what is best to do about it?

Mr. GRIFFIN. I am advised, Mr. Speaker, by my colleague from Tennessee [Mr. GARRETT] that the order designating a day for memorial services provides that no other business shall take place on that day, and, of course, that being true, my motion would not be in order, and I withdraw it, but hope that I may have the cooperation of my colleagues in forwarding a motion to set aside next Sunday for exclusive memorial exercises for Mr. GANLY.

Mr. O'BRIEN. Mr. Speaker, "the good that men do lives after them." If we may paraphrase this sentiment of the Bard of Avon, we may apply it with emphasis to him whom we memorialize to-day.

It would be a trite statement to say that a great man has passed from amongst us. The word "great" at times has little or no particular meaning; it is often misused; sometimes it is a victim of indiscrimination; but when we recall the words and accomplishments of BOURKE COCKRAN, when we consider the story of his life, his ability, his devotion to principle, his loyalty to the land of his adoption, the one word "great" must appropriately be applied to his career. There is no question but what he helped to make this world a better place in which to live by reason of his existence here, and it can not be gainsaid that his life redounded to the benefit of humanity in general and to his own community in particular.

While we assemble here to do him honor, indirectly we do honor to ourselves, because upon us is reflected by association the glory that is attached to his day and generation. The life of BOURKE COCKRAN is so interwoven with the fabric of our country that the success of one adds to the renown of the other.

When he came here no blaring of trumphets or martial music announced his approach. He came, the scion of a sturdy,

vigorous race, with the greatest assets that a man can possess, a healthy mind in a healthy body; and after becoming imbued with the spirit of citizenship, a determination to do his share in perpetuating American principles and American institutions. At that time our country was emerging from the long struggle of fraternal strife, and from that period his personal achievements kept pace with the progress and growth of our Republic.

Endowed with great natural, physical attributes and a mind such as is the fortune of few men to possess, we find him engaged as a dispenser of knowledge to the young, as a student himself, and as a lawyer. With every favorable requisite it was only natural that the people of that day should find him proclaiming and advocating those political principles which he espoused as a matter of conviction and which were an inspiration to those who came within the magic spell of his eloquence.

Much has been said and written about his ability as an orator. For ages to come his will be the standard by which men of similar genius will be judged. In all the history of the world no man has surpassed and but few have equaled him. From ancient times we learn of the fame of Demosthenes by reason of his speech on The Crown. Cicero's name endures because of his denunciation of "Cataline." Edmund Burke survives through his Speech on the Impeachment of Warren Hastings. The reputation of our own Daniel Webster is secure because of his Reply to Hayne. BOURKE COCKRAN will live because of the uniform perfection of his speeches in knowledge of his subject, o'er-mastering logic, dominant personality, and the power of delivery that thrilled his auditors.

As an orator in his day he stood in solitary grandeur, like some snowcapped lofty mountain peak overlooking the valley.

It may be said that nothing became him more fittingly in life than the circumstance of his leaving it. We can well recall how at the close of that winter's day after a typical perfervid display of oratory he retired to his seat with the plaudits of his colleagues resounding throughout this Chamber and how within a few hours word came that BOURKE COCKRAN was dead. Unwittingly he had drawn more heavily on his physical reserve than he knew and nature could no longer withstand the strain which could easily have been borne at an earlier day. It may be said of him, for his country he lived, for his country he died, and that to it he gave the last full measure of devotion.

But his reputation is not limited to his ability as an orator. He was a fully rounded man. He was the result of that system of education which may be defined as the development of all the faculties so as to produce the perfect man, as far as anything human may be called perfect. He detested to an exceptional degree sham and hypocrisy. He was a broad-minded man and treated with respect the opinions of those who disagreed with him. His voice was always raised against tyranny, either physical or political. Though placing the welfare of this country above every other material consideration, it was but natural that he should retain a deep affection for the land of his birth, and no son of Erin ever strove more earnestly that Emmet's Epitaph might be written. He was a kindly, affable, courteous, and approachable man, always willing to contribute from his vast storehouse of knowledge to the enlightenment or benefit of a friend or colleague. His benefactions were many, but made without display or osteutation. His disposition was a most cheerful one, for, despite the terrible upheaval of the set order of things due to the Great War, he believed that relatively this world was the best that could be fashioned by a Deity for man's use and enjoyment.

His personal tastes were many and varied. Athletic activities appealed to him as did a painting, a song, a piece of sculpture, or a tapestry. His home life was the gauge by which the Nation's domestic bliss and faithfulness might be measured. His daily life was a sermon as powerful as any ever preached from a pulpit. If there be, and we most potently believe there is, a state of eternal happiness to which the souls of the just wing their flight, we may take the assurance unalloyed with presumption that BOURKE COCKRAN now enjoys that blessedness that comes as a reward of duty faithfully performed.

We repeat, a great one has passed from amongst us and with one acclaim we say—

He was a man, take him for all in all,
We shall not look upon his like again.

Mr. COLE of Iowa. Mr. Speaker and gentlemen of the House, my time on this memorial program is brief and my part is a minor one. Others who knew him better and longer than I did must write his biography and bestow the eulogies that we owe to our distinguished dead. I am here simply to pay a tribute and to express an appreciation of one whom we all admired and loved, W. BOURKE COCKRAN, orator and statesman.

It was my privilege to serve with him for a short time on the Committee on Foreign Affairs of the House of Representatives. It is in the committee rooms rather than on the floor that we learn to know each other intimately. There we gather as around a family table to express our views and to harmonize our differences so far as we can in the service of the Nation.

In our committee room we were always conscious of the power of the personality of Mr. COCKRAN. His manners were charming and his speech was illuminating. Well read in all things that pertained to foreign affairs and widely traveled, he spoke as one having authority—the authority of knowledge adorned in the grace of fluent words summoned with precision and used with effectiveness out of the vast vocabulary which he had at his command.

He knew the great capitals of the world from intimate observations. He had read their traditions and their histories. He knew the policies and the politics of the nations they served. He might have been a world diplomat or a world historian.

But it was as an orator that Mr. COCKRAN was supreme. As such he leaped into national fame in a historic party crisis. The orator, like the soldier, is always the product of some crisis in which he is able to assert his powers and his leadership. As an orator he often used finesse, the skill of the reasoner, and the dexterity of one accustomed to persuade others, but more often he poured out through his words in irresistible torrents his own overwhelming personality. The tremendous volume of his words was almost bewildering. He piled word on word and sentence on sentence like Pelion on Ossa in the poet's figure of speech until he reached his climax, holding his auditors spellbound.

He often reminded one of Edmund Burke and of Lord Macaulay, those lofty masters of English grandiloquence. Upon the conclusion of one of his speeches I recalled those masters. He at once admitted their influence upon himself, adding the observation that while style was always something innate, it was still susceptible of culture. In that brief conversation I learned how deeply and how widely read he was, and how susceptible to all erudite and artistic influences. But to all his preparedness he gave the spontaneity of his own abounding personality.

My first contact with Mr. COCKRAN dates back to 1896, at a time when he had broken with his party on a great financial issue. He passed through Iowa, where I was then the associate editor of the most potential newspaper, giving voice to his most profound convictions. I interviewed him personally, and I sat spellbound under his oratory—and the spell of that eloquence remained with me through the last speech which I heard him deliver in the House of Representatives on the eve of his sad and sudden death.

It is well and fitting that we remember the dead and that we pay to them these tributes. We who are among the living need the dead more than those who are among the dead need us. We can not help them so much as they can help us. Their example can ennoble our lives and their recorded and remembered thoughts can make us wiser.

Education and civilization are not wrought out of the thoughts that each generation can think for itself or out of the things that each generation can do for itself. Oh, no; they are the accretions and the accumulations of all the thoughts and all the deeds that remain to us from all the generations which have preceded us. If we did not have the heritage of the dead, we would be like children wandering and wondering in a beautiful garden whose vast and varied resources we could neither comprehend nor use.

It is what the dead have left us that makes us rich and wise and useful and good in this world, and therefore it is well that we bow our heads in their invisible presence and pay our tributes to them as to our benefactors.

Mr. FREAR. Mr. Speaker, we speak a common language here to-day. The sounds of debate and of party strife are stilled as we pause to commemorate in feeble words the lives and records of those who were with us yesterday.

I knew LUTHER MOTT. He sat next to me on the great Ways and Means Committee for several years. Quiet, modest, sincere, evenly poised, and always friendly, he served his State and country with high purpose and ability. What more can be said in praise of any man? Signally honored by the presidency of the Bankers' Association of his own State in recent years, chairman of the congressional delegation of that

great State, he maintained the dignity of his position and the confidence of his associates in this House to the end.

For years I occupied an office close to another strong member of the New York delegation, DAN RIORDAN. His quaint humor, capacity, frankness, understanding of men and human sympathy were known to all his colleagues, and these qualities given him by an all-wise Creator were marked advantages with which RIORDAN met his duties here and overcome many obstacles in the battle of life.

Each, in his way, had some attribute that helped fit into the scheme of life to attain success, and the employment of such talents is demanded from all those who would succeed. LUTHER MOTT and DAN RIORDAN were taken away before their allotted time, and each left friends without number who can not comprehend the inscrutable ways of the Infinite or why our colleagues are gone and we are left to carry on.

The problem of life is never more hard to understand than by those privileged to participate, however humbly, in the activities of this great legislative body and who witness the constant dropping off of the changing pilots without notice, while the ship of state moves on her even course.

The good which men do lives after them, never more certainly than under the dome of the Nation's Capitol. However much we may differ politically or fundamentally in individual methods or in our belief or reasoning, we soon learn here the value of mutual counsel and helpful advice. So, too, we soon recognize the high standards and legislative ideals of our colleagues and the influence of those who in past history have made this Hall famous. Every arch, every niche, every great window that admits the God-given light from above has echoed and reechoed with the voices of America's great statesmen who once stood where we stand to-day—voices now stilled—of those who have joined the innumerable throng.

Few, if any there be, of men long in public place of this generation whose knowledge of history, persuasive eloquence, strength of expression, and broad statesmanship surpassed these recognized talents found in BOURKE COCKRAN.

It was a privilege to know him and to counsel with him. Words of warning from his lips have been sounded again and again in this Hall during recent years, warnings that the fundamental rights and parliamentary privileges, dear to popular government and necessary to wise legislation, should not be infringed upon or forgotten. This House must function legislatively, he declared repeatedly on this floor. Our self-respect as legislators and safety of constitutional government must not depart from the standards set by our forefathers if we would retain the privileges and rights placed by them in our hands.

To BOURKE COCKRAN more than to any other one man I am personally indebted for advice that found fruition in a liberalization of rules and change in practices invoked by a majority of the House that ever occurs when parliamentary principles are encroached upon. COCKRAN demanded constructive laws should be here framed that would reflect the will of the people under the same wise, liberal procedure that governs every other great parliamentary body in the world. His plea for the supremacy of the legislative body over the encroachments of its own agencies and his championship of the widest and fullest rights of debate will be long remembered. With these sound principles of democratic government he was in sympathy and his powerful influence was devoted to its strict maintenance.

No other testimonial to broad statesmanlike comprehension of fundamentals of government will overshadow recognition of this service given to the country by BOURKE COCKRAN, and it is a tribute to his memory that every man might well hope to deserve in some small degree for his own.

It knows no creed, no politics, no partisanship, but is founded on a deep love of country and of firmly fixed ideals that COCKRAN possessed.

In these brief, halting words of appreciation for our distinguished colleagues whose memory we this day honor I believe I express the common judgment of all who knew them.

The world goes on without marked incident whether we stay or go, and in that is a lesson for all of us that the greatest reward for service, if reward is deserved, comes from the right use of talents, however small or great, talents given us by the Creator. That is the brief tribute I am privileged to offer to the memory of our deceased colleagues who in this Hall represented their constituents of the great Empire State faithfully and the people of this country so long and well.

Mr. DICKSTEIN. Mr. Speaker and gentlemen, the death of Hon. BOURKE COCKRAN has been a great loss to this House, to his party, and to the American people. The name of BOURKE COCKRAN has sounded in the ears of the American public for many years. I personally became acquainted with the distinguished statesman about 10 years ago and had occasion to be with him at various functions, both politically and socially. During all of my personal acquaintance with him I had every admiration for his ability, his position on public questions, his manner of delivery, and his presentation of debates, which were of the highest thought and study of the subjects. Listening to him just once would convince and impress any fair-minded American of his sincerity of the subject he was discussing and of his great desire to do the right thing for the people of this glorious country. He has proven that in the many debates on the floor of this House time after time. Though I was not a Member of Congress when BOURKE COCKRAN served in this body, I followed his career through the usual channels, and my opinion, respect, and admiration strengthened as time went on. I admired him as a man, as a statesman, and as an orator. His sudden and untimely death was a great shock to the State of New York and, no doubt, to every Member of this House who then served with him. A few days before his death he delivered a speech on the floor of this House which could be put in manuscript and you would enjoy his delivery and picture BOURKE COCKRAN just by reading his address. The country has lost a great man, and the people of the State he represented will always remember the man of the hour, the man of the people, the real American, BOURKE COCKRAN.

DANIEL J. RIORDAN

Mr. Speaker and gentlemen of the House, the untimely death of the Hon. DANIEL J. RIORDAN, a former Member of this House, no doubt has shocked his colleagues with whom he had associated for many years and it surely had the same effect on his constituents in his district in the city of New York. His long services in this House and his keen and fatherly interest which he took in the new Members as they came and went, that of itself was a monument to his name which he left behind. He spent hard and continuous hours in his labors as a Member of this important body, particularly during the war period, which was the outstanding feature of his career. His cooperation and unceasing efforts to carry out the policy of Woodrow Wilson, our late President, was 100 per cent, thereby insuring our United States safety of democracy and everlasting peace. It was because of that unceasing continuous work, depriving himself of the recreation which is necessary for the human body, and as a result of this continuous session his physical condition became so weakened that the machinery of his system could not withstand the attack which resulted in his untimely death. I have known him for over 20 years. During that time I had occasion to meet him at least once a week, and I grew to respect him more and more for his understanding and for his love of the common people, for his aid and assistance not only to his own constituents but to the constituents of the neighboring districts and throughout the State of New York. I had the opportunity to observe him because the eleventh congressional district, which he represented, adjoins my own, the twelfth congressional district.

He was the talk of his constituents and the people of this city for the kind deeds which he had shown to the helpless and defenseless women and children. His word was his bond; his word was his promise. The people looked upon him as one of their own people. He was not called DANIEL J. RIORDAN. We called him "DAN," and he liked it.

He guided me during the same year which he ran, namely, 1922, and it was successful guidance. His knowledge of conditions was thorough. We lost a great man who has not only been respected by the communities but by the Members of Congress—Senate and House—whether they be Republicans or Democrats. He left behind him a good name, and when we think of the deceased we think about his wonderful characteristics, his qualities, his principles, his manner and talk, his kindness, and everything which goes to make up a great man.

I personally feel his loss because I was so intimately acquainted with him. I have no doubt there are thousands like me, and all I can say, Mr. Speaker and gentlemen of the House, is that I shall always remember him just as if he were always alive.

His wife lost a great husband, his children lost a great and good father, and the people lost a great friend.

Mr. BOYLAN. Mr. Speaker and gentlemen of the House, we are assembled here to-day to pay the last tribute to four distinguished sons of New York, who but a few days ago were living Members of this distinguished House—W. BOURKE COCKRAN, DANIEL J. RIORDAN, LUTHER W. MOTT, and JAMES V. GANLY.

On account of my personal associations, of many years standing, with DANIEL J. RIORDAN I will speak especially of his life and work.

DANIEL J. RIORDAN was a man's man. During a friendship of over 20 years I grew to know, to admire, and to respect him. His was a friendship not of an evanescent or passing kind that vanished with the years; his friendship was of an enduring character, a type that grew stronger and wore better during the passing of the years.

At an early period in his life marked adaptability for public service was recognized by his friends and neighbors. It naturally followed that he was selected by them to represent the district in the legislative halls of Albany. Working there with such distinguished Americans as Grover Cleveland, David B. Hill, Theodore Roosevelt, and others, he acquired a knowledge of State politics second to none.

After several years of exceptional service to his people at the State Capital at Albany, he was singled out to be the recipient of greater honors in representing his people at the National Capital.

He came to the city of Washington, and on account of his early training in State matters he rapidly acquired a knowledge of national affairs.

Through an earnest desire to be helpful to his people and the Nation, he devoted himself to the careful, particular, and detailed study of the legislative and departmental activities of government.

He soon became known as an expert in these matters, and many members consulted him relative to the procedure to be followed to successfully pass their legislation.

No service was requested of him that he did not perform. No call was ever made on him to which he did not respond. He gave all that was in him to the successful termination of the matter in hand. His heart was ever open to the appeal of the disabled veteran, the widow, the dependent mother or father, or the orphan. No matter was too small nor too great in which to enlist his help and assistance.

He has left behind human memorials. The men, the women, and the children whom he has helped are humanity's memorial to him. Although he has passed on, his example shall ever live in the memory and in the hearts of those who knew him; and in speaking of him we can, with all sincerity, say that he was one of those men whose life and creed is best expressed by the words of the poet:

> I do not fear to tread the path that those I love have long since trod.
> I do not fear to pass the gates and stand before the living God.
> In this world's fight I've done my part, and God is God. He knows it well.

Mr. WELLER. Mr. Speaker, it becomes my sad duty to record a personal word to the Members of this House upon the life and services of that distinguished statesman who came to Congress from the State of New York and who dedicated his life to the upbuilding and perpetuation of American institutions—the late WILLIAM BOURKE COCKRAN.

When Mr. COCKRAN was called to his great reward he represented a district in the heart of the city of New York consisting of all types and classes of people, the rich and the humble. His energies and attentions were directed in expounding and protecting the cause of pure democracy. He cherished the safeguards and the rights of the people. His work in Congress made us think of him as one of the noble senators of ancient Rome, conservative, thoughtful, and persuasive in debate.

WILLIAM BOURKE COCKRAN was born in Sligo, Ireland. In his youth he was taken to France and there received his early education, coming to the United States when he was 17 years of age. His tall commanding height, his large leonine-shaped head, his classical features, his nimble athletic walk gave him a commanding figure, which, coupled with a deep resonant voice and an accent that savored of "Old Erin," it seemed as though nature had particularly endowed him.

Admitted to the New York bar in 1876, Mr. COCKRAN took a prominent part in the court work of our State and Nation. In court he was a skillful advocate with an interesting personality and disclosed an intimate knowledge of his cause. Whether in court or on the political rostrum or in discussing a question of economy or political science, he exhibited so unusual a knowledge of the subject under discussion as to command the attention of all and was soon recognized as an orator of unique equipment and distinction. To those who heard him it was a rare treat; logical always, with a gentleness which was almost feminine, yet when moved to establish his point in the minds of his hearers he exhibited an intellectual strength that was dynamic; he was almost compelling.

Always religious and seeking Divine consolation, he attended while living in Washington a modest little church near his home. It is told by one of his friends that Mr. COCKRAN almost every day retired to this little church for prayer and meditation. On one occasion, in the absence of an assistant at the altar performing ministerial duties, the pastor called for a volunteer to assist him. Mr. COCKRAN responded and took his place within the altar rail and assisted the pastor in the services. Apparently he was happy in the belief that his life was so prepared that the required duties of the occasion were not strange to him and that he was able to satisfactorily assist in the conduct of the services. Later it was learned that a suitable endowment for the church had been established. His religious training and habits had prepared and prompted him to take his position satisfactorily within the altar rail.

At political conventions and gatherings Mr. COCKRAN was watched and heard by all admiringly. He was frequently referred to as the mouthpiece of the Democracy of the State of New York. His strategy in these gatherings and the commanding influence of his oratory made him a conspicuous figure. His advice on the policy of his party was frequently sought.

Mr. COCKRAN served seven terms as a Representative in Congress, truly a wonderful conclusion to a great life. His record has been inspiring, his friendships many, and our memory of him will always be dear and precious.

I am taking the liberty of appending to the RECORD a memorial of Mr. COCKRAN delivered by the Hon. Martin T. Manton, judge of the United States Circuit Court of Appeals, before the New York County Lawyers' Association; also a memorial compiled and delivered by Robert J. Fox, Esq., formerly Mr. COCKRAN's law associate, and the Hon. Daniel F. Cohalan, which was delivered at a meeting of the Friendly Sons of St. Patrick on May 7, 1923:

MEMORIAL OF WILLIAM BOURKE COCKRAN

[By Martin T. Manton]

Death has stilled the most eloquent voice in America. When, on March 1, 1923, this announcement came, it gave me the profoundest sorrow to realize that those ties of personal affection and respect which united me to W. BOURKE COCKRAN were severed. This sorrow, I know, is shared by his brethren at the bar to whom he was so strongly and devotedly attached, and it will be shared by all Americans, as they fully realize that this country will be for the future deprived of the benefits which would have come from a continued public service at the bar and in the Halls of Congress.

Mr. COCKRAN was born in County Sligo, Ireland, on February 28, 1854, and came to the United States when 17 years of age. His earlier education was had in schools of Ireland and later in France. When, in 1871, he came to what was destined to be his land of opportunity, he worked for a short time in a clerical position, and then assumed the duties of a private tutor. He became an instructor and later a principal in a public school at Tuckahoe, Westchester County, N. Y. It was while so employed that he studied law. Thus, he prepared in the university of necessity, taking advantage of a friend's offer—Judge Abram R. Tappan—who had taken a fancy to the young and promising Irish gentleman and accorded him access to his law library. Thus encouraged, he embraced the opportunity and studied industriously at night while employed during the day. In 1876 he was admitted to the bar and commenced his professional career in Mount Vernon, N. Y. Shortly thereafter he moved to New York City, and it was not long before his natural talents and industry gave such promise that he became conspicuous with the bench and bar. He was educated in the old-fashioned school of classical studies and his oratory bore the impress of that training. He soon took high rank in his profession; that rank he never lost, but his services in his profession became overshadowed because of his standing as a foremost orator in our national life.

The splendor of his voice as a public debater obscured, to some extent, the real and solid talent and achievements underlying his genius that made for a great legal luminary. In the spotlight of politics he was ever in the public gaze. To public service, to the law, and to his church he looked at all questions of any debatable character as worthy of detailed and full preparation—he briefed them all before he argued. He rarely spoke unprepared, but always had the appearance of speaking extemporaneously. He had the faculty of hiding the labor of preparation with perfect art.

A certain optimism was always the foundation upon which he planted every effort to convince. He never made an effort that he himself did not believe in. He was an acute lawyer; he was always a student. A scholar who never forgot his classics in anything he spoke or wrote.

His build and gracious carriage were unusual, unique and picturesque; his leonine head, his heavy features, his broad shoulders, and swelling chest. As an advocate, nature had given him a tremendous advantage over other lawyers—he had a magnificent organ of a voice whose attractiveness was increased by the touch of a sweet Erin accent, not always discerned, but most captivating and persuasive. The compelling secret of his success in argument was in his strength

and power. In the court room he was a conqueror in any interruption of his opponent. His repartee had all the persuasion a great mind could mobilize. He could charm his most hostile adversary.

He was a man of great determination and perfect courage, but he was so gentle and unselfish that all who knew him loved him. No one in want of legal aid ever knocked at his door looking for assistance in vain. He little thought of fees or lawyer's rewards. He but loved the opportunity, fraught with serious responsibility, to help the poor litigant. Often he tided one who need legal assistance over that period when all hope seemed gone. His devotion to his professional duty won back ambition for the disheartened, and his victory brought back faith in the justice of mankind. He cherished the opportunity to send on a poor litigant a victor to new accomplishments.

Whether discussing law or facts before a court or jury, he was clear, brilliant, logical, and convincing. When you opposed him, you felt his power but appreciated his courtesy and perfect fairness. When associated with him, there was a sense of relief that his part would be splendidly sustained.

He could see further into the future than any man of his time. How interesting it was to find time unfold in actual happenings, Mr. COCKRAN'S predictions. Particularly was his prophecy of future political occurrences truly stated. He was a Member of Congress for seven terms. Each time he brought to that service an equipment that seemed to be superior to his last term of service, but constant application at his banquet of learning made it possible to improve. Many lawyers have entered the bodies of Congress, but few ever brought more of the lawyer's worth than Mr. COCKRAN. He had all the fire, all the directness, all the terseness, all the qualities of simplicity of form and straightness of thought which have made for the greatest statesmen from the time of Daniel Webster or Henry Clay. What he said in speeches will live in glittering phrase and golden words—the spoken sentence that stirs the soul and flutters the heart.

His life always was most religious. He found unbounded consolation in the teachings of the Catholic Church. His eloquent exposition of Catholic doctrine on many occasions were public expressions of the true moral man he was. He was very anxious to proclaim himself a simple Catholic man. He was in the practice of his religious belief a fervent man, ever devoted to its teachings. He was charitable, and his charity knew no limits. His acts went so often unmentioned.

The lessons afforded by the life of this great lawyer and American whose loss the New York County Lawyers' Association deplores exemplifies a character of dependency and constitutes an incentive calling upon all lawyers to dedicate their lives to a higher and more complete fulfillment of duty. It is also true that a right contemplation of his life and its results will serve in some measure to assuage the feeling of sorrow begotten by his death.

It was given to him to almost reach the allotted span of mortal existence and during his fruitful career to faithfully serve his country, to win the affection of all who knew him, and to afford an elevating and noble example of duty well and faithfully performed. Contemplating his life, its simplicity, its courage, its devotion to duty, its love of country, the faith that comes to us for service to country and to God, the highest reward of man will be ours.

May I in this my humble effort add this word to help lay the foundation in the permanent records of this association of a monument to his memory, which shall continue to speak of his great moral and mental qualities and his courageous and conscientious discharge of professional duty long after we ourselves shall have gone.

[Compiled and delivered at a meeting of Friendly Sons of St. Patrick by Robert J. Fox, Esq., and Judge Daniel F. Cohalan, May 7, 1923]

That WILLIAM BOURKE COCKRAN was one of the most remarkable and outstanding Americans of his day and generation will be admitted by all impartial commentators.

That he bulked large in the public eye; that he made a strong and it may be an enduring impression upon the history of his times; that his death brought sorrow to large and divergent groups whose sympathies or views rarely are affected by the same event must be granted. This should cause us carefully to review his career and study his qualities in order to discover what it was that set him apart from other men and made of him a figure at once unique, attractive, and picturesque.

It is difficult while still we labor under the sense of personal loss to appraise fairly the qualities or to estimate justly the character of a departed friend.

We are too apt at such a time to permit our emotions to color our judgment and to sway our verdict.

Lord Bacon says that narrative biography requires knowledge of important facts, and veracity and impartiality in recording them.

It is hard to restrain the ardor of friendship in writing of so widely gifted and attractive a man, but a just appreciation should stand upon a foundation of understatement.

It was Macaulay who said that if one stopped under a doorway for a moment with Edmund Burke to escape a shower, he would be impressed with the certainty that he had met a great man. That was true of BOURKE COCKRAN.

His charm of manner, his musical voice, his unexcelled diction, his multifarious knowledge, his leonine head and massive body made him a personality at once outstanding, remarkable, and striking.

He was essentially a product of the times in which he lived and moved and had his being.

Born in Sligo about the middle of the last century, of a family in good circumstances and position, he was early intended for the church, and received in his native land at the hands of the great teaching order of the Irish Christian Brothers a splendid grounding in the fundamentals of education and a thorough training in the art of assimilating as well as acquiring that learning for which in later years he became so conspicuous.

Later in France he added to his stores of knowledge and acquired with the French tongue a fondness for its literature which gave him a mastery of the history of the Continent—both classical and profane—that shed distinction upon him throughout all his after years.

Presently he decided that his vocation was rather for the world than for the cloister, and we find him in his young manhood turning his face to the west, to the land which had opened the door of opportunity and eminence to so many of his countrymen. Here he hewed out for himself a career which has had few parallels among his contemporaries. Men of great talents largely form themselves. By the untrammeled exertion of their own powers rather than by the aid of patrons or fictitious circumstances they break through the barriers of power or the obstacles of fate and make for themselves a position which they owe to native ability and unrelenting toil. So it was with COCKRAN. In his young manhood, after reaching our shores, he may have spent with lavish hand some of the talent and energy with which nature had so prodigally endowed him. But he never lost sight of the goal for which he steered, and the passing years brought him onward and upward in the regard and affection and esteem of his countrymen.

His studies were regular, his contacts with his fellow men constant, and all his varied experiences tended to invigorate, enrich, and expand his thoughts. His vigorous and penetrating mind, always at work, gained for him an immense extent and variety of knowledge. But he had the learning of a philosopher rather than a pedant, and to that learning he added the manners of a gentleman. His company was sought by the fashionable of the world, for he was a wit with a subtle sense of humor and a keen knowledge of proportion. He had an inexhaustible fund of discourse, with constant cheerfulness and high spirits, and that great art of good breeding which made his company pleased with themselves as well as with him. He avoided, either in speech or conversation, the reputation of being a joker or farceur, and pointed often to the fate of several of his brilliant rivals whose genuine talents could not sustain them as against the name of being masters of humor. BOURKE COCKRAN was a many-sided man, and one who might have won distinction and rank in any one of several callings.

He was well read, a great conversationalist, a linguist, a trained and experienced lawyer, a successful man of business and of affairs. But it will be as an orator—ranking among the great orators not alone of his own but of all ages—that his name will live and his fame be secure. So great was his power and so exalted his talent in this direction that his other distinctions must be classed as episodes in his career, and no language which is restrained and deliberate can fairly give an estimate of the influence he exercised and the passion he aroused in multitudes when he fulminated against a great wrong, advocated a great cause, or exhorted upon behalf of a great principle.

One well might have thought in listening to him that he was transported to the Roman Senate in its best days. In his higher flights of oratory his stately periods reminded his hearers of the traditions of Burke and Sheridan, of Fox and Chatham in the British Parliament; of Curran and Flood, of Grattan and Plunkett in the old Parliament of his native land; or of the storied eloquence of Clay and Webster and Calhoun in our own Senate.

Verily in listening to him one would well believe that the age of oratory had not departed, and it is an interesting speculation as to how far the best traditions of the past may be revived when the occasion again shall call forth the passion and eloquence of men gifted like him.

This short memorial would not justify any attempt to tell in detail the story of his triumphs in the field in which he stood without a superior.

Suffice it to say that for nearly two score years no great cause has been discussed in our country upon which he did not shed the luster of his talents, the spell of his eloquence, and the music of his voice. He was a strong partisan, but he never permitted his loyalty to his party to interfere with his duty to his country. He was an aggressive advocate, but he always tried to be fair to an opponent even when dealing his most telling blows. He believed intensely in his own side of an argument, but he was tolerant of opposition, and ever ready to applaud in an adversary that ability and character which bespeak conviction and denote sincerity. He was a lover of liberty, whose passion it was to see it preserved in our country and extended to his native land. He has gone to his reward—after having fought the good fight. May we not say in closing, as men who knew him intimately, who admired

his extraordinary talents and his unrivaled attainments, and who took notice of his failings, for from them, in common with all men, he was not exempt; that the great, outstanding quality in his make-up was his intense and ever-present belief in the God of his fathers.

BOURKE COCKRAN was gifted and blessed above most of the men of his day and generation, but above all in that simple, childlike faith which was fostered at the knees of his mother and which survived and grew with all the triumphs of his great career, and carried him onward into the next world with the fervor of a martyr and the certainty of one who knows.

May the Lord deal with him as with one who has gained the palm, and may his place in the world beyond the grave be even higher and more glorious than that which he won for himself among men.

DANIEL F. COHALAN,
MARTIN T. MANTON,
ROBERT J. FOX,
Committee.

Mr. BUTLER. Mr. Speaker, if the time of going had been left to man the life of DANIEL J. RIORDAN would have been greatly prolonged, because his friends and associates would have been unwilling to have broken an association so enjoyable to them. But death does not consider the wishes of associates when it issues a peremptory summons, which no one has ever been strong enough to decline.

We had no notice that man's God had determined to take him before his work had seemed to have been accomplished; yet our friend worked with an industry which some one might now say was owing to a suggestion that his time for life on earth had been limited. I do not give a credit for such a thought, for we knew each other with sufficient intimacy to have warranted any confidence which we might have seen fit to pass between us. He never complained, and life seemed long before him. I did not think of him and death at the same time.

He was to me a man of bodily and mental strength, cheerful even when suffering disappointment. He showed neither passion nor resentment toward those who opposed those things on which his heart was set. His unfailing gentility made opposition to him or his wishes difficult, and, indeed, it was usually without avail, for he was a man of resolution, tempered with reason, insistent and persuasive; a candid, honest man, who prided the keeping of his word when once passed.

He was never accused by his adversaries of duplicity, yet his argument was made with a natural tenderness for the feelings of others which led his associates to frequently remark, "DAN'S big heart is on his coat sleeve."

I found a delight in his company which I never tried to avoid. As I write this line I am reminded of a long official trip made with him during the summer of 1918, a part of which carried us through the place where his ancestors first lived. His love for them and their nativity impressed me with favor as he recounted with unaffected joy their habits of life, their hopes, and their aspirations as they struggled for their independence. I liked my friend for his traits, but if I could separate one from the other, I would speak of his intense Americanism. On this occasion, during the war period, he had one and only one thought—the preparation of America for the contest, together with his constant hope of its success.

This candid man had the intense loyalty of his race to a cause which he espoused. Never at any time did he break from the judgment of his party associates, who believed in his political wisdom and named him one of their leaders.

DANIEL J. RIORDAN was a liberal man, of excellent mind, and could be safely intrusted with a leadership which in his modesty he did not seem anxious to assume. He was an excellent judge of human nature and rarely advocated a measure before carefully consulting those who might be interested or enlisted. He showed in all things a cool head and a careful preparation, avoiding needless and useless discussion, thereby avoiding needless antagonisms.

In my official relations with him I never saw a weakness in his conduct, although he was always inclined to respect the wisdom of others in whom he had confidence. In all things he was an honest man and deserves to live in the confidence of those who confided in him when he went away from the sight of all men to live elsewhere forever. While he did not build alone, he did much here below to make a great country greater, to improve and develop its people, all of which must have comforted him as he gazed back from the sky line dividing life from death. It was to our advantage to have known him. What more could he have desired? Those of us who have lived to speak of him bear witness to his complete fitness for the duties given him, faithful and intelligent in all things, with a character of rugged integrity worthy of imitation by the best of us.

Mr. LITTLE. Mr. Speaker, eight years in the American House of Representatives is the greatest education our country now affords to an American citizen. Those of us who saw the sunrise of our lives from the doors of a junior western school, now become a great university, had a glimpse of the world that came when we were young and everything was new to us. We unrolled the ancient books of life and read in shining letters the history and philosophy of the world when it was worth reading—

When all the world was young, lad,
And all the trees were green,
When all the geese were swans, lad,
And every lass a queen.

Those who assembled around the altars of Harvard and Yale and those famous American schools enjoyed all the advantages that come with the development of American history and American citizenship. Others who trod the halls of Oxford or drank beer on the tables of Heidelberg or Vienna or Paris got a glimpse of everything in Europe worth while. In the Mosque of Elhâzar, at Cairo, those of us who love mankind saw the youth of the whole Mohammedan world on exhibition at its studies and drank deep of the mysteries of that ancient abode of learning. Some have improved their resources and polished their attainments by weeks in Japan, or China, among the places where the world was born. They sipped of the wisdom of Confucius and learned with astonishment of the 300-year-old statecraft and poetry of Ieayasu.

When we came here we knew that there were kings before Agamemnon and generals from whom Cæsar and Alexander learned the art of war. By the time that the average man came to this Hall he was on reasonably familiar terms with the characters and capacities of the great millionaire princes who so dominate the public and private life of this country. He may have known the youth of his native land showing its best on the field of battle for his country on the other side of the world. He may perhaps have lived in the palaces of the most ancient country of the Mediterranean East and spent many hours at the foot of the Sphinx, still keeping her own counsel. At any rate, he had known men in all walks of life and in all measures of victory and defeat. But never until he came here and received the diploma of several years' experience among his colleagues could he possibly have sounded all the depths that are now in the souls and hearts of his countrymen, sent to represent them here with all the powers of this mighty Republic. However provincial his feeling may have been, however narrow his views, he learned here the higher values of human nature, a broader and more generous understanding and comprehension of its attributes, and a kindlier sympathy with all its ambitions. Here I finally learned the absolute truth of a little verse my mother taught me:

In men whom men condemn as ill
I see so much of goodness still.
In men whom men pronounce divine
I see so much of sin and blot,
I hesitate to draw the line
Between the two where God has not.

When we assemble in this Hall to pay tribute to the memories of our departed colleagues we fully realize the responsibilities and duties that bring us here and the value of their association and services. On this day all are equal. Millionaire and mendicant, sultan and slave, sage and simple, all march to the same music through that grim and ghostly cordon beyond which we may well all meet when the sun goes down.

When I came here, for example, Tammany Hall was a harsh word, and its denizens were subjects of my very stern suspicion. I saw at the head of the great appropriations of this country a man whose outstanding characteristic was absolute integrity and who came here from that great political headquarters. To my astonishment I found that in the very prime of his political career and the very summit of his political mastery of the wealth of the Republic he abandoned an assured seat in this House to go home and make a living for his family and start them in life. Moved by a sudden but matured and very natural impulse, I went to John J. Fitzgerald and apologized to him for my early misconception of him and told him that his departure was a very distinct and important loss to this country, and that I was proud to have been the colleague of so brilliant, so able, and so honest a gentleman.

This day death takes a heavy toll of our colleagues of Tammany Hall and of its environment and friends. It writes on the wall this day the name of BOURKE COCKRAN, the greatest orator of the House; of LUTHER MOTT, who leaves to posterity a record of faithful industry and loyal adherence to the great causes of woman suffrage and prohibition, which stamps his as

a name long to be remembered in the councils of the upper State of New York; of DANIEL RIORDAN, who was an honest gentleman, kind and courteous, and at all times actuated by the motive of service to his constituency; and of JAMES V. GANLY, who departed this life at the very time when he gave evidence of a most useful and promising public career, who labored zealously in discharging his duties, and in the short time that he was here gained the respect of his fellow Members.

We may well doubt whether on any one day in our career in this House any of us shall see fate snatch so brilliant a page from our books of membership. Except one or two great names, most of them pass off unwept, unhonored, and unsung among the constituents who sent us here from the West, but they all carry with them the profound respect and affection of the colleagues with whom they are best acquainted in this House. We know that they all have at home this day in the great metropolitan city vast audiences which assemble to pay due and well-deserved respect to their memories. We know that this night in the great New York City there will be many sad hearts and many sorrowful homes where they are held in loving and gracious memory, to which they are well entitled. We will spread on the record of this Congress forever these feeble testimonies to their high character, their sound patriotism, and their many talents, so that the young men and the young women of this country for the next century may find the record and from it broaden their own respect for their own great country of which we are all a part.

Mr. GRIFFIN. Mr. Speaker, during the past year there has hardly been a month in which we have not been called upon to pay solemn tribute to the memory of some Member of our House who has been summoned to enter the mysterious portals of eternity.

Since the Sixty-eighth Congress has begun its career 16 of our Members have answered the imperative summons. Four times has the Herald of Death addressed that summons to the delegation from the Empire State.

First, WILLIAM BOURKE COCKRAN, the scholar and finished orator, who in eloquent periods so often reverberating within this Chamber pictured the past, presaged the future, and drew from the bounteous stores of his mighty brain wise counsels for the present.

Then DANIEL J. RIORDAN, that incomparable man, whose personality, without the meretricious aid of empty pretense, wielded so powerful an influence upon his colleagues throughout the long period of his legislative service.

The summons then came to LUTHER WRIGHT MOTT, the refined and delicate scholar, courtly yet sincere, whose service of seven terms at great personal sacrifice was a credit to his fidelity, an honor to his constituency, and a boon to his country.

Lastly, JAMES VINCENT GANLY answered the imperious call. His death came as a bolt from a clear sky and grieved intensely all who knew and loved him. The very circumstances of the fatal accident which marked him for sacrifice were profoundly and significantly indicative of his generous, kindly nature.

He was driving his car upon a tortuous stretch of country road, and putting into practice what he had so often preached, namely, the doctrine of courtesy, he turned off his course to make room for a car coming toward him around a curve.

His magnanimity, always stronger than his love of self, gave way too much. His vehicle struck the stump of a tree, was overturned, and he was impaled—a martyr to the kindly impulses of his generous heart.

JAMES VINCENT GANLY was born in the city of New York on September 13, 1878. He attended the public schools and, having an ambition for a business career, continued his education in a commercial school. He was successful in his chosen calling. He did not enter politics for a living, but after he had made a name for himself for business ability and personal integrity he ran for the assembly and was elected. He served but one term, and that was during the year 1907. At the conclusion of this political experience he continued his application to his business with renewed zeal.

On June 14, 1911, he married Miss Mary R. Leddy, a handsome and charming girl who made him a devoted wife—one who shared in all his joys and sorrows and contributed largely by her wise counsel and indefatigable zeal to promote his subsequent political successes.

In 1913, when the new county of the Bronx was organized, he was drafted as a candidate for the important office of county clerk. He was elected triumphantly, and, when he was sworn in on January 1, 1914, it became his duty to organize the new office. His long experience in business enabled him to do this so successfully that the Bronx County clerk's office very soon became known as one of the most orderly, systematic, and efficient in the entire State. Here is where his personality exercised a striking influence: His own inherent courtesy spread itself indefinably and was communicated to the entire office force, who, during his incumbency, and even since, has been distinguished by the sterling marks of courtesy, efficiency, and integrity.

At the conclusion of his term he was elected to the Sixty-sixth Congress. In 1920 he went down to defeat in a closely but honorably fought campaign. His kindly greeting was missed in the Sixty-seventh Congress. In 1923 he was once again elected to Congress, but was not destined to live out his term. His untimely death on September 7, 1923, cut short an honorable and promising legislative career.

To-day we unite to pay this slight tribute to his memory, and when these words shall have been forgotten those who knew him will long cherish and remember their genial friend and kindly colleague, JAMES VINCENT GANLY.

Good deeds, however humble, still survive. The conquering hero may lash the surface of life into huge billows, carrying destruction in their wake, but the lowly elements hidden in its depths give the ocean its stability, its color, and its strength.

> For nothing dies—nor deed nor word nor thought—
> Although their memory perchance may fade.

If this be true, the beautiful, the calm, and stormless life of GANLY was of as deep import to his time as though he reached the highest pinnacle of human glory.

It can not be said of him that his eloquence shook the battlements of fame. He made no adventures into novel spheres. He resorted to no showy expedients to attract the crowd or attain ephemeral distinction. His life was simple, his aims modest. He sought only to be kind, to be just, to be true; and he loved his fellow men.

ADJOURNMENT

In accordance with the order heretofore made and as a further mark of respect (at 5 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Monday, May 5, 1924, at 12 o'clock noon.

SENATE

MONDAY, *May 5, 1924*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, surely goodness and mercy have been following us all our days. Thou dost crown with Thy benefits each day as it comes. Enable us to realize our dependence upon Thee, seeking from Thee that guidance necessary in dealing with great affairs, understanding the path along which we tread, and being certain that we are under Thy guidance even in the midst of the uncertainties of life. The Lord lead us to-day and all the days according to His good pleasure. In Christ Jesus. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Thursday, April 24, 1924, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, communicated to the Senate the resolutions (H. Res. 283) of the House adopted as a tribute to the memory of Hon. W. BOURKE COCKRAN, Hon. DANIEL J. RIORDAN, Hon. LUTHER W. MOTT, and Hon. JAMES V. GANLY, late Representatives from the State of New York.

ENROLLED BILL SIGNED

The message announced that the Speaker of the House had signed the enrolled bill (S. 1631) to authorize the deferring of payments of reclamation charges, and it was thereupon signed by the President pro tempore.

PETITIONS AND MEMORIALS

Mr. ASHURST. I present a letter from the Governor of Arizona respecting the reforestation of denuded lands, which I asked be referred to the Committee on Public Lands and Surveys and included in the RECORD. It is in the nature of a petition.

There being no objection, the letter was referred to the Committee on Public Lands and Surveys and ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE, STATE HOUSE,
Phoenix, Ariz., April 29, 1924.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

MY DEAR SENATOR: My attention has been called to H. R. 4830, to provide for the protection of forest lands, for the reforestation of

denuded forests, and the extension of national forests, which I am advised has passed the House and is before the Senate.

I am not in possession of a copy of the bill as it was amended, but it appears to me that this bill deserves very careful consideration, especially section 7. Over 61 per cent of the area of this State is now in reserve of one kind or another, and I do not believe that any extension should be made which would reduce the taxable area to any greater per cent.

As a matter of fact, I am coming to the conclusion that the Federal Government should pay taxes to the State on reservations made by it within the States.

I trust that you will examine this bill carefully and determine whether the proper amendments have been made which will prevent the State from being deprived of revenues derived from taxation on lands which might be covered by this bill.

Respectfully yours,

GEO. W. P. HUNT, *Governor.*

Mr. ASHURST. I also present a telegram from the department commander for Arizona of the United Spanish War Veterans, which I ask be referred to the Committee on Pensions and included in the RECORD.

There being no objection, the telegram was referred to the Committee on Pensions and ordered to be printed in the RECORD, as follows:

PHOENIX, ARIZ., *May 5, 1924.*

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.:

We do not believe that the President's veto of the Bursum bill reflects or represents the sentiment of the American people, but feel confident that the vast majority of our people recognize that the pensions provided to be paid are reasonable and justly deserved by the beneficiaries therein mentioned and favor the bill. The payments provided are not an unwarranted expenditure of the taxpayers' money nor an unreasonable burden upon them. Dollars must not be placed above the services and sacrifices of the loyal men who saved the Union and made the Republic great and its flag respected and reverenced in every land and on every sea; therefore, in behalf of the Spanish War Veterans of Arizona, I respectfully and earnestly request that you vote to pass the bill, notwithstanding the President's veto thereof.

J. L. B. ALEXANDER,
Department Commander for Arizona,
United Spanish War Veterans.

Mr. WATSON. I present petitions of various banks and bankers approving the 25 per cent surtax, together with a list of 8,556 different banks joining in the approval. I ask that the Secretary read merely the summary, and that the petitions be referred to the Committee on Finance.

The PRESIDENT pro tempore. The Secretary will read as requested.

The reading clerk read as follows:

Recapitulation

BANKS INDORSING 25 PER CENT MAXIMUM SURTAX RATE

Alabama		133
Arizona		46
Arkansas		124
California		269
Colorado		137
Connecticut		120
District of Columbia		11
Delaware		36
Florida		121
Georgia		167
Idaho		67
Illinois		316
Indiana		308
Iowa		370
Kansas		190
Kentucky		212
Louisiana		290
Maine		87
Maryland		89
Massachusetts		135
Michigan		201
Minnesota		279
Mississippi		107
Missouri		128
Montana		97
Nebraska		124
Nevada		23
New Hampshire		77
New Jersey		193
New Mexico		37
New York		454
North Carolina:		
Banks indorsing	147	
Manufacturers indorsing	106	
		253
North Dakota		164
Ohio		422
Oklahoma		212
Oregon		67
Pennsylvania		667
Rhode Island		13
South Carolina		128
South Dakota		111
Tennessee:		
Banks indorsing	181	
Manufacturers indorsing	127	
		308
Texas		352
Utah		52
Vermont		74
Virginia		183
Washington		143
West Virginia		116
Wisconsin		316
Wyoming		45
Total		8,556

The PRESIDENT pro tempore. The petitions will be referred to the Committee on Finance.

Mr. BROOKHART. I present a letter in the nature of a memorial from A. J. Hinecker, of Marshalltown, Iowa, which I ask be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

The memorial was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

MARSHALLTOWN, IOWA, *April 29, 1924.*

Hon. SMITH W. BROOKHART,
Washington, D. C.

HONORABLE SIR: This is to inform you that the Board of Trade of Chicago are flooding the Corn Belt to-day with representatives going around leaving cards with cheap politicians instructing them to think up five men which they consider would be against the McNary-Haugen bill, and these cheap politicians are writing day laborers', renters', coal heavers' names to these cards and forwarding them to these representatives, claiming these men to be representative farmers, and they are figuring on forwarding all of these cards to Washington, D. C., in order to kill the McNary-Haugen bill.

One of these cards was placed in the hands of an attorney who I am personally acquainted with in Marshalltown, and he is filling it out and sending the class of men that I referred to above.

If any of these cards from Marshall County, Iowa, come to your attention, if you will wire or write me these names I will guarantee a personal letter from each of these men disputing what claim that they made for them. These cheap politicians are going up and down the streets of Marshalltown and telling the merchants that if this McNary-Haugen bill goes through that all of the big elevator terminals will be closed and there will be no market for the grain and they are getting a lot of dissatisfaction stirred up among a class of people that has to look to the farmer for a greater portion of their trade. The merchants here are in sympathy with the farmer and they feel that they are doing the farmer a favor in helping kill this bill.

I have been in the land and loan business 30 years and in all my experience never saw our country in the condition that it is to-day, and to think that men that never grew a bushel of corn or a grain of wheat should sit in our terminal markets and say what we are to get for our products, and as it is to-day there is no competition nowhere, and if the Senators lay down on this bill they can rest assured that when the next election comes there will be strange faces in Washington.

We are going to hope that you are going to use your influence in every way honorable to promote the interest of the people who are the greatest sacrificers of our Commonwealth.

Leaving the rest with you, as our honorable representative, I am

Respectfully yours,

A. J. HINECKER.

Mr. WARREN presented memorials of sundry employees of the Union Pacific system at Green River, and 426 members of the Union Pacific Unit of the Shop Employees' Association at Cheyenne, in the State of Wyoming, remonstrating against the passage of the so-called Howell-Barkley railway labor bill, which was referred to the Committee on Interstate Commerce.

Mr. ROBINSON presented a memorial of sundry citizens of Heber Springs, Ark., remonstrating against the imposition of a tax on radio apparatus in pending tax legislation, which was referred to the Committee on Finance.

Mr. CURTIS presented a petition of sundry railroad telegraphers of Topeka, Kans., praying for the passage of the so-called Howell-Barkley railway labor bill, which was referred to the Committee on Interstate Commerce.

Mr. KEYES presented a resolution of the Durham Woman's Club, of Durham, N. H., favoring an appropriation to enable the United States to participate in the forthcoming international conferences for the suppression of the narcotic traffic, which was referred to the Committee on Foreign Relations.

Mr. KENDRICK presented a petition of over 500 members of the Shop Employees' Association, Union Pacific System, of Cheyenne and Rawlins, in the State of Wyoming, remonstrating against the passage of Senate bill 2646, to provide for the expeditious and prompt settlement, mediation, conciliation, and arbitration of disputes between carriers and their employees and subordinate officials, and for other purposes, which were referred to the Committee on Interstate Commerce.

Mr. FRAZIER presented the petition of J. F. Whistler and five other citizens, of Sweetbriar, N. Dak., praying for the passage of Senate bill 2646, to provide for the expeditious and prompt settlement, mediation, conciliation, and arbitration of disputes between carriers and their employees and subordinate officials, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted at a meeting of the People's Party, Maryland Branch Farmer-Labor Party, at Baltimore, Md., favoring an amendment to the Constitution granting equal rights to women, which was referred to the Committee on the Judiciary.

He also presented the memorial of Karl Kildahl and 10 other citizens, of Clifford, N. Dak., remonstrating against the imposition of a tax on radio receiving sets, which was referred to the Committee on Finance.

He also presented the memorial of W. A. Samski and 26 other citizens, of Dunseith, N. Dak., remonstrating against the passage of legislation reducing the tariff on eggs, which was referred to the Committee on Finance.

He also presented memorials of the officers of the Towner County Farm Bureau and the Cando Welfare Club, both in the State of North Dakota, remonstrating against the passage of legislation increasing salaries of employees in the Postal Service, which were referred to the Committee on Post Offices and Post Roads.

Mr. SHIPSTEAD presented resolutions adopted at the annual convention of the Minnesota Telephone Association, favoring the adoption of the so-called Mellon tax-reduction plan, and especially the repeal of the so-called nuisance taxes, including taxes on admissions and telephone and telegraph messages, which were referred to the Committee on Finance.

He also presented a petition of sundry citizens in the State of Minnesota, praying for the repeal of the tax on industrial alcohol, which was referred to the Committee on Finance.

He also presented resolutions adopted at a meeting of women held in Eveleth, St. Louis County, and the fortieth annual convention of the Minnesota State Federation of Labor, both in the State of Minnesota, favoring an amendment to the Constitution granting equal rights to women, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry members of the Woman's Christian Temperance Union of Morristown, Minn., remonstrating against the passage of legislation increasing the alcoholic content allowable in beers, which was referred to the Committee on the Judiciary.

He also presented a resolution of the Kiwanis Club of Red Wing, Minn., protesting against the classification of nurses by the Federal Government as not being in the professional service, which was referred to the Committee on Civil Service.

He also presented a resolution adopted by the Mahonomen Business Association at Mahonomen, Minn., favoring the passage of Senate Resolution 34, instructing the Committee on Indian Affairs to investigate the controversy between the Chippewa Indians of Minnesota and the Government of the United States, which was referred to the Committee on Indian Affairs.

He also presented petitions of sundry members of the Storden Farm Bureau Unit, of Storeden, and of sundry citizens of Lafayette Township, Nicollet County, all in the State of Minnesota, praying for the passage of the so-called McNary-Haugen export corporation bill, which was referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by the Minnesota Wheat Growers' Cooperative Marketing Association at Minneapolis, a county alfalfa meeting held at Litchfield, and by a mass meeting of citizens in Rock County, all in the State of Minnesota, favoring the passage of the so-called McNary-Haugen export corporation bill, which was referred to the Committee on Agriculture and Forestry.

Mr. McLEAN presented a resolution of the Woman's Club of Greenwich, Conn., favoring an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

He also presented a telegram in the nature of a petition from the Student Association of Hartford (Conn.) Theological Seminary, praying for the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Republican Women's Club of Hartford, Conn., favoring the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

He also presented the petitions of Branch No. 47, National Association of Postal Supervisors, of Bridgeport, and of sundry employees of the post office of Danbury, both in the State of Connecticut, praying for the passage of legislation granting increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Connecticut State Prohibition Officers' Association at Hartford, Conn., favoring the passage of Senate bill 1042, to provide for the establishment of a probation system in the United States courts, except in the District of Columbia, which was referred to the Committee on the Judiciary.

He also presented the petition of the Meriden (Conn.) Central Labor Union, praying for the passage of Senate bill 742, to relieve unemployment among civilian workers of the Government, to remove the financial incentives to war, to stabilize production in Federal industrial plants, to promote the economical and efficient operation of these plants, etc., which was referred to the Committee on Military Affairs.

He also presented the petition of Martha Pitkin Walcott Chapter, Daughters of the American Revolution, of East Hartford, Conn., praying for the passage of Senate Joint Resolution 64, to change the name of "Mount Rainier" to "Mount Tacoma," etc., which was referred to the Committee on Public Lands and Surveys.

He also presented petitions of Cigarmakers' International Union, No. 39, of New Haven, and of the Central Labor Union of Danbury and vicinity, both in the State of Connecticut, praying for the passage of legislation legalizing the manufacture and sale of 2.75 per cent beer, which were referred to the Committee on the Judiciary.

He also presented a resolution of the Woman's Club of Meriden, Conn., favoring the passage of House bill 3269, providing for the placing of Government employees engaged in the enforcement of national prohibition under the civil service, which was referred to the Committee on Civil Service.

He also presented the petition of the Mount Carmel Book Club, of Mount Carmel, Conn., praying for the passage of House Joint Resolution 69, proposing the adoption of the Star-Spangled Banner as the national anthem, which was referred to the Committee on the Judiciary.

He also presented a resolution of the Connecticut Vegetable Growers' Association, of New Haven, Conn., protesting against the passage of legislation revising freight rates on farm products, which was referred to the Committee on Interstate Commerce.

Mr. NEELY. I present a large number of telegrams, letters, and resolutions in the nature of memorials remonstrating against the passage of the Howell-Barkley railway labor bill, which I ask be referred to the Committee on Interstate Commerce.

The telegrams, letters, and resolutions in the nature of memorials from the following citizens and organizations in the State of West Virginia were referred to the Committee on Interstate Commerce:

Campbells Creek Railroad Co., of Dana; Dr. S. A. Daniel, of Welch; A. W. Reynolds, of Princeton; R. L. Hunter, of Jarrolds Valley; Hans Watts Realty Co., of Huntington; J. Clark Killey, of Vivian; Clarence E. Ridley, Morris Watts, J. L. Alexander (Bluefield Milling Co.), W. A. Bodell, and E. A. Leonard (Bluefield Hardware Co.), Bluefield; John J. Lincoln (Elkridge Coal & Coke Co.), North Fork; H. I. Shott, W. E. Gilkeson, O. M. Deyerle (Flat Top Fuel Co.), and C. L. Borden, Bluefield; Jobbers and Manufacturers Bureau, Chamber of Commerce, Huntington; C. E. Lilley, Bluefield; and Randolph Bias, president Chamber of Commerce, Williamson.

Mr. NEELY. I also present a number of telegrams, letters, and resolutions in the nature of petitions praying the passage of the Howell-Barkley railway labor bill, which I ask be referred to the Committee on Interstate Commerce.

The telegrams, letters, and resolutions in the nature of petitions from the following citizens and organizations in the State of West Virginia were referred to the Committee on Interstate Commerce:

Boilermakers' Lodge, No. 326, of Grafton; H. Enoch, Order of Railroad Telegraphers, of Flatwoods; H. S. Frashire, Brotherhood Railway Carmen of America, Thomas Lodge, No. 924, of Cumberland, Md.; A. L. Sawyers, of Gauley Bridge; W. R. Smith, of Gauley Bridge; and G. M. Diefenbach, of Hinton.

REPORTS OF COMMITTEES

Mr. BALL, from the Committee on the District of Columbia, to which was recommitted the bill (H. R. 5855) to fix the salaries of officers and members of the Metropolitan police force and the fire department of the District of Columbia, reported it with amendments.

Mr. EDGE. From the Committee on Post Offices and Post Roads I report back favorably with an amendment in the nature of a substitute Senate bill 1898, being a bill to readjust the compensation of postmasters and reclassify and readjust the salaries and compensation of employees in the Postal Serv-

fee, and I submit a report (No. 500) thereon. I give notice that at some convenient time I shall ask for its early consideration.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

Mr. CARAWAY, from the Committee on Claims, to which was referred the bill (S. 2519) to extend the benefits of the employers' liability act of September 7, 1916, to Carol E. Reeves, reported it with an amendment.

Mr. SPENCER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 2586) for the relief of Robert June (Rept. No. 501); and

A bill (H. R. 1438) for the relief of D. H. MacAdam (Rept. No. 502).

Mr. SPENCER also, from the Committee on Claims, to which was referred the bill (S. 660) for the relief of the Ogden Chamber of Commerce, reported it with an amendment and submitted a report (No. 503) thereon.

INTERNATIONAL CONFERENCES ON NARCOTIC DRUGS

Mr. LODGE. From the Committee on Foreign Relations I report back favorably with amendments the joint resolution (H. J. Res. 195) authorizing an appropriation for the participation of the United States in two international conferences for the control of the traffic in habit-forming narcotic drugs, and I submit a report thereon (Rept. No 499). I ask for the immediate consideration of the joint resolution.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The amendments were, on page 3, line 5, after the word "conferences," to insert "or any postponement thereof"; and on page 4, line 2, after the word "authorized," to insert a colon and the following proviso:

Provided, That the representatives of the United States shall sign no agreement which does not fulfill the conditions necessary for the suppression of the habit-forming narcotic drug traffic as set forth in the preamble.

So as to make the joint resolution read:

Whereas President Roosevelt on October 14, 1907, called an international commission which met in Shanghai, China, in 1909 to make an investigation of the abuses growing out of the opium traffic and to suggest a means for their prevention, and thus the United States, as pointed out by President Wilson in his message to Congress on April 21, 1913, "initiated the world-wide movement toward" the abolition of the traffic in habit-forming narcotic drugs; and

Whereas the international conference at The Hague proposed by President Taft on September 1, 1909, to give international effect and sanction to the resolutions of the Shanghai Opium Commission resulted in the adoption of The Hague Opium Convention of 1912 by the powers assembled, which is in full force and effect between the nations which have ratified it; and

Whereas the original convention delegated certain administrative functions to the Netherlands Government (thereby constituting the said Government an agent for the execution of the treaty), and said Government called two conferences in 1913 and 1914 to consider problems growing out of the execution of the convention; and

Whereas certain of the powers parties thereto have vested in the League of Nations the agency or duty of executing the convention by treaty dated June 28, 1923, article 23 of which provides as follows: "Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the members of the league * * * will intrust the league with the general supervision over the execution of agreements with regard to * * * the traffic in opium and other dangerous drugs * * *;" and

Whereas the United States, for the reasons that it is only by international cooperation that the suppression of the world-wide traffic in habit-forming narcotic drugs can be accomplished, and that this Government is bound by The Hague Opium Convention equally with other governments to work toward this end, accepted an invitation from said agency to cooperate with it in the execution of said treaty; and

Whereas as the result of conferences in January, May, and September of 1923 between the representatives of the United States and governments represented by the League of Nations the latter governments agreed that the United States construction of The Hague Opium Convention, as provided in Public Resolution No. 96, Sixty-seventh Congress, approved March 2, 1923, represented the objects which the treaty was intended to accomplish, and that any other construction would render the treaty ineffective and of no practical value, and accordingly it was decided:

"1. If the purpose of The Hague Opium Convention is to be achieved according to its spirit and true intent, it must be recognized that the use of opium products for other than medical and scientific purposes is an abuse and not legitimate.

"2. In order to prevent the abuse of these products it is necessary to exercise the control of the production of raw opium in such a manner that there will be no surplus available for nonmedical and nonscientific purposes"; and

Whereas it was further decided at said conferences that two international conferences should be called in the latter part of the year 1924 to agree upon a plan to enforce said treaty in accordance with said construction and interpretation, bearing in mind that the gradual suppression of the traffic in and use of prepared opium as provided in Chapter II of the convention is not yet accomplished, reservations to that effect having been noted by certain powers (Great Britain, France, Germany, Netherlands, Japan, British India, and Siam in regard to prepared opium): Now, therefore, be it

Resolved, etc., That the appropriation of such sum as may be necessary, not to exceed $40,000, for the participation of the United States in one or both of these conferences, or any postponement thereof, to be expended under the direction of the Secretary of State, is hereby authorized: *Provided*, That the representatives of the United States shall sign no agreement which does not fulfill the conditions necessary for the suppression of the habit-forming narcotic drug traffic as set forth in the preamble.

The amendments were agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

The preamble was agreed to.

MOLLIE WHITE

Mr. KEYES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 214, submitted by Mr. CURTIS April 21, 1924, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay out of the contingent fund of the Senate to Mollie White, widow of Robert White, late an employee on the maintenance roll, Senate Office Building, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

HEARINGS BEFORE COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. KEYES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 217, submitted by Mr. MCNARY April 29, 1924, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Irrigation and Reclamation, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-eighth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not to exceed 25 cents per hundred words to report such hearings as may be had in connection with any subject that may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 3236) for the relief of John W. Fein; to the Committee on Claims.

By Mr. DIAL:

A bill (S. 3237) to authorize the War Department to repair damages to the roadway between stations 18 and 28½ on Sullivans Island, S. C.; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 3238) granting a pension to Elizabeth Evans; to the Committee on Pensions.

A bill (S. 3239) to establish the bureau of medical research; to the Committee on the District of Columbia.

By Mr. EDWARDS:

A bill (S. 3240) to repeal the laws authorizing the purchase of uniforms, accouterments, and equipment from the Government at cost; to the Committee on Naval Affairs.

By Mr. SHEPPARD:

A bill (S. 3241) for the relief of soldiers who were discharged from the Army during the World War because of misrepresentation of age; to the Committee on Military Affairs.

By Mr. CURTIS:

A bill (S. 3242) for the relief of Sarah C. Brooks (with accompanying papers); to the Committee on Claims.

By Mr. SHIPSTEAD:

A bill (S. 3243) authorizing a per capita payment of $50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; to the Committee on Indian Affairs.

By Mr. STEPHENS:

A bill (S. 3244) granting the consent of Congress to the board of supervisors of Hinds County, Miss., to construct a bridge across the Pearl River in the State of Mississippi; to the Committee on Commerce.

By Mr. WHEELER:

A bill (S. 3245) granting a pension to Louis M. Semple; to the Committee on Pensions.

AMENDMENT TO DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. PHIPPS submitted an amendment relative to surplus revenues and providing for an adjustment of certain accounts between the United States and the District of Columbia, etc., intended to be proposed by him to House bill 8839, the District of Columbia appropration bill, which was referred to the Committee on the District of Columbia and ordered to be printed.

AMENDMENTS TO TAX REDUCTION BILL

Mr. REED of Missouri submitted an amendment intended to be proposed by him to House bill 6715, the tax reduction bill, which was ordered to lie on the table and to be printed.

Mr. SHIPSTEAD. On April 7 I introduced an amendment to the revenue act affecting farmers' or other mutual hail, cyclone, or fire insurance companies. The amendment was printed and placed on the table. I find there is an error in the amendment as printed and I ask unanimous consent to withdraw the amendment.

The PRESIDENT pro tempore. Without objection the amendment is withdrawn.

Mr. SHIPSTEAD. I now submit a corrected amendment and ask that it be printed and lie on the table.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

INVESTIGATION OF THE NAVAL ESTABLISHMENT

Mr. KING submitted the following concurrent resolution (S. Con. Res. 9), which was referred to the Committee on Naval Affairs and ordered to be printed in the RECORD:

Resolved by the Senate (the House of Representatives concurring), That a joint committee to consist of four Representatives, members of the Naval Affairs Committee of the House, to be appointed by the Speaker, and four Senators, members of the Naval Affairs Committee of the Senate, to be appointed by the President of the Senate, is authorized and directed to investigate the present condition of the Naval Establishment, and particularly to inquire into and report to Congress whether or not the so-called capital ships ratio of 5–5–3, as agreed on by the Washington Disarmament Conference, is being maintained on the part of the United States, or is being exceeded by the other powers to the agreement; the actual number of cruisers, destroyers, submarines, dirigibles, airplanes, and other auxiliary naval craft in the naval establishments of the other powers signatory to such agreement but not subject to such ratio; the number, class, and description of such auxiliary craft as may be regarded as adequate and necessary to the defense of the country; whether adequate attention has been given by the Navy Department to the construction of submarines, airplanes, and other auxiliary craft; the reasons for delay in completing the V boats now under construction; why no fleet submarines have been constructed; whether the submarines constructed have been efficient; why more airplanes have not been constructed, and whether those constructed are effective and of types comparable to those employed by naval powers; whether the General Board of the Navy is committed to archaic naval plans and archaic types of vessels and is preventing the proper development and perfection of such submarines, airplanes, and auxiliary craft as may be required for the defense of the country; whether a change should be made in the manner of appointing the General Board of the Navy; whether the administration of the Navy Department has tended to the bureaucratic domination of the expert technical officers of the Navy or has prevented the development of officers of such expert qualifications as are required for the technical work of the Navy; whether the recent accidents to naval vessels off the coast of California, and recent casualties to submarines, have been due to deficient official and other personnel, or to lack of adequate sea training in the navigation of submarines and auxiliary craft; the number of navy yards, naval bases, and shore stations which should be maintained; the organization of the Navy Department, including the functions of the separate bureaus in the department, their interrelations, and their relations to the office of the Secretary of the Navy; whether the Navy Department is effectively and prudently expending the moneys appropriated for the Naval Establishment to the advantage of the Government and the potential defense of the country; and whether or not the acts of Congress respecting the organization of the Navy Department should be amended or supplemented by new legislation to secure a more effective expenditure of naval appropriations and to promote the orderly coordination and functioning of the department—and to make recommendations to Congress concerning the questions in the premises set forth.

Such committee as a whole or by subcommittee is authorized to hold hearings, to sit during the sessions or recesses of the Sixty-eighth Congress at such times and places, to employ such experts, and accountants, and clerical and other stenographic assistants as it may deem advisable. The committee is further authorized to send for persons and papers; to require by subpœna or otherwise the attendance of witnesses, the production of books, papers, and documents; to administer oaths, and to take testimony, as it may deem advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. Subpœnas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be liable to the penalties provided by section 102 of the Revised Statutes of the United States.

DEPRESSION IN COTTON MANUFACTURING INDUSTRIES

Mr. WALSH of Massachusetts. I submit a resolution and ask unanimous consent for its present consideration.

The resolution (S. Res. 219) was read as follows:

Whereas a prolonged depression of exceptional magnitude has and is occurring in the cotton textile industry, causing an attendant decrease in production of 40 to 60 per cent and general unemployment and its consequent want and distress in communities where this industry is located: Therefore be it

Resolved, That the United States Tariff Commission be, and hereby is, directed to furnish to the Senate as expeditiously as possible, if not incompatible with the public interests, all available facts requested hereinafter:

(1) Is the present depression in the cotton manufacturing industry confined to the United States or is it world-wide?

(2) To what extent and for how long a period has the present depression in the cotton manufacturing industry of this country been apparent?

(3) To what extent is the present depression due to the high price of cotton, particularly in curtailing the consumption of cotton cloth, and to what extent is it due to other causes?

(4) If there is a difference in the prosperity of this industry in different sections of the country, to what extent, if any, is it attributable to labor legislation of the different States?

(5) What is the quantity and value of cotton cloth imported into and exported from the United States under the present tariff act as compared with those under the acts of 1909?

(6) What is the percentage of imports and exports, as compared to the domestic production, of cotton cloth in the census years 1909, 1914, 1921, and 1923?

(7) What types of cotton cloths constitute the bulk of the import trade, and are these cloths similar or different in character from those produced in this country?

(8) What are the main reasons for the importation of cotton cloths; in particular, are such imports due primarily to price or to quality?

(9) To what extent has the domestic industry been affected by the postwar increases in the importation of cotton cloths?

(10) Would changes in the present tariff rates on cotton cloths be of material assistance to stimulating production and restoring prosperity to this industry?

The PRESIDING OFFICER (Mr. MCNARY in the chair). The Senator from Massachusetts asks unanimous consent for the immediate consideration of the resolution. Is there objection?

Mr. DIAL. Let it go over.

The PRESIDING OFFICER. The resolution will go over under the rule.

LIFE OF JAMES MONROE

Mr. FLETCHER. I present certain material submitted by the Southern Commercial Congress growing out of the international centennial celebration of the promulgation of the Monroe doctrine held in Richmond, Va., December 2 to 4, 1923, embracing an interpretation of the life, character, and achievements of James Monroe, fifth President of the United States, and move that it be printed as a public document and that the matter be referred to the Committee on Printing.

The PRESIDING OFFICER. The Senator from Florida suggests that the matter be printed as a public document. Is there objection?

Mr. MOSES. It should be referred to the Committee on Printing.

Mr. FLETCHER. I asked to have it referred to the Committee on Printing.

The PRESIDING OFFICER. Without objection, the papers will be referred to the Committee on Printing.

THE DISTINCTION BETWEEN LEGAL AND POLITICAL QUESTIONS

Mr. BORAH. I send to the desk an article written by Prof. Edward M. Borchard, of the Yale University of Law, and ask that it be referred to the Committee on Printing, with the request accompanying it that, if the committee deem it proper, it be printed as a Senate document.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the article will be referred to the Committee on Printing.

CENTENARY OF LAFAYETTE'S LAST VISIT TO AMERICA

Mr. COPELAND. Mr. President, I ask unanimous consent to insert in the RECORD two letters, both relating to the proposed celebration of the centenary of Lafayette's last visit to America.

The Thirty-third Continental Congress of the National Society Daughters of the American Revolution unanimously adopted a resolution indorsing the proposed centenary.

A letter from the president of the International Longfellow Society to the Daughters of the American Revolution Congress led to the adoption of the resolution. I ask that this be printed, and also the official communication from the secretary general embodying the resolution adopted.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

MEMORIAL CONTINENTAL HALL,
Washington, D. C., April 22, 1924.

Mr. ARTHUR C. JACKSON,
President International Longfellow Society, Portland, Me.

DEAR SIR: I am pleased to give you below a copy of the resolution adopted by the Thirty-third Continental Congress of the National Society, Daughters of the American Revolution, in which you are interested.

"*Resolved*, That we, the Daughters of the American Revolution, indorse the centenary celebration of the visit of Lafayette to America."

This, I trust, will serve your purposes.

Very truly yours, ALICE FRYE BRIGGS,
Recording Secretary General, N. S. D. A. R.

APRIL 15, 1924.

To the D. A. R. Congress, Washington, D. C.:

The Portland Historical Society and the International Longfellow Society respectfully request that you call the attention of the Congress of the United States to the fact that in 1824—just a century ago—a solemn legislative act, unanimously passed by both Houses of Congress and approved by the President of the United States, charged the Chief Magistrate of the Nation with the duty of communicating to the immortal Lafayette the assurances of grateful and affectionate attachment still cherished for him by the Government and people of the United States, and that it was the ardent desire of the whole Nation once more to see its benefactor.

The Nation of 3,000,000 people, for which he fought by the side of Washington, had grown to 12,000,000; and to-day, after 100 years, numbers 112,000,000. The Union of 24 States has now 48.

The reception afforded Lafayette has scarcely a parallel in the annals of man. "He was received," says Benton in his Thirty Years' View, "with unbounded honor, affection, and gratitude by the American people. To the survivors of the Revolution, it was the return of a brother; to the new generation, born since that time, it was the apparition of an historical character, familiar from the cradle, and combining all the titles of love, admiration, and gratitude."

NO ROMAN MORE HONORED

It has been well said that no Roman ever had such a triumphal procession. Through every one of the then 24 States, week after week, month after month, continuously for more than a year, it was the same. He had given his whole fortune to their fathers; he had offered his life time after time; he had lain with them on the bloody fields; these things they could not forget. They bore him in their arms, they cut the traces of his horses and pulled his carriages themselves; they wept with him at pathetic memories and swore at themselves for weeping at such a time of joy, of jubilant cannon roar, and glorious festivity.

It has been said that no man ever lived through a lifetime of such vicissitudes of fortune, and such severe trials of his virtue, with a character more free from just reproach than Lafayette.

The Portland Historical Society and the International Longfellow Society join in suggesting that not only every community visited, but that all the States of the Union, arrange for some form of observance in commemoration of the centenary of Lafayette's last visit to the land he loved so well.

If such commemoration were to begin at New York on the 16th of August next, the date of his landing, and continue in some form at the many places visited during the year and more following—and in some appropriate manner include every State of the Union—our country could renew its knowledge of and admiration for one whose lifelong ambition was to worthily serve the cause of liberty and promote the realization of the brotherhood of man.

In furtherance of an appropriate observance of this centenary commensurate with its importance will you not urge Congress to authorize and recommend the appointment by the President of the United States of a national commission, to cooperate with similar commissions that may be appointed by the governors of all the States, as one of the best means of promoting and preserving a worthy national spirit and of awakening the emulation of the rising generation in virtue and patriotism.

If the roads traversed by Lafayette in the then 24 States of the Union were retraversed by such a national commission on the anniversaries of his journey, and were designated as permanent Lafayette memorial highways, a monument would be erected worthy of our great friend and benefactor and one more enduring than bronze or marble.

Sincerely yours, ARTHUR C. JACKSON, *President.*

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on May 3, 1924, the President approved and signed the following acts:

S. 1932. An act to change the name of Thirty-seventh Street between Chevy Chase Circle and Reno Road; and

S. 2112. An act authorizing the Department of Agriculture to issue semimonthly cotton crop reports and providing for their publication simultaneously with the ginning reports of the Department of Commerce.

THE CALENDAR

The PRESIDENT pro tempore. The morning business is closed. The calendar under Rule VIII is in order. The Secretary will report the first bill on the Calendar.

The bill (S. 55) making an appropriation to pay the State of Massachusetts for expenses incurred and paid, at the request of the President, in protecting the harbors and fortifying the coast during the Civil War, in accordance with the findings of the Court of Claims and Senate Report No. 764, Sixty-sixth Congress, third session, was announced as first in order.

Mr. OVERMAN. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

NAMING THE SEAT OF GOVERNMENT

The bill (S. 1181) naming the seat of Government of the United States was announced as next in order.

Mr. SMOOT. I think the Senate ought to have a word of explanation of the bill.

Mr. BALL. It merely takes in all of the District of Columbia under the general name of "Washington." As it stands now we have Georgetown and various subdivisions and names as a part of the District. The bill would take the whole District in under the name of "Washington."

Mr. SMOOT. What effect would it have upon all our legislation enacted in the past?

Mr. BALL. The bill was introduced by the Senator from Minnesota [Mr. SHIPSTEAD]. He can probably explain it better than I can.

Mr. FLETCHER. There seems to be no report of the committee accompanying it. I would like to know how it involves taxation.

Mr. SMOOT. And not only taxation, but legislation affecting the District for the last 50 years.

Mr. FLETCHER. All those laws are repealed according to this bill.

Mr. OVERMAN. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

TAX COLLECTIONS IN DISTRICT OF COLUMBIA

The bill (S. 1786) to amend sections 5, 6, and 7 of the act of Congress making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, approved July 1, 1902, and for other purposes, was considered as in Committee of the Whole, and was read as follows:

Be it enacted, etc., That section 6 of the act of Congress making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, approved July 1, 1902, is hereby amended so as to provide that the permanent board of assistant assessors referred to therein shall consist of six members instead of five members; and the assessor of the District of Columbia shall designate three of the members of said board for the assessment of real estate, and the three other members of said

board to assess personal property, in accordance with law; all members of said board, together with the assessor of the District of Columbia as chairman, shall constitute the board of equalization and review of real-estate assessment and also the board of personal tax appeals.

SEC. 2. That any person maintaining a place of abode in the District of Columbia on May 1 of any year, and for six months or more prior thereto, shall be considered a resident of the District of Columbia for the purpose of taxation on his intangible personal property wherever located, unless evidence shall be submitted to the assessor of the District of Columbia, satisfactory to him, that such intangible personal property or the income thereof is taxed to said person in some other jurisdiction: *Provided*, That Cabinet officers and persons in the service of the United States Government elected for a definite term of office shall not be considered as residents of the District of Columbia for the purposes of this section.

SEC. 3. That section 5 of the said act of July 1, 1902, hereinbefore referred to, is hereby amended by providing that in addition to the annual assessment of all real estate made on or prior to July 1 of each year there shall be added a list of all new buildings erected or under roof prior to January 1 of each year, in the same manner as provided by law for all annual additions; and the amounts thereof shall be added as assessments for the second half of the then current year payable in the month of May. The board of equalization and review, hereinbefore referred to, shall hear such complaints as may be made in respect of said assessments for the second half of said year and determine said complaints between the first and third Mondays of January of the same year.

SEC. 4. That hereafter all real estate and personal property in the District of Columbia subject to taxation shall be listed and assessed at not less than the full and true value thereof in lawful money.

SEC. 5. That all taxes of whatever nature provided for in section 6 of the above mentioned act of July 1, 1902, and all real estate taxes shall hereafter be payable semiannually in equal installments in the months of November and May, and if either of said installments shall not be paid within the months when due and payable said installment shall thereupon be in arrears and delinquent, and there shall then be added, to be collected with such tax, a penalty at the rate of 1 per centum per month upon the amount thereof for the period of such delinquency, and the whole shall constitute a delinquent tax to be dealt with and collected in the manner now provided by law.

SEC. 6. That the returns of all personal property provided for in section 6 of the said act of July 1, 1922, shall be made during the month of May in the fiscal year preceding the one under which the assessment is to be levied, and, except as otherwise provided by law, the value of the tangible and intangible property shall be taken as of May 1 for a basis of assessment for the next fiscal year.

SEC. 7. That hereafter the board of personal tax appeals for the District of Columbia shall convene on the first Monday of August of each year and shall continue in session to and including the first Monday of January of each year, or until such hearings are completed. All appeals to said board shall be made within 30 days after notice of fixing an assessment.

SEC. 8. That the assessor of the District of Columbia shall deliver to the collector of taxes tax ledgers kept on a numerical system, and to be finished or completed at such time as will allow preparation of tax bills for collection purposes.

SEC. 9. That paragraph 32 of section 7 of the act of Congress approved July 1, 1902, above referred to, is hereby amended by inserting after the words "fortune tellers" the word "phrenologists," so that said paragraph shall read as follows:

"That mediums, clairvoyants, soothsayers, fortune tellers, phrenologists, or palmists, by whatsoever name called, conducting business for profit or gain, directly or indirectly, when permitted to practice their calling in the District of Columbia, shall pay a license tax of $25 per annum: *Provided*, That no license shall be issued without the approval of the major and superintendent of police."

That there is hereby added to paragraph 32, section 7, of the act of Congress approved July 1, 1902, above referred to, the following section, to be known as section 32a:

"SEC. 32a. Dancing instructors shall pay a license tax of $10 per annum. Every person who gives instructions in dancing for gain or profit shall be regarded as a dancing instructor: *Provided*, That no license shall be issued without the approval of the major and superintendent of police. Dance halls shall pay a tax of $25 per annum. Any place where a fee is paid or charged for dancing shall be regarded as a dance hall: *Provided*, That no license shall be issued without the approval of the major and superintendent of police."

SEC. 10. That paragraph 46 of section 7 of the act of Congress approved July 1, 1902, above referred to, is hereby amended by adding thereto the following:

"Public guides, $5. Any person engaged in showing visitors about the city for a compensation shall be deemed a public guide: *Provided*, That no license shall be issued as a public guide without the approval of the major and superintendent of police."

SEC. 11. That hereafter no deed, except deeds of release, deeds of trust, or other deeds not involving the transfer of title to real estate, shall be recorded among the land records of the District of Columbia unless it is accompanied by a sealed statement, addressed to the assessor of the District of Columbia, giving the information hereinafter referred to; and the recorder of deeds of said District is directed to receive such sealed statement and transmit it to the assessor of said District without breaking the seal.

Said sealed statement shall be made by the grantee and shall be on a form approved by said assessor and shall contain the names of the grantor and grantee, together with their addresses, the full nature of the transaction, together with the true amount of all moneys paid or received; and any other consideration in addition to said moneys shall be given and certified to by the grantee or an authorized agent.

The information contained in the sealed statement shall be regarded as confidential by said assessor and shall be used by him, or by the said board of assistant assessors, for the equalization of assessments of real estate in the District of Columbia in accordance with the requirements of law.

If any such grantee or his authorized agent shall fail to make any statement, or shall make any false statement of the nature of the transaction or as to the amount of money actually involved, he shall be deemed guilty of a misdemeanor and shall be liable to a fine of not less than $5 and not more than $500 for each offense. Such offenses shall be prosecuted in the police court of the District of Columbia in the name of said District by the corporation counsel or any of his assistants.

Mr. JONES of Washington. The bill has been read before and went over on the last call of the calendar at the request of the Senator from Oregon [Mr. McNARY]. I understand he has looked into the measure and is satisfied that it should pass. It is rather important. Though it makes no substantial change in existing law, it does aid in the administration of the tax law in the District of Columbia. The bill was reported to the Senate without amendment.

Mr. FLETCHER. I would like to inquire of the Senator from Washington whether the bill changes the present plan of collecting taxes. Are we required under the language of the bill to pay in advance? That is what we are doing now. For instance, we are paying half of the 1924 tax in the present month. At least one-half must be paid during the month of May. That is payment in advance. It is rather unusual. In most States, counties, and municipalities the tax is paid after the year has passed. I do not know that I particularly object to this plan, but the provision in section 5 provides that unless the tax is paid within the months when due then a penalty of 1 per cent shall be added.

Mr. JONES of Washington. This bill simply proposes to reenact the existing law. There are certain particulars in which it seeks to improve the administrative features of existing law, but it does not propose to change the law. The report states briefly what the bill does. The first section provides for six assessors instead of five. We are appropriating each year for six in the appropriation bill; so this merely provides in the law for the same number that we have been appropriating for.

Then section 2 of the bill defines who shall be a resident of the District of Columbia, so as to aid in the tax assessment.

Section 3 gives authority to include in the assessment of real estate certain buildings erected after the assessment books have been made up. It is quite important that that should be done.

Section 4 is a reenactment of existing law providing that property shall be assessed at not less than its true value.

Section 5 also reenacts a provision of existing law requiring taxes on real estate to be payable semiannually in the months of November and May of each year.

It does not change the law, but merely reenacts the law as it now stands.

Section 6 provides that returns on personal property shall be made in the month of May in each fiscal year instead of during the month of July, as now provided by law, and that the value of said property shall be taken as of May 1 as a basis of assessment instead of July 1, as now provided by law.

That is simply to aid in the administration of the law.

Mr. FLETCHER. Does the Senator think that is an improvement over the present system?

Mr. JONES of Washington. Yes. The Commissioners of the District of Columbia recommend that, in order to aid in the administration of the law.

Section 7 provides that the board of personal tax appeals shall convene on the first Monday in August of each year instead of convening on the first Monday in January.

That also is to aid in administration.

Section 8 merely continues the present practice of requiring the assessor to deliver to the collector of taxes ledgers kept on a numerical system instead of an alphabetical system.

Section 9 provides for making some minor changes in the license laws, which have been recommended by the major and superintendent of police as necessary to handle the matter of licensing phrenologists and dancing halls.

For instance, a dance hall must pay a certain license and clairvoyants, I think, must pay a certain license.

Section 11 is intended to require information to be given the assessor as to the consideration involved in the transfer of real estate.

The commissioners conclude their letter with this general statement:

The changes proposed in the bill make no radical departure from the provisions of the existing law, but are intended to improve the administration of tax and license matters.

Mr. FLETCHER. I notice in section 10 the bill provides for licensing public guides. Does that refer to guides in the Capitol?

Mr. JONES of Washington. It includes guides all through the District of Columbia.

Mr. OVERMAN. But not in the Capitol Building itself?

Mr. JONES of Washington. Not in the Capitol Building, but throughout the entire District of Columbia.

Mr. FLETCHER. So far as I can see, I think the bill is a very excellent one. It is recommended by the Commissioners of the District and by the committee. I find no fault with the bill. I am, however, a little inclined to think imposing a penalty of 1 per cent, if there is a failure to pay taxes for instance in May, is a little bit harsh.

Mr. JONES of Washington. That is the existing law. We are not proposing to change existing law. I do not know how it is in other States, but, I know that in my own State we used to have a provision of that kind. Such a provision simply encourages the prompt payment of taxes.

Mr. FLETCHER. In such cases there is generally allowed some 30 days leeway, I think, after the expiration of the month in which the tax is due, before the 1 per cent penalty attaches, but here it is proposed that it shall attach immediately on the taxpayer failing to pay during the month of May. In such case there would at once be an added 1 per cent penalty.

Mr. JONES of Washington. That may be changed, of course, in the other House if it shall be thought wise. This, however, is a reenactment of existing law, and we do not propose to change that.

Mr. FLETCHER. I have no objection to the bill.

Mr. KING. Mr. President, may I ask the Senator from Washington a question?

Mr. JONES of Washington. Yes.

Mr. KING. Is it not a little incongruous to have in a tax bill a provision to license theaters, and what not?

Mr. LODGE. And also licensing dancing masters?

Mr. KING. And also licensing dancing masters, and so on. A tax bill is usually a tax bill.

Mr. JONES of Washington. This is a tax bill and a license bill.

Mr. KING. This bill provides for the licensing of dancing masters and circuses, and what not. It seems to me to be rather incongruous. I was wondering if the present law embraced all of those apparently discordant subjects.

Mr. JONES of Washington. Apparently it does. This is a bill proposing to amend sections 5, 6, and 7 of the act of Congress of July 1, 1902, which apparently covers all these subjects.

Mr. KING. However, much of our legislation is illogical and inconsistent.

Mr. LODGE. Mr. President, I offer an amendment to the pending bill.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Massachusetts will be stated.

The READING CLERK. On page 2, line 14, after the word "jurisdiction" and before the colon, it is proposed to insert the following:

or that the assets of a corporation or association represented by shares or certificates constituting such intangible personal property are taxed by the State in which such corporation or association is chartered or organized and in which such person has a legal residence, in lieu of a tax upon such shares or certificates.

Mr. JONES of Washington. I have no objection to that amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Massachusetts [Mr. LODGE]. Without objection, the amendment is agreed to.

Mr. KING. Mr. President, before the amendment shall be finally agreed to, I desire to ask the Senator from Massachusetts, as this is a new amendment and its full significance may not be fully understood by all—at least, it is not by me—if adopted will it have the effect of enabling many of the very rich persons who establish a residence here, sometimes, it is charged, for the purpose of escaping taxation in their respective States in which their real home and residence and domicile are, to escape taxation in the District?

Mr. LODGE. It is required that a person coming under the provisions of the amendment must have a legal residence in another jurisdiction. The object is simply to prevent what I think is a case of double taxation. In some instances persons are taxed on personal property here and taxed also in the States where they live. I have known of such cases, and I think that the amendment will remedy it. At all events it will go to conference.

Mr. KING. I hope the conferees will consider it carefully, because I am told that there exists a great evil in that men who claim residence here pay no taxes upon large personal holdings which may not be here, but decline to pay upon the same holdings in the States where the personal property is upon the ground that their residence is here.

Mr. JONES of Washington. May I suggest to the Senator that this is a Senate bill and that the amendment would have to be considered by a committee of the House and also considered by the House and then we would have an opportunity to consider it further in conference. I did not make objection to the amendment because this is the first time it has been called to my attention and I thought it would have very careful consideration by the committee when it went over to the House, then by the House, and then by the conferees if any amendments were made by the House.

Mr. LODGE. It is designed merely to avoid double taxation, which is imposed in a measure under the existing law.

Mr. DIAL. Mr. President, I think that the amendment is very far-reaching in effect, and I will ask that it go over. I should like to look into it further.

Mr. LODGE. Does the Senator ask that the amendment shall go over?

Mr. DIAL. I mean the whole bill.

The PRESIDENT pro tempore. The bill will go over.

Mr. JONES of Washington. May I ask the Senator from South Carolina if he desires the bill to go over?

Mr. DIAL. Yes; I should like the whole proposition to go over. I did not catch the purport of the amendment until after it was passed upon, and I thought the Senator from Utah asked that it be held up.

Mr. KING. No.

Mr. JONES of Washington. I very much hope that the Senator will let the bill pass.

Mr. DIAL. I ask that the bill may be passed over for the present, until I can have an opportunity to examine it further. The Senator may call it up later perhaps.

Mr. JONES of Washington. Very well, Mr. President. Let it be passed over without prejudice and perhaps we can take the bill up later.

The PRESIDENT pro tempore. What does the Senator from Washington mean by that?

Mr. JONES of Washington. The Senator from South Carolina said he should like to have the bill passed over temporarily with the understanding that we may go back to it if he withdraws his objection.

The PRESIDENT pro tempore. It will be remembered that the bill is in the Senate.

Mr. JONES of Washington. I understand it is in the Senate.

The PRESIDENT pro tempore. And the question is, Shall the bill be engrossed and read a third time?

Mr. JONES of Washington. Very well.

The PRESIDENT pro tempore. The bill will be passed over without prejudice.

Mr. JONES of Washington subsequently said: Mr. President, I understand that the Senator from South Carolina withdraws his objection to the consideration of Senate bill 1786.

Mr. DIAL. Yes, Mr. President. I asked the Senator to explain it to me and he has done so.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

VETERANS' BUREAU HOSPITAL AT CORPUS CHRISTI, TEX.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2100) authorizing the sale of the United States Veterans' Bureau hospital at Corpus Christi, Tex. It authorizes the Director of the United States Veterans' Bureau to have appraised and, after advertisement, to sell to the highest bidder or bidders as a whole or in parcels, in his discretion and on such terms as he deems proper, the United States Vet-

erans' Bureau hospital reservation at Corpus Christi, Tex., and to make, execute, and deliver all needful conveyances; the director shall have the right to reject any and all bids; and the net proceeds of such sale or sales shall be paid into the Treasury of the United States as miscellaneous receipts.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 33) making eligible for retirement under certain conditions officers of the Army of the United States, other than officers of the Regular Army, who incurred physical disability in line of duty while in the service of the United States during the World War was announced as next in order.

Mr. KING. Mr. President, that bill will consume considerable time in debate; it can not be considered during the morning hour, and it had better go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 46) for the relief of Capt. Raymon B. Harrison, was announced as next in order.

Mr. KING. I ask that that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

F. J. BELCHER, JR., TRUSTEE

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1014) for the relief of F. J. Belcher, jr., trustee for Ed Fletcher. It directs the Secretary of the Treasury to pay to F. J. Belcher, jr., trustee for the benefit of Ed Fletcher, $21,838, in full payment of damage to lands owned by Ed Fletcher inflicted thereon by the Government while occupying the lands as an Army training camp.

The PRESIDENT pro tempore. The bill has heretofore been read.

Mr. OVERMAN. Mr. President, this bill having been read heretofore, I do not care to have it read again, but I ask the Senator from California to explain it.

Mr. SHORTRIDGE. Mr. President, responding to the request of the Senator from North Carolina, I will say that this bill was introduced at the last session and referred to the committee, was unanimously reported favorably, but failed of passage before the expiration of the Congress. It was reintroduced at this session, referred in a similar manner to the committee, and reported favorably by the committee.

It arises out of these facts: During the war days some twelve thousand and odd acres of land were turned over for the use of the Government at an expense of $1 to the Government. When the war was over and the Government was in the act of restoring the property to the owners it was found, as set out very fully in the report, that there had been rifle pits and trenches and embankments and other necessary preparatory work which resulted in material damage to the property. Those responsible for it, Mr. Belcher, being the trustee, left the whole matter with the Government to determine the amount of damage. The question was referred to a board of Army officers, and they submitted their report, finding that it would cost the amount set forth in the report. Thus far the bill has met with no opposition from any quarter.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILL AND JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 60) to stimulate crop production in the United States was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 1013) for the relief of Gordon G. MacDonald was announced as next in order.

Mr. KING. Mr. President, I shall ask the Senator to let that bill go over. I am sure we can reach an agreement upon a satisfactory form of bill. Bills similar to this have been objected to on a certain principle which I shall not take the trouble to state now.

Mr. SHORTRIDGE. Just for the record's sake, Mr. President, I sincerely hope that we can agree upon an appropriate bill for the relief of this brave soldier who has been permanently injured in the service of his country.

Mr. KING. I agree with the Senator.

Mr. SHORTRIDGE. I do hope we can agree upon it, and that that relief may be speedily given him.

The PRESIDENT pro tempore. The bill will be passed over.

ADJUSTMENT OF ACCOUNTS BETWEEN UNITED STATES AND DISTRICT OF COLUMBIA

The bill (S. 703) making an adjustment of certain accounts between the United States and the District of Columbia was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with an amendment, on page 3, line 9, after the word "provide," to insert:

Provided, That nothing contained in this act shall be construed to deprive the District of Columbia, as of and on June 30, 1922, in addition to the sum named herein, of credit for the surplus of revenues of said District collected and deposited in the Treasury of the United States during the fiscal year 1922, over and above all appropriations and other charges for that year; or of credit for the unexpended balances of District of Columbia appropriations covered into the surplus fund by warrant of the Secretary of the Treasury issued on June 30, 1922; or of credit for the proportion the District of Columbia may be entitled to of miscellaneous receipts paid directly into the Treasury during the fiscal year 1922; or of credit for the amount erroneously charged against the revenues of the District for the fiscal year 1922 on account of appropriations made by the third deficiency act, fiscal year 1922, approved July 1, 1922, as the amount of said appropriations were charged against the revenues of the District of Columbia for the fiscal year 1923, totaling the sum of $819,373.83, which is included in the total sum of $2,903,219.93 mentioned in line 8, page 2, of this bill, and taken into account in arriving at the net balance of $4,438,154.92, above stated.

Provided further, That the Comptroller General of the United States shall ascertain and determine whether the items mentioned in the preceding proviso were improperly taken into account in arriving at the net balance of $4,438,154.92, and if, and to the extent that, any or all of said items shall be so determined to have been improperly taken into account, the amount thereof shall be added to the said fund of $4,438,154.92 and likewise shall be available permanently in the general account of the District of Columbia for appropriation by the Congress for such purposes as it may from time to time provide: *And provided further*, That the Comptroller General shall submit to the Congress at its next regular session a detailed report of the result of his determination and action as authorized herein.

So as to make the bill read:

Be it enacted, etc., That pursuant to the report of the joint select committee appointed under the provisions of the act entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1923, and for other purposes," approved June 29, 1922—

(a) There shall be credited to the general account of the District of Columbia required under the provisions of the first paragraph of such act to be kept in the Treasury Department the following sums:

(1) $7,574,416.90, representing the balance in the general fund in the Treasury for such District on June 30, 1922; and

(2) $665.46, representing an adjustment of certain errors; and

(b) There shall be charged to such account the following sums:

(1) $2,903,219.93, representing the District's proportion of unexpended balances of appropriations on June 30, 1922, together with certain obligations and encumbrances accruing after such date;

(2) $191,890.35, representing the District's proportion of the annual bonus paid to certain employees of the District;

(3) $41,500, representing the District's proportion of the cost of additional land for the National Zoological Park; and

(4) $317.16, representing the District's proportion of an amount appropriated by special act of Congress for the relief of Eldred C. Davis.

Such credits and charges to the general accounts of the District of Columbia shall be made without the payment of interest thereon by either the United States or the District of Columbia; and the making of such credits and charges shall be held to be in full satisfaction of all claims and demands either for or against the United States or the District of Columbia in respect to the items involved therein.

The sum of $4,438,154.92, representing the difference between such credits and charges, is hereby made permanently available in such account of the District of Columbia for appropriation by the Congress for such purposes as it may from time to time provide: *Provided*, That nothing contained in this act shall be construed to deprive the District of Columbia, as of and on June 30, 1922, etc.

Mr. PHIPPS. Mr. President, I will state that the amendment is merely for the purpose of clarifying the RECORD, so that the Comptroller General would have the right to revise and correct any errors or omissions that might be found later. The amendment has been read before. It is not material to the purpose of the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND RESOLUTION PASSED OVER

The resolution (S. Res. 124) directing the Interstate Commerce Commission to secure information relative to amount of money expended for the purpose of creating public interest favorable to railroad sentiment was announced as next in order.

Mr. REED of Pennsylvania. I ask that that go over.

Mr. GOODING. I was about to ask that the resolution go over, as I am the author of the resolution.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 185) to promote agriculture by stabilizing the price of wheat, was announced as next in order.

Mr. GOODING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

COMPENSATION OF RETIRED WARRANT OFFICERS AND ENLISTED MEN

The bill (S. 2401) providing for the compensation of retired warrant officers and enlisted men of the Army, Navy, and Marine Corps, or any other service or department created by or under the jurisdiction of the United States Government, and warrant officers and enlisted men of the Reserve Corps of the Army and Navy, was announced as next in order.

Mr. KING. Let that go over.

Mr. EDGE. Mr. President, will not the Senator from Utah withhold his objection for a moment?

Mr. KING. I will withhold my request for a moment, if the Senator desires. I do not withdraw it, but I am willing to give the Senator a chance to explain the bill.

Mr. EDGE. I appreciate the Senator's courtesy.

This bill, it seems to me, is an eminently fair bill. It simply provides that soldiers or sailors who, because of their service, have earned a certain retired pay or retired consideration, if employed on the Panama Canal Zone—where a policy has been adopted of employing, where possible, retired sailors and soldiers—shall be permitted to receive the retired pay that they have already earned.

The pay they receive on the Canal Zone is the pay which would be paid to any private individual or civilian or any one who might be employed. To deny these men who have served in the Army or the Navy something that they have earned under the laws of the Nation merely because they happen to work on the Canal Zone, when they would be enfitled to that pay if they worked for the United States Steel Corporation or any other private industry, seems to me to be indefensible.

If the system of allowing retired pay is an incorrect one, let us repeal it; but it is the law of the land, and we enable men serving in the Army and Navy to secure this pay. After they have retired, under the law, if they go into any private occupation they are permitted to continue to receive that pay. Why should we deny it to them if they work on the Canal Zone, when the Canal Zone authorities prefer that type of employee?

That is all that the bill provides for.

Mr. KING. Mr. President, just a word.

Complaint has been made that a number of persons who have been retired remain upon the Canal Zone and engage in the same occupations or similar pursuits to those which they had before their retirement, getting the same wages that they formerly obtained. It has been claimed by some who do not have the privileges of retirement that it is unfair for those who want positions to be obliged to compete with these retired persons who remain there, many of them not fully competent, but who hold positions, and in addition to the full compensation which they obtain from the Government or from the Canal Zone organization they receive their retired pay from the Government.

In view of the complaints which have been made to me, until further inquiry is made I shall insist upon my objection.

Mr. EDGE. Mr. President, I may say that while I appreciate that the Senator has that power, of course, if he wishes to invoke it, the Secretary of War, as appears in the report on this bill, has absolutely, without qualification, indorsed the bill as a correct measure, simply because this has always been done until on a technical decision of the Comptroller General it was deemed questionable; and this bill was framed for the purpose of straightening out technicalities connected with a situation that had always heretofore prevailed.

The PRESIDENT pro tempore. Objection being made, the bill will be passed over.

AMENDMENT OF PENAL CODE

The bill (S. 2691) to amend the Penal Code was announced as next in order.

Mr. DIAL. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

WRITS OF ERROR

The bill (S. 2693) in reference to writs of error was considered as in Committee of the Whole.

The bill had been reported from the Committee on the Judiciary with an amendment, on page 1, line 6, after the word "That," to insert the word "in," so as to make the bill read:

Be it enacted, etc., That the writ of error in cases, civil and criminal, is abolished. All relief which heretofore could be obtained by writ of error shall hereafter be obtainable by appeal.

SEC. 2. That in all cases where an appeal may be taken as of right it shall be taken by serving upon the adverse party or his attorney of record and by filing in the office of the clerk with whom the order appealed from is entered a written notice to the effect that the appellant appeals from the judgment or order or from a specified part thereof. No petition of appeal or allowance of an appeal shall be required: *Provided, however,* That the review of judgments of State courts of last resort shall be petitioned for and allowed in the same form as now provided by law for writs of error to such courts.

The amendment was agreed to.

Mr. WALSH of Montana. Mr. President, what is the bill under consideration?

The PRESIDENT pro tempore. It is Senate bill 2693.

Mr. WALSH of Montana. Upon whose suggestion was the matter brought before the Senate now?

The PRESIDENT pro tempore. It has been reached on the calendar.

Mr. WALSH of Montana. I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

PARK AND PLAYGROUND SYSTEM OF THE NATIONAL CAPITAL

The bill (S. 112) providing for a comprehensive development of the park and playground system of the National Capital was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with amendments.

The first amendment was to strike out all of section 1 after the enacting clause and to insert in lieu thereof the following:

That to preserve the flow of water in Rock Creek, to prevent pollution of Rock Creek and the Potomac and Anacostia Rivers, to preserve forests and natural scenery in and about Washington, and to provide for the comprehensive, systematic, and continuous development of the park, parkway, and playground system of the National Capital there is hereby constituted a commission, to be known as the National Capital park commission, composed of the Chief of Engineers of the Army, the engineer commissioner of the District of Columbia, the Director of the National Park Service, the Chief of the Forest Service, the officer in charge of public buildings and grounds, and the chairmen of the Committees on Public Buildings and Grounds of the Senate and House of Representatives. At the close of each Congress the Presiding Officer of the Senate and the Speaker of the House of Representatives shall appoint, respectively, a Senator elect and a Representative elect to the succeeding Congress to serve as members of this commission until the chairmen of committees of the succeeding Congress shall be chosen. The officer in charge of public buildings and grounds shall be the executive and disbursing officer of said commission.

Mr. ROBINSON. Mr. President, what is the calendar number of this bill?

The PRESIDENT pro tempore. The bill is Calendar No. 260.

Mr. ROBINSON. I ask for order in the Chamber. I have been trying for some minutes to hear the proceedings, but I am unable to do so. I can not hear Senators who respond to inquiries. I inquire, What is the calendar number?

The PRESIDENT pro tempore. Calendar No. 260.

Mr. ROBINSON. I suggest that the Senator from Delaware make an explanation of the bill. What is the purpose of the bill?

Mr. BALL. Mr. President, this is a bill to create a permanent park commission.

Mr. ROBINSON. Unless some Senator is prepared to explain the bill, I shall have to ask that it go over until I can look into it.

Mr. BALL. I trust that the Senator will not ask that the bill go over. It is a very important bill.

Mr. ROBINSON. Several times I have asked the Senator in charge of the bill to explain briefly its provisions, and he has failed to do so. Perhaps the Senator did not hear me.

Mr. BALL. The bill creates a permanent park commission and authorizes the appropriation of a certain amount of money for the acquisition of additional parks here, within and without

the District of Columbia. Unless something is done, and done immediately, we shall have no Rock Creek Park shortly. All the streams and springs that go to make up Rock Creek have their origin in Maryland. As the country is becoming built up in that section those streams are being drained into the sewers; and if we intend to have any park system at all in Washington, it is very important that this bill should be passed, and passed immediately.

Mr. McKELLAR. Mr. President, may I ask the Senator a question? The taxes the Federal Government will have to pay are $550,000 extra, and those that the city will have to pay are $250,000? Is that the proportion?

Mr. BALL. The rate is the 60–40 rate as provided by law to-day.

Mr. McKELLAR. That would be $600,000 to $400,000 paid for the park system here in the city.

Mr. ROBINSON. Are the commissioners to receive salaries?

Mr. BALL. No. A commission is to be appointed composed of the Chief of Engineers of the Army, the head of the Forest Service, and others. The bill states the membership of the commission. The bill as originally prepared named the Secretary of War, the Secretary of Agriculture, and other officers that are not permanent.

Mr. OVERMAN. How much money is appropriated?

Mr. BALL. The bill appropriates not exceeding 1 cent for each inhabitant of the continental United States at the last census.

Mr. OVERMAN. That is not the question. I asked the Senator how much it appropriates.

Mr. FLETCHER. About $1,000,000 a year.

Mr. BALL. Yes; about $1,000,000 a year.

Mr. LODGE. Mr. President, will the Senator yield to me for a moment? Anyone who is as familiar with Rock Creek Park as I am and have been for many years knows and has observed with great regret that the stream is drying up. It is rapidly being destroyed. It is the most beautiful park, I believe, in the world—the most beautiful public park I have ever seen—because the natural beauty is so great. Part of it is in the State of Maryland; part of it is in the District of Columbia; and unless some very strenuous effort is made that beautiful park will be destroyed.

Mr. OVERMAN. Is the money appropriated, or simply authorized to be appropriated?

Mr. BALL. Authorized.

Mr. FLETCHER. Mr. President, I think myself that the bill is a very important one, and I hope it will pass. It provides that the total cost to the District of Columbia shall be about $750,000 a year for parks. I think it is a very important matter and ought to be passed.

Mr. LODGE. It is very important.

Mr. KING. Mr. President, I want to ask the Senator a question. Does not the Senator think that it would be wiser, knowing the condition just referred to by the Senator from Massachusetts, to make one large appropriation, take one bite at the cherry, instead of a number of bites, and condemn now such land as it may be necessary to condemn, instead of waiting for two or three years, because, as the Senator knows, perhaps land will go up in value and we might get the land more cheaply now than we could in two or three or four years from this time.

Mr. BALL. Provided this bill passes, they can get all the land they need, because they will know just what their income will be from year to year.

Mr. KING. It is very important that some legislation be had, not only to deal with Rock Creek Park but other territory which the District ought to have for park purposes.

Mr. BALL. This includes all the playgrounds for the District as well.

Mr. COPELAND. Mr. President, I trust this bill will pass. It is perfectly amazing how all the cities of the country are growing and increasing in population. The urban population is increasing very much more rapidly than the rural population, and I think we should now take steps to provide in this city places where the people may go and congregate for health and recreation. Certainly it is desirable that this should be done for the sake of the children.

Mr. BALL. I would like to say to the Senator that it is especially important at the present time to pass this legislation on account of the origin of Rock Creek being in Maryland, and all the springs supplying that stream, as fast as houses are built on that property, are turned into sewers, and very soon we shall have no Rock Creek; it will simply be a park with the dry bed of a stream.

Mr. COPELAND. I agree fully with the chairman of the committee that action should be taken for the very reasons he has stated.

Mr. McKELLAR. Mr. President, I want to call the attention of the Senate to the fact that the city of Washington has a tax rate just about one-third the tax rate in my city and probably in the same proportion to the tax rates in the city of each Senator here who has a home in a city. Under these circumstances it seems to me that when it comes to appropriations of this kind the larger appropriation should be made from the revenues of the city. Washington has such a small tax rate in comparison with all the other cities of the country that probably that fact should be given some consideration. I hope that hereafter the committee will give it consideration.

Mr. BALL. I would like to state that it is objections to such bills as this that make the tax rates low. Congress fails to appropriate a reasonable sum, and the commissioners are authorized to fix a rate that will meet the Government appropriations. If the Government will make reasonable appropriations, the tax rate will go up, but if objection is made to every improvement of the city, of course, the commissioners will have no reason to make an increase in the tax rate. Last year the District people gave nearly $2,000,000 more than the Government appropriated. Why increase the rate until we appropriate the money the people already pay in taxes?

Mr. McKELLAR. The proportion appropriated by the Government and the proportion appropriated by the city, perhaps, should be adjusted so as to take care of that matter. I do not want to raise the tax rate in the District. It does seem to me that when these extraordinary improvements are called for, in view of the fact that the tax rate in Washington is just about one-third of what it is in Boston, the city where the Senator from Massachusetts [Mr. LODGE] resides, or the city of New York, where the Senator from New York [Mr. COPELAND] resides, when we consider these matters the District Committee should take into consideration as well the tax rate and the enormous difference in the rates. I believe in being exceedingly liberal toward the city of Washington. I think it is the duty of the country and of Congress to make this one of the most beautiful cities in the world, but I think the fact that Washington has such a low tax rate and that the other cities have such high tax rates should be taken into consideration.

Mr. BALL. Will not the Senator permit this bill to be passed, and will he not bring up the matter of general tax reduction when the appropriation bill comes before us, which provides for that feature?

The PRESIDENT pro tempore. The question is upon agreeing to the amendment inserting a new section in lieu of section 1 in the text.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The READING CLERK. On page 3, line 21, the committee propose to strike out the words "Secretary of the Treasury" and insert in lieu thereof the words "Chief of Engineers of the Army," so as to make the bill read:

Be it enacted, etc., That to preserve the flow of water in Rock Creek, to prevent pollution of Rock Creek and the Potomac and Anacostia Rivers, to preserve forests and natural scenery in and about Washington, and to provide for the comprehensive, systematic, and continuous development of the park, parkway, and playground system of the National Capital, there is hereby constituted a commission, to be known as the National Capital park commission, composed of the Chief of Engineers of the Army, the engineer commissioner of the District of Columbia, the Director of the National Park Service, the Chief of the Forest Service, the officer in charge of public buildings and grounds, and the chairmen of the Committees on Public Buildings and Grounds of the Senate and House of Representatives. At the close of each Congress the Presiding Officer of the Senate and the Speaker of the House of Representatives shall appoint, respectively, a Senator elect and a Representative elect to the succeeding Congress to serve as members of this commission until the chairmen of committees of the succeeding Congress shall be chosen. The officer in charge of public buildings and grounds shall be the executive and disbursing officer of said commission.

SEC. 2. Said commission or a majority thereof is hereby authorized and directed to acquire such lands as in its judgment shall be necessary and desirable in the District of Columbia and adjacent areas in Maryland and Virginia, within the limits of the appropriations made for such purposes, for suitable development of the National Capital park, parkway, and playround system. That said commission is hereby authorized to acquire such lands by purchase when they can be acquired at prices reasonable in the judgment of said commission, otherwise by condemnation proceedings, such proceedings to acquire lands within the District of Columbia to be in accordance with the provisions of the act of Congress approved August 30, 1890, providing a site for the Government Printing Office (U. S. Stat. L. vol. 26, chap. 837), the Chief of Engineers of the Army being, for the purposes of this act, hereby clothed with all the power vested by the said act of August 30, 1890, in the board created by that act. Said commission is hereby authorized to acquire such lands, located in Mary-

land or Virginia, either by purchase or condemnation proceedings, by such arrangements as to acquisition and payment for the lands as it shall determine upon by agreement with the proper officials of the States of Maryland and Virginia. In the selection of lands to be acquired the advice of the Commission of Fine Arts shall be requested. The designation of all lands to be acquired by condemnation, all contract for purchase of lands, and all agreements between said commission and the officials of the States of Maryland and Virginia shall be subject to the approval of the President of the United States.

SEC. 3. That there is authorized to be appropriated, each year hereafter, in the annual District of Columbia appropriation act, a sum not exceeding 1 cent for each inhabitant of the continental United States as determined by the last preceding decennial census, to be available until used, said sum to be used by said commission for the acquisition of the lands herein authorized to be acquired by said commission for the purposes named, the compensation for the land, the expense of surveys, ascertainment of title, condemnation proceedings, if any, and necessary conveyancing to be paid from said appropriations. That three-fourths of all the funds so appropriated shall be used by said commission for the acquisition of lands within the District of Columbia and the funds so used to acquire property within the District shall be paid from the revenues of the District of Columbia and the general funds of the Treasury in the same proportion as other expenses of the District of Columbia. The land so acquired within the District of Columbia shall be a part of the park system of the District of Columbia and be under control of the Chief of Engineers of the United States Army; that areas suitable for playground purposes may, in the discretion of said commission, be assigned to the control of the Commissioners of the District of Columbia for playground purposes. That the land so acquired outside the District of Columbia shall be controlled as determined by agreement between said commission and the proper officers of the States of Maryland and Virginia, such agreements to be subject to the approval of the President.

SEC. 4. Said commission shall report to Congress annually on the first Monday of December the lands acquired during the preceding fiscal year, the method of acquisition, and the cost of each tract. It shall also submit to the Bureau of the Budget on or before September 15 of each year its estimate of the total sum to be appropriated for expenditure under the provisions of this act during the succeeding fiscal year.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

FLAG FOR THE DISTRICT OF COLUMBIA

The bill (S. 2430) to create a commission to procure a design for a flag for the District of Columbia, and for other purposes, was next in order on the calendar, and the Senate resumed its consideration.

The bill proposes to create a commission to procure a design for a distinctive flag for the District of Columbia, the seat of the Capital of the Nation, but in the selection of such design the commission hereby created shall have the advice of the Commission of Fine Arts.

Section 2 provides that the sum of $1,500 be, and the same is hereby, appropriated, out of any money in the Treasury of the United States not otherwise appropriated, to carry out the purposes of this act.

Mr. McKELLAR. Mr. President, section 2 of the bill provides:

That the sum of $1,500 be, and the same is hereby, appropriated, out of any money in the Treasury of the United States not otherwise appropriated, to carry out the purposes of this act.

That ought to be changed so as to authorize the appropriation.

The PRESIDENT pro tempore. The pending amendment is that offered by the senior Senator from Florida [Mr. FLETCHER], who proposes to strike out "$1,500," and to insert "$500."

Mr. ROBINSON. Mr. President——

Mr. McKELLAR. If that is agreed to, another amendment will be necessary to make it an authorized appropriation, because the District Committee has no authority to appropriate, and the bill proposes to appropriate the money. After it is passed, if it does pass——

Mr. OVERMAN. Why do they have to have any money at all?

Mr. ROBINSON. That is just the question I was about to ask. A commission is created, composed of many of the most distinguished officers of the United States. It is not expected, of course, that any funds shall be paid to them for services performed in connection with this subject.

Mr. McKELLAR. Mr. President, if the Senator will permit me, he remembers that they can put on a man at $125 a month for 12 months.

Mr. ROBINSON. There is no necessity for that.

Mr. McKELLAR. Not a particle.

Mr. ROBINSON. It does seem to me that, while the appropriation is a small one, it should not be necessary to make an appropriation in connection with the selection of a flag for the District of Columbia.

Mr. REED of Missouri. Let them find a Betsy Ross to make a flag.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Florida.

Mr. ROBINSON. I offer a substitute for the amendment of the Senator from Florida. I move to strike out section 2, which incorporates the appropriation.

The PRESIDENT pro tempore. The question then is upon the amendment proposed by the Senator from Arkansas, to strike out section 2.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRINTING OF REPORT OF FEDERAL TRADE COMMISSION

Mr. RANSDELL. Mr. President, out of order I ask leave to refer to a matter that was brought before the Senate, I think, a week ago to-day. It was a report of the Federal Trade Commission, Senate Document 100. It was in response to Senate Resolution 262, presented by the Senator from South Carolina [Mr. DIAL], and Senate Resolution 429 of the Sixty-seventh Congress, presented by the Senator from Nebraska [Mr. NORRIS].

The Federal Trade Commission made a very elaborate and extremely interesting report on the question of trading in cotton futures. The report was ordered printed, but it seems there were several charts which were not included in the report, and I ask that they be included and printed as a part of the report. I am told that the report would be, not exactly worthless, but certainly very incomplete, if those charts, which are constantly referred to, are not made a part of it.

I also ask that the hearings be printed as a part of the report. I understand that those hearings were very elaborate, that there were present representatives of the cotton trade, exporters, growers, men representing cooperative marketing associations, men representing the cotton futures markets of New Orleans and New York and the interior markets of the country, such as Norfolk, Houston, and so on. There were also a number of cotton merchants present, men like Mr. McFadden and others, and several cotton-mill men. Two of our colleagues, the senior Senator from South Carolina [Mr. SMITH] and the junior Senator from South Carolina [Mr. DIAL], made elaborate arguments. In fact, it was one of the most elaborate hearings I have ever known of, and I understand that every phase of the question was gone into by the Federal Trade Commission, which devoted three complete days to giving it very full hearings.

It seems to me after all of that was done that we ought to have the hearings printed. We have already ordered the report printed, and my present request is to have the charts which accompany the report printed as a part of it, and the hearings printed as a part of it. It will be incomplete without it.

Mr. CARAWAY. Mr. President, I just came in. What is the Senator's request for printing? Is it something in favor of the cotton exchange?

Mr. RANSDELL. Not at all. I do not know whether there is anything in favor of an exchange in it. It was made on the request of the Senator from South Carolina [Mr. DIAL], and he surely is not in favor of the exchanges.

Mr. WADSWORTH. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator from New York will state his point of order.

Mr. WADSWORTH. Is this discussion in order? If not, I ask for the regular order.

The PRESIDENT pro tempore. The regular order is the consideration of the calendar.

Mr. RANSDELL. I move that the report be printed.

The PRESIDENT pro tempore. The Senator from New York demands the regular order. The regular order is the consideration of the calendar. The Secretary will state the next bill on the calendar.

Mr. DIAL subsequently said: Mr. President, a short time ago the Senator from Louisiana [Mr. RANSDELL] asked that certain charts be printed along with a report of the Federal Trade Com-

mission in response to a Senate resolution. The Senator from New York [Mr. WADSWORTH] objected at that time.

Last month when the Federal Trade Commission made its report I did not have time to read the report, nor did I know that there were any charts referred to in the report. I asked consent at that time that the report be printed. I did not ask consent that the tables and charts be printed, because I did not know that they were referred to in the report. Later, I have found that the report would be unintelligible unless the charts were printed along with it. Nor did I ask at that time that the testimony be printed, because I understood that it was voluminous, and I have been as economical as any Senator on the floor, and I thought we would first have the report printed. No doubt all these things should be printed, however, in order that people may understand the subject intelligently, and I join with the Senator from Louisiana now in asking that the report, the charts, and the testimony be printed.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

ADJUSTMENT OF CERTAIN SUGAR TRANSACTIONS

The joint resolution (S. J. Res. 49) authorizing the President to require the United States Sugar Equalization Board (Inc.) to adjust the transaction relating to 3,500 tons of sugar imported from the Argentine Republic was announced as next in order.

Mr. DIAL. Let it go over.

Mr. CARAWAY. Let the joint resolution go over.

Mr. EDGE. Will the Senator from Arkansas withhold his objection until I make a brief statement?

Mr. CARAWAY. I will withhold it, but I will make it again at the end of the Senator's statement.

Mr. EDGE. I know the Senator's sense of fairness will cause him to withhold his objection after he has heard a statement of the facts involved. This is simply to correct a rank injustice to a citizen of the United States, and the Senate of the United States has gone on record two or three times already endeavoring to adjust similar transactions. The facts are very brief. I will state them hurriedly.

Mr. Watson, a citizen of New Jersey, imported under the direction in this case—if the Senator from Arkansas will give me his attention, I would like to have him listen to this statement.

Mr. CARAWAY. The Senator from South Carolina [Mr. DIAL] was the first to object, but I am listening.

Mr. EDGE. I will try to reach both Senators. The sugar was imported by Mr. Watson, of New Jersey, under the direction of and practically under contract with the Department of Justice of the United States. It is thus in a different position than some other cases, bills relating to which passed this body.

I have in my hand a letter from the Department of Justice, addressed to Mr. Watson, under date of June 24, 1920, which reads as follows:

DEPARTMENT OF JUSTICE,
Washington, D. C., June 24, 1920.

ROBERT A. WATSON, Esq.,
Care of the Nafra Co. (Inc.), 120 Broadway, New York.

DEAR MR. WATSON: This is to confirm our various conversations and in reply to your letters of June 19 and June 23, 1920.

In view of the fact that the sugar requirements of the people of this country are in excess of the supply now available and in order to encourage the importation into this country of foreign sugars you will be permitted to import the sugars mentioned upon the terms set forth in your said letters.

You are further informed that if you carry out the department's requirements as to price and distribution as so set forth no prosecutions under the Lever Act as amended will arise therefrom.

Very truly yours,

ARMIN W. RILEY,
Special Assistant to the Attorney General.

He accepted that agreement with the Government of the United States and sold his sugar as the Government of the United States directed him to sell and at their price to various individuals throughout the country.

Mr. OVERMAN. Mr. President, may I ask the Senator a question?

Mr. EDGE. Certainly.

Mr. OVERMAN. Is the Sugar Equalization Board still in existence?

Mr. EDGE. The Sugar Equalization Board is still in existence. Senate Joint Resolution 49 authorizes the President to refer to that board the entire transaction for their adjudication and nothing else. It does not pay the claimant one dollar. The Government ordered him to distribute the sugar, one order after another, consuming a portion of the importation. The price of sugar went down, as we all know, and then the Government got out from under, and in effect said, "Do what you can with your sugar." He could have sold every pound of his sugar at a big profit if he had been permitted to do so, but, as it was, he sold as they instructed for 2½ per cent profit, as directed by the Department of Justice, up until the time they ceased giving him instructions.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Arkansas?

Mr. EDGE. I yield.

Mr. CARAWAY. I understood the Senator to say this provided no direction to pay. I do not read it that way. I may be in error about it. On page 1, in line 4, it reads:

That the President is authorized to require the United States Sugar Equalization Board (Inc.) to adjust with Robert A. Watson, of South Orange, N. J., a certain transaction entered into and carried on by said Watson.

On page 2 it reads:

And to require the said United States Sugar Equalization Board (Inc.) to liquidate and adjust the entire transaction.

Therefore it does require them to pay him whatever they say the proof of loss may show is due, whether they acknowledge they ought to be liable for the loss or not.

Mr. EDGE. It does require the Sugar Equalization Board so to do, provided—and this is what I tried to make clear—the President agrees that it is such a case as should be referred to the Sugar Equalization Board. The resolution only authorizes him to do it if he feels it is a just case; and if so, as the Senator says, it requires the Sugar Equalization Board to pay the amount justly due in the matter.

Mr. CARAWAY. In other words, it takes away from the board any question of whether this falls within the cases that ought to be paid and that the board ought to recognize and pay. It requires them to recognize it as a just claim and to pay whatever might be finally adjudged to be due.

Mr. MCNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Oregon?

Mr. EDGE. I yield.

Mr. MCNARY. Responding to the inquiry of the Senator from Arkansas, the resolution is in the same form as two others that passed the Congress more than a year ago. Judge Glasgow, who was attorney for the Sugar Equalization Board, felt that under the law creating that corporation it had no authority to pay the claims. He suggested this form, that the President be authorized to require, leaving the discretion largely to the President. If after the inquiry and upon their recommendation he felt there was a legal or moral obligation resting against the Government, there should be some authority under the law to pay the indebtedness out of a specific fund realized from profits through the undertakings of the Sugar Equalization Board. That is the reason for the language.

Mr. CARAWAY. I was not present when this particular case was presented. In the cases that were presented, as I now recall, the attorney for the Sugar Board took the position that they were not liable and ought not to pay.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. EDGE. I ask unanimous consent for a few moments more. The bill involves $1,500,000 and practically placed a citizen in bankruptcy, because the Government of the United States, as I briefly explained, took over his business that he had been engaged in for 25 years.

The PRESIDING OFFICER. The Chair will suggest to the Senator that the bill has gone over under objection.

Mr. CARAWAY. I withhold my objection.

The PRESIDING OFFICER. The Senator can move to take it up.

Mr. CARAWAY. I said I would withhold my objection.

The PRESIDING OFFICER. But the Senator from South Carolina [Mr. DIAL] objected.

Mr. EDGE. If the Senator from South Carolina will withhold his objection for a moment, I think the matter can be adjusted.

Mr. DIAL. I shall have to insist on my objection for the present.

The PRESIDING OFFICER. The Senator from South Carolina objects, and the joint resolution will be passed over.

Mr. EDGE subsequently said: Mr. President, a few moments ago when Senate Joint Resolution 49 was reached on the calendar the Senator from South Carolina [Mr. DIAL] objected to its consideration. I understand he is willing to withdraw his objection, and I am under the impression that the brief explanation

I made of the joint resolution at the time will be sufficient. I ask unanimous consent that we return to that measure.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

Mr. ROBINSON. The Senator has already made a statement explaining the joint resolution?

Mr. EDGE. I made an explanation which seemed to satisfy the Senator's colleague [Mr. CARAWAY], who asked me a number of questions.

Mr. ROBINSON. I recall some facts relative to the measure, and I myself will not object to it.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. DIAL. I do not object to immediate consideration, because I believe every Senator ought to have a chance to have his cases heard on the floor of the Senate. I do not think the measure ought to pass, however. I think it ought to be defeated.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the joint resolution, which was read, as follows:

Resolved, etc., That the President is authorized to require the United States Sugar Equalization Board (Inc.) to adjust with Robert A. Watson, of South Orange, N. J., a certain transaction entered into and carried on by said Watson under the direction of the Department of Justice, which transaction involved the purchase in the Argentine Republic between the 11th day of June, 1920, and the 30th day of June, 1920, of 3,500 tons of Argentine refined sugar, the importation thereof into the United States, and the distribution of the same within the United States, and to require the said United States Sugar Equalization Board (Inc.) to liquidate and adjust the entire transaction in such manner as may be deemed by said board to be equitable and proper in the premises, paying to the said Watson such sums as may be found by said board to represent the actual loss sustained by him in said transaction, and for this purpose the President is authorized to vote or use the stock of the corporation held by him, or otherwise exercise or use his control over the said United States Sugar Equalization Board and its directors, and to continue the said corporation for such time as may be necessary to carry out the intention of this joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

VALIDATION OF PAYMENTS TO ARMY OFFICERS

The bill (S. 2299) to validate the payment of commutation of quarters, heat, and light, under the act of April 16, 1918, and of rental and subsistence allowances under the act of June 10, 1922, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote by which the bill was passed by the Senate on March 28.

Mr. KING. The Senator from Ohio [Mr. FESS] and the Senator from Nebraska [Mr. HOWELL] want to be heard upon the motion. I do not know whether it can be done under the five-minute rule or not.

The PRESIDING OFFICER. Does the Senator from Nebraska desire to be heard on the motion to reconsider?

Mr. HOWELL. If we are limited under the five-minute rule it can not be possibly presented within five minutes, and I suggest that it go over.

The PRESIDING OFFICER. Objection is made and the bill will go over.

Mr. WADSWORTH. I ask the Senator from Nebraska to withdraw his objection for the moment, because I want to make an explanation of the bill and it will take only four or five minutes.

The PRESIDING OFFICER. Does the Senator from Nebraska withhold his objection?

Mr. HOWELL. I withhold it for a few moments.

The PRESIDING OFFICER. The Chair will state that the Senator can renew his objection at any time if he so desires.

Mr. WADSWORTH. Mr. President, the bill passed the Senate in the latter part of March, after explanation by me, and I thought with a full understanding of all the Members of the Senate then present. The next day, or perhaps that evening, the Senator from Utah [Mr. KING] expressed to me the desire that the bill be brought back to the Senate, and I made no objection. It was recalled from the House of Representatives, put back upon the calendar, with the motion to reconsider that is now pending. The Secretary can state upon what date that occurred.

The PRESIDING OFFICER. The Chair is informed that the bill was passed on March 28, and the motion to reconsider was entered on March 31.

Mr. WADSWORTH. Senators will note that the bill reads—

That payment of commutation of quarters, heat, and light under the act approved April 16, 1918 (40 Stat. p. 530), and of rental and subsistence allowances under sections 4, 5, and 6 of the act of June 10, 1922 (42 Stat. p. 627), made in good faith by disbursing officers prior to June 22, 1923, on account of dependents, and without fraud on the part of the payee as determined by the Secretary of War, be, and the same are hereby, validated.

That is a part of the measure. I am going to stress very briefly what has occurred in the matter and then I am going to ask the Secretary to read a letter from a young naval officer.

Senators will recollect that prior to the readjustment of pay in the Army and Navy and related services, the law provided for the payment of commutation of quarters, heat, and light to those officers of the Army and the Navy who were not provided with public quarters and who had dependents such as a wife or a minor child or a dependent mother. The act of April 16, 1918, established that system of commutation for quarters, heat, and light. In accordance with this act, an officer's certificate was prepared and approved by the Comptroller General and accepted by the General Accounting Office, and all vouchers claiming commutation on account of a dependent parent, so supported by this certificate, were passed as settled by the General Accounting Office.

From April 6, 1922, the Comptroller General of the United States ruled in effect that the certificate was not sufficient to establish dependency and required in lieu thereof an affidavit to be executed by the dependent parent, supported by the affidavit of at least one disinterested party having knowledge of the facts. The War Department and the other departments promptly complied and a formal affidavit was prepared, approved by the Comptroller General, and the officers concerned made out their affidavits in accordance with his ruling and were paid from time to time. But that did not seem to suffice.

On June 10, 1922, the pay readjustment act was passed, which abolished the laws authorizing payment of commutation of quarters, heat, and light, and in their stead authorized the payment of rental and subsistence allowance, which is paid to officers under certain conditions not provided with public quarters and who had a dependent wife or minor children or dependent mother. No other relative is included, merely a wife or minor children or a dependent mother.

On July 22, 1922, a month and 10 days later, the Comptroller General issued an improved form of affidavit to be executed by the dependent mother and a disinterested party. This was promptly adopted by the departments concerned. It had been approved by the Comptroller General. The officers had their mothers make out the affidavit and it was supported by the testimony or affidavits of a disinterested party, approved by the Comptroller General, and the officers were paid.

On January 20, 1923, the Comptroller General in a letter to the Secretary of War inclosed approved forms of a certificate for an officer claiming subsistence and rental allowance, and a new form was gotten up by the Comptroller General, adopted by the department, sent out to the officers, and they made their certificates or their affidavits, as the case might be, in accordance with the statute and in accordance with the forms provided by the Comptroller General.

It will be seen, therefore, that in every case the departments have complied and the personnel of the services have complied. Now it turns out that the Comptroller General is endeavoring to collect back from the disbursing officers who have made those payments, since as far back as 1918, in accordance with the statute and in good faith and in accordance with the forms prepared in the Comptroller General's office itself, and is now endeavoring to assert and does assert in fact that many of those payments were illegal——

Mr. SHORTRIDGE. On what ground?

Mr. WADSWORTH. Lack of dependency—and he has to collect from disbursing officers, who have made the payments in good faith and in accordance with the statute, the money which they have disbursed. It will bankrupt several officers.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FLETCHER. Mr. President——

Mr. HOWELL. Just a moment, Mr. President.

Mr. FLETCHER. Mr. President, I think I can allow the Senator to interrupt me and to use my five minutes.

Mr. WADSWORTH. Mr. President, will the Senator yield to me for a question?

Mr. FLETCHER. I yield to the Senator.

Mr. WADSWORTH. Would the Senator like to hear read here in the Senate a letter addressed by a young naval officer to the Secretary of the Navy describing what has been going on?

Mr. FLETCHER. I should, and I ask that that letter may be read by the Secretary.

Mr. WADSWORTH. I desire to have read the portion of the letter which is bracketed, beginning at the middle of the first page.

The PRESIDING OFFICER. The Secretary will read as requested.

Mr. WADSWORTH. I hope Senators will listen to the reading.

The reading clerk read as follows:

1. It is desired to invite the attention of the Secretary of the Navy to certain personal financial affairs. I drew the allowance for "dependent mother" up to August 30, 1923, on which date I was married and changed dependency to "lawful wife."

2. My mother is a widow, living in Danville, Ill. My father died in January, 1920. My mother has been for 10 years in such poor health as to be a semi-invalid. Her age is 58 years. She was, and is, unable to work or support herself on account of her age and poor health. Living with her, and dependent on her, and therefore on me, for support, was her invalid aged mother, aged 79 years, who was entirely bedridden and helpless. My mother had two children besides myself, both girls, one aged 15 years and one aged 20. The younger was dependent, and a student at high school. The older was a student at college, working her way, and helped by contributions from me.

3. The sole, total, and only income of my mother was $24 per month from the rent of a dwelling house (value $4,200, mortgage of $2,800). This house was left by my father to my mother and her three children, jointly. She had no stocks, bonds, or any other property except household goods, worth perhaps $75, and her sole income was therefore $8 per month, the one-third share of rent mentioned (widow's one-third dower right).

4. I drew the allowance for dependent mother, and supported my mother, grandmother, and two sisters. My younger sister continued dependent in school. My eldest sister graduated from college and obtained a position teaching school at $60 per month, in another city, which was barely enough to support her. My claim for allowance for dependent mother is therefore easily seen to be just, clean-cut, and incontrovertible.

5. In June, 1922, commenced a series of checkages by the Comptroller General, four in all. In each case I produced affidavits and evidence substantiating my claim and, after some delay, the checkages were remitted. During the past four years I have obtained from my mother no less than 45 sworn affidavits. I have turned in to each paymaster carrying my account no less than two and sometimes three each quarter. I have forwarded 10 direct to the General Accounting Office. I was compelled to make two trips to Washington to appear in person at the General Accounting Office and hasten the remission of checkages, in order that I might not have to borrow money on a personal note for my expenses. I have had my mother make out sworn affidavits of every conceivable form, and of each successive variety, as it came out, thus compelling her to expose her most intimate financial expenditures and itemization of her living expenses.

6. On August 30, 1923, I was married. My marriage had been delayed 18 months on account of the constant threat of ruinous checkage by the Comptroller General. My wife and I occupy a very small two-room "court" apartment, for which we are compelled, by the high-rent situation in New York City, to pay $100 per month, unfurnished. We furnished this apartment by buying second-hand furniture at auction sales. My wife has no income or money of her own and our sole income consists of my pay. We own no automobile. We keep no servant, and the entire housekeeping work, cooking, washing, sewing, etc., is done by my wife. My pay is sufficient only for our bare living expenses. Our amusements are of the simplest and do not include any expensive theaters or restaurants. My pay barely covers rent, food, clothes, school expenses, insurance, savings, and medical attention for my wife.

7. Last month I received another letter from the Comptroller General threatening checkages unless I furnished new and more detailed affidavits from my mother for 1922. During the year 1922 I furnished him with every form of affidavit then extant. It is an outrage to have to ask my mother to make out more sworn affidavits for a period of two years ago and to try to remember her living expenses for that time. To-day I have received another letter demanding immediate information as to my father's exact income for 1919, the year before he died.

8. The attention of the Secretary of the Navy is invited to the humiliating, outrageous, and unreasonable demands of the Comptroller General. The situation has become intolerable, due to anxiety over threats of new checkages. A further checkage would mean financial ruin for me, as I would have to attempt to meet it by borrowing money from some bank on a personal note. My interest and pride in the Naval Service of the United States has always been of the highest order, but I can not but admit that this constant persecution and threat of pay checkage is the most excellent destroyer of morale which could be devised.

9. It is respectfully requested that the Secretary of the Navy inform me if there is any hope of relief from this humiliating condition.

The PRESIDING OFFICER. The bill has gone over under objection; but the Chair desires to say that this bill has passed the Senate and is simply here on a motion to reconsider. It was taken from the calendar, and, while it is noted on the calendar, the Chair is of the opinion that it is not a bill which comes up under the rule providing for the call of the calendar.

Mr. HOWELL. Mr. President, I ask unanimous consent to use just five minutes in order to make a statement so that Senators who are present may more fully understand what this bill means.

The PRESIDING OFFICER. The Senator from Nebraska asks unanimous consent to proceed for five minutes in the discussion of this bill. Is there objection? The Chair hears none, and the Senator from Nebraska will proceed.

Mr. KING. Mr. President, will the Senator from Nebraska yield to me?

Mr. HOWELL. I will.

Mr. KING. I wish to say to the Senator from New York that, speaking for myself, I shall join with him in trying to have early disposition made of this bill.

Mr. WADSWORTH. I thank the Senator.

Mr. HOWELL. Mr. President, I have no desire to delay this matter, and I should have been glad if it could have come up before.

This bill is not for the purpose of relieving disbursing officers, but it is for the purpose of relieving Army officers who have made claims of dependency which the facts do not support. The effect of the bill, if passed, would be to attack the Budget and accounting system and transfer the visé of those accounts from the Auditor General to the Secretary of the Navy and the Secretary of War. It must be evident that neither officer can handle those accounts, but they will be turned over to Army officers and naval officers to be passed upon in detail.

Now, what are the facts? For the first time in the history of this Government in 1916 or 1917 Congress authorized allowance for quarters in the case of a dependent mother. As to whether the mother was dependent or not was a question of fact. Hundreds of officers sent in certificates of dependency where there was no dependency. There are now more than 200 or 300 officers who are paying back the money they obtained through misunderstanding. Single officers have paid back as much as $2,600, and if this bill shall be passed it will relieve every one of those officers and return to them the money they have returned to the Treasury.

It is stated here that there are some pitiful cases. Now, let me cite the Senate a case where the Comptroller General refused to make an allowance. The Comptroller General has refused, for instance, to remove the charge in the case of a major who certified that his mother was dependent upon him for more than half of her reasonable living. It was subsequently shown that she owned the home in which she resided, which was valued at $11,875; that she had $3,500 invested in real estate, $7,500 in bonds, $2,500 in bank stock, $275 in notes, and $1,600 in bank deposits; and yet this major certified that she was dependent upon him.

Mr. WADSWORTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New York?

Mr. HOWELL. I yield.

Mr. WADSWORTH. What was the yield from that woman's investments?

Mr. HOWELL. I can not give the yield, but if she will transform that property into an annuity, it will afford her a larger annuity than we allow to employees of the Government who are retired. It was not intended by Congress under the action taken a few years ago, which was the first time in the history of the Government that such a thing was done, to afford quarters and light and heat to some one who had property.

Mr. WADSWORTH. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield further to the Senator from New York?

Mr. HOWELL. I do.

Mr. WADSWORTH. Does it make no difference whether or not the property is an income-producing property?

Mr. HOWELL. Just a moment.

Mr. WADSWORTH. I think I know about the case to which the Senator has referred, or one almost exactly like it. The property is a Virginia farm which produces nothing to the mother. She lives there where she has lived all her years.

Mr. HOWELL. Now let me give another case.

Mr. WADSWORTH. The farm itself does not pay, but the comptroller says let her sell the farm and get an annuity.

Mr. HOWELL. Here is a case of a captain: The mother owned real estate of the value of $4,100, tangible personal property of the value of $1,600, intangible personal property of the value of $6,000, and received a pension from the United States of $24 a month. He claimed a dependency in that case.

Here is another case of a lieutenant colonel whose mother owned real estate to the value of $11,600 and was possessed of intangible personal property of a value of $20,900.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. HOWELL. I merely want Senators to understand what this bill means.

The PRESIDING OFFICER. The Secretary will proceed with the call of the calendar.

Mr. WADSWORTH. Mr. President, I inquire if the motion to reconsider is pressed.

The PRESIDING OFFICER. The Chair understands that there is objection to the consideration of the matter.

Mr. HOWELL. I object to consideration.

Mr. KING. The Chair stated that under the rule the measure was not in order at this time.

WAR FINANCE CORPORATION LOANS

Mr. GOODING. Mr. President, I rise to a question of personal privilege. Some time in April the New York World printed an article in which they charged that the War Finance Corporation had dealt unfairly with the farmers of Idaho and that I had been shown favoritism. I considered the charges so serious that I introduced a resolution on the 10th of April asking for an investigation of the charges that appeared in the New York newspaper. I now ask, Mr. President, the status of that resolution, it being Senate Resolution 208, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. FESS. Mr. President, in the absence of the chairman of the committee I beg leave to state for the committee in answer to the inquiry of the Senator from Idaho, that the committee considered the resolution and addressed a communication to the War Finance Corporation requesting it to give information as to the loans made in the State of Idaho. That information came to us. It is quite fully set out by a member of the War Finance Corporation. I think every member of the committee agreed that the statement was so complete in exoneration of the charges made by the press against the Senator from Idaho that no action was necessary in the way of investigation.

I ask unanimous consent that the facts stated by the War Finance Corporation be read at this time. I think that will satisfy the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Ohio asks unanimous consent that a communication shall be read from the desk. Is there objection? The Chair hears none, and the Secretary will read as requested.

Mr. FESS. I will state, in addition, that unless the Senate thinks it is worth while to go on with the matter after this communication is read, we should prefer to drop the matter entirely, as we believe further action is not warranted.

The PRESIDING OFFICER. The Secretary will read the communication.

The principal clerk read as follows:

WAR FINANCE CORPORATION,
Washington, April 29, 1924.

Hon. SIMEON D. FESS,
Chairman the Committee to Audit and Control the Contingent Expenses of the Senate, United States Senate.

MY DEAR SENATOR: In accordance with your request, I take pleasure in giving you the following information concerning the operations of the War Finance Corporation in the State of Idaho:

To and including March 31, 1924, the War Finance Corporation made advances for agricultural and livestock purposes totaling $5,463,921.50 through banking and financing institutions and livestock loan companies in Idaho. Of this amount, $1,073,475.97 was advanced through 28 banking and financing institutions and $4,390,445.53 through 7 livestock loan companies. These advances were based upon the collateral notes of approximately 2,357 farmers and stockmen. In the case of the loans through banking and financing institutions, there were approximately 1,168 collateral notes averaging $1,450 each, and in the case of loans through livestock loan companies there were approximately 1,189 notes averaging $4,760 each.

The repayments to March 31 totaled $4,181,353.51, of which $954,590.92 was repaid by banking and financing institutions and $3,226,762.59 was repaid by livestock loan companies, leaving a total balance outstanding of $1,282,567.99—$118,885.05 from banking and financing institutions and $1,163,682.94 from livestock loan companies.

In addition to the above advances the corporation made loans totaling $1,573,420 through livestock loan companies in Oregon and Utah on the basis of the collateral notes of stockmen located in Idaho.

Specific inquiry has been made as to the North Side Livestock Loan Co. of Jerome, the Southeastern Livestock Loan Co. of Blackfoot, and the Idaho Agricultural Loan Co. of Pocatello, with request for information concerning the advances made by the corporation through them.

In the case of the North Side Livestock Loan Co., the corporation's advances totaled $226,648.84, of which $109,098.50 had been repaid on March 31, leaving a balance outstanding of $117,550.34. These advances were based upon the collateral notes of approximately 281 farmers or stockmen, averaging $850 each.

In the case of the Southeastern Livestock Loan Co., the corporation's advances totaled $1,891,987.37, of which $1,131,544.13 had been repaid to March 31, 1924, leaving a balance outstanding of $760,443.24. These advances were based upon the collateral notes of approximately 655 farmers and stockmen, averaging $4,400 each.

In the case of the Idaho Agricultural Loan Co., the corporation's advances totaled $275,737, all of which has been repaid. These advances, so far as we can ascertain from our records here, provided financing for between 400 and 500 farmers in amounts averaging about $750 each.

Very truly yours, F. W. MONDELL, *Director.*

Mr. FESS. Mr. President, I have here also a telegram which I should like to have read.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the telegram will be read.

The principal clerk read as follows:

GOODING, IDAHO, *April 13, 1924.*

Senator F. R. GOODING,
Senate Office Building, Washington, D. C.:

North Side Loan Co. made total $226,648 loans through War Finance during its existence. Has loaned money on 4,500 cows and great number of small bunches ranch sheep. Banks on tract have loaned about same amount in addition. Have increased production of butterfat on tract in past three years from one hundred fifty thousand to six hundred fifty thousand annually. Every small farmer in these three counties taken care of who made application and had proper security.

JOHN THOMAS.

Mr. FESS. Mr. President, the committee thought those facts, coming from the War Finance Corporation, were so conclusive that we were not justified in going on with an investigation that would entail considerable time and could not establish anything more definite than these facts. I think the Senator from Idaho will agree with us that there is not a scintilla of basis for the charge that was made, especially that which pertained to him, and therefore we thought it unwise to go further into the matter.

Mr. GOODING. Mr. President, I want the Senate to be the judge of that. I felt and know that the War Finance Corporation has filled a great place in this country in bridging it over a very dangerous condition. In my State the corporation has been a mighty factor in assisting agriculture, and I am sure that early in the existence of the War Finance Corporation I gave more time in urging them to do something for agriculture than I did in connection with any other one subject.

The banks in which I am interested have put up equally as much money as the War Finance Corporation in helping agriculture in the three counties in which they are located. The attack was so unfair and unjust and unreasonable that I felt that it was my duty to call the attention of the Senate to it.

I have here an editorial appearing in another New York paper that I ask to have printed in the RECORD. I shall not ask to have it read at this time, but some time in the future I shall feel called upon to pay some attention to it. It is from the Journal of Commerce and Commercial Bulletin of New York.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho? The Chair hears none, and the editorial will be printed in the RECORD.

The matter referred to is as follows:

[From the New York Journal of Commerce and Commercial Bulletin of Saturday, April 12, 1924]

SENATORIAL FINANCE

It is fortunate that the resolutions passed by the Idaho grange demanding an investigation into the loans made by the War Finance Corporation come at this time. They give Congress, as well as the farmers of the western States, opportunity for profitable meditation on this whole subject of governmental subsidies to special interests. It does not matter in the least whether Senators GOODING and STANFIELD and their friends secured loans in excess of $1,000,000 as reported by

the World investigator. At any rate, GOODING and his brothers seem to have obtained $167,000 in 1921 and 1922, as loans, later repaid. It is very evident in any case, in spite of the secrecy that has surrounded the operations of the War Finance Corporation, that the Government money did not primarily assist the small farmer and livestock grower who had expected to benefit.

Naturally the banks and cattle loan companies which were the direct recipients of the Government funds unloaded their frozen assets upon the Government institution and advanced the proceeds of the Government loans to the big borrowers in whose operations they were largely and intimately involved. There is no necessary impropriety associated with this loan distribution. The small man whose access to banks and ability to borrow is severely limited can never hope to derive any particular benefit from Government loans, advanced, as they have to be, in indirect fashion through the medium of the existing credit mechanism. The advantage inures to the bankers and to their rich borrowers.

Finally, the grange members of Idaho wake up to protest, but still they do not see that their complaint is misplaced. They appear to want to punish somebody for some offense, but they still refuse to recognize that the offense against justice and fair play lies in the very existence of subsidized Government schemes to obtain cheap credit and high prices for farm products.

Since Senator GOODING and his business associates are reported to own a large share of the sheep of their own State they naturally and necessarily obtain the lion's share of the loans which the Government generously hands out to relieve the necessities of farmers and livestock growers. These loans come to GOODING and his kind just as naturally and as inevitably as do the profits from the wool off the backs of his sheep, whose selling price is multiplied by the protective duties upon which he and his colleagues insist.

If the Gooding bill, designed to benefit the shippers of the Intermountain States by destructive amendments to the long and short haul clauses of the interstate commerce act, should pass, Senator GOODING'S business interests will be given further legislative assistance in their struggle for existence. The expense to the railroads and to the public at large involved in a measure calculated to disrupt existing rate structures and to prevent the railways from competing with water routes makes no appeal to the Gooding group of interests, because they live in a region with deficient rainfall and are not interested in the transportation problems of the coastal communities.

Possibly Senator GOODING will be so distracted by his attempts to explain how disinterested he is that he will have no time left to push his favorite measures. If so, the plaintive grange members of Idaho will have done their fellow countrymen an inestimable service.

Mr. FLETCHER. Mr. President, I was unable, on account of some noise, to hear the opening statement of the Senator. Did he state which one of these societies, whether the North Side or the Southeastern, or which one of these organizations he was interested in or connected with?

Mr. GOODING. I was not interested in any of them at all; but the North Side organization, the Jerome organization, is located in a county adjoining Gooding County, and the banker interested in and helping to form that corporation is the president of the bank of which I am a director. He, together with a Mr. Sheppard, was very active in organizing this corporation, which brought about a condition in my county, in Jerome County, and in Lincoln County that practically saved agriculture in those three counties, bringing about conditions which made it possible for them to receive loans and put into those counties something like 4,500 dairy cows and a number of small bands of sheep. Every farmer in those three counties who applied for assistance, and who could give proper security, was taken care of.

Mr. ROBINSON. Mr. President, what action is it proposed shall be taken respecting the resolution offered by the Senator from Idaho [Mr. GOODING]?

The PRESIDING OFFICER. No action is proposed to the Senate at the present time, except that the Senator from Ohio [Mr. FESS] announced that the committee felt that they should not report the resolution after having his letter read from the War Finance Corporation.

Mr. ROBINSON. The Committee to Audit and Control the Contingent Expenses of the Senate received the resolution on the 10th day of April, and apparently it has itself made some sort of investigation into the facts or issues involved in the resolution.

The PRESIDING OFFICER. The Chair will state to the Senator from Arkansas that the Senator from Ohio had read, as an explanation of why the committee had not acted, a letter from the War Finance Corporation explaining the situation fully.

Mr. ROBINSON. I was just about to say that the Senator from Idaho [Mr. GOODING] felt justified in presenting to the Senate a resolution which called for an investigation of charges made against him in a metropolitan newspaper. In presenting the resolution the Senator was entirely within his rights. The Senator is entitled and the Senate is entitled to have action taken upon the resolution. It is rather an extraordinary course that the Committee to Audit and Control the Contingent Expenses of the Senate has taken. That committee usually reports resolutions of this character and permits investigations to proceed.

Here is a case where a Senator himself has asked that charges against him be investigated—charges that affect his good faith and which involve transactions with a department of the Government. It would seem that the proper thing for the Committee to Audit and Control the Contingent Expenses of the Senate to do is to report to the Senate the resolution of the Senator from Idaho [Mr. GOODING]; and if he desires it done or any other Senator desires it done the resolution should go to another committee, and the investigation requested by the Senator from Idaho should be authorized.

It is a very extraordinary proceeding, and it ought not to be satisfactory to the Senator from Idaho himself, for the Committee to Audit and Control the Contingent Expenses of the Senate to procure from the War Finance Corporation a statement of facts relative to the matter, have that read to the Senate, and say that in view of that statement it does not propose to pursue the matter further or to give the Senate the opportunity of ascertaining the facts, or to give the Senator from Idaho the advantage of the investigtaion that his resolution seeks.

Mr. GOODING. Mr. President, I hope my position will not be misunderstood. I want the Senate to know that I court investigation.

Mr. ROBINSON. That is my understanding.

Mr. GOODING. The Senator is correct in his understanding.

Mr. ROBINSON. Then I move that the Committee to Audit and Control the Contingent Expenses of the Senate be discharged from the further consideration of Senate Resolution 208.

Mr. EDGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Adams	Ernst	King	Sheppard
Ashurst	Fernald	Ladd	Shields
Ball	Ferris	Lodge	Shipstead
Borah	Fess	McKellar	Shortridge
Brandegee	Fletcher	McKinley	Simmons
Brookhart	Frazier	McLean	Smith
Broussard	George	McNary	Smoot
Bruce	Gooding	Mayfield	Spencer
Bursum	Hale	Moses	Stanfield
Cameron	Harreld	Neely	Stephens
Capper	Harris	Norbeck	Sterling
Caraway	Harrison	Norris	Swanson
Copeland	Heflin	Oddie	Underwood
Cummins	Howell	Overman	Wadsworth
Curtis	Johnson, Calif.	Pepper	Walsh, Mass.
Dale	Johnson, Minn.	Phipps	Walsh, Mont.
Dial	Jones, N. Mex.	Pittman	Warren
Dill	Jones, Wash.	Ransdell	Watson
Edge	Kendrick	Reed, Mo.	Weller
Edwards	Keyes	Robinson	Willis

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

The Chair will have to hold that the motion of the Senator from Arkansas is not in order at this time, but it can be entered and be considered as pending.

Mr. ROBINSON. Very well, Mr. President, I give notice that unless the committee shall report the resolution back to the Senate for such action as the Senate may see fit to take, I shall move to discharge the committee.

The PRESIDING OFFICER. The next bill on the calendar will be stated.

FLORENCE PROUD

The bill (S. 1017) for the relief of Florence Proud was announced as next in order and was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims with an amendment, on page 1, line 5, to insert the words "out of any money in the Treasury not otherwise appropriated," so as to make the bill read:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Florence Proud, widow of Thomas Proud, formerly a carpenter employed in the construction of the Coast Artillery cantonment, Fort Winfield Scott, Calif., and who was killed while inside the Fort Scott Reservation, the sum of $5,000.

The amendment was agreed to.

Mr. DIAL. Mr. President, in connection with this particular bill, I see that the amount of $5,000 is proposed to be appropriated for Florence Proud, widow of Thomas Proud, deceased. This is a very unfortunate case. I have read the report and it seems the man's death was purely the result of an accident which could not have been avoided, and that the deceased did not bring about his own injury, and perhaps the Government ought to pay the claim. I am not very much in favor of the payment of claims arising in tort, but while I do not object to a payment, I do not know about the amount, although the committee must have studied the case pretty thoroughly. It does seem to me that the words on line 5 "to Florence Proud, widow," should be stricken out and the words "the heirs at law" should be inserted in lieu thereof. I do not see anything in the testimony or the report which shows that Thomas Proud did not have children. If he had children, minor children particularly, they should share along with the widow, and I move to amend by striking out the words to which I have referred, to wit "Florence Proud, widow," inserting in lieu thereof the words "the heirs at law."

The PRESIDING OFFICER. The Senator from South Carolina proposes an amendment, which the Secretary will report.

The READING CLERK. On page 1, line 5, the Senator from South Carolina moves to strike out the words "Florence Proud, widow" and to insert in lieu thereof the words "the heirs at law," so that it will read "to the heirs at law of Thomas Proud, deceased."

Mr. SHORTRIDGE. Mr. President, addressing myself immediately to the Senator from South Carolina, I hope he will not insist upon that amendment. According to my information this money is to go to a very old lady, who is really in financial distress. That fact has been developed, although it may not appear so in terms in the printed report. I believe there was a son, but it is designed by this measure to make the payment applicable to and immediately for her. I can not imagine any controversy that would ever arise between this old mother and the surviving son, of whom, in point of fact, I know nothing beyond what I have just stated. I hope the Senator will not insist upon the amendment.

Mr. DIAL. Is he a minor son?

Mr. SHORTRIDGE. I should infer not, from the lady's late letter to me, in which she writes:

> It was six years ago yesterday that my dear husband was laid away, and it has been a very hard time for me, as I am no longer young, but with the help of God I have never failed to do the best I had the strength to do, and have managed to keep up as much of the time as I could in spite of poor health.

Mr. DIAL. I sympathize deeply with the widow, but the point I am making is that the payment should be a complete bar against any claim against the Government, and if it refers only to the widow, perhaps the son might come in and say the Government ought to pay him. I will leave it to the discretion of the Senate. I think when a bill is drawn, it should be drawn properly and complete.

Mr. SHORTRIDGE. I can not state positively that the son is alive, though I infer that he is.

Mr. REED of Missouri. Is the widow very old?

Mr. SHORTRIDGE. Yes; she is an old woman.

Mr. REED of Missouri. Then she can not have a minor son.

Mr. SHORTRIDE. She can not have a minor son, in all human probability.

Mr. DIAL. As an heir-at-law she would get her proportionate share. I will leave the matter to the Senate.

Mr. SHORTRIDGE. I respectfully ask Senators not to adopt the amendment.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from South Carolina.

The amendment was rejected.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE FOREST SERVICE AND REFORESTATION

The bill (S. 2149) to facilitate and simplify the work of the Forest Service, United States Department of Agriculture, and to promote reforestation, was announced as next in order.

The PRESIDING OFFICER. The Secretary calls my attention to the fact that this bill was passed once, and then the vote by which it was passed was reconsidered.

Mr. ROBINSON. Mr. President, I suggest that the Senator reporting the bill make a brief statement in explanation of it.

TAX REDUCTION

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

The PRESIDING OFFICER. What amendment does the chairman of the committee desire to take up next?

Mr. SMOOT. On page 239, under Title X—Board of tax appeals, there are two amendments that were not agreed to. The first is on page 239 and the next on page 240. I will say to the Senator from North Carolina [Mr. SIMMONS] that they are merely for clarification and it is really only a matter of form to agree to them. The main question was disposed of the other day in making tax returns public.

Mr. SIMMONS. Does the Senator object to the terms of the amendment?

Mr. SMOOT. Oh, no. It is just to complete the record. I want to have the two amendments agreed to.

Mr. SIMMONS. I do not suppose there is any opposition to them, but I would like to know what the amendments are.

The PRESIDING OFFICER. The Secretary will report the amendment of the committee on page 239.

The READING CLERK. On page 239 the committee proposes to strike out lines 7 to 13, in the following words: "(f) Any member of the board may administer oaths, examine witnesses, and require, by subpœna, the attendance and testimony of witnesses and the production of all necessary books, papers, and documents. The attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing," and to insert in lieu thereof:

> (f) For the efficient administration of the functions vested in the board or any division thereof, any member of the board may administer oaths, examine witnesses, and require, by subpœna ordered by the board or any division thereof and signed by the member, (1) the attendance and testimony of witnesses and the production of all necessary returns, books, papers, documents, correspondence, and other evidence from any place in the United States at any designated place of hearing, (2) the taking of a deposition before any designated individual competent to administer oaths under this act, and (3) the answer in writing under oath to any question of fact submitted. In the case of a deposition the testimony shall be reduced to writing by the individual taking the deposition, or under his direction, and shall then be subscribed by the deponent. Any witnesses summoned or whose deposition is taken under this subdivision shall be paid the same fees and mileage as are paid witnesses in the courts of the United States.

Mr. SIMMONS. I have no objection to the amendment.

Mr. REED of Missouri. I think I ought to say to the Senator from Utah that while I am not going to object to the particular amendment about to be agreed to at this time, I intend to introduce a substitute for the entire scheme.

Mr. SMOOT. I understand that the Senator has that in mind.

Mr. REED of Missouri. I take it that the parliamentary situation is not going to be such that if the amendment is agreed to at this time the subject matter can not be taken up by an amendment to strike it all out and insert.

Mr. SMOOT. I assure the Senator it will not be, if he wants to offer a substitute later.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The amendment on page 240 will be stated.

The READING CLERK. On age 240 the committee proposes to strike out, in lines 11 to 23, the following words: "(h) The members and employees assigned to the board, in addition to their compensation, shall receive their necessary traveling expenses and actual expenses incurred for subsistence while traveling on duty and away from their designated stations, in an amount not to exceed $7 per day. The expenditures of the board, including the expenditures for salaries, expenses of transportation and for maintenance, witness fees, rent (where suitable quarters are not available), printing and binding, and contingent and miscellaneous expenses, shall be allowed and paid upon the presentation of itemized vouchers thereof, approved by the board and signed by the chairman, out of any appropriation available for the collection of internal revenue taxes," and to insert in lieu thereof:

> (k) The members and employees of the board and employees assigned thereto shall receive their necessary traveling expenses and their actual expenses incurred for subsistence while traveling on duty

and away from their designated stations in an amount not to exceed $7 per day in the case of members and $4 per day in the case of employees. The board is authorized, in accordance with the civil service laws, to appoint and, in accordance with the classification act of 1923, to fix the compensation of such employees and to make such expenditures, including expenditures for personal services and rent at the seat of government and elsewhere, and for law books, books of reference, and periodicals, as may be necessary efficiently to execute the functions vested in the board in case such assistants and such expenditures are not suitably provided for by the Secretary under subdivision (j). All expenditures of the board shall be allowed and paid upon the presentation of itemized vouchers therefor, signed by the chairman, out of any moneys appropriated for the collection of internal-revenue taxes and allotted to the board, or out of any moneys specifically appropriated for the purposes of the board. The board shall be an independent agency in the executive branch of the Government.

Mr. SMOOT. I will explain that under the House provision for subsistence while traveling there was a straight $7 per day allowance for members of the board and also for employees. By the amendment we provide that $7 a day subsistence shall be paid in the case of members of the board and $4 per day in the case of employees, to conform to provisions applying to all other employees of the different departments of the Government.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Now, I ask that we may return to the normal-tax provision on page 31 of the bill.

Mr. SIMMONS. If the Senator will pardon me, in the substitute which I offered for the so-called Mellon surtax rate, a mistake was made with reference to the place in the bill where the amendment should apply. The amendment as offered reads that it is to be inserted on page 31. It should be page 38. It reads "beginning with line 14" and it should read "beginning with line 9."

Mr. SMOOT. In other words, the amendment is a substitute for the committee amendment rather than a substitute for the House text?

Mr. SIMMONS. Yes. My understanding is that the Senator from New Mexico [Mr. JONES] desires to present some views to the Senate this morning and he is temporarily absent. I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fernald	Ladd	Shields
Ashurst	Ferris	Lodge	Simmons
Borah	Fess	McKellar	Smith
Brookhart	Fletcher	McKinley	Smoot
Broussard	Frazier	McLean	Spencer
Bruce	George	McNary	Stanfield
Bursum	Gooding	Mayfield	Stanley
Cameron	Hale	Moses	Stephens
Capper	Harris	Neely	Sterling
Caraway	Harrison	Norbeck	Swanson
Colt	Heflin	Norris	Underwood
Copeland	Howell	Oddie	Walsh, Mont.
Curtis	Johnson, Calif.	Overman	Warren
Dale	Johnson, Minn.	Pepper	Watson
Dial	Jones, N. Mex.	Ransdell	Weller
Dill	Jones, Wash.	Reed, Mo.	Wheeler
Edge	Kendrick	Reed, Pa.	Willis
Edwards	Keyes	Robinson	
Ernst	King	Sheppard	

Mr. CURTIS. I wish to announce that the Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I ask that this announcement may stand for the day.

The PRESIDING OFFICER. Seventy-four Senators having answered to their names, a quorum is present.

PRINTING OF FEDERAL TRADE COMMISSION REPORTS

Mr. NORRIS. Mr. President, I want to take this opportunity of calling to the attention of the Senate the appropriation for printing for the Federal Trade Commission. I particularly invite the attention of the Senator from Wyoming [Mr. WARREN] and the Senator from Utah [Mr. SMOOT] to what I say.

Some time ago I introduced a resolution which was brought about by some investigations which the Committee on Agriculture and Forestry were making in regard to the price of wheat that the purchaser has to pay, the price of bread the consumer has to pay, and the price of flour that is the raw product of the baker. I did this after the Committee on Agriculture and Forestry had made a partial investigation and with a view of getting some information which we thought would be valuable for us as well as for the general public and the Senate. I introduced a resolution directing the Federal Trade Commission to make an investigation and report the facts to the Senate. That resolution the Senate passed unanimously, and the work was taken up by the Federal Trade Commission.

On Saturday last, having completed the work, they made their report to the Senate. I was this morning informed over the telephone by a member of the Federal Trade Commission, whom I asked in regard to it because I was not in the Chamber, that the matter was withdrawn, and I do not know now whether it was withdrawn for the information of the Senate or whether it was withdrawn by communication to the Presiding Officer; at least it was withdrawn and I find this state of facts existing.

The commissioner tells me that, to begin with, there is a law prohibiting any bureau from doing anything which would create a deficiency and making it a misdemeanor to do so, as I understand. There is another law that prohibits a bureau from coming before the Committee on Appropriations and asking them for an appropriation to meet a deficiency unless the head of the Budget Bureau shall be first considered, and they can not go to the Budget Bureau unless the President takes the matter there.

Sometime in the last Congress I introduced a resolution, also coming from the Committee on Agriculture and Forestry, because of the discussion which was going on over a bill that, if enacted, would change the status of the cotton exchanges of the country. It was a bill as to which Senators from cotton-growing States who were members of the committee, and others who were not members, could come to no agreement. There was quite a bitter disagreement, and a great deal of discussion took place. The committee were unable to reach a conclusion mainly because the positions of the Senators from cotton-growing States were irreconcilable. To get out of that dilemma and to settle the question which was at issue between those Senators, I introduced a resolution asking the Federal Trade Commission to make investigation and ascertain the facts which we needed in order to pass on the bill. They made that investigation. They reported to the Senate some time ago, and the Senate ordered their report printed. Now, I am informed by a member of the Federal Trade Commission, whom I called up on the telephone since the Senate convened this afternoon, that another law provides that when we order printed any report which may be made by the Federal Trade Commission to us, even though it comes in answer to our own resolution, as did both of the reports to which I have referred, 80 per cent of the cost of printing is charged up against the appropriation made for printing for the Federal Trade Commission.

I am told that when we ordered the report asked for in the cotton resolution printed a deficiency had already been brought about, that after they had sent their report to the Senate on the wheat and bread resolution they discovered that, on account of the Senate having ordered the other report printed—and it would not be of any use to us unless it was printed—and the deficit having already been created, they were liable, criminally, if they went any further and caused another deficit. So they withdrew the report. The situation now is that the report is ready. It is in answer to a resolution of the Senate, but there is no way to have it ordered printed by the Senate, because by natural operation of law it would make, as I have been told, criminals of the members of the Federal Trade Commission. We are now in that predicament. The commissioners are prohibited even from going to the Appropriations Committee and asking that a deficiency appropriation be made.

The commissioner told me another startling fact over the telephone, namely, that very often in the litigation which they have—and they have a good deal of it—in cases where they issue an order against what they say is an unfair practice and they meet with an injunction, there being quite a number of such cases pending now, under a rule of court they are required to have their briefs and the record printed—it will not do under the rule of court to have it typewritten, but it must actually be printed—they can not comply with the order of the court without violating a law of Congress; hence they are practically estopped from prosecuting cases where they are brought into court under injunction proceedings.

The report of the Federal Trade Commission, I have been told—I have not as yet seen it—gives some very startling facts in regard to the cost of wheat, the cost of bread, comparing the two, and the cost of making flour. I have been told, although there may be an error about that, for it is only hearsay, that this report shows that when there was the great slump in the price of wheat, when the price of the farmer for his product was cut practically in two, the consumers of bread were paying afterwards practically the same price that they

paid before the price of wheat went down, and that that situation continued.

It seems that they are almost in a "blind alley." We have asked for this information; they have gathered it in response to our command; it is ready for us, but they are unable to give it to us. I do not know what the Committee on Appropriations may do, but I should like to inquire if the chairman of the Appropriations Committee will not officially, as chairman of that committee, communicate with the Federal Trade Commission and ask him to come before the committee the very next time there is a deficiency appropriation bill under consideration; or if there is any other way to get quick action, I should be glad to have it adopted.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. NORRIS. I yield.

Mr. WARREN. If the Senator will permit me to interrupt him, let me say that the Federal Trade Commission is an independent body, and therefore reports to the President. It seems to me it would be the easiest thing in the world for them to say to the President "We require more money for printing," and so forth. We have already passed one deficiency bill to provide for items of this kind, but we heard nothing from the Federal Trade Commission in respect to their shortage of funds for printing.

Mr. NORRIS. I am not blaming the commission; I am told that they are prohibited from coming before the committee; that they can not come before the committee. If the committee should ask them to come, of course they could respond, but they can not come unless they are requested so to do.

Mr. WARREN. So far as that is concerned, that is due to the Budget law which we passed; but that law does not prevent them taking such a question up with the head of the Budget, and the President being the head of the Budget and the Federal Trade Commission being an independent establishment, it would seem to me that relief could be afforded in that way. I do not understand that they have asked the President to take such action. He, of course, could order a deficiency, and we would be glad to provide for it.

Of course it will be appreciated that if the committee should request the commission to come before it, that would entail upon us requests from other governmental institutions to adopt a similar procedure in their case.

Mr. NORRIS. No; I think not, because this deficiency has been created by the action taken by the Senate. There was not even a joint or a concurrent resolution which ordered the preparation of the report.

Mr. WARREN. This is the first information I have had that there has been a shortage in the printing appropriation of the Federal Trade Commission. I think the proper way will be to provide for it in the next deficiency appropriation bill—and there will be another such bill—when it comes before the Senate.

Mr. NORRIS. Mr. President, of course I do not know about the members of the commission going to see the President; I do not know why they have not done so; but there is good reason why the Senate should look after this matter, because the Senate is the body that officially has created and brought this condition about. Under the law it is only the duty of the Federal Trade Commission to investigate questions when we direct them to do so; we have so directed them in this instance, and now, if we remain silent, we are putting ourselves in the position, it seems to me, of having directed them to do a certain work and then made it impossible for the work that has been done, which I think is very valuable, to amount to anything.

Mr. WARREN. I repeat that I think they should take the matter up through the head of the Budget and make the request, and then I have no doubt the necessary funds will be provided.

Mr. OVERMAN. What has the Budget got to do with the Senate meeting a deficiency?

Mr. WARREN. The head of the Budget can authorize it, and the President is the head of that branch of the service.

Mr. NORRIS. The bureau officials are prohibited from coming before the committee; they have no right to come.

Mr. OVERMAN. We can call them.

Mr. NORRIS. We can call them, and that is what I am trying to have done.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

The PRESIDING OFFICER. Will the Senator from Utah advise the Chair what amendment he desires to call up next?

Mr. SMOOT. The pending amendment is the surtax amendment, found on page 34 of the bill, where the Senate committee proposes to strike out the House text and insert a new section 211 (a).

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The READING CLERK. On page 34 the committee proposes to strike out lines 5 to 24, inclusive, all of pages 35, 36, and 37, down to and including line 8 on page 38, and to insert section 211 (a) as printed in italics. In lieu of the amendment proposed by the committee the Senator from North Carolina proposes an amendment, as follows:

On page 34, beginning with line 5, strike out all of subdivision (a), section 211, and in place thereof insert the following:

"SEC. 211. (a) In lieu of the tax imposed by section 211 of the revenue act of 1921, but in addition to the normal tax imposed by section 210 of this act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a surtax as follows:

"Upon a net income of $10,000 there shall be no surtax; upon net incomes in excess of $10,000 and not in excess of $14,000, 1 per cent of such excess.

"Forty dollars upon net incomes of $14,000; and upon net incomes excess of $14,000 and not in excess of $16,000, 2 per cent in addition of such excess.

"Eighty dollars upon net incomes of $16,000; and upon net incomes in excess of $16,000 and not in excess of $18,000, 3 per cent in addition of such excess.

"One hundred and forty dollars upon net incomes of $18,000 and upon net incomes in excess of $18,000 and not in excess of $20,000, 4 per cent in addition of such excess.

"Two hundred and twenty dollars upon net incomes of $20,000; and upon net incomes in excess of $20,000 and not in excess of $22,000, 5 per cent in addition of such excess.

"Three hundred and twenty dollars upon net incomes of $22,000; and upon net incomes in excess of $22,000 and not in excess of $24,000, 6 per cent in addition of such excess.

"Four hundred and forty dollars upon net incomes of $24,000; and upon net incomes in excess of $24,000 and not in excess of $26,000, 7 per cent in addition of such excess.

"Five hundred and eighty dollars upon net incomes of $26,000; and upon net incomes in excess of $26,000 and not in excess of $28,000, 8 per cent in addition of such excess.

"Seven hundred and forty dollars upon net incomes of $28,000; and upon net incomes in excess of $28,000 and not in excess of $30,000, 9 per cent in addition of such excess.

"Nine hundred and twenty dollars upon net incomes of $30,000; and upon net incomes in excess of $30,000 and not in excess of $34,000, 10 per cent in addition of such excess.

"One thousand three hundred and twenty dollars upon net incomes of $34,000; and upon net incomes in excess of $34,000 and not in excess of $36,000, 11 per cent in addition of such excess.

"One thousand five hundred and forty dollars upon net incomes of $36,000 and upon net incomes in excess of $36,000 and not in excess of $38,000, 12 per cent in addition of such excess.

"One thousand seven hundred and eighty dollars upon net incomes of $38,000; and upon net incomes in excess of $38,000 and not in excess of $42,000, 13 per cent in addition of such excess.

"Two thousand three hundred dollars upon net incomes of $42,000; and upon net incomes in excess of $42,000 and not in excess of $44,000, 14 per cent in addition of such excess.

"Two thousand five hundred and eighty dollars upon net incomes of $44,000; and upon net incomes in excess of $44,000 and not in excess of $46,000, 15 per cent in addition of such excess.

"Two thousand eight hundred and eighty dollars upon net incomes of $46,000; and upon net incomes in excess of $46,000 and not in excess of $48,000, 16 per cent in addition of such excess.

"Three thousand two hundred dollars upon net incomes of $48,000; and upon net incomes in excess of $48,000 and not in excess of $50,000, 17 per cent in addition of such excess.

"Three thousand five hundred and forty dollars upon net incomes of $50,000; and upon net incomes in excess of $50,000 and not in excess of $52,000, 18 per cent in addition of such excess.

"Three thousand nine hundred dollars upon net incomes of $52,000; and upon net incomes in excess of $52,000 and not in excess of $56,000, 19 per cent in addition of such excess.

"Four thousand six hundred and sixty dollars upon net incomes of $56,000; and upon net incomes in excess of $56,000 and not in excess of $58,000, 20 per cent in addition of such excess.

"Five thousand and sixty dollars upon net incomes of $58,000; and upon net incomes in excess of $58,000 and not in excess of $62,000, 21 per cent in addition of such excess.

"Five thousand nine hundred dollars upon net incomes of $62,000; and upon net incomes in excess of $62,000 and not in excess of $64,000, 22 per cent in addition of such excess.

"Six thousand three hundred and forty dollars upon net incomes of $64,000; and upon net incomes in excess of $64,000 and not in excess of $66,000, 23 per cent in addition of such excess.

"Six thousand eight hundred dollars upon net incomes of $66,000; and upon net incomes in excess of $66,000 and not in excess of $68,000, 24 per cent in addition of such excess.

"Seven thousand two hundred and eighty dollars upon net incomes of $68,000; and upon net incomes in excess of $68,000 and not in excess of $70,000, 25 per cent in addition of such excess.

"Seven thousand seven hundred and eighty dollars upon net incomes of $70,000; and upon net incomes in excess of $70,000 and not in excess of $74,000, 26 per cent in addition of such excess.

"Eight thousand eight hundred and twenty dollars upon net incomes of $74,000; and upon net incomes in excess of $74,000 and not in excess of $76,000, 27 per cent in addition of such excess.

"Nine thousand three hundred and sixty dollars upon net incomes of $76,000; and upon net incomes in excess of $76,000 and not in excess of $80,000, 28 per cent in addition of such excess.

"Ten thousand four hundred and eighty dollars upon net incomes of $80,000; and upon net incomes in excess of $80,000 and not in excess of $82,000, 29 per cent in addition of such excess.

"Eleven thousand and sixty dollars upon net incomes of $82,000; and upon net incomes in excess of $82,000 and not in excess of $84,000, 30 per cent in addition of such excess.

"Eleven thousand six hundred and sixty dollars upon net incomes of $84,000; and upon net incomes in excess of $84,000 and not in excess of $88,000, 31 per cent in addition of such excess.

"Twelve thousand nine hundred dollars upon net incomes of $88,000; and upon net incomes in excess of $88,000 and not in excess of $90,000, 32 per cent in addition of such excess.

"Thirteen thousand five hundred and forty dollars upon net incomes of $90,000; and upon net incomes in excess of $90,000 and not in excess of $92,000, 33 per cent in addition of such excess.

"Fourteen thousand two hundred dollars upon net incomes of $92,000; and upon net incomes in excess of $92,000 and not in excess of $94,000, 34 per cent in addition of such excess.

"Fourteen thousand eight hundred and eighty dollars upon net incomes of $94,000; and upon net incomes in excess of $94,000 and not in excess of $96,000, 35 per cent in addition of such excess.

"Fifteen thousand five hundred and eighty dollars upon net incomes of $96,000; and upon net incomes in excess of $96,000 and not in excess of $100,000, 36 per cent in addition of such excess.

"Seventeen thousand and twenty dollars upon net incomes of $100,000; and upon net incomes in excess of $100,000 and not in excess of $200,000, 37 per cent in addition of such excess.

"Fifty-four thousand and twenty dollars upon net incomes of $200,000; and upon net incomes in excess of $200,000 and not in excess of $300,000, 38 per cent in addition of such excess.

"Ninety-two thousand and twenty dollars upon net incomes of $300,000; and upon net incomes in excess of $300,000 and not in excess of $500,000, 39 per cent in addition of such excess.

"One hundred and seventy thousand and twenty dollars upon net incomes of $500,000; and upon net incomes in excess of $500,000, in addition 40 per cent of such excess."

The PRESIDENT pro tempore. The question is upon agreeing to the substitute for the committee amendment proposed by the Senator from North Carolina.

Mr. SIMMONS. Mr. President, I will take up a few minutes of the time of the Senate until the Senator from New Mexico [Mr. JONES] returns to the Chamber.

This morning I was handed a postal card that is being sent, as I understand, through the mails, and is of course a part of the propaganda now being assiduously fostered to mislead the people with reference to the effect upon the taxpayer of the adoption of any plan of reduction except the so-called Mellon plan. This postal card is not signed, except with the letters "O. I. C." It is marked in big type "Important." It reads as follows:

It is now estimated that there are in the United States over 14,000,000 stockholders, men and women, and over 1,000,000 stockholders in companies that are not quoted by the exchanges.

Meaning, of course, that that should be added to the 14,000,000 and make 15,000,000 stockholders in corporations.

Whether they are Democrats or Republicans, 95 per cent of them are in favor of the Mellon tax bill and speedy action.

It is fair to presume this large body of energetic, thrifty people will vote the Republican nomination on account of the Mellon tax bill.

Is the above not to be considered? Every representative is expected to look to the interest of his people.

The clear intent of this card is to create the impression that the Mellon surtax rates will afford relief to 15,000,000 stockholders of corporations. It is, of course, ridiculous upon its face, and I call attention to it simply because it shows the recklessness of the statements that are being industriously disseminated and that are being sent to the masses for the purpose of creating a palpably false impression. Of course, many will not be deceived, but the expectation of the authors and organizers and promoters of this propaganda is that many will be misled and deceived.

In view of the misrepresentations made in this circular, which is about on a par with many others that are going out, I think it proper to make a statement to the Senate with regard to the number of surtax payers—part of whom are stockholders in corporations—whose incomes exceed $10,000. Of course, it is understood that no surtax is imposed upon incomes of less than $10,000. The figures for the statement I am about to make have been prepared for me by Mr. McCoy, actuary of the Treasury. It is as follows:

Individual tax statistics, 1921 returns—paid in 1922. Total number of returns, 1921, 6,662,176. Number actually returning taxable income, 3,589,985.

Only that number of the 6,662,000 had incomes in excess of their exemptions and credits and gave in any taxable income at all.

Number liable to surtax, beginning at net income of $10,000, 172,359.

Total of this number with incomes not in excess of $60,000, 164,721.

That means, Mr. President, that the number of all of those returning incomes subject to surtax in 1921 whose incomes exceeded $10,000 was 172,000, in round numbers, and that of this number 164,000 showed incomes of less than $60,000, and that the balance, which showed incomes in excess of $60,000, amounted to only 7,638. Of course, every stockholder in a corporation who would pay a surtax is included in these returns, and the number of stockholders who pay income tax in excess of $10,000 and not in excess of $60,000 is 164,721, and only 7,638 pay taxes upon incomes in excess of $60,000.

The income-tax rates imposed in the substitute amendment I have offered on behalf of the majority on incomes less than $60,000 are notably less than the surtax rates imposed upon like incomes in the Mellon bill. In other words, every taxpayer whose income does not exceed $60,000 gets a very much larger reduction of his taxes under my substitute amendment than under the Mellon amendment, while the 5,286 taxpayers whose incomes lie between $60,000 and $100,000 will have their surtax rates increased over the Mellon rates by reason of this proposed substitute, should it be adopted, starting at no increase at $64,000 net income to only 3 per cent at $100,000 net income.

The amount of dividends received by those making returns of net income not exceeding $60,000 on the basis of 1921 returns was $1,996,330,765, while those received by taxpayers with incomes in excess of $60,000 was only $540,621,624. That is, the total dividends to incomes less than $60,000—upon which the rate in the substitute bill, as I said, is less than in the Mellon plan—is nearly four times as much as the dividends that would pay less tax under the Mellon plan.

That is to say that only 5,286 individual taxpayers, including all stockholders in corporations, will pay in excess of my substitute plan on incomes when their individual incomes each reach between sixty and one hundred thousand dollars, while 164,741 taxpayers, including stockholders, under the minority substitute plan will pay very substantially less surtaxes than under the Mellon plan.

I see the Senator from New Mexico has returned to the Chamber, and I yield to him.

Mr. JONES of New Mexico. Mr. President, I think it is wholly useless to discuss the provisions of this bill. I observe there are but few Senators here, and I do not care to discuss the bill merely for the purpose of taking up time. I think we may as well reach a vote upon some of these important provisions, and I therefore am not disposed to discuss the bill at all.

I merely want to say that I believe thoroughly in the general principle of adopting such rates that the taxes will be borne by those best able to pay them. I know that some of these surtaxes appear to be rather high to some people, but I think the question of the ability to pay might very properly be expressed

in another way; that is, we should adopt those rates of taxation which would cause the least sacrifice. That that tax varies with the amount of one's income can not be doubted.

I recall a statement of a witness before the Committee on Public Lands and Surveys a few weeks ago in regard to a loan of $100,000 he had made without security. Being interrogated regarding that, he turned it off with just a little flourish of his hand, saying that it amounted to nothing more than $25 or $50 to the average citizen. I wish that thought might sink into the minds of the American people, especially when we are to consider what have been denominated the high surtaxes.

I just want to call attention to the reductions which we are making in these so-called brackets, and especially with respect to the so-called high surtaxes. Under the rates suggested in the proposal of the minority, which is generally called the Simmons plan, a man with a million-dollar income will have a reduction in his taxes of $121,022.50, a small fortune in itself. The reduction to the man with a half-million-dollar income will be $61,022.50. We propose to reduce the tax of the man with a $300,000 income by $35,000 and more, and to reduce the tax of the man with a $200,000 income by $21,000, and the tax of the man with a $150,000 income by over $14,000. The tax on the income of $100,000 is to be reduced by over $7,500.

Those seem to me to be very great reductions. We are proposing to reduce the highest rate of tax from 58 per cent, that found in the present law, to 46 per cent. The rates of tax fixed in the so-called Mellon plan put the maximum rate on the man with an income of $100,000. If we are to recognize the principle of a graduated tax at all, it seems to me the man with an annual income of over half a million dollars a year might well afford a little higher rate of taxation than the man with an income of only $100,000 a year. That is what the minority amendment means. The maximum rate fixed by the minority on incomes of $100,000 was agreed upon because we felt that incomes above $100,000 a year ought to bear a higher rate of taxation than the $100,000. The surtax rate on the $100,000 income is 37 per cent, but that does not mean that the man would be paying a tax of $37,000 on a $100,000 income. He would pay only a little more than $2,000, and to have that reach its maximum at $100,000 seems to me to be unfair and unjust. I am therefore in hearty accord with putting a higher surtax upon incomes over $100,000 than that proposed by the majority of the committee.

I am not going to discuss this question at any length. In the minority report I presented my views—in a brief way, it is true—and I have attached to them tables making these comparisons. I do not care to repeat, but I ask unanimous consent that the minority report may be published in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

INTERNAL REVENUE BILL OF 1924

Mr. JONES of New Mexico, from the Committee on Finance, submitted the following minority views to accompany H. R. 6715:

The minority members of the Finance Committee, deeply conscious of the necessity for the relief of the people from the excessive burdens of taxation, have endeavored to cooperate with the majority of the committee in every reasonable way in the consideration and formulation of this belated attempt to reduce taxation. Through necessities incident to the World War revenue was contributed to the support of the Government in sums never reached at any previous time by any nation. Immediately after the signing of the armistice the party now represented by the minority was then in control of the Congress and formulated and caused to be enacted the revenue law of 1918. Anticipating a decrease in the necessary expenditures of the Government a provision was inserted in that law reducing the normal tax upon individual income from 12 per cent to 8 per cent and very materially reduced the excess-profits tax upon corporations. This action was strenuously opposed by the then leaders of the Republican Party. The Democratic Party does not believe in taxation beyond the actual necessities of the Government wisely and economically administered. We believe also that the burdens of taxation should be so imposed that they shall be borne in accordance with the fundamental principle of ability to pay. The Republican Party in its legislation for the reduction of taxation since the World War has ignored in great measure that basic principle. The revenue act of 1921, passed by a Republican Congress, which was devised for the purpose of reducing taxation, in the main materially reduced the taxes upon those best able to pay and gave but little relief to those who were less able to pay. The differential or excess-profits tax upon those corporations, many of which had profiteered during the war and were continuing to do so, was repealed in its entirety. The financial adviser of the Republican administration, Secretary Mellon, insisted and recommended that the higher surtaxes upon individual incomes should be reduced from the maximum of 65 per cent to 25 per cent. The Republican majority of the House of Representatives passed a bill fixing the maximum surtax at 32 per cent on incomes of $66,000 and above, and this maximum rate was recommended to the Senate by the Republican majority of the Finance Committee.

On the floor of the Senate, however, this maximum rate was increased to 50 per cent on incomes above $200,000. Through the repeal of the excess-profits tax the revenue derived from the profiteering corporations was cut in half while the taxes upon the less prosperous corporations were increased by not less than 25 per cent. The majority of the committee, urgently importuned by the President and his Secretary of the Treasury, now again propose by the present bill to reduce the maximum surtax from 50 per cent to 25 per cent without any corresponding reduction in the rate of taxation upon those who are less able to pay. The differences between the views of the minority and the majority upon this most important subject of taxation are fundamental, and the minority registers its earnest protest against the passage of the bill in the form as presented to the Senate.

The Democratic Party declines to accept responsibility for the unnecessary and protractious delay in reducing war-tax burdens of the American people. In May (20), 1919, President Wilson in a special message to Congress pleaded for the revision downward of the war taxes. His message was ignored through partisan feeling on the part of the Republican Party then in absolute control of the Congress. Not until November 23, 1921, was any action taken by the Republican majority, when the revenue act of 1921 was passed. At that time the Democratic minority urged greater reductions downward, particularly in the normal tax.

The reports in the CONGRESSIONAL RECORD show repeated efforts on the part of the minority to still further reduce the taxes at that time. Had the suggestions of the minority been accepted the discontent so prevalent for the last few years over the excessive tax burdens would have been greatly minimized and extravagant appropriations would have been vastly curtailed.

BURDENS OF TAXATION

It is the belief of the Democratic Party that in the raising of revenue for the support of the Federal Government due consideration should be given to the burdens of taxation, including the taxes imposed by the various States, counties, cities, and other local subdivisions. In a general survey we are impressed with the important fact that since the beginning of the World War the taxes imposed by these various legal entities have necessarily increased to an enormous extent, and this fact should not and can not be ignored in framing a law raising revenue for the support of the Federal Government, and that the incidence or actual burden of all taxation should be profoundly take into account. For the calendar year 1922 the taxes collected by the various States and the District of Columbia and all other civil divisions of the States having the power to levy and collect taxes aggregated $4,224,616,000. Of this total $3,327,166,000, or 78.8 per cent, came from the general property tax. Special taxes, including inheritance, income, etc., contributed $256,647,000; poll taxes, $29,140,000; licenses and permits, $408,271,000; and special assessments, $203,392,000. For the fiscal year ending June 30, 1923, the revenues of the National Government amounted to $3,204,133,000, consisting of customs, $562,189,000; income and profits taxes, $1,691,090,000; miscellaneous taxes, $935,699,000; tax on circulation of national banks, $4,304,000; and Federal reserve franchise tax, $10,851,000. The grand total of all these revenues from taxation was $7,428,749,000. The rate of property taxation in the various States and local divisions increased from $1.94 per $100 of assessed valuation in 1912 to $2.81 in 1922, which represents an average per capita increase from $13.91 in 1912 to $32.22 in 1922. Of the total taxes imposed by State, county, and other local divisions only the $256,647,000 derived from inheritance and income taxes is collected from those with evident ability to pay. This amount constitutes only seven-tenths of 1 per cent of the total taxes collected by these legal entities.

It will further be observed that 78.8 per cent of these total taxes is derived from general property taxes. A general property tax is supposed to be imposed upon all property, real and personnel; but, as is well known, revenue derived from such taxes in actual result is derived from the taxes upon real estate. It may be observed that for practical purposes the theory of the general property tax has broken down. This may be illustrated by the history of such tax in the State of New York. In that State the ratio of the value of personal property to total property actually taxed under the general property tax has steadily declined from 25.5 per cent in 1866 to 11.7 per cent in 1900, 4.8 per cent in 1910, 3.9 per cent in 1915, 1.7 per cent in 1920, and 1.6 per cent in 1921. The actual burden of a tax upon real estate in the cities and towns is borne by the occupier, and

the taxes upon the farm lands are borne by the farmer. Largely due to Republican policies and Republican legislation, the farmers of the country are in a deplorable state of financial depression. The prices of farm products are not fixed by the farmers but are controlled by the law of supply and demand in the world markets, and the taxes upon farmers can not be shifted. In their present financial condition taxes imposed upon them are in the main taxes upon capital, and money must be borrowed with which to pay.

On an examination of the sources of the Federal revenue we find that substantially all the taxes other than income and profits taxes are imposed upon the necessities of the people, regardless of income and even regardless of the ownership of property, and that in the case of some corporations the income tax is really shifted and is a tax upon consumption. The income of all the railroads and nearly all the public utilities is regulated by law. This regulation is based upon the net amount which may be derived for the use of the stockholders. The income tax imposed upon these corporations becomes, therefore, a fixed charge, and in this and similar cases enters into the cost of the service and is ultimately borne by those who avail themselves of such services, and in result may be termed a consumption tax.

In the above no reference has been made to the actual effect of the tariff or customs duties. In addition to the amount of the tax received by the Federal Government, and which is ultimately borne by the consumer, we can not lose sight of the fact that by reason of the tariff wall the domestic producers of manufactured articles are enabled to increase their prices to an extent, to which the statisticians generally agree, of about $3,500,000,000. This enormous sum is indirectly imposed as a burden upon the necessities of the people and wholly regardless of ability to pay. Invisible property and wealth almost entirely escape taxation except for the very meager portion which is derived through the tax upon net incomes and net profits. It may be generally said that all the burdens of taxation, except those derived from net incomes and net profits and inheritances, are shifted to the consumers as consumption taxes, and the only taxes imposed upon the vast invisible wealth of the Nation is derived from these sources. The Democratic minority, therefore, in insisting upon higher surtaxes than proposed by the majority is not imbued with any desire or purpose to "soak the rich," but profoundly believes that invisible wealth, the prosperous, and those with real ability to pay should bear a greater share of the burdens of Government.

It must be borne in mind that the Democratic proposal on the high surtaxes reduces greatly the rates carried in the present law, and the rates carried in the Democratic proposal on incomes not greater than $67,000 are much less than the proposal of the Mellon plan, and above that amount they are carried on a scientific and equitable basis on the theory that the very large incomes are better able to bear the burden and that the individual having an income of over $500,000 should pay a greater percentage of tax than the man with $100,000.

PROVISIONS OF MAJORITY BILL

We deem it unnecessary in our report upon the bill to do more than refer briefly to a few of the most important provisions. Some changes have been made in the excise taxes which we deem it unnecessary to discuss here. It is proposed by the majority to repeal the taxes imposed by the present law upon cereal beverages and other soft drinks, candy, hunting knives, dirks, smoking stands, hunting garments, and liveries. Some new excise taxes are to be imposed and a few other excise taxes have been reduced. The imposition of the excise tax was controlled by the majority and the minority does not deem it necessary to take any other position in this brief report than one of general policy of disapproval of all special excise taxes originally imposed for raising war revenue.

INDIVIDUAL INCOME TAXES

In the consideration of this subject there are three important provisions to be examined. These are the exemptions, the normal tax, and the surtaxes. The general exemptions to unmarried persons, married persons, and married persons with dependents is not proposed to be changed from existing law. A very important change, however, is now introduced by proposing a special exemption on account of earned incomes. We of the minority agree to the general principle that earned income within reasonable limitations should bear a less portion of the tax than incomes derived from investments. We believe, however, that provisions for this recognition should not permit an individual with a large income to receive a greater advantage than an individual with a lesser income. The bill in this respect really carries what might be termed "a joker." An individual with a large income is permitted a reduction from his total tax of an amount much greater than the individual with a small income even where the earned income of each is the same. We present herewith a table showing the result of the earned income provisions of the Senate bill as applied to various brackets of income:

Earned income provision—Senate bill

Income	Tax, single person			Tax, married person		
	Not earned	$10,000 earned	Saving	Not earned	$10,000 earned	Saving
$5,000	[1] $120	$90.50	$29.50	$75	[1] $56.25	$18.75
$10,000	420	315.00	105.00	360	270.00	90.00
$15,000	810	675.00	135.00	750	625.00	125.00
$20,000	1,320	1,155.00	165.00	1,260	1,102.50	157.50
$50,000	6,749	6,403.00	387.00	6,680	6,346.00	334.00
$100,000	19,900	19,402.50	497.00	19,840	19,344.00	496.00
$200,000	50,900	50,263.75	636.25	50,840	50,204.50	635.50
$500,000	143,900	143,180.50	719.50	143,840	143,120.80	719.20
$1,000,000	298,900	298,152.75	747.25	298,840	298,092.90	747.10

[1] All earned.

That is, the $10,000 earned-income provision helps the $10,000 single man $105, and the $1,000,000 man $747.25, or over seven times as much to the $1,000,000 man, although each have the same $10,000 of earned income.

As to a married person, if head of a family, the $10,000 man saves $90 in tax and the $1,000,000 man $747.10, or over eight times the saving to the $10,000 man.

The larger the income of the taxpayer, under this provision, the larger the reduction in tax on the same amount of earned income.

The means employed for granting this favor to the larger income is found in the provision that the $10,000 of earned income is assumed to have paid not the tax of the lower brackets, nor of the higher, but of the mean, depending upon the income of the taxpayer.

The minority will present an amendment to the bill eliminating this unjust inequality. The so-called Mellon plan, indorsed by the President, provided that there should be a reduction of 25 per cent in case of earned income regardless of the amount of such earned income. Recognizing the fact that through large salaries and large directors' fees many individuals would be able to receive an excessive reduction on account of so-called earned income, the House of Representatives provided that the reduction should not apply to earned income in excess of $20,000 and the Finance Committee proposes that the limitation shall be reduced to $10,000.

The bill as reported by the majority proposes to reduce the present normal tax upon the first $4,000 of net income from 4 per cent to 3 per cent and upon the remainder of the income from 8 per cent to 6 per cent. The minority members of the committee will propose an amendment fixing the normal tax at 2 per cent on the first $4,000 of net income, 4 per cent on the next $4,000, and 6 per cent on the remainder of the net income.

The House of Representatives and all the members of the Finance Committee concurred in the view that no surtaxes should be levied except upon incomes in excess of $10,000. The majority of the Finance Committee with respect to both normal and surtaxes adopted and now proposes to enact into law without change what is known as the Mellon plan. In the opinion of the minority this plan provides for an excessive reduction of the taxes of those having larger incomes and does not afford sufficient relief to those having lesser incomes and less ability to pay. The difference in the effect of the proposal of the majority of the committee and the minority will appear by an examination of the table which follows. This table shows the reduction in taxes from the present law of a married man with no dependents and with the first $5,000 of all income to be deemed to be earned and the remainder unearned.

Comparative table showing amount of tax reduction from the present law under the Mellon and Simmons plans—married man, no dependents, and first $5,000 considered as earned, the balance as unearned

Net income	Mellon plan	Simmons plan
$3,000	$6.75	$12.50
$4,000	25.25	37.50
$5,000	43.75	62.50
$6,000	62.50	102.50
$7,000	92.50	162.50
$9,000	152.50	262.50
$10,000	182.50	312.50
$12,000	242.50	382.50
$14,000	302.50	462.50
$16,000	362.50	542.50
$18,000	422.50	622.50
$20,000	482.50	702.50
$22,000	562.50	802.50
$24,000	642.50	902.50
$26,000	722.50	1,002.50
$28,000	802.50	1,102.50
$30,000	882.50	1,202.50
$32,000	962.50	1,302.50

Comparative table showing amount of tax reduction from the present law under the Mellon and Simmons plans, etc.—Continued

Net income	Mellon plan	Simmons plan
$34,000	$1,062.50	$1,442.50
$36,000	1,142.50	1,562.50
$38,000	1,222.50	1,682.50
$40,000	1,322.50	1,802.50
$42,000	1,422.50	1,942.50
$46,000	1,682.50	2,222.50
$50,000	1,982.50	2,502.50
$60,000	2,982.50	3,262.50
$70,000	4,322.50	4,162.50
$80,000	5,982.50	5,162.50
$90,000	7,982.50	6,302.50
$100,000	10,322.50	7,522.50
$150,000	22,822.50	14,022.50
$200,000	35,822.50	21,022.50
$300,000	62,822.50	35,022.50
$500,000	116,822.50	61,022.50
$1,000,000	251,822.50	121,022.50

It has been generally recognized that the law should provide for a more simple method for calculating the amount of the surtax upon any given income. The minority in an amendment which is appended hereto proposes to fix the actual amount of the surtax to be paid upon the income specified at each of the brackets and a percentage which shall be imposed upon the amount of the income in excess of such bracket and the percentage at which the excess shall be taxed.

The minority also appends hereto several tables, showing by comparison the different results to taxpayers under the present law, the Finance Committee bill, and the minority amendment. (See tables in Appendix.)

Under the plan proposed by the minority there will be a loss of revenue from the Mellon plan amendment of the majority on account of the normal tax amendment an estimated amount of $38,000,000 and a gain over the majority amendment in surtaxes of $41,000,000, making a net gain in revenue under the minority proposal of $3,000,000.

The Secretary of the Treasury, supported by perhaps the most extensive propaganda ever known for general tax reduction, has exhibited as his chief concern a reduction of from 50 per cent to 25 per cent the maximum surtaxes.

It is insisted that the high surtaxes are being evaded by transferences of investments into tax-exempt securities. That this is being done to any material extent is not considered by the minority to be in accordance with the facts. The only official data upon this question can be found in the report giving the statistics of income of decedents' estates which were filed during the year 1922. In the year 1922, 12,203 returns of resident decedents were filed in the Internal Revenue Bureau. The total gross estates amounted to $2,879,372,168. The value of all tax-exempt securities held by these decedents was not sufficient to pay the funeral and administrative expenses, as shown by that document. We attach hereto a table which gives the facts regarding all of these decedents' estates amounting to $1,000,000 and more.

Amount of estate	Number of returns	Total gross estate	Per cent of estate tax free	Investments, tax-free Government bonds	Investments, tax-free municipal and State bonds	Total tax-free investments
$1,000,000 to $1,500,000	111	$170,125,879	4.16	$1,510,051	$5,564,692	$7,074,743
$1,500,000 to $2,000,000	45	90,695,896	5.5	1,807,592	3,214,519	5,022,081
$2,000,000 to $3,000,000	41	132,547,852	3.78	2,818,012	10,067,271	12,885,283
$3,000,000 to $4,000,000	17	65,713,906	8.77	1,661,795	4,102,855	5,764,650
$4,000,000 to $5,000,000	10	53,685,921	6.45	2,473,443	991,424	3,464,867
$5,000,000 to $6,000,000	7	45,489,540	5.07	2,274,531	37,423	2,311,954
$6,000,000 to $7,000,000	2	17,624,080	3.3	99,800	494,599	594,399
$7,000,000 to $8,000,000	2	17,346,808	11.2	903,760	1,071,178	1,974,928
$8,000,000 to $9,000,000	6	97,672,152	10.06	1,978,813	7,855,610	9,834,423
$10,000,000 and over	10	291,937,380	6.2	8,433,189	9,681,658	18,114,847
Total	251	982,839,504	6.8	23,960,946	43,081,229	67,042,175

The next argument urged by the Secretary of the Treasury in favor of reducing the maximum surtax rate from 50 per cent to 25 per cent is based upon the alleged fact that such high surtaxes withdraw capital from productive enterprise and tend to destroy the prosperity of the country. It is clear to even the superficial observer that the contention of the Secretary is not convincing. Assuming that the Federal Government must receive a given amount of revenue, it is difficult to realize the difference in effect upon productive enterprise generally whether such tax comes from a few large taxpayers or from a large number of smaller taxpayers. Moreover, the Government does not retain this revenue in the Treasury. It is soon paid out and once more enters in the channels of industry. Upon an analysis of the actual situation it will also appear that the Secretary of the Treasury is unduly alarmed in his prognostications and that in his testimony and numerous discussions of this subject has indulged in much hyperbole. In the latest statistics upon this subject it appears that of the 6,662,172 taxpayers only 2,352 paid a tax upon income in excess of $100,000. Only 535 paid a tax upon income in excess of $200,000. The total net income of all taxpayers was $19,577,212,529, and of this amount those having incomes above $100,000 reported only $463,003,351, which constitutes only 2.36 per cent of the total net income. For the same year the total tax paid by taxpayers returning a net income in excess of $100,000 was only $202,217,490. This last amount is the thing about which the Secretary so vehemently complains. If this amount were reduced by half the saving to these large taxpayers would only be $101,108,745. The minority of the committee, therefore, believe that some other reason must be found for the determined and uncompromising insistence upon so large reduction in the high surtaxes, because to them it is inconceivable that this difference between the saving of a little more than $100,000,000 to 2,352 taxpayers and the payment of that amount into the Public Treasury should menace the prosperity and progress of this great Nation.

Secretary Mellon advances the further opinion that the high surtax interferes with large, hazardous, and speculative ventures. It should be recalled that under the present law a special tax of 12½ per cent only is imposed upon gains from investments. In our opinion experience has not shown that even the present maximum surtax has had the deterring effect which the Secretary imagines. So-called big business has been exceedingly prosperous during the past year. Loans of hundreds of millions of dollars have been made to foreign governments and building operations during the last year have been carried on to an extent never previously known. The minority proposes to reduce the present maximum surtax of 50 per cent to 38 per cent on incomes above $200,000 and to a maximum of 40 per cent on incomes above $500,000, not because of any supposed deterring effect upon large business but because we earnestly believe that all taxpayers are entitled to a substantial reduction whenever the financial condition of the Government will permit.

The next proposition of the Secretary is that there will be evasions if the maximum surtaxes are not reduced by 50 per cent. He undertakes to suggest that a maximum surtax of 25 per cent is the point at which evasion will cease. A number of provisions against tax evasion have been inserted in the bill as it came from the House, and some additions thereto have been put in by the Finance Committee notwithstanding the fact that the proposed bill reduces the maximum surtax to 25 per cent. This proposed method of the Secretary of the Treasury for saving revenue may be likened to that of one who finds the full barrel leaking between the staves, opens the bunghole, lets out one-half of the water, and then undertakes to stop the leaks in the other half. Why not stop the leaks at both ends of the barrel? Our admonition is, Don't open the bunghole.

Moreover, the Secretary of the Treasury and the majority members of the Finance Committee have made no attempt to change the provisions of the present law which afford the greatest avenues of escape from the high surtaxes. Under existing law the tax upon corporations is a flat or normal tax of 12½ per cent. This has been increased by the majority of the committee to 14 per cent. Under this arrangement there is nothing to prevent an individual with an income taxed upon the average above 14 per cent thereof from organizing a corporation and transferring to it all his income-producing assets. The corporation would only pay a flat normal tax and the owner of the corporation would need to draw therefrom in dividends an amount only sufficient to pay his actual living expenses. It follows, therefore, that in the bill as presented there is a direct inducement for everyone having a net income which would be taxed to him as an individual in an amount in excess of 14 per cent to organize a corporation and evade the payment of more than that percentage of taxes. It is true a penalty against the organization of a corporation for the sole purpose of evading taxation is included in the present law and increased in the proposed bill. In actual result, however, such penalty provision has been and will be for all practical purposes a nullity. The penalty of the present law has only been applied in one or two cases. The Secretary testified before the committee that corporations were not being availed of so as to result in a decrease in taxation. Before another committee of the Senate a prominent attorney from the city of New York testified that such was generally being done. We believe that so long as the inducements exist in the law they will be availed of by interested taxpayers.

In this connection we desire to refer to information from the Treasury Department which has just been made available in response to Senate Resolution No. 110, which was passed in January of this year. On examination of the summary of this information we find that out of a total of 78,923 corporations making complete returns for the year 1922, 30,048 of them with a net taxable income of $896,254,485 paid no cash dividends during the year, notwithstanding the fact that they had an accumulated surplus of $3,954,966,686. One thousand eight

hundred and sixty-seven other such corporations with net taxable income of $247,802,166 paid out in cash dividends less than 10 per cent of their net earnings, or only $14,350,718. There were 29,688 corporations making only fragmentary returns which showed net taxable income of $1,197,500,436 which paid out in cash dividends only $249,459,248. The total number of all these corporations reporting net taxable income was 109,313. The amount of the total net taxable income was $6,586,744,764, and the total cash dividends was $3,031,324,385, showing that the total amount of cash dividends paid out by all these corporations only averaged 46.02 per cent.

Grand summary of all industries

	Number of returns	Net taxable income (gross income less deductions as defined in revenue act)	Net book profit for year before any adjustments are made therein	Cash dividends paid during the year	Stock dividends distributed during the year	Surplus and undivided profits at close of the year	Capital impairment, deficit at close of the year
A. Returns showing schedules completely filled out:							
1. Corporations reporting both net taxable income and net book profit for the year and paying cash dividends—							
Per cent of cash dividends to net book profit—							
Less than 10 per cent	1,867	$247,802,166	$252,261,831	$14,350,718	$117,829,996	$623,557,038	$1,044,424
10 per cent and less than 20 per cent	3,357	415,339,961	426,169,448	65,364,962	198,552,877	1,111,162,645	1,863,804
20 per cent and less than 30 per cent	4,357	563,451,428	597,332,303	147,488,338	386,957,259	1,593,232,468	6,417,989
30 per cent and less than 40 per cent	4,732	580,131,737	585,629,799	202,788,375	417,958,803	1,447,099,403	1,829,479
40 per cent and less than 50 per cent	4,746	503,780,286	505,359,410	226,579,485	210,750,885	1,619,375,020	1,639,139
50 per cent and less than 60 per cent	4,640	408,017,131	453,564,304	250,665,041	149,517,425	1,513,580,590	1,800,803
60 per cent and less than 70 per cent	3,937	519,291,242	516,963,836	270,340,415	118,371,127	1,783,223,114	1,695,537
70 per cent and less than 80 per cent	3,491	260,173,896	253,880,588	189,242,603	72,574,596	1,076,737,441	6,584,675
80 per cent and less than 90 per cent	3,211	256,708,902	331,107,832	275,202,979	51,817,968	1,123,743,314	2,619,709
90 per cent or more	14,537	709,963,683	802,717,216	1,121,045,370	823,296,301	3,218,729,146	48,502,277
Total	48,875	4,468,660,432	4,724,986,657	2,763,068,217	2,547,627,306	15,110,440,149	74,147,816
2. Corporations reporting both net taxable income and net book profit but not paying cash dividends	30,048	896,254,485	894,599,136			3,954,966,686	59,328,946
Total (1 and 2)	78,923	5,364,914,917	5,619,585,793	2,763,068,217	2,547,627,306	19,065,406,835	133,476,762
3. Corporations reporting net taxable income, although book loss, but paying cash dividends	332	16,396,411	[1] 11,835,051	18,796,920	8,301,815	98,082,196	13,085,709
4. Corporations reporting net taxable income, although book loss, and not paying cash dividends	370	7,963,000	[1] 9,662,740		15,000	123,257,016	5,356,046
Total (3 and 4)	702	24,359,411	[1] 21,497,791	18,796,920	8,316,815	221,339,212	18,441,755
Total returns showing schedules completely filled out	79,625	5,389,274,328	[2] 5,598,008,002	2,781,865,137	2,555,944,121	19,286,746,047	151,918,517
B. Returns showing schedules incompletely filled out—Data fragmentary, excepting the item of net income	29,688	1,197,500,436	[3]	[4] 249,459,248	[4] 382,758,794	[3]	[3]
Grand total	109,313	6,586,774,764		3,031,324,385	2,938,702,915		

[1] Net book loss for year.
[2] Book profit less book loss.
[3] Not ascertained due to inadequacy of data.
[4] Total reported on returns incompletely filled out.

TAXES ON INCOME OF CORPORATIONS

Under the revenue act of 1921 all the excess-profit taxes upon corporations were repealed and the normal tax increased from 10 per cent to 12 per cent. In lieu of the corporation tax of $1 per thousand on the value of the stock in corporations the majority of the committee proposes to increase this normal tax to 14 per cent. In the view of the minority such a tax upon corporate net incomes is unjust and inequitable. It wholly ignores the principle of a graduate tax in proportion to real ability to pay. The property of a corporation belongs to the shareholders, and any tax upon corporate net income is a tax upon the shareholders in proportion to the number of shares owned by each individual. A corporation earning a small income under the proposed bill is required to pay the same rate of tax as a corporation with larger income without any regard to the magnitude of the income. Moreover, there are many corporations, including railroads, where the amount of the net income is regulated by law. There are other large industrial corporations with large capital and a large number of shareholders which are earning only a modest return upon the invested capital. All the shareholders of such corporations as to their interest in the corporate income are taxed at the same rate as the wealthiest taxpayer in the entire country. Also, it may be observed that the Federal Government has outstanding about $18,000,000,000 of bonds, the income from which is only exempt from the normal tax.

Inasmuch as the entire tax on corporations is designated as a normal tax, the result is that all the outstanding securities of the Federal Government are wholly exempt from taxation if owned by corporations. This gives to the corporation an undue advantage over the individual taxpayer in the ownership of Federal securities of this vast amount. The result has been most disastrous to the revenues of the Government. During 1923 the Federal Government received taxes on less than $40,000,000 of interest out of a total of nearly $1,000,000,000 actually paid by it. Upon this $40,000,000 the Government collected not in excess of $5,000,000 tax. Neither the Secretary of the Treasury nor the majority of the Finance Committee has been willing to make any change in this law. It would seem, therefore, that before anyone connected with the administration should denounce the issuance of tax-exempt securities by the States he should first suggest such change in the law as would permit the Federal Government to tax Federal securities in accordance with the intent of the law which authorized their issuance.

The majority of the committee upon a roll call decided against any kind of a system of graduated taxes upon the net income of corporations.

ESTATE TAX

The House of Representatives made no change in the plan of the present tax upon estates, but increased the rates to a maximum of 40 per cent. The majority of the Finance Committee proposes to repeal the rates made in the House of Representatives and retain the present law. The minority is of the opinion that the present law is inequitable and based upon a wrong principle. The descent of estates of decedents is regulated by the laws of the various States and many of the States have imposed taxes upon the body of the estate regardless of its descent. We believe that the tax upon the descent of property for the purposes of Federal taxation should be imposed on the basis of the income to the beneficiary. Much has been said against any taxation by the Federal Government of such estates, and it is contended that this source of revenue should be left entirely to the several States. In our opinion, the Federal Government should impose its tax upon the net income of the individual beneficiary after deducting all estate and inheritance taxes imposed by the various States. This plan would carry into this field of taxation the principle of a graduated tax in accordance with ability to pay. Under the present law the rate of taxation is the same whether there be one or many beneficiaries. This is unjust.

PUBLICITY OF TAX ADJUDICATIONS

Controversies between the Government and the taxpayers extending into many thousands and involving revenue of many hundreds of millions of dollars are required to be annually adjudicated. So extensive is this work that the Treasury Department has asked the Congress to provide for several boards of appeals to finally determine thousands of accumulated undisposed of cases and establish a lesser number of permanent boards to finally review the current controversies. Under the present practice all of these adjudications are made in secret. An opportunity is afforded for favoritism, arbitrary action, fraud, and collusion. That such opportunity has been used is evidenced by the fact that more than 500 employees have been discharged from the Internal Revenue Service because of their having been guilty of one or more of these offenses. The majority proposes that all records and proceedings of the Internal Revenue

Bureau shall remain secret as in the past. To the minority it seems inconceivable that any controversy existing between the Government and a taxpayer should be adjudicated and finally determined in a star chamber proceeding. The minority will, therefore, propose an amendment to the bill which will provide that all such proceedings, records, and evidence in connection therewith shall be public.

CONCLUSION

The minority believes that the bill proposed by the majority is fundamentally defective, unscientific, and if enacted into law will vitally affect the basic principle of progressive income taxation. Viewing it in the perspective one must conclude that it was designed to relieve the few at the expense of the many. Those who bear the chief burdens of Government through indirect taxation and also contribute of their meager incomes are afforded but slight relief, while those of the greatest wealth and who contribute relatively inconsequential sums by way of consumption taxes and the support of the States and other subdivisions of the Government are to have their contributions to the Federal Government reduced by one-half, and through the use of corporate entities get a further reduction of a much greater amount.

FURNIFOLD McL. SIMMONS.
ANDRIEUS A. JONES.
PETER G. GERRY.
JAMES A. REED.
DAVID I. WALSH.
PAT HARRISON.
WILLIAM H. KING.

APPENDIX

Amendment intended to be proposed by Mr. SIMMONS to the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, viz: On page 31, beginning with line 14, strike out all of subdivision (a), section 211, and in place thereof insert the following:

SEC. 211. (a) In lieu of the tax imposed by section 211 of the revenue act of 1921, but in addition to the normal tax imposed by section 210 of this act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a surtax as follows:

Upon a net income of $10,000 there shall be no surtax; upon net incomes in excess of $10,000 and not in excess of $14,000, 1 per cent of such excess.

Forty dollars upon net incomes of $14,000; and upon net incomes in excess of $14,000 and not in excess of $16,000, 2 per cent in addition of such excess.

Eighty dollars upon net incomes of $16,000; and upon net incomes in excess of $16,000 and not in excess of $18,000, 3 per cent in addition of such excess.

One hundred and forty dollars upon net incomes of $18,000; and upon net incomes in excess of $18,000 and not in excess of $20,000, 4 per cent in addition of such excess.

Two hundred and twenty dollars upon net incomes of $20,000; and upon net incomes in excess of $20,000 and not in excess of $22,000, 5 per cent in addition of such excess.

Three hundred and twenty dollars upon net incomes of $22,000; and upon net incomes in excess of $22,000 and not in excess of $24,000, 6 per cent in addition of such excess.

Four hundred and forty dollars upon net incomes of $24,000; and upon net incomes in excess of $24,000 and not in excess of $26,000, 7 per cent in addition of such excess.

Five hundred and eighty dollars upon net incomes of $26,000; and upon net incomes in excess of $26,000 and not in excess of $28,000, 8 per cent in addition of such excess.

Seven hundred and forty dollars upon net incomes of $28,000; and upon net incomes in excess of $28,000 and not in excess of $30,000, 9 per cent in addition of such excess.

Nine hundred and twenty dollars upon net incomes of $30,000; and upon net incomes in excess of $30,000 and not in excess of $34,000, 10 per cent in addition of such excess.

One thousand three hundred and twenty dollars upon net incomes of $34,000; and upon net incomes in excess of $34,000 and not in excess of $36,000, 11 per cent in addition of such excess.

One thousand five hundred and forty dollars upon net incomes of $36,000; and upon net incomes in excess of $36,000 and not in excess of $38,000, 12 per cent in addition of such excess.

One thousand seven hundred and eighty dollars upon net incomes of $38,000; and upon net incomes in excess of $38,000 and not in excess of $42,000, 13 per cent in addition of such excess.

Two thousand three hundred dollars upon net incomes of $42,000; and upon net incomes in excess of $42,000 and not in excess of $44,000, 14 per cent in addition of such excess.

Two thousand five hundred and eighty dollars upon net incomes of $44,000; and upon net incomes in excess of $44,000 and not in excess of $46,000, 15 per cent in addition of such excess.

Two thousand eight hundred and eighty dollars upon net incomes of $46,000; and upon net incomes in excess of $46,000 and not in excess of $48,000, 16 per cent in addition of such excess.

Three thousand two hundred dollars upon net incomes of $48,000; and upon net incomes in excess of $48,000 and not in excess of $50,000, 17 per cent in addition of such excess.

Three thousand five hundred and forty dollars upon net incomes of $50,000; and upon net incomes in excess of $50,000 and not in excess of $52,000, 18 per cent in addition of such excess.

Three thousand nine hundred dollars upon net incomes of $52,000; and upon net incomes in excess of $52,000 and not in excess of $56,000, 19 per cent in addition of such excess.

Four thousand six hundred and sixty dollars upon net incomes of $56,000; and upon net incomes in excess of $56,000 and not in excess of $58,000, 20 per cent in addition of such excess.

Five thousand and sixty dollars upon net incomes of $58,000; and upon net incomes in excess of $58,000 and not in excess of $62,000, 21 per cent in addition of such excess.

Five thousand nine hundred dollars upon net incomes of $62,000; and upon net incomes in excess of $62,000 and not in excess of $64,000, 22 per cent in addition of such excess.

Six thousand three hundred and forty dollars upon net incomes of $64,000; and upon net incomes in excess of $64,000 and not in excess of $66,000, 23 per cent in addition of such excess.

Six thousand eight hundred dollars upon net incomes of $66,000; and upon net incomes in excess of $66,000 and not in excess of $68,000, 24 per cent in addition of such excess.

Seven thousand two hundred and eighty dollars upon net incomes of $68,000; and upon net incomes in excess of $68,000 and not in excess of $70,000, 25 per cent in addition of such excess.

Seven thousand seven hundred and eighty dollars upon net incomes of $70,000; and upon net incomes in excess of $70,000 and not in excess of $74,000, 26 per cent in addition of such excess.

Eight thousand eight hundred and twenty dollars upon net incomes of $74,000; and upon net incomes in excess of $74,000 and not in excess of $76,000, 27 per cent in addition of such excess.

Nine thousand three hundred and sixty dollars upon net incomes of $76,000; and upon net incomes in excess of $76,000 and not in excess of $80,000, 28 per cent in addition of such excess.

Ten thousand four hundred and eighty dollars upon net incomes of $80,000; and upon net incomes in excess of $80,000 and not in excess of $82,000, 29 per cent in addition of such excess.

Eleven thousand and sixty dollars upon net incomes of $82,000; and upon net incomes in excess of $82,000 and not in excess of $84,000, 30 per cent in addition of such excess.

Eleven thousand six hundred and sixty dollars upon net incomes of $84,000; and upon net incomes in excess of $84,000 and not in excess of $88,000, 31 per cent in addition of such excess.

Twelve thousand nine hundred dollars upon net incomes of $88,000; and upon net incomes in excess of $88,000 and not in excess of $90,000, 32 per cent in addition of such excess.

Thirteen thousand five hundred and forty dollars upon net incomes of $90,000; and upon net incomes in excess of $90,000 and not in excess of $92,000, 33 per cent in addition of such excess.

Fourteen thousand two hundred dollars upon net incomes of $92,000; and upon net incomes in excess of $92,000 and not in excess of $94,000, 34 per cent in addition of such excess.

Fourteen thousand eight hundred and eighty dollars upon net incomes of $94,000; and upon net incomes in excess of $94,000 and not in excess of $96,000, 35 per cent in addition of such excess.

Fifteen thousand five hundred and eighty dollars upon net incomes of $96,000; and upon net incomes of $96,000 and not in excess of $100,000, 36 per cent in addition of such excess.

Seventeen thousand and twenty dollars upon net incomes of $100,000; and upon net incomes in excess of $100,000 and not in excess of $200,000, 37 per cent in addition of such excess.

Fifty-four thousand and twenty dollars upon net incomes of $200,000; and upon net incomes in excess of $200,000 and not in excess of $300,000, 38 per cent in addition of such excess.

Ninety-two thousand and twenty dollars upon net incomes of $300,000; and upon net incomes in excess of $300,000 and not in excess of $500,000, 39 per cent in addition of such excess.

One hundred and seventy thousand and twenty dollars upon net incomes of $500,000; and upon net incomes in excess of $500,000, in addition 40 per cent of such excess.

Comparative table showing amount of tax reduction from the present law under the Mellon and Simmons plans—married man, no dependents, and first $5,000 considered as earned, the balance as unearned.

Net income	Mellon plan	Simmons plan
$1,000		
$2,000		
$3,000	$8.75	$12.50
$4,000	26.25	37.50
$5,000	43.75	62.50
$6,000	62.50	162.50
$7,000	92.50	162.50
$8,000	122.50	212.50

Comparative table showing amount of tax reduction from the present law under the Mellon and Simmons plans—Continued

Net income	Mellon plan	Simmons plan
$9,000	$152.50	$262.50
$10,000	182.50	312.50
$11,000	212.50	352.50
$12,000	242.50	382.50
$13,000	272.50	422.50
$14,000	302.50	462.50
$15,000	332.50	502.50
$16,000	362.50	542.50
$17,000	392.50	582.50
$18,000	422.50	622.50
$19,000	452.50	662.50
$20,000	482.50	702.50
$21,000	522.50	752.50
$22,000	562.50	802.50
$23,000	602.50	852.50
$24,000	642.50	902.50
$25,000	682.50	952.50
$26,000	722.50	1,002.50
$27,000	762.50	1,052.50
$28,000	802.50	1,102.50
$29,000	842.50	1,152.50
$30,000	882.50	1,202.50
$31,000	922.50	1,252.50
$32,000	962.50	1,302.50
$33,000	1,012.50	1,372.50
$34,000	1,062.50	1,442.50
$35,000	1,102.50	1,502.50
$36,000	1,142.50	1,562.50
$37,000	1,182.50	1,622.50
$38,000	1,222.50	1,682.50
$39,000	1,272.50	1,742.50
$40,000	1,322.50	1,802.50
$41,000	1,372.50	1,872.50
$42,000	1,422.50	1,942.50
$43,000	1,482.50	2,012.50
$44,000	1,542.50	2,082.50
$45,000	1,612.50	2,152.50
$46,000	1,682.50	2,222.50
$47,000	1,752.50	2,292.50
$48,000	1,822.50	2,362.50
$49,000	1,902.50	2,432.50
$50,000	1,982.50	2,502.50
$51,000	2,072.50	2,572.50
$52,000	2,162.50	2,642.50
$53,000	2,252.50	2,712.50
$54,000	2,342.50	2,782.50
$55,000	2,442.50	2,862.50
$56,000	2,542.50	2,942.50
$57,000	2,652.50	3,022.50
$58,000	2,762.50	3,102.50
$59,000	2,872.50	3,182.50
$60,000	2,982.50	3,262.50

Comparative table showing amount of tax reduction from the present law under the Mellon and Simmons plans—Continued

Net income	Mellon plan	Simmons plan
$61,000	$3,102.50	$3,352.50
$62,000	3,222.50	3,442.50
$63,000	3,352.50	3,532.50
$64,000	3,482.50	3,622.50
$65,000	3,612.50	3,712.50
$66,000	3,742.50	3,802.50
$67,000	3,882.50	3,892.50
$68,000	4,022.50	3,982.50
$69,000	4,172.50	4,072.50
$70,000	4,322.50	4,162.50
$71,000	4,472.50	4,252.50
$72,000	4,622.50	4,342.50
$73,000	4,782.50	4,442.50
$74,000	4,942.50	4,542.50
$75,000	5,112.50	4,642.50
$76,000	5,282.50	4,742.50
$77,000	5,452.50	4,842.50
$78,000	5,622.50	4,942.50
$79,000	5,802.50	5,052.50
$80,000	5,982.50	5,162.50
$81,000	6,172.50	5,272.50
$82,000	6,362.50	5,382.50
$83,000	6,552.50	5,492.50
$84,000	6,742.50	5,602.50
$85,000	6,942.50	5,712.50
$86,000	7,142.50	5,822.50
$87,000	7,352.50	5,942.50
$88,000	7,562.50	6,062.50
$89,000	7,772.50	6,182.50
$90,000	7,982.50	6,302.50
$91,000	8,202.50	6,422.50
$92,000	8,422.50	6,542.50
$93,000	8,652.50	6,662.50
$94,000	8,882.50	6,782.50
$95,000	9,112.50	6,902.50
$96,000	9,342.50	7,022.50
$97,000	9,582.50	7,142.50
$98,000	9,822.50	7,262.50
$99,000	10,072.50	7,392.50
$100,000	10,322.50	7,522.50
$150,000	22,822.50	14,022.50
$200,000	35,822.50	21,022.50
$250,000	49,322.50	28,022.50
$300,000	62,822.50	35,022.50
$500,000	116,822.50	61,022.50
$1,000,000	251,822.50	121,022.50
$2,000,000	521,822.50	241,022.50
$3,000,000	791,822.50	361,022.50
$4,000,000	1,061,822.50	481,023.50
$5,000,000	1,331,822.50	601,022.50

Comparison of the tax on specified incomes to be paid under the provisions of the present law, Mellon plan, Democratic (Simmons) plan—married man, no dependents—the first $5,000 of all income to be deemed to be earned, balance unearned

Net income	Present law					Mellon plan					Democratic (Simmons) plan				
	Normal tax	Surtax	Total tax	Surtax in per cent of total net income	Total tax in per cent of total net income	Normal tax	Surtax	Total tax	Surtax in per cent of total net income	Total tax in per cent of total net income	Normal tax	Surtax	Total tax	Surtax in per cent of total net income	Total tax in per cent of total net income
$3,000	$20		$20		0.67	$11.25		$11.25		0.38	$7.50		$7.50		0.25
4,000	60		60		1.50	33.75		33.75		.84	22.50		22.50		.56
5,000	100		100		2.00	56.25		56.24		1.13	37.50		37.50		.75
6,000	160		160		2.67	97.50		97.50		1.63	57.50		57.50		.94
7,000	240	$10	250	0.14	3.56	157.50		157.50		2.25	87.50		87.50		1.25
9,000	400	30	430	.33	4.78	277.50		277.50		3.08	167.50		167.50		1.86
10,000	480	40	520	.40	5.20	337.50		337.50		3.38	207.50		207.50		2.08
12,000	640	80	720	.67	6.00	457.50	$20	477.50	0.17	3.98	317.50	$20	337.50	0.17	2.81
14,000	800	140	940	1.00	6.71	577.50	60	637.50	.43	4.55	437.50	40	477.50	.29	3.41
16,000	960	220	1,180	1.38	7.38	697.50	120	817.50	.71	5.11	557.50	80	637.50	.50	3.98
18,000	1,120	320	1,440	1.78	8.00	817.50	200	1,017.50	1.11	5.65	677.50	140	817.50	.78	4.54
20,000	1,280	440	1,720	2.20	8.60	937.50	300	1,237.50	1.50	6.19	797.50	220	1,017.50	1.10	5.09
22,000	1,440	600	2,040	2.73	9.27	1,057.50	420	1,477.50	1.90	6.72	917.50	320	1,237.50	1.45	5.62
24,000	1,600	780	2,380	3.25	9.92	1,177.50	560	1,737.50	2.33	7.24	1,037.50	440	1,477.50	1.83	6.16
26,000	1,760	980	2,740	3.77	10.54	1,297.50	720	2,017.50	2.77	7.76	1,157.50	580	1,737.50	2.23	6.95
28,000	1,920	1,200	3,120	4.29	11.14	1,417.50	900	2,317.50	3.21	8.28	1,277.50	740	2,017.50	2.64	7.21
30,000	2,080	1,440	3,520	4.80	11.73	1,537.50	1,100	2,637.50	3.67	8.79	1,397.50	920	2,317.50	3.07	7.73
32,000	2,240	1,700	3,940	5.31	12.31	1,657.50	1,320	2,977.50	4.13	9.30	1,517.50	1,120	2,637.50	3.50	8.24
34,000	2,400	2,000	4,400	5.88	12.94	1,777.50	1,560	3,337.50	4.59	9.82	1,637.50	1,320	2,957.50	3.88	8.70
36,000	2,560	2,300	4,860	6.39	13.50	1,897.50	1,820	3,717.50	5.06	10.33	1,757.50	1,540	3,297.50	4.28	9.16
38,000	2,720	2,620	5,340	6.89	14.05	2,017.50	2,100	4,117.50	5.53	10.84	1,877.50	1,780	3,657.50	4.56	9.63
40,000	2,880	2,960	5,840	7.40	14.60	2,137.50	2,380	4,517.50	5.95	11.29	1,997.50	2,040	4,037.50	5.10	10.09
42,000	3,040	3,320	6,360	7.90	15.14	2,257.50	2,680	4,937.50	6.38	11.76	2,117.50	2,300	4,417.50	5.48	10.52
46,000	3,360	4,100	7,460	8.91	16.22	2,497.50	3,280	5,777.50	7.13	12.56	2,357.50	2,880	5,237.50	6.26	11.39
50,000	3,680	4,960	8,640	9.92	17.28	2,737.50	3,920	6,657.50	7.84	13.32	2,597.50	3,540	6,137.50	7.08	12.28
60,000	4,480	7,460	11,940	12.43	19.90	3,337.50	5,620	8,957.50	9.37	14.93	3,197.50	5,480	8,677.50	9.13	14.46
70,000	5,280	10,460	15,740	14.94	22.49	3,937.50	7,480	11,417.50	10.69	16.31	3,797.50	7,780	11,577.50	11.11	16.63
80,000	6,080	13,960	20,040	17.45	25.05	4,537.50	9,520	14,057.50	11.90	17.57	4,397.50	10,480	14,877.50	13.10	18.60
90,000	6,880	17,960	24,840	19.96	27.60	5,137.50	11,720	16,857.50	13.02	18.73	4,997.50	13,540	18,537.50	15.04	20.60
100,000	7,680	22,460	30,140	22.46	30.14	5,737.50	14,080	19,817.50	14.08	19.82	5,597.50	17,020	22,617.50	17.02	22.62
150,000	11,680	46,460	58,140	30.97	38.76	8,737.50	26,580	35,317.50	17.72	23.55	8,597.50	35,520	44,117.50	23.68	29.41
200,000	15,680	70,960	86,640	35.48	43.32	11,737.50	39,080	50,817.50	19.54	25.41	11,597.50	54,020	65,617.50	27.01	32.82
300,000	23,680	120,960	144,640	40.32	48.21	17,737.50	64,080	81,817.50	21.36	27.27	17,597.50	92,020	109,617.50	30.67	36.54
500,000	39,680	220,960	260,640	44.19	52.13	29,737.50	114,080	143,817.50	22.82	29.76	29,597.50	170,020	199,617.50	34.00	39.92
1,000,000	79,680	470,960	550,640	47.10	55.06	59,737.50	239,080	298,817.50	23.91	29.88	59,597.50	370,020	429,617.50	37.00	42.96

Comparison of the Mellon and Democratic (Act of 1924) tax plans with the Act of 1921 (married person without dependents), the first $5,000 of all income to be deemed to be earned; balance unearned

Number of persons making returns in each class for 1921	Income	Amount of normal tax under—			Amount of surtax under—			Amount of surtax reduction under—		Amount of greater reduction of surtax under—	
		Present	Mellon	Simmons	Present	Mellon	Simmons	Mellon	Simmons	Mellon	Simmons
401,849 under	$1,000.00										
	2,000.00										
	3,000.00	$20.00	$11.25	$7.50							
	4,000.00	60.00	33.75	22.50							
6,087,968	5,000.00	100.00	56.25	37.50							
	6,000.00	160.00	97.50	57.50							
	7,000.00	240.00	157.50	87.50	$10.00			$10.00	$10.00		
	8,000.00	320.00	217.50	127.50	20.00			20.00	20.00		
	9,000.00	400.00	277.50	167.50	30.00			30.00	30.00		
	10,000.00	480.00	337.50	207.50	40.00			40.00	40.00		
	11,000.00	560.00	397.50	257.50	60.00	$10.00	$10.00	50.00	50.00		
	12,000.00	640.00	457.50	317.50	80.00	20.00	20.00	60.00	60.00		
	13,000.00	720.00	517.00	377.50	110.00	40.00	30.00	70.00	80.00		$10.00
	14,000.00	800.00	577.50	437.50	140.00	60.00	40.00	80.00	100.00		20.00
114,241	15,000.00	880.00	637.50	497.50	180.00	90.00	60.00	90.00	120.00		30.00
	16,000.00	960.00	697.50	557.50	220.00	120.00	80.00	100.00	140.00		40.00
	17,000.00	1,040.00	757.50	617.50	270.00	160.00	110.00	110.00	160.00		50.00
	18,000.00	1,120.00	817.50	677.50	320.00	200.00	140.00	120.00	180.00		60.00
	19,000.00	1,200.00	877.50	737.50	380.00	250.00	180.00	130.00	200.00		70.00
	20,000.00	1,280.00	937.50	797.50	440.00	301.00	220.00	140.00	220.00		80.00
	21,000.00	1,360.00	997.50	857.50	520.00	360.00	270.00	160.00	250.00		90.00
	22,000.00	1,440.00	1,057.50	917.50	600.00	420.00	320.00	180.00	280.00		100.00
	23,000.00	1,520.00	1,117.50	977.50	690.00	490.00	380.00	200.00	310.00		110.00
	24,000.00	1,600.00	1,177.50	1,037.50	780.00	560.00	440.00	220.00	340.00		120.00
28,948	25,000.00	1,680.00	1,237.50	1,097.50	880.00	640.00	510.00	240.00	370.00		130.00
	26,000.00	1,760.00	1,297.50	1,157.50	980.00	723.00	580.00	260.00	400.00		140.00
	27,000.00	1,840.00	1,357.50	1,217.50	1,090.00	810.00	650.00	280.00	430.00		150.00
	28,000.00	1,920.00	1,417.50	1,277.50	1,200.00	900.00	740.00	300.00	460.00		160.00
	29,000.00	2,000.00	1,477.50	1,337.50	1,320.00	1,000.00	830.00	320.00	490.00		170.00
	30,000.00	2,080.00	1,537.50	1,397.50	1,440.00	1,100.00	920.00	340.00	520.00		180.00
	31,000.00	2,160.00	1,597.50	1,457.50	1,570.00	1,210.00	1,030.00	360.00	550.00		180.00
	32,000.00	2,240.00	1,657.50	1,517.50	1,700.00	1,320.00	1,120.00	380.00	580.00		200.00
	33,000.00	2,320.00	1,717.50	1,577.50	1,850.00	1,440.00	1,230.00	410.00	620.00		220.00
	34,000.00	2,400.00	1,777.50	1,637.50	2,000.00	1,560.00	1,320.00	440.00	680.00		240.00
12,047	35,000.00	2,480.00	1,837.50	1,697.50	2,160.00	1,690.00	1,430.00	460.00	730.00		260.00
	36,000.00	2,560.00	1,897.50	1,757.50	2,360.00	1,820.00	1,540.00	480.00	780.00		280.00
	37,000.00	2,640.00	1,957.50	1,817.50	2,460.00	1,960.00	1,660.00	500.00	800.00		300.00
	38,000.00	2,720.00	2,017.50	1,877.50	2,620.00	2,100.00	1,780.00	520.00	840.00		320.00
	39,000.00	2,800.00	2,077.50	1,937.50	2,790.00	2,240.00	1,910.00	550.00	880.00		330.00
	40,000.00	2,880.00	2,137.50	1,997.50	2,980.00	2,380.00	2,040.00	580.00	920.00		340.00
	41,000.00	2,960.00	2,197.50	2,057.50	3,140.00	2,530.00	2,170.00	610.00	970.00		360.00
	42,000.00	3,040.00	2,257.50	2,117.50	3,320.00	2,680.00	2,300.00	640.00	1,020.00		380.00
	43,000.00	3,120.00	2,317.50	2,177.50	3,510.00	2,830.00	2,440.00	680.00	1,070.00		390.00
	44,000.00	3,200.00	2,377.50	2,237.50	3,700.00	2,980.00	2,580.00	720.00	1,120.00		400.00
6,053	45,000.00	3,280.00	2,437.50	2,297.50	3,900.00	3,130.00	2,730.00	770.00	1,170.00		400.00
	46,000.00	3,360.00	2,497.50	2,357.50	4,100.00	3,280.00	2,880.00	820.00	1,220.00		400.00
	47,000.00	3,440.00	2,557.50	2,417.50	4,310.00	3,440.00	3,040.00	870.00	1,270.00		400.00
	48,000.00	3,520.00	2,617.50	2,477.50	4,520.00	3,600.00	3,200.00	920.00	1,320.00		400.00
	49,000.00	3,600.00	2,677.50	2,537.50	4,740.00	3,760.00	3,370.00	980.00	1,370.00		390.00
	50,000.00	3,680.00	2,737.50	2,597.50	4,960.00	3,920.00	3,540.00	1,040.00	1,420.00		380.00
	51,000.00	3,760.00	2,797.50	2,657.50	5,190.00	4,080.00	3,720.00	1,110.00	1,470.00		360.00
	52,000.00	3,840.00	2,857.50	2,717.50	5,420.00	4,240.00	3,900.00	1,180.00	1,520.00		340.00
	53,000.00	3,920.00	2,917.50	2,777.50	5,660.00	4,410.00	4,090.00	1,250.00	1,570.00		320.00
2,431	54,000.00	4,000.00	2,977.50	2,837.50	5,900.00	4,580.00	4,280.00	1,320.00	1,620.00		300.00
	55,000.00	4,080.00	3,037.50	2,897.50	6,150.00	4,750.00	4,470.00	1,400.00	1,680.00		280.00
	56,000.00	4,160.00	3,097.50	2,957.50	6,400.00	4,920.00	4,660.00	1,480.00	1,740.00		260.00
	57,000.00	4,240.00	3,157.50	3,017.50	6,660.00	5,090.00	4,860.00	1,570.00	1,800.00		230.00
	58,000.00	4,320.00	3,217.50	3,077.50	6,920.00	5,280.00	5,060.00	1,660.00	1,860.00		200.00
	59,000.00	4,400.00	3,277.50	3,137.50	7,190.00	5,440.00	5,270.00	1,750.00	1,920.00		170.00
	60,000.00	4,480.00	3,337.50	3,197.50	7,460.00	5,620.00	5,480.00	1,840.00	1,980.00		140.00
	61,000.00	4,560.00	3,397.50	3,257.50	7,740.00	5,800.00	5,690.00	1,940.00	2,050.00		110.00
	62,000.00	4,640.00	3,457.50	3,317.50	8,020.00	5,980.00	5,900.00	2,040.00	2,120.00		80.00
	63,000.00	4,720.00	3,517.50	3,377.50	8,310.00	6,160.00	6,120.00	2,150.00	2,190.00		60.00
2,980	64,000.00	4,800.00	3,577.50	3,437.50	8,600.00	6,340.00	6,340.00	2,260.00	2,260.00		
	65,000.00	4,880.00	3,637.50	3,497.50	8,900.00	6,520.00	6,570.00	2,370.00	2,330.00	$40.00	
	66,000.00	4,960.00	3,697.50	3,557.50	9,200.00	6,720.00	6,800.00	2,480.00	2,400.00	80.00	
	67,000.00	5,040.00	3,757.50	3,617.50	9,510.00	6,910.00	7,040.00	2,600.00	2,470.00	130.00	
	68,000.00	5,120.00	3,817.50	3,677.50	9,820.00	7,100.00	7,280.00	2,720.00	2,540.00	180.00	
	69,000.00	5,200.00	3,877.50	3,737.50	10,140.00	7,290.00	7,530.00	2,850.00	2,610.00	240.00	
	70,000.00	5,280.00	3,937.50	3,797.50	10,460.00	7,480.00	7,780.00	2,980.00	2,680.00	300.00	
	71,000.00	5,360.00	3,997.50	3,857.50	10,790.00	7,680.00	8,040.00	3,110.00	2,750.00	360.00	
	72,000.00	5,440.00	4,057.50	3,917.50	11,120.00	7,880.00	8,300.00	3,240.00	2,820.00	420.00	
	73,000.00	5,520.00	4,117.50	3,977.50	11,460.00	8,080.00	8,560.00	3,380.00	2,900.00	480.00	
1,423	74,000.00	5,600.00	4,177.50	4,037.50	11,800.00	8,280.00	8,830.00	3,520.00	2,980.00	540.00	
	75,000.00	5,680.00	4,237.50	4,097.50	12,150.00	8,480.00	9,090.00	3,670.00	3,060.00	610.00	
	76,000.00	5,760.00	4,297.50	4,157.50	12,500.00	8,680.00	9,360.00	3,820.00	3,140.00	680.00	
	77,000.00	5,840.00	4,357.50	4,217.50	12,860.00	8,890.00	9,642.00	3,970.00	3,220.00	750.00	
	78,000.00	5,920.00	4,417.50	4,277.50	13,220.00	9,100.00	9,920.00	4,120.00	3,300.00	820.00	
	79,000.00	6,000.00	4,477.50	4,337.50	13,590.00	9,310.00	10,200.00	4,280.00	3,390.00	890.00	
	80,000.00	6,080.00	4,537.50	4,397.50	13,960.00	9,520.00	10,480.00	4,440.00	3,480.00	960.00	
	81,000.00	6,160.00	4,597.50	4,457.50	14,340.00	9,730.00	10,770.00	4,610.00	3,570.00	1,040.00	
	82,000.00	6,240.00	4,657.50	4,517.50	14,720.00	9,940.00	11,060.00	4,780.00	3,660.00	1,120.00	
	83,000.00	6,320.00	4,717.50	4,577.50	15,110.00	10,160.00	11,360.00	4,950.00	3,750.00	1,200.00	
997	84,000.00	6,400.00	4,777.50	4,637.50	15,500.00	10,380.00	11,660.00	5,120.00	3,840.00	1,280.00	
	85,000.00	6,480.00	4,837.50	4,697.50	15,890.00	10,600.00	11,970.00	5,290.00	3,930.00	1,370.00	
	86,000.00	6,560.00	4,897.50	4,757.50	16,300.00	10,820.00	12,280.00	5,480.00	4,020.00	1,460.00	
	87,000.00	6,640.00	4,957.50	4,817.50	16,710.00	11,040.00	12,590.00	5,670.00	4,120.00	1,550.00	
	88,000.00	6,720.00	5,017.50	4,877.50	17,120.00	11,260.00	12,900.00	5,860.00	4,220.00	1,640.00	
	89,000.00	6,800.00	5,077.50	4,937.50	17,540.00	11,490.00	13,220.00	6,050.00	4,320.00	1,730.00	
	90,000.00	6,880.00	5,137.50	4,997.50	17,960.00	11,720.00	13,540.00	6,240.00	4,420.00	1,820.00	
	91,000.00	6,960.00	5,197.50	5,057.50	18,390.00	11,950.00	13,870.00	6,440.00	4,520.00	1,920.00	
	92,000.00	7,040.00	5,257.50	5,117.50	18,820.00	12,180.00	14,200.00	6,640.00	4,620.00	2,020.00	
	93,000.00	7,120.00	5,317.50	5,177.50	19,260.00	12,410.00	14,540.00	6,850.00	4,720.00	2,130.00	
466	94,000.00	7,200.00	5,377.50	5,237.50	19,700.00	12,640.00	14,880.00	7,060.00	4,820.00	2,240.00	
	95,000.00	7,280.00	5,437.50	5,297.50	20,150.00	12,880.00	15,230.00	7,270.00	4,920.00	2,350.00	
	96,000.00	7,360.00	5,497.50	5,357.50	20,600.00	13,120.00	15,580.00	7,480.00	5,020.00	2,460.00	
	97,000.00	7,440.00	5,557.50	5,417.50	21,060.00	13,360.00	15,940.00	7,700.00	5,120.00	2,580.00	
	98,000.00	7,520.00	5,617.50	5,477.50	21,520.00	13,600.00	16,300.00	7,920.00	5,220.00	2,700.00	
	99,000.00	7,600.00	5,677.50	5,537.50	21,990.00	13,840.00	16,660.00	8,150.00	5,330.00	2,820.00	
	100,000.00	7,680.00	5,737.50	5,597.50	22,460.00	14,080.00	17,020.00	8,380.00	5,440.00	2,940.00	
1,817	150,000.00	11,680.00	8,737.50	8,597.50	46,460.00	26,080.00	35,520.00	19,980.00	10,940.00	8,940.00	
	200,000.00	15,680.00	11,737.50	11,597.50	70,960.00	39,080.00	54,020.00	31,880.00	16,940.00	15,940.00	
461	250,000.00	19,680.00	14,737.50	14,597.50	95,960.00	51,580.00	73,020.00	44,380.00	22,940.00	21,440.00	
	300,000.00	23,680.00	17,737.50	17,597.50	120,960.00	64,080.00	92,020.00	56,880.00	28,940.00	27,940.00	
63	500,000.00	39,680.00	29,737.50	29,597.50	220,960.00	114,080.00	170,020.00	106,880.00	50,940.00	55,940.00	
	1,000,000.00	79,680.00	59,737.50	59,597.50	470,960.00	239,080.00	370,020.00	231,880.00	100,940.00	130,940.00	
21	2,000,000.00	159,680.00	119,737.50	119,597.50	970,960.00	489,080.00	770,020.00	481,880.00	20,940.000	280,940.00	
	3,000,000.00	239,680.00	179,737.50	179,597.50	1,470,960.00	739,080.00	1,170,020.00	731,880.00	300,940.00	430,940.00	
	4,000,000.00	319,680.00	239,737.50	239,597.50	1,970,960.00	989,080.00	1,570,020.00	981,880.00	400,940.00	580,940.00	
	5,000,000.00	399,680.00	299,737.50	299,597.50	2,470,960.00	1,239,080.00	1,970,020.00	1,231,880.00	500,940.00	730,940.00	

Comparison of the Mellon and Democratic (Act of 1924) tax plans with the Act of 1921 (married person without dependents), the first $5,000 of all income to be deemed to be earned, balance unearned—Continued

Number of persons making returns in each class for 1921	Income	Amount of total tax under—			Amount of reduction of total tax under—		Amount of greater reduction of total tax under—		Percentage of reduction of total tax under—	
		Present	Mellon	Simmons	Mellon	Simmons	Mellon	Simmons	Mellon	Simmons
401,849 under	$1,000.00									
	2,000.00									
	3,000.00	$20.00	$11.25	$7.50	$8.75	$12.50		$3.75	$43.75	$62.50
	4,000.00	60.00	33.75	22.50	26.25	37.50		11.25	43.75	62.50
6,087,968	5,000.00	100.00	56.25	37.50	43.75	62.50		18.75	43.75	62.50
	6,000.00	160.00	97.50	57.50	62.50	102.50		40.00	39.06	64.06
	7,000.00	250.00	157.50	87.50	92.50	162.50		70.00	37.00	65.00
	8,000.00	340.00	217.50	127.50	122.50	212.50		90.00	36.03	62.50
	9,000.00	430.00	277.50	167.50	152.50	262.50		110.00	35.47	61.05
	10,000.00	520.00	337.50	207.50	182.50	312.50		130.00	35.10	60.10
	11,000.00	630.00	407.50	267.50	212.50	362.50		140.00	34.27	56.85
	12,000.00	720.00	477.50	337.50	242.50	382.50		140.00	33.68	53.13
	13,000.00	830.00	557.50	407.50	272.50	422.50		150.00	32.83	50.90
	14,000.00	940.00	637.50	477.50	302.50	462.50		160.00	32.18	49.20
114,244	15,000.00	1,060.00	727.50	557.50	332.50	502.50		170.00	31.35	47.41
	16,000.00	1,180.00	817.50	637.50	362.50	542.50		180.00	30.72	45.97
	17,000.00	1,310.00	917.50	727.50	392.50	582.50		190.00	29.96	44.47
	18,000.00	1,440.00	1,017.50	817.50	422.50	622.50		200.00	29.34	43.22
	19,000.00	1,580.00	1,127.50	917.50	452.50	662.50		210.00	28.64	41.93
	20,000.00	1,720.00	1,237.50	1,017.50	482.50	702.50		220.00	28.05	40.84
	21,000.00	1,880.00	1,357.50	1,127.50	522.50	752.50		230.00	27.79	40.00
	22,000.00	2,040.00	1,477.50	1,237.50	562.50	802.50		240.00	27.57	39.34
	23,000.00	2,210.00	1,602.50	1,352.50	602.50	852.50		250.00	27.26	38.57
	24,000.00	2,380.00	1,737.50	1,477.50	642.50	902.50		260.00	27.00	37.92
28,943	25,000.00	2,560.00	1,877.50	1,607.50	682.50	952.50		270.00	26.66	37.21
	26,000.00	2,760.00	2,017.50	1,737.50	722.50	1,002.50		280.00	26.37	36.59
	27,000.00	2,930.00	2,167.50	1,877.50	762.50	1,052.50		290.00	26.02	35.92
	28,000.00	3,120.00	2,317.50	2,017.50	802.50	1,102.50		300.00	25.72	35.34
	29,000.00	3,320.00	2,477.50	2,167.50	842.50	1,152.50		310.00	25.38	34.71
	30,000.00	3,520.00	2,637.50	2,317.50	882.50	1,202.50		320.00	25.07	34.16
	31,000.00	3,730.00	2,807.50	2,477.50	922.50	1,252.50		330.00	24.73	33.58
	32,000.00	3,940.00	2,977.50	2,637.50	962.50	1,302.50		340.00	24.43	33.06
	33,000.00	4,170.00	3,157.50	2,797.50	1,012.50	1,372.50		360.00	24.28	32.91
	34,000.00	4,400.00	3,337.50	2,957.50	1,062.50	1,442.50		380.00	24.15	32.79
12,047	35,000.00	4,630.00	3,527.50	3,127.50	1,102.50	1,502.50		400.00	23.81	32.45
	36,000.00	4,866.00	3,717.50	3,297.50	1,142.50	1,562.50		420.00	23.51	32.15
	37,000.00	5,102.00	3,917.50	3,477.50	1,182.50	1,622.50		440.00	23.19	31.81
	38,000.00	5,340.00	4,117.50	3,657.50	1,222.50	1,682.50		460.00	22.89	31.51
	39,000.00	5,590.00	4,317.50	3,847.50	1,272.50	1,742.50		470.00	22.76	31.17
	40,000.00	5,840.00	4,517.50	4,037.50	1,322.50	1,802.50		480.00	22.65	30.86
	41,000.00	6,100.00	4,727.50	4,227.50	1,372.50	1,872.50		500.00	22.50	30.70
	42,000.00	6,360.00	4,937.50	4,417.50	1,422.50	1,942.50		520.00	22.37	30.54
	43,000.00	6,630.00	5,147.50	4,647.50	1,482.50	2,012.50		530.00	22.36	30.35
	44,000.00	6,900.00	5,357.50	4,817.50	1,542.50	2,082.50		540.00	22.36	30.18
6,051	45,000.00	7,180.00	5,567.50	5,027.50	1,612.50	2,152.50		540.00	22.46	29.98
	46,000.00	7,460.00	5,777.50	5,237.50	1,682.50	2,222.50		540.00	22.55	29.79
	47,000.00	7,750.00	5,997.50	5,457.50	1,752.50	2,292.50		540.00	22.61	29.58
	48,000.00	8,040.00	6,217.50	5,677.50	1,822.50	2,362.50		540.00	22.67	29.38
	49,000.00	8,340.00	6,437.50	5,907.50	1,902.50	2,432.50		530.00	22.81	29.13
	50,000.00	8,640.00	6,657.50	6,137.50	1,982.50	2,502.50		520.00	22.95	28.97
	51,000.00	8,950.00	6,877.50	6,377.50	2,072.50	2,572.50		500.00	23.16	28.74
	52,000.00	9,260.00	7,097.50	6,617.50	2,162.50	2,642.50		480.00	23.34	28.54
	53,000.00	9,580.00	7,327.50	6,867.50	2,252.50	2,712.50		460.00	23.51	28.31
	54,000.00	9,900.00	7,557.50	7,117.50	2,342.50	2,782.50		440.00	23.66	28.11
3,431	55,000.00	10,230.00	7,787.50	7,367.50	2,442.50	2,862.50		420.00	23.88	27.98
	56,000.00	10,560.00	8,017.50	7,617.50	2,542.50	2,942.50		400.00	24.08	27.86
	57,000.00	10,900.00	8,247.50	7,877.50	2,652.50	3,022.50		370.00	24.33	27.73
	58,000.00	11,240.00	8,477.50	8,137.50	2,762.50	3,102.50		340.00	24.58	27.60
	59,000.00	11,590.00	8,717.50	8,407.50	2,872.50	3,182.50		310.00	24.78	27.46
	60,000.00	11,940.00	8,957.50	8,677.50	2,982.50	3,262.50		280.00	24.97	27.32
	61,000.00	12,300.00	9,197.50	8,947.50	3,102.50	3,352.50		250.00	25.22	27.26
	62,000.00	12,660.00	9,437.50	9,217.50	3,222.50	3,442.50		220.00	25.45	27.19
	63,000.00	13,030.00	9,677.50	9,497.50	3,352.50	3,532.50		180.00	25.73	27.11
	64,000.00	13,400.00	9,917.50	9,777.50	3,482.50	3,622.50		140.00	25.91	27.04
2,240	65,000.00	13,780.00	10,167.50	10,037.50	3,612.50	3,712.50		100.00	26.22	26.94
	66,000.00	14,160.00	10,417.50	10,357.50	3,742.50	3,802.50		60.00	26.43	26.85
	67,000.00	14,550.00	10,667.50	10,657.50	3,882.50	3,892.50		10.00	26.68	26.75
	68,000.00	14,940.00	10,917.50	10,957.50	4,022.50	3,982.50	$40.00		26.92	26.66
	69,000.00	15,340.00	11,167.50	11,267.50	4,172.50	4,072.50	100.00		27.20	26.55
	70,000.00	15,740.00	11,417.50	11,577.50	4,322.50	4,162.50	160.00		27.46	26.44
	71,000.00	16,150.00	11,677.50	11,897.50	4,472.50	4,252.50	220.00		27.69	26.33
	72,000.00	16,560.00	11,937.50	12,217.50	4,622.50	4,342.50	280.00		27.91	26.22
	73,000.00	16,980.00	12,197.50	12,537.50	4,782.50	4,442.50	340.00		28.16	26.16
	74,000.00	17,400.00	12,457.50	12,857.50	4,942.50	4,542.50	400.00		28.41	26.11
1,423	75,000.00	17,830.00	12,717.50	13,187.50	5,112.50	4,642.50	470.00		28.73	26.04
	76,000.00	18,260.00	12,977.50	13,517.50	5,282.50	4,742.50	540.00		28.93	25.97
	77,000.00	18,700.00	13,247.50	13,857.50	5,452.50	4,842.50	610.00		29.15	25.91
	78,000.00	19,140.00	13,517.50	14,197.50	5,622.50	4,942.50	680.00		29.37	25.82
	79,000.00	19,590.00	13,787.50	14,537.50	5,802.50	5,052.50	750.00		29.62	25.79
	80,000.00	20,040.00	14,057.50	14,877.50	5,982.50	5,162.50	820.00		29.85	25.76
	81,000.00	20,500.00	14,327.50	15,227.50	6,172.50	5,272.50	900.00		30.10	25.78
	82,000.00	20,960.00	14,597.50	15,577.50	6,362.50	5,382.50	980.00		30.36	25.62
	83,000.00	21,430.00	14,877.50	15,937.50	6,552.50	5,492.50	1,060.00		30.58	25.63
	84,000.00	21,900.00	15,157.50	16,297.50	6,742.50	5,602.50	1,140.00		30.79	25.58
967	85,000.00	22,380.00	15,437.50	16,667.50	6,942.50	5,712.50	1,230.00		31.02	25.53
	86,000.00	22,860.00	15,717.50	17,037.50	7,142.50	5,822.50	1,320.00		31.24	25.47
	87,000.00	23,350.00	15,997.50	17,407.50	7,352.50	5,942.50	1,410.00		31.48	25.45
	88,000.00	23,840.00	16,277.50	17,777.50	7,562.50	6,062.50	1,500.00		31.72	25.43
	89,000.00	24,340.00	16,567.50	18,157.50	7,772.50	6,182.50	1,590.00		31.93	25.40
	90,000.00	24,840.00	16,857.50	18,537.50	7,982.50	6,302.50	1,680.00		32.14	25.37
	91,000.00	25,350.00	17,147.50	18,927.50	8,202.50	6,422.50	1,780.00		32.36	25.34
	92,000.00	25,860.00	17,437.50	19,317.50	8,422.50	6,542.50	1,880.00		32.57	25.30
	93,000.00	26,380.00	17,727.50	19,717.50	8,652.50	6,662.50	1,990.00		32.79	25.26
	94,000.00	26,900.00	18,017.50	20,117.50	8,882.50	6,782.50	2,100.00		33.02	25.21
666	95,000.00	27,430.00	18,317.50	20,527.50	9,112.50	6,902.50	2,210.00		33.22	25.16
	96,000.00	27,960.00	18,617.50	20,937.50	9,342.50	7,022.50	2,320.00		33.41	25.12
	97,000.00	28,500.00	18,917.50	21,357.50	9,582.50	7,142.50	2,440.00		33.62	25.06
	98,000.00	29,040.00	19,217.50	21,777.50	9,822.50	7,262.50	2,560.00		33.83	25.01
	99,000.00	29,590.00	19,517.50	22,197.50	10,072.50	7,392.50	2,680.00		34.04	24.98
	100,000.00	30,140.00	19,817.50	22,617.50	10,322.50	7,522.50	2,800.00		34.25	24.96
1,817	150,000.00	58,140.00	35,317.50	44,117.50	22,822.50	14,022.50	8,800.00		39.25	24.12
	200,000.00	85,640.00	50,817.50	65,617.50	34,822.50	21,022.50	14,800.00		41.35	24.24
451	250,000.00	115,640.00	66,317.50	87,617.50	49,322.50	28,022.50	21,300.00		42.65	24.23
	300,000.00	144,640.00	81,817.50	109,617.50	62,822.50	35,022.50	27,800.00		43.50	24.24
63	500,000.00	260,640.00	143,817.50	199,617.50	116,822.50	61,022.50	55,800.00		44.82	23.41
	1,000,000.00	530,640.00	298,817.50	429,617.50	251,822.50	121,022.50	130,800.00		45.73	21.96
21	2,000,000.00	1,130,640.00	608,817.50	889,617.50	521,822.50	241,022.50	280,800.00		46.15	21.32
	3,000,000.00	1,710,640.00	918,817.50	1,349,617.50	791,822.50	361,022.50	430,800.00		46.29	21.11
	4,000,000.00	2,290,640.00	1,228,817.50	1,809,617.50	1,061,822.50	481,022.50	580,800.00		46.35	21.09
	5,000,000.00	2,870,640.00	1,538,817.50	2,269,617.50	1,331,822.50	601,022.50	730,800.00		46.39	20.94

The following table of the number of persons making income-tax returns in 1921 is compiled from the official figures of the Treasury Department, contained in Statistics of Income for 1921.

It shows the total number of persons making income-tax returns in each State, and the number benefited more by the Democratic (Simmons) plan than by the Mellon plan, and the number benefited more by the Mellon plan than by the Democratic (Simmons) plan.

Comparative table showing beneficiaries of the Democratic (Simmons) tax-reduction plan and of the Mellon plan by States

State	Total number making income-tax returns, 1921	Number benefited more by Mellon plan	Number benefited more by act of 1924
Alabama	43,009	25	42,984
Arizona	18,477	1	18,476
Arkansas	33,830	8	33,822
California	386,082	237	385,845
Colorado	69,676	25	69,651
Connecticut	123,269	96	123,173
Delaware	15,889	12	15,877
District of Columbia	89,966	68	89,898
Florida	42,249	14	42,235
Georgia	67,719	24	67,695
Hawaii	11,481	22	11,459
Idaho	22,976	1	22,975
Illinois	611,558	537	611,021
Indiana	150,300	52	150,248
Iowa	111,483	24	111,459
Kansas	88,785	9	88,776
Kentucky	69,496	25	69,471
Louisiana	67,960	34	67,926
Maine	44,397	25	44,372
Maryland	112,963	109	112,854
Massachusetts	388,442	505	387,937
Michigan	250,147	174	249,973
Minnesota	124,501	81	124,420
Mississippi	25,614	5	25,609
Missouri	172,519	106	172,413
Montana	36,907	4	36,903
Nebraska	71,853	14	71,839
Nevada	9,719	1	9,718
New Hampshire	32,410	17	32,393
New Jersey	269,096	274	268,822
New Mexico	11,780	1	11,779
New York	1,066,637	2,050	1,064,587
North Carolina	44,161	38	44,123
North Dakota	18,440	1	18,439
Ohio	367,096	270	366,826
Oklahoma	69,381	15	69,366
Oregon	62,804	18	62,786
Pennsylvania	621,103	833	620,270
Rhode Island	48,057	103	47,954
South Carolina	25,160	6	25,154
South Dakota	21,681	0	21,681
Tennessee	60,949	19	60,930
Texas	200,188	66	200,122
Utah	26,128	1	26,127
Vermont	17,746	8	17,738
Virginia	76,257	21	76,236
Washington, including Alaska	115,688	21	115,667
West Virginia	75,277	38	75,239
Wisconsin	148,457	67	148,390
Wyoming	22,413	4	22,409
Total	6,662,176	6,109	6,656,067

Mr. KING. Mr. President, in this connection, so that the data may be complete, will the Senator state the general result upon the aggregate tax collected, both normal and surtax, under the plan proposed by the minority and the plan proposed by the majority?

Mr. JONES of New Mexico. The actuary estimates that there will be virtually the same amount of revenue derived by the plan proposed by the minority and that proposed by the majority. The minority plan would reduce the tax upon incomes below $64,000, and those having incomes above $64,000 would pay more. The amount of revenue raised would be practically the same as that raised under the majority plan.

In speeches on the floor of the Senate heretofore I have called attention to the fact that the average taxpayer, the one with an income of less than $64,000, bears the real burden of all the State, county, and municipal taxes. The revenues for these entities are raised by a general property tax, and we know that invisible wealth, the wealth represented really by these net incomes, is not the source that pays the State, local, and county taxes.

Moreover, I have called attention time and again to the fact that a tax upon net incomes stays where it is put, as a rule. It is not passed on and finally borne by the consumers of the country. It is not a tax upon the necessities of life, but it is a tax borne by those who have the actual ability to pay and who do not pay otherwise any just share of the burdens of their own Government.

For that reason I am in favor of the amendment proposed by the Senator from North Carolina. I think we have said enough about it, and, so far as I am concerned, I hope we may have a vote.

Mr. SIMMONS. I see no reason why we should not have a vote right now.

Mr. KING. Just one further suggestion to the Senator. A statement has been made through the press, particularly the Republican press, that the measure known as the Mellon plan would grant greater relief from taxation than any other plan which has been proposed. Is it not a fact—in fact, the Senator has practically stated—that if the Mellon plan is a system of tax reduction, the so-called Simmons plan not only meets that plan but goes a little below it and adjusts the taxes so as to be fairer toward the class to which the Senator just referred, those having incomes between $20,000 and $64,000.

Mr. JONES of New Mexico. The Simmons plan is just as much a tax-reduction plan as the so-called Mellon plan. The only difference is that Mr. Mellon makes a reduction on people of his own individual financial class. The Simmons plan makes a reduction on those who have more modest incomes. That is the only difference between the two. It is just a question of where reduction is to be made. All this argument about reducing the taxes on high incomes, and so on, as being a burden upon business generally, and as being finally borne by the masses of the people is untenable. If the people who pay these taxes could shift them, if they knew they could, or if they believed they could, they would not be making such a roar about it. They would pay them and pass them on. But they do not. The tax stays where it is put, and it stays where it should be put and borne.

Mr. SIMMONS. It is about the only tax, I think, if the Senator will pardon me, that can not be passed on.

Mr. JONES of New Mexico. Time and again I have suggested that this is the one kind of a tax that is paid by those who have the money with which to pay it, and that it is not passed on to the consumers of the country. It is borne by those people who have the incomes and it is substantially the only tax of any consequence which this class of people pay.

Mr. SIMMONS. I will ask the Senator if the people to whom it is passed on and who have to pay all the taxes that are passed on are not found almost altogether, or at least very largely, in that class of taxpayers whose incomes do not reach $64,000?

Mr. JONES of New Mexico. The Senator is quite right. As I said a while ago, the people with incomes of $64,000 and less are the people who pay the great burden of the taxes otherwise than through the income taxes as common consumers of the country, and the property taxes imposed by the States, counties, and municipalities. I think it is the fairest tax that could possibly be levied. I think really the very idea of a graduated income tax is at stake now. We ought to stand by the principle of a graduated income tax. There is no reason why a man with an income of $500,000 should not pay a higher rate of tax than the man with an income of $100,000. Why did Mr. Mellon and the majority members of the committee stop at $100,000 with their principle? Why should not they have carried it beyond that? There are people in the country with incomes of $5,000,000 a year. There are people who have incomes tied up in corporations and individual business in excess of $50,000,000 a year.

Mr. President, I am ready to vote at this time upon the substitute offered by the Senator from North Carolina.

The PRESIDENT pro tempore. The question is on agreeing to the substitute offered by the Senator from North Carolina [Mr. SIMMONS] for the amendment of the committee.

Mr. JONES of New Mexico. Upon that I ask for the yeas and nays.

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Ernst	Ladd	Shields
Ashurst	Fernald	Lodge	Shortridge
Ball	Ferris	McKellar	Simmons
Borah	Fess	McKinley	Smith
Brandegee	Fletcher	McLean	Smoot
Brookhart	Frazier	McNary	Spencer
Broussard	George	Mayfield	Stanfield
Bruce	Gooding	Moses	Stanley
Bursum	Hale	Neely	Stephens
Cameron	Harreld	Norbeck	Sterling
Capper	Harris	Norris	Swanson
Caraway	Harrison	Oddie	Underwood
Colt	Heflin	Overman	Wadsworth
Copeland	Howell	Pepper	Walsh, Mass.
Cummins	Johnson, Calif.	Phipps	Walsh, Mont.
Curtis	Johnson, Minn.	Pittman	Warren
Dale	Jones, N. Mex.	Ransdell	Watson
Dial	Jones, Wash.	Reed, Mo.	Weller
Dill	Kendrick	Reed, Pa.	Wheeler
Edge	Keyes	Robinson	Willis
Edwards	King	Sheppard	

Mr. FLETCHER. I wish to state that my colleague, the junior Senator from Florida [Mr. TRAMMELL] is unavoidably absent. He is paired with the senior Senator from Rhode Island [Mr. COLT]. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Eighty-three Senators have answered to their names. There is a quorum present. The question is on agreeing to the substitute offered by the Senator from North Carolina.

Mr. SMOOT, Mr. ROBINSON, and others. Let us have the yeas and nays.

The PRESIDING OFFICER. The question is upon agreeing to the substitute offered by the Senator from North Carolina [Mr. SIMMONS] for the amendment reported by the Committee on Finance, on which the yeas and nays are demanded.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FESS (when his name was called). I am paired with the junior Senator from Indiana [Mr. RALSTON]. I transfer that pair to the Senator from Vermont [Mr. GREENE] and vote "nay."

Mr. NORRIS (when Mr. LA FOLLETTE'S name was called). I was requested to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is detained on account of illness. If he were present, he would vote "yea." He is paired with the Senator from Delaware [Mr. BAYARD].

Mr. CURTIS (when Mr. LENROOT'S name was called). I wish to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent on account of illness.

The roll call was concluded.

Mr. EDWARDS. I was requested to announce that the junior Senator from Delaware [Mr. BAYARD] is necessarily absent. If present, he would vote "nay."

Mr. HARRISON. I desire to announce that the junior Senator from Rhode Island [Mr. GERRY] is paired with the senior Senator from West Virginia [Mr. ELKINS]. If the Senator from Rhode Island were present he would vote "yea," and if the Senator from West Virginia were present he would vote "nay."

Mr. COLT. I have a general pair with the Senator from Florida [Mr. TRAMMELL]. I transfer that pair to the junior Senator from Wisconsin [Mr. LENROOT] and vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Illinois [Mr. MCCORMICK] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Rhode Island [Mr. GERRY]; and

The Senator from Wisconsin [Mr. LA FOLLETTE] with the Senator from Delaware [Mr. BAYARD].

The result was announced—yeas 43, nays 40, as follows:

YEAS—43

Adams	George	McKellar	Shields
Ashurst	Harris	Mayfield	Simmons
Brookhart	Harrison	Neely	Smith
Broussard	Heflin	Norbeck	Stanley
Caraway	Howell	Norris	Stephens
Copeland	Johnson, Calif.	Overman	Swanson
Dial	Johnson, Minn.	Pittman	Underwood
Dill	Jones, N. Mex.	Ransdell	Walsh, Mass.
Ferris	Kendrick	Reed, Mo.	Walsh, Mont.
Fletcher	King	Robinson	Wheeler
Frazier	Ladd	Sheppard	

NAYS—40

Ball	Dale	Keyes	Shortridge
Borah	Edge	Lodge	Smoot
Brandegee	Edwards	McKinley	Spencer
Bruce	Ernst	McLean	Stanfield
Bursum	Fernald	McNary	Sterling
Cameron	Fess	Moses	Wadsworth
Capper	Gooding	Oddie	Warren
Colt	Hale	Pepper	Watson
Cummins	Harreld	Phipps	Weller
Curtis	Jones, Wash.	Reed, Pa.	Willis

NOT VOTING—13

Bayard	Glass	McCormick	Trammell
Couzens	Greene	Owen	
Elkins	La Follette	Ralston	
Gerry	Lenroot	Shipstead	

So Mr. SIMMONS's amendment in the nature of a substitute for the amendment of the committee was agreed to.

Mr. SMOOT. Mr. President, I give notice that I shall ask for a separate vote on the amendment just agreed to when the bill reaches the Senate.

The PRESIDENT pro tempore. The question now is upon agreeing to the amendment of the committee as amended by the amendment just adopted.

Mr. SMOOT. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before relative to my pair and its transfer, I vote "nay."

Mr. FESS (when his name was called). Making the same announcement that I made a moment ago, I transfer my pair to the Senator from Vermont [Mr. GREENE] and will vote. I vote "nay."

The roll call was concluded.

Mr. NORRIS. Repeating the announcement made in regard to the senior Senator from Wisconsin [Mr. LA FOLLETTE], I am requested to announce that if present he would vote "yea."

Mr. CURTIS. I desire to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is paired with the junior Senator from Delaware [Mr. BAYARD] on this vote.

Mr. EDWARDS. I was requested to announce that the junior Senator from Delaware [Mr. BAYARD] is necessarily absent. If present, he would vote "nay."

Mr. HARRISON. I was requested to announce that the Senator from Oklahoma [Mr. OWEN] is paired with the Senator from Illinois [Mr. MCCORMICK].

The result was announced—yeas 43, nays 40, as follows:

YEAS—43

Adams	George	McKellar	Shields
Ashurst	Harris	Mayfield	Simmons
Brookhart	Harrison	Neely	Smith
Broussard	Heflin	Norbeck	Stanley
Caraway	Howell	Norris	Stephens
Copeland	Johnson, Calif.	Overman	Swanson
Dial	Johnson, Minn.	Pittman	Underwood
Dill	Jones, N. Mex.	Ransdell	Walsh, Mass.
Ferris	Kendrick	Reed, Mo.	Walsh, Mont.
Fletcher	King	Robinson	Wheeler
Frazier	Ladd	Sheppard	

NAYS—40

Ball	Dale	Keyes	Shortridge
Borah	Edge	Lodge	Smoot
Brandegee	Edwards	McKinley	Spencer
Bruce	Ernst	McLean	Stanfield
Bursum	Fernald	McNary	Sterling
Cameron	Fess	Moses	Wadsworth
Capper	Gooding	Oddie	Warren
Colt	Hale	Pepper	Watson
Cummins	Harreld	Phipps	Weller
Curtis	Jones, Wash.	Reed, Pa.	Willis

NOT VOTING—13

Bayard	Glass	McCormick	Trammell
Couzens	Greene	Owen	
Elkins	La Follette	Ralston	
Gerry	Lenroot	Shipstead	

So the amendment as amended was agreed to.

Mr. SMOOT. Mr. President, I simply desire to give notice that when the bill reaches the Senate I shall ask that this amendment be considered in the Senate and shall offer amendments to it.

Mr. REED of Pennsylvania. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Pennsylvania?

Mr. SMOOT. I yield.

Mr. REED of Pennsylvania. I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of the veterans' code bill, being Senate bill 2257.

Mr. SMOOT. I should like to ask the Senator from Pennsylvania if he thinks he can get through with the bill for which he has requested consideration this afternoon?

Mr. REED of Pennsylvania. I feel very confident that we can finish the bill this afternoon. We have already acted upon all but one of the committee amendments.

Mr. SIMMONS. Mr. President, I shall not interpose any objection to the request of the Senator from Pennsylvania if he will withhold it until we shall have voted upon the normal tax rates and the exemptions in the pending revenue bill. I think it will take but a very little time to finish that portion of the bill. Those rates are related to the matter of the surtax, and we ought to dispose of them. So far as this side of the Chamber is concerned, I think I can say that there will be scarcely any discussion, and we shall be willing just to take a vote.

Mr. ROBINSON. I inquire of the Senator from Pennsylvania, who submits the request for unanimous consent, if the arrangement suggested by the Senator from North Carolina will not be satisfactory to him? I myself am very anxious to secure action upon the bill which he has in charge, as I am sure the Senator from North Carolina and other Senators are.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Pennsylvania?

Mr. SMOOT. Mr. President, it will take some little time to discuss the normal taxes, and if we proceed to discuss the normal taxes we will not get through with the Veterans' Bureau bill to-day. It seems to me that the proper thing to do is to dispose of the Veterans' Bureau bill. The Senator

from Pennsylvania thinks that the bill can be disposed of this afternoon, and I would very much prefer to have him go on and get that measure through.

Mr. SIMMONS. I am perfectly willing to give to the Senator from Pennsylvania all day to-morrow, and I am perfectly willing to give him all the remainder of this evening after we shall get through with the provisions of the bill to which I have referred, and I do not think it will take more than an hour and a half to dispose of these two questions.

Mr. SMOOT. If we shall spend an hour and a half on them the day will be gone, as we are not going to hold a night session. I should like to have the remainder of the day given over to the consideration of the Veterans' Bureau bill in the hope of disposing of that measure, and, so far as I am concerned, I am perfectly willing to have the unfinished business temporarily laid aside for the consideration of the Veterans' Bureau measure.

Mr. MCKELLAR. If the opponents of the amendment are ready to vote on it, I see no reason why we can not vote this afternoon on the question suggested by the Senator from North Carolina.

Mr. SMOOT. The Senator knows that there will have to be some discussion and explanation.

Mr. MCKELLAR. It will not take long to dispose of this portion of the revenue bill.

Mr. SMOOT. If the Senator desires to object to the request for unanimous consent, he can do so.

The PRESIDENT pro tempore. The Chair understands that the request of the Senator from Pennsylvania is that the revenue bill be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 2257. Is there objection to that request?

Mr. SIMMONS. Mr. President, while I am very anxious for the Senator to have an opportunity to take up that bill—it is a bill of which I am very much in favor—under the circumstances I feel that we ought not to lay aside this bill at this stage; and I therefore shall be compelled to object.

The PRESIDENT pro tempore. Objection is made. The Secretary will state the next amendment passed over.

Mr. SMOOT. The next amendment begins on page 31—the individual normal tax.

The READING CLERK. On page 31, "Normal tax," the committee proposes to strike out lines 23 to 25, all of page 32, and lines 1 to 4 on page 33, and in lieu thereof to insert:

SEC. 210. (a) In lieu of the tax imposed by section 210 of the revenue act of 1921, there shall be levied, collected, and paid for each taxable year upon the net income of every individual (except as provided in subdivision (b) of this section) a normal tax of 6 per cent of the amount of the net income in excess of the credits provided in section 216, except that in the case of a citizen or resident of the United States the rate upon the first $4,000 of such excess amount shall be 3 per cent.

(b) In lieu of the tax imposed by subdivision (a), there shall be levied, collected, and paid for each taxable year upon the net income of every nonresident alien individual, a resident of a contiguous country, a normal tax equal to the sum of the following:

(1) 3 per cent of the amount of the net income attributable to wages, salaries, professional fees, or other amounts received as compensation for personal services actually performed in the United States, in excess of the credits provided in subdivisions (d) and (e) of section 216; but the amount taxable at such 3 per cent rate shall not exceed $4,000; and

(2) 6 per cent of the amount of the net income in excess of the sum of (A) the amount taxed under paragraph (1), plus (B) the credits provided in section 216.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

Mr. JONES of New Mexico. Mr. President, the Senator from North Carolina [Mr. SIMMONS] has an amendment which he offers as a substitute for this. I have not the amendment before me, but I should like to have a copy of it sent to me.

The PRESIDING OFFICER. The Senator from North Carolina has not offered the amendment.

Mr. SIMMONS. I now offer it, if the Senator will pardon me.

The PRESIDENT pro tempore. The Senator from North Carolina now offers the amendment; and the question is upon agreeing to the amendment offered by the Senator from North Carolina.

Mr. JONES of New Mexico. Then I have nothing further to say. I am perfectly willing that there shall be a vote upon it. I think the meaning of the amendment is generally understood.

Mr. ASHURST. Let us have it read.

Mr. SIMMONS. Let it be read.

Mr. JONES of New Mexico. I ask that the Secretary read the substitute amendment proposed by the Senator from North Carolina.

Mr. ROBINSON. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator will state the point of order.

Mr. ROBINSON. The Senate is in such disorder that it is impossible to hear the proceedings. I think Senators who desire to discuss other matters should retire from the Chamber.

The PRESIDENT pro tempore. The point of order is well taken. The Senate will suspend business until it is in order. [A pause.]

Mr. SIMMONS. Mr. President, I ask now that the amendment be read.

The PRESIDENT pro tempore. The Secretary will read the proposed substitute amendment.

The PRINCIPAL CLERK. In lieu of the amendment proposed by the committee, it is proposed to insert the following:

SEC. 210. (a) In lieu of the tax imposed by section 210 of the revenue act of 1921, there shall be levied, collected, and paid for each taxable year upon the net income of every individual (except as provided in subdivision (b) of this section) a normal tax of 6 per cent of the amount of the net income in excess of the credits provided in section 216, except that in the case of a citizen or resident of the United States the rate upon the first $4,000 of such excess amount shall be 2 per cent, and upon the next $4,000 of such excess amount shall be 4 per cent;

(b) In lieu of the tax imposed by subdivision (a), there shall be levied, collected, and paid for each taxable year upon the net income of every nonresident alien individual, a resident of a contiguous country, a normal tax equal to the sum of the following:

(1) Two per cent of the amount by which the part of the net income attributed to wages, salaries, professional fees, or other amounts received as compensation for personal services actually performed in the United States, exceeds the credits provided in subdivisions (d) and (e) of section 216; but the amount taxable at such 2 per cent rate shall not exceed $4,000;

(2) Four per cent of the amount by which such part of the net income exceeds the sum of (A) the credits provided in subdivisions (d) and (e) of section 216, plus (B) $4,000; but the amount taxable at such 4 per cent rate shall not exceed $4,000; and

(3) Six per cent of the amount of the net income in excess of the sum of (A) the amount taxed under paragraphs (1) and (2), plus (B) the credits provided in section 216.

Mr. SIMMONS. Mr. President, I simply want to make a statement with reference to the normal tax under the present law, the Mellon plan, the House plan, and the substitute plan.

Under the present law the normal tax is 4 per cent and 8 per cent. Under the Mellon proposition the normal tax will be 3 per cent and 6 per cent—3 per cent upon the first $4,000 and 6 per cent upon the balance. Under the substitute plan the normal tax upon the first $4,000 of taxable income will be 2 per cent, on the next $4,000 of taxable income it will be 4 per cent, and on the balance it will be 6 per cent. So it is apparent that the normal tax proposed in this amendment is less than that of the House plan or the Mellon plan or the present law. I wish to say further that the normal tax is paid by every man, woman, and child in the country whose income is in excess of the exemptions allowed them by law.

Mr. HARRISON. I call for the yeas and nays.

Mr. SMOOT. Mr. President, the House provision provided a normal tax of 2 per cent upon the first $4,000, 5 per cent upon the next $4,000, and 6 per cent upon all over $10,000. The only change made by the Senator from North Carolina in the House provision is to strike out "five" wherever it occurs in the amendment and to substitute "four."

Mr. SIMMONS. Mr. President, if the Senator will pardon me for an interruption, I think the Senator has not stated the matter quite accurately. Upon the second $4,000 there is a difference of only 1 per cent.

Mr. SMOOT. I say, the rate is 4 per cent instead of 5. That is what I stated. That is the only change from the House provision.

Mr. SIMMONS. Yes.

Mr. SMOOT. The existing law is 4 per cent and 8 per cent, and the so-called Mellon plan reduces both of those percentages on the normal tax by 25 per cent, making them 3 per cent and 6 per cent, respectively.

I can only see in this amendment—not only the one that is offered by the Senator from North Carolina, but the House provision as well—extra work, more trouble, more expense in administering the law. I can not see why there should be three brackets. Two are ample. I know of no other country whose

income tax has three normal brackets. It only confuses the taxpayers and it will be a burden upon every one of them in making out their tax returns.

I hardly think it worth while to call attention to the amounts received under each bracket and the effect it will have upon the revenues of the Government; but, of course, it is evident upon its face that the amendment suggested to the House provision—and there is only that one, namely, that the 5 per cent bracket shall be 4 per cent—is proposed for the purpose of making a change and saying that this is a Democratic program. I can not see any other reason why it should be done; and, as far as I am concerned, I am perfectly willing to go to a vote upon it at this time. I hope, however, that the change will not be made, and if it is made I want to express the hope that when the bill gets into the Senate we can change it back to the two brackets.

Mr. JONES of New Mexico. Mr. President, I just want to call attention to the difference in these rates of normal tax.

The House had a rate of 2 per cent on the first $4,000, 5 per cent on the next $4,000, and 6 per cent on the balance. I submit that no real reason can be given for jumping from 2 per cent to 5 per cent on the second $4,000; and it was really to bring about an equality in graduation that the changes were made in the suggestion of the Senator from North Carolina. Under his proposal there will be a normal tax of 2 per cent upon the first $4,000, 4 per cent upon the second $4,000, and 6 per cent upon the balance, while the House provision was 2 per cent and then jumped to 5 per cent and then to 6 per cent. I do not see the reason for that jump.

I do not care to consume time; but if the Senator from Utah has any reason to give for the jump to which I have referred, I am sure we will all be glad to hear it.

Mr. SMOOT. I will say to the Senator that that one change means a loss of $38,000,000 in revenue to the Government. There is not any question about that. It can not be dodged. There is a loss of $38,000,000 in the change of that one figure; and I want to say to the Senate now that the way we are cutting off revenue in this bill, unless something is added we are not going to be able to meet the obligations of the Government.

Mr. JONES of New Mexico. Mr. President, my answer to the Senator from Utah is that under his entire plan not a dollar more of revenue will be raised than under the plan proposed by the Senator from North Carolina. On the other hand, the actuary figures that the Simmons plan, including the surtax and the normal rates, will raise $3,000,000 more than the plan proposed by the majority of the Finance Committee. So it seems to me that it ought not to be said we are proposing here to lose $38,000,000. By our entire plan we propose to raise a little more revenue than the Senator's plan would raise.

So it seems to me that it should not be said that we are proposing to lose $38,000,000. By our entire plan we propose to raise a little more revenue than would be raised under the plan of the Senator from Utah.

Mr. WALSH of Massachusetts. Mr. President, this amendment affects 6,087,968 taxpayers. I am sure it will interest the Senate to know how much each taxpayer would have to pay under the amendment proposed by the Finance Committee and under the amendment proposed by the Senator from North Carolina [Mr. SIMMONS].

A taxpayer with an income of $3,000 would have to pay, under the amendment proposed by the Senator from Utah, or the Finance Committee, a total tax of $11.25. Under the amendment proposed by the Senator from North Carolina he would have to pay $7.50.

A taxpayer with an income of $4,000, under the amendment proposed by the Finance Committee, would have to pay a total tax of $33.75. Under the amendment proposed by the Senator from North Carolina he would have to pay $22.50.

A taxpayer with an income of $5,000, under the amendment proposed by the Finance Committee, would have to pay $56.25. Under the amendment proposed by the Senator from North Carolina he would have to pay $37.50. And so on, showing that all taxpayers with incomes of from $1,000 to $10,000 would be materially benefited, and that those with the lesser incomes would receive the greater proportionate benefit.

The Senator from Arizona [Mr. ASHURST] suggests that I continue to read up to an income of $10,000. The taxpayer with an income of $6,000 would pay $97.50 under the Finance Committee amendment, and under the Simmons amendment a total tax of $57.50.

A taxpayer with an income of $7,000 would pay $157 under the committee amendment, and under the Simmons amendment would pay about half, $87.50.

A taxpayer with an income of $8,000 would pay, under the Finance Committee amendment, $217.50, and under the Simmons amendment would pay $127.50.

A taxpayer with an income of $10,000 would pay $337.50 under the committee amendment and $207.50 under the Simmons amendment.

The Simmons amendment seeks to give substantial benefits of this tax-reduction bill to the small taxpayers of the country, those with incomes of less than $10,000, and, as I said before, it would affect over 6,000,000 taxpayers.

Mr. NORRIS. May I interrupt the Senator a moment?

Mr. WALSH of Massachusetts. Certainly.

Mr. NORRIS. There has been so much commotion in the Senate that I do not believe all Senators have understood just what the propositions are. There are three propositions—the House provision, the Senate committee amendment, and the so-called Simmons amendment. Will the Senator tell us just what rates would be charged under each of them?

Mr. WALSH of Massachusetts. I have simply been comparing the operation of the two amendments before the Senate in the total tax paid by taxpayers. I have not before me the tables showing the amounts of taxes which would be paid under the House provision.

Mr. NORRIS. The Senator has not understood my question. Will the Senator state, first, the rate of normal tax provided by the bill as it passed the House; second, the rate of normal tax provided by the committee amendment, and third, the rate of normal tax provided by the pending amendment?

Mr. WALSH of Massachusetts. The Senator from New Mexico [Mr. JONES] has just explained that.

Mr. NORRIS. It has been explained, but there was so much commotion that I doubt very much whether many Senators heard the explanation.

Mr. JONES of New Mexico. There was a good deal of commotion, and I do not suppose what I said was heard by many.

The House fixed a rate of 2 per cent on the first $4,000, 5 per cent on the second $4,000, and 6 per cent on the remainder. The amendment proposed by the Senator from North Carolina makes it 2 per cent on the first $4,000, 4 per cent on the second $4,000, and 6 per cent, as all propose, upon the remainder.

The committee proposes a normal tax of 3 per cent on the first $4,000, and 6 per cent on all the remainder.

As I said awhile ago, there would be no loss of revenue under the two proposals. The plan as to surtax and normal tax proposed by the Senator from North Carolina will raise as much revenue as the plan proposed by the majority of the Finance Committee, if not a little more. The difference is, the reductions proposed by the Senator from North Carolina are in favor of those having smaller incomes, and the increases are on those having incomes above $64,000.

Mr. WALSH of Massachusetts. Will the Senator yield?

Mr. JONES of New Mexico. Certainly.

Mr. WALSH of Massachusetts. In other words, the surtax amendment proposed by the Senator from North Carolina would yield more money than the surtax amendment proposed by the Finance Committee?

Mr. JONES of New Mexico. It would.

Mr. WALSH of Massachusetts. But the normal tax amendment presented by the Senator from North Carolina would not yield as much money as would be yielded by the normal tax amendment proposed by the committee, though both his surtax and normal tax amendments together would equal the amount of revenue raised under the committee amendments.

Mr. JONES of New Mexico. The loss in revenue on account of the normal tax amendment would amount to $38,000,000, as estimated, as stated by the Senator from Utah, but under the surtax amendment we estimate that there would be a gain of $41,000,000; so it would really mean a gain of $3,000,000 in revenue.

Mr. SIMMONS. The total income from the two propositions would be practically the same.

I rose simply to make one additional statement. This is a bill to reduce taxes. It is so advertised to the country. It has received what support it has received on the theory that it is a bill to reduce taxes. The normal tax is the best field in which to make reductions. Taxpayers whose incomes range between four and eight thousand dollars will be given an advantage of 1 per cent over the House provision by the adoption of my amendment. There are 621,000 taxpayers whose incomes lie between those two figures who will get the benefit of this difference of 1 per cent, and the amount of reduction which 621,000 taxpayers, small taxpayers, comparatively poor people, will receive as the result of this difference of 1 per cent under my amendment will be $12,266,000.

If we are to carry out the promise made to the people, this is the best place to make the reduction which we have promised.

Mr. BRUCE. Mr. President, I would like to ask the Senator one question. What assurance have we that the 40 per cent tax rate would make up a sufficient amount of revenue to compensate for the loss on the lower brackets? I just ask for information.

Mr. SIMMONS. The statement has just been made that the income to the Government from the surtax rates which have been adopted will amount to $41,000,000 a year more than the income which would be received under the proposition made by the committee.

Mr. BRUCE. I would like to ask the Senator whether he thinks the Senate committee rate will arrest the steady decline which has been going on from year to year in revenue from the surtax?

Mr. SIMMONS. I discussed that yesterday at very great length. I do not entertain the same views about that which are entertained by the Senator from Maryland.

Mr. BRUCE. Of course the Senator does not.

Mr. SMOOT. The estimate is given for the next year, but there is not an expert in the Treasury who does not feel confident, as I feel confident, that after that the income will steadily decrease.

Mr. BRUCE. That is what I anticipated, and what influenced me to vote as I did.

The PRESIDING OFFICER (Mr. MCNARY in the chair). The question is on agreeing to the amendment offered by the Senator from North Carolina in the nature of a substitute for the amendment of the committee.

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement with regard to my pair and its transfer as before, I vote "nay."

Mr. FESS (when his name was called). I am paired with the junior Senator from Indiana [Mr. RALSTON]. I transfer that pair to the Senator from Vermont [Mr. GREENE] and vote "nay."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I understand he is necessarily absent from the Chamber. I transfer that pair to the Senator from West Virginia [Mr. ELKINS] and vote "nay."

Mr. McLEAN (when his name was called). On this question I am paired with the Senator from Virginia [Mr. GLASS]. In his absence I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. REED of Pennsylvania (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. BAYARD]. I was requested to state that if that Senator were present he would vote "nay," and that he is paired on this question with the senior Senator from Wisconsin [Mr. LA FOLLETTE], who, if present, would vote "yea." Therefore I am free to vote. I vote "nay."

The roll call was concluded.

Mr. JONES of Washington. Mr. President, I have declined to vote for the reason that I am directly interested in the result of the vote.

Mr. McLEAN. I transfer my pair with the Senator from Virginia [Mr. GLASS] to the Senator from Arizona [Mr. CAMERON] and vote "nay."

Mr. CURTIS. I wish to announce that the Senator from Illinois [Mr. MCCORMICK] is paired with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 44, nays 37, as follows:

YEAS—44

Adams	Frazier	Ladd	Sheppard
Ashurst	George	McKellar	Shields
Brookhart	Gerry	Mayfield	Shipstead
Broussard	Harris	Neely	Simmons
Capper	Harrison	Norbeck	Smith
Caraway	Heflin	Norris	Stanley
Copeland	Johnson, Calif.	Overman	Stephens
Dial	Johnson, Minn.	Pittman	Swanson
Dill	Jones, N. Mex.	Ransdell	Walsh, Mass.
Ferris	Kendrick	Reed, Mo.	Walsh, Mont.
Fletcher	King	Robinson	Wheeler

NAYS—37

Ball	Edwards	McLean	Stanfield
Borah	Ernst	McNary	Sterling
Brandegee	Fernald	Moses	Wadsworth
Bruce	Fess	Oddie	Warren
Bursum	Gooding	Pepper	Watson
Colt	Hale	Phipps	Weller
Cummins	Harreld	Reed, Pa.	Willis
Curtis	Keyes	Shortridge	
Dale	Lodge	Smoot	
Edge	McKinley	Spencer	

NOT VOTING—15

Bayard	Glass	La Follette	Ralston
Cameron	Greene	Lenroot	Trammell
Couzens	Howell	McCormick	Underwood
Elkins	Jones, Wash.	Owen	

So Mr. SIMMONS's amendment in the nature of a substitute for the amendment of the committee was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. REED of Pennsylvania. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the disabled veterans' relief bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. JONES of New Mexico. I do not intend to object, but I wish to announce that on the assembling of the Senate to-morrow I shall ask the indulgence of the Senate to make some remarks upon the amendment which I have offered regarding the tax upon corporations. A number of Senators have expressed a desire to be present when I speak on the amendment, and those Senators are not confined to one side of the Chamber. So, if I may have the attention of the Senate to-morrow, I shall discuss the proposed corporation-tax amendment which I have offered.

Mr. SMOOT. Mr. President, before the Senate recesses to-night I want to give notice that we will hold evening sessions beginning to-morrow.

Mr. ROBINSON. I call the Senator's attention to the fact that under an order heretofore entered it will be necessary to take an adjournment to-night. There is a unanimous-consent agreement that at the conclusion of the routine business to-morrow certain resolutions shall be taken up for consideration, the first being Senate Resolution 211.

Mr. SMOOT. Technically speaking, I suppose we ought to take an adjournment.

Mr. ROBINSON. If the Senator would prefer to recess, it could be done with the understanding that we shall proceed to the consideration of the resolutions anyway.

Mr. SMOOT. Yes; I would very much prefer to recess, with the distinct understanding that immediately upon convening to-morrow the Senate will take up the resolutions as ordered by the unanimous-consent agreement for consideration on the 6th of May.

Mr. ROBINSON. With that understanding I shall make no objection to taking a recess to-day.

Mr. JONES of New Mexico. I did not have in mind the unanimous-consent agreement, and therefore I shall not discuss the corporation taxes until after the regular order is disposed of on to-morrow.

Mr. SMOOT. Let it be distinctly understood that on the convening of the Senate to-morrow we will take up the resolutions immediately under the unanimous-consent agreement.

Mr. SIMMONS. Mr. President, I am not going to object to the request of the Senator from Pennsylvania. I merely wish to say that I am very anxious, in connection with the two amendments which we have considered and acted upon to-day, to have the Senate act upon the question of exemptions. I find that the committee did not interpose any amendment to the House text covering exemptions, and therefore my amendment with reference to exemptions would not be in order until after all the committee amendments have been disposed of. I do not, therefore, object to the Senator from Pennsylvania proceeding with the veterans' relief bill.

Mr. HARRISON. What did the Senator from Utah say about night sessions?

Mr. SMOOT. That they will begin to-morrow evening.

Mr. ROBINSON. Mr. President, it is with reference to the suggestion of the Senator from Utah that there is an intention to hold night sessions beginning to-morrow night that I rise at this time. The Senate has made very rapid progress to-day. The fact is that if it were not for the request submitted by the Senator from Pennsylvania we might proceed to a final disposition of at least all of the provisions of the revenue bill except one.

There is not the slightest occasion at this stage of the proceedings to threaten the Senate with night sessions. I do not think anyone present can infer, from anything that has happened to-day or recently in the Senate, that there is the slightest disposition on the part of any Senator, certainly there is none on this side of the Chamber, to delay the progress of the business before the Senate.

I merely want to say to the Senator from Utah that in view of the speed which has been made to-day in the disposition of important provisions of the revenue bill, I think the threat of night sessions had better be withdrawn.

Mr. SMOOT. I do not want the Senator to think that this notice is given in the form of a threat. I think we have completed but one appropriation bill.

Mr. ROBINSON. But we have completed every appropriation bill which has been brought before the Senate.

Mr. SMOOT. Oh, no. I think there are three or four of such bills awaiting action on the calendar at this moment.

Mr. ROBINSON. But they have not been brought up for consideration.

Mr. SMOOT. I recognize that, but one of them has been brought up whenever we could get a moment's time in the interval of considering the revenue bill.

Mr. HARRISON. The Senator knows that the consideration of none of them has been unnecessarily delayed after they have reached the Senate.

Mr. SMOOT. No; but I wish to say that when the revenue bill gets into conference it is going to take a long time.

Mr. ROBINSON. We might proceed to consider the revenue bill and dispose of it this evening, so far as I am concerned. I do not know of any reason why the Senator from Utah himself should be delaying his own bill, and then threatening the Senate with night sessions.

Mr. SMOOT. I am not delaying the bill, I will say to the Senator. The Senator from New Mexico [Mr. JONES] is going to make an extended speech to-morrow morning. I know that he is prepared to go on to-morrow with that speech. It will be followed by others, because it affects the taxation of corporations.

I recognize, Mr. President, that there are not so very many questions left for us to decide, but I have before me at least 40 amendments to the revenue bill which are pending. I do not know what length of time they are going to take in discussion. I suppose, however, they will all be offered and will all be discussed. What I was anxious to do was to get the revenue bill into conference; that is all. I do not want in the least to put any Senator to any more inconvenience than I would subject myself to.

Mr. ROBINSON. I suggest that if it were not for the Senator from Utah we might be proceeding with the bill that is immediately before the Senate. Then there is another bill for the consideration of which unanimous consent has been asked.

Mr. SMOOT. Yes; the bill to which the Senator from Arkansas refers has been taken up three times while we have been discussing the revenue bill, but it has failed to pass. I asked the Senator making the request if he could have the bill passed to-night; he said he thought he could; and I thought that perhaps this was the best time to act upon it.

Mr. HARRISON. The Senator from Utah will bear in mind the fact that the Senator from Pennsylvania who now proposes to bring up for consideration another bill, in which we are all interested, is the same Senator who is on a conference committee on a bill which we passed a week or 10 days ago, and we understand is in consultation with the President of the United States touching certain provisions of the bill. The conference committee has not as yet made a report to the Senate, although we have been waiting for it for several days.

Mr. REED of Pennsylvania. The conferees met every day last week, and they hope to finish at their meeting to-morrow. That is one reason I am anxious to get the Veterans' Bureau bill out of the way, so that nothing may interfere with that conference.

Mr. HARRISON. Of course the Senator understands that the immigration question is also important. We thought that we had ironed out our differences pretty well and that there at least would not be many differences for the conference to settle, especially the one touching Japanese exclusion. Of course we on the outside do not know what is going on in the conference, but we are informed that the President of the United States gives to the country before the election which is to be held in California to-morrow, affecting his own interests in a presidential primary in that State, a statement that he is in favor of Japanese exclusion. Then we find out from underground passageways that he is not in favor of writing a provision in the law for immediate Japanese exclusion. So we are left up in the air on that question.

I thought that so far as the Japanese question was concerned we had agreed; that the House had passed certain provisions, and that the Senate had agreed to those provisions, and it was practically unanimously decided, so that the question was not in conference at all, and yet that one question is hanging up the conference on the bill.

Mr. ASHURST. Mr. President, I do not wish to detain the Senate, but I ask the Secretary to read from the desk the copy of a dispatch advising that the Japanese do not respect—in fact, that they contemn—the Monroe doctrine and that the United States may pass all the exclusion laws it wishes but that the Japanese nationals will continue to penetrate the United States through Mexico.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The reading clerk read as follows:

IMMIGRATION BAN STIRS JAPAN—INCREASED EXODUS TO SOUTH AMERICA IS PLANNED AS COUNTER MOVE

[By Duke N. Parry, International News Service]

TOKYO, April 24.—Completely recovered from the serious illness which a few weeks ago caused reports of his death, Prince Matsukata, aged genro, arranged to-day to motor to Tokyo to discuss with the prince regent and Prince Saionji the immigration crisis.

The eta class meeting at Kyoto to-day planned a three-day protest against the Japanese exclusion measure, which will be nation-wide. Speakers accused the Government of "weak diplomacy" in its protests to the United States, until more than a thousand Japanese, graduates of 21 American colleges, to-day sent protests to Secretary Hughes and their alma maters.

The Japanese Nationalists are apparently behind the agitation manifested daily in minor outbreaks. They represent a distinct group and include many members in the army and among the older statesmen.

> "We propose to increase our immigration to South America and Mexico," its leaders declare, "thus peacefully penetrating the territory over which the Monroe doctrine had applied hitherto. We do not accept the Monroe doctrine, and we claim the Japanese could have managed the American continent as well as the Caucasians had the Japanese awakened sooner as a member of the family of nations."

Its influence was evidenced to-day in the Overseas Immigration Society voting to increase immigration to South America.

UNITED STATES VETERANS' BUREAU

The PRESIDING OFFICER. The Senator from Pennsylvania asks unanimous consent that the unfinished business may be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 2257. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 2257) to consolidate, codify, revise, and reenact the laws affecting the establishment of the United States Veterans' Bureau and the administration of the war risk insurance act as amended and the vocational rehabilitation act as amended.

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The READING CLERK. The pending amendment is on page 4, line 22, where the committee proposes to strike out "$12,000" and to insert "$10,000."

Mr. REED of Pennsylvania. Mr. President, the pending amendment is one which would increase the salary of the Director of the Veterans' Bureau from $10,000 to $12,000. The bill as introduced carried the increased salary of $12,000. The Committee on Finance struck out "$12,000" and inserted "$10,000." So a vote in favor of the committee amendment will keep the salary at $10,000, as it now is, while a vote against the committee amendment will increase the salary to $12,000, which had been the hope of some of us.

I am not going to take the time of the Senate in the discussion of this amendment, but our thought has been that so far as expenditures are concerned the Director of the Veterans' Bureau has charge of the largest single bureau or department in the United States Government outside of the service of the public debt. The interest and sinking fund requirements of the public debt constitute the only other item in the whole list of expenditures of the United States which is greater than the amount spent through the Veterans' Bureau for the care of our disabled soldiers. The burden which rests upon the Director of the Veterans' Bureau is a heavier burden than that which rests upon the head of any department, in my judgment.

Mr. DILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Pennsylvania yield to the Senator from Washington?

Mr. REED of Pennsylvania. I yield.

Mr. DILL. As I understand, the Senator believes that the salary of the Director of the Veterans' Bureau ought to be equal to that of a Cabinet officer?

Mr. REED of Pennsylvania. Yes; I do.

Mr. DILL. Is there danger that we can not secure an efficient man for the present salary?

Mr. REED of Pennsylvania. I think that is a position which requires the highest executive talent, and I shall be very sorry

to see the position ever filled by a man who in civil life could not earn three or four times as much as the salary we pay the director.

Mr. DILL. Of course the Senator recognizes that is not a valid argument for raising salaries, because practically every man who occupies a Cabinet office and many other Government officials, to say nothing of Representatives and Senators, in many cases could make eight or ten times what their salaries are. There is something in public service to be considered, and it seems to me the salary of the director has been increased rather rapidly since the Veterans' Bureau was inaugurated.

Mr. REED of Pennsylvania. The duties of the position have increased equally rapidly. However, I do not want to prolong the discussion.

The PRESIDING OFFICER. The question is upon agreeing to the amendment proposed by the committee. [Putting the question.] By the sound the "noes" appear to have it.

Mr. CURTIS and Mr. REED of Pennsylvania asked for a division.

Mr. CURTIS. I think the Senate does not understand the purport of the amendment.

The PRESIDING OFFICER. The question is upon agreeing to the amendment proposed by the committee.

Mr. CURTIS. And that amendment reduces the salary of the director from $12,000 to $10,0000 a year.

The PRESIDING OFFICER. The Senator from Pennsylvania explained the amendment to the Senate with great lucidity.

Mr. DILL. I thought the proposal was to increase the salary of the director.

Mr. CURTIS. No; it is to decrease his salary from the amount originally carried by the bill.

Mr. McKELLAR. If it decreases it, we will vote for it.

Mr. REED of Pennsylvania. I thought the Senate understood the point. The bill as introduced fixed the salary of the director at $12,000. The committee cut it down. A vote "aye" is in favor of $10,000 while a vote "no" means that a salary of $12,000 is favored. I hope the Senate will vote "no."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, a division has been asked for.

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). Making the same announcement that I made on the previous vote as to my pair, I vote "nay."

The roll call was concluded.

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. FESS. Making the same announcement that I made earlier in the day, I vote "yea."

Mr. REED of Pennsylvania (after having voted in the negative). I have a general pair with the junior Senator from Delaware [Mr. BAYARD]. I transfer that pair to the senior Senator from Maryland [Mr. WELLER], and will allow my vote to stand.

Mr. CURTIS. I desire to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent on account of illness.

I also desire to announce that the Senator from Illinois [Mr. MCCORMICK] is paired with the Senator from Oklahoma [Mr. OWEN].

Mr. ERNST (after having voted in the affirmative). I have a general pair with the senior Senator from Kentucky [Mr. STANLEY]. I transfer that pair to the Senator from Illinois [Mr. MCKINLEY], and will let my vote stand.

The result was announced—yeas 49, nays 23, as follows:

YEAS—49

Ashurst	Dill	Jones, N. Mex.	Simmons
Borah	Ernst	Jones, Wash.	Smith
Brookhart	Fernald	Kendrick	Smoot
Broussard	Ferris	Ladd	Stephens
Bruce	Fess	McKellar	Sterling
Cameron	Fletcher	Neely	Swanson
Capper	Frazier	Norbeck	Wadsworth
Caraway	George	Norris	Walsh, Mont.
Copeland	Hale	Overman	Wheeler
Cummins	Harris	Pittman	Willis
Curtis	Harrison	Reed, Mo.	
Dale	Heflin	Robinson	
Dial	Johnson, Minn.	Sheppard	

NAYS—23

Adams	Gerry	Oddie	Shipstead
Ball	Keyes	Pepper	Spencer
Brandegee	Lodge	Phipps	Walsh, Mass.
Colt	McLean	Ransdell	Warren
Edge	McNary	Reed, Pa.	Watson
Edwards	Moses	Shields	

NOT VOTING—24

Bayard	Greene	Lenroot	Shortridge
Bursum	Harreld	McCormick	Stanfield
Couzens	Howell	McKinley	Stanley
Elkins	Johnson, Calif.	Mayfield	Trammell
Glass	King	Owen	Underwood
Gooding	LaFollette	Ralston	Weller

So the amendment of the committee was agreed to.

Mr. REED of Pennsylvania. Mr. President, there are two small amendments that I should like to suggest, now that the committee amendments are finished.

The first of them comes on page 18, after the provision which recognizes the American Legion, the Red Cross, the Disabled American Veterans, and the Veterans of Foreign Wars as among the organizations whose representatives are admitted as attorneys or agents for claimants.

The present law, as the Senate knows, is very strict in keeping out attorneys and claim agents from the Veterans' Bureau. It was desired to relax it to the extent of allowing the representatives of these welfare associations to appear. It is now suggested that there are certain other organizations that ought to be permitted to appear and act in behalf of veterans who are making claims within the bureau. We are not desirous of extending that privilege to every such organization, because there are more than 100 associations or organizations that call themselves "welfare organizations" in some connection with veterans, some of which, I am sorry to say, are nothing more or less than an excuse to furnish an office and a salary here at Washington for the man who is at the head of the organization. Some of them are highly deserving. In order to take care of the deserving ones, we propose to insert on page 18, line 2, after the words "Veterans of Foreign Wars," the following words:

and such other organizations of veterans as shall be approved by the director,

That will allow him, as proper organizations from time to time appear, to extend the rule to them and allow their representatives to come in and practice law, in effect, in behalf of the disabled men.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. REED of Pennsylvania. Mr. President, I have one more suggested amendment.

On page 24, the Senate will notice that the committee has inserted, in section 29, a provision which allows the director to sell off surplus supplies. That provision was inserted at the request of the director himself and, in our judgment, was a proper authority to place in his hands. The latter part of the section, however, contains a provision which, in effect, creates a revolving fund. If the director sells off a lot of supplies, the money ought, I think, to be put in the Treasury of the United States and expended only on appropriation; but the committee, without very much thought on this particular phase of the subject, adopted this revolving-fund idea. The Director of the Budget, at the instance of the President, has suggested an amendment which would strike out the last two words in line 18 and all of lines 19, 20, 21, and 22 and insert in lieu thereof, after the words "the United States" in line 18, the words "as miscellaneous receipts." The effect of that will be to put the proceeds of all sales of surplus property back into the Treasury, where they can be expended only on appropriation by Congress. That is the way I think it ought to be.

Mr. McKELLAR. Mr. President, I think that should be done, by all means.

The PRESIDING OFFICER. The Chair will suggest to the Senator from Pennsylvania that the proper procedure will be a motion to reconsider the vote whereby the amendment proposed by the committee was adopted.

Mr. REED of Pennsylvania. I am sure the Chair is correct. Therefore, I modify my motion to make it, first, a motion to reconsider the vote by which section 29 was adopted.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania.

The motion to reconsider was agreed to.

Mr. REED of Pennsylvania. Now, I offer the amendment to the amendment of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. Mr. President, I ask unanimous consent that at the close of business to-day the Senate take a recess until 12 o'clock to-morrow,

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent that at the close of business to-day the Senate take a recess until 12 o'clock to-morrow. Is there objection? The Chair hears none, and the order will be entered.

Mr. McKELLAR. Mr. President, I want to call the attention of the Senator from Pennsylvania to an amendment I desire to offer on page 27, line 10, after the word "disease," to insert a comma and the words "paralysis agitans" and a comma. I spoke to the Senator from Pennsylvania about it, and I suppose there will be no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Tennessee.

The amendment was agreed to.

Mr. REED of Pennsylvania. With that amendment in the bill, Mr. President, there are other places where the same phrase should be inserted.

Mr. McKELLAR. May we not instruct the Secretary to insert them at the proper places?

Mr. REED of Pennsylvania. Very well.

The PRESIDING OFFICER. Without objection, the Secretary is instructed to make similar entries in the bill wherever necessary to complete the sense.

Mr. SHIELDS. I offer the following amendment, Mr. President.

The PRESIDING OFFICER. The senior Senator from Tennessee offers an amendment, which will be stated by the Secretary.

The READING CLERK. On page 32, after line 24, the Senator from Tennessee proposes to add the following:

When a tuberculosis disease is diagnosed as other than that of complete arrest, the compensation shall be on a permanent and total basis, which shall not be changed until one year after such ex-service man has reached an arrested stage, at which time a permanent rating for life shall be granted, which shall not be below $50 per month during the remainder of his life.

Mr. SHIELDS. I have had some discussion with the Senator from Pennsylvania in regard to this amendment, and he was to get certain information. I ask him if he has obtained the information?

Mr. REED of Pennsylvania. I have sent for it, but I have not been able to get it in the short time that has been available. Therefore I suggest that the amendment be agreed to now as the Senator has requested, and that we reserve the right to discuss it later when the bill gets into the Senate.

Mr. SHIELDS. That will be satisfactory.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Tennessee.

The amendment was agreed to.

Mr. DILL. Mr. President, on page 27, line 6, I desire to have stricken out certain language in lines 6, 7, 8, and 9, and to have inserted the amendment which I send to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment proposed by the Senator from Washington.

The READING CLERK. The Senator from Washington proposes to strike out, beginning with line 6, page 17, all after the word "'Provided" in lines 6, 7, 8, and 9, and to insert:

That an ex-service man who is shown to have or, if deceased, to have had, within five years after separation from the active military or naval service of the United States,

So as to read:

That an ex-service man who is shown to have or, if deceased, to have had, within five years after separation from the active military or naval service of the United States, a neuropsychiatric disease.

Mr. DILL. Mr. President, this proposal is to change the date fixed in the bill as amended to January 1, 1924, to five years after the man was discharged from the service. This amendment would have two effects. First, it would extend the time practically of all of these men; in the second place, it allows each man five years after the time he is discharged rather than to fix a date like January 1, 1924. I think these men are entitled to a five-year period. The old law fixed a period of three years, and the committee recognizes that is not long enough, and for that reason I have introduced the amendment to make it a straight five-year period.

Mr. REED of Pennsylvania. Mr. President, I hope the Senate will not adopt the amendment offered by the Senator from Washington. The committee has been most liberal in extending the dates in all cases to January 1 of this year. That practically means that every service man who developed any symptoms of tuberculosis up to four months ago will have a conclusive presumption that the disease had its origin in the service and was caused by the service. It practically extends the presumptive period to four years and a half after the average time of discharge.

We can not see any justice whatever in dating from the time of discharge, so that the presumptive period would run longer for some men than others. They were all exposed to wet and cold at the same time. They all went through hardships at the same time, and it is all wrong to say to me that my period shall not expire until July, 1924, because I happened to get my discharge a little bit later, and to say to some other service man, "Your statute of limitations runs six months earlier because you happened to get your discharge six months before the other man did." They all ought to be treated alike, and the only way to treat them alike is to fix one calendar date and not date the time from the discharge.

Mr. DILL. The present law provides three years from the date of discharge.

Mr. REED of Pennsylvania. It does, and it is unfair to that extent.

Mr. DILL. The Senator says that they were all exposed at the same time, but the exposure ceased for some men when it did not cease for others. The exposure ceased sooner for the man who was discharged six months earlier than the other man.

Mr. REED of Pennsylvania. No, Mr. President, the exposure ceased for everybody about the 1st of December, 1918, because then men ceased to live under battle conditions and began to live under more normal conditions.

Mr. DILL. The Senator assumes that all probability of developing tuberculosis ended on the battlefield. He does not give consideration to the months that followed the armistice, that followed the end of the war, when these men were kept in the service.

Mr. REED of Pennsylvania. The months that followed the armistice, Mr. President, were entirely different from the months that preceded it. While I will admit that living in quarters during wintertime in France was not conducive to anybody's health, yet the winter occurred at the same time for everybody, and the fact that one man was discharged in March and another one in the following September did not make any real difference in the exposure. It is either too soon for one man or it is too late for another. The men ought not to be discriminated against.

Mr. DILL. That is what I am objecting to, the discrimination that exists against certain men who were kept in the service longer than other men were kept in it. I maintain that the danger of tuberculosis developing was greater when a man was in the service than after he had been discharged from the service. You discriminate by the fixed date against the man who was kept in the service months longer than other men.

Mr. REED of Pennsylvania. Mr. President, after the armistice, and after things quieted down, life in the Army was a picnic. There was no particular hazard, no particular exposure, particularly after the winter was over. Life in the Army was just as healthy as life out of it, after the springtime came, particularly, and the real exposure ended about the 1st of April, 1919.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Washington.

Mr. REED of Pennsylvania. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FESS (when his name was called). Making the same announcement that I made earlier in the day as to my pair and its transfer, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as to my pair and its transfer as before, I vote "nay."

Mr. REED of Pennsylvania (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. STERLING (after having voted in the negative). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oregon [Mr. STANFIELD] and let my vote stand.

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Texas [Mr. MAYFIELD] and vote "yea."

The result was announced—yeas 40, nays 31, as follows:

YEAS—40

Adams	Caraway	Edwards	Gerry
Ashurst	Copeland	Ferris	Harris
Brookhart	Dale	Fletcher	Harrison
Broussard	Dial	Frazier	Heflin
Bursum	Dill	George	Johnson, Minn.

Jones, N. Mex.	Norbeck	Robinson	Stanley
Jones, Wash.	Oddie	Sheppard	Stephens
Kendrick	Overman	Shields	Swanson
McKellar	Pittman	Shipstead	Walsh, Mont.
Neely	Reed, Mo.	Simmons	Wheeler

NAYS—31

Ball	Ernst	McKinley	Smoot
Brandegee	Fess	McLean	Spencer
Bruce	Gooding	McNary	Sterling
Cameron	Hale	Moses	Wadsworth
Capper	Harreld	Pepper	Walsh, Mass.
Cummins	Keyes	Phipps	Warren
Curtis	King	Ransdell	Willis
Edge	Lodge	Reed, Pa.	

NOT VOTING—25

Bayard	Greene	Mayfield	Trammell
Borah	Howell	Norris	Underwood
Colt	Johnson, Calif.	Owen	Watson
Couzens	Ladd	Ralston	Weller
Elkins	La Follette	Shortridge	
Fernald	Lenroot	Smith	
Glass	McCormick	Stanfield	

So Mr. DILL'S amendment was agreed to.

Mr. ASHURST. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. Add at the proper place in the bill the following:

That any ex-service man shown to have a tubreculous disease of compensable degree, and who has been hospitalized for a period of one year, and who, in the judgment of the director, will not reach a condition of arrest by further hospitalization, and whose discharge from hospitalization will not be prejudicial to the beneficiary or his family, and who is not feasible for training, shall, upon his request, be discharged from hospitalization and rated as permanently and totally disabled, said rating to continue for the period of three years.

Mr. ASHURST. Mr. President, I spoke at some length in support of this amendment on April 30 last, and what I then said appears on page 7556 et seq. of the RECORD. It is unnecessary for me to traverse that ground again, but I am sure the Senate would not vote upon an amendment of such serious nature without some explanation. I will make my explanation as brief as possible, and I can reduce it to compactness of five minutes if I am not interrupted.

I am now and ever have been in favor of adequate hospitalization for our ex-service men. Yet we must not, however, get the idea that merely large hospitals alone are a cure for tuberculosis. Indeed, as science makes its discoveries we ascertain that frequently, indeed in many cases, a recovery from tuberculosis of the lungs is effected, or promoted at least, where the patient may under certain conditions be somewhat at his own will, may leave the hospital, if you please, and take what in this hospital nomenclature is called "home treatment."

The reason why this amendment is necessary is that in many cases, indeed in most cases, where a patient applies for home treatment—that is, wishes to go into his own home, wishes to go upon the desert, into the mountains, the woods, or the fields, and be somewhat free—his compensation is reduced as a penalty for his leaving the hospital. That action creates a resentment, and a just resentment, among the ex-service men. There is no reason known to medical science, to law, or to justice, if a man may safely promote his recovery out of the hospital, why his compensation should be reduced when he leaves the hospital for such treatment. It savors of bureaucracy, it savors or officialdom, to say to a man in the large hospital, "You must remain here. No matter what degree of progress you make or fail to make here, if you leave the hospital, we will reduce your compensation."

Some of the experts on tuberculosis, and whose interest in the ex-service man can not be challenged or denied, say that the tubercular ex-service man ought not to be subjected to a reduction of compensation simply because he wishes to take treatment out of the hospital. So my amendment simply provides that where the patient has been in the hospital a year—I am not quoting literally, but stating it generally—and where he will not reach a condition of arrest by further hospitalization in the hospital, and his discharge from the hospital will not be prejudicial to his beneficiary or to his family, and he is not feasible for training, he may, upon his request, be discharged from the hospital and rated as totally and permanently disabled, and that the rating shall continue for three years. It is astonishing to learn of the great percentage of men whose health is promoted in this way.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

Mr. ASHURST. I yield to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. I only wish to say that we have considered the matter because a similar provision is contained in a bill pending in the House. I quite agree with what the Senator from Arizona is saying and I hope the Senate will adopt the amendment he has proposed.

Mr. ASHURST. I thank the Senator.

Mr. COPELAND. Mr. President, I agree fully with what the Senator from Arizona has said and I am glad the Senator from Pennsylvania, in charge of the bill, has accepted his amendment, because if the patient does not recover or reach an arrested state in a year's time in the hospital he certainly will not do so if he stays there another year. It is inhumane to keep a man there when perhaps he can go elsewhere and be happy. At the same time, while he has been in the hospital, he has been taught how to take care of himself and there will be no danger to anyone else. But I want to ask the Senator from Arizona why he limited the period to three years?

Mr. ASHURST. I fully realize that it might look harsh to say to a man, "You must recover in three years." I defer to the learned Senator from New York on a question of therapeutics or medicine. But the disabled men, the tubercular men, are willing to accept the provision. That shows their abundant good faith, and this amendment if enacted into law will give the patient a serene mind.

Mr. COPELAND. Perhaps I had better ask a question of the Senator from Pennsylvania. Suppose the man is a total wreck, suppose he has been discharged from the hospital under conditions referred to in the amendment proposed by the Senator from Arizona but should at the end of three years be a wreck and yet alive; is there any provision in the bill to take care of him?

Mr. REED of Pennsylvania. Oh, yes; clearly. The only effect of the amendment of the Senator from Arizona is to make a permanent total rating compulsory for a period of three years. Now, if the facts justify, the director has ample authority and it is his duty to make that permanent and total rating last for the remainder of the man's life. That is the way it ought to be.

Mr. COPELAND. Then, in my judgment, the amendment should be agreed to exactly as it is worded.

Mr. WALSH of Massachusetts. Mr. President, I would like to ask the Senator from Arizona a question. Will the Senator state just the difference between his amendment and the amendment offered by the Senator from Tennessee?

Mr. ASHURST. I did not study the amendment proposed by the Senator from Tennessee.

Mr. WALSH of Massachusetts. It is very similar and seeks to accomplish the same end.

Mr. ASHURST. An amendment proposed by the senior Senator from Tennessee [Mr. SHIELDS]?

Mr. WALSH of Massachusetts. Of course, I think the amendment of the Senator from Arizona is a good one and should be adopted.

Mr. ODDIE. Mr. President, the amendment which the Senator from Arizona has offered differs very little from one which I offered on the 17th of April, but there are a few little differences in my amendment, and I will ask the Senator if he will agree to these additions?

In the first place, on page 33, I have provided for a period of five years instead of three years, which I think under the conditions will be more satisfactory. And further, on page 33, after the words "five years," my amendment proposes to add:

at the termination of which he shall then be examined, and upon the basis of such examination a rating for life shall be awarded.

Mr. COPELAND. Mr. President, may I ask a question?

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from New York?

Mr. ODDIE. I yield.

Mr. COPELAND. Would the amendment as proposed by the Senator from Nevada mean, if a man recovered his health, we will say at the end of two years, that he would still receive full compensation for five years?

Mr. ODDIE. The intention is that if he recovered he would be rated accordingly at the end of five years. My amendment proposes to give a longer period for examination and for the man to recuperate.

Mr. COPELAND. Let us hear what the Senator from Pennsylvania thinks about that.

Mr. REED of Pennsylvania. I hope the Senator from Arizona will not accept the amendment proposed by the Senator from Nevada to his amendment. The longer we extend these conclusive presumptions the more injustice we shall be doing

to the Government of the United States. I agree that a period of three years is proper, but it seems to me that it is the height of unwisdom to extend the time so long as is proposed by the Senator from Nevada. The Director of the Veterans' Bureau, if the facts justify, may make the rating last for 25 years. The only purpose of this amendment is to take care of the man who is not totally disabled by having a conclusive presumption that he is so disabled; and it is a wrong policy.

I will admit that the three-year period suggested by the Senator from Arizona is a reasonable protection, which will insure a placid state of mind in the convalescent—and it is right that he should have it—but to extend the period beyond three years, in my judgment, would be unwise and unwarranted.

Mr. FLETCHER. Mr. President, it seems to me that the latter clause of the amendment of the Senator from Nevada is advisable. The amendment offered by the Senator from Arizona stops at the three-year period and does not provide for any further examination. I think the addition of the clause as proposed by the Senator from Nevada would improve the provision.

Mr. ASHURST. Will the Senator from Nevada be kind enough to repeat the last clause of his amendment?

Mr. FLETCHER. The last clause of the amendment.

Mr. ODDIE. The last clause reads:

at the termination of which he shall then be examined, and upon the basis of such examination a rating for life shall be awarded.

Mr. FLETCHER. I think there ought to be some provision for another examination at the end of the three-year period.

Mr. ASHURST. I am anxious to reach some arrangement so that my amendment may go on the bill, and I appreciate the valuable services which the Senator from Nevada [Mr. ODDIE] has rendered.

Mr. REED of Pennsylvania. Mr. President, before the Senator from Arizona accepts the amendment I desire to suggest a thought; that is, that a man who seems to be pretty well at the end of three years would be given a rating for life under that amendment, which could not be changed; and if a year later his condition becomes decidedly worse he is not going to thank us for that addition to the amendment, because we should thereby have limited his compensation forever.

Mr. COPELAND. Mr. President, my judgment is that the Senator from Arizona in his original proposal has covered the entire case.

Mr. ASHURST. If the Senator will yield to me, I desire to say that I think I will stand on my original amendment, in view of all that has been said.

Mr. COPELAND. I will review the matter for a moment. Under this amendment, if adopted, a man will have the mental assurance that for three years he is going to be looked after. What is going to happen to him at the end of three years? Either he is going to be buried, poor chap, or else he will be fully recovered; but if by any chance he is still an invalid at the end of three years, the Senator from Pennsylvania assures us that it is the duty of the Director of the Veterans' Bureau to see that he has compensation for a further period. Therefore I believe that what the Senator from Nevada has in mind is thoroughly taken care of by the addition of the amendment proposed by the Senator from Arizona plus the general provisions of the bill.

Mr. REED of Pennsylvania. I wish to utter one final word of caution. All of us sympathize with all our hearts with the tubercular veterans; we all of us want to give them everything that in reason they can ask for. The committee fixed the time limit for this conclusive presumption at January 1, 1924. That was satisfactory to all members of the committee who considered it; it was also satisfactory to the organizations of the ex-service men; and yet here this afternoon on scant argument the committee has overwhelmingly been turned down by the Senate and the amendment of the Senator from Washington [Mr. DILL] has been adopted, which gives the men more than their service organizations were satisfied with. Now, do not let us make the same mistake on this amendment.

Mr. DILL. The service organizations were asking for five years. They may have accepted three years as a compromise, because they could not get anything better, but they have consistently asked for five years.

Mr. WALSH of Massachusetts. Mr. President, I want to give my approval and support to what the Senator from Pennsylvania has said about the extension of time of these conclusive presumptions. The committee gave a great deal of attention and a great deal of thought to the request of the various organizations for the extension of the time of these presumptions; in fact, I think the first amendment on the question attached to any of the bills affecting the Veterans' Bureau was put in on my motion when the Sweet bill was originally adopted, and in that case the period was two years. Since then it has been increased to three years. The committee, after fully considering this question with competent medical authorities, with the experts of the bureau, and with the representatives of the soldiers' organizations, came to the conclusion that a just and fair time to fix was January 1, 1924, practically five years. That is why I reluctantly voted, as I did, against the amendment of the Senator from Washington, because of the agreement practically entered into by the committee, although the Senator from Washington is correct in stating that many of the service men urged the five-year period rather than the fixed date.

But I think that when we come to give a presumptive right of incapacity due to service we ought to use some care and while trying to be fair and just to the service men recognize the fact that there is consideration to be given to the public right of reasonable limitations on presumptions, and that is what the committee tried to do in fixing the date. As a member of the committee I must support its findings, and I am pleased it increased the presumptive period.

Mr. FLETCHER. Mr. President, I want to be certain that the ex-service man at the end of three years is not left high and dry with his rating disposed of and no other rating afforded. I think there ought to be a provision for some examination, because if the rating that is given him is to last for three years, unless there is provision for some other examination, so that he may get proper rating at the end of that time, he is left without any remedy.

Mr. REED of Pennsylvania. No; that is all adequately taken care of. I know the Senator from Massachusetts, who has studied the law with me, will concur in the statement that at the end of the three-year period there is no doubt but the Veterans' Bureau has authority, and it is the duty of that bureau, to give the man a rating in accordance with the actual facts of his particular case.

Mr. FLETCHER. I think, then, that is sufficient.

Mr. ASHURST. I wish to say that the statement of the junior Senator from Pennsylvania, in my judgment, is correct. At the end of three years it would be the duty of the director to examine the patient to fix a rating in accordance with the findings made by the director of the patient's condition.

Mr. WALSH of Massachusetts. Just the same as in the case of any other disease in connection with which there is no presumption.

Mr. ASHURST. Absolutely.

Mr. WALSH of Massachusetts. That occurs in cases where a man has only served three months, for instance.

The PRESIDENT pro tempore. The Chair desires to inquire of the Senator from Arizona whether he wants his amendment as originally proposed to be voted on or does he desire to modify it?

Mr. ASHURST. In view of the circumstances and the arguments that have been made, I think I had better stand on my amendment as I originally presented it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Arizona as originally proposed.

The amendment was agreed to.

Mr. DILL. Mr. President, I offer an amendment as a new section to come in on page 50.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 50, after line 6, it is proposed to insert a new section, as follows:

SEC. 214. In the determination of the compensation and treatment hereinbefore provided, the Director of the Veterans' Bureau shall construe and interpret all provisions and directions herein contained liberally toward the ex-service men rather than strictly against the ex-service men.

Mr. DILL. Mr. President, I offer this amendment and hope for its adoption in order that the Veterans' Bureau, and especially the employees in the bureau under the director, may understand that it is their duty to interpret this law in the interest of the ex-service men. I am sure that every Senator has had brought to his attention many cases in which the officials of the bureau have ruled as technically against a man as though they had been specifically hired by the Government to keep these boys from receiving compensation. I recognize that this is not compelling, but it at least gives those of us who plead for the boys an excuse and a reason to insist that a liberal attitude shall be taken regarding their cases.

I do not want to weary the Senate with a long line of cases, but there is one case within my own knowledge that is so striking that I wish to refer to it as an illustration. A man by the name of C. O. Young was engaged as an engineer in the lumber section of northern Idaho when the war broke out. He had been in the service in the Spanish-American War in the Philippine Islands and had made such an excellent record that the Army officers here knowing about him and having his address wired him and asked him if he would be willing to volunteer and go to France. He quit his position and went to France, where he was gassed, wounded, and placed in the hospital. When he was discharged he was placed on a compensation basis, was hospitalized for some months, and then was discharged as being cured. About a year and a half afterwards the old complications returned, and, although I have personally taken this case up, not only with the head of the district at Seattle but with the head of the bureau itself, that man has been compelled to go to the soldiers' home in California without any compensation whatsoever; and all because the bureau insists there is no proof that his present condition is due to military service.

I recall the case of another boy who had stomach trouble; who was operated on three times by the Government surgeons, and was discharged, and yet it is claimed that his present condition can not be established as being the result of his military service, although the boy was wounded in France and placed in the hospital with stomach trouble there. Because he can not get affidavits from other men or doctors in his own company he is not allowed anything by the Government. It happened that the members of his company were practically all killed, so fierce was the fighting in which he engaged, and the Government has been unable to locate any boy in his company. He seems to be the only living man who served in that organization, and yet the officials of the bureau have ruled against him. This young man, Fred G. Kraetschman, is now in the soldiers' home in California because the Veterans' Bureau has ruled against him. So I say it seems to me that as far as we can we ought to insist that the officials of this department shall construe this law in the interest of these boys rather than against them, and for that reason I have offered this amendment.

Mr. REED of Pennsylvania. Mr. President, I do not see that the amendment will do any particular harm. The same principle is already embodied in the regulations of the Veterans' Bureau and it is drilled into the employees again and again; but the trouble is that they have held, and they have to hold, that there must be some evidence to connect the injury with the service. You can not just guess because a man was a soldier and is now an invalid that one thing is the cause of the other. As long as there is some evidence the present rulings are that the man is to have the benefit of every doubt; but I do not see any objection to putting in the amendment the Senator suggests.

Mr. DILL. Mr. President, I want to say to the Senator that there is some evidence—"satisfactory evidence," I think, is the way the law reads. When a man has had a certain disease in the Army, when he had it in the hospital, and came out of the Army in good condition, and that same disease comes back again it seem to me that is pretty good evidence that his service in the Army had something to do with it.

Mr. REED of Pennsylvania. It seems so to me, and that is why we have carefully provided for these recurrences of previously existing diseases. We have made a number of amendments right in line with the Senator's own thought. Therefore, I do not believe we need debate this amendment any longer. We might as well accept it and let it go in.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. ODDIE. Mr. President, on page 32, at the end of line 24, I move to strike out the period and insert a colon, and add the following:

Provided, however, That when a disability shall have been declared to be of service origin and a compensation award thereon has been made, the same disability shall not thereafter be declared to be not of service origin upon the same evidence, except in case of fraud participated in by the claimant.

The PRESIDENT pro tempore. The question is upon the amendment offered by the Senator from Nevada.

Mr. REED of Pennsylvania. Mr. President, the effect of that amendment would be to prevent the correction of any errors, no matter what they were or how flagrant they were. It would mean that once a decision had been made in favor of the service man the doors of the trap had closed, and no matter how erroneous the decision was or how mistaken the Government official was that gave him his award the thing could not be corrected. I do not see any justice in it, and I hope the amendment will not be adopted.

Mr. ODDIE. Mr. President, the amendment provides that this award shall not be reversed unless new evidence is presented.

Mr. REED of Pennsylvania. Then the copy of the amendment that I have is not right.

Mr. ODDIE. It states here:

That when a disability shall have been declared to be of service origin and a compensation award thereon has been made, the same disability shall not thereafter be declared to be not of service origin upon the same evidence except in case of fraud participated in by the claimant.

The words "upon the same evidence" make that very clear in my mind.

Mr. REED of Pennsylvania. If there has been a clear mistake I do not see why they should not have a right to correct it.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from Nevada.

On a division the amendment was rejected.

Mr. ODDIE. Mr. President, on page 56, I move to strike out section 305 and substitute therefor the following:

SEC. 305. That where the Government insurance of a beneficiary has lapsed after discharge from service of such beneficiary, and where such beneficiary thereafter has received or receives compensation from the bureau for a service-connected disability and becomes, or has become, permanently and totally disabled, such insurance shall not be held to have lapsed. In such event the director is authorized and directed to pay said beneficiary, his heirs or assigns, the amount of said insurance, less the unpaid premium and interest thereon, compounded annually, at 5 per cent per annum in installments, as now provided by law.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Nevada.

Mr. REED of Pennsylvania. Mr. President, the insurance of these World War veterans is costing the United States millions of dollars a year more than the premiums paid. That amount will increase each year for about 40 years yet to come.

I want the Senate to act knowingly on this amendment and to realize its effect. It is all very well to be generous to the veterans, but by this kind of amendment you are removing all idea of contract, and you are making every insurance policy a gift to the beneficiary, whether he has kept up his premiums or has not.

This amendment means that the man who has not paid his premiums stands on the same footing as the other man who has denied himself in order to keep his policy alive. It means that the improvident man who has paid nothing gets the same as the thrifty man who has paid his premiums every month. If there is to be any recognition of care and thrift on the part of these men, if they are not to be penalized for thriftiness in paying these monthly premiums, I think this amendment ought not to be adopted. It just throws the Treasury wide open to any man who ever did have a policy.

Mr. ODDIE. Mr. President, a well man now can have his insurance reinstated by paying two months' premiums; and if the law stands as it is proposed, the disabled man will be penalized.

Mr. DILL. Mr. President, if the Senator will yield, Is this an amendment that proposes that the disabled man shall have the amount of his unpaid premiums deducted from his insurance if he begins to pay now?

Mr. ODDIE. I did not understand the Senator's question.

Mr. DILL. An amendment has been proposed that the policies that have lapsed shall be revived, but that the Government shall withhold from the beneficiaries the amount of the unpaid premiums. Is that what this amendment does?

Mr. ODDIE. Yes.

Mr. REED of Pennsylvania. No, Mr. President, if I understand this amendment, here is the way it will work:

The Senate has just said, by its decision on the amendment offered by the Senator from Washington [Mr. DILL] that the presumptive period for tuberculosis or insanity is extended five years from discharge. That means that if a man who was discharged July 1, 1919, about the average date, begins to spit blood next month, in June of this year, then not only do we say that he is conclusively presumed to have caught tuberculosis in the service five years ago, but in addition to all the compensation he is to get—$100 a month, and we have just said that, properly enough, on the amendment of the Senator from Ari-

zona—we say to him: "The policy of insurance that you deliberately allowed to lapse five years ago is now revived without your paying one cent, and you get total permanent disability allowances under that policy that has been dead five years."

Mr. DILL. The question I asked was whether the amount of the unpaid premiums would be deducted.

Mr. REED of Pennsylvania. No; under this amendment the policy is presumed never to have lapsed, although it has been as dead as Julius Cæsar for five years. Why, this just takes the lid off the Treasury. I do not see anything else to it.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from Nevada.

The amendment was rejected.

Mr. ODDIE. Mr. President, I offer the following amendment: On pages 54 and 55, strike out section 304 and substitute the following:

SEC. 304. In the event that all provisions of the rules and regulations other than the requirements as to the physical condition of the applicant for insurance have been complied with, an application for reinstatement of lapsed or canceled yearly renewable term insurance or application for United States Government life insurance (converted insurance) hereafter made may be approved: *Provided*, That the applicant's disability is the result of an injury or disease, or of an aggravation thereof, suffered or contracted in the active military or naval services during the World War: *Provided further*, That the applicant during his lifetime submits proof satisfactory to the director showing the service origin of the disability or aggravation thereof and that the applicant has not been rated totally and permanently disabled. As a condition, however, to the acceptance of an application for the reinstatement of lapsed or canceled yearly renewable term insurance or United States Government life insurance (converted insurance) the applicant shall be required to pay two back monthly premiums.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Nevada.

Mr. REED of Pennsylvania. Mr. President, I am sorry to say that this is another amendment of the same sort. The bill as it stands provides that at any time within one year after the date of enactment, or at any time within two years after the date of lapse, a man may come in and revive his policy. This takes away both those limitations.

Mr. President, these are grown-up men. They are not little babies. We do not have to nurse them to that extent. If we let them all come in within a year from now, or, in case of future lapse, let them come in at any time within two years after the lapse and reinstate, that is all that any sane man could possibly ask. No sensible service man would ask such a privilege as this amendment would give.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Nevada.

The amendment was rejected.

The bill was reported to the Senate as amended, and the amendments were concurred in.

Mr. ODDIE. Mr. President, the Veterans' Bureau was created to carry out the most important duty and obligation imposed on any branch of the Government—the liberal and proper care of the disabled veterans of the World War. Through the desire and intention of the people that this work be well done, Congress has appropriated over $2,000,000,000 and has passed laws designed to carry out their will in this respect. We are about to pass another law looking to an improvement and a broadening of existing laws.

The most we can do is little enough for those who were disabled in the Great War. The American people owe them a debt of gratitude which they can never repay. A sacred trust is on the shoulders of the people and of Congress to fulfill that duty liberally and honestly. The general opinion is that this has been done, but the sad truth is that it has not. It has been neglected, mismanaged, and bungled to a degree; and were the whole truth known the people of our country would go to any extreme in righting this great wrong.

The cause of the improper functioning of the Veterans' Bureau and of its predecessor, the War Risk Insurance Bureau, has been a wrong policy, improper organization and personnel, and defective administation from the start.

The result has been defective functioning, generally improper and unjust adjustments, ratings, and awards, inhuman treatment and widespread dissatisfaction and suffering in all parts of our country affecting the needs of those of the disabled ex-service men and their dependents. Besides this, large amounts of money which the people have willingly and liberally contributed to this vitally important work have been squandered and misspent. Contracts have been broken and innocent parties have been made to suffer losses unjustly.

Instead of presuming that the majority of the disabled ex-service men have been deserving and honest in their applications to the bureau for relief that is justly due them and which the American people have paid for and expect and want them to have and which it is the purpose of the bureau to furnish them, they have been presumed by the bureau to be gold-brickers or dishonest applicants and presumed to be wrong.

The influential and strongest among them have been able, in some instances, to secure what is their just due, but the weaker ones and those who lack strong political influence have been gradually worn down and allowed to suffer and die.

Does anyone believe that the American people would be guilty of countenancing such inhuman and brutal treatment if they knew it? No.

They have been kept in ignorance of the real conditions.

Mr. President, we are about to pass this bill. It has many beneficial provisions in it, but if something is not done to clean up the Veterans' Bureau, this proposed law and all that could be passed will be futile.

The members of the committee investigating the Veterans' Bureau, of which I am a member, have been very busy on this work since last spring. They have worked untiringly. My colleagues, the Senator from Pennsylvania [Mr. REED] and the Senator from Massachusetts [Mr. WALSH], have also been especially interested, and have specialized and worked particularly hard on this legislation. They have handled many difficult phases of this work and should be commended for the splendid work they have done.

I have been handling one feature of the work which is exceedingly disagreeable and unpleasant; that is, in regard to the personnel, and the operation and management of the bureau itself. I have studied this question tirelessly for a good part of a year and I have put in a good part of my time on it. I have traveled over the western country visiting various hospitals and offices of the Veterans' Bureau, and as a member of the committee have received large numbers of letters and complaints from people all over the country, people who are responsible and worth while, and who know what they are talking about.

A great deal of the time of our committee was taken up last fall in the investigation of scandals and frauds in connection with the bureau. While that work was important, it did not touch the fundamental reason for the existence of the Veterans' Bureau; that is, the expeditious and efficient handling of the claims of the disabled and their dependents. The first and most essential step toward the accomplishment of this object is a thorough reorganization of the bureau and its personnel. I hope that will be completed; I am going to insist that it be done. This reorganization work that I suggest will not cause any delay or in any way impair or impede the necessary work of the bureau. On the contrary, it will immediately speed up the work and increase the efficiency of the bureau. I know that my colleagues are anxious that the bureau be put on the very best possible footing and basis, and that I will receive their assistance when they understand the conditions as they exist.

I contend that within that bureau there is a ring; men who have been there from the start, who were in the War Risk Insurance Bureau, who have come on down through the administration of Director Forbes, and who are now in the bureau under the direction of General Hines. My purpose is to help General Hines in the great work that is to be done. I do not want to handicap him. I want to point out to him wherein the bureau is functioning improperly and make suggestions on which he can act, and on which he should act, which will result in benefit to the bureau and to the disabled ex-service men all over the country.

Mr. EDGE. Mr. President, the bill we are now about to pass, which has provoked the Senator's words, gives the director full power to change the personnel and his assistants, as they are found to be improperly performing their duties, does it not?

Mr. ODDIE. The law now gives the director the power, but the director does not see the situation as I see it, and as it is seen by people all over the United States who have even a slight knowledge of it.

Mr. EDGE. Has the Senator proposed amendments to the pending legislation which would tend to correct the evil he is now discussing? As he puts it, the director apparently does not understand what is going on under him. How could any legislation correct an evil of that character?

Mr. ODDIE. Mr. President, no legislation can correct that. It is a matter for the director to discover himself. He must study this thing. I will say at the start that this is a matter with which politics has nothing to do and with which religion has nothing to do. Some people are trying to inject politics

and religion into this matter and that is a great crime, because no political party and no religious denomination or sect have any monopoly on a desire or intent that the Veterans' Bureau function properly. That is something all of us want brought about, but the question is as to how to do it.

It is my purpose to call attention to certain matters in connection with our hearings and existing conditions which the people should know. The morale is low. It is exceedingly low because these men to whom I have referred have been dictating and tyrannizing there from the start. The policy of the bureau and its functioning are wrong, and we know it.

Mr. President, there is a board of appeals in the central bureau which in January handled somewhere between 5,000 and 6,000 cases. That means that one case was handled by the board every two minutes. Many of those cases involved a vast amount of testimony, great, high piles of papers and reports and statistics, and it is a physical impossibility for them to be handled in as short a time as that. This, of course, means that the cases are not getting just and fair treatment. The director does not know what is going on inside of the bureau as he should, because those composing the ring will not let the necessary information come to him.

Our committee employed a very able New York attorney to act as counsel. He did not know or suspect at the time the existence of this ring which was dictating the policy and the direction of the bureau. In order that the matter might be studied carefully, the counsel prepared a long series of questions looking to the examination of the operations of the bureau. He gave that list of questions to the director of the bureau five months in advance of the investigation that was to be made of the bureau of which the director was the head. Therefore, the director had five months to prepare his answers. He called the heads of the various departments composing the ring to assist him in this work. The result was that when the hearings came he had there before him prepared in advance the answers of the ring to the questions of counsel. In my opinion that part of the investigation for that reason fell far short of what it should have been, because it was not an independent and unbiased investigation, as we intended it should be.

Later on our counsel discovered that there was a ring in the bureau. He called the attention of the director to that fact, and I have his letter to that effect, saying that there was a ring there which was preventing the proper functioning and operation of the bureau, and that he had so informed the director.

I ask that the letter from General O'Ryan to General Hines, of May 3 last, to which I have referred, containing the questions, be inserted in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter referred to is as follows:

49 LAFAYETTE STREET,
New York City, May 3, 1923.

Brig. Gen. FRANK T. HINES,
Director United States Veterans' Bureau,
Washington, D. C.

MY DEAR GENERAL HINES: I plan in some of the earlier public hearings of the Senate committee to present to the public in as concise a manner as possible some of the more important problems and policies of the Veterans' Bureau. This, I think, will give you an opportunity to secure publicity in aid of the policies which must have public support if they are to be made effective by congressional action. To do this intelligently and effectively some preparation is needed.

I have in mind to have you on the stand as among the first of the witnesses to be called in order that you may be prepared to answer questions and to present matters which should have the attention of the committee or needed publicity. It might be well at this time and in preparation for the giving of your testimony to prepare the matter to be covered. I shall therefore outline to you in this memorandum some of the matters which I think should be covered, so that you may be prepared to answer them adequately. At the same time I think it would be well for you to prepare a statement regarding matters which may not be covered by my questions, but which you would wish to cover. Your memoranda so prepared, when received by me, will doubtless suggest to me other phases to be covered by your testimony, and so you may receive from me supplementary inquiries. Out of this exchange of memoranda we should be able to prepare a paper covering your proposed testimony, which I can use as a guide in conducting your examination. In this way the conduct of your examination will not be haphazard or vague, but should make it possible to have your statement in the record constitute a concise, material, and logical exposition of conditions in the bureau as you found them, what you have done and are doing to improve those conditions, and the recommendations, if any, you may make looking to changes in the law.

The following items will be covered by my questions, and I suggest that you prepare the answers in writing as soon as convenient, giving me copy of your memorandum of answers, so that I may suggest further development of some of them, if that should seem desirable:

1. Usual introductory questions of name, residence, occupation.
2. Previous experience as executive.
3. Previous relations with, if any, or knowledge of work of Veterans' Bureau.
4. Date of taking office.
5. What preliminary survey made by you in order to estimate the job.
6. Character of survey, time taken, and conclusions.
7. Have you prepared any graph or chart showing statistically some of the conditions which obtained on the date you took over the management of the bureau? (I'd suggest that you then be prepared to produce a chart or graph showing the number of employees of the bureau on the date you took charge, classified, let us say: Legal, medical, nurses, other professional, managerial and clerical, other employees, aggregate. Same figures under similar classification shown by districts.) Modify the foregoing plan as you may deem desirable, but keep it concise. The public will only deal in generalities, and the details can be furnished by your subordinates when they testify.
8. Another table on the same graph should show the numbers of men in hospital when you took office, classified: T. B., N. P., general, aggregate. Approximate number receiving clinical treatment about the time you took office.
9. In another table the foregoing should be shown by districts.
10. The number receiving home supervision through agency or visiting nurses or doctors.
11. The number undergoing vocational training at that time.
12. A table classifying by avocations those undergoing training.
13. Same information by districts.
14. Appropriate information in the field of insurance. Number of men holding insurance of various kinds when you took office. Data about premiums and losses paid for death and disability, classified.

[NOTE: Foregoing tables are all important. The object is to avoid minutiæ, but to enable the public to visualize in a general way the conditions existing in the Veterans' Bureau in relation to the matters covered when you took charge. If possible, these tables should carry a column giving informing data in relation to estimated annual cost of these several activities. These tables will all be introduced in evidence as part of the record of the investigation.]

15. What other basic facts, other than those disclosed by the tables just offered in evidence, did you develop in your preliminary survey? (Indicate them to me in your next memorandum).
16. Necessary questions to develop your answer to last question.
17. What examination did you make of the laws governing the activities of the Veterans' Bureau?
18. Have you prepared any pamphlet or paper codifying these statutes so that one can find in a single pamphlet all the relevant provisions of law governing the conduct of the Veterans' Bureau? If so, present it. It will be offered in evidence.
19. Similar questions as to regulations of the bureau in force at the time you assumed office.
20. Did you examine the character of the organization which you found in being when you took charge?
21. Did you consider its sufficiency for the mission imposed by law upon the bureau?
22. As a result of your considerations of this subject and of the preliminary survey which you made immediately after you assumed office, please state what conclusions you reached as to the most effective manner of proceeding with your mission as director of the bureau.

[NOTE: In preparing this answer I believe it might be most logical to set forth in a concise way the intent of the law, pointing out that relief is not limited to those whose injuries or disabilities were the result of service, but is extended to all whose disabilities had their inception in service or who, having disabilities which antedated service, found such disabilities to have been aggravated by service. Make clear, in general terms at least, what you believe to be the standards in the mind of the American public which should govern relief; the standards prescribed by law, the manner in which these standards are considered by you to be unfair to the disabled or to the Government, as the case may be; the extent, if any, of departure from standards in the mind of Congress, as these may have resulted from local or departmental interpretation or practice; statistics illustrating your views.]

23. How many complaints were being received daily from veterans about the time you took office? (Complaints are to be distinguished from inquiries not involving complaint.)
24. What information did you derive from examination of these complaints and classification of them, and to what fields of the bureau's work do most of these complaints pertain? Give percentages and other informing data.
25. State your conclusions which developed as a result of your inquiry into these complaints during the first month you were in office in relation to justification for complaint; action taken by you. To

what extent were these complaints justified? Do they still continue? To what extent? Make comparison between present and time you took office, explanatory comments, etc.

26. As a result of your preliminary survey, state in the order of their importance the matters which you believed should first receive your further study or action on your part. Develop in your testimony the more important of these matters, showing what study you made, what conclusions were reached, what action was taken, what results followed. In relation to results be as specific as possible.

27. Have you prepared any graph showing the situation in relation to hospitals available throughout the country for the care of disabled veterans?

[NOTE.—Suggest you be prepared to produce a graph showing list of Veterans' Bureau hospitals, character of hospital, location, bed capacity, and number of patients in each. Similar list showing Government hospitals with similar information, and a third list giving such information in relation to contract hospitals. Additional information which occurs to you to be desirable to include should, of course, be included.]

(Right here I might ask you to make a note that in relation to all of these tables and graphs asked for, at least 40 copies will be required for the use of the committee, counsel, and advisers.)

28. Have you prepared any statement indicating the cost of the hospitals owned by the Veterans Bureau?

[NOTE.—Here introduce statement showing cost of land, date of purchase, acreage, cost of buildings, cost of equipment, and of other installation (at least estimated), present cost of maintenance per year, cost per patient, based upon number of patients at the time report is made, and the cost of maintenance plus interest on the investment.]

29. Can you state in a general way your views in relation to the psychiatric, (c) tuberculous, their availability in relation to their sufficiency for the three classes of patients; (a) general, (b) neuropsychiatric, (c) tuberculous, their availability in relation to their location, the manner in which they are administered.

30. What do you propose as a policy in relation to hospitals?

31. In the field of vocational training, how are the trainees classified? Explain.

32. How many men are at present undergoing training in each class?

33. Have you prepared any graph or chart showing the situation in relation to vocational training as it exists now?

[NOTE.—Be prepared to produce (with 40 copies for the use of the committee) chart or graph showing Government schools, contract schools, and other schools, cost data, maintenance data, work carried on, etc.]

34. The field of dentistry will be covered by appropriate questions. You might get data together and let me have a tentative memorandum of your own views. I will prepare some data from this end and from the two the subject can be adequately developed.

35. What abuses did you find to exist since assuming office?

[NOTE.—List and develop in detail matters to be covered, indicating action taken and results.]

Your examination would logically conclude with your recommendations concerning legislation and policies, and perhaps an outline of the more imperative problems, your testimony to be followed in much greater detail by those in immediate charge of the department of the bureau.

The foregoing has been dictated at odd times, and you will find it somewhat disconnected. Its purpose, however, is to acquaint you well in advance with the general tenor of your examination so that you may have time to prepare it in order that the record may show a logical development of the subject, with accurate statements, illuminating information, and definite conclusions and recommendations. After several exchanges of memoranda your tentative examination should be in quite satisfactory shape.

Very truly yours,

JOHN F. O'RYAN, *Counsel.*

Mr. ODDIE. Later on he made his report to the committee, a very voluminous report, in which he said:

On the other hand, it can be said almost with certainty that he will not succeed unless he dispenses with the services of a substantial number of the men whom he inherited from his predecessor, and who are holding important offices and acting as his assistants. The interests of these individuals must give way to the public interest, and the public interest demands that these positions be filled by men of the highest character and capacity, whose sole interest is the efficient execution of the mission of the bureau. Many circumstances show that a considerable number of those holding these important positions are banded together in their own self-interest, and that they are not to be depended upon faithfully and effectively to carry out the policies of the director when these policies seem to be opposed to their common interests. Making due allowance for a reasonable and proper caution on the part of General Hines in relation to the inauguration of changes along the lines indicated, I believe, nevertheless, that he has been lacking in vigorous and effective action as regards this group.

Later on he gave this group a very severe criticism. On page 56 of his report he said:

It became clear during the nine months of the investigation that a "ring" exists in the central office which largely determines the policies of the bureau. The bureau's activities are so numerous and widespread that the director is forced to depend upon a staff of assistants to execute his general policies and orders. The members of this staff constitute the group who have access to the director. Circumstances bar the admission of others to the director's councils, except under rare conditions. No matter how personally efficient and well intentioned the director may be, the reforms so much needed will fail to materialize unless their development and application are intrusted to assistants of integrity and capacity who are loyal to the director and his policies and who have no personal interests to serve.

Then he stated in his recommendations:

That the director, for the good of the service, secure the resignation of most of his assistants at central office whom he found there when he assumed his duties as director, and by the offer of adequate salaries, which he has the power to provide, and as well by the opportunity thus offered to render a real service to the Government and to the disabled, to secure for such positions men of outstanding ability and integrity.

Mr. EDGE. May I ask the Senator another question without interrupting his argument?

Mr. ODDIE. Certainly.

Mr. EDGE. As the result of those recommendations and criticisms have there been any noticeable separations from the service of the men in rather high executive positions under the director? Has there been any considerable change in the personnel?

Mr. ODDIE. Mr. President, several have been shifted to other positions, but the principal ones have had their salaries most substantially raised from one to three times since our investigation and are still there.

I call attention to a single instance showing their inefficiency, and there were many. During our hearings the question of the Veterans' Bureau supplies at the supply depot at Perryville, Md., was under investigation. This ring in the bureau knew exactly what was going on in regard to this and other transactions and directed the policy to be followed. The men who did these things I am about to mention are not only still in the bureau but have been promoted in position and salary. In one case a great quantity of material was sold at a fraction of its cost, and at the same time the bureau was buying similar material to take the place of that sold at a greatly increased cost.

Mr. CARAWAY. May I interrupt the Senator a moment?

Mr. ODDIE. Certainly.

Mr. CARAWAY. I spoke of this the other day. Just as an evidence of the intelligent functioning of the bureau, a young man down in my State by the name of Matthews had a claim pending here before the board of appeals for four months, or nearly that. Last week I got a letter from Mulhearn, the assistant, who said that the case was awaiting a report from The Adjutant General, and that as soon as that could be had, the case would be disposed of. The man's service had been in the Navy, and every paper filed had on it, "James L. Matthews, apprentice seaman, United States Navy." Yet he was waiting until The Adjutant General of the Army should report on the case.

That is just a fair example of the intelligent administration of the affairs of the bureau. I have several other cases of a similar nature that I hope to put before the Senate during the week.

Mr. ODDIE. In regard to the supplies at Perryville, I will state further that there were 85,280 sheets sold. Seventy-two thousand of them were sold at 16 cents apiece and the balance at 6 cents. The 72,000 were new sheets. It was estimated that they were worth considerably over $1 apiece, but they were sold at 16 cents apiece. At the same time the bureau bought 25,000 sheets for $1.03½ apiece, and yet those sheets, 72,000 of them in number, were going out at 16 cents. The sheets were needed in the hospitals for disabled veterans throughout the country.

President Harding's attention was called to the fact, and he ordered the shipments stopped. Through the machination of those men in the bureau the shipments were continued until they were again ordered stopped. One of the officers in the bureau sent word to President Harding that this was going on and protested against it. The result was this man was punished by being thrown out on the streets. He has been in the street ever since, trying to get employment. He is a most excellent man and has a family to support. When certain men

in the bureau have seen that man in my presence and have seen other employees of the bureau in my presence, they have been condemned and threatened with discharge.

Mr. President, this is a case of tyranny. The men who have done these things are still in power in the bureau. The American people owe a debt of gratitude to the ex-service men. Theirs is a sacred trust, but while this ring is continued in the bureau that trust can not be carried out.

Mr. DALE. Mr. President——

Mr. ODDIE. I yield to the Senator from Vermont.

Mr. DALE. Is there not a regulation in the bureau prohibiting any employee in the bureau from consulting with a Senator or with any Member of the House on any of these matters?

Mr. ODDIE. I understood recently that such a ruling had been made.

Mr. DALE. But there is a regulation of the bureau, printed and published.

Mr. ODDIE. I will ask the Senator if that has not been done since this investigation started and since I have made my charges against the ring in the bureau?

Mr. DALE. I do not know when it was done, but I know it existed some six or eight weeks ago, because I have a copy of it.

Mr. ODDIE. The employee whom I mentioned a little while ago and who was discharged, did not see me until some time after his discharge. I have another case of a young man who is now in Arizona suffering from tuberculosis, who sent to his Senator a protest against the improper treatment he had received. I believe it was the Senator from Mississippi [Mr. HARRISON]. That Senator sent the report to the bureau. The bureau found this man had dared to make complaint, and they cut his compensation off completely. Later it was restored only through the insistence of the Senator from Mississippi. That is a tyranny that the American people will not allow to continue.

One of the examiners in the bureau made this statement, giving a brief outline of conditions and the way claims are handled:

> Upon his appointment as an examiner several years ago he was given to understand that claims were not to be disallowed until every effort had been made to the end that the claimant might establish his right to compensation. But he soon found that was only the theory under which everyone thought the bureau would operate. As a matter of fact it was not practical then and is not practical now, and perhaps it never will be humanly possible, to handle each case with the care, thought, and attention it deserves, until the burden on the shoulders of the examiners is lightened.
>
> Claims examiners are supposed to be professional men, but the manner in which they are forced to proceed in the adjudication of claims is a sorry travesty on the word. Every man has from two to three times as many claims assigned to him daily as he can possibly handle in justice to the claimant and the bureau. The very atmosphere seems to be charged with an urge for speed and still more speed in handling the cases, until the men, becoming discouraged under the burden, find it necessary to take all manner of short cuts which, unfortunately, are often at variance with the facts in the files. This is merely because it is the examiners who disallow the claims.

Mr. President, the Department of Justice has in the last few months been examining into several of the cases which I have mentioned in regard to the selling of materials and supplies and the building of hospitals. The Government saw fit to start proceedings in these matters, but the men who know all about those things and without whose active assistance they could not have occurred are still in the bureau in the principal positions.

I have a letter from a disabled man in Vicksburg, Miss., which I will ask to have placed in the RECORD. I will not ask to have it read at this time, because of the lateness of the hour.

The PRESIDENT pro tempore. Without objection it is so ordered.

The letter is as follows:

THE AMERICAN LEGION ALLEIN POST No. 3,
Vicksburg, Miss., April 19, 1924.

DAVID A. REED, Esq., *Chairman*,
TASKER L. ODDIE, Esq., and DAVID I WALSH, Esq.,
United States Senate, Select Committee on the Investigation of the Veterans' Bureau, Washington, D. C.

GENTLEMEN: The writer, a permanently and totally disabled ex-officer of the Army in the World War, respectfully petitions your honorable committee to hear and give heed to this, his complaint, of treatment at the hands of the United States Veterans' Bureau under both Directors Forbes and Hines.

Discharged from the Army, captain, Quartermaster Corps, May 25, 1921, after seven months' hospitalization for chronic nephritis, after a decision by the Army medical board that I was incurable, and with a recommendation for 25 per cent permanent disability, the United States Veterans' Bureau during the latter part of that year decided that I was 15 per cent temporarily disabled, but that I was nonfeasible for training. They told me I was unable to attend a school, but to take $15 per month and go starve. My wife did the working—I was absolutely unable to do anything—and we did not starve. After 10 months' careful nursing I had improved somewhat and was told by Col. Dallas B. Smith, manager district 6 at New Orleans, to stand a civil-service examination and he would place me with the United States Veterans' Bureau. I stood the examination, went to work for the subdistrict office at Lafayette, La., worked five months, and then was offered my present position, where a civil engineer is needed. I have been here ever since.

Early in July, 1922, I was examined at New Orleans and rerated—30 per cent that time and the nonfeasibility for training removed. In other words, though my disability had doubled, the ability to go to school had been restored. Curious anomaly!

In January, 1923, I was again examined and given a temporary disability of 100 per cent. This continued 10 months, when notice was received that my disability rating had been changed to 50 per cent. I argued the matter, took it to the district appeal board, was turned down, except that the 50 per cent award of temporary was changed to 50 per cent permanent. I again argued, made showing of serious progress of my disease and the matter was reconsidered and I was given 100 per cent temporary from date of discharge, same to continue indefinitely. On account of the retroactive feature of the award, it had to be confirmed by the central office board of appeals. The papers were submitted on November 8, 1923, with request from district manager for quick action, and decision handed down on November 21, 1923, 13 days.

The central office board decided that 50 per cent from date of discharge was enough, and that 50 per cent temporary for the future was also enough. It is not yet understood just how they reached a decision, since the district board and its physicians had examined me, had me under observation for a year and one-half up to that time, and intimately knew the facts. Their word, their actual knowledge, gained by personal contact, cut only half the figure, so they arbitrarily decided without grounds.

Not thinking I had received justice, I appealed to President Coolidge, my case being handled by Secretary Slemp. General Hines advised that I could appeal direct to him, and the appeal was submitted December 14, 1923.

Assistant Director Mulhearn has handled the case so far, as I am informed, and General Hines, until March 31, 1924, had never seen it, notwithstanding his personal assurance that he would give it his personal attention. I must say, however, I do not believe it was ever allowed to reach him until I wrote a personal letter, sending it by special delivery to General Hines at his residence on March 29, 1924.

On March 31, 1924, General Hines wrote me a letter which I copy here, to wit:

> "I have your letter of March 29 relative to your claim for compensation, C-845389, and wish to advise that I have ordered your case brought to my personal attention for further review and consideration. You will be further advised concerning it at the earliest practicable date."

I have heard nothing since, except as below.

Secretary to the President Slemp inclosed to me a few days later the attached copy of a letter to him supposed to be signed by General Hines, in which he gave an entirely different version to the assurance given me. I do not believe General Hines in that letter did anything but "sign on the dotted line."

Attention is directed to the fact that notwithstanding new evidence, sworn to by the designated physician of the United States Veterans' Bureau here, and several other affidavits by others who had aided my wife when I had succumbed to uremic poison, and the report of the oculist of the district office, who had examined me carefully and noted the structural physical changes in my eyes, which changes indicate positively early dissolution, the former findings of the central office board of appeals was concurred in.

All this convinces me that justice does not prevail in the central office in Washington. Weigh the facts, gentlemen; you have them and they can easily be verified; weigh my statements, I beseech you, and give the disabled some legislation that will not subject us to this damnable injustice.

Look at the promptness in the first case—less than two weeks—then look at the three and one-half months in the second; compare them and reach your own conclusion.

I have been driven to seek the aid of the United States courts, therefore nothing you can do will benefit me; but for the sake of the suffering ones whose cases are pending, do something for them.

Clean out that damnable bureau; either that or say it can not be done. Acknowledge yourselves impotent. Were I in physical condition I would take "the war path" and die in the effort to save my buddies, or else save them.

My position here with the city of Vicksburg, as engineer and manager of its water supply system, is a sinecure. I am physically unable to perform the duties, yet the board of mayor and aldermen have said to me: "You have served so well in the Army at a critical time, given of your time and talent when needed. Do the best you can. We will keep you on the pay roll until the end."

Gentlemen, it is fine to have friends. It is hell to have a country when that country is represented by the personnel of the United States Veterans' Bureau at Washington.

I am a civil engineer by profession, earning from $400 to $700 per month when I entered the service in 1918, at the age of 47. I went because the only son I had old enough to go was rejected because of a blind right eye. It was a hell of a move on my part.

Respectfully,

MAGNUS L. WORRELL (C-845389),
Post-office box 477, Vicksburg, Miss.

Mr. ODDIE. I have large numbers of letters of this kind from all sections of the country. This one is just a cross-section of the conditions of the disabled ex-service men throughout the whole country and of their attitude. The letters have come from every nook and corner of the United States. It can be said with practical certainty that wherever men have dealt with the Veterans' Bureau their efforts have been ignored or treated with contempt.

Mr. DILL. Mr. President, will the Senator yield?

Mr. ODDIE. Certainly.

Mr. DILL. Wherein does the Senator think the bill falls short of taking care of the men as he would have them taken care of?

Mr. ODDIE. I am not criticizing the bill now particularly. There are several items which I would like to have changed, but I think the bill will afford considerable relief. I would like to have seen several amendments adopted that were rejected, but I think it will bring about a decided improvement over present conditions. I am calling specific attention to the maladministration of the bureau, due to improper organization and improper personnel in the principal positions.

Mr. McKELLAR. Did the Senator call the attention of the director of the bureau to these matters, and especially to the cases of the men who the Senator said ought to be put out of the bureau?

Mr. ODDIE. I have called the attention of the director to the men whom I think should be ousted, but the director believes they are all right, and claims an inability to see anything wrong with them, so far as I gather from him. He has been in there 14 months and the ring is still there. The President of the United States is anxious to have the bureau function to the highest degree, but he is advised by the director and the director is advised and dictated to by this ring.

The only thing to do is to have a thorough reorganization. I have a plan ready to present, approved by those thoroughly qualified to advise on matters of organization, which contemplates and provides for a complete reorganization of the bureau. I do not believe in making criticism without substantial constructive suggestions to take the place of the things of which I complain. If the bureau could be handled in an efficient and practical manner as other governmental departments are handled, the American people would see the disabled ex-service men properly cared for and a large saving of money made besides.

Mr. EDGE. Was the plan which the Senator suggests as having in mind considered by the committee of which he is a member in connection with the preparation of the bill?

Mr. ODDIE. I have not had an opportunity to present it to the committee as yet. I am satisfied, however, that when the committee sees the plan it will be glad to cooperate in putting it into effect.

Mr. EDGE. Then the passage of the bill would in no way interfere with the consideration of the Senator's plan?

Mr. ODDIE. Oh, no. The work I have been doing is along different lines than the work other members of the committee have been doing. They have been working hard and earnestly in this matter of preparing legislation. I have taken up the question of personnel and organization, which is a difficult, disagreeable one, because it deals with the human problem.

I hope the bill will be passed. It will bring some relief, but it will not bring the relief that should be brought. All the laws in the world will not bring relief while the men who are still dictating the policies of the bureau believe in conducting the bureau in a manner which is at variance with the interests of the disabled men. The disabled men have been treated in an inhuman and brutal manner in many cases, and in an unjust manner. I hope the American people will understand the real conditions and know that we are trying to improve them and that the improvement can only come when the clean-up I have suggested is made.

Mr. CARAWAY. Mr. President, I presume my own experience is that of other Members of the Senate. Half or more of the letters that come to my office come from ex-service men who are trying to get some kind of relief from the Veterans' Bureau. One clerk in my office does nothing else but look after those letters. Many of them complain that they can get no kind of reply at all to letters addressed to the bureau, and if they do get a reply, it is almost a printed form. If the bureau would function, if they would attempt intelligently to discharge the functions of the bureau, if they cared to do it, they would lighten the work, I presume, in the office of every Senator at least one-half. There is no reason why everyone of us should put in a great deal of our time trying to get the bureau to do those things for which it was created.

I think, without knowing anything about the personnel, because I do not have any personal acquaintance with any of them, that if the bureau were reorganized so that it would have a sense of responsibility, the ex-service men could at least have their cases determined without the intervention of Senators. As it is, I understand an order was issued that they were to pay no attention to what they were pleased to call political influence, but I dare say there is not a Senator on the floor who has not taken up a majority of the cases in his State in order that they may even get some kind of response to the cases as they are filed in the bureau.

I have never in my life come in contact with such an inefficient bureau as the Veterans' Bureau seems to be. If there is any desire—and I seriously question that there is a desire upon the part of some of them down there—to do the things which they were created to do, there is certainly a lack of capacity.

Referring again to the case to which I called the attention of the Senator from Nevada [Mr. ODDIE] a few moments ago, here was a man's case pending for months with one excuse or another delaying him. He is either entitled to compensation or he is not. Finally the assistant in charge of insurance claims informed me by letter that if The Adjutant General would respond to his request, then they would hasten the determination of the case. They could have asked the negro porter who runs the elevator and ascertained that they should not apply to The Adjutant General for a report on a man who served in the Navy. That case does not stand alone. It is just an example of either a lack of efficiency or a lack of desire to do what the bureau was created to do.

I know that whoever wrote the letters touching that case could not have picked up the file in the case and made such an ass of himself. Therefore I know that the request for a hearing was answered without any reference to the status of the case, just merely to put me off by saying, "As soon as we can do so-and-so we will look into the case." They could not have picked up the file. There is not a clerk down there so dumb that he could have looked at the file in that case and not have known that the answer was not responsive as to the necessities of the case.

I feel like everybody else feels about it. I feel that the Veterans' Bureau ought to be abolished and its functions transferred to some other bureau, or else they ought to have some kind of a desire to serve and make some little attempt to do it.

From now on I am going to put these cases in the RECORD, one or two of them every week, until something is done. There is a court to which all bureaus must respond, and that is the court of public opinion. They can not clothe themselves with their little brief authority and deny some kind of substantial justice to the soldiers, and they need not expect to do it. I am going to keep putting the cases in the RECORD until they shame the most ignorant and hard-hearted down there, until he will protect himself by doing something for the men whose cases come under his supervision.

Mr. DILL. Mr. President, I want to ask the Senator from Nevada a question. The Senator stated awhile ago that the bureau would never be efficient and would never serve the needs of the ex-service men as long as this little ring he speaks of is in control. I wonder if the Senator would amplify that statement by telling us who the individuals are in the ring about which he spoke. We would like to know who is inefficient, in his judgment.

Mr. ODDIE. I will answer that by saying that, in my opinion, every assistant director should be dropped from the bureau and that all of these positions should be abolished. I have nothing personal against any of these men. If the bu-

reau were properly organized, these positions of assistant directors would have no place.

Mr. DILL. How many of them are there?

Mr. ODDIE. There are six. The positions should be abolished and the men now occupying them should not be, as heretofore, shifted to other positions within the bureau. There is a policy in the bureau now of taking a man from one position when he is not satisfactory and of shifting him to another, but until he is completely separated from the service his influence will remain.

Mr. DILL. That would remove from the department all of the present officials between the director and the subordinaes?

Mr. ODDIE. Yes.

Mr. DILL. And put new officials in their places?

Mr. ODDIE. Yes. I contend that there are plenty of men right in the ranks in the bureau, several layers down, who can carry on the work just as well and much better than it is being carried on to-day under the assistant directors; so it is not necessary to go outside for new men. Furthermore, these men should be encouraged by a system of promotion, because they are the ones who are actually doing the essential work of the bureau now.

Mr. President, among the assistant directors whom I mention are some who were carried over from the War Risk Bureau and some who have been put on recently. I contend that the positions should be abolished. There is one man to whom I have reference who was one of the assistants to our council. His very position as an investigator renders him unable to function as an official of the bureau in the position he now occupies. With the proper organization, the positions of assistant director will be unnecessary.

Mr. President, I hold in my hand a resolution which I propose to submit to the committee when they meet, which I think will cover the matter very thoroughly. The resolution reads:

Whereas the United States Veterans' Bureau, because of a lack of proper policies, is not efficiently functioning; and

Whereas said bureau and its principal predecessor, the Bureau of War Risk Insurance, have not in the past efficiently functioned for the same reason; and

Whereas the responsibility for the formulation and execution of proper policies for said bureau is lodged in most of the principal officers and persons now in executive and so-called key positions, who have occupied the same or similar positions in said Veterans' and War Risk Bureaus since their establishment; and

Whereas the lack of proper policies and administrative mismanagement in said bureau have caused great suffering to the disabled veterans of the World War and their dependents; and

Whereas said lack of proper policies and administrative mismanagement have resulted in said veterans and their dependents being deprived in large measure of the benefits and assistance which the people of the United States, through the Congress, have intended and provided; and

Whereas additional legislation will not secure for said veterans and their dependents said benefits and assistance in full measure until said bureau shall function efficiently:

Resolved by the Senate Committee on the Investigation of the Veterans' Bureau, That said bureau can be made to function efficiently only by—

(a) Changing its policies and reorganizing its several divisions, sections, and units conformably to the general plan of proven efficiency now in operation in the existing executive departments of the Federal Government.

(b) Abolishing all unnecessary positions, particularly those of the present six assistant directors.

(c) Separating from the service said assistant directors and executives and those principal officers and persons now in so-called key positions who have occupied the same or similar positions in said Veterans' and War Risk Insurance Bureaus.

(d) Improving the morale and encouraging such officers and employees of demonstrated efficiency as may be retained, by promotions to such vacancies as may be created by said reorganization, there being a sufficient number of said officers and employees now in said bureau for this purpose.

(e) Conferences between the director of said bureau and this committee for the purpose of guiding said director in the proper course to be followed by him in a detailed working out of further necessary changes in organization and personnel.

The PRESIDENT pro tempore. The bill is in the Senate and is still open to amendment.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 25 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, May 6, 1924, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 5, 1924

PROMOTIONS IN THE REGULAR ARMY

To be major

Capt. Henry Benton Sayler, Ordnance Department, from April 27, 1924.

To be captain

First Lieut. William Ward Wise, Chemical Warfare Service, from April 27, 1924.

To be first lieutenants

Second Lieut. Christian Hildebrand, Infantry, from April 22, 1924.

Second Lieut. Joseph Holleman Warren, Infantry, from April 24, 1924.

Second Lieut. Edgar Mortimer Gregory, Coast Artillery Corps, from April 26, 1924.

Second Lieut. John David Frederick, Infantry, from April 27, 1924.

Second Lieut. Richard Ray Coursey, Infantry, from April 27, 1924.

MEDICAL ADMINISTRATIVE CORPS

To be first lieutenant

Second Lieut. Horace Joseph Caterer, Medical Administrative Corps, from April 30, 1924.

CHAPLAINS

To be chaplain with the rank of major

Chaplain Louis Augustus Carter, United States Army, from April 29, 1924.

APPOINTMENT IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenant

First Lieut. James Alexander Smart, Medical Officers' Reserve Corps, with rank from April 25, 1924.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

ORDNANCE DEPARTMENT

First Lieut. William Wayne Murphey, Coast Artillery Corps (detailed in Ordnance Department), with rank from August 1, 1919.

POSTMASTERS

CALIFORNIA

Alfred Gourdier to be postmaster at Torrance, Calif., in place of Alfred Gourdier. Incumbent's commission expires May 10, 1924.

Felix B. La Crosse to be postmaster at Half Moon Bay, Calif., in place of G. A. Debenedetti. Incumbent's commission expires May 10, 1924.

Charles H. Coffey, jr., to be postmaster at Gonzales, Calif., in place of C. H. Coffey, jr. Incumbent's commission expires May 10, 1924.

COLORADO

Erman D. Acton to be postmaster at Oak Creek, Colo., in place of E. D. Acton. Incumbent's commission expires May 11, 1924.

John C. Kessenger to be postmaster at Limon, Colo., in place of W. H. Bloom. Incumbent's commission expired February 18, 1924.

Thomas F. Beck to be postmaster at Aspen, Colo., in place of C. L. Grover. Incumbent's commission expires May 11, 1924.

ILLINOIS

Louis W. Richter to be postmaster at Melrose Park, Ill., in place of L. W. Richter. Incumbent's commission expired March 9, 1924.

IOWA

Perry D. Burke to be postmaster at Gladbrook, Iowa, in place of H. A. Crawford. Incumbent's commission expired March 22, 1924.

Calvin C. Knoll to be postmaster at Gilmore City, Iowa, in place of C. C. Knoll. Incumbent's commission expired March 22, 1924.

James W. Duckett to be postmaster at Corwith, Iowa, in place of J. W. Duckett. Incumbent's commission expired March 22, 1924.

William E. Clayman to be postmaster at Conrad, Iowa, in place of J. S. Hanna. Incumbent's commission expired March 22, 1924.

Charles H. Cookinham to be postmaster at Ayrshire, Iowa, in place of C. H. Cookinham. Incumbent's commission expired March 22, 1924.

KENTUCKY

J. Whit Wingo to be postmaster at Lynnville, Ky., in place of V. R. Tibbs. Office became third class July 1, 1923.

Nannie J. Wathen to be postmaster at Irvington, Ky., in place of W. G. Bandy, resigned.

Annie M. Thomas to be postmaster at Cadiz, Ky., in place of W. T. Tooke, resigned.

Edna W. Morin to be postmaster at Alexandria, Ky., in place of W. W. Neale. Office became third class October 1, 1923.

Thomas B. Rhoades to be postmaster at Sturgis, Ky., in place of O. C. Quirey. Incumbent's commission expired August 20, 1923.

Henry C. Hurst to be postmaster at Jackson, Ky., in place of H. C. Hurst. Incumbent's commission expired February 11, 1924.

John M. Burkholder to be postmaster at Crofton, Ky., in place of J. H. Myers. Incumbent's commission expired February 11, 1924.

Bryant H. Givens to be postmaster at Caneyville, Ky., in place of Owen Daugherty. Incumbent's commission expired February 20, 1924.

Herbert E. Brown to be postmaster at Brandenburg, Ky., in place of Allie Reid. Incumbent's commission expired August 20, 1923.

MARYLAND

Louis H. Wise to be postmaster at Mechanicsville, Md., in place of H. R. Guyther. Office became third class October 1, 1923.

John F. Mansfield to be postmaster at St. Michaels, Md., in place of A. H. Radcliffe. Incumbent's commission expired February 24, 1924.

MONTANA

Claude C. Alexander to be postmaster at Stanford, Mont., in place of C. C. Alexander. Incumbent's commission expires May 10, 1924.

Hugh C. Walker to be postmaster at Poplar, Mont., in place of W. J. Hubbell. Incumbent's commission expires May 10, 1924.

Robert T. Richardson to be postmaster at Missoula, Mont., in place of J. W. Lister. Incumbent's commission expires May 10, 1924.

Avory W. Dehnert to be postmaster at Denton, Mont., in place of A. W. Dehnert. Incumbent's commission expires May 10, 1924.

George C. Core to be postmaster at Choteau, Mont., in place of G. C. Core. Incumbent's commission expires May 10, 1924.

Charles W. Allison to be postmaster at Bainville, Mont., in place of C. W. Allison. Incumbent's commission expires May 10, 1924.

NEBRASKA

Louis A. Rice to be postmaster at Wilsonville, Nebr., in place of G. E. Gilpin. Incumbent's commission expires May 11, 1924.

Leah P. Rice to be postmaster at Harrison, Nebr., in place of L. P. Rice. Incumbent's commission expires May 11, 1924.

NEW JERSEY

Ida H. Collom to be postmaster at Pemberton, N. J., in place of I. H. Collom. Incumbent's commission expires May 10, 1924.

George Coleman to be postmaster at Delanco, N. J., in place of George Coleman. Incumbent's commission expires May 10, 1924.

NORTH CAROLINA

William B. Ward to be postmaster at Concord, N. C., in place of J. L. Miller. Incumbent's commission expired January 26, 1924.

OHIO

Don B. Stanley to be postmaster at Lowell, Ohio, in place of D. B. Stanley. Incumbent's commission expires May 10, 1924.

Ervin J. Ostermyer to be postmaster at Chatfield, Ohio, in place of E. M. Loyer. Incumbent's commission expired February 24, 1924.

Melroy C. Johns to be postmaster at Caldwell, Ohio, in place of W. J. Schafer. Incumbent's commission expired February 24, 1924.

OKLAHOMA

Henry F. Harwell to be postmaster at Bryant, Okla., in place of H. F. Harwell. Office became third class April 1, 1923.

OREGON

Olof O. Follo to be postmaster at Westport, Oreg., in place of W. C. Holland, resigned.

PENNSYLVANIA

Laura C. Ehler to be postmaster at Shippensville, Pa., in place of L. C. Ehler. Incumbent's commission expires May 11, 1924.

TENNESSEE

Alvin L. Henderson to be postmaster at Tracy City, Tenn., in place of J. A. Byrd. Incumbent's commission expired April 28, 1924.

TEXAS

Raymond G. Hirth to be postmaster at San Juan, Tex., in place of N. L. Tandy. Incumbent's commission expired April 5, 1924.

VIRGINIA

Charles C. Peery to be postmaster at North Tazewell, Va., in place of F. H. Forbes, declined.

WEST VIRGINIA

Gertrude Smith to be postmaster at Oak Hill, W. Va., in place of W. O. Nichols, declined.

Lawrence Barrackman to be postmaster at Barrackville, W. Va., in place of Jesse Bird. Office became third class January 1, 1924.

WYOMING

Bert Williams (Mrs.) to be postmaster at Cumberland, Wyo., in place of David Miller, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 5, 1924

UNITED STATES DISTRICT JUDGE

Benjamin C. Dawkins, to be United States district judge, western district of Louisiana.

COAST GUARD

To be captains

George C. Carmine.
Detlef F. A. de Otte.

To be commanders

William J. Wheeler.	Benjamin L. Brockway.
Eugene Blake, jr.	John Boedeker.
Philip H. Scott.	William H. Munter.
James F. Hottel.	Philip W. Lauriat.
Harold D. Hinckley.	Leon C. Covell.

To be lieutenant commanders

William K. Scammell.	Frank J. Gorman.
Russell L. Lucas.	Gordon W. MacLane.
Stephen S. Yeandle.	Robert Donohue.
Frederick A. Zeusler.	Earl G. Rose.
Thomas S. Klinger.	Loyd V. Kielhorn.
Henry G. Hemingway.	Edward H. Smith.
Jeremiah A. Starr.	Elmer F. Stone.
Joseph E. Stika.	Carl C. von Paulsen.
Floyd J. Sexton.	Fletcher W. Brown.
Clement J. Todd.	John E. Whitbeck.
Gustavus U. Stewart.	Henry Coyle.
Joseph F. Farley.	Frederick J. Birkett.
Carl H. Abel.	

To be commanders (engineering)

Albert C. Norman.	John B. Turner.
Theodore G. Lewton.	Charles A. Wheeler.
Christopher G. Porcher.	

To be lieutenant commanders (engineering)

Charles J. Odend'hal.	Ellis Reed-Hill.
Henry C. Roach.	Mayson W. Torbet.
Clinton P. Kendall.	Gustavus R. O'Connor.
Herbert N. Perham.	Walter M. Troll.
Benjamin C. Thorn.	Charles T. Henley, jr.
Milton R. Daniels.	

To be ensigns

Nathaniel B. Dyer.
Raymond V. Marron.

POSTMASTERS

COLORADO

John A. Williams, Marble.
Thomas A. Davis, Portland.

ILLINOIS

Verda M. Mullhall, Davis.
Charles E. Hartman, Mount Carroll.
John F. Shimkus, Westville.

IOWA

Charles B. Santee, Cedar Falls.
Cora M. Lamer, Goodell.
John E. Mieras, Maurice.
George McKinnis, Ollie.
Harry W. Burgess, Rose Hill.

KANSAS

Charles E. Schul, Grenola.
Alice M. McLavy, Morganville.
Elizabeth R. Bell, Towanda.

MAINE

Roy A. Evans, Kennebunk.
Lyman E. Stinson, Stonington.

MICHIGAN

Laurence C. Snyder, Blanchard.

MINNESOTA

Fred J. Page, Cusson.
Alfred M. Oss, Hitterdal.
Sam Dornfeld, Lake Elmo.

NEBRASKA

Frank Hopkirk, Ruskin.
Perry Barnett, South Sioux City.
Albert E. Pratt, Tobias.

NEW YORK

Thomas C. Richardson, Auburn.
Nellie Fredricson, Cornwall on the Hudson.
L. Frank Little, Endicott.
Clarence E. Snyder, Glenfield.
Ralph D. Sanford, Hammondsport.
Mary A. Blazina, Harrison.
Harold V. Mulford, Hopewell Junction.
Albert F. Becker, Livonia.
Harry M. Lanpher, Lowville.
John Franklin Smith, Patterson.
Austin E. Hummel, Prattsville.
George A. Hager, Watertown.
Thomas Wheatcroft, Watervliet.
Charles J. Ryemiller, West Sand Lake.

NORTH CAROLINA

Bertha E. Craver, Boonville.
Ocie O. Freeman, Gates.
Ivey M. Parker (Mr.), Hobgood.
Julia B. Greer, Moravian Falls.
Lucile L. White, Salemburg.

NORTH DAKOTA

John W. Campbell, Ryder.

OHIO

Irvin F. Sherman, Deshler.
William J. Lawrence, Syracuse.

OKLAHOMA

Samuel H. Bundy, Bethany.
J. Warren White, Hollis.
Stephen M. Gold, Indianola.
Isaac W. Linton, Jones.
Boone A. Leatherman, Rosston.

PENNSYLVANIA

Charles E. Fanning, Alba.
Isaiah M. Stauffer, Millersville.

SOUTH DAKOTA

Pius Boehm, Stephan.
Helen E. Becker, Turton.

UTAH

Andrew Adamson, jr., North Salt Lake.
Diantha Hammond, Providence.

VERMONT

Charles A. Robinson, Milton.
Sheridan P. Dow, Sheldon Springs.

WYOMING

William G. Haas, Cheyenne.
Eugene W. Gillespie, Rock River.

HOUSE OF REPRESENTATIVES

MONDAY, *May 5, 1924*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our Lord, grant us all to feel that we are truly in the presence of God, a God who careth and who has heard us before we call. Teach us to pray; help us that we may aspire unto higher heights and nobler experiences. Visit us with Thy compassion, make allowance for our frailties, and give courage to every heart before Thee. Through the hours of this day, mid labor and stir, alone and in reflection, and when in our contact with our colleagues, do Thou speak softly to our hearts. In the name of Jesus, we pray. Amen.

THE JOURNAL

The SPEAKER. The Clerk will read the Journal of the proceedings of Saturday and Sunday——

Mr. LONGWORTH. Mr. Speaker, I desire to address the Chair. In view of the importance of the business in order to-day I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Ohio makes the point of order there is no quorum present. It is clear there is no quorum present.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Edmonds	Morin	Taylor, Tenn.
Ayres	Gallivan	Morris	Tilson
Bell	Geran	Mudd	Tydings
Browne, N. J.	Greene, Mass.	Park, Ga.	Upshaw
Campbell	Hooker	Perlman	Vare
Clark, Fla.	Howard, Okla.	Ragon	Vestal
Cole, Ohio	Johnson, Tex.	Reed, W. Va.	Ward, N. C.
Connery	Johnson, W. Va.	Rogers, N. H.	Ward, N. Y.
Cummings	Kahn	Rosenbloom	Wason
Curry	Langley	Sears, Fla.	Williamson
Dallinger	Lineberger	Sears, Nebr.	Winter
Deal	Logan	Snyder	Wood
Dickstein	McKeown	Stalker	Wurzbach
Dominick	McNulty	Steagle	Zihlman
Drane	Michaelson	Sullivan	
Drewry	Morgan	Swope	

The SPEAKER. Three hundred and seventy Members have answered to their names. A quorum is present.

Mr. LONGWORTH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The Clerk will read the Journal of the proceedings of Saturday and yesterday.

The Journal of the proceedings of Saturday and yesterday was read.

Mr. JOHNSON of South Dakota. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. JOHNSON of South Dakota. I desire to submit a unanimous-consent request.

The SPEAKER. The gentleman will withhold it for a moment. The House will be in order.

Mr. JOHNSON of South Dakota. Mr. Speaker, under the new rule adopted by the House I recognize the fact that after the approval of the Journal the Howell-Barkley bill would have precedence. Before the approval of the Journal, therefore, I ask unanimous consent that I be permitted to move to suspend the rules and pass the bill H. R. 8869, a bill on the calendar from the Committee on Veterans' Legislation which contains legislation affecting the hospitalization, compensation, care, and treatment of 108,900 veterans of the late war, including 15,000 tubercular patients and 13,000 neuropsychiatric cases. The reason for desiring to submit that request at the present time, Mr. Speaker, is because I recognize the fact that these suspension Mondays may be taken up with the Howell-Barkley bill. House bill H. R. 8869 would only take 40 minutes. These poor tubercular men are dying at the rate of 20 per cent per annum and we must get some action. If I were to be recognized on a motion to suspend the rules and the bill were passed, then the Howell-Barkley bill would still have the right of way, and therefore I have preferred this unanimous-consent request.

The SPEAKER. The gentleman from South Dakota asks unanimous consent that he have the right to move to suspend the rules and pass the bill referred to. Is there objection?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I want to ask the gentleman from South Dakota a question.

If that consent is granted, that means the bill will be put through just as it is and all opportunity for amendment shut off. It means that it would pass the House exactly in its present form if it passed at all. Now, the gentleman is a member of the Rules Committee and can get a rule in here at any time to take up this bill, and does not the gentleman think it would be better to do that and give opportunity for those Members of the House who are not altogether satisfied with the bill to offer amendments?

Mr. JOHNSON of South Dakota. The gentleman from Mississippi is a member of the Veterans' Committee. I would say I do not think that procedure is practical, because it is so close to the end of the session, and, furthermore, at the other end of the Capitol there is pending another measure which might be passed to-day. It is not, as the gentleman knows, agreeable to these ex-service men, these wounded men, because it would affect approximately only 20,000 of them, while this measure gives a distinct advantage to 108,900 disabled, and I know of no amendment that any member of the committee desires to present, and even if there were such a desire this bill would have to be taken up in conference and there would be such opportunity probably given. I yield now to the gentleman from Ohio.

Mr. LONGWORTH. Referring to the question asked by the gentleman from Mississippi [Mr. RANKIN] in regard to the possibility of a rule for the consideration of this bill, is it not a fact that there are already on the calendar, having precedence over any subsequent rule, at least eight different rules, the consideration of which will take up considerable time?

Mr. JOHNSON of South Dakota. Answering the gentleman from Ohio, I will say that is true, and under this revision of the rules which we have, the Rules Committee is so restricted that it is compelled to take these rules up in order, and I do not have any idea when this bill could be brought up if a rule were granted, because the other rules have precedence, and I know if we take it up now we can pass the bill in 40 minutes and take care of all these men who need hospitalization.

Mr. LAGUARDIA. Reserving the right to object, I would like——

Mr. MADDEN. Mr. Speaker, I ask for the regular order.

Mr. LAGUARDIA. How long has the report been on the Speaker's table?

Mr. JOHNSON of South Dakota. I will say the report was put in, I think, last Monday or Tuesday.

Mr. LAGUARDIA. I would like to ask the gentleman whether his request is made now for the purpose of expediting the passage of the bill, or whether it is made for strategic reasons?

Mr. JOHNSON of South Dakota. I will say to the gentleman from New York that I am making this request to take care of the 108,900 ex-service men, and for no other reason, because every Member of this House knows that if this Howell-Barkley bill is brought up and you start, perhaps, to filibuster, it will take many, many Mondays, and because I do not now understand anyone will be injured in any way if we now take 40 minutes to pass this bill. Part of that much time has been used already in asking questions.

Mr. BARKLEY. Do I understand it is the plan of somebody to start a filibuster against the Barkley-Howell bill?

Mr. JOHNSON of South Dakota. Not from me; I do not so understand; but I know that men who are as skilled in parliamentary procedure as are the men in charge of that bill would be able to filibuster, and on such occasions usually do so.

Mr. BARKLEY. Has the gentleman any knowledge of a filibuster?

Mr. JOHNSON of South Dakota. Not coming from me, but from those who are strongly opposed to the legislation.

Mr. BARKLEY. Has the gentleman finished?

Mr. JOHNSON of South Dakota. Yes.

Mr. BARKLEY. I want to reserve the right to object.

Mr. RANKIN. With reference to the statement of the gentleman from Ohio [Mr. LONGWORTH], to the effect that there are seven or eight rules on the calendar now ahead of this one, and that that would delay the consideration of this measure, I want to say to the gentleman from Ohio that already more bills have passed the House and have gone to the other end of the Capitol than can possibly be considered and disposed of by the other body in the next two weeks. It seems to me that we are not hurrying things up by taking this measure up under suspension of the rules, instead of bringing in a rule and giving the Members of the House an opportunity to offer amendments to cure whatever defects this bill may appear to have.

Mr. JOHNSON of South Dakota. I want to reply to the gentleman from Mississippi on the parliamentary situation.

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, so far as the Barkley bill at this time is concerned, I have not felt disposed to support it. [Applause.] The House is entitled to pass upon that question, and the gentleman from South Dakota [Mr. JOHNSON] is undertaking by a parliamentary maneuver to delay action upon that proposition. [Applause.] We had as well face this matter at one time as another. Why is it that at this particular period, when it is announced and well understood that this motion is to be presented to the House, the gentleman rises to present this proposition, appealing in the name of the soldiers, in order to delay a vote on this other matter? I do not like such methods as that.

Mr. JOHNSON of South Dakota. I will say to the gentleman from Tennessee that this is the very first day and time since this bill was reported that it could have been brought up under suspension of the rules, as the gentleman well knows; and to move to suspend the rules and pass this bill would delay the Barkley bill but 40 minutes, and if these questions had not been interposed within 30 minutes from now that measure would have been disposed of.

Mr. BARKLEY. Mr. Speaker, as a member of the Committee on Interstate and Foreign Commerce, I have helped to prepare and have supported every measure that has been passed since the World War began for the benefit of the veterans of that war. I have been for every bill for the soldiers' bonus since the subject has been up for consideration. It is strange that this moment should have been selected, before the Journal of the proceedings of the previous session was approved, to ask unanimous consent to consider a veterans' matter. I have been for the bill reported from the Veterans' Committee. The bill can be taken up any day when the House is in session, and if it takes only 40 minutes it will not interfere with other legislation. I object to the request of the gentleman from South Dakota.

The SPEAKER. Objection is made. The question is on the approval of the Journal.

The Journal as read was approved.

THE BARKLEY-HOWELL BILL

The SPEAKER. Under the rule the gentleman from Kentucky [Mr. BARKLEY] is entitled to recognition.

Mr. BARKLEY. Under section 24 of Rule XXVII the motion was made by me on the 11th of April to discharge the Committee on Interstate and Foreign Commerce from the consideration of the bill H. R. 7358, to provide for the expeditious and prompt settlement, mediation, conciliation, and arbitration of disputes between carriers and their employees and subordinates, and for other purposes.

Mr. SANDERS of Indiana. Mr. Speaker, I make a point of order against the motion.

The SPEAKER. The Clerk will report it.

Mr. SANDERS of Indiana. Mr. Speaker, I make a point of order against it.

The SPEAKER. The gentleman from Indiana will state his point of order.

Mr. SANDERS of Indiana. I make the point of order, Mr. Speaker, that the motion filed by the gentleman from Kentucky [Mr. BARKLEY] and now called up by the gentleman from Kentucky is not in order, because it is not addressed to a bill which is under consideration by the Committee on Interstate and Foreign Commerce properly under the rules of the House. The bill to which this motion is addressed, Mr. Speaker, contains in section 8 the following language:

SEC. 8. Appropriation: (A) There is hereby appropriated for the fiscal year ending June 30, 1924, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to be expended for the payment of the necessary and proper expenses incurred in connection with any arbitration and with the carrying on of the work of mediation and conciliation, including salaries, traveling and other necessary expenses of employees of the boards of adjustment, boards of arbitration, and the Board of Mediation and Conciliation, and for furniture, office fixtures, books, supplies, and rent; also salaries and necessary expenses of members of the Board of Mediation and Conciliation, and of arbitrators whose compensation is fixed by the Board of Mediation and Conciliation, as provided in section 7–B(5) of this act.

All of that page, Mr. Speaker, is a direct appropriation. I respectfully contend, Mr. Speaker, that this is a bill which, under the rules of the House, the Committee on Interstate and Foreign Commerce had no authority to report, and therefore had no authority to consider, and is not within the rule which grants the right to move to discharge a bill from the considera-

tion of a committee. I call the Chair's particular attention to the rule established on June 1, 1920. The rule established on that day, Mr. Speaker, reads as follows:

No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, nor shall an amendment proposing an appropriation be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction—

The final sentence being—

a question of order on an appropriation in any such bill, joint resolution, or amendment thereto may be raised at any time.

That is section 826 A of the House Manual and Digest, Rule XXI, clause 4. The particular rule invoked here by the gentleman from Kentucky is Rule XXVII, clause 4, found in section 884 A.

This clause of the rule, Mr. Speaker, reads as follows:

A Member may present to the Clerk a motion in writing to discharge a committee from the consideration of a public bill or resolution—

And so forth.

The rules of the House, Mr. Speaker, are considered all together. No one rule is singled out and interpreted by itself, but the body of rules is construed as an entire body of rules. The rule to which I first called the Chair's attention was part and parcel of a rule providing for the Budget system. The House, by the rules, thought it wise to forbid a certain number of committees, including the Committee on Interstate and Foreign Commerce, from reporting out a bill containing an appropriation, and, Mr. Speaker, as I shall show by the reading of a decision on the question, that does not mean that the Committee on Interstate and Foreign Commerce is directed to strike out the appropriation and amend it by an authorization. That rule means that the Committee on Interstate and Foreign Commerce has no authority, without violating the rules of the House, to report a bill containing an appropriation, because, as pointed out by the distinguished parliamentarian, the gentleman from Illinois, Mr. Mann, when a committee reports a bill containing an appropriation suggesting an amendment, when it comes onto the floor of the House the House may reject that amendment and the appropriation would still be there.

Now, the only suggestion that could be made on the other side is that it has been held that when such a bill is reported to the House the point of order is directed to the appropriation and not to the report of the bill. That was the question which the present occupant of the chair passed upon in a very able decision, when the question was brought up by the gentleman from Illinois, Mr. Mann, for the purpose of having the Speaker rule on it rather than to submit the matter to some chairman who might be selected. The Chair held, and very properly, that once a committee had reported such a bill this question must be raised in the House by a point of order directed to the appropriation, but that is in keeping with the provisions of that rule, because, Mr. Speaker, the last sentence in the first rule to which I referred says:

A question of order on an appropriation in any such bill, joint resolution, or amendment thereto may be raised at any time.

The point of order raised in the House is directed to the appropriation, Mr. Speaker, but the rules of the House forbid the Committee on Interstate and Foreign Commerce from reporting this bill, and when the gentleman from Massachusetts [Mr. WINSLOW], chairman of that committee, called up that measure, if the committee kept in mind the rules of this House, and any member thereof should have said, "Mr. Chairman, I make the point of order that we have not the right to consider this measure and we have not the right to report it," the chairman of that committee, under the rules of the House, would have had to sustain the point of order.

Why, Mr. Speaker, the purpose of that rule was to compel Members of the House to follow the spirit of the budget system and not to write appropriation sections in legislative bills. The purpose of the rule was to say to a Member: "Unless you expect to get your bill up by suspension of the rules or unless you expect to get your bill up by unanimous consent you must write in your bill authorizations and not appropriations."

Now, Mr. Speaker, the consideration of a bill is an incident to the question of its report. If the committee is governed by the rules of the House—and we must assume that the Committee on Interstate and Foreign Commerce is abiding by the rules of the House—that committee does not consider whether it shall report or not report a bill that carries an appropriation but puts it within its files, and that is what the rules direct the committee to do.

Mr. BANKHEAD. Will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. BANKHEAD. Does the gentleman take the position that the Committee on Interstate and Foreign Commerce is reporting this bill to the House?

Mr. SANDERS of Indiana. I take the position that the Committee on Interstate and Foreign Commerce is acting under the rules of the House in not reporting this bill. I also take the position, Mr. Speaker, that this rule, the purpose of which is to bring out on the floor of the House a bill which a committee unjustly refuses to report—that the whole purpose of the rule shows it was never intended to apply to a measure which the rules of the House forbid a committee to report out either favorably or unfavorably.

Mr. CRISP. Mr. Speaker, if the Chair is, from the argument just made by the distinguished gentleman from Indiana [Mr. SANDERS], of the opinion that the point of order is good, I desire to be heard, but if the Speaker has it in his mind to overrule the point of order I do not care to needlessly take up the time of the House.

The SPEAKER. The Chair will be very glad to hear the gentleman very briefly.

Mr. CRISP. I will try to be brief, Mr. Speaker. I never desire to be tiresome to the Speaker or to the House.

The SPEAKER. The Chair did not mean it in that way.

Mr. CRISP. I understand that, Mr. Speaker. I understood that thoroughly. I do not think there is anything in the point of order of the gentleman from Indiana.

Now, as he said, all of the rules of the House work in harmony together. No one rule is the controlling rule of the House, but it is a complete system of rules for the governing of the House.

Now, when we adopted the Budget system and all appropriations were centered in the Committee on Appropriations the rule provided that no appropriations should be reported from the legislating committees, and that rule has been interpreted by our present able Speaker, and the Speaker has correctly ruled, in my judgment, that if a committee violates that provision by reporting an appropriation a point of order against the appropriation can be made at any time and the appropriation eliminated from the bill.

Mr. LONGWORTH. Will the gentleman yield?

Mr. CRISP. I will.

Mr. LONGWORTH. I understood the gentleman to say that the rule provided that no appropriation should be reported from a legislative committee, but that is not what the rule provides.

Mr. CRISP. No committee shall report an appropriation.

Mr. LONGWORTH. That is not what the rule provides. The rule provides:

No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

Mr. CRISP. Technically the gentleman might be correct, but in answer to that, a fair construction of that rule is that if a bill carrying an appropriation is sent to a legislating committee, the legislating committee has ample, complete, and supreme authority to eliminate the appropriation feature of the bill and to report the bill minus the appropriation. This has frequently happened in the House. The last clause of the rule provides a point of order against the appropriation is in order at any time, which clearly shows the committee can report a bill containing an appropriation, but that the appropriation will be eliminated if a point of order is made against it.

Mr. BARKLEY and Mr. SANDERS of Indiana rose.

Mr. CRISP. I can not argue the proposition logically if I am going to be diverted, but I yield first to the gentleman from Kentucky.

Mr. BARKLEY. If a committee against that rule should report a bill carrying an appropriation, it does not thereby vitiate the report but makes the appropriation subject to a point of order.

Mr. CRISP. That is what I tried to present to the Speaker a moment ago. I yield now to the gentleman from Indiana.

Mr. SANDERS of Indiana. The gentleman from Georgia says that the committee can eliminate the appropriation. The committee must report the bill back and recommend amendment, but the committee can not decide that question.

Mr. CRISP. That is all the committee can do anyhow. If the committee reports the bill without the appropriation, it does not pass the bill. They simply report the bill to the House for the consideration of the House, and I apprehend very few bills are ever sent to a committee that are not reported back with some amendment. The committee could report this bill back with an amendment changing the appropriation to an authorization or striking out the appropriation entirely.

Now, Mr. Speaker, you know and I know and the Members of the House know that bills are introduced in the House that will have matters incorporated in them that should probably go to two or three different committees of the House.

It is physically impossible to send one bill to three different committees; and the Speaker has adopted the rule, and I think the correct one, that when a bill is introduced containing subject matter that legitimately falls within the purview of the jurisdiction of several committees to send the bill to that committee which has jurisdiction of the prime or controlling feature of the bill. Members can introduce bills containing appropriations. They must be sent somewhere. They must either be sent to the legislating committee or to the appropriating committee; and if the legislation is the prime matter in the bill and it also contains an appropriation, the Speaker sends it to the legislating committee. That committee undoubtedly can eliminate the appropriation and report the bill back to the House.

But, Mr. Speaker, what is the object of this discharge rule? The object of the discharge rule is that when a bill has been referred to one of the standing committees of the House and has been before that committee 30 days and the committee has not made any report on it this motion can be filed; and on the first and third Mondays of each month, provided 150 Members have signed it, it can be called up for the House to pass on.

Now, Mr. Speaker, a committee is a special agent of the House, the House being the principal. The principal, the House, can refer a matter to their special agent and place limitations on their authority; and, assuming and admitting for the purposes of this argument that the position of the gentleman from Indiana is correct, that the House by the rules say to their special agent, the committee, "You can not report any legislative bill containing an appropriation," that does not make the House impotent to give that special agent additional instruction or to change their powers altogether.

Mr. LONGWORTH. Will the gentleman yield there?

Mr. CRISP. Yes.

Mr. LONGWORTH. Assuming that the House would have the power to change the jurisdiction of the committee, as the gentleman suggests, it must be done in the regular way, must it not?

Mr. CRISP. Yes.

Mr. LONGWORTH. By an amendment to the rules.

Mr. CRISP. And this is the regular way.

Mr. LONGWORTH. It surely can not be changed by an order which violates the rules of the House.

Mr. CRISP. Yes, it can. One of the rules of the House says that a legislating committee shall not report a bill containing an appropriation. The new rule of the House dealing with committees that do not report within a certain time provides that under certain conditions any bill that has been before the committee 30 days and the committee has not reported upon it, the House can vote and say whether or not they will discharge that committee from its further consideration; and I do not see, Mr. Speaker, how you can differentiate a bill pending before the committee that has an appropriation in it and one that does not. All House committees must comply with the requirements of the discharge rule and report bills referred to it within 30 days, or the House under the discharge rule can vote whether or not it will change even the jurisdiction of that committee; change, if necessary, any other rule of the House, and direct that committee to report the bill back, if a majority of the House sees fit to do it.

Mr. LITTLE. Will the gentleman yield for a question?

Mr. CRISP. I yield.

Mr. LITTLE. If an ordinary tariff bill should get before the Committee on Appropriations could it be brought into the House in the manner you have indicated?

Mr. CRISP. I did not catch the first part of the gentleman's question.

Mr. LITTLE. Suppose an ordinary tariff bill were introduced into the Committee on Appropriations could it be brought into this House by the method you indicate?

Mr. CRISP. If the House were negligent enough to sit supinely by and permit the tariff bill to remain in the Committee on Appropriations, and they held it 30 days, yes; but if the House is efficient, which I know it is, there are three provisions of the rules to take the tariff bill away from the Committee on Appropriations: First, by asking unanimous consent to correct the reference; second, on motion of the committee, the Ways and Means Committee, claiming jurisdiction; or, third, on motion of the Committee on Appropriations disclaiming jurisdiction. The House has an ample remedy to correct an erroneous reference as you suggest. If the House does not do this, but sits supinely by and permits a bill to be erroneously referred to one of the legislating committees and that legislating committee, being without jurisdiction of the subject matter, considers it and reports the bill to the House, then the question of estoppel applies and you can not question the jurisdiction of that committee after it has reported it.

Mr. LITTLE. Will the gentleman yield again?

Mr. CRISP. I will.

Mr. LITTLE. Is it not the duty of the House and the people who want to make that arrangement to not sit supinely by, but to go ahead and do the right thing?

Mr. CRISP. Yes; absolutely.

Mr. LITTLE. And can they take advantage of their own supineness to bring about a situation which the law does not intend?

Mr. CRISP. The fallacy of the gentleman's argument is that this bill is referred to the proper committee. It could not have been referred to any other committee. The principal object of this bill is to amend the Esch-Cummins Act dealing with the transportation situation. This is the only legislating committee in this House that could deal with the bill, and it could not be properly taken away from the committee on a motion to discharge the committee on the ground of an erroneous reference if the House followed the rules of the House.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. CRISP. I will.

Mr. BLANTON. I would like to ask the gentleman this question: Is there not a rule that where a bill has been referred erroneously to a committee that has not jurisdiction of it, if that committee reports it to the House, then it is properly reported and goes on the calendar, but where the committee does not report it to the House the House can not bring it on the floor until some other disposition is made of it?

Mr. CRISP. Of course the House could not bring it in unless by using the new discharge rule. I was answering the gentleman from Kansas [Mr. LITTLE] by saying that if the House stands supinely by they could not avail themselves of their stupidity.

Mr. SABATH. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. SABATH. If the Committee on Interstate and Foreign Commerce had considered the bill, would it not have jurisdiction to strike out the appropriation in the bill to which the gentleman from Indiana objects?

Mr. CRISP. Absolutely, and I so stated in the commencement of my remarks. If the bill was introduced to-day the Speaker would send it to the Committee on Interstate and Foreign Commerce, which is the only committee in the House he could send it to.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. CRISP. Certainly.

Mr. SANDERS of Indiana. On the question of committee amendments the gentleman will notice that the language used by the gentleman from Illinois, Mr. Mann, was as follows:

> It does not affect, however, the question as to whether they had the right to report a bill, because the bill does carry an appropriation. The amendment proposed by the committee does not change the status of the bill as reported to the House because the amendment might or might not be agreed to by the House.

Mr. CRISP. Answering my friend from Indiana permit me to say the distinguished chairman of this committee [Mr. WINSLOW], and I have a real affection for him as well as the other gentlemen of the Committee on Interstate and Foreign Commerce, when they spoke last week in opposition to this motion, not one of them raised the point that the committee had not reported this bill because it contained an appropriation. They never made that point. This morning here on the floor is the first I ever heard of it, and my good friends who argued in opposition to discharging the Committee on Interstate and Foreign Commerce from further consideration of the bill did not think enough of the point to mention it in the three or four able speeches which we heard the other day.

Mr. SANDERS of Indiana. The point of order was not timely until this morning.

Mr. CRISP. They could have referred to it as they did to many other things in the discussion of what took place in the committee. [Applause.] This was never mentioned.

Now, Mr. Speaker, I am not going to tire you; I have said all I can say. The Speaker acted within the rules of the House and performed his duty correctly in sending this bill to the Committee on Interstate and Foreign Commerce. The committee accepted it and made no effort to change the reference. The position of the gentleman from Indiana [Mr. SANDERS] that the committee did not report the bill forthwith because of this appropriation is untenable. Even suppose it was true,

this House can direct it to do whatever it sees fit, and the orderly procedure of the House under the new rule provides that after 20 minutes debate the House can discharge any committee from the consideration of any bill that it has had before it for 30 days. Therefore I do not see anything in the point made by the gentleman from Indiana, and in my opinion the point of order should be overruled.

Mr. POU. Mr. Speaker, one point, it seems to me, settles the question now before the Speaker. That is, whether or not the Committee on Interstate and Foreign Commerce has jurisdiction of the Barkley-Howell bill. That question must be answered, I think, in the affirmative. If the Committee on Interstate and Foreign Commerce has jurisdiction, if the bill is properly before that committee, then certainly it is in order to make a motion to discharge the committee according to provisions of the new rule. I think there is nothing else involved except that single proposition.

Mr. GRIFFIN. Mr. Speaker, I would like to say a word on a point that has not yet been developed. Mr. Speaker, this is a new rule we are acting under to-day, and I hope it will not be considered presumptuous if I venture to make a suggestion which I would not make if in the discussion so far it had been presented to the Chair.

The rule under which we are acting calls upon the House to determine whether or not this Barkley bill shall be taken from the Committee on Interstate and Foreign Commerce. The bill is there; it is not hanging in the air, Mr. Speaker. The bill is now with the Interstate Commerce Committee. It is too late now to urge a point of order which should have been raised against its reference to the committee. If it is an appropriation bill, it should not perhaps have been referred to this particular committee but to the Appropriations Committee. However, it is with the Committee on Interstate and Foreign Commerce. The first point to be determined by the House is whether or not the committee shall be discharged from its consideration, and then whether or not it shall be taken up by this House. If the House decides that the bill shall come before it, it can, being supreme, do anything it likes with the bill when it is properly before it. It can then strike out the appropriation clause or amend the bill in any way it sees fit. In other words, deal with it in Committee of the Whole in the same manner as a standing committee would or could.

I submit the point of order is addressed to a measure not before the House; that it comes too late; and that it is irrelevant and incompetent at this time. In other words, it is too late to quarrel with its reference to a standing committee and too early to quarrel with its legislative form until it comes up in Committee of the Whole.

Mr. LONGWORTH. Mr. Speaker, the entire argument of the able gentleman from Georgia [Mr. CRISP] on his side of the proposition is based on the theory that the object of paragraph 4, Rule XXII, is to prevent reporting of appropriations to the House by legislative committees.

Now that is not what the rule says and it is not what the rule is intended to prevent. The rule is intended to prevent the reporting of bills on the floor of the House which contain appropriations. There is a very good reason for that. As expressed by Mr. Mann, the object of this rule was to prevent the reporting of bills because the appropriation while out of order might be sustained by the House.

If that be true, Mr. Speaker, we might as well throw overboard the entire Budget system. If every legislative committee is to be permitted to report to this House bills containing appropriations, and the House sees fit to adopt those appropriations, then good-by to the Budget.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. GARRETT of Tennessee. Even if we assume that in view of the fact that the bill carries an appropriation the Committee on Interstate and Foreign Commerce could not report it on account of this paragraph 4—which I do not agree is a good assumption, because the committee could amend and authorize instead of appropriate—then where are we? Can not the House cure the inability by discharging the committee; or, if it can not, then where are we? If the committee is not discharged, the bill remains with the committee, and it can not be brought out in any way, because there is an appropriation in it. Is not that the logic of the gentleman's contention?

Mr. LONGWORTH. Mr. Speaker, of course I am not responsible for a mistake made in the drafting of the bill carrying an appropriation, which is out of order, and anyone who was responsible for it probably was not aware of the fact that it is violative of the rules of the House; but my contention is simply this, that the House has no right to violate its own rules without a change of the rules. If a committee can not report the bill, has the House the right to violate its own rules by compelling the committee to do it?

Mr. GARRETT of Tennessee. The House can do many things that a committee can not do.

Mr. LONGWORTH. It can, but it must abide by its own rules.

Mr. LITTLE. Is not it still the only right of the House to simply refer that bill to some committee where it belongs?

Mr. LONGWORTH. Of course, I assume that it was the proper committee, except for one paragraph in it, which is out of order for the committee to report.

The SPEAKER. The gentleman from Indiana [Mr. SANDERS] makes the point of order that the motion to discharge can not be applied to this bill because this bill could not be reported out by the Committee on Interstate and Foreign Commerce and was not properly before that committee for any action, and that therefore the House could not act upon it. The language of clause 4 of the rule certainly gives much countenance to that suggestion, because it provides in the beginning that no bill or joint resolution carrying an appropriation shall be reported by any committee not having jurisdiction to report appropriations, and on the face of it that would seem to prevent a committee not having that jurisdiction—as in the present instance, the Committee on Interstate and Foreign Commerce—from reporting out any such bill. But there is a subsequent sentence in the same clause which provides that a question of order on an appropriation in any such bill may be raised at any time.

That relieves the clause of the objection suggested by the gentleman from Ohio [Mr. LONGWORTH] of destroying our Budget system, because at any time that point of order can be made against the appropriation. Ever since the present occupant of the chair has been a Member of the House there has been a contention as to appropriating clauses in legislative bills. The Chair remembers that under Mr. Speaker Clark for several sessions he determined on the policy of referring every bill like this which carried an appropriation to the Appropriations Committee. Of course that naturally killed the bill, because the Committee on Appropriations could not report it out. The purpose of Mr. Speaker Clark was to indicate to Members of the House that they must not write appropriations in legislative bills.

While the first clause of the rule does say that no committee shall report out any bill of that kind, yet soon after this rule was adopted the Chair ruled upon it and held that the two clauses were contradictory and therefore that the committee might report out such a bill, the Chair stating very explicitly at the time that it was a new question and that he would welcome a decision by the House upon the question. The House apparently acquiesced in that decision, and that has been the rule since, and the Chair does not see why that does not cover the present case. While technically a committee has no authority under the present language of that clause to report out a bill carrying an appropriation, yet such committees have been reporting out such bills and the House has contented itself with the remedy of striking out the appropriation on a point of order. Therefore, although under the first sentence of that clause it would seem that the Interstate and Foreign Commerce Committee has not jurisdiction, the Chair thinks under the practice it has. The new rule provides that a Member may file a motion to discharge a committee from a bill or resolution which has been referred to it 30 days prior thereto. This bill certainly had been referred to the committee 30 days. The Chair overrules the point of order.

Mr. JOHNSON of Washington. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Washington. If this bill, then, should be taken up and placed before the House, would a point of order lie against the appropriation clause in the bill?

The SPEAKER. While the Chair does not care to decide that question now, at first blush the Chair would hold that that would still be subject to a point of order.

Mr. BARKLEY. Mr. Speaker, under the rule 10 minutes on a side are allowed for debate upon the motion. I suppose the Chair does not care at this time to pass on who would be entitled to the 10 minutes on each side?

The SPEAKER. The rule says that any Member can call it up, and the Chair will recognise the gentleman from Kentucky.

Mr. BARKLEY. Mr. Speaker, I yield 3 minutes of those 10 minutes to the gentleman from Nebraska [Mr. SHALLENBERGER].

Mr. LONGWORTH. Mr. Speaker, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. LONGWORTH. Does the gentleman intend to close debate himself upon this?

Mr. BARKLEY. Yes.

Mr. LONGWORTH. Does the gentleman think that that is carrying out the purpose of the rule?

Mr. BARKLEY. Under the rules of the House the mover of any motion is entitled to close debate. I do not see any reason why there should be an exception in this case.

Mr. LONGWORTH. The gentleman proposes to yield some one three minutes and then some one else more time and then close himself?

Mr. BARKLEY. I do not know whether I shall yield any more or not, probably not. It is intended that there will be but one more speech on this side.

The SPEAKER. The gentleman from Nebraska is recognized for three minutes.

Mr. SHALLENBERGER. Mr. Speaker and gentlemen, as a minority member of the Interstate and Foreign Commerce Committee I have been asked by the gentleman from Kentucky [Mr. BARKLEY] to make a short statement to the House of the views of the minority members who favor the motion to discharge, and I shall be as concise in the brief time granted me as possible. The first statement I wish to make is that it is certain that this bill will not be considered by the Interstate and Foreign Commerce Committee so as to result in a vote upon the measure by the Congress.

We must consider it under the discharge rule and at this time or not at all. Some urge to send it back to the committee with instructions to hold hearings and report it back to the House at a stated period. That means no vote upon the bill by this Congress.

Granting that the committee will report it back to Congress, then in that case it goes on the calendar and stays there unless a favorable rule is gotten from the Committee on Rules for its consideration. Every Member knows that a favorable rule can not be secured, so reference back to the committee means death to the bill for the session.

It is charged by those who oppose considering the measure at this time that the Members know little or nothing about the terms and provisions of the bill. That charge is a reflection upon the intelligence, the industry, and ability of the membership of the House. Members have had the same opportunity to read and study this bill that they have had to inform themselves upon every other measure before Congress.

Does any Member want to go to his constituents and excuse himself for refusing to vote for any measure by saying that he did not have time to read and study it and therefore was ignorant of its purposes and provisions? I do not think so. Some Members say that there has been no report from the Commerce Committee upon the bill. The reason for that situation is well understood. A majority of the committee did not desire to make a report upon the measure, not because they do not understand the terms and provisions of the bill, but rather that they do not approve of its principles and purposes.

The House committee might have had as complete hearings upon the bill as the Senate committee if they had so desired. The House committee voted not to hold hearings upon this measure and took up other matters which will employ the time for this session.

I think it is hardly fair for members of the committee to come now to the House with the plea that we should not be allowed to retain the Barkley bill because the committee has held no hearing upon the measure. They have brought the situation that confronts them upon themselves. The Members of the House have had full opportunity to inform themselves upon the provisions and purposes of this bill if they so desired.

The bill itself has been available to every Member for more than two months. Its provisions are easily understood. It brings no new features or principles of practice into being. It is founded upon the oldest principle of Anglo-Saxon justice—the right of trial by jury. The hearings before the Senate committee were very extensive. They are published and available to every Member of Congress. They are too voluminous for most of us to find time to read them all. The advocates of the bill did not take much of the time of the Senate committee or introduce extended evidence in favor of the bill. They let the bill itself speak for them. The opponents of the measure brought in opposition to it a long list of many of the greatest and best-known men in the railroad managerial world.

If anyone believes the propaganda that a full presentation of the objections of the railroad managers was not permitted, let me read you the names of those who appeared before the Senate committee and made full statements of their oppositions and objections to the Barkley bill:

Hale Holden, chairman executive committee, Association of Railway Executives.

Daniel Willard, president, Baltimore & Ohio Railroad Co.

C. R. Gray, president, Union Pacific, Omaha, Nebr.

P. E. Crowley, vice president, New York Central Railroad, Mount Vernon, N. Y.

Charles P. Neill, manager bureau of information, southeastern railways.

John G. Walber, vice president of personnel, New York Central Lines.

Frank Karr, vice president and chief counsel, Pacific Electric Railway, Los Angeles, Calif.

Bird M. Robinson, president, American Short Line Railroad Association, Washington, D. C.

Ben B. Cain, general counsel, American Short Line Railroad Association.

W. T. Hargrett, president and general manager, Live Oak, Perry & Gulf Railroad.

H. W. Purvis, general manager, Georgia & Florida Railway, and president of Statesboro Northern Railway, Augusta, Ga.

Alfred P. Thom, attorney, Washington, D. C.

J. H. Beek, executive secretary, National Industrial Traffic League, Chicago.

Ben W. Hooper, chairman Railroad Labor Board, representing the public.

C. E. Anderson, representing roads in the western and southern territory of the shop crafts.

Theodore H. Davis, general chairman, eastern region, Pennsylvania Railroad system, representing Pennsylvania System Shop Craft Associations.

S. L. Witman, representing shop craftsmen.

E. W. Kilgore.

J. L. Eldridge, president of railroad yardmasters.

L. W. Fairchild, president, Protective Order of Railroad Trainmen.

J. P. MacDonald, representing the clerical employees' associations of the Pennsylvania Railroad system.

E. Peterman, representing the general committee, Association of craft employees, Altoona works, Pennsylvania Railroad system.

M. S. Warfield, president, Order of Sleeping Car Conductors, 2,275 members, and representing Brotherhood of Dining Car Conductors, membership about 1,500.

Halleck Vandermark, vice general chairman, system adjustment board, Central Railroad of New Jersey.

Edward Hoskins, president, American Federation of Railroad Workers, Chicago.

J. L. Eldridge, president of Railroad Yardmasters of America.

E. H. Malick, Milton, Pa., representing Pennsylvania Railroad Co. miscellaneous employees.

John C. Shafer, Representative in Congress from the fourth district of Wisconsin.

No stronger array of opponents to the measure could be mustered in Washington if months were devoted to hearings on the measure.

So this, in short, is the situation in which we find ourselves upon this matter which is now before the House. We can not send the Barkley bill back to the committee unless our purpose is to kill it. We can not deny consideration upon the plea of insufficient evidence and lack of knowledge unless we admit our own inability as representatives of the American people. So we must admit that if we refuse consideration now it is because we are opposed to the purposes and principles of the bill itself.

The lines are very clearly drawn. This is the first and only opportunity this Congress has had to show whether or not it believes the Esch-Cummins law is a perfect and sacred thing and not to be corrected in any particular. Now is the time and this is the place for every Member of the House to take a stand upon this question.

We are not only going to decide the fate of this railroad labor bill but we are going to determine whether or not the new discharge rule is to be a valuable instrument for the House to use when it chooses to assert its right to consider bills that a majority desires shall be voted on.

The SPEAKER. The time of the gentleman has expired.

Mr. SHALLENBERGER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska? [After a pause.] The Chair hears none.

Mr. SHALLENBERGER. The other alternative is to still permit Congress to be a body completely controlled by a few powerful committee members.

If we succeed in getting action upon this bill, no matter whether it is voted up or voted down, it will put an end to the tyranny of congressional committees. If the rule fails in this case, the fight to liberalize the rules of the House will go over into the succeeding Congress.

Now, a word as to the merits of the bill itself. It repeals title 3 of the transportation act, which is the authority for the present Railroad Labor Board. There is plenty of proof that the Labor Board has failed to make good the claims of its advocates. Secretary Hoover said, in part:

We have in this board confused four different functions in labor relationship. The board has in parts the machinery for collective bargaining, for arbitration, for conciliation, and judicial determination.

Because it was sought to unite all these separate functions in one board it has failed to function satisfactorily as to any of them.

Judge George W. Anderson, of Massachusetts, formerly a member of the Interstate Commerce Commission, said in part:

Turning to the labor provisions of the transportation act, the situation is still blacker. A large part of the dominant managerial forces did not accept in good faith the labor provisions of the act. The general result is that the mass of railroad employees were, in my opinion, never so embittered and so distrustful of railroad management as now. The relations between the managerial staff and the operating staff were never so bad. The labor provisions of the transportation act are effectively discredited and so is the Labor Board.

President Harding said in his speech at Kansas City upon the railroad situation:

As a means of making possible righteous adjustment between railroads and their employees, with due regard for the interest of the public, which pays, the Government established a Railroad Labor Board. Unfortunately, for reasons which are the subject of no little controversy, the board has never had the cooperation of the employer and employee for which its authors hoped. I am frank to say I do not hope for compliance on the part of employees so long as decisions are ignored by the managers.

It is only necessary to add to the President's statement the fact that 148 decisions of the Labor Board upon railroad disputes have been ignored and defied by railroad managers.

The Railroad Labor Board was doomed to be a failure from the first because its principles and practices contravene the fundamental principle of Anglo-Saxon law for the determination of justice between men. The Railroad Labor Board proposes to be both court and jury in the settlement of disputes, and that plan has always proven a failure wherever tried. The tribunal which is both court and jury seeks to decide all cases coming before it. The same contesting parties are continually bringing their disputes to the Railroad Labor Board, and very soon it is set down by either one party or the other as biased and unfair, and since it has no power to enforce its decisions the litigants on both sides either ignore its judgments or refuse to submit questions to its decisions.

It has proven a complete failure in the opinion of all except those whom it favors and its continuance is only urged by those who fear that its condemnation would make a breach in the wall of sanctity with which they seek to surround the Esch-Cummins Act.

The board of adjustment in the Barkley bill are patterned after those authorized in every prior congressional act that has sought to deal with disputes between employers and employees. The Esch-Cummins Act includes the principle of adjustment boards as one of its fundamental functions, but the railroad managers have refused to establish them. The United States Railroad Administration used adjustment boards so effectively that 6,000 labor disputes were settled by this means with only 12 appeals. The Barkley bill proposes to set up four national adjustment boards with a total membership of 40. Fourteen members on boards 1 and 2 and six on each of boards 3 and 4. Personally I think the number of board members might well be reduced to 24 in all, six on each board with salaries of $5,000 each and five members of the board of mediation and conciliation with salaries of $10,000 each, or a total salary list for board members of $170,000. At that cost, the Government's expense under the Barkley bill will be much less than is required by the present Railroad Labor Board.

But the basic advantage and superiority of the Barkley bill over the present Railroad Labor Board is that the Barkley bill provides for the settlement of labor troubles between representatives of labor and capital discussing and settling their differences between themselves with the aid of boards of adjustment and mediation and conciliation. It is the only means of settlement of labor disputes that has ever been satisfactory to both sides. Such a settlement will make for permanent peace in the railroad world.

Failing the settlement by mutual agreement, the Barkley bill provides a means of bringing about voluntary arbitration of labor disputes. Compulsory arbitration is un-American and has never settled any labor difficulty, and never will. The vital defect of the Labor Board provision of the transportation act is that every case that comes before it is tried by the same jury.

Under the Barkley bill every case affecting wages and working conditions if not settled between the disputants themselves will be tried by a new and unprejudiced tribunal, selected for the settlement of each particular dispute. It may be urged that the adjustment boards are continuing tribunals. Anglo-Saxon judges try matters of minor importance and decide them. But when the English-speaking citizen is put upon trial as to his life, liberty, or his property his rights are decided by a jury of arbitration chosen for the trial of his case alone. How long would the American people as a whole submit to having their right to work and earn a living put in jeopardy before a continuing and permanent jury?

If once it is agreed that a permanent court can act as judge and jury in every case that shall be at issue in certain cases, then the foundation principle of trial by jury is destroyed.

This bill does not interfere in any way with the existing rights of unorganized labor or those combinations outside the national labor organization. Every laboring man will have every right and protection under the Barkley bill he now enjoys. The local organizations and unorganized laborers have no representation on the present Railroad Labor Board nor on any board of adjustment acting under the Esch-Cummins law.

Every labor organization, whether local, district, or national, will settle its grievances with its employers just as is done under the present law. They are not required to go to the boards of adjustment if they do not so desire. No labor organization can now appeal to an adjustment board because there are none existing under the Esch-Cummins Act. Laboring men outside of the national organizations can appeal in cases of dispute to the Board of Mediation and Conciliation exactly the same as can the national organized crafts. That board, consisting entirely of representatives of the public, will give to all the same impartial assistance that they will grant to every labor body in the country.

The public Board of Mediation and Conciliation will not be under the influence of capital or labor. They will represent first of all the people who must suffer when labor and capital come to open war.

The Barkley bill will not stop all strife and disputes between employer and employee. There will always be an eternal struggle for higher wages, and better labor conditions upon the part of those who must labor that they may live. Railroad managers must make railroad capital profitable or they will be deposed. And therefore the managers will strive to keep down labor costs in order that capital may receive greater returns. This brings about a constant conflict. But the Barkley bill will keep down labor strife to the minimum. It is based upon the fundamental principle of deciding disputes by a fairly chosen jury of arbitration acting by mutual agreement between both parties to submit to its judgment and decrees, and is therefore the fairest and surest way to bring about permanent settlements concerning the rights of men and of property. Therefore I must give it my support as a distinct improvement over the discredited and impotent Railroad Labor Board.

Mr. LONGWORTH. Mr. Speaker [applause], of course it is a manifest absurdity to attempt to present the side of those of us who are opposed to this motion in 10 minutes. I can only touch a few of the high spots—and there are some pretty high ones in this bill. We are undertaking to-day, gentlemen, an experiment in legislation, one which changes the process of legislation that has prevailed in this House ever since it was first organized, and one which if conducted recklessly might bring most serious consequences. We are proposing to discharge a committee from the consideration of a bill and to put it upon its passage at once. Have any of you thought of one feature of this bill? It proposes to set up a new governmental machine the salaries of the members of which exceed the total salaries of the President of the United States, the Vice President, the entire Cabinet, the entire Supreme Court, the President of the Senate, and the Speaker of this House, and you are to do that without one word of hearings or consideration by this committee. That is one thing you propose to do. Now, I do not think this rule was ever intended to be applied in cases like this. I favor a discharge rule where it relates to a case of a committee which has had under consideration a bill of importance, with the details of which the House is familiar and the committee is familiar, and upon which hearings have been had, so as to provide for a case where that committee being recalcitrant and refusing to allow the House to consider a matter as to which it was fully advised. But here is a situation where a committee has had no word of hearings upon the subject, upon a bill whose proponents admit took two years to draft. The gentle-

man from Alabama [Mr. HUDDLESTON], who is one of the strong proponents of this bill, the other day stood here upon the floor of this House and said: "I offer you on the one hand peace; I offer you on the other hand war." Upon what meat has this small Cæsar fed that he has grown so great that he can threaten us with war? What sort of a war? A strike? Who will that strike affect? It will affect 109,000,000 people who are given no consideration whatever in this bill, for this bill by its terms prevents the general public from having any representation whatever on any of these boards or committees or commissions provided herein.

Mr. NELSON of Wisconsin. Will the gentleman yield?

Mr. LONGWORTH. I will.

Mr. NELSON of Wisconsin. The gentleman does not make that statement in good faith, that the Board of Mediation and Conciliation does not have the public on it.

Mr. LONGWORTH. I think it has one member——

Mr. NELSON of Wisconsin. Oh, five.

Mr. LONGWORTH. It is only one of five boards.

Mr. SANDERS of Indiana. But the Board of Conciliation has not any power whatever unless voluntarily submitted to it.

Mr. LONGWORTH. Unless voluntarily submitted, of course. But I am not here to talk—of course, it is idle to consider or talk about the merits of this bill. The more I read this bill the more I think of the celebrated phrase of the late Commodore Vanderbilt, "The public be damned," because it is the public that is to be excluded from participation in these matters which are of such vital necessity to the transportation system of this country. I do not think that this bill should be put upon its passage until at least some hearing could have been had upon it, and I do not think that any man here conscientiously believes that it ought to be done, but, of course, great pressure has been brought for immediate consideration of this bill, and if there was that vital necessity for action upon this proposition by this House, as gentlemen contend, why was the introduction of this bill delayed until about the 1st of March?

Mr. KING. Will the gentleman yield?

Mr. LONGWORTH. Why was it not introduced earlier? I yield.

Mr. KING. I find myself in a position where it does not seem possible to vote so as to do justice to either party and I am anxious for one to do that, and I am much impressed with the fact that the gentleman said that there ought to be some kind of hearings upon this bill. I think it is due to the proponents of the bill that this precedent be not established in the House of bringing up a bill without a certain amount of hearing and investigation, and I would like to ask the gentleman if he would be willing to support a proposition to attach certain conditions to the motion to send this back to the committee. I desire to make this motion when the proper time comes, if I can secure recognition from the Speaker, and that is that the bill (H. R. 7358) be referred back to the Committee on Interstate and Foreign Commerce with directions to proceed at once to hold hearings on said bill and report same to the House within 10 days with their conclusions thereon, and at that time said bill shall receive a preferential status under the rules of this House.

Mr. LONGWORTH. I can only say to the gentleman as far as I am concerned I would favor and urge the Committee on Interstate and Foreign Commerce to have hearings at once upon this subject, but I see before me the chairman of the Committee on Interstate and Foreign Commerce, the gentleman from Massachusetts [Mr. WINSLOW]. I would like to ask the gentleman if he can answer the question propounded by the gentleman from Illinois [Mr. KING]?

Mr. WINSLOW. Mr. Speaker, it would be easier to answer that question if it were divided.

Mr. Speaker, as the question came to my ear it seemed to be a little complicated. Perhaps I can make a statement that will come somewhere near being an answer, or perhaps I can patch it out if it is not stated to the gentleman's satisfaction.

I have indicated on two occasions, addressing the House, that the Committee on Interstate and Foreign Commerce never refused to give this bill consideration except as to considering it now. We did vote and decided that it was not in the interest of orderly procedure to consider it now. As to the question of never considering it, at no time was that proposition brought up. On the contrary, when the committee determined on a program, we set out this, that, and the other bills on which we had held hearings to complete; and when that was done, as I remember—and I think I am accurate—the committee, in response to a definite question, determined—not officially by vote, but by acquiescence—to take up other legislative bills; principally, in the first place, transportation bills.

My judgment is, if left entirely to their own devices, in the order of things at the very beginning of next week we would pick up transportation bills and have hearings thereon.

Mr. BARKLEY. Mr. Speaker, does this come out of my time? I think the 10 minutes that the gentleman from Ohio [Mr. LONGWORTH] is entitled to must have expired.

The SPEAKER. The gentleman is mistaken.

Mr. LONGWORTH. Mr. Speaker, how much time have I?

The SPEAKER. Three quarters of a minute.

Mr. LONGWORTH. It shows the justice of this new rule. [Laughter.]

Mr. JAMES. Mr. Speaker, I want to say that the proposition made by the gentleman from Illinois is along the same lines as the proposition that was made to me by a railroad attorney from Chicago several days ago.

Mr. LONGWORTH. Mr. Speaker, I reserve three-quarters of a minute.

Mr. BARKLEY. Mr. Speaker, in the seven minutes that I have at my disposal it will be impossible to go into detail about this measure, although I believe that in that time I can answer the gentleman from Ohio [Mr. LONGWORTH]. I felt, while he was discussing the bill, that the appropriate thing would be to move a recess while he read the bill, so that he could understand its provisions. He objects to the salaries that the bill provides for the members of the board set up in the machinery. That is a matter, of course, entirely within the control of the House when the bill is taken up for consideration. If Members of this House do not approve of the salaries fixed in this bill they have the right to reduce them and to fix them at any figure they prefer or wish to fix.

Now, with reference to hearings, I stated the other day what happened in the committee. The gentleman from Massachusetts [Mr. WINSLOW] says the committee decided not to take up the bill "now." The way the thing came up, after many maneuvers, as I related in my description of the transaction on Saturday, was that there was a proposition to take up the bill introduced by the gentleman from Ohio [Mr. COOPER], and when we finally got into executive session to let the committee know what its program would be; that was the first bill decided on. The second bill to be taken up was the bill introduced by the gentleman from Kansas [Mr. HOCH], embodying a general revision of railroad rates. The third was this bill which is now under consideration. They voted to take up the other two bills, but voted against taking up this bill, which was the third, and then the committee voted to take up the "truth in fabrics" bill on the 15th of April.

Mr. LONGWORTH. The gentleman from Massachusetts [Mr. WINSLOW] has just announced that he is prepared to proceed with the consideration of this bill the first of next week.

Mr. BARKLEY. Yes; "he is prepared." The gentleman from Massachusetts is never so happy as when he has the committee room full of witnesses and nothing going on. [Laughter.]

The committee voted to have hearings on the "truth in fabric" bill, which the proponents of the bill did not ask for. They asked for action on the part of the committee. They started on these hearings on the 15th day of April—hearings which have been in progress every day since—and I have in my pocket now a notice from the chairman of the committee stating that on to-morrow they will resume hearings on the "truth in fabric" measure.

Mr. NELSON of Wisconsin. In the event the consideration of this bill should be deferred, it would lose its privileged status, would it not?

Mr. BARKLEY. Yes. Whatever the instructions might be with which it might be sent to the committee, when it came back it would be like any other bill on the calendar, and then it could only be taken up by special rule or called up on Calendar Wednesday when this committee had the call.

Mr. KING. Mr. Speaker, will the gentleman yield?

Mr. BARKLEY. I can not yield any further. I am sorry, but I am busy. [Laughter.]

Now, about hearings: The Committee on Interstate and Foreign Commerce in the Sixty-sixth Congress held hearings for months on this very subject. They reported out the original Esch bill, which provided for national adjustment boards of the same kind as are provided in this bill. When the bill came on the floor here the Anderson amendment was introduced and substituted. The Anderson amendment provided for national adjustment boards, and nobody representing the public was on those boards, and the bill reported by the Committee on Interstate and Foreign Commerce provided for national adjustment

boards, with equal representation from the railroad men and employees on both sides. The original Anderson amendment also provided for national adjustment boards, with nobody representing the public on them, but an equal number on each side representing the men and the railroads.

That bill went to the Senate in that form. The Cummins bill was substituted. It also provided for national adjustment boards, with equal representation on both sides, and then provided for a different kind of machinery in the place of the Railroad Labor Board, which now exists, and different also from the Board of Mediation and Conciliation in the bill to which I have referred. That bill went to conference, and the conferees—and the gentleman from Massachusetts [Mr. WINSLOW] and I were two of the conferees with the Senate—agreed to the creation of national adjustment boards with equal representation on both sides and with nobody from the public on any of these adjustment boards. That was a tentative agreement on the part of the conferees. An outline of the agreement was sent to Mr. Walker D. Hines, who at that time was Director General of Railroads and is now, I believe, general counsel for the Great Northern Railroad, and he sent it back with the suggestion that the provision for national adjustment boards, which was made compulsory in the tentative agreement of the conferees, should be changed so as to make it voluntary, so that they need not be created unless the railroads and the men should agree to their creation. But in none of these phases, from the original bill reported by the Committee on Interstate and Foreign Commerce until the final report of the committee on conference between the House and Senate, was there ever any provision allowing public representation on the boards of adjustment, because they are technical boards made up of technicians; they are boards dealing with expert questions in which the public is not interested and do not concern wages in any respect whatever.

Mr. NEWTON of Minnesota. But they were not paid for out of the Public Treasury.

Mr. BARKLEY. No; they were not paid for out of the Public Treasury. After the Esch-Cummins bill was adopted, with a provision for voluntary adjustment boards, the Association of Railway Executives held a meeting and appointed a labor committee, at the head of which, I believe, was Mr. Hale Holden. On that committee was Mr. Daniel E. Willard, of the Baltimore & Ohio, and W. W. Atterbury, connected with the Pennsylvania Railroad, although not an actual railroad man. By a vote of 8 to 1 the labor committee of the National Association of Railway Executives recommended that these boards of adjustment, representing an equal number on both sides, be created. That report was made to the National Association of Railway Executives, and Mr. Atterbury, who was making the fight to crush all labor organizations in the United States, won out before the full committee, and by a vote of 60 to 41 they rejected the proposition.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. LONGWORTH. Mr. Speaker, I yield the gentleman three-quarters of a minute in order that he may answer a question.

The SPEAKER. The gentleman from Kentucky has no time.

Mr. LONGWORTH. But, Mr. Speaker, I yield him three-quarters of a minute. I simply want to ask the gentleman this question: If he does not believe that the million or more men who make their living by working on the railroads and who object to this bill ought not to have an opportunity to have a hearing? [Applause.]

Mr. BARKLEY. The million or more men who object, as the gentleman says—there is not the slightest evidence before this House to indicate that not only a million railroad men but that 100,000 railroad men who are free to express their views, object to this bill.

Mr. LONGWORTH. The gentleman from Alabama [Mr. HUDDLESTON] on the floor the other day——

Mr. BARKLEY. I have not read the gentleman's speech.

Mr. LONGWORTH. Of course, he has not yet printed his speech. The gentleman from Alabama in the course of his speech said that this bill was asked for by 1,200,000 men, which leaves about 800,000 or 1,000,000 men.

Mr. BARKLEY. There is nothing in this bill which prevents these million men from having their rights. [Applause.]

The SPEAKER. The time of the gentleman has again expired.

Mr. GARRETT of Tennessee. Mr. Speaker, I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARRETT of Tennessee. If the motion to discharge the committee shall prevail, then, as I understand the rule, it will be next in order for any Member who signed the motion to move the consideration of the bill and it shall then be considered under the general rules of the House.

The SPEAKER. Certainly.

Mr. GARRETT of Tennessee. That means that the House will resolve itself into Committee of the Whole for the consideration of the bill, it being a Union Calendar bill. Now, my inquiry is this: If the consideration of the bill be not concluded to-day, when will it again be in order to move to proceed with its consideration? Will it be in order to-morrow, or will it go over for two weeks?

The SPEAKER. Of course, the Chair is willing to hear gentlemen on that question, but the Chair's opinion is it would go over for two weeks.

Mr. BARKLEY. I hope the Chair will not rule on that matter until the point is raised.

The SPEAKER. The Chair will not. The Chair stated he would not preclude argument on that question, but the Chair's opinion at first blush is that it would go over for two weeks.

Mr. JOHNSON of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of South Dakota. If this motion to discharge fails, would we then revert to the original suspension-day status and would it then be in order for me to renew my motion to suspend the rules and pass H. R. 8869?

The SPEAKER. Did the gentleman say if the motion prevailed?

Mr. JOHNSON of South Dakota. If it does not prevail.

The SPEAKER. If it does not prevail, then the regular suspension business will be in order, and the Chair will probably recognize the gentleman.

The question is on the motion made by the gentleman from Kentucky [Mr. BARKLEY] to discharge the committee.

Mr. BARKLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 194, nays 181, not voting 57, as follows:

YEAS—194

Abernethy	Doyle	Lozier	Robsion, Ky.
Allen	Eagan	Lyon	Romjue
Allgood	Evans, Mont.	McClintic	Rubey
Almon	Favrot	McKeown	Sabath
Arnold	Foster	McReynolds	Salmon
Ayres	Frear	McSwain	Sanders, Tex.
Bankhead	Fulbright	McSweeney	Sandlin
Barbour	Fulmer	MacGregor	Schafer
Barkley	Funk	Major, Ill.	Schall
Beck	Garber	Major, Mo.	Schneider
Berger	Gardner, Ind.	Manlove	Seger
Black, N. Y.	Garner, Tex.	Mansfield	Shallenberger
Bloom	Garrett, Tex.	Martin	Sherwood
Boles	Gasque	Mead	Simmons
Bowling	Gilbert	Miller, Wash.	Sinclair
Box	Glatfelter	Milligan	Sites
Boylan	Greenwood	Minahan	Smithwick
Brand, Ga.	Griffin	Montague	Steagall
Briggs	Hammer	Mooney	Stedman
Browne, Wis.	Hastings	Moore, Ga.	Stevenson
Browning	Hayden	Moore, Va.	Summers, Wash.
Buchanan	Hill, Ala.	Morehead	Sumners, Tex.
Buckley	Hill, Wash.	Morrow	Swank
Bulwinkle	Holaday	Nelson, Wis.	Swing
Busby	Howard, Nebr.	Nolan	Tague
Byrnes, S. C.	Huddleston	O'Brien	Taylor, Colo.
Byrns, Tenn.	Hudspeth	O'Connell, N. Y.	Taylor, W. Va.
Canfield	Hull, Iowa	O'Connell, R. I.	Thomas, Ky.
Cannon	Hull, Tenn.	O'Connor, La.	Thomas, Okla.
Carew	Jacobstein	O'Connor, N. Y.	Tillman
Carter	James	O'Sullivan	Tucker
Casey	Jeffers	Oldfield	Underwood
Celler	Johnson, W. Va.	Oliver, Ala.	Vinson, Ga.
Clancy	Jones	Oliver, N. Y.	Vinson, Ky.
Collier	Keller	Parks, Ark.	Voigt
Collins	Kelly	Peavey	Watkins
Connally, Tex.	Kent	Peery	Weaver
Cook	Kindred	Pou	Wefald
Cooper, Ohio	King	Prall	Weller
Cooper, Wis.	Kopp	Quayle	Williams, Ill.
Corning	Kvale	Quin	Wilson, Ind.
Crisp	LaGuardia	Ragon	Wilson, Miss.
Croll	Lampert	Rainey	Wingo
Crosser	Lanham	Raker	Wolff
Cullen	Lankford	Rankin	Woodruff
Davey	Lazaro	Rathbone	Woodrum
Dickinson, Mo.	Lee, Ga.	Reed, Ark.	Wright
Doughton	Lilly	Reid, Ill.	
Dowell	Lindsay	Richards	

NAYS—181

Ackerman	Bixler	Burtness	Cole, Ohio
Aldrich	Black, Tex.	Burton	Colton
Andrew	Bland	Butler	Connolly, Pa.
Anthony	Blanton	Cable	Cramton
Aswell	Boyce	Chindblom	Crowther
Bacharach	Brand, Ohio	Christopherson	Darrow
Bacon	Britten	Clague	Davis, Tenn.
Beedy	Browne, N. J.	Clarke, N. Y.	Deal
Beers	Brumm	Cleary	Dempsey
Begg	Burdick	Cole, Iowa	Denison

Dickinson, Iowa	Hill, Md.	Magee, N. Y.	Speaks
Driver	Hoch	Magee, Pa.	Sproul, Ill.
Dyer	Hudson	Mapes	Sproul, Kans.
Edmonds	Hull, Morton D.	Merritt	Stephens
Elliott	Hull, William E.	Michener	Strong, Kans.
Evans, Iowa	Humphreys	Miller, Ill.	Strong, Pa.
Fairchild	Johnson, S. Dak.	Mills	Sweet
Fairfield	Johnson, Ky.	Moore, Ill.	Taber
Faust	Johnson, Wash.	Moore, Ohio	Temple
Fenn	Jost	Moores, Ind.	Thatcher
Fish	Kearns	Mudd	Thompson
Fisher	Kendall	Nelson, Me.	Timberlake
Fitzgerald	Kerr	Newton, Minn.	Tincher
Fleetwood	Ketcham	Newton, Mo.	Tinkham
Fredericks	Kiess	Paige	Treadway
Free	Kincheloe	Parker	Underhill
Freeman	Kurtz	Patterson	Vaile
French	Larsen, Ga.	Perkins	Vincent, Mich.
Frothingham	Larson, Minn.	Phillips	Wainwright
Fuller	Lea, Calif.	Porter	Watres
Garrett, Tenn.	Leatherwood	Purnell	Watson
Gibson	Leavitt	Ramseyer	Welsh
Gifford	Lehlbach	Ransley	Wertz
Goldsborough	Linthicum	Reece	White, Kans.
Graham, Ill.	Little	Reed, N. Y.	White, Me.
Graham, Pa.	Longworth	Roach	Williams, Mich.
Green, Iowa	Lowrey	Robinson, Iowa	William, Tex.
Griest	Luce	Rogers, Mass.	Williamson
Hadley	McDuffie	Rouse	Wilson, La.
Hardy	McFadden	Sanders, Ind.	Winslow
Harrison	McKenzie	Sanders, N. Y.	Wyant
Haugen	McLaughlin, Mich.	Scott	Yates
Hawes	McLaughlin, Nebr.	Shreve	Young
Hawley	McLeod	Sinnott	
Hersey	MacLafferty	Smith	
Hickey	Madden	Snell	

NOT VOTING—57

Anderson	Greene, Mass.	Murphy	Tilson
Bell	Hooker	Park, Ga.	Tydings
Campbell	Howard, Okla.	Perlman	Upshaw
Clark, Fla.	Johnson, Tex.	Rayburn	Vare
Connery	Kahn	Reed, W. Va.	Vestal
Cummings	Knutson	Rogers, N. H.	Ward, N. Y.
Curry	Kunz	Rosenbloom	Ward, N. C.
Dallinger	Langley	Sears, Fla.	Wason
Davis, Minn.	Lineberger	Sears, Nebr.	Winter
Dickstein	Logan	Snyder	Wood
Dominick	McNulty	Stalker	Wurzbach
Drane	Michaelson	Stengle	Zihlman
Drewry	Morgan	Sullivan	
Gallivan	Morin	Swoope	
Geran	Morris	Taylor, Tenn.	

So the motion to discharge the committee was agreed to.

Mr. KUNZ. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. KUNZ. I have just come in.

The SPEAKER. The gentleman does not bring himself within the rule.

The Clerk announced the following pairs:

On this vote:

Mr. Gallivan (for) with Mr. Tilson (against).
Mr. Morgan (for) with Mr. Morris (against).
Mr. Wurzbach (for) with Mr. Vare (against).
Mr. Hooker (for) with Mr. Wood (against).
Mr. McNulty (for) with Mr. Geran (against).
Mr. Upshaw (for) with Mr. Drewry (against).
Mr. Knutson (for) with Mr. Winter (against).
Mr. Connery (for) with Mr. Vestal (against).

Until further notice:

Mr. Swoope with Mr. Bell.
Mr. Sears of Nebraska with Mr. Stengle.
Mr. Michaelson with Mr. Park of Georgia.
Mr. Curry with Mr. Kunz.
Mr. Snyder with Mr. Howard of Oklahoma.
Mr. Taylor of Tennessee with Mr. Johnson of Texas.
Mr. Rosenbloom with Mr. Dominick.
Mr. Ward of New York with Mr. Ward of North Carolina.
Mr. Langley with Mr. Clark of Florida.
Mr. Perlman with Mr. Logan.
Mr. Stalker with Mr. Drane.
Mr. Anderson with Mr. Rayburn.
Mr. Dallinger with Mr. Dickstein.
Mr. Green of Massachusetts with Mr. Sears of Florida.
Mr. Campbell with Mr. Rogers of New Hampshire.
Mr. Morin with Mr. Sullivan.
Mr. Davis of Minnesota with Mr. Tydings.
Mr. Kahn with Mr. Cummings.

The result of the vote was announced as above recorded.

Mr. BARKLEY. Mr. Speaker, I move that the House proceed to the immediate consideration of H. R. 7358, a bill to provide for the expeditious and prompt settlement, mediation, conciliation, and arbitration of disputes between carriers and their employees and subordinate officials, and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from Kentucky to take up the bill H. R. 7358 for immediate consideration.

The question was taken; and on a division (demanded by Mr. BARKLEY) there were—ayes 131, noes 143.

Mr. BARKLEY. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 197, nays 172, not voting 63, as follows:

YEAS—197

Abernethy	Evans, Mont.	Lowrey	Romjue
Allgood	Favrot	Lozier	Rubey
Almon	Fish	Lyon	Sabath
Arnold	Foster	McClintic	Salmon
Ayres	Frear	McKeown	Sanders, Tex.
Bankhead	Fulbright	McReynolds	Sandlin
Barbour	Fulmer	McSweeney	Schafer
Barkley	Funk	MacGregor	Schall
Beck	Gardner, Ind.	Major, Ill.	Schneider
Berger	Garner, Tex.	Major, Mo.	Seger
Black, N. Y.	Garrett, Tex.	Manlove	Shallenberger
Bloom	Gasque	Mansfield	Sherwood
Boies	Gilbert	Martin	Simmons
Bowling	Glatfelter	Mead	Sinclair
Box	Greenwood	Miller, Wash.	Sites
Boylan	Griffin	Milligan	Smithwick
Brand, Ga.	Hammer	Minahan	Steagall
Briggs	Hastings	Montague	Stedman
Browne, Wis.	Hawes	Mooney	Stevenson
Browning	Hayden	Moore, Ga.	Summers, Wash.
Buchanan	Hill, Ala.	Moore, Va.	Sumners, Tex.
Buckley	Hill, Wash.	Morehead	Swank
Bulwinkle	Holaday	Morrow	Swing
Busby	Howard, Nebr.	Nelson, Wis.	Tague
Byrnes, S. C.	Huddleston	Nolan	Taylor, Colo.
Byrns, Tenn.	Hudspeth	O'Brien	Taylor, W. Va.
Canfield	Hull, Iowa	O'Connell, N. Y.	Thomas, Ky.
Cannon	Hull, Tenn.	O'Connell, R. I.	Thomas, Okla.
Carew	Jacobstein	O'Connor, La.	Thompson
Carter	James	O'Connor, N. Y.	Tillman
Casey	Jeffers	O'Sullivan	Tucker
Celler	Johnson, W. Va.	Oldfield	Underwood
Clancy	Jones	Oliver, Ala.	Vinson, Ga.
Collier	Keller	Oliver, N. Y.	Vinson, Ky.
Collins	Kelly	Parks, Ark.	Voigt
Connally, Tex.	Kent	Peavey	Watkins
Cook	Kindred	Peery	Weaver
Cooper, Ohio	King	Pou	Wefald
Cooper, Wis.	Kopp	Prall	Weller
Corning	Kurtz	Quayle	Williams, Ill.
Crisp	Kvale	Quin	Wilson, Ind.
Croll	LaGuardia	Ragon	Wilson, Miss.
Crosser	Lampert	Rainey	Wingo
Cullen	Lanham	Raker	Wolff
Davey	Lankford	Rankin	Woodruff
Dickinson, Mo.	Larsen, Ga.	Rathbone	Woodrum
Doughton	Lazaro	Reed, Ark.	Wright
Dowell	Lee, Ga.	Reid, Ill.	
Doyle	Lilly	Richards	
Eagan	Lindsay	Robsion, Ky.	

NAYS—172

Ackerman	Edmonds	Kiess	Roach
Aldrich	Elliott	Kincheloe	Robinson, Iowa
Allen	Evans, Iowa	Kunz	Rogers, Mass.
Andrew	Fairchild	Larson, Minn.	Rouse
Anthony	Fairfield	Lea, Calif.	Sanders, Ind.
Aswell	Faust	Leatherwood	Sanders, N. Y.
Bacon	Fenn	Leavitt	Scott
Beedy	Fisher	Lehlbach	Shreve
Beers	Fitzgerald	Linthicum	Sinnott
Begg	Fleetwood	Little	Smith
Bixler	Fredericks	Longworth	Snell
Black, Tex.	Free	Luce	Speaks
Bland	Freeman	McDuffie	Sproul, Ill.
Blanton	French	McFadden	Sproul, Kans.
Boyce	Frothingham	McKenzie	Stephens
Brand, Ohio	Fuller	McLaughlin, Mich.	Strong, Kans.
Britten	Garber	McLaughlin, Nebr.	Strong, Pa.
Browne, N. J.	Garrett, Tenn.	McLeod	Sweet
Brumm	Gibson	MacLafferty	Taber
Burdick	Gifford	Madden	Temple
Burtness	Goldsborough	Magee, N. Y.	Thatcher
Burton	Graham, Ill.	Magee, Pa.	Timberlake
Butler	Graham, Pa.	Mapes	Tincher
Cable	Green, Iowa	Merritt	Tinkham
Chindblom	Griest	Michener	Treadway
Christopherson	Hadley	Miller, Ill.	Underhill
Clague	Hardy	Mills	Vaile
Clarke, N. Y.	Haugen	Moore, Ill.	Vincent, Mich.
Cleary	Hawley	Moore, Ohio	Wainwright
Cole, Iowa	Hersey	Moores, Ind.	Watres
Cole, Ohio	Hickey	Nelson, Me.	Watson
Colton	Hill, Md.	Newton, Minn.	Welsh
Connolly, Pa.	Hoch	Newton, Mo.	Wertz
Cramton	Hull, Morton D.	Paige	White, Kans.
Crowther	Hull, William E.	Parker	White, Me.
Darrow	Humphreys	Patterson	Williams, Mich.
Davis, Tenn.	Johnson, Ky.	Perkins	Williams, Tex.
Deal	Johnson, S. Dak.	Phillips	Williamson
Dempsey	Johnson, Wash.	Purnell	Wilson, La.
Denison	Jost	Ramseyer	Winslow
Dickinson, Iowa	Kearns	Ransley	Wyant
Driver	Kendall	Reece	Yates
Dyer	Ketcham	Reed, N. Y.	Young

NOT VOTING—63

Anderson	Dominick	Kahn	Morris
Bacharach	Drane	Kerr	Mudd
Bell	Drewry	Knutson	Murphy
Campbell	Gallivan	Langley	Park, Ga.
Clark, Fla.	Geran	Lineberger	Perlman
Connery	Greene, Mass.	Logan	Porter
Cummings	Harrison	McNulty	Rayburn
Curry	Hooker	McSwain	Reed, W. Va.
Dallinger	Howard, Okla.	Michaelson	Rogers, N. H.
Davis, Minn.	Hudson	Morgan	Rosenbloom
Dickstein	Johnson, Tex.	Morin	Sears, Fla.

Sears, Nebr.	Swoope	Vare	Winter
Snyder	Taylor, Tenn.	Vestal	Wood
Stalker	Tilson	Ward, N. Y.	Wurzbach
Stengle	Tydings	Ward, N. C.	Zihlman
Sullivan	Upshaw	Wason	

The Clerk announced the following additional pairs:
On this vote:

Mr. Connery (for) with Mr. Vestal (against).
Mr. Gallivan (for) with Mr. Tilson (against).
Mr. Morgan (for) with Mr. Morris (against).
Mr. Wurzbach (for) with Mr. Vare (against).
Mr. Hooker (for) with Mr. Wood (against).
Mr. McNulty (for) with Mr. Geran (against).
Mr. Upshaw (for) with Mr. Drewry (against).
Mr. Knutson (for) with Mr. Winter (against).

Until further notice:

Mr. Bacharach with Mr. Cummings.
Mr. Mudd with Mr. Harrison.
Mr. Wason with Mr. Kerr.

The result of the vote was announced as above recorded.

Mr. BARKLEY. Mr. Speaker——

Mr. SIMMONS rose.

The SPEAKER. For what purpose does the gentleman from Nebraska rise?

Mr. SIMMONS. Mr. Speaker, my colleague from Nebraska, Mr. SEARS, asked to be recorded as against the Howell-Barkley bill. He is unable to be present.

Mr. BLANTON. Mr. Speaker, I make a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Mr. Speaker, I make a point of order against the appropriation of $500,000 in this bill at the end of the bill as being unwarranted. The rules say that a point of order may be made at any time.

The SPEAKER. The Chair thinks that is in order. The Chair overrules the point of order.

Mr. BARKLEY. Mr. Speaker, as I understand it, the House having voted to proceed immediately to consider this bill, the House resolves itself automatically into the Committee of the Whole.

The SPEAKER. The Chair rather thinks the gentleman ought to make that motion.

Mr. BARKLEY. If the Chair thinks that, I will make the motion that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of H. R. 7358.

The SPEAKER. The gentleman from Kentucky moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7358.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. BLANTON. Mr. Speaker, I ask for a division. I ask for the yeas and nays, Mr. Speaker.

Mr. BARKLEY. Mr. Speaker, let me ask the Chair this question.

The SPEAKER. No rights will be lost. The gentleman from Kentucky will state his question.

Mr. BARKLEY. Mr. Speaker, I simply want to make this suggestion. I do not want to enter into any discussion. This is a new rule under which the House proceeds and the House has voted to proceed immediately to the consideration of this bill under the rules of the House. It strikes me that that vote would put this bill in a situation where the House automatically, because it is a Union Calendar bill, resolves itself into the Committee of the Whole House without further action for the consideration of the measure, and it is not necessary——

Mr. LONGWORTH. Mr. Speaker, I think the gentleman has made his point of order too late.

Mr. BARKLEY. I asked the Speaker that before we had voted on it.

Mr. LONGWORTH. I know, but the gentleman has made the motion and we have voted and divided.

Mr. BARKLEY. The Speaker said I would not lose any rights.

Mr. LONGWORTH. And the Chair has declared that the noes have it.

Mr. MADDEN. We have voted on the motion.

Mr. SANDERS of Indiana. The gentleman made the motion and we have voted on the gentleman's motion.

Mr. BARKLEY. The motion made was to go into the Committee of the Whole House on the state of the Union——

Mr. BLANTON. Mr. Speaker, I withdraw my demand for the yeas and nays.

Mr. BARKLEY. Mr. Speaker, there might have been either a motion to go into the Committee of the Whole House on the state of the Union or, in the language of the rule, to proceed immediately to consider the bill. Now, having voted to proceed immediately to the consideration of the bill, under this rule, and under the procedure which I think ought to be established as a precedent, because we are going to be governed in the future by rulings on this rule now, the House automatically resolves itself into the Committee of the Whole House on the state of the Union without any further action.

Mr. LONGWORTH. Mr. Speaker, I make the point of order that the gentleman's point of order comes too late. He himself made the motion that the House resolve itself into the Committee of the Whole House on the state of the Union and the House has divided and the Chair has declared that the noes have it.

Mr. BARKLEY. Mr. Speaker, the Chair knows what occurred.

Mr. BEGG. Mr. Speaker, if I might be permitted, I would like to call the attention of the Chair to the fact that this bill is not and never has been on any calendar. Therefore the automatic going into the Committee of the Whole House is impossible. This bill was taken out of the committee without a report, and if the vote to discharge the committee failed then the bill would have been killed. If the motion to discharge the committee was agreed to and the motion to consider the bill had failed, then the bill would have gone on the Union Calendar. The fact that the motion carried precludes the possibility of this bill ever getting on any calendar, and the only question before the House is, Will the House in Committee of the Whole proceed as against some other time to consider the bill? Hence there is no such thing as going automatically into Committee of the Whole.

Mr. BARKLEY. If the motion to proceed immediately to consider the bill was defeated, having been taken from the committee, the bill would have gone on the Union Calendar because it involves an expenditure from the Treasury.

Mr. LONGWORTH. Mr. Speaker, I make the point of order that notwithstanding the merits of the question the gentleman makes his point too late, for he himself moved to go into Committee of the Whole House on the state of the Union which would deprive him of the legality of his point.

Mr. GARNER of Texas. Will the gentleman yield? If the bill is to be considered, do we not have to consider it in Committee of the Whole?

Mr. LONGWORTH. It should be considered in Committee of the Whole, and the gentleman from Kentucky has moved to consider it in Committee of the Whole.

Mr. GARNER of Texas. It makes no difference what the gentleman from Kentucky has done, under the rules of the House it requires it to be considered in Committee of the Whole House on the state of the Union. If the House desires to consider it; how can the House consider it unless it goes into Committee of the Whole House? It makes no difference what the gentleman from Kentucky has done, it has to be considered in Committee of the Whole.

Mr. LONGWORTH. I insist on my point of order, Mr. Speaker, that notwithstanding the merits of this question the gentleman's point comes too late. I would like a ruling on the point of order.

Mr. CANNON. Mr. Speaker——

The SPEAKER. The Chair will hear the gentleman.

Mr. CANNON. I think, Mr. Speaker, we must all concede that the point made by the gentleman from Ohio [Mr. LONGWORTH] is well taken. Undoubtedly the question raised by the gentleman from Kentucky [Mr. BARKLEY] comes too late. But this is a new rule. It is a procedure for which there is no precedent, and we are establishing here a routine to be followed for all time. Under these unusual circumstances I trust the gentleman from Ohio will not insist upon his point of order but will permit at least a brief discussion of this phase of a rule which from its very nature can be invoked only on occasions and measures of exceptional importance.

This bill, Mr. Speaker, is a Union Calendar bill. Under the rules of the House it must be considered in the Committee of the Whole House on the state of the Union. It follows, therefore, that a vote to proceed to its consideration is a vote to proceed to its consideration in the committee.

This being true, a second vote on going into the committee is wholly superfluous. It could have no legitimate purpose and would add nothing pertinent to the proceedings. It would be an unnecessary duplication and would needlessly consume the time of the House in another roll call. The original motion should provide for consideration in the committee. Any other course contributes to delay and obstruction and would contravene the express provisions and purpose of the rule.

I trust the Speaker will be permitted to pass upon the question and to set a precedent which will best provide for the

orderly and expeditious disposition of such motions in the future.

Mr. POU. Mr. Speaker, the sole question here is whether under the new discharge rule the House now automatically resolves itself into Committee of the Whole or whether it requires a motion to go into Committee of the Whole. I quote from the rule, "If it shall be decided in the affirmative, the bill shall be immediately considered under the general rules of the House." The House has just voted affirmatively on that proposition, and I submit that a proper and intelligent construction of the rule would be that the House automatically resolves itself into Committee of the Whole—that being the real question which was submitted to the House. I submit that a motion to go into Committee of the Whole is not necessary. I submit that if the gentleman from Kentucky made the motion on intimation from the Chair, the House does not lose any of the rights and the gentleman from Kentucky does not lose any of his rights. I submit it is unnecessary to take a vote a second time after the House has just voted to consider the bill under the general rules of the House, which consideration must be in Committee of the Whole House on the state of the Union.

Mr. BEGG. Will the gentleman yield?

Mr. POU. Yes.

Mr. BEGG. I concede that the gentleman is correct as far as he goes, but he does not go clear through the proposition. What are the general rules of the House? They are that when a bill is on the Union Calendar on Calendar Wednesday the House goes into Committee of the Whole automatically, but on every other day except on Calendar Wednesday a motion is necessary to go into Committee of the Whole. Now, the gentleman does not contend that this bill either is on the Union Calendar or that it is Calendar Wednesday.

Mr. POU. I contend that when the House voted that this bill should be considered under the rules of the House that action by the House put the bill on the Union Calendar. If not, what does the provision in the rule mean?

Mr. BEGG. The orderly procedure under the rules.

Mr. POU. What is it?

Mr. BEGG. That the House shall go into the Committee of the Whole House on the state of the Union.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. POU. Yes.

Mr. GARRETT of Tennessee. In view of the statement the Speaker made a few moments ago in response to a parliamentary inquiry as to when this bill would next be in order if not concluded to-day, and he said his present idea about it was that it would go over for two weeks; that it could only come up on suspension Mondays. Now, in view of the arguments that will be made sustaining that idea, may I ask the gentleman from North Carolina if he does not think the expression "under the general rules of the House" might mean that they would have to proceed under a motion to suspend the rules? [Laughter.]

Mr. POU. I think I would rather the gentleman would answer that himself. [Laughter.]

Mr. MAPES. Why is not the situation here the same as when the question of consideration is raised on any bill? The question of consideration may be raised when a bill is called up in the regular procedure under the general rules of the House, and if the House desires to do so, it has a roll call on the question. After that if the House decides to consider the bill, the motion must be made to go into the Committee of the Whole. We have here, it seems to me, a parallel situation. The gentleman from Kentucky [Mr. BARKLEY] made the motion to discharge the committee from further consideration of the bill, and that motion was carried. The rule provides that if that motion carries, the House must determine then whether the bill shall go on the calendar, as though it were reported by the committee in the first instance, or whether the House shall immediately consider the bill the same as if the bill was on the calendar. The House having decided to consider the legislation instead of putting it on the calendar in the regular way, it must determine then by vote to go into the Committee of the Whole the same as in other cases. When a bill is on the Union Calendar, called up on Calendar Wednesday, the rule provides specifically that the House automatically resolves itself into the Committee of the Whole House on the state of the Union. There is nothing in this rule that requires any such procedure. The procedure is here set forth step by step, and we have taken only two steps so far, one of them to discharge the committee and the other to consider the legislation under the general rules of the House instead of putting it on the calendar. It seems to me that we must necessarily now decide whether we are going into the Committee of the Whole House on the state of the Union to consider the bill further.

Mr. HOWARD of Nebraska. Mr. Speaker, I rise to propound a question for information, parliamentary and legislatively. The question of time has been seriously discussed by several of the gentlemen this morning, and the gentleman from South Dakota [Mr. JOHNSON] informed us that we were on the verge of adjournment. The information I would like to have is, Did the gentleman from South Dakota speak by authority?

The SPEAKER. That is not a parliamentary inquiry. This is the first time this rule has been interpreted, and the Chair thinks it is quite important that we should settle it now carefully and rightly. The Chair will state the way it lies in his mind at the present time and then he will be glad to hear from gentlemen who have opinions on the parliamentary status. The rule under which we are proceeding provides that if the motion to discharge prevails, it shall then be in order for any Member who signed the motion to move that the House proceed to the immediate consideration of the bill. While the rule provides that the House shall proceed to the immediate consideration of the bill, yet in the case of a bill which must be considered in Committee of the Whole House on the state of the Union, the Chair thinks that the proper motion would be not to proceed to immediate consideration, but that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, because that is the procedure in other similar situations. One can not raise the question of consideration in the House on a bill that is on the Union Calendar, because it has been held that the way to raise the question of consideration in that situation is to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill. That motion raises the question of consideration. It seems to the Chair that it would establish a good precedent if the House should follow that analogy here and decide that when a bill from which the committee has been discharged is on the House Calendar, the proper motion is that the House proceed to its immediate consideration, but that when it is a bill that must be considered in Committee of the Whole, the motion would be to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill. As was suggested by the gentleman from North Carolina [Mr. POU] it seems preposterous to say that we should first move to consider the bill and then move to go into the Committee of the Whole House on the state of the Union to consider it, which raises the same issue. Why would it not be well to follow the analogies of ordinary procedure and hold that with a bill that must be considered in the Committee of the Whole House on the state of the Union, the proper way to raise the question of consideration is to move that the House resolve itself into the Committee of the Whole House on the state of the Union? In that way the question of consideration is raised immediately. When it is a bill which does not need consideration in the Committee of the Whole then the proper motion is that the House proceed to its immediate consideration.

Mr. MADDEN. Mr. Speaker, the question of consideration was raised, and then afterwards the motion was made by the gentleman from Kentucky [Mr. BARKLEY] that the House resolve itself into the Committee of the Whole House on the state of the Union. A vote was taken upon that, and the Chair ruled that the motion was lost.

Mr. LAZARO. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I decline to yield. Then the gentleman from Kentucky, after the motion was made and the vote put and the declaration made by the Chair that it was lost, rose in his place to a point of order, that point of order being that the House should automatically resolve itself into the Committee of the Whole House on the state of the Union. If there ever was a period during the consideration of the problem before us when that suggestion should be made, we had gone by it at the time the gentleman from Kentucky raised the question. My contention is, and I want to impress this upon the Speaker of the House, that the question has already been decided by a vote of the House, and that it is now too late to raise the question or to ask for a roll call.

The SPEAKER. The Chair thinks there is no doubt on that question, and that the gentleman is correct. The gentleman from Ohio [Mr. LONGWORTH] made that point. The Chair thinks it is too late, because the gentleman from Kentucky had made the motion to go into Committee of the Whole House, and then the gentleman from Texas made a point of order, and the Chair assured the gentleman from Kentucky that that should not interfere with his rights.

Mr. LONGWORTH. Mr. Speaker, as I understand it, the Chair suggested that the first motion to discharge having been acted upon favorably, that the second motion, where a bill is on the Union Calendar, should be that the House resolve itself into the Committee of the Whole House on the state of the Union.

The SPEAKER. Yes.

Mr. LONGWORTH. I suggest to the Chair, suppose the consideration of the bill is not completed upon a certain Monday and the bill goes over two weeks, what is the motion then?

The SPEAKER. The motion that the House resolve itself into the Committee of the Whole House on the state of the Union again.

Mr. BANKHEAD. Mr. Speaker, as I understand the Chair, the impression of the Chair was that possibly the motion made by the gentleman from Kentucky for the immediate consideration of the bill was improvident——

The SPEAKER. Superfluous.

Mr. BANKHEAD. Unnecessary, and that the motion that should have been made was that the House resolve itself into the Committee of the Whole House on the state of the Union. The difficulty I see on that proposition is that the bill is in this sort of status, that it is not properly identified with either calendar of the House. The only calendar this bill is mentioned is the calendar of the motion to discharge a committee, and when the question comes up and an affirmative vote had on the motion to discharge the committee, as I understand it, I do not see how that could go automatically to either calendar of the House, although the subject matter of the bill might indicate that it ought to go to the Union Calendar or to the House Calendar.

The SPEAKER. It is not necessary to determine which calendar it should be on. If it involves a charge on the Treasury, it has to be considered in the Committee of the Whole House on the state of the Union, and the bill itself shows that.

Mr. BANKHEAD. In other words, the Chair's opinion is that the bill itself shows it is a bill which would ordinarily go on the Union Calendar and that the proper motion would be to go into the Committee of the Whole House on the state of the Union.

The SPEAKER. It seems to the Chair very clear.

Mr. MADDEN. Mr. Speaker, I insist on my point of order.

Mr. BARKLEY. Mr. Speaker, of course this is a new rule, and there is no precedent for the character of the words or phraseology of the motion after the committee has been discharged. The natural thing under a rule of this kind would be to make a motion in the exact language of the rule, and that is the motion which I made, that under this rule the House proceed to the immediate consideration of the bill. Now, that is the language of the rule, and that motion carried. Now, that being true, the question of consideration having been passed on by the House and having been adopted by the House that it should be considered immediately, the question arose in my mind—and I suppose it would arise in anybody's mind—whether the House automatically went into the Committee of the Whole House on the state of the Union or a motion was necessary. I had some doubt about that and propounded an inquiry to the Speaker, and upon his suggestion I moved that the House go into the Committee of the Whole House on the state of the Union. The House was dividing, and the Speaker had announced that the noes seemed to have it. At that point a demand for the yeas and nays was made, and I arose, and then the Speaker announced that nobody would lose his rights by reason of this discussion, and therefore the motion to go into the Committee of the Whole House on the state of the Union and the procedure we had up to that time had not been declared lost; but if I understand even if the Speaker holds—I do not care personally whether the motion made at first was a motion to go into the Committee of the Whole House on the state of the Union or whether the motion I made was proper; so far as the future is concerned it does not make any difference which the Chair holds; it probably will be a precedent—under the present status of the situation the House would vote on the motion to go into the Committee of the Whole House on the state of the Union that I made originally, so there would be a roll call, as I understand.

A MEMBER. If demanded.

Mr. BARKLEY. If demanded.

The SPEAKER. The Chair thinks it would be well to settle this——

Mr. BARKLEY. While I am on my feet, in order to be absolutely sure, if the demand for the yeas and nays has not been made I make that demand.

The SPEAKER. The gentleman will be recognized for that purpose.

Mr. LONGWORTH. Mr. Speaker, as I understand the situation it is this: The gentleman from Kentucky [Mr. BARKLEY] made a motion that the House resolve itself into the Committee of the Whole House for consideration of this bill. The Chair put the question and the House divided, and the Chair held that the nays have it.

The SPEAKER. That the noes seemed to have it.

Mr. LONGWORTH. That the noes have it. The gentleman from Texas then demanded the yeas and nays, which motion he subsequently withdrew. I contend it is now in order to proceed with the consideration of the Suspension Calendar.

The SPEAKER. The Chair thinks not. The Chair thinks this is the exact status of the case. The gentleman from Kentucky [Mr. BARKLEY] moved that the House resolve itself into the Committee of the Whole House on the state of the Union, on which there was a viva voce vote, and the Chair said that the noes seemed to have it. Then the gentleman from Texas [Mr. BLANTON] demanded the yeas and nays. He then made a point or order, as the Chair remembers the sequence, and the gentleman from Kentucky protested that he should not lose his rights. The Chair assured him that no rights should be lost, and the Chair thinks that the vote has not been permanently determined and the House is still dividing, and that the gentleman from Kentucky still has the right——

Mr. McKEOWN. Will the Chair permit a suggestion?

The SPEAKER. The Chair would like to go a step further, if the gentleman will permit the Chair to finish.

The one question that it seems to the Chair as wise for us to have settled now, with a view to the procedure in the future, is as to whether, when a bill is one which requires to be considered in Committee of the Whole, there shall be two votes on that, one to consider the bill, and second, to go into Committee of the Whole; and the Chair does not criticize the gentleman from Kentucky [Mr. BARKLEY] in moving consideration. He followed the exact language of the rule, as was the proper and safe course. But the Chair thinks we might well decide now that for the future we might give the language a different interpretation. There are two ways of raising the question of consideration in the House—one by using that language and the other, in the case of bills on the Union Calendar, by moving to go into the Committee of the Whole for their consideration. Why should we not follow that precedent here and, in case of bills which impose a charge on the Treasury, move that the House proceed to its immediate consideration by moving that the House resolve itself into the Committee of the Whole House? Then we follow the spirit of the rule if not its exact language, and save one roll call, and the Chair would be inclined in the future, unless the House shall otherwise decide—of course, it is too late on this bill—if it is a bill that requires the House to go into Committee of the Whole, that that motion should be made immediately, and then it would not be necessary to make the motion for immediate consideration.

Mr. McKEOWN. Mr. Speaker, it occurs to me that the Speaker is correct in this particular, that the motion, if the bill were on the House Calendar, would be to consider the bill, and, if it were on the Union Calendar, it would be to immediately consider the bill, and that the House resolve itself into Committee of the Whole House on the state of the Union, the prime purpose being to immediately consider the bill. There might be a question with gentlemen as to whether they would have one or the other. The motion, if it was on the House Calendar, would be to immediately consider the bill, and, if it was on the Union Calendar, it would be to immediately consider the bill and for the House to resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill.

Mr. GRAHAM of Illinois. Mr. Speaker, it seems to me that it is the manifest intention of this rule to have three votes, and I want to briefly state why I think so. In the first place, the motion that is made is to discharge the committee from the consideration of the bill. Now, it is very essential to decide that. The House having decided that the committee for some reason ought to be discharged, it settles that proposition. Then the next proposition that arises is, Shall the House proceed to the immediate consideration of the bill? Now, what is that proceeding for? To see whether the House wants to consider it on the same day or whether it wants to consider it in the orderly procedure that would follow if the bill went on the calendar. If the motion does not prevail, this is what happens: Should the House by vote decide against immediate consideration of such bill or resolution, it shall be referred to its proper calendar and be entitled to the same rights and

privileges as it would have had if the committee to whom it was referred duly reported the same to the House for consideration.

Now, this House might well vote, Mr. Speaker, to discharge the committee from the consideration of the bill and at the same time conclude that it was not advisable to take it up the same day, but that it ought to be put on the calendar, and take its turn with other calendar bills to be called up on Calendar Wednesday, or by a special rule of the House to consider it. If that is the object of the rule, then the motion of the gentleman from Kentucky [Mr. BARKLEY] is a proper motion.

The SPEAKER. In this case why should not the House, having exactly the same oportunity to express its will, instead of moving that the House proceed to the immediate consideration of it, the language should read, "That the House resolve itself into Commitee of the Whole House on the state of the Union for the consideration of it"?

Mr. SANDERS of Indiana. If the gentleman from Illinois [Mr. GRAHAM] will permit, the House votes to consider it, Mr. Speaker, and the House might desire not to resolve itself into Committee of the Whole House on the state of the Union to consider it, but to move to refer it back to the legislative committee. It is true the motion to go into Committee of the Whole would have preference over that; but the House might desire, after determining to consider it, to postpone it. Suppose it was near night and the House might not desire to consider it at all. Then you might postpone it to another day.

Mr. JOHNSON of South Dakota. The House to-day might not desire to consider it in Committee of the Whole because it might desire instead to consider House bill 8869, coming from the Committee on World War Veterans. [Laughter.]

The SPEAKER. In that case the House might want to vote.

Mr. SANDERS of Indiana. There might not be any Member of the House who would want to go into Committee of the Whole. They might refer it.

The SPEAKER. It is not in order to refer it.

Mr. GRAHAM of Illinois. It is in order for the House to refer it to the proper calendar; and if the motion, in the first instance, has to be that the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration of that bill—if that is the proper motion—then the only thing the House would determine was whether it would go into Committee of the Whole House on the state of the Union, while there might be a third of the membership of the House that would prefer to have the bill go on the calendar and come up in an orderly way. Now, it occurs to me, Mr. Speaker, that that was the object of the rule.

Now, Mr. Speaker, one must give to every bit of the language in this rule its reasonable and ordinary interpretation, and the rule says—

> It shall be in order to move to proceed with the immediate consideration of the bill.

Now, that can not be varied from. That is the rule of the House. That states the motion, states what it shall be, and while the question of consideration is not necessary and perhaps is not provided for by other rules of the House, it is provided for here, because it occurred to the persons who made this rule, evidently, if they thought about it, that the question would be a proper question for the House to decide in a matter of this kind, whether they should at once proceed to go into Committee of the Whole House or whether they should go through the calendar in the ordinary procedure. In that view of it I think it would be safer for the Chair to hold that this question of consideration was proper in this procedure and that the following motion would be the motion which the gentleman suggested, namely, to go into Committee of the Whole House on the state of the Union for the consideration of the bill.

Mr. SNELL. Mr. Speaker, as this is the first time that we have tried to operate in the House under the new discharge rule, I think it is very important that we do act under and in accordance with the intent and purpose of the House when it adopted this rule. While I was not entirely in favor of it when it was originally adopted, I am very sure that I understand the intent and purpose not only of the Rules Committee but of the House at that time, and I am in entire accord with the suggestion of the Speaker that the wording of the motion, after the committee has been discharged, should depend on whether the bill was on the Union Calendar or on the House Calendar, but that one motion was all that was necessary; and if you refer to the reading of the rule itself, that motion was made high privilege in order to prevent any delay whatever in taking up the legislation in the Committee of the Whole. My contention is, if the gentleman had made his original motion in proper form, that one motion was all that was necessary, and the committee automatically went into the Committee of the Whole for the consideration of the bill.

Mr. BARKLEY. Mr. Speaker, I desire to be recognized to ask for the yeas and nays.

The SPEAKER. Does the gentleman from Tennessee [Mr. GARRETT] desire to discuss the point of order?

Mr. GARRETT of Tennessee. I do not, Mr. Speaker, except to say this: I am in accord with the suggestion of the Chair that the proper motion, after the House has voted to discharge a committee from the consideration of a bill which, if reported from the committee, would be referred to the Union Calendar, is to move to go into Committee of the Whole for the consideration of that bill. That I understand to be the opinion of the Chair, and with that opinion I am in entire accord.

So far as the immediate situation which confronts us is concerned, unless we do go into Committee of the Whole, I do not know what becomes of this bill.

The SPEAKER. It goes on the calendar.

Mr. GARRETT of Tennessee. That is the question. Would it? Because the House has voted to consider it.

The SPEAKER. Oh, yes; it would be put on the calendar, all right.

Mr. GARRETT of Tennessee. The third part of the rule is—and I am reading from page 407, paragraph 885—

> Should the House by vote decide against the immediate consideration of such bill or resolution, it shall be referred to its proper calendar.

Well, now, the House has voted for the consideration of this bill, and it is merely a question of how we are going to get at it.

The SPEAKER. Of course, that is an academic question; but the Chair thinks, for instance, that if the House votes for its immediate consideration and then at any time later the House, before it is completed, drops the bill temporarily, it goes on the calendar.

Mr. COOPER of Wisconsin. Mr. Speaker, I should like to present one view of this matter which I have not yet heard presented. The House adopted the second motion, which was that the House proceed to the immediate consideration of the bill; not consideration at some future time, but to the "immediate" consideration of the bill. By rule 27 such motion is made of high privilege. That rule provides also that if such motion be decided in the affirmative, the bill shall be immediately considered—"immediately" considered—under the general rules of the House. Now, one of the general rules of the House is that any bill which would, if enacted into law, impose a charge upon the Public Treasury—as the pending bill would should it become a law—must be first considered in Committee of the Whole. And so the fact clearly is that the House has already voted to consider this bill immediately under a general rule which provides that it, like all other bills of similar character, must be first considered in the Committee of the Whole. One of the general rules of the House is, I repeat, that a bill to impose a charge upon the Public Treasury must first be considered in Committee of the Whole. And therefore, the House having already voted to consider this bill immediately, it automatically goes before the Committee of the Whole. After what the House has done, no motion to go into Committee of the Whole is necessary. To put a motion now to go into Committee of the Whole would be simply putting the same motion which has already been adopted by the House.

Mr. SNELL. That was the intent and purpose of the rule when we originally considered and presented it.

Mr. COOPER of Wisconsin. And that, Mr. Speaker, I am just assured by the chairman of the Committee on Rules, the gentleman from New York [Mr. SNELL], was the plain and only intent and purpose of Rule XXVII when it was considered and reported by the Committee on Rules.

Mr. SNELL. The only trouble is that the gentleman from Kentucky [Mr. BARKLEY] made a motion when he should not have made it, because it was entirely unnecessary under the discharge rule.

Mr. COOPER of Wisconsin. Not only was it entirely unnecessary, but it did not affect the proceedings—the parliamentary status—at all.

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman from Alabama demands the regular order. The regular order is the motion of the gentleman from Kentucky [Mr. BARKLEY]. The gentleman from Kentucky moved that the House resolve itself into Committee of the Whole House on the state of the Union. On that motion the Chair said the noes seemed to have it.

Mr. COOPER of Wisconsin. Mr. Speaker, I make the point of order that the last motion is unnecessary and it is putting the same motion which, under the rules, was adopted.

The SPEAKER. The Chair thinks it is not necessary, but the Chair feels obliged to recognize the gentleman for that motion.

Mr. COOPER of Wisconsin. The House has already voted on it under the rules.

The question was taken; and there were—yeas 193, nays 164, not voting 75, as follows:

YEAS—193

Abernethy	Doughton	Lea, Calif.	Richards
Allen	Dowell	Lee, Ga.	Romjue
Allgood	Doyle	Lilly	Rubey
Almon	Eagan	Lindsay	Sabath
Arnold	Evans, Mont.	Lowrey	Salmon
Ayres	Favrot	Lozier	Sanders, Tex.
Bankhead	Fisher	Lyon	Sandlin
Barbour	Foster	McClintic	Schafer
Barkley	Frear	McKeown	Schall
Beck	Fulbright	McReynolds	Schneider
Berger	Fulmer	McSweeney	Shallenberger
Black, N. Y.	Funk	MacGregor	Sherwood
Bloom	Gardner, Ind.	Major, Ill.	Simmons
Boies	Garner, Tex.	Major, Mo.	Sinclair
Bowling	Garrett, Tex.	Mansfield	Sites
Box	Gasque	Martin	Smithwick
Boyce	Gilbert	Mead	Steagall
Boylan	Glatfelter	Miller, Wash.	Stedman
Brand, Ga.	Greenwood	Milligan	Stevenson
Briggs	Hammer	Minahan	Summers, Wash.
Browne, Wis.	Hastings	Montague	Sumners, Tex.
Browning	Hawes	Mooney	Swank
Buchanan	Hayden	Moore, Ga.	Swing
Buckley	Hill, Ala.	Moore, Va.	Tague
Bulwinkle	Hill, Wash.	Morehead	Taylor, Colo.
Busby	Holaday	Morrow	Taylor, W. Va.
Byrnes, S. C.	Howard, Nebr.	Nolan	Thomas, Ky.
Byrns, Tenn.	Huddleston	O'Brien	Thomas, Okla.
Canfield	Hudspeth	O'Connell, N. Y.	Thompson
Cannon	Hull, Iowa	O'Connell, R. I.	Tillman
Carew	Hull, Tenn.	O'Connor, La.	Tucker
Carter	Jacobstein	O'Connor, N. Y.	Underwood
Casey	James	O'Sullivan	Vinson, Ga.
Celler	Jeffers	Oldfield	Vinson, Ky.
Clancy	Johnson, W. Va.	Oliver, Ala.	Voigt
Collier	Jones	Oliver, N. Y.	Watkins
Collins	Keller	Parks, Ark.	Weaver
Connally, Tex.	Kelly	Peavey	Wefald
Cook	Kent	Peery	Weller
Cooper, Ohio	Kindred	Pou	Williams, Ill.
Cooper, Wis.	King	Prall	Wilson, Ind.
Crisp	Kopp	Quayle	Wingo
Croll	Kvale	Quin	Wolff
Crosser	LaGuardia	Ragon	Woodruff
Cullen	Lampert	Raker	Woodrum
Cummings	Lanham	Rankin	Wright
Davey	Lankford	Rathbone	
Davis, Tenn.	Larsen, Ga.	Reed, Ark.	
Dickinson, Mo.	Lazaro	Reid, Ill.	

NAYS—164

Ackerman	Elliott	Kiess	Rogers, Mass.
Aldrich	Evans, Iowa	Kincheloe	Rouse
Andrew	Fairchild	Kunz	Sanders, Ind.
Anthony	Faust	Leatherwood	Sanders, N. Y.
Aswell	Fenn	Leavitt	Scott
Bacharach	Fish	Lehlbach	Shreve
Bacon	Fitzgerald	Linthicum	Sinnott
Beedy	Fleetwood	Little	Smith
Beers	Fredericks	Longworth	Snell
Begg	Free	Luce	Speaks
Bixler	French	McDuffie	Sproul, Ill.
Black, Tex.	Frothingham	McFadden	Sproul, Kans.
Bland	Fuller	McKenzie	Stephens
Blanton	Garber	McLaughlin, Mich.	Strong, Kans.
Brand, Ohio	Garrett, Tenn.	McLaughlin, Nebr.	Strong, Pa.
Britten	Gibson	McLeod	Sweet
Browne, N. J.	Gifford	MacLafferty	Taber
Brumm	Goldsborough	Madden	Temple
Burtness	Graham, Ill.	Magee, N. Y.	Thatcher
Burton	Graham, Pa.	Magee, Pa.	Timberlake
Butler	Green, Iowa	Mapes	Tincher
Cable	Griest	Merritt	Tinkham
Chindblom	Hadley	Michener	Treadway
Christopherson	Hardy	Mills	Vaile
Clague	Hawley	Moore, Ill.	Vare
Clarke, N. Y.	Hersey	Moore, Ohio	Vincent, Mich.
Cleary	Hickey	Moores, Ind.	Wainwright
Cole, Iowa	Hill, Md.	Newton, Mo.	Watres
Cole, Ohio	Hoch	Paige	Watson
Colton	Hudson	Parker	Welsh
Connolly, Pa.	Hull, Morton D.	Patterson	Wertz
Cramton	Hull, William E.	Perkins	White, Kans.
Crowther	Humphreys	Phillips	White, Me.
Darrow	Johnson, Ky.	Purnell	Williams, Mich.
Deal	Johnson, S. Dak.	Ramseyer	Williams, Tex.
Dempsey	Johnson, Wash.	Ransley	Williamson
Denison	Jost	Reece	Wilson, La.
Dickinson, Iowa	Kearns	Reed, N. Y.	Winslow
Driver	Kendall	Roach	Wyant
Dyer	Kerr	Robinson, Iowa	Yates
Edmonds	Ketcham	Robsion, Ky.	Young

NOT VOTING—75

Anderson	Davis, Minn.	Greene, Mass.	Kurtz
Bell	Dickstein	Griffin	Langley
Burdick	Dominick	Harrison	Larson, Minn.
Campbell	Drane	Haugen	Lineberger
Clark, Fla.	Drewry	Hooker	Logan
Connery	Fairfield	Howard, Okla.	McNulty
Corning	Freeman	Johnson, Tex.	McSwain
Curry	Gallivan	Kahn	Manlove
Dallinger	Geran	Knutson	Michaelson
Miller, Ill.	Perlman	Snyder	Vestal
Morgan	Porter	Stalker	Ward, N. Y.
Morin	Rainey	Stengle	Ward, N. C.
Morris	Rayburn	Sullivan	Wason
Mudd	Reed, W. Va.	Swoope	Wilson, Miss.
Murphy	Rogers, N. H.	Taylor, Tenn.	Winter
Nelson, Me.	Rosenbloom	Tilson	Wood
Nelson, Wis.	Sears, Fla.	Tydings	Wurzbach
Newton, Minn.	Sears, Nebr.	Underhill	Zihlman
Park, Ga.	Seger	Upshaw	

So the motion was agreed to.

Mr. RAINEY. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. RAINEY. No, sir.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. NELSON of Wisconsin. Mr. Speaker——

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. NELSON of Wisconsin. I was listening, but was called out by some one and I do not know whether I was out of the room or not when my name was called.

The SPEAKER. The gentleman himself must take the responsibility of saying whether he was present and listening or not.

Mr. NELSON of Wisconsin. I am afraid I was not.

The SPEAKER. The gentleman then does not bring himself within the rule.

Mr. NEWTON of Minnesota. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. NEWTON of Minnesota. I was not.

The SPEAKER. The gentleman does not bring himself within the rule.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Vestal with Mr. Connery.
Mr. Tilson with Mr. Gallivan.
Mr. Morgan with Mr. Morris.
Mr. Seger with Mr. Corning.
Mr. Wason with Mr. Drewry.
Mr. Freeman with Mr. Upshaw.
Mr. Wood with Mr. Geran.
Mr. Manlove with Mr. McNulty.
Mr. Wurzbach with Mr. Griffin.
Mr. Burdick with Mr. Hooker.
Mr. Fairchild with Mr. McSwain.
Mr. Curry with Mr. Rainey.
Mr. Porter with Mr. Wilson of Mississippi.

The result of the vote was announced as above recorded.

Mr. BARKLEY. Mr. Speaker, before the Speaker leaves the chair I ask unanimous consent——

The SPEAKER. It is too late now.

Mr. SANDERS of Indiana. Mr. Speaker, I make the point of order it is too late.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 7358, to provide for the expeditious and prompt settlement, mediation, conciliation, and arbitration of disputes between carriers and their employees and subordinate officials, and for other purposes, with Mr. CRAMTON in the chair.

The Clerk read the title of the bill.

Mr. BARKLEY. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. BLANTON. I object.

Mr. SANDERS of Indiana. Reserving the right to object——

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

Mr. BLANTON. I object, Mr. Chairman.

The Clerk read the bill, as follows:

Be it enacted, etc.—

PRELIMINARY

SECTION 1.

(A) DEFINITIONS

When used in this act—(1) The term "carrier" includes any express company, sleeping-car company, private-car company, and any carrier by railroad subject to the interstate commerce act, including interurban and suburban electric railways operating as independent units or as a part of the general railroad system of transportation, including all bureaus, associations, committees, and institutions of whatsoever kind or character maintained or supported by or existing in furtherance of the interest of carriers and including all floating equipment such as boats, barges, tugs, bridges, ferries, and other transportation facilities owned and operated by electric, gas, or steam operated railways, and any receiver or any other individual or body, judicial or otherwise, when in the possession of the business of employers or carriers covered by this act:

(2) The term "adjustment board" means one of the boards of adjustment created by this act;

(3) The term "Board of Mediation and Conciliation" means the Board of Mediation and Conciliation created by this act;

(4) The term "commerce" means commerce among the several States or between any State, Territory, or the District of Columbia and any foreign nation, or between any Territory or the District of Columbia and any State, or between any Territory and any other Territory, or between any Territory and the District of Columbia, or within any Territory or the District of Columbia, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign nation;

(5) The term "officer" means all persons engaged in the service of carriers included in the "executive officer group," "general officer group," "division officer group," and "official staff assistant group," as these groups are established in the order of the Interstate Commerce Commission dated April 18, A. D. 1921, effective July 1, A. D. 1921, and entitled "Rules governing the classification of steam railway employees and reports of their service and compensation";

(6) The terms "employees" and "employees and (or) subordinate officials" mean all persons engaged in the service of carriers not included in the "executive officer group," "general officer group," "division officer group," and "official staff assistant group" as those are established in the order of the Interstate Commerce Commission dated April 18, A. D. 1921, effective July 1, A. D. 1921, and entitled "Rules governing the classification of steam railway employees and reports of their service and compensation," including all persons in the employ of bureaus, associations, committees, and institutions of whatsoever kind or character maintained or supported by or existing in furtherance of the interest of carriers;

(7) For the purposes of this act the occupational classification established by the Interstate Commerce Commission in its order dated April 18, A. D. 1921, effective July 1, A. D. 1921, and entitled "Rules governing the classification of steam railway employees and reports of their service and compensation," is hereby amended to include, and adopted as the legal classification of, all persons engaged in any capacity in the service of carriers, including all those persons included within the terms "employees" and "subordinate officials": *Provided*, That the occupational classification of any position shall not be changed from that established by the aforesaid occupational classification until such change of classification shall have been first approved by the Interstate Commerce Commission, after due notice and hearing to the carriers, the employees, and subordinate officials of carriers, and organizations thereof directly to be affected by such change of classification: *And provided further*, That such occupational classification shall not be construed to define the crafts according to which railway employees are organized by their voluntary action nor shall the jurisdiction of such national craft organizations be regarded as in any way limited or defined by the provision of this act.

(8) This act may be cited as the railway labor act.

(B) CONSTRUCTION

(1) If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

(2) The definitions of terms made in this act shall not be construed as limitations on the nature of the meaning of the terms herein defined.

(C) REPEAL

All acts and parts of acts in conflict with the provisions of this act are hereby repealed; and particularly Title III of the transportation act, 1920, which is sections 300 to 316, inclusive, of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended, and the act approved July 15, 1913, providing for mediation, conciliation, and arbitration.

OPERATION

SEC. 2. General duty: It shall be the duty of all carriers and all their officers, agents, employees, and subordinate officials to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes arising out of the application of said agreements, in order to avoid any interruption to the operation of any carrier, growing out of any dispute between the carrier and the employees or subordinate officials thereof.

SEC. 3. Administrative machinery for conference, adjustment, mediation, and conciliation.

(A) CONFERENCES

(1) All disputes arising out of (a) grievances, or the application of agreements concerning rates of pay, rules, or working conditions, or (b) proposed changes in rates of pay, rules, or working conditions between a carrier and its employees or subordinate officials, shall be considered, and, if possible, decided, with all expedition, in conference between representatives designated and authorized so to confer, respectively, by the carriers and by the employees or subordinate officials thereof interested in the dispute: *Provided*, That any such representative or representatives may be designated by any carrier or by the employees or subordinate officials thereof, regardless of whether such representative be an official, an employee, or a subordinate official of any carrier, or an organization representing the employees or subordinate officials of any carrier.

(2) Representatives of the carriers and of the employees and subordinate officials shall be designated by the respective parties in such manner as may be provided in their corporate organization or unincorporated association, or otherwise, without interference, influence, or coercion exercised by either party over the self-organization or designation of representatives by the other, and it shall be deemed a violation of the obligations herein imposed upon carriers for any carrier or its officers or agents to interfere with or to attempt to influence or control, directly or indirectly, the organization of employees or subordinate officials, or participate in the functioning thereof, or the designation of employee or subordinate official representatives.

(3) It shall be the duty of the representative or representatives of any carrier and the representative or representatives of the employees or subordinate officials thereof, designated and authorized to confer, in accordance with the provisions of paragraph (A) of this section upon receiving notice of the existence of a dispute between the carrier and its employees or subordinate officials, arising out of grievances or out of the application of agreements concerning rates of pay, rules, or working conditions, and of a desire to confer upon such dispute, to specify within 10 days after the receipt of such notice, a time and place at which such conference shall be held: *Provided*, (1) That any such place so designated shall be situated upon the railroad line of the carrier involved, unless otherwise mutually agreed upon; and (2) that the time so designated shall allow the designated and authorized conferees reasonable opportunity to reach such place of conference, and shall be within 20 days after receipt of such notice.

(B) ADJUSTMENT

(1) There are hereby established four boards, to be described and constituted as follows: (a) Board of Adjustment No. 1 shall be composed of 14 members, seven members constituting the labor group, representing the employees and subordinate officials of the carriers, embraced within the classification of (1) engineers, (2) firemen and hostlers (including outside hostler helpers), (3) conductors, (4) trainmen, (5) switchmen and yard train-service men, (6) telegraphers (including telephoners, agents, levermen, train directors, towermen, and staffmen), and (7) train dispatchers, and seven members constituting the management group, representing the carriers. The labor group of seven is to be appointed by the President, by and with the advice and consent of the Senate, from not less than 14 nominees, whose nominations shall be made and offered by the employees and subordinate officials, two by each of the nationally organized crafts described above; of such two not more than one shall be appointed. The management group of seven is to be appointed by the President, by and with the advice and consent of the Senate, from not less than 14 nominees, whose nominations shall be made and offered by the carriers.

(b) Board of Adjustment No. 2 shall be composed of 14 members; seven members constituting the labor group, representing the employees and subordinate officials of the carriers, embraced within the classification of (1) machinists, (2) boilermakers, (3) blacksmiths, (4) sheet-metal workers, (5) electrical workers, (6) carmen, and (7) signalmen (including the helpers and apprentices of these crafts), and seven members constituting the management group, representing the carriers. The labor group of seven is to be appointed by the President, by and with the advice and consent of the Senate, from not less than 14 nominees, whose nominations shall be made and offered by the employees and subordinate officials, two by each of the nationally organized crafts above described; of such two not more than one shall be appointed. The management group of seven is to be appointed by the President, by and with the advice and consent of the Senate, from not less than 14 nominees, whose nominations shall be made and offered by the carriers.

(c) Board of Adjustment No. 3 shall be composed of six members; three members constituting the labor group, representing the employees and subordinate officials of the carriers, embraced within the classification of (1) railway and steamship clerks, freight handlers, warehouse, storehouse, express, and station employees, (2) stationary engineers, firemen, and oilers, engine house and shop laborers, (3) maintenance of way employees, bridge and building employees, section men, coal-chute laborers, crossing watchmen, and pumpers; and three members constituting the management group, representing the carriers. The labor group of three is to be appointed by the President, by and with the advice and consent of the Senate, from not less than six nominees, whose nominations shall

be made and offered by the employees and subordinate officials, two by each of the nationally organized crafts above described; of such two not more than one shall be appointed. The management group of three is to be appointed by the President, by and with the advice and consent of the Senate, from not less than six nominees, whose nominations shall be made and offered by the carriers.

(d) Board of Adjustment No. 4 shall be composed of six members; three constituting the labor group representing the employees and subordinate officials of the carriers embraced within the classification of (1) masters, mates, and pilots, (2) longshoremen, (3) marine engineers; and three members constituting the management group, representing the carriers. The labor group of three is to be appointed by the President by and with the advice and consent of the Senate from not less than six nominees whose nominations shall be made and offered by the employers and subordinate officials; two by each of the nationally organized crafts described; of such two not more than one shall be appointed. The management group of three is to be appointed by the President by and with the advice and consent of the Senate from not less than six nominees whose nominations shall be made and offered by the carriers.

(2) If either the carriers or the nationally organized crafts which are, in accordance with the provisions of paragraph (b) of this section, eligible to representation upon any such adjustment board fail to make nominations as provided in paragraph (b) of this section, within 30 days after the passage of this act in the case of any original appointment to the office of member of an adjustment board, or in case of a vacancy in any such office within 15 days after such vacancy occurs, the President shall thereupon make the appointment, by and with the advice and consent of the Senate: *Provided, however,* That in making any such appointment the President shall select an individual associated in interest with the carriers or nationally organized craft, whichever he is to represent.

(3) Each adjustment board—

(a) Shall elect from among its members a chairman by majority vote of its members;

(b) Shall appoint a secretary who shall receive an annual salary of $4,000;

(c) Shall employ and fix the salaries of such employees as may be necessary;

(d) Shall maintain central offices in Chicago, Ill., but may, whenever it deems it necessary, meet at such other place as it may determine: *Provided,* That each adjustment board shall have authority to empower two or more of its members to conduct hearings on controversies at any place designated by the adjustment board;

(e) Shall make regulations necessary for the efficient execution of the functions vested in it by this title: *Provided,* That such regulations shall, when made, be immediately communicated to the President and to each adjustment board, and printed for distribution to all interested parties.

(f) When necessary to the efficient administration of the functions vested in any adjustment board created by this act, the board or any member thereof shall at any time, for the purpose of examination, require the production of, or have access to and the right to copy any book, account, record, paper, correspondence, or memoranda relating to any matter which the board is authorized to consider or investigate. Any person who upon demand refuses any member of any adjustment board such right of access or copying, or hinders, obstructs, or resists him in the exercise of such right, shall upon conviction thereof be liable to a penalty of $500 for such offense. Each day during any part of which such offense continues shall constitute a separate offense. Such penalty shall be recoverable in a civil suit brought in the name of the United States and shall be covered into the Treasury of the United States as miscellaneous receipts.

(4) A majority of any adjustment board shall be sufficient to render a decision. All decisions of any adjustment board shall be entered upon the records of the board and copies thereof, together with such statement of facts bearing thereon as the board may deem proper, shall be immediately communicated to the parties to the dispute, the President of the United States, the Board of Mediation and Conciliation, each adjustment board, and shall be given such further publicity as such adjustment board deems proper.

(5) Members of any adjustment board shall be appointed for a term of three years, except that any member appointed to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. Any vacancy on any adjustment board shall be filled in the same manner as the original appointment. Each member of an adjustment board shall receive from the United States an annual salary of $7,000. A member of any adjustment board may be removed by the President for neglect of duty or malfeasance in office.

(C) MEDIATION AND CONCILIATION

(1) There is hereby established a Board of Mediation and Conciliation, to consist of five commissioners, to be appointed by the President, by and with the advice and consent of the Senate. One of the commissioners shall be appointed chairman of the board by the President, by and with the advice and consent of the Senate. Each of the commissioners of the Board of Mediation and Conciliation shall receive a salary of $12,000 per annum. Of the original members of the Board of Mediation and Conciliation, two shall be appointed for terms of three years, two for terms of five years, and one for a term of seven years. Their successors shall hold office for terms of seven years, except that any member appointed to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. Any member of the Board of Mediation and Conciliation may be removed by the President for neglect of duty or malfeasance in office.

(2) Any member of the Board of Mediation and Conciliation who, during his term of office, is an active member or is in the employ of or holds an office in any organization of employees or subordinate officials, or who holds any office in or who is pecuniarily interested in any carrier coming within the jurisdiction of this act, shall at once become ineligible for further membership upon the Board of Mediation and Conciliation. The Board of Mediation and Conciliation shall not appoint an arbitrator who is similarly interested, as described above. Should the Board of Mediation and Conciliation appoint such an interested arbitrator, upon proper investigation and a presentation of the facts the Board of Mediation and Conciliation shall promptly remove such arbitrator.

(3) The Board of Mediation and Conciliation shall have authority to employ and fix the compensation of such attorneys, assistants, special experts, clerks, and other employees as it may from time to time find necessary for the proper performance of its duties.

(4) All members of the Board of Mediation and Conciliation shall have the power to administer oaths and affirmations. When acting on request of a board of arbitration constituted under section 7 of this act, or any member thereof, they shall in addition have power to issue subpœnas, require the attendance of witnesses and the production of such books, papers, contracts, agreements, and documents deemed by the board of arbitration material to a just determination of the matters submitted to its arbitration, and may for the same purpose invoke the aid of the United States courts to compel witnesses to attend and testify and to produce such books, papers, contracts, agreements, and other documents to the same extent and under the same conditions and penalties as are provided for in aid of the authority of the Interstate Commerce Commission in the act to regulate commerce, approved February 4, 1887, and amendments thereto.

(5) The principal office of the Board of Mediation and Conciliation shall be in the city of Washington, but it may meet and exercise all its powers at any other place.

SEC. 4. Reference of dispute to board of adjustment: (A) If any dispute arising only out of grievances or the application of agreements concerning rates of pay, rules, or working conditions is not decided in a conference, as provided for in section 3, paragraph (A) of this act, it shall, within 15 days after such failure to decide, be referred by the parties thereto to the adjustment board which under the provisions of this act is authorized to hear and decide such dispute. The said board shall receive for hearing and, as soon as practicable and with all due diligence, decide any disputes so referred to it, as hereinafter provided. In the event any adjustment board shall fail to decide any dispute so referred to it, prompt notice to that effect shall be given the respective parties: *Provided,* That all disputes referred to said adjustment boards shall be disposed of within 90 days, unless an extension of time is agreed to in writing by the parties thereto.

(B) In any case in which a controversy arises over the application of any decision of any adjustment board, either party to said decision may apply to the board of adjustment which rendered the decision for an interpretation as to the meaning or application of such decision. The said board shall, upon receipt of such a request, give its interpretation within 30 days.

SEC. 5. Functions of Board of Mediation and Conciliation: (A) If any dispute arising only out of grievances or out of the application of any agreement concerning rates of pay, rules, or working conditions is not decided by the appropriate adjustment board, or if any proposed change in rates of pay, rules, or working conditions is not decided in conferences between the parties, either party may invoke the services of the Board of Mediation and Conciliation created by this act for bringing about an amicable adjustment of the controversy. Upon the request of either party the said board shall promptly put itself in communication with the parties to such controversy, and shall use its best efforts, by mediation and conciliation, to bring them to agreement. If such efforts to bring about an amicable adjustment through mediation and conciliation shall be unsuccessful, the said board shall at once endeavor as its final required action to induce the parties to submit their controversy to arbitration in accordance with the provisions of this act.

(B) If any dispute arising out of grievances or out of the application of any agreement concerning rates of pay, rules, or working conditions is not decided by the appropriate adjustment board, or if any proposed change in rates of pay, rules, or working conditions is not decided in conference between the parties, the Board of Mediation and Conciliation may proffer its services to the respective parties to the dispute or proposed change.

(C) In any case in which a controversy arises over the meaning of the application of any agreement reached through mediation under the provisions of this act, either party to the said agreement may apply to the Board of Mediation and Conciliation for an interpretation as to the meaning or application of such agreement. The said board shall upon receipt of such a request give its interpretation within 30 days.

(D) The Board of Mediation and Conciliation shall have the following duties with respect to the arbitration of disputes under section 7 of this act:

(1) On failure of the arbitrators named by the parties to agree on the remaining arbitrator or arbitrators within the time set by section 7 of this act, it shall be the duty of the Board of Mediation and Conciliation to name such remaining arbitrators as are provided for in section 7. It shall be the duty of the board in naming such arbitrator or arbitrators to appoint only those whom the board shall deem wholly disinterested in the controversy to be arbitrated, and impartial and without bias as between the parties to such arbitration. Should, however, the board name an arbitrator or arbitrators not so disinterested and impartial, then, upon proper investigation and presentation of the facts, the board shall promptly remove such arbitrator, as is provided by section 3, paragraph (C) (2) of this act.

The board of arbitration, when so constituted, or any member thereof, may request that a member of the Board of Mediation and Conciliation be present at the arbitration proceedings, held under the provisions of this act and under agreement to arbitrate, for the purpose, and for the purpose only, of administering oaths and affirmations, issuing subpœnas, requiring the attendance and testimony of witnesses, and the reproduction of such books, papers, contracts, agreements, and other documents deemed by the arbitrators material to a just determination of the matters submitted to its arbitration. When such request is made to the board of mediation it shall be the duty of the Board of Mediation and Conciliation to delegate one of its members to attend such arbitration proceedings for the purposes above described, and for no other. When such member of the Board of Mediation and Conciliation has been so delegated he shall exercise the powers vested for this purpose in the members of the Board of Mediation and Conciliation by section 3, paragraph (C) (5) of this act; or the board of arbitration may request the clerk of the district court of the United States for the district wherein said arbitration is being conducted to exercise the powers herein conferred upon a member of the Board of Mediation and Conciliation directly or through his duly authorized deputy, and upon such request, the said clerk or his duly authorized deputy shall be authorized, and it shall be his duty to administer oaths or issue subpœnas as above provided.

(3) All members of the board of mediation are authorized to acknowledge every agreement of arbitration under this act, when so acknowledged, or when acknowledged by the parties before a notary public or a clerk of the district court or circuit court of appeals of the United States, such agreement to arbitrate shall be delivered to a member of said board, or transmitted to said board to be filed in its office.

(4) When such agreement to arbitrate has been filed with the Board of Mediation and Conciliation, or with one of its members, as provided by this section, and when the said board, or a member thereof, has been furnished the names of the arbitrators chosen by the parties to the controversy, it shall be the duty of the Board of Mediation and Conciliation to cause a notice in writing to be served upon said arbitrators, notifying them of their appointment, requesting them to meet promptly to name the remaining arbitrators necessary to complete the board of arbitration, and advising them of the period within which, as provided by the agreement to arbitrate, they are empowered to name such arbitrator or arbitrators.

(5) If an arbitrator named by the Board of Mediation and Conciliation, in accordance with the provisions of this act, shall be removed by such board as provided by this act, and such removal shall be made before the commencement of proceedings under the agreement to arbitrate, it shall be the duty of the Board of Mediation and Conciliation, within 10 days after such removal to select another arbitrator, in the same manner as provided in this act for an original appointment by the Board of Mediation and Conciliation.

(6) If, prior to the commencement of proceedings by a board of arbitration under the provisions of this act and the agreement to arbitrate, an arbitrator appointed by the Board of Mediation and Conciliation refuses or is unable to act in such capacity, it shall be the duty of the Board of Mediation and Conciliation to make another appointment, and such appointment shall be made within 10 days after the resignation or incapacitating of the arbitrator originally named.

(7) If the parties, or either party, to an arbitration desires the reconvening of a board of arbitration to pass upon any controversy arising over the meaning or application of an award, they shall so notify the Board of Mediation and Conciliation in writing, stating in such notice the question or questions to be submitted to such reconvened board. The Board of Mediation and Conciliation shall thereupon promptly communicate with the members of the board of arbitration or a subcommittee of such board appointed for such purpose pursuant to a provision in the agreement to arbitrate, and arrange for the reconvening of said board or subcommittee; and shall notify the respective parties to the controversy of the time and place at which the board or the subcommittee will meet for hearings upon the matters in controversy to be submitted to it.

(8) The Interstate Commerce Commission, the Bureau of Labor Statistics, and the depositary of the records of the United States Railroad Labor Board, and of the Board of Mediation and Conciliation created by the act approved June 1, 1898, providing for mediation and arbitration, and the act approved July 15, 1913, providing for mediation, conciliation, and arbitration, and hereby authorized and directed to turn over to the Board of Mediation and Conciliation created by this act, upon its request, and the President is authorized to transfer any papers and documents heretofore filed with them or any agency, or transferred to them bearing upon arbitration or mediation proceedings held under the provisions of the act approved June 1, 1898, providing for mediation and arbitration, the act approved July 15, 1913, providing for mediation, conciliation, and arbitration, the act approved March 21, 1918, providing for Federal control of carriers during the war emergency, and the act approved February 28, 1920, providing for the settlement of disputes between carriers and their employees and subordinate officials.

SEC. 6. Duty and procedure in case of proposed change: (A) Carriers and the representatives of the employees or subordinate officials shall give at least 30 days' written notice of an intended change affecting rates of pay, rules or working conditions, and the time and place for conference between the representatives of the parties interested in such intended change shall be agreed upon within 10 days after the expiration of said notice, and said time shall be within 20 days after the expiration of said notice. In every case where such notice of intended change has been given, or conferences are being held with reference thereto, or the services of the Board of Mediation and Conciliation have been requested by either party, or said board has proffered its services, rates of pay, rules, or working conditions shall not be altered by the carrier until the controversy has been finally acted upon, as herein required by section 5, by the Board of Mediation and Conciliation, unless a period of 10 days has elapsed after termination of conferences without request for or proffer of the services of the Board of Mediation and Conciliation.

(B) Any attempted change of rates of pay, rules, or working conditions by the carrier without notice, or prior to final action as heretofore provided, shall be void, and the offender shall be liable in damages to each and every party aggrieved to the amount of double the loss occasioned by such unlawful action. Such damages shall be recoverable by appropriate proceedings in the United States district court for the district wherein the offense was committed, which proceeding may be brought by individuals or by representatives of classes of individuals aggrieved.

SEC. 7. Arbitration; procedure; award and effect: (A) Whenever a controversy shall arise between a carrier or carriers and its employees or subordinate officials which can not be settled either in conference between representatives of the parties by the appropriate adjustment board or through mediation and conciliation in the manner provided in the preceding sections, such controversy may, by agreement of the parties to such controversy, be submitted to the arbitration of a board of three (or if the parties to the controversy prefer so to stipulate to a board of six) persons. Such board of arbitration shall be chosen in the following manner:

(1) In the case of a board of three: The carrier or carriers and the representatives of the employees or subordinate officials, parties respectively to the agreement to arbitrate, shall each name one arbitrator; the two arbitrators thus chosen shall select the third arbitrator. But if the arbitrators chosen by the parties shall fail to name the third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Board of Mediation and Conciliation.

(2) In the case of a board of six: The carrier or carriers and the representatives of the employees or subordinate officials, parties respectively to the agreement to arbitrate, shall each name two arbitrators; the four arbitrators thus chosen shall, by a majority vote, select the remaining two arbitrators. But if the arbitrators chosen by the parties shall fail to name the two arbitrators within 15 days after their first meeting, the said two arbitrators, or as many of them as have not been named, shall be named by the Board of Mediation and Conciliation: *Provided, however,* That the failure or refusal of either party to submit a controversy to arbitration shall not be construed as a violation of any legal obligation imposed upon such party by the terms of this act or otherwise.

(B) BOARD OF ARBITRATION

(1) When the arbitrators selected by the respective parties have agreed upon the remaining arbitrator or arbitrators, they shall notify the Board of Mediation and Conciliation; and in the event of their failure to agree upon any or upon all of the necessary arbitrators within the period fixed by this act, they shall, at the expiration of

such period, notify the Board of Mediation and Conciliation of the arbitrators selected, if any, or of their failure to make or to complete such selection.

(2) The board of arbitration shall organize and select its own chairman and make all necessary rules for conducting its hearings: *Provided, however,* That the board of arbitration shall be bound to give the parties to the controversy a full and fair hearing, which always shall include an opportunity to present evidence in support of their claims and an opportunity to argue their case in person or by counsel.

(3) Upon notice from the Board of Mediation and Conciliation that the parties, or either party, to an arbitration desire the reconvening of the board of arbitration (or a subcommittee of such board of arbitration appointed for such purpose pursuant to the agreement to arbitrate) to pass upon any controversy over the meaning or application of their award, the board, or its subcommittee, shall at once proceed to reconvene. No questions over the meaning or application of their award, other than or in addition to those submitted for decision by the party or parties in writing, shall be considered by the reconvened board of arbitration, or its subcommittee.

Such rulings shall be acknowledged by such board or subcommittee thereof in the same manner, and filed in the same district court clerk's office as the original award.

(4) Any arbitrator except such as are chosen by the Board of Mediation and Conciliation shall not be incompetent to act as an arbitrator because of his interest in the controversy to be arbitrated, or because of his connection with or partiality to either of the parties to the arbitration.

(5) Each member of any board of arbitration created under the provisions of this act named by either party to the arbitration shall be compensated by the party naming him. Each arbitrator named by the arbitrators or Board of Mediation and Conciliation, while serving as such, shall receive such compensation as may be fixed by the Board of Mediation and Conciliation, together with his traveling and other necessary expenses.

(6) The board of arbitration shall furnish a certified copy of its award to the respective parties to the controversy, and shall transmit the original, together with the papers and proceedings and a transcript of the evidence taken at the hearings, certified under the hands of at least a majority of the arbitrators, to the clerk of the district court of the United States for the district wherein the controversy arose or the arbitration is entered into, to be filed in said clerk's office as hereinafter provided. The said board shall also furnish a certified copy of its award, and the papers and proceedings, including testimony relating thereto, to the Board of Mediation and Conciliation, to be filed in its office.

(7) The board may employ such assistants as it deems necessary and proper in carrying on the arbitration proceedings, and fix the compensation of such employees. Whenever practicable, the board shall be supplied with suitable quarters in any Federal building located at its place of meeting or at any place where the board may conduct its proceedings or deliberations.

(8) All testimony before said board shall be given under oath or affirmation, administered by any individual authorized to administer oaths or affirmations.

(C) THE AGREEMENT TO ARBITRATE

The agreement to arbitrate—

(1) Shall be in writing;

(2) Shall stipulate that the arbitration is had under the provisions of this act;

(3) Shall state whether the board of arbitrators is to consist of three or six members;

(4) Shall be signed by the duly accredited representatives of the carrier or carriers and the employees or subordinate officials, parties respectively to the agreement to arbitrate, and acknowledged by said parties before a notary public, a clerk of the district or circuit court of appeals of the United States, or before a member of the Board of Mediation and Conciliation, and when so acknowledged shall be filed in the office of the Board of Mediation and Conciliation;

(5) Shall state specifically the questions to be submitted to the said board for decision; and that in its award or awards the said board will confine itself strictly to findings or recommendations as to the questions so specifically submitted to it;

(6) Shall provide that the questions submitted by the parties to the board of arbitration, or any one of them, may be withdrawn from arbitration upon notice to that effect signed by the duly accredited representatitives of all the parties being served on the board of arbitration;

(7) Shall stipulate that the signatures of a majority of said board of arbitration, affixed to their award, shall be competent to constitute a valid and binding award;

(8) Shall fix a period from the date of the appointment of the arbitrator or arbitrators necessary to complete the board, as provided for in the agreement, within which the said board shall commence its hearings;

(9) Shall fix a period from the beginning of the hearings within which the said board shall make and file its award: *Provided,* That the parties may agree at any time upon an extension of this period.

(10) Shall provide for the date from which the award shall become effective and shall fix the period during which the award shall continue in force.

(11) Shall provide that the award of the board of arbitrators and the evidence of the proceedings before the board relating thereto, when certified under the hands of at least a majority of the arbitrators, shall be filed in the clerk's office of the district court of the United States for the district wherein the controversy arose or the arbitration was entered into, which district shall be designated in the agreement; and, when so filed, such award and proceedings shall constitute the full and complete record of the arbitration.

(12) Shall provide that the award, when so filed, shall be final and conclusive upon the parties as to the facts determined by said award, and as to the merits of the controversy decided.

(13) Shall also provide that any difference arising as to the meaning of or the application of the provisions of an award made by a board of arbitration shall be referred back for a ruling, to the same board, or to a subcommittee of such board; and that such ruling, when acknowledged in the same manner, and filed in the same district court clerk's office as the original award, shall be a part of and of the same force and effect as such original award: *Provided, however,* That no evidence other than or in addition to that contained in the record filed with the original award shall be received or requested by such reconvened board or subcommittee. If any member of the original board is unable or unwilling to serve on such reconvened board or subcommittee thereof, another arbitrator shall be named in the same manner as such original member was named.

(14) Shall provide that the respective parties to the award will each faithfully execute the same.

(15) The said agreement to arbitrate, when properly signed and acknowledged as herein provided, shall not be revoked by a party to such agreement: *Provided, however,* That such agreement to arbitrate can always be revoked and canceled by the written agreement of both parties, signed by their duly accredited representatives, and (if no board of arbitration has yet been constituted under the agreement) delivered to the Board of Mediation and Conciliation, or any member thereof; or, if the board of arbitration has been constituted, as provided by this act, delivered to such board of arbitration.

(D) AWARD: EFFECT AND IMPEACHMENT

(1) The award of a board of arbitration, having been acknowledged as herein provided, shall be filed in the district court designated in the agreement to arbitrate.

(2) An award acknowledged and filed as herein provided shall be conclusive as to the merits and facts of the controversy submitted to arbitration, and unless within 10 days after the filing of the award, a petition to impeach the award so filed, on the grounds hereinafter set forth, shall be filed in the court in which the award has been filed, the court shall enter judgment on the award, which judgment shall be final and conclusive on the parties.

(3) Such petition for the impeachment or contesting of any award so filed shall be entertained by the court only on one or more of the following grounds:

(a) That the award plainly does not conform to the substantive requirements laid down by this act for such awards, or that the proceedings were not substantially in conformity with this act;

(b) That the award does not conform to nor confine itself to the stipulations of the agreement to arbitrate;

(c) That a member of the board of arbitration rendering the award was guilty of fraud or corruption; or that a party to the arbitration practiced fraud or corruption, which fraud or corruption affected the result of the arbitration.

Provided, however, That no court shall entertain any such petition on the ground that an award is invalid for uncertainty; but the proper remedy in such case shall be a submission of such award to a reconvened board or subcommittee, for interpretation, as provided by this act: *Provided further,* That an award contested as herein provided shall be construed liberally by the court with a view to favoring its validity, and that no award shall be set aside for any trivial irregularity or clerical error going only to form and not to substance.

(4) If the court shall determine that a part of the award is invalid on some ground or grounds designated in this section as a ground of invalidity, but shall determine that a part of the award is valid, the court shall set aside the entire award: *Provided, however,* That if the parties shall agree thereto, and if such valid and invalid parts are separable, the court shall set aside the invalid part and order judgment to stand as to the valid part.

(5) At the expiration of 10 days from the decision of the district court upon the petition filed as aforesaid judgment shall be entered in

accordance with said decision, unless during said 10 days either party shall appeal therefrom to the circuit court of appeals. In such case only such portion of the record shall be transmitted to the appellate court as is necessary to the proper understanding and consideration of the questions of law presented by said petition and to be decided.

(6) The determination of said circuit court of appeals upon said questions shall be final, and, being certified by the clerk thereof to said district court, judgment pursuant thereto shall thereupon be entered by said district court.

(7) If the petitioner's contentions are finally sustained, judgment shall be entered setting aside the award in whole or in part; but in such case the parties may agree upon a judgment to be entered disposing of the subject matter of the controversy, which judgment when entered shall have the same force and effect as judgment entered upon an award.

(8) Nothing in this act shall be construed to require an individual employee or subordinate official to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor or service by any employee or subordinate official an illegal act; nor shall any court of the United States, or of any State, issue any process to compel the performance by any employee or subordinate official of such labor or service without his consent.

SEC. 8. Appropriation: (A) There is hereby appropriated for the fiscal year ending June 30, 1924, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to be expended for the payment of the necessary and proper expenses incurred in connection with any arbitration and with the carrying on of the work of mediation and conciliation, including salaries, traveling and other necessary expenses of employees of the boards of adjustment, boards of arbitration, and the Board of Mediation and Conciliation, and for furniture, office fixtures, books, supplies, and rent; also salaries and necessary expenses of members of the Board of Mediation and Conciliation, and of arbitrators whose compensation is fixed by the Board of Mediation and Conciliation, as provided in section 7–B (5) of this act.

(B) All of the expenditures herein provided for of the boards of adjustment shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairmen of the respective boards of adjustment. All of the expenditures of any board of arbitration and the Board of Mediation and Conciliation shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the Board of Mediation and Conciliation.

During the reading of the bill the following occurred:

The Clerk read to page 44, line 3.

Mr. SPROUL of Illinois. Mr. Chairman, I make the point of order that no quorum is present.

The CHAIRMAN. The gentleman from Illinois makes the point that no quorum is present. The Chair will count. [After counting.] One hundred and one Members present, a quorum.

The Clerk read to page 16, line 9.

Mr. BLANTON. Mr. Chairman, I make the point of order that no quorum is present. We ought to have a quorum if we are to consider this bill.

The CHAIRMAN. The gentleman from Texas makes the point of order that no quorum is present. The Chair will count. [After counting.] Eighty-eight Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Geran	Manlove	Sullivan
Anthony	Greene, Mass.	Michaelson	Swoope
Bacharach	Greenwood	Morgan	Tague
Bell	Harrison	Morin	Taylor, Colo.
Bloom	Haugen	Morris	Taylor, Tenn.
Brand, Ohio	Hooker	Mudd	Tilson
Buchanan	Howard, Okla.	Murphy	Tydings
Campbell	Hudspeth	Nolan	Upshaw
Clark, Fla.	Johnson, Tex.	Park, Ga.	Vestal
Connery	Jost	Perlman	Ward, N. C.
Corning	Kahn	Porter	Ward, N. Y.
Curry	Kerr	Reed, W. Va.	Wason
Dallinger	Knutson	Rogers, N. H.	Weller
Davis, Minn.	Langley	Rosenbloom	Williamson
Dickstein	Larson, Minn.	Sears, Fla.	Winter
Dominick	Lilly	Sears, Nebr.	Wood
Doyle	Lineberger	Sinnott	Wurzbach
Drane	Little	Snyder	Zihlman
Drewry	Logan	Sproul, Kans.	
Fredericks	McLaughlin, Nebr.	Stalker	
Gallivan	McNulty	Stengle	

The committee rose; and the Speaker having resumed the chair, Mr. CRAMTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7358, and finding itself without a quorum he had caused the roll to be called, when 351 members, a quorum, answered to their names, and he presented a list under the rule for entering in the Journal.

The committee resumed its session.

The Clerk completed the reading of the bill.

Mr. LONGWORTH. Mr. Chairman, I move that the committee do now rise.

The question was taken; and on a division (demanded by Mr. BARKLEY) there were 106 ayes and 86 noes.

Mr. BARKLEY. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. LONGWORTH and Mr. BARKLEY.

The committee again divided; and the tellers reported that there were 110 ayes and 93 noes.

So the committee determined to rise.

The committee rose; and the Speaker having resumed the chair, Mr. CRAMTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 7358) to provide for the expeditious and prompt settlement, meditation, conciliation, and arbitration of disputes between carriers and their employees and subordinate officials, and for other purposes, and had come to no resolution thereon.

Mr. BARKLEY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7358.

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Kentucky moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7358, and the gentleman from Ohio makes the preferential motion that the House do now adjourn.

Mr. BARKLEY. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. BARKLEY. If the motion to adjourn is defeated, will it be in order to vote on the motion I made.

The SPEAKER. If the motion to adjourn is defeated any preferential motion will be in order. The question is on the motion of the gentleman from Ohio that the House do now adjourn.

Mr. BARKLEY. And on that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 160, nays 179, not voting 93, as follows:

YEAS—160

Ackerman	Fleetwood	Lehlbach	Sanders, Ind.
Aldrich	Fredericks	Little	Sanders, N. Y.
Andrew	Free	Longworth	Scott
Bacon	Freeman	Luce	Seger
Beedy	French	McDuffie	Shreve
Beers	Frothingham	McFadden	Simmons
Begg	Fuller	McKenzie	Sinnott
Bixler	Garrett, Tenn.	McLaughlin, Mich.	Smith
Black, Tex.	Gibson	McLaughlin, Nebr.	Snell
Bland	Gifford	McLeod	Speaks
Blanton	Goldsborough	MacGregor	Sproul, Ill.
Boyce	Graham, Ill.	MacLafferty	Sproul, Kans.
Brand, Ohio	Graham, Pa.	Madden	Stephens
Britten	Green, Iowa	Magee, N. Y.	Strong, Kans.
Brumm	Griest	Manlove	Strong, Pa.
Butler	Hadley	Mapes	Sweet
Cable	Hardy	Merritt	Taber
Chindblom	Haugen	Michener	Temple
Christopherson	Hawes	Mills	Thatcher
Clarke, N. Y.	Hawley	Moore, Ill.	Timberlake
Cleary	Hersey	Moore, Ohio	Tincher
Cole, Iowa	Hickey	Moores, Ind.	Tinkham
Cole, Ohio	Hill, Md.	Nelson, Me.	Treadway
Colton	Hoch	Newton, Minn.	Underhill
Connolly, Pa.	Hudson	Newton, Mo.	Vaile
Cramton	Hull, Morton D.	Paige	Vare
Crowther	Hull, William E.	Parker	Vincent, Mich.
Darrow	Humphreys	Patterson	Wainwright
Dickinson, Iowa	Johnson, Ky.	Perkins	Watres
Driver	Johnson, S. Dak.	Phillips	Watson
Dyer	Jost	Purnell	Welsh
Edmonds	Kearns	Ramseyer	Wertz
Elliott	Kendall	Ransley	White, Kans.
Evans, Iowa	Kerr	Rayburn	White, Me.
Fairchild	Ketcham	Reece	Williams, Mich.
Fairfield	Kiess	Reed, N. Y.	Williams, Tex.
Faust	Kurtz	Roach	Winslow
Fenn	Larson, Minn.	Robinson, Iowa	Wyant
Fish	Lea, Calif.	Rogers, Mass.	Yates
Fitzgerald	Leatherwood	Rouse	Young

NAYS—179

Abernethy	Box	Celler	Davis, Tenn.
Allen	Boylan	Clancy	Dickinson, Mo.
Allgood	Brand, Ga.	Collier	Doughton
Almon	Briggs	Collins	Dowell
Arnold	Browne, Wis.	Connally, Tex.	Doyle
Aswell	Browning	Cook	Eagan
Ayres	Buckley	Cooper, Ohio	Evans, Mont.
Bankhead	Bulwinkle	Cooper, Wis.	Favrot
Barbour	Busby	Corning	Fisher
Barkley	Byrnes, S. C.	Crisp	Foster
Beck	Byrns, Tenn.	Croll	Frear
Berger	Cannon	Crosser	Fulbright
Bloom	Carew	Cullen	Fulmer
Boies	Casey	Cummings	Funk

Gardner, Ind.	Lankford	O'Connell, R. I.	Sites
Garner, Tex.	Larsen, Ga.	O'Connor, La.	Smithwick
Garrett, Tex.	Lazaro	O'Connor, N. Y.	Steagall
Gasque	Lee, Ga.	O'Sullivan	Stedman
Glatfelter	Lindsay	Oldfield	Stevenson
Greenwood	Lineberger	Oliver, Ala.	Summers, Wash.
Hammer	Linthicum	Parks, Ark.	Sumners, Tex.
Hastings	Lowrey	Peavey	Swank
Hayden	Lozier	Prall	Tague
Hill, Ala.	Lyon	Quayle	Taylor, W. Va.
Hill, Wash.	McClintic	Quin	Thomas, Ky.
Holaday	McKeown	Ragon	Thomas, Okla.
Howard, Nebr.	McReynolds	Raker	Thompson
Huddleston	McSwain	Rankin	Tillman
Hudspeth	McSweeney	Rathbone	Tucker
Hull, Iowa	Major, Ill.	Reed, Ark.	Underwood
Jacobstein	Major, Mo.	Reid, Ill.	Vinson, Ga.
James	Mansfield	Richards	Vinson, Ky.
Jeffers	Martin	Robsion, Ky.	Voigt
Johnson, W. Va.	Mead	Romjue	Watkins
Jones	Miller, Wash.	Rubey	Weaver
Keller	Milligan	Sabath	Wefald
Kelly	Minahan	Salmon	Weller
Kent	Mooney	Sanders, Tex.	Williams, Ill.
Kindred	Moore, Ga.	Sandlin	Wilson, Ind.
King	Moore, Va.	Schafer	Wilson, La.
Kopp	Morehead	Schall	Wingo
Kvale	Morrow	Schneider	Wolff
LaGuardia	Nelson, Wis.	Shallenberger	Woodruff
Lampert	Nolan	Sherwood	Woodrum
Lanham	O'Connell, N. Y.	Sinclair	

NOT VOTING—93

Anderson	Dickstein	McNulty	Stalker
Anthony	Dominick	Magee, Pa.	Stengle
Bacharach	Drane	Michaelson	Sullivan
Bell	Drewry	Miller, Ill.	Swing
Black, N. Y.	Gallivan	Montague	Swoope
Bowling	Garber	Morgan	Taylor, Colo.
Browne, N. J.	Geran	Morin	Taylor, Tenn.
Buchanan	Gilbert	Morris	Tilson
Burdick	Greene, Mass.	Mudd	Tydings
Burtness	Griffin	Murphy	Upshaw
Burton	Harrison	O'Brien	Vestal
Campbell	Hooker	Oliver, N. Y.	Ward, N. C.
Canfield	Howard, Okla.	Park, Ga.	Ward, N. Y.
Carter	Hull, Tenn.	Peery	Wason
Clague	Johnson, Tex.	Perlman	Williamson
Clark, Fla.	Johnson, Wash.	Porter	Wilson, Miss.
Connery	Kahn	Pou	Winter
Curry	Kincheloe	Rainey	Wood
Dallinger	Knutson	Reed, W. Va.	Wright
Davey	Kunz	Rogers, N. H.	Wurzbach
Davis, Minn.	Langley	Rosenbloom	Zihlman
Deal	Leavitt	Sears, Fla.	
Dempsey	Lilly	Sears, Nebr.	
Denison	Logan	Snyder	

So the motion to adjourn was rejected.

The Clerk announced the following additional pairs:

Mr. Anthony (for) with Mr. Pou (against).

General pairs:

Mr. Johnson of Washington with Mr. Davey.
Mr. Burton with Mr. Montague.
Mr. Magee of Pennsylvania with Mr. Gilbert.
Mr. Bacharach with Mr. Hull of Tennessee.
Mr. Clague with Mr. Oliver of New York.
Mr. Swing with Mr. Kunz.
Mr. Leavitt with Mr. McNulty.
Mr. Garber with Mr. Canfield.
Mr. Murphy with Mr. Carter.
Mr. Wason with Mr. Rogers of New Hampshire.
Mr. Summers of Washington with Mr. Brown of New Jersey.
Mr. Anderson with Mr. Buchanan.
Mr. Williamson with Mr. Lilly.
Mr. Miller of Illinois with Mr. Black of New York.
Mr. Campbell with Mr. Drewry.
Mr. Burtness with Mr. Kincheloe.
Mr. Zihlman with Mr. O'Brien.
Mr. Denison with Mr. Bowling.
Mr. Dempsey with Mr. Peery.
Mr. Kahn with Mr. Wright.

Mr. SUMMERS of Washington. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. SUMMERS of Washington. I was not.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. GARBER. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. GARBER. I was not.

The SPEAKER. The gentleman does not bring himself within the rule.

The result of the vote was announced as above recorded.

Mr. BARKLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARKLEY. Is the motion now pending to go back into the Committee of the Whole House on the state of the Union? If not, I make that motion.

The SPEAKER. The gentleman's motion is pending.

Mr. BARKLEY. I make the motion, and I ask for a vote.

The SPEAKER. It is pending.

Mr. JOHNSON of South Dakota. Mr. Speaker, I would ask the gentleman to withhold his motion for a moment so that I can prefer a unanimous-consent request.

Mr. BARKLEY. Mr. Speaker, I insist on my motion.

The SPEAKER. The question is on the motion of the gentleman from Kentucky that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7358.

The question was taken, and the Speaker announced the noes seemed to have it.

Mr. BARKLEY. Mr. Speaker, I ask for a division.

Mr. SPROUL of Illinois. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Illinois demands the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 184, nays 157, not voting 91, as follows:

YEAS—184

Abernethy	Doyle	Lindsay	Reid, Ill.
Allen	Eagan	Lineberger	Richards
Allgood	Favrot	Linthicum	Robsion, Ky.
Almon	Fisher	Lowrey	Romjue
Arnold	Foster	Lozier	Rubey
Bankhead	Frear	Lyon	Sabath
Barbour	Fulbright	McClintic	Salmon
Barkley	Fulmer	McKeown	Sanders, Tex.
Beck	Gardner, Ind.	McReynolds	Sandlin
Berger	Garner, Tex.	McSwain	Schafer
Black, N. Y.	Garrett, Tex.	McSweeney	Schall
Bloom	Gasque	Major, Ill.	Schneider
Boies	Glatfelter	Major, Mo.	Shallenberger
Box	Greenwood	Mansfield	Sherwood
Boylan	Hammer	Martin	Sinclair
Brand, Ga.	Hastings	Mead	Sites
Briggs	Hawes	Miller, Wash.	Smithwick
Browning	Hayden	Milligan	Steagall
Buckley	Hill, Ala.	Minahan	Stedman
Bulwinkle	Hill, Wash.	Mooney	Stevenson
Busby	Holaday	Moore, Ga.	Summers, Wash.
Byrnes, S. C.	Howard, Nebr.	Moore, Va.	Sumners, Tex.
Byrns, Tenn.	Huddleston	Morehead	Swank
Ayres	Hudspeth	Morrow	Tague
Cannon	Hull, Iowa	Nelson, Wis.	Taylor, W. Va.
Carew	Jacobstein	Nolan	Thomas, Okla.
Carter	James	O'Connell, N. Y.	Thomas, Ky.
Casey	Jeffers	O'Connell, R. I.	Thompson
Celler	Johnson, W. Va.	O'Connor, La.	Tillman
Clancy	Jones	O'Connor, N. Y.	Tucker
Collier	Keller	Oldfield	Underwood
Collins	Kelly	Oliver, N. Y.	Vinson, Ga.
Connally, Tex.	Kent	Oliver, Ala.	Vinson, Ky.
Cook	Kindred	Parks, Ark.	Voigt
Cooper, Ohio	King	Peavey	Watkins
Cooper, Wis.	Kopp	Peery	Weaver
Corning	Kurtz	Prall	Wefald
Crisp	Kvale	Quayle	Weller
Croll	LaGuardia	Quin	Williams, Ill.
Crosser	Lampert	Ragon	Wilson, Ind.
Cullen	Lanham	Rainey	Wilson, La.
Cummings	Lankford	Raker	Wilson, Miss.
Davis, Tenn.	Larsen, Ga.	Rankin	Wingo
Dickinson, Mo.	Lazaro	Rathbone	Wolff
Doughton	Lea, Calif.	Rayburn	Woodruff
Dowell	Lee, Ga.	Reed, Ark.	Woodrum

NAYS—157

Ackerman	Fenn	Little	Seger
Aldrich	Fish	Longworth	Shreve
Andrew	Fitzgerald	Luce	Simmons
Anthony	Fleetwood	McDuffie	Sinnott
Bacon	Free	McFadden	Smith
Beedy	Freeman	McLaughlin, Mich.	Snell
Beers	Frothingham	McLaughlin, Nebr.	Speaks
Begg	Fuller	McLeod	Sproul, Ill.
Bixler	Garber	MacGregor	Sproul, Kans.
Black, Tex.	Garrett, Tenn.	MacLafferty	Stephens
Bland	Gibson	Madden	Strong, Kans.
Blanton	Gifford	Magee, N. Y.	Strong, Pa.
Boyce	Goldsborough	Magee, Pa.	Sweet
Brand, Ohio	Graham, Ill.	Manlove	Taber
Britten	Graham, Pa.	Mapes	Temple
Brumm	Green, Iowa	Merritt	Thatcher
Burtness	Griest	Michener	Timberlake
Butler	Hadley	Mills	Tincher
Cable	Haugen	Moore, Ill.	Tinkham
Chindblom	Hawley	Moore, Ohio	Treadway
Christopherson	Hersey	Moores, Ind.	Underhill
Clague	Hickey	Nelson, Me.	Vaile
Clarke, N. Y.	Hill, Md.	Newton, Minn.	Vare
Cleary	Hoch	Paige	Vincent, Mich.
Cole, Iowa	Hudson	Parker	Wainwright
Cole, Ohio	Hull, Morton D.	Patterson	Watres
Colton	Hull, William E.	Perkins	Watson
Connolly, Pa.	Humphreys	Phillips	Welsh
Cramton	Johnson, Ky.	Purnell	Werts
Crowther	Johnson, S. Dak.	Ramseyer	White, Kans.
Darrow	Jost	Ransley	White, Me.
Dickinson, Iowa	Kearns	Reece	Williams, Mich.
Driver	Kendall	Reed, N. Y.	Williams, Tex.
Dyer	Kerr	Roach	Winslow
Edmonds	Ketcham	Robinson, Iowa	Wyant
Elliott	Kiess	Rogers, Mass.	Yates
Evans, Iowa	Larson, Minn.	Rouse	Young
Fairchild	Leatherwood	Sanders, Ind.	
Fairfield	Leavitt	Sanders, N. Y.	
Faust	Lehlbach	Scott	

NOT VOTING—91

Anderson	Drane	Lilly	Sears, Nebr.
Aswell	Drewry	Logan	Snyder
Bacharach	Evans, Mont.	McKenzie	Stalker
Bell	Fredericks	McNulty	Steagle
Bowling	French	Michaelson	Sullivan
Browne, N. J.	Funk	Miller, Ill.	Swing
Browne, Wis.	Gallivan	Montague	Swoope
Buchanan	Geran	Morgan	Taylor, Colo.
Burdick	Gilbert	Morin	Taylor, Tenn.
Burton	Greene, Mass.	Morris	Tilson
Campbell	Griffin	Mudd	Tydings
Canfield	Hardy	Murphy	Upshaw
Clark, Fla.	Harrison	Newton, Mo.	Vestal
Connery	Hooker	O'Brien	Ward, N. C.
Curry	Howard, Okla.	O'Sullivan	Ward, N. Y.
Dallinger	Hull, Tenn.	Park, Ga.	Wason
Davey	Johnson, Tex.	Perlman	Williamson
Davis, Minn.	Johnson, Wash.	Porter	Winter
Deal	Kahn	Pou	Wood
Dempsey	Kincheloe	Reed, W. Va.	Wright
Denison	Knutson	Rogers, N. H.	Wurzbach
Dickstein	Kunz	Rosenbloom	Zihlman
Dominick	Langley	Sears, Fla.	

So the motion was agreed to.

The Clerk announced the following additional pairs:

On the vote:

Mr. Pou (for) with Mr. Anthony (against).
Mr. Logan (for) with Mr. French (against).

Until further notice:

Mr. Fredericks with Mr. Aswell.
Mr. Newton of Missouri with Mr. Deal.
Mr. Funk with Mr. Evans of Montana.
Mr. Hardy with Mr. O'Sullivan.

The result of the vote was announced as above recorded.

The SPEAKER. The House resolves itself into Committee of the Whole House on the state of the Union, and the gentleman from Michigan [Mr. CRAMTON] will resume the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7358) to provide for the expeditious and prompt settlement, mediation, conciliation, and arbitration of disputes between carriers and their employees and subordinate officials, and for other purposes, with Mr. CRAMTON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7358, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 7358) to provide for the expeditious and prompt settlement, mediation, conciliation, and arbitration of disputes between carriers and their employees and subordinate officials, and for other purposes.

Mr. BARKLEY. Mr. Chairman, I demand recognition under the rules for the discussion of the bill.

The CHAIRMAN. The gentleman from Kentucky is recognized for one hour.

Mr. BARKLEY. Mr. Chairman and gentleman of the committee, most of those who voted against the motion to discharge the Committee on Interstate and Foreign Commerce from the consideration of this bill pretended to do so on the theory that they wanted discussion and consideration. The motion having prevailed, followed by a motion to consider this bill, which was also adopted, every step and every tactic resorted to by those who have been against this measure has been against the consideration and debate of this measure during this present day and, presumably, for any other time, and against the bill properly coming up for consideration.

I do not desire and it is not my purpose to wear out the Members of this House by indefinite roll calls and by an effort to inconvenience them in any way by keeping them here all night.

Mr. LOWREY. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. LOWREY. I just want to say that I voted against taking the bill from the committee, but I have voted against this filibuster all the way through. There are some of us who believe, now that the House has voted to consider the bill, that it ought to be allowed to go straight forward with sensible, sane consideration of it and get through with it. I felt like saying that to the gentleman.

Mr. BARKLEY. I appreciate the fact that the gentleman and many others have, after the House decided to consider this measure, voted against the tactics of filibuster, and I should and do here and now exclude from what I said all the Members who have voted in that way and that includes my friend from Maryland [Mr. LINTHICUM].

Now, Mr. Chairman, I want to talk about the merits of this bill for a little while. Of course, it is perfectly apparent to everybody in the House, as I said a moment ago, that the object now is to prevent consideration of this bill by the House.

Mr. LONGWORTH. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. LONGWORTH. Who demanded the yeas and nays on this vote?

Mr. BARKLEY. Oh, that is not an answer or even an insinuation.

Mr. LONGWORTH. The gentleman himself did it and wasted half an hour.

Mr. BARKLEY. Because the yeas and nays were necessary in order to prevent you from carrying on the filibuster you instituted in the beginning. [Applause.] I want the country to understand precisely where the responsibility lies for the tactics that are being resorted to in order to prevent consideration of this bill. The filibuster inaugurated to prevent consideration of this bill is led by the gentleman from Ohio [Mr. LONGWORTH].

Now, there never has been a bill before this House since I have been a Member of it that has been so grossly and willfully misrepresented as the bill now under consideration. It has been represented by those who have organized propaganda from one end of the Nation to the other that this bill is radical and that it makes some unheard of change in the procedure of the settlement of disputes that may arise between the railroads and their employees.

Mr. MADDEN. Will the gentleman yield?

Mr. BARKLEY. I can not now.

Mr. MADDEN. Does not the bill make radical changes?

Mr. BARKLEY. No, it does not; the chairman of the Railroad Labor Board, Mr. Ben W. Hooper, who is presumed to represent the public and who is presumed to be impartial as between the railroads and their employees, has occupied a considerable part of his time since he was appointed upon the board in traveling over the country denouncing the railway employees, and in a statement given out the other day to the newspapers he declared that there had never been in the history of Congress so socialistic a measure presented as the one now under consideration. That statement is grossly untrue. There have been editorials, no doubt inspired by those who are in sympathy at least with the efforts to prevent the consideration of this bill, which have no relation whatever to the real facts in connection with it.

Now, an effort has been made to make it appear that this bill will cripple every short-line railroad in the United States, and they have gotten some of the friends of the short-line railroads frightened into the belief that there is hidden somewhere in the recesses of this measure something that will injuriously affect the short-line railroads.

The short-line railroads, if they are engaged in interstate commerce or if they come under the act to regulate commerce, must come under any bill that deals with railway employees in an effort to settle railroad disputes. The short-line railroads are at present under the interstate commerce law; they are under the transportation act if they are engaged in interstate commerce, and they are under the jurisdiction of the Railroad Labor Board now if a dispute arises upon them that can not be settled by mutual agreement. So this bill does nothing in the way of including short-line railroads that the present law does not also do.

An effort has been made to make it appear that if this bill should become a law it will ipso facto and automatically unionize all the railroad employees of the United States and bring about what is commonly known as the closed shop. Nothing is further from the truth than that statement. This bill undertakes to set up——

Mr. MILLS. Will the gentleman yield?

Mr. BARKLEY. I can not yield now.

This bill undertakes to set up a certain number of adjustment boards similar to the adjustment boards set up in the original Esch bill reported from the Committee on Interstate and Foreign Commerce for which every member of that committee voted; adjustment boards made up of men on both sides to settle not wage questions, not great fundamental questions of labor and the conditions of labor, but to settle private grievances or disputes that arise upon the railroads out of the interpretation of contracts that have been entered into, and when the bill passed the Senate it contained the same provisions.

Mr. MADDEN. Will the gentleman yield for one simple question?

Mr. BARKLEY. Yes.

Mr. MADDEN. Then why do not the men who are parties to the contract pay their own expenses? That is a fair question. Why should the taxpayers pay it?

Mr. BARKLEY. Because you have—I do not say the gentleman, but others—have complained that the public is not considered in this measure and that they are not brought into the equation. These boards are to become national boards. They are to settle questions——

Mr. MADDEN. Will the gentleman yield for one further question?

Mr. BARKLEY. I will yield.

Mr. MADDEN. How does the public become interested in the proposition under the contracts to which the gentleman has just referred except through the payment of the expenses which they create. That is the only way. [Applause.]

Mr. BARKLEY. The objection that was made to the original bill providing that the expenses of these groups of men on each side should be paid for by the respective sides was that as long as their expenses and their salaries are paid for out of private interests and out of private funds that they would still hold that they were representative to the last degree and they would never cross over and agree with the other side, and as a result, making them Government officials, makes it easier for these men, with equal representation on both sides, to agree. [Applause.]

Mr. MADDEN. Will the gentleman yield further?

Mr. BARKLEY. I do not yield any further.

Mr. MADDEN. I think the gentleman ought to be willing to have the facts exposed.

Mr. BARKLEY. I am giving the facts, and I do not yield any further.

Mr. MADDEN. I have another fact I would like to give.

Mr. BARKLEY. I do not yield any further.

The CHAIRMAN. The gentleman from Kentucky declines to yield.

Mr. BARKLEY. The objection originally made, under the various procedures through which this legislation has gone from year to year, was that by setting up these equipartisan boards and having their employees on respective sides it took away from them perhaps that degree of impartiality that might enable them, or at least some of them, to agree with those on the other side in arriving at a conclusion. These adjustment boards do not deal with questions that the public, in the broad sense of fixing wages, are interested in, and there has been a deliberate effort to misinterpret this law to mean that these adjustment boards take the place of the present railroad labor board, one-third of which is made up by the public, and therefore that we have left the public out of consideration.

Mr. MADDEN. Will the gentleman yield for another question?

Mr. BARKLEY. I am sorry I can not yield.

Mr. MADDEN. I am sorry the gentleman does not yield. The gentleman has made a statement that ought to be explained.

Mr. BARKLEY. These adjustment boards I have referred to do not deal in any respect with wages. They have no jurisdiction either over increases or decreases in wages. They are the same kind of adjustment boards that were provided for in the Esch bill; the same kind of adjustment boards provided for in the Cummins bill, with some degree of difference; the same kind of adjustment boards provided for in the Anderson amendment, which was voted in here when the Esch bill was under consideration; the same kind of adjustment boards, practically, that were in operation during Government operation of the railroads; the same kind of adjustment boards that the labor committee of the Association of Railway Executives recommended to those railroads, but which were never appointed because many of the roads refused to enter agreements that would set up the boards.

Mr. MADDEN. Will the gentleman yield?

Mr. BARKLEY. I can not yield.

The board that takes the place of the present Railroad Labor Board is not made up of representatives on either side. No representative of any railroad has any authority to be appointed upon it, and if the President should appoint this board and subsequently it should turn out that any member of it was a member of a labor organization or an employee of a railroad which might be interested in the settlement of the dispute or was interested financially on the side of the railroad automatically he becomes disqualified for service on the board. In other words, whereas the board now has only one-third of its members drawn from the public, the board that we propose to set up here is entirely drawn from the public, and it is by reason of that feature a better provision than the law that is now upon the statute books.

Mr. MILLS and Mr. MAPES rose.

Mr. BARKLEY. I am sorry I can not yield.

The CHAIRMAN. The gentleman from Kentucky declines to yield.

Mr. BARKLEY. Now, Mr. Chairman, the statement has been industriously spread from one end of this country to the other that this bill involves an enormous expense. It has been estimated all the way from $1,000,000 to an indefinite sum. The annual expense of the present Railroad Labor Board is something between $340,000 and $400,000. If the House of Representatives and the Senate should agree to fix the compensation of the boards under this proposed bill at the figure now included within it—and that is a matter for Congress to determine, because if the bill provides salaries that are too high, Congress has the power to reduce them—but if they are left as they are now provided in the bill, the increase in the expense over what is now the expense of the Labor Board would be less than $100,000 a year.

In 1922 the railroad strike cost the Department of Justice itself more than $2,000,000 in an effort to coerce a settlement, and by reason of the breakdown of the machinery and equipment upon the railroads of the country it cost the American people in freight rates which they had to pay and the railroad companies in the depreciation of their equipment more than $100,000,000. Mr. Chairman, if it should cost a million dollars a year to maintain these adjustment boards and the Board of Conciliation, if it should cost a million and a half, it would be cheap if by reason thereof it will prevent ever again recurring the disastrous strike which occurred in the summer of 1922.

Mr. Chairman, I do not propose at this time to go into any further details with reference to the provisions of this bill. Under the five-minute rule I shall undertake to explain every provision in its proper relation and undertake to clear away the deliberate misinformation which has been indulged in on the part of those who set about organizing this artificial sentiment in the country as to the provisions of the bill.

Mr. Chairman, I now move that the committee rise, report the bill back to the House with the recommendation that its further consideration be postponed until to-morrow at 12 o'clock.

Mr. SANDERS of Indiana. Mr. Chairman, I make the point of order that that is not in order. Nothing except the simple motion to rise is in order until general debate is closed. A motion to rise with a recommendation that the matter be postponed would be in order, perhaps, and I think under the decision at the closing of the general debate and at the close of debate under the five-minute rule. Then all of these different motions may be made. The reason that it is not in order at the present time is that the established course of procedure in the Committee of the Whole is, first, to read the bill; second, general debate; third, to read the bill under the five-minute rule. It has been held that during the reading of the bill under the five-minute rule such a motion is not in order. That holding is put specifically on this ground—that the motion to amend under the five-minute rule is antagonized by such a motion. It has never been held that anything except a simple motion to rise is in order until after general debate is closed and until after debate under the five-minute rule is closed.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Indiana. I yield.

Mr. MAPES. What does the gentleman say to this proposition? The Speaker stated tentatively that if the House adjourns to-day this bill will go over until two weeks from to-day under the rule. If that should be the ruling of the Chair and sustained, would not the recommendation in the motion of the gentleman from Kentucky be in effect a suspension of the rules and require a two-thirds vote of the House to carry it?

Mr. SANDERS of Indiana. I think that is true, and the gentleman might further call attention to the fact that the motion to suspend the rules or anything that does suspend the rules is not in order in committee. It has been held from the beginning that the motion made by the gentleman from Kentucky is not in order. The gentleman from Kentucky will not be able to find in the proceedings of the Committee of the Whole since its first organization a single decision upholding his motion. If it were in order, let me indicate what would happen. If it is in order to make that motion that we adjourn until to-morrow, it is in order to amend that motion and make the motion that we adjourn for 30 days the consideration of this bill.

Mr. BLANTON. Will the gentleman yield?

Mr. SANDERS of Indiana. I yield.

Mr. BLANTON. At this stage of the proceedings, is it not a fact that only one motion is in order, and that is that the committee rise?

Mr. SANDERS of Indiana. That is what I stated. It has been so held in every instance.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. SANDERS of Indiana. I will yield to the gentleman from New York.

Mr. LAGUARDIA. Referring to page 1010 of the RECORD, when the rule was before the House, the gentleman from Indiana said:

> They say they can interrupt the procedure for but two days in a month. Do not be deceived about this rule. This rule gives a mere majority at any time the power to break into the entire orderly procedure and to continue that break as long as they want to.

[Applause.]

Mr. SANDERS of Indiana. I will say to my friend from New York that I did say that very thing, and if the gentleman had read the remainder of my remarks he would have seen the ground on which I put it. The point I made was that this rule gave power and authority. The rule was subsequently amended to apply only to public resolutions—I said that this rule which gave authority to 150 men to sign a petition to discharge the Committee on Rules from the consideration of a resolution brought in would make in order consideration of the matter until it was closed, and I say to my friend from New York I stick to that proposition. The Committee on Rules could have reported a rule making a bill continuing business. The rule was subsequently amended so that it applied only to public resolutions, and I have some doubt whether the statement would now apply.

This rule applied before amended to a report from the Committee on Rules, which has a right to set aside the rules of the House, but we are not considering that but considering merely a report from the Committee on Interstate and Foreign Commerce, which has no such power or authority.

The CHAIRMAN. Does the gentleman from Kentucky care to be heard on the point of order?

Mr. BARKLEY. Mr. Chairman, in reply to the gentleman from Indiana in his statement that this motion would be in order if general debate had been concluded, or if the bill had been considered under the five-minute rule——

Mr. SANDERS of Indiana. "And," not "or." It is not in order at any time until the close of the reading of the bill under the five-minute rule, because a motion, when reading under the five-minute rule, has preference over this. That is what the decisions hold.

Mr. BARKLEY. So far as the question of general debate is concerned, if it were true that a motion of this kind could not be maintained until general debate had concluded that would presuppose there had been some understanding there was to be general debate and how long it should run. In procedure of the Committee of the Whole and where there is no agreement it can not be presumed there will be general debate. Of course, gentlemen may arise and demand recognition, but under the rules if no gentleman rises to his feet and demands recognition then there is no general debate and the next thing in order, if the committee is still in session, is to the bill under the five-minute rule. Now, this is a motion that has to do with the consideration of this bill. If the committee were considering this bill under the five-minute rule and it had not been concluded and for any reason the committee might desire that it should take it up to-morrow or next week they would have the right to report the bill back to the House with the recommendation that the further consideration be postponed until a day certain, just as much right as they have to report the bill back with certain amendments and the recommendation that the amendments be agreed to or that all after the enacting clause be stricken out or any other procedure be had in reference to the bill that kills or facilitates its passage. Now, this is a motion to rise with a recommendation, not that the rules of the House be changed or suspended, but that the further consideration of this bill be postponed until to-morrow, and I maintain that it is in order.

Mr. BLANTON. Mr. Chairman, I make a point of order——

SEVERAL MEMBERS. Rule!

The CHAIRMAN. The gentleman will state his point of order.

Mr. BLANTON. Mr. Chairman, I make the point of order——

Mr. BARKLEY. I reserve the balance of my time.

Mr. BLANTON. I make the point of order that in view of the present situation it is only fair for the RECORD to show that there are Members on their feet demanding recognition in opposition to this bill. There are many Members, and I am one, demanding recognition against this bill.

Mr. MADDEN. So am I.

Mr. MILLS, Mr. TINCHER, Mr. WINSLOW, Mr. NEWTON of Minnesota, Mr. HILL of Maryland, and others. So am I.

Mr. BARKLEY. Gentlemen can not cure the parliamentary situation that existed at the time I made the motion by now in this belated fashion rising and asking for recognition. They are not entitled to recognition even if they had risen before.

The CHAIRMAN. While the gentleman from Kentucky [Mr. BARKLEY] still had the floor he concluded his remarks by making the motion. The motion of the gentleman from Kentucky is that the Committee of the Whole House on the state of the Union do now rise and report the bill back with the recommendation that further consideration of it be postponed until to-morrow's session. That, in substance, is the motion. The Chair will not at this time give consideration to that portion of the question with reference to whether it is in order to move to make this bill the order of business for to-morrow. It will not be necessary for the purposes of the present decision. The motion of the gentleman is to recommend to postpone the consideration of the bill to a day certain. It is a motion of the same status as a motion to rerefer the bill. The precedents, so far as the Chair has knowledge of them, are to the effect that previous to the completion of the reading of the bill for amendment it is not in order to move to rise with the recommendation for a reference, and the same reasons would apply to the recommendations contained in the gentleman's motion. In Hinds' Precedents, volume 4, section 4761, is a case where—

> On January 2, 1852, a resolution of welcome to Louis Kossuth was under consideration in the Committee of the Whole House on the state of the Union, and general debate had been limited by order of the House.
>
> General debate having terminated and the offering and debate of amendments having begun, Mr. William A. Richardson, of Illinois, proposed a motion that the committee rise and report the resolution with a recommendation that it be referred to the Committee on Foreign Affairs.
>
> The Chairman said:
>
> "All debate is terminated by the latter branch of the one hundred and thirty-sixth rule. This rule provides:
>
> "That the House may at any time, by a vote of a majority of the Members present, suspend the rules and orders for the purpose of going into the Committee of the Whole House on the state of the Union; and also to provide for the discharge of the Committee of the Whole House, and the Committee of the Whole House on the state of the Union from the further consideration of any bill referred to it, after acting without debate on all amendments pending, and that may be offered.
>
> "This rule provides that the House itself may discharge the Committee of the Whole House on the state of the Union from the consideration of any proposition committed to it without debate after voting on all amendments which have been offered or may be offered. The committee, by this vote and decision, have determined that the debate on this resolution should terminate. Then, in the opinion of the Chair it can not be reported to the House until all the amendments pending and which may be offered shall be voted on. The Chair overrules the motion of the gentleman from Illinois."
>
> Mr. Richardson having appealed, the decision of the Chair was sustained—ayes 78, noes, 44.

4762. On January 14, 1901, the bill (H. R. 13189) "making appropriations for the construction, repair, and preservation of certain public works of rivers and harbors, and for other purposes" was under consideration in the Committee of the Whole House on the state of the Union.

The reading by paragraphs for amendment had begun, when Mr. F. H. Cushman, of Washington, moved that the bill be reported back to the House with the recommendation that it be recommitted to the Committee on Rivers and Harbors.

Mr. John W. Maddox, of Georgia, made the point of order that the motion was not in order.

The Chairman held:

> In relation to this matter the Chair is of the opinion that the admission of the motion to report the bill with a recommendation of recommittal would be in violation of the spirit of the rules and precedents governing the consideration of bills in the Committee of the Whole. The Committee of the Whole is expected to complete consideration of a bill before it is reported to the House; and it is well understood that a motion to report a bill with a favorable recommendation is not in order until the consideration by sections or paragraphs for amendment has been completed.
>
> To admit the motion proposed by the gentleman from Washington would afford a means of taking a bill from the Committee of the Whole before it had been fully considered. By the motion to strike out the enacting clause the rules provide the only proper means for such an action, and the carefully guarded provisions of the rule satisfy the Chair that the framers of the rules intended it to be the only method whereby the Committee of the Whole might escape the mandate of the House to consider a bill referred to it. The Chair is aware

of the fact that in the Fifty-first Congress a motion like that made by the gentleman from Washington was admitted; but in that case there was a question as to the validity of the bill itself, whether it had been rightfully reported in the first instance from a standing committee. A question of privilege was raised; and the motion to recommend recommittal was a part of that question. No such question is involved in the present case, and the Chair sustains the point of order.

In the present case the reading of the bill has been completed, the gentleman from Kentucky [Mr. BARKLEY] has begun the general debate on the bill, and, while still retaining the floor, has made his motion. The general debate on the bill has not been exhausted, to say nothing of the reading of the bill for amendment. The Chair sustains the point of order.

Mr. BARKLEY. Mr. Chairman, I move that the committee rise.

The CHAIRMAN. The gentleman from Kentucky moves that the committee do now rise. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The committee votes to rise.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CRAMTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 7358) to provide for the expeditious and prompt settlement, mediation, conciliation, and arbitration of disputes between carriers and their employees and subordinate officials, and for other purposes, had come to no resolution thereon.

The SPEAKER. The gentleman from Michigan [Mr. CRAMTON], Chairman of the Committee of the Whole House on the state of the Union, reports that that committee having had under consideration the bill H. R. 7358 had come to no resolution thereon.

Mr. BARKLEY. Mr. Speaker, I move that the House stand in recess until 11 o'clock to-morrow.

Mr. LONGWORTH. Mr. Speaker, I make a point of order, and demand the regular order.

Mr. SANDERS of Indiana. Mr. Speaker, I make a point of order on that.

Mr. BLANTON. Mr. Speaker, I make the point of order that that is against the rules.

The SPEAKER. The gentleman from Kentucky is well aware that such a motion is not in order against the regular order.

Mr. BARKLEY. No; I am not aware of that, and I want to make a suggestion.

The SPEAKER. The Chair will be glad to hear the gentleman.

Mr. BARKLEY. Mr. Speaker, the motion for a recess has been made repeatedly during the history of the House. At one time the motion to take a recess was a privileged motion, and the privileged character of that motion was eliminated by a revision of the rules which took place in 1890. Since that time the motion to recess does not occupy the privileged status. But under the rule, when a matter is under debate in the House only certain motions may be made, one of which is to adjourn, another is to lay on the table, and so forth. These motions are given a privileged status. The motion to recess is not included within those motions which may be made when a proposition is under debate in the House, but the fact that any such motion to take a recess was eliminated from the privileged status does not mean that the motion to recess is not in order. It is in order, Mr. Speaker, when there is nothing under debate in the House of Representatives.

The SPEAKER. Will the gentleman please cite to the Chair either a decision or remark that in the slightest degree upholds his contention?

Mr. LONGWORTH. Mr. Speaker, I desire to call the Chair's attention to the fact that I endeavored to take the floor to make a preferential motion, and however the Chair may decide this point I claim the floor to make a preferential motion.

The SPEAKER. If the gentleman has a preferential motion to make, of course the Chair will entertain it at the proper time.

Mr. BARKLEY. The decisions with reference to the question of taking a recess apply to the rule as it existed at the time when the motion to recess was a privileged motion under the original rules. Since the privileged status was removed from the motion to take a recess there have been no decisions upon it because the question has not been raised, but there are no decisions that make it out of order to move to recess at this stage of the procedure. In view of the fact that it was in order to make that motion and give it a privileged status, and the only change in the rule was to change the privileged status of the motion to recess, it follows that the motion is in order at the proper time; that it is in order to move to recess until the following day or until an hour in this day that would be subsequent to this hour. The Chair has frequently held that even where a motion was made to recess to an hour certain and it was impossible to vote upon that motion until after that hour had passed, it still had to be voted on, although the time for the recess had expired before the vote could be taken.

Mr. BLANTON. Mr. Speaker, may I cite the Chair to a precedent against the gentleman's motion?

The SPEAKER. The Chair does not care to hear the gentleman. Is that all the gentleman from Kentucky has to say?

Mr. BARKLEY. That is all.

The SPEAKER. The gentleman from Kentucky offers a motion to recess, and claims that he has a right to make it, which means, of course, that it is privileged, because no motion can be made in the House which has not privilege when the regular order is demanded.

Formerly the motion to take a recess was privileged by the rules, but just about 30 years ago it was dropped as a privileged motion.

Mr. BARKLEY. Does the Chair hold that because the motion is not privileged it is not in order?

The SPEAKER. It is in order if nobody demands the regular order.

Mr. BARKLEY. There are many motions which can be made before the House that are not privileged, and they can be made regardless of objection.

The SPEAKER. Will the gentleman give an illustration?

Mr. BARKLEY. This is one of them. [Laughter.]

The SPEAKER. Will the gentleman give some other illustration? The Chair is not aware of any motion which can be made against the demand for the regular order except a privileged motion, and the rules state which ones are privileged. The motion to recess, up to 30 years ago, was privileged, and it was dropped for an express purpose, of course, namely, so that it could not be made.

Now, the gentleman from Kentucky argues that it is in order because in these 30 years there is no precedent against it.

It seems to the Chair the fact that nobody up to this time has ventured to make the motion is pretty good evidence that it is not in order, because there have been ingenious men in the House during the last 30 years and if there were any plausible excuse for making the motion some one would have attempted it.

Mr. BARKLEY. Will the Chair permit an inquiry?

The SPEAKER. Certainly.

Mr. BARKLEY. The Speaker says this motion would not be in order against a demand for the regular order. What is the regular order? There is nothing before the House.

The SPEAKER. The regular order would first be to recognize the gentleman from Kentucky. If he did not wish to make any motion relating to this bill under consideration, then the Chair would say that the regular business of suspension day was in order. There is always an order of business before the House.

Mr. BARKLEY. The Chair recognized me and I desired to make a motion and made one.

The SPEAKER. But that does not mean the gentleman can make any motion he wishes. He must make a motion authorized by the rules of the House. The gentleman can cite no precedents justifying his motion, and the fact no one has ventured to make the motion in 30 years, so far as we know, is pretty good evidence that it is not in order.

The Chair sustains the point of order.

Mr. LONGWORTH. Mr. Speaker, I move the House do now adjourn.

Mr. BARKLEY. Mr. Speaker, I desire to make a further motion. I move that further debate upon the pending bill be limited to three hours, one-half to be controlled by those who favor and one-half by those who are opposed to the bill.

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. Of course, the motion that the House adjourn is of the highest privilege.

Mr. BLANTON. Mr. Speaker, I reserve a point of order on the motion of the gentleman from Kentucky.

The SPEAKER. That motion, of course, is eliminated by the motion of the gentleman from Ohio that the House adjourn.

Mr. BARKLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARKLEY. If the motion to adjourn is defeated, will the motion I have made to limit debate be pending and be voted on?

The SPEAKER. The Chair presumes so unless there is a motion of higher privilege or unless it is not in order. The Chair

does not think it is fair to ask the Chair to decide that in advance.

Mr. BARKLEY. I am not trying to embarrass the Chair, but to preserve my rights.

The SPEAKER. The gentleman from Ohio moves that the House do now adjourn.

Mr. BARKLEY. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 142, nays 173, answered "present" 1, not voting 116, as follows:

YEAS—142

Ackerman	Fleetwood	Linthicum	Sanders, Ind.
Aldrich	Free	Little	Seger
Allen	Freeman	Longworth	Shreve
Andrew	Frothingham	Luce	Simmons
Bacon	Fuller	McFadden	Sinnott
Beers	Garber	McLaughlin, Nebr.	Smith
Begg	Garrett, Tenn.	McLeod	Snell
Bixler	Gibson	MacGregor	Speaks
Black, Tex.	Gifford	MacLafferty	Sproul, Ill.
Bland	Goldsborough	Madden	Sproul, Kans.
Blanton	Graham, Ill.	Magee, N. Y.	Stephens
Boyce	Graham, Pa.	Magee, Pa.	Strong, Kans.
Brand, Ohio	Green, Iowa	Manlove	Strong, Pa.
Brumm	Griest	Mapes	Sweet
Burdick	Hadley	Merritt	Taber
Burtness	Hardy	Michener	Temple
Cable	Haugen	Mills	Thatcher
Chindblom	Hawes	Moore, Ill.	Timberlake
Christopherson	Hersey	Moore, Ohio	Tincher
Clague	Hickey	Moores, Ind.	Tinkham
Clarke, N. Y.	Hill, Md.	Nelson, Me.	Treadway
Cleary	Hudson	Newton, Minn.	Vaile
Cole, Iowa	Hull, Morton D.	Newton, Mo.	Vare
Colton	Hull, William E.	Paige	Wainwright
Connolly, Pa.	Humphreys	Parker	Watres
Cramton	Johnson, Ky.	Patterson	Watson
Crowther	Johnson, S. Dak.	Perkins	Welsh
Darrow	Jost	Phillips	Wertz
Dickinson, Iowa	Kearns	Purnell	White, Me.
Driver	Ketcham	Ransley	Williams, Mich.
Edmonds	Kiess	Reece	Williams, Tex.
Elliott	Kurtz	Reed, N. Y.	Winslow
Evans, Iowa	Lea, Calif.	Roach	Yates
Faust	Leatherwood	Robinson, Iowa	Young
Fenn	Leavitt	Rogers, Mass.	
Fitzgerald	Lehlbach	Rouse	

NAYS—173

Abernethy	Doughton	Lee, Ga.	Robsion, Ky.
Allgood	Dowell	Lilly	Rubey
Almon	Doyle	Lindsay	Sabath
Arnold	Eagan	Lineberger	Salmon
Aswell	Favrot	Lozier	Sanders, Tex.
Ayres	Fisher	Lyon	Sandlin
Barbour	Foster	McClintic	Schafer
Barkley	Frear	McKeown	Schall
Beck	Fulbright	McReynolds	Schneider
Berger	Fulmer	McSweeney	Shallenberger
Black, N. Y.	Gardner, Ind.	Major, Ill.	Sherwood
Boies	Garrett, Tex.	Major, Mo.	Sinclair
Bowling	Gasque	Martin	Sites
Box	Glatfelter	Mead	Smithwick
Boylan	Greenwood	Miller, Wash.	Steagall
Brand, Ga.	Hammer	Milligan	Stedman
Briggs	Hastings	Minahan	Summers, Wash.
Browning	Hayden	Mooney	Sumners, Tex.
Buchanan	Hill, Ala.	Moore, Ga.	Swank
Buckley	Hill, Wash.	Moore, Va.	Swing
Bulwinkle	Holaday	Morehead	Tague
Busby	Howard, Nebr.	Morrow	Taylor, W. Va.
Brynes, S. C.	Huddleston	Nelson, Wis.	Thomas, Ky.
Byrns, Tenn.	Hudspeth	Nolan	Thomas, Okla.
Cannon	Hull, Tenn.	O'Connell, N. Y.	Thompson
Carew	Jacobstein	O'Connell, R. I.	Tillman
Carter	James	O'Connor, La.	Underwood
Casey	Jeffers	O'Connor, N. Y.	Vinson, Ga.
Celler	Johnson, W. Va.	Oldfield	Vinson, Ky.
Clancy	Jones	Oliver, Ala.	Voigt
Collier	Keller	Oliver, N. Y.	Watkins
Collins	Kelly	Parks, Ark.	Weaver
Connally, Tex.	Kent	Peavey	Wefald
Cook	Kincheloe	Peery	Weller
Cooper, Ohio	Kindred	Prall	Williams, Ill.
Cooper, Wis.	King	Quin	Wilson, Ind.
Corning	Kopp	Ragon	Wilson, Miss.
Crisp	Kvale	Rainey	Wingo
Croll	LaGuardia	Raker	Wolff
Crosser	Lampert	Rankin	Woodrum
Cullen	Lanham	Rathbone	Wright
Cummings	Lankford	Reed, Ark.	
Davis, Tenn.	Larsen, Ga.	Reid, Ill.	
Dickinson, Mo.	Lazaro	Richards	

ANSWERED "PRESENT"—1

Pou

NOT VOTING—116

Anderson	Burton	Davis, Minn.	Fairchild
Anthony	Butler	Deal	Fairfield
Bacharach	Campbell	Dempsey	Fish
Bankhead	Canfield	Denison	Fredericks
Beedy	Clark, Fla.	Dickstein	French
Bell	Cole, Ohio	Dominick	Funk
Bloom	Connery	Drane	Gallivan
Britten	Curry	Drewry	Garner, Tex.
Browne, N. J.	Dallinger	Dyer	Geran
Browne, Wis.	Davey	Evans, Mont.	Gilbert
Greene, Mass.	McDuffie	Quayle	Tilson
Griffin	McKenzie	Ramseyer	Tucker
Harrison	McLaughlin, Mich.	Rayburn	Tydings
Hawley	McNulty	Reed, W. Va.	Underhill
Hoch	McSwain	Rogers, N. H.	Upshaw
Hooker	Mansfield	Romjue	Vestal
Howard, Okla.	Michaelson	Rosenbloom	Vincent, Mich.
Hull, Iowa	Miller, Ill.	Sanders, N. Y.	Ward, N. C.
Johnson, Tex.	Montague	Scott	Ward, N. Y.
Johnson, Wash.	Morgan	Sears, Fla.	Wason
Kahn	Morin	Sears, Nebr.	White, Kans.
Kendall	Morris	Snyder	Williamson
Kerr	Mudd	Stalker	Wilson, La.
Knutson	Murphy	Stengle	Winter
Kunz	O'Brien	Stevenson	Wood
Langley	O'Sullivan	Sullivan	Woodruff
Larson, Minn.	Park, Ga.	Swoope	Wurzbach
Logan	Perlman	Taylor, Colo.	Wyant
Lowrey	Porter	Taylor, Tenn.	Zihlman

So the motion to adjourn was rejected.

Mr. POU. Mr. Speaker, I inadvertently voted "no." I am paired with the gentleman from Kansas, Mr. ANTHONY. I would like to withdraw my vote and to answer "present."

The Clerk announced the following additional pairs:

On this vote:

Mr. Wyant (for) with Mr. Hull of Iowa (against).
Mr. Anthony (for) with Mr. Pou (against).
Mr. Hoch (for) with Mr. Stevenson (against).
Mr. Rayburn (for) with Mr. Bankhead (against).
Mr. McLaughlin of Michigan (for) with Mr. Woodruff (against).
Mr. Underhill (for) with Mr. Mansfield (against).
Mr. French (for) with Mr. Logan (against).
Mr. Vestal (for) with Mr. Connery (against).
Mr. Wood (for) with Mr. Hooker (against).
Mr. Morris (for) with Mr. Morgan (against).
Mr. Tilson (for) with Mr. Gallivan (against).
Mr. Wason (for) with Mr. Rogers of New Hampshire (against).
Mr. Johnson of Washington (for) with Mr. Howard of Oklahoma (against).
Mr. Burton (for) with Mr. Bell (against).

The result of the vote was announced as above recorded.

Mr. BARKLEY. Mr. Speaker, at the time of the roll call I had made a motion to limit debate and to control the time. Part of that motion is out of order, the part controlling the time, and I would like to modify the motion to limit debate to three hours.

Mr. LONGWORTH. Mr. Speaker, I desire to offer an amendment to the motion of the gentleman from Kentucky to strike out 3 hours and insert 10 hours. I think that is a very conservative proposition.

Mr. BLANTON. Mr. Speaker, I offer a substitute for the motion of the gentleman from Kentucky, and that is that the debate shall be limited to 24 hours.

Mr. MILLS. Mr. Speaker, I move to amend the substitute by making it 7 hours instead of 24 hours.

Mr. BLANTON. That, Mr. Speaker, is a motion in the third degree.

The SPEAKER. No; the motion of the gentleman from New York is to amend the substitute. The question is on the motion of the gentleman from New York that general debate be limited to seven hours.

The question was taken; and on a division (demanded by Mr. MILLS) there were 32 ayes and 150 noes.

Mr. SANDERS of Indiana. I object to the vote, Mr. Speaker, on the ground that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-eight Members present; not a quorum.

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

Mr. BARKLEY. A parliamentary inquiry.

Mr. SANDERS of Indiana. I demand the regular order.

Mr. BARKLEY. A parliamentary inquiry.

Mr. LONGWORTH. I do not yield.

The SPEAKER. The Chair can not recognize the gentleman for a parliamentary inquiry, as the gentleman from Ohio has moved to adjourn.

Mr. SPROUL of Illinois. I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 134, nays 163, answered "present" 3, not voting 132, as follows:

YEAS—134

Ackerman	Brumm	Darrow	Freeman
Aldrich	Burdick	Dempsey	Frothingham
Allen	Burtness	Driver	Fuller
Andrew	Butler	Dyer	Garner, Tex.
Bacon	Cable	Edmonds	Gibson
Beers	Chindblom	Elliott	Goldsborough
Begg	Christopherson	Evans, Iowa	Graham, Ill.
Bixler	Clague	Fairchild	Graham, Pa.
Black, Tex.	Clarke, N. Y.	Faust	Green, Iowa
Bland	Cole, Iowa	Fenn	Hardy
Blanton	Colton	Fitzgerald	Haugen
Boyce	Connolly, Pa.	Fleetwood	Hersey
Brand, Ohio	Cramton	Fredericks	Hickey
Browne, N. J.	Crowther	Free	Hill, Md.

Hudson	McLeod	Reece	Taber
Hull, Morton D.	MacLafferty	Reed, N. Y.	Temple
Hull, William E.	Magee, N. Y.	Roach	Thatcher
Humphreys	Magee, Pa.	Robinson, Iowa	Thompson
Johnson, Ky.	Manlove	Rogers, Mass.	Tincher
Johnson, S. Dak.	Mapes	Sanders, Ind.	Tinkham
Kearns	Merritt	Scott	Treadway
Kendall	Michener	Seger	Valle
Ketcham	Mills	Shreve	Vare
Kiess	Moore, Ill.	Simmons	Wainwright
Kurtz	Moore, Ohio	Sinnott	Watres
Leatherwood	Moores, Ind.	Smith	Welsh
Leavitt	Nelson, Me.	Snell	Wertz
Lehlbach	Newton, Minn.	Speaks	White, Me.
Linthicum	Newton, Mo.	Sproul, Ill.	Williams, Tex.
Little	Parker	Sproul, Kans.	Winslow
Longworth	Patterson	Stephens	Yates
Luce	Perkins	Strong, Pa.	Young
McFadden	Purnell	Summers, Wash.	
McLaughlin, Nebr.	Ransley	Sweet	

NAYS—163

Abernethy	Cummings	Lampert	Rankin
Allgood	Davis, Tenn.	Lankford	Rathbone
Almon	Doughton	Larsen, Ga.	Reid, Ill.
Arnold	Dowell	Lazaro	Richards
Aswell	Doyle	Lee, Ga.	Robsion, Ky.
Ayres	Eagan	Lindsay	Rouse
Barbour	Favrot	Lineberger	Rubey
Barkley	Fisher	Lozier	Salmon
Beck	Foster	Lyon	Sanders, Tex.
Berger	Frear	McKeown	Sandlin
Black, N. Y.	Fulbright	McReynolds	Schafer
Bloom	Fulmer	McSweeney	Schall
Boies	Gardner, Ind.	Major, Ill.	Schneider
Bowling	Garrett, Tenn.	Major, Mo.	Schallenberger
Box	Garrett, Tex.	Martin	Sinclair
Boylan	Gasque	Mead	Sites
Brand, Ga.	Glatfelter	Miller, Wash.	Steagall
Briggs	Greenwood	Milligan	Stedman
Browning	Hammer	Minahan	Sumners, Tex.
Buchanan	Hastings	Mooney	Swank
Buckley	Hayden	Moore, Ga.	Swing
Bulwinkle	Hill, Ala.	Moore, Va.	Tague
Busby	Hill, Wash.	Morehead	Taylor, W. Va.
Byrnes, S. C.	Holaday	Morrow	Thomas, Okla.
Byrns, Tenn.	Howard, Nebr.	Nelson, Wis.	Tillman
Cannon	Huddleston	Nolan	Underwood
Carter	Hull, Tenn.	O'Connell, N. Y.	Vinson, Ga.
Casey	Jacobstein	O'Connell, R. I.	Vinson, Ky.
Celler	James	O'Connor, La.	Volgt
Clancy	Jeffers	O'Connor, N. Y.	Watkins
Collier	Johnson, Tex.	Oldfield	Weaver
Collins	Johnson, W. Va.	Oliver, Ala.	Wefald
Connally, Tex.	Jones	Oliver, N. Y.	Weller
Cook	Keller	Parks, Ark.	Williams, Ill.
Cooper, Ohio	Kent	Peavey	Wilson, Ind.
Cooper, Wis.	Kincheloe	Peery	Wilson, Miss.
Corning	Kindred	Prall	Wingo
Crisp	King	Quin	Wolff
Croll	Kopp	Ragon	Woodrum
Crosser	Kvale	Rainey	Wright
Cullen	LaGuardia	Raker	

ANSWERED "PRESENT"—3

Carew	Hudspeth	Pou

NOT VOTING—132

Anderson	Garber	McNulty	Smithwick
Anthony	Geran	McSwain	Snyder
Bacharach	Gifford	MacGregor	Stalker,
Bankhead	Gilbert	Madden	Stengle
Beedy	Greene, Mass.	Mansfield	Stevenson
Bell	Griest	Michaelson	Strong, Kans.
Britten	Griffin	Miller, Ill.	Sullivan
Browne, Wis.	Hadley	Montague	Swoope
Burton	Harrison	Morgan	Taylor, Colo.
Campbell	Hawes	Morin	Taylor, Tenn.
Canfield	Hawley	Morris	Thomas, Ky.
Clark, Fla.	Hoch	Mudd	Tilson
Cleary	Hooker	Murphy	Timberlake
Cole, Ohio	Howard, Okla.	O'Brien	Tucker
Connery	Hull, Iowa	O'Sullivan	Tydings
Curry	Johnson, Wash.	Paige	Underhill
Dallinger	Jost	Park, Ga.	Upshaw
Davey	Kahn	Perlman	Vestal
Davis, Minn.	Kelly	Phillips	Vincent, Mich.
Deal	Kerr	Porter	Ward, N. Y.
Denison	Knutson	Quayle	Ward, N. C.
Dickinson, Iowa	Kunz	Ramseyer	Wason
Dickinson, Mo.	Langley	Rayburn	Watson
Dickstein	Lanham	Reed, Ark.	White, Kans.
Dominick	Larson, Minn.	Reed, W. Va.	Williams, Mich.
Drane	Lea, Calif.	Rogers, N. H.	Williamson
Drewry	Lilly	Romjue	Wilson, La.
Evans, Mont.	Logan	Rosenbloom	Winter
Fairfield	Lowrey	Sabath	Wood
Fish	McClintic	Sanders, N. Y.	Woodruff
French	McDuffie	Sears, Fla.	Wurzbach
Funk	McKenzie	Sears, Nebr.	Wyant
Gallivan	McLaughlin, Mich.	Sherwood	Zihlman

So the motion to adjourn was rejected.

The following additional pairs were announced:

On the vote:

Mr. Vestal (for) with Mr. Connery (against).
Mr. Paige (for) with Mr. Smithwick (against).
Mr. Rayburn (for) with Mr. Bankhead (against).
Mr. Madden (for) with Mr. Carew (against).
Mr. Strong of Kansas (for) with Mr. Hudspeth (against).
Mr. French (for) with Mr. Logan (against).
Mr. Anderson (for) with Mr. Bell (against).
Mr. Snyder (for) with Mr. Williams of Illinois (against).
Mr. Anthony (for) with Mr. Pou (against).
Mr. Geran (for) with Mr. McNulty (against).
Mr. Wason (for) with Mr. Rogers of New Hampshire (against).
Mr. Sears of Nebraska (for) with Mr. Wurzbach (against).
Mr. Greene of Massachusetts (for) with Mr. Howard of Oklahoma (against).
Mr. Dallinger (for) with Mr. Curry (against).
Mr. Johnson of Washington (for) with Mr. Sherwood (against).
Mr. Burton (for) with Mr. Thomas of Kentucky (against).
Mr. Tilson (for) with Mr. Gallivan (against).
Mr. Morris (for) with Mr. Morgan (against).
Mr. Wood (for) with Mr. Hooker (against).
Mr. Winter (for) with Mr. Knutson (against).
Mr. Drewry (for) with Mr. Upshaw (against).
Mr. Underhill (for) with Mr. Mansfield (against).
Mr. McLaughlin of Michigan (for) with Mr. Woodruff (against).
Mr. Wyant (for) with Mr. Hull of Iowa (against).
Mr. Hoch (for) with Mr. Stevenson (against).
Mr. Reed of West Virginia (for) with Mr. Lanham (against).
Mr. Swoope (for) with Mr. McClintic (against).

Until further notice:

Mr. Beedy with Mr. Arnold.
Mr. Ramseyer with Mr. Tucker.
Mr. Timberlake with Mr. Boyce.
Mr. Phillips with Mr. Lea of California.
Mr. Hawley with Mr. Byrns of Tennessee.
Mr. Griest with Mr. Kerr.
Mr. Fish with Mr. Evans of Montana.
Mr. Hadley with Mr. Gilbert.
Mr. Fairfield with Mr. Canfield.
Mr. Gifford with Mr. Dominick.

Mr. HADLEY. Mr. Speaker, I would like to vote.

The SPEAKER. Was the gentleman present and listening when his name should have been called?

Mr. HADLEY. No; I just came in after my name was called.

The SPEAKER. The gentleman does not qualify.

Mr. DICKINSON of Missouri. Mr. Speaker, I would like to vote "no."

The SPEAKER. Was the gentleman present and listening when his name should have been called?

Mr. DICKINSON of Missouri. I was not.

The SPEAKER. The gentleman does not qualify.

Mr. McCLINTIC. Mr. Speaker, I came in just after my name was called.

The SPEAKER. The gentleman can not vote.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the amendment offered by the gentleman from New York making the time for general debate seven hours.

Mr. BARKLEY. Has not that already been voted on, Mr. Speaker?

The SPEAKER. No; the point of no quorum was made, which negatived the vote.

Mr. BARKLEY. Was not the point of no quorum made on the motion to adjourn?

The SPEAKER. No; after it was found that there was no quorum there were two motions that could be made, one a call of the House and the other to adjourn. The gentleman from Ohio made the motion to adjourn. That was the vote that we just had.

Mr. BARKLEY. A parliamentary inquiry. Is it in order to move the previous question on my motion and all amendments thereto?

The SPEAKER. Not during the division; it will be after the vote. The question is on the motion of the gentleman from New York [Mr. MILLS] to limit general debate to seven hours.

The question was taken; and on a division (demanded by Mr. LONGWORTH) there were 11 ayes and 133 noes.

Mr. SANDERS of Indiana. I object to the vote on the ground that there is no quorum present.

The SPEAKER. The gentleman from Indiana makes the point that no quorum is present. The Chair will count.

Mr. BARKLEY. Mr. Speaker, the roll call just demonstrated that there was a quorum present.

Mr. BANKHEAD. I make the point of order that the point of no quorum made by the gentleman from Indiana is dilatory.

The SPEAKER. It is never dilatory unless it is clear that a quorum is present.

Mr. BANKHEAD. It was just demonstrated that a quorum was present a moment ago.

The SPEAKER. The Chair thinks and all Members will agree that it is uncertain now whether a quorum is present or not. If a quorum is present, the Chair will call it dilatory. The Chair rather thinks there is not a quorum. The Chair will count. [After counting.] Two hundred and five Members present, not a quorum.

Mr. SANDERS of Indiana. I move that the House do now adjourn.

Mr. BARKLEY. I make the point of order that that motion is dilatory.

Mr. SANDERS of Indiana. That is the only motion that is in order.

The SPEAKER. The Chair is disposed to rule that it is not dilatory. The condition is this: It has just been proved that there is no quorum present. Therefore, when there is no quorum present, it is always in order to move that the House adjourn. If there were a quorum present the Chair would rule that it was dilatory.

Mr. BARKLEY. A parliamentary inquiry. Does the Chair hold that where a roll call has developed a quorum and before the House can proceed a sufficient number of Members to break a quorum leave the room, that a motion to adjourn is not dilatory?

The SPEAKER. The Chair can not consider the motive by which gentlemen leave the House. The Chair is bound to count.

Mr. BARKLEY. Can not the Chair take into consideration the fact they do leave?

The SPEAKER. Oh, yes; the Chair would think that is evidence of its being dilatory, and if there was a quorum here, the Chair would be disposed to think it is dilatory, but the Chair can not control Members. If a point of no quorum is made and a quorum is present, the Chair would hold that is dilatory, but when there is not a quorum present the Chair can not rule that it is dilatory.

Mr. COOPER of Wisconsin. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOPER of Wisconsin. When Members are on the floor at the time the point of no quorum is made and 20 or 30 of them walk out of that door and out of that door, can not they be counted as present as they go out?

The SPEAKER. The Chair did count, and the Chair began on this side and counted every Member. The Chair can not count those that are invisible; the Chair's count is limited to those on the floor. The gentleman moves that the House do now adjourn——

Mr. CRISP. Mr. Speaker, I simply desire to call the attention of the Speaker to a ruling—I can not well lay my hands on it at the present time—which grew out of the ruling by Speaker Reed, which the Supreme Court afterwards affirmed and it is in the rules of the House, that in ascertaining a quorum the Speaker can count as present and enter the names of the parties as present in the Journal of the House those who are in the cloak rooms, the lobbies adjoining the House——

The SPEAKER. Only those he can see.

Mr. CRISP. I think under the ruling the Speaker could send out officers and find who they are and enter their names on the Journal. I have not read the ruling for a long time, but I know there is such a rule, and I am familiar with the decision of Speaker Reed which was sustained by the Supreme Court that the Speaker can count as present Members in the gallery, in the cloak rooms, and enter their names in the Journal.

The SPEAKER. The Chair agrees with the gentleman, but he does not believe he can count anybody he can not see.

Mr. BARKLEY. Would the Speaker have the right to order the Sergeant at Arms to bring into the Chamber those who are hiding where the Speaker can not see them?

The SPEAKER. The Chair thinks he would where there was no quorum present.

Mr. BLANTON. Mr. Speaker, I make the point of order that a quorum is a fundamental constitutional right, and we have the right to have one before we do business.

The SPEAKER. The only time the Chair can order them to come in is when the House refuses to adjourn. If the House should now refuse to adjourn and there should not be a quorum present, the Speaker has the right to order the bringing in of absent Members.

Mr. GARRETT of Tennessee. By motion of the House?

The SPEAKER. The Chair thinks without a motion of the House.

Mr. BARKLEY. Mr. Speaker, is there an automatic call on this motion to adjourn when it is developed there is no quorum present?

The SPEAKER. It does not require a quorum to adjourn.

Mr. BARKLEY. On the motion to adjourn I ask for the yeas and nays.

Mr. LONGWORTH. There is evidently a desire to filibuster, Mr. Speaker.

The SPEAKER. Evidently there is a sufficient number, and the yeas and nays are ordered.

The question was taken; and there were—yeas, 139, nays 166, answered "present" 5, not voting 122, as follows:

YEAS—139

Ackerman	Faust	Leavitt	Seger
Aldrich	Fenn	Lehlbach	Simmons
Allen	Fitzgerald	Linthicum	Sinnott
Andrew	Fredericks	Little	Smith
Bacon	Free	Longworth	Snell
Beers	Freeman	McFadden	Speaks
Begg	French	McLaughlin, Mich.	Sproul, Ill.
Bixler	Frothingham	McLaughlin, Nebr.	Sproul, Kans.
Bland	Fuller	McLeod	Stephens
Blanton	Garber	MacLafferty	Strong, Pa.
Boyce	Garner, Tex.	Magee, N. Y.	Summers, Wash.
Brand, Ohio	Gibson	Magee, Pa.	Sweet
Browne, N. J.	Gifford	Manlove	Taber
Brumm	Goldsborough	Mapes	Temple
Burdick	Graham, Ill.	Merritt	Thatcher
Burtness	Graham, Pa.	Michener	Thompson
Butler	Green, Iowa	Mills	Timberlake
Cable	Griest	Moore, Ill.	Tincher
Chindblom	Hadley	Moore, Ohio	Tinkham
Christopherson	Hardy	Moores, Ind.	Treadway
Clague	Haugen	Nelson, Me.	Valle
Clarke, N. Y.	Hersey	Newton, Minn.	Vare
Cole, Iowa	Hickey	Newton, Mo.	Wainwright
Colton	Hill, Md.	Parker	Watres
Connolly, Pa.	Hudson	Patterson	Watson
Cramton	Hull, Morton D.	Perkins	Welsh
Crowther	Hull, William E.	Purnell	Wertz
Darrow	Humphreys	Ransley	White, Kans.
Dempsey	Johnson, Ky.	Reece	White, Me.
Dickinson, Iowa	Johnson, S. Dak.	Reed, N. Y.	Williams, Mich.
Dyer	Kearns	Roach	Winslow
Edmonds	Ketcham	Robinson, Iowa	Wyant
Elliott	Kiess	Rogers, Mass.	Yates
Evans, Iowa	Kurtz	Sanders, Ind.	Young
Fairchild	Leatherwood	Scott	

NAYS—166

Abernethy	Cummings	LaGuardia	Rankin
Allgood	Davis, Tenn.	Lampert	Rathbone
Almon	Dickinson, Mo.	Lanham	Rayburn
Arnold	Doughton	Lankford	Reed, Ark.
Aswell	Dowell	Larsen, Ga.	Reid, Ill.
Ayres	Doyle	Lazaro	Richards
Bankhead	Eagan	Lindsay	Robsion, Ky.
Barbour	Favrot	Lineberger	Rouse
Barkley	Fisher	Lozier	Rubey
Beck	Foster	Lyon	Sabath
Berger	Frear	McClintic	Salmon
Black, N. Y.	Fulbright	McKeown	Sanders, Tex.
Black, Tex.	Fulmer	McReynolds	Sandlin
Bloom	Gardner, Ind.	McSweeney	Schafer
Boies	Garrett, Tenn.	Major, Ill.	Schall
Bowling	Garrett, Tex.	Major, Mo.	Schneider
Box	Gasque	Martin	Shallenberger
Boylan	Glatfelter	Mead	Sinclair
Brand, Ga.	Greenwood	Miller, Wash.	Sites
Briggs	Hammer	Minahan	Steagall
Browning	Hastings	Mooney	Stedman
Buchanan	Hayden	Moore, Ga.	Summers, Tex.
Buckley	Hill, Ala.	Moore, Va.	Swank
Bulwinkle	Hill, Wash.	Morehead	Tague
Busby	Holaday	Morrow	Taylor, W. Va.
Byrnes, S. C.	Howard, Nebr.	Murphy	Thomas, Okla.
Byrns, Tenn.	Huddleston	Nelson, Wis.	Tillman
Cannon	Hull, Iowa	Nolan	Underwood
Carter	Hull, Tenn.	O'Connell, N. Y.	Vinson, Ga.
Casey	Jacobstein	O'Connell, R. I.	Vinson, Ky.
Celler	James	O'Connor, La.	Voigt
Clancy	Jeffers	O'Connor, N. Y.	Watkins
Collier	Johnson, Tex.	O'Sullivan	Weaver
Connally, Tex.	Johnson, W. Va.	Oldfield	Wefald
Cook	Jones	Oliver, Ala.	Weller
Cooper, Ohio	Keller	Oliver, N. Y.	Williams, Ill.
Cooper, Wis.	Kelly	Parks, Ark.	Wilson, Ind.
Corning	Kent	Peavey	Wingo
Crisp	Kindred	Prall	Wolff
Croll	King	Quin	Woodrum
Crosser	Kopp	Rainey	
Cullen	Kvale	Raker	

ANSWERED "PRESENT"—5

Anthony	Hudspeth	Pou	Smithwick
Carew			

NOT VOTING—122

Anderson	Fairfield	Lee, Ga.	Porter
Bacharach	Fish	Lilly	Quayle
Beedy	Fleetwood	Logan	Ragon
Bell	Funk	Lowrey	Ramseyer
Britten	Gallivan	Luce	Reed, W. Va.
Browne, Wis.	Geran	McDuffie	Rogers, N. H.
Burton	Gilbert	McKenzie	Romjue
Campbell	Greene, Mass.	McNulty	Rosenbloom
Canfield	Griffin	McSwain	Sanders, N. Y.
Clark, Fla.	Harrison	MacGregor	Sears, Fla.
Cleary	Hawes	Madden	Sears, Nebr.
Cole, Ohio	Hawley	Mansfield	Sherwood
Collins	Hoch	Michaelson	Shreve
Connery	Hooker	Miller, Ill.	Snyder
Curry	Howard, Okla.	Milligan	Stalker
Dallinger	Johnson, Wash.	Montague	Stengle
Davey	Jost	Morgan	Stevenson
Davis, Minn.	Kahn	Morin	Strong, Kans.
Deal	Kendall	Morris	Sullivan
Denison	Kerr	Mudd	Swing
Dickstein	Kincheloe	O'Brien	Swoope
Dominick	Knutson	Paige	Taylor, Colo.
Drane	Kunz	Park, Ga.	Taylor, Tenn.
Drewry	Langley	Peery	Thomas, Ky.
Driver	Larson, Minn.	Perlman	Tilson
Evans, Mont.	Lea, Calif.	Phillips	Tucker

Tydings	Ward, N. Y.	Wilson, La.	Wright
Underhill	Ward, N. C.	Wilson, Miss.	Wurzbach
Upshaw	Wason	Winter	Zihlman
Vestal	Williams, Tex.	Wood	
Vincent, Mich.	Williamson	Woodruff	

So the motion to adjourn was rejected.

The Clerk announced the following additional pairs:

On the vote:

Mr. Vestal (for) with Mr. Connery (against).
Mr. Paige (for) with Mr. Smithwick (against).
Mr. Madden (for) with Mr. Carew (against).
Mr. Strong of Kansas (for) with Mr. Hudspeth (against).
Mr. French (for) with Mr. Logan (against).
Mr. Anderson (for) with Mr. Bell (against).
Mr. Anthony (for) with Mr. Pou (against).
Mr. Geran (for) with Mr. McNulty (against).
Mr. Wason (for) with Mr. Rogers of New Hampshire (against).
Mr. Sears of Nebraska (for) with Mr. Wurzbach (against).
Mr. Green of Massachusetts (for) with Mr. Howard of Oklahoma (against).
Mr. Dallinger (for) with Mr. Curry (against).
Mr. Johnson of Washington (for) with Mr. Sherwood (against).
Mr. Burton (for) with Mr. Thomas of Kentucky (against).
Mr. Tilson (for) with Mr. Gallivan (against).
Mr. Morris (for) with Mr. Morgan (against).
Mr. Wood (for) with Mr. Hooker (against).
Mr. Winter (for) with Mr. Knutson (against).
Mr. Drewry (for) with Mr. Upshaw (against).
Mr. Underhill (for) with Mr. Mansfield (against).
Mr. McLaughlin of Michigan (for) with Mr. Woodruff (against).
Mr. Hoch (for) with Mr. Stevenson (against).
Mr. Driver (for) with Mr. Wilson of Mississippi (against).
Mr. Williams of Texas (for) with Mr. Ragon (against).
Mr. Tinkham (for) with Mr. Eagan (against).
Mr. Fleetwood (for) with Mr. Lee of Georgia (against).
Mr. Rayburn (for) with Mr. Bankhead (against).
Mr. Humphreys (for) with Mr. Collins (against).
Mr. Kendall (for) with Mr. Milligan (against).

Until further notice:

Mr. Vincent with Mr. Deal.
Mr. Cole of Ohio with Mr. Cleary.
Mr. Kendall with Mr. Hawes.
Mr. Luce with Mr. Jost.
Mr. McKenzie with Mr. Lowrey.
Mr. MacGregor with Mr. McSwain.
Mr. Phillips with Mr. Montague.
Mr. Shreve with Mr. Quayle.
Mr. Swing with Mr. Romjue.

Mr. BANKHEAD. Mr. Speaker, I desire to withdraw my vote of "present" and vote "nay."

Mr. McDUFFIE. Mr. Speaker, I would like to vote "yea."

The SPEAKER pro tempore (Mr. GRAHAM). Was the gentleman present and listening when his name was called?

Mr. McDUFFIE. No. If I had been I would have voted "aye." Is this a no-quorum call?

The SPEAKER pro tempore. No.

Mr. CONNALLY of Texas. No quorum was developed before the vote was called. Would the gentleman from Alabama not be entitled to vote?

The SPEAKER pro tempore. He could vote "present."

Mr. ANTHONY. Mr. Speaker, is the gentleman from North Carolina [Mr. POU] recorded?

The SPEAKER pro tempore. He is recorded as "present."

Mr. ANTHONY. I would like to be recorded as "present."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The House does not adjourn.

Mr. MILLS. Mr. Speaker, I demand the yeas and nays on my motion, which was still pending, when the point of no quorum was made.

The SPEAKER pro tempore. The gentleman from New York demands the yeas and nays on his motion.

The yeas and nays were ordered.

The SPEAKER pro tempore. As many as favor the motion offered by the gentleman from New York will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 36, nays 265, answered "present" 2, not voting 129, as follows:

YEAS—36

Aldrich	Edmonds	Jacobstein	Parker
Allen	Faust	Little	Perkins
Boyce	Fitzgerald	McLeod	Ransley
Buchanan	Frothingham	McSweeney	Richards
Burtness	Garrett, Tenn.	Michener	Snell
Celler	Gibson	Mills	Speaks
Clague	Goldsborough	Moore, Ill.	Tincher
Crowther	Graham, Pa.	Moores, Ind.	Welsh
Dyer	Hull, William E.	O'Sullivan	White, Me.

NAYS—265

Abernethy	Barbour	Bloom	Buckley
Ackerman	Barkley	Boies	Bulwinkle
Allgood	Beck	Bowling	Busby
Almon	Beers	Box	Butler
Andrew	Begg	Boylan	Byrnes, S. C.
Anthony	Berger	Brand, Ohio	Byrns, Tenn.
Arnold	Bixler	Briggs	Cable
Aswell	Black, N. Y.	Browne, N. J.	Cannon
Ayres	Black, Tex.	Browne, Wis.	Carter
Bacon	Bland	Browning	Casey
Bankhead	Blanton	Brumm	Chindblom
Christopherson	Hickey	Mapes	Shallenberger
Cole, Iowa	Hill, Ala.	Martin	Shreve
Collier	Hill, Md.	Mead	Simmons
Colton	Hill, Wash.	Merritt	Sinclair
Connally, Tex.	Holaday	Miller, Wash.	Sinnott
Connolly, Pa.	Howard, Nebr.	Minahan	Sites
Cook	Huddleston	Mooney	Smith
Cooper, Ohio	Hudson	Moore, Ga.	Smithwick
Cooper, Wis.	Hull, Iowa	Moore, Ohio	Sproul, Ill.
Corning	Hull, Tenn.	Moore, Va.	Sproul, Kans.
Crisp	James	Morehead	Steagall
Croll	Jeffers	Morrow	Stedman
Crosser	Johnson, Ky.	Murphy	Stephens
Cullen	Johnson, S. Dak.	Nelson, Me.	Strong, Pa.
Cummings	Johnson, Tex.	Nelson, Wis.	Summers, Wash.
Darrow	Johnson, W. Va.	Newton, Minn.	Sumners, Tex.
Davis, Tenn.	Jones	Nolan	Swank
Dempsey	Kearns	O'Connell, N. Y.	Sweet
Dickinson, Iowa	Keller	O'Connell, R. I.	Taber
Dickinson, Mo.	Kelly	O'Connor, La.	Tague
Doughton	Kent	O'Connor, N. Y.	Taylor, W. Va.
Dowell	Ketcham	Oldfield	Temple
Doyle	Kiess	Oliver, Ala.	Thatcher
Elliott	Kindred	Oliver, N. Y.	Thomas, Okla.
Evans, Iowa	Kopp	Parks, Ark.	Tillman
Fairchild	Kurtz	Patterson	Timberlake
Favrot	Kvale	Peavey	Treadway
Fenn	LaGuardia	Pou	Underwood
Fisher	Lampert	Prall	Vaile
Foster	Lanham	Purnell	Vare
Frear	Lankford	Quayle	Vinson, Ga.
Fredericks	Larsen, Ga.	Quin	Voigt
Free	Lazaro	Raker	Wainwright
Freeman	Lea, Calif.	Rankin	Watkins
French	Leatherwood	Rathbone	Watres
Fulbright	Leavitt	Rayburn	Watson
Fuller	Lehlbach	Reece	Weaver
Fulmer	Lindsay	Reed, Ark.	Wefald
Gardner, Ind.	Lineberger	Reed, N. Y.	Weller
Garner, Tex.	Linthicum	Reid, Ill.	Wertz
Garrett, Tex.	Longworth	Roach	White, Kans.
Gasque	Lozier	Robinson, Iowa	Williams, Ill.
Gifford	Lyon	Robsion, Ky.	Williams, Mich.
Glatfelter	McClintic	Rouse	Wilson, Ind.
Graham, Ill.	McDuffie	Rubey	Wilson, La.
Green, Iowa	McFadden	Sabath	Wingo
Greenwood	McKeown	Salmon	Winslow
Griest	McLaughlin, Nebr.	Sanders, Ind.	Wolff
Hadley	McReynolds	Sanders, N. Y.	Woodrum
Hammer	MacGregor	Sanders, Tex.	Wright
Hardy	MacLafferty	Sandlin	Wyant
Hastings	Magee, N. Y.	Schafer	Yates
Hawes	Magee, Pa.	Schall	Young
Hawley	Major, Ill.	Schneider	
Hayden	Major, Mo.	Scott	
Hersey	Manlove	Seger	

ANSWERED "PRESENT"—2

Carew	Eagan

NOT VOTING—129

Anderson	Funk	McNulty	Stengle
Bacharach	Gallivan	McSwain	Stevenson
Beedy	Garber	Madden	Strong, Kans.
Bell	Geran	Mansfield	Sullivan
Brand, Ga.	Gilbert	Michaelson	Swing
Britten	Greene, Mass.	Miller, Ill.	Swoope
Burdick	Griffin	Milligan	Taylor, Colo.
Burton	Harrison	Montague	Taylor, Tenn.
Campbell	Haugen	Morgan	Thomas, Ky.
Canfield	Hoch	Morin	Thompson
Clancy	Hooker	Morris	Tilson
Clark, Fla.	Howard, Okla.	Mudd	Tinkham
Clarke, N. Y.	Hudspeth	Newton, Mo.	Tucker
Cleary	Hull, Morton D.	O'Brien	Tydings
Cole, Ohio	Humphreys	Paige	Underhill
Collins	Johnson, Wash.	Park, Ga.	Upshaw
Connery	Jost	Peery	Vestal
Cramton	Kahn	Perlman	Vincent, Mich.
Curry	Kendall	Phillips	Vinson, Ky.
Dallinger	Kerr	Porter	Ward, N. Y.
Davey	Kincheloe	Ragon	Ward, N. C.
Davis, Minn.	King	Rainey	Wason
Deal	Knutson	Ramseyer	Williams, Tex.
Denison	Kunz	Reed, W. Va.	Williamson
Dickstein	Langley	Rogers, Mass.	Wilson, Miss.
Dominick	Larson, Minn.	Rogers, N. H.	Winter
Drane	Lee, Ga.	Romjue	Wood
Drewry	Lilly	Rosenbloom	Woodruff
Driver	Logan	Sears, Fla.	Wurzbach
Evans, Mont.	Lowrey	Sears, Nebr.	Zihlman
Fairfield	Luce	Sherwood	
Fish	McKenzie	Snyder	
Fleetwood	McLaughlin, Mich.	Stalker	

So the motion of Mr. MILLS was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Vestal with Mr. Connery.
Mr. Paige with Mr. Brand of Georgia.
Mr. Madden with Mr. Carew.
Mr. Strong of Kansas with Mr. Hudspeth.
Mr. Anderson with Mr. Bell.
Mr. Wason with Mr. Rogers of New Hampshire.
Mr. Greene of Massachusetts with Mr. Howard of Oklahoma.
Mr. Johnson of Washington with Mr. Sherwood.
Mr. Burton with Mr. Thomas of Kentucky.
Mr. Tilson with Mr. Gallivan.
Mr. Morgan with Mr. Morris.
Mr. Wood with Mr. Hooker.
Mr. Underhill with Mr. Mansfield.
Mr. McLaughlin of Michigan with Mr. Woodruff.

Mr. Hoch with Mr. Stevenson.
Mr. Tinkham with Mr. Eagan.
Mr. Fleetwood with Mr. Lee of Georgia.
Mr. Kendall with Mr. Milligan.

Mr. KING. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. KING. No, sir; I was trying to get a lunch down in the restaurant.

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

Mr. BARKLEY. Mr. Speaker, I move the previous question on the original motion and all amendments thereto.

The SPEAKER. The gentleman from Kentucky moves the previous question on the original motion and all amendments thereto.

The question was taken, and the Speaker announced that the "noes" seemed to have it.

Mr. BARKLEY. Mr. Speaker, I demand a division—I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 177, nays 131, answered "present" 3, not voting 121, as follows:

YEAS—177

Abernethy	Dickinson, Mo.	Lee, Calif.	Rathbone
Allen	Doughton	Lindsay	Rayburn
Allgood	Dowell	Lineberger	Reed, Ark.
Almon	Doyle	Linthicum	Reid, Ill.
Arnold	Favrot	Little	Rouse
Aswell	Fisher	Lozier	Rubey
Ayres	Foster	Lyon	Sabath
Bankhead	Frear	McClintic	Salmon
Barbour	Fulbright	McKeown	Sanders, Tex.
Barkley	Fulmer	McReynolds	Sandlin
Beck	Gardner, Ind.	McSwain	Schafer
Berger	Garner, Tex.	McSweeney	Schall
Black, N. Y.	Garrett, Tenn.	Major, Ill.	Schneider
Black, Tex.	Garrett, Tex.	Major, Mo.	Shallenberger
Bland	Gasque	Martin	Sinclair
Boies	Glatfelter	Mead	Sites
Bowling	Greenwood	Miller, Wash.	Smithwick
Box	Hammer	Minahan	Steagall
Boylan	Hastings	Mooney	Stedman
Briggs	Hayden	Moore, Ga.	Summers, Wash.
Browne, Wis.	Hill, Ala.	Moore, Ohio	Sumners, Tex.
Browning	Hill, Wash.	Moore, Va.	Swank
Buchanan	Holaday	Morehead	Swing
Buckley	Howard, Nebr.	Morrow	Tague
Bulwinkle	Huddleston	Murphy	Taylor, W. Va.
Burtness	Hudspeth	Nelson, Wis.	Thomas, Okla.
Busby	Hull, Iowa	Nolan	Thompson
Brynes, S. C.	Hull, Tenn.	O'Connell, N. Y.	Tillman
Byrns, Tenn.	James	O'Connell, R. I.	Underwood
Cannon	Jeffers	O'Connor, La.	Vinson, Ga.
Carter	Johnson, Tex.	O'Connor, N. Y.	Vinson, Ky.
Casey	Johnson, W. Va.	O'Sullivan	Voigt
Celler	Jones	Oldfield	Watkins
Clague	Keller	Oliver, Ala.	Weaver
Clancy	Kent	Oliver, N. Y.	Wefald
Collier	Kindred	Parks, Ark.	Weller
Connally, Tex.	King	Peavey	Williams, Ill.
Cook	Kopp	Peery	Wilson, Ind.
Cooper, Wis.	Kvale	Pou	Wingo
Corning	LaGuardia	Prall	Wolff
Croll	Lampert	Quayle	Woodrum
Crosser	Lanham	Quin	Wright
Cullen	Lankford	Rainey	
Cummings	Larsen, Ga.	Raker	
Davis, Tenn.	Lazaro	Rankin	

NAYS—131

Ackerman	Fitzgerald	Leavitt	Scott
Aldrich	Fredericks	Lehlbach	Shreve
Andrew	Free	Longworth	Simmons
Anthony	Freeman	Luce	Sinnott
Bacon	French	McDuffie	Smith
Beedy	Frothingham	McFadden	Snell
Beers	Fuller	McLaughlin, Nebr.	Snyder
Begg	Garber	McLeod	Speaks
Bixler	Gibson	MacGregor	Sproul, Ill.
Blanton	Gifford	MacLafferty	Sproul, Kans.
Boyce	Goldsborough	Magee, N. Y.	Stephens
Brand, Ohio	Graham, Ill.	Magee, Pa.	Strong, Pa.
Brumm	Graham, Pa.	Manlove	Sweet
Butler	Green, Iowa	Mapes	Taber
Cable	Griest	Merritt	Temple
Chindblom	Hadley	Michener	Thatcher
Christopherson	Hardy	Mills	Timberlake
Clarke, N. Y.	Haugen	Moore, Ill.	Treadway
Cole, Iowa	Hawley	Moores, Ind.	Valle
Colton	Hersey	Nelson, Me.	Vincent, Mich.
Connolly, Pa.	Hickey	Newton, Minn.	Wainwright
Cooper, Ohio	Hill, Md.	Parker	Watres
Cramton	Hudson	Patterson	Watson
Crowther	Hull, William E.	Perkins	Welsh
Darrow	Jacobstein	Purnell	Wertz
Dickinson, Iowa	Johnson, Ky.	Ransley	White, Kans.
Dyer	Johnson, S. Dak.	Reece	White, Me.
Edmonds	Kearns	Reed, N. Y.	Williams, Mich.
Elliott	Ketcham	Richards	Winslow
Evans, Iowa	Kiess	Roach	Wyant
Fairchild	Kurtz	Robinson, Iowa	Yates
Faust	Larson, Minn.	Sanders, Ind.	Young
Fenn	Leatherwood	Sanders, N.Y.	

ANSWERED "PRESENT"—3

Carew	Eagan	Sherwood

NOT VOTING—121

Anderson	Fish	McNulty	Stevenson
Bacharach	Fleetwood	Madden	Strong, Kans.
Bell	Funk	Mansfield	Sullivan
Bloom	Gallivan	Michaelson	Swoope
Brand, Ga.	Geran	Miller, Ill.	Taylor, Colo.
Britten	Gilbert	Milligan	Taylor, Tenn.
Browne, N. J.	Greene, Mass.	Montague	Thomas, Ky.
Burdick	Griffin	Morgan	Tilson
Burton	Harrison	Morin	Tincher
Campbell	Hawes	Morris	Tinkham
Canfield	Hoch	Mudd	Tucker
Clark, Fla.	Hooker	Newton, Mo.	Tydings
Cleary	Howard, Okla.	O'Brien	Underhill
Cole, Ohio	Hull, Morton D.	Paige	Upshaw
Collins	Humphreys	Park, Ga.	Vare
Connery	Johnson, Wash.	Perlman	Vestal
Crisp	Jost	Phillips	Ward, N. C.
Curry	Kahn	Porter	Ward, N. Y.
Dallinger	Kelly	Ragon	Wason
Davey	Kendall	Ramseyer	Williams, Tex.
Davis, Minn.	Kerr	Reed, W. Va.	Williamson
Deal	Kincheloe	Robsion, Ky.	Wilson, La.
Dempsey	Knutson	Rogers, Mass.	Wilson, Miss.
Denison	Kunz	Rogers, N. H.	Winter
Dickstein	Langley	Romjue	Wood
Dominick	Lee, Ga.	Rosenbloom	Woodruff
Drane	Lilly	Sears, Fla.	Wurzbach
Drewry	Logan	Sears, Nebr.	Zihlman
Driver	Lowrey	Seger	
Evans, Mont.	McKenzie	Stalker	
Fairfield	McLaughlin, Mich.	Stengle	

So the previous question was ordered.

The Clerk announced the following additional pairs:

On this vote—

Mr. Connery (for) with Mr. Vestal (against).
Mr. Brand of Georgia (for) with Mr. Paige (against).
Mr. Carew (for) with Mr. Madden (against).
Mr. Hudspeth (for) with Mr. Strong of Kansas (against).
Mr. Bell (for) with Mr. Anderson (against).
Mr. McNulty (for) with Mr. Geran (against).
Mr. Rogers of New Hampshire (for) with Mr. Wason (against).
Mr. Wurzbach (for) with Mr. Sears of Nebraska (against).
Mr. Howard of Oklahoma (for) with Mr. Greene of Massachusetts (against).
Mr. Curry (for) with Mr. Dallinger (against).
Mr. Sherwood (for) with Mr. Johnson of Washington (against).
Mr. Thomas of Kentucky (for) with Mr. Burton (against).
Mr. Gallivan (for) with Mr. Tilson (against).
Mr. Morgan (for) with Mr. Morris (against).
Mr. Hooker (for) with Mr. Wood (against).
Mr. Knutson (for) with Mr. Winter (against).
Mr. Upshaw (for) with Mr. Drewry (against).
Mr. Mansfield (for) with Mr. Underhill (against).
Mr. Woodruff (for) with Mr. McLaughlin of Michigan (against).
Mr. Stevenson (for) with Mr. Hoch (against).
Mr. Wilson of Mississippi (for) with Mr. Driver (against).
Mr. Ragon (for) with Mr. Williams of Texas (against).
Mr. Eagan (for) with Mr. Tinkham (against).
Mr. Lee of Georgia (for) with Mr. Fleetwood (against).
Mr. Collins (for) with Mr. Humphreys (against).
Mr. Milligan (for) with Mr. Kendall (against).
Mr. Logan (for) with Mr. Vare (against).
Mr. Lineberger (for) with Mr. Fredericks (against).

The result of the vote was announced as above recorded.

The SPEAKER. The question comes on the susbtitute offered by the gentleman from Texas.

The question was taken, and on a division (demanded by Mr. LONGWORTH) the Speaker announced that there were—ayes 27, noes 155.

Mr. BARKLEY. Mr. Speaker, I ask for the yeas on this motion.

Mr. BLANTON. Mr. Sepaker, I make the point of order that there is an automatic call of the House because there is no quorum present.

Mr. SNELL. Mr. Speaker, I move the House do now adjourn.

The SPEAKER. There is not an automatic call of the House.

Mr. BARKLEY. Mr. Speaker, I have asked for the yeas and nays.

Mr. SNELL. Mr. Speaker, I make the point of order that no quorum is present.

Mr. BARKLEY. Mr. Speaker, I have asked for the yeas and nays, and I am entitled to have the question determined whether we shall have the yeas and nays on this motion.

The SPEAKER. The Chair thinks the point of no quorum comes first. A Member has the right at any time to make the point of order that no quorum is present. The Chair will count. [After counting.] One hundred and ninety-one Members present.

Mr. SNELL. Mr. Speaker, I move that the House do now adjourn.

Mr. BARKLEY. Mr. Speaker, on that motion I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 136, nays 172, answered "present" 5, not voting 119, as follows:

YEAS—136

Ackerman	Fenn	Lehlbach	Seger
Aldrich	Fitzgerald	Linthicum	Shreve
Allen	Fleetwood	Little	Simmons
Andrew	Free	Longworth	Sinnott
Anthony	Freeman	Luce	Smith
Bacon	French	McDuffie	Snell
Beedy	Frothingham	McFadden	Snyder
Beers	Fuller	McLeod	Speaks
Begg	Garber	MacLafferty	Sproul, Ill.
Bixler	Garner, Tex.	Magee, Pa.	Sproul, Kans.
Bland	Gibson	Magee, N. Y.	Stephens
Blanton	Gifford	Manlove	Strong, Pa.
Boyce	Goldsborough	Mapes	Sweet
Brand, Ohio	Graham, Pa.	Merritt	Taber
Brumm	Graham, Ill.	Michener	Temple
Burtness	Green, Iowa	Miller, Ill.	Thatcher
Butler	Griest	Moore, Ill.	Thompson
Cable	Hadley	Moores, Ind.	Timberlake
Chindblom	Hardy	Nelson, Me.	Tincher
Christopherson	Haugen	Newton, Mo.	Treadway
Clarke, N. Y.	Hawley	Newton, Minn.	Vaile
Cole, Iowa	Hickey	Parker	Vincent, Mich.
Colton	Hill, Md.	Patterson	Wainwright
Connolly, Pa.	Hudson	Perkins	Watres
Cramton	Hull, William E.	Porter	Watson
Crowther	Johnson, Ky.	Purnell	Welsh
Darrow	Johnson, S. Dak.	Ransley	Wertz
Dempsey	Kearns	Reece	White, Kans.
Dickinson, Iowa	Ketcham	Reed, N. Y.	White, Me.
Edmonds	Kiess	Roach	Williams, Mich.
Elliott	Kurtz	Robinson, Iowa	Winslow
Evans, Iowa	Larson, Minn.	Sanders, Ind.	Wyant
Fairchild	Leatherwood	Sanders, N. Y.	Yates
Faust	Leavitt	Scott	Young

NAYS—172

Abernethy	Davis, Tenn.	Lankford	Rathbone
Allgood	Dickinson, Mo.	Larsen, Ga.	Rayburn
Almon	Doughton	Lazaro	Reed, Ark.
Arnold	Dowell	Lindsay	Reid, Ill.
Aswell	Doyle	Lozier	Richards
Ayres	Dyer	Lyon	Robsion, Ky.
Bankhead	Favrot	McClintic	Rouse
Barbour	Fisher	McKeown	Rubey
Barkley	Foster	McReynolds	Sabath
Beck	Frear	McSwain	Salmon
Berger	Fulbright	McSweeney	Sanders, Tex.
Black, N. Y.	Fulmer	Major, Ill.	Sandlin
Black, Tex.	Gardner, Ind.	Major, Mo.	Schafer
Bloom	Garrett, Tenn.	Martin	Schall
Boies	Garrett, Tex.	Mead	Schneider
Bowling	Gasque	Miller, Wash.	Shallenberger
Box	Glatfelter	Minahan	Sinclair
Boylan	Greenwood	Mooney	Sites
Briggs	Hammer	Moore, Ga.	Smithwick
Browne, Wis.	Hastings	Morehead	Steagall
Browning	Hayden	Morrow	Stedman
Buchanan	Hill, Ala.	Murphy	Summers, Wash.
Buckley	Hill, Wash.	Nelson, Wis.	Sumners, Tex.
Bulwinkle	Holaday	Nolan	Swank
Busby	Howard, Nebr.	O'Connell, N. Y.	Swing
Byrnes, S. C.	Huddleston	O'Connell, R. I.	Tague
Byrns, Tenn.	Hull, Iowa	O'Connor, La.	Taylor, W. Va.
Cannon	Jacobstein	O'Connor, N. Y.	Thomas, Okla.
Carter	James	O'Sullivan	Tillman
Casey	Jeffers	Oldfield	Underwood
Celler	Johnson, Tex.	Oliver, Ala.	Vinson, Ga.
Clancy	Johnson, W. Va.	Oliver, N. Y.	Vinson, Ky.
Collier	Jones	Parks, Ark.	Voigt
Connally, Tex.	Keller	Peavey	Watkins
Cook	Kelly	Peery	Weaver
Cooper, Ohio	Kent	Pou	Wefald
Cooper, Wis.	Kindred	Prall	Weller
Corning	King	Quayle	Williams, Ill.
Crisp	Kopp	Quin	Wilson, Ind.
Croll	Kvale	Ragon	Wingo
Crosser	LaGuardia	Rainey	Wolff
Cullen	Lampert	Raker	Woodrum
Cummings	Lanham	Rankin	Wright

ANSWERED "PRESENT"—5

Carew	Eagan	Hudspeth	Sherwood
Driver			

NOT VOTING—119

Anderson	Drane	Kendall	Moore, Va.
Bacharach	Drewry	Kerr	Morgan
Bell	Evans, Mont.	Kincheloe	Morin
Brand, Ga.	Fairfield	Knutson	Morris
Britten	Fish	Kunz	Mudd
Browne, N. J.	Fredericks	Langley	O'Brien
Burdick	Funk	Lea, Calif.	Paige
Burton	Gallivan	Lee, Ga.	Park, Ga.
Campbell	Geran	Lilly	Perlman
Canfield	Gilbert	Lineberger	Phillips
Clague	Greene, Mass.	Logan	Ramseyer
Clark, Fla.	Griffin	Lowrey	Reed, W. Va.
Cleary	Harrison	McKenzie	Rogers, Mass.
Cole, Ohio	Hawes	McLaughlin, Mich.	Rogers, N. H.
Collins	Hersey	McLaughlin, Nebr.	Romjue
Connery	Hoch	McNulty	Rosenbloom
Curry	Hooker	MacGregor	Sears, Fla.
Dallinger	Howard, Okla.	Madden	Sears, Nebr.
Davey	Hull, Morton D.	Mansfield	Stalker
Davis, Minn.	Hull, Tenn.	Michaelson	Stengle
Deal	Humphreys	Milligan	Stevenson
Denison	Johnson, Wash.	Mills	Strong, Kans.
Dickstein	Jost	Montague	Sullivan
Dominick	Kahn	Moore, Ohio	Swoope
Taylor, Colo.	Tydings	Ward, N. Y.	Winter
Taylor, Tenn.	Underhill	Wason	Wood
Thomas, Ky.	Upshaw	Williams, Tex.	Woodruff
Tilson	Vare	Williamson	Wurzbach
Tinkham	Vestal	Wilson, La.	Zihlman
Tucker	Ward, N. C.	Wilson, Miss.	

So the motion to adjourn was rejected.

The Clerk announced the following additional pairs:

On the vote:

Mr. Vestal (for) with Mr. Connery (against).
Mr. Palge (for) with Mr. Brand of Georgia (against).
Mr. Madden (for) with Mr. Carew (against).
Mr. Strong of Kansas (for) with Mr. Hudspeth (against).
Mr. Anderson (for) with Mr. Bell (against).
Mr. Geran (for) with Mr. McNulty (against).
Mr. Wason (for) with Mr. Rogers of New Hampshire (against).
Mr. Sears of Nebraska (for) with Mr. Wurzbach (against).
Mr. Greene of Massachusetts (for) with Mr. Howard of Oklahoma (against).
Mr. Dallinger (for) with Mr. Curry (against).
Mr. Johnson of Washington (for) with Mr. Sherwood (against).
Mr. Burton (for) with Mr. Thomas of Kentucky (against).
Mr. Tilson (for) with Mr. Gallivan (against).
Mr. Morris (for) with Mr. Morgan (against).
Mr. Wood (for) with Mr. Hooker (against).
Mr. Winter (for) with Mr. Knutson (against).
Mr. Drewry (for) with Mr. Upshaw (against).
Mr. Underhill (for) with Mr. Mansfield (against).
Mr. McLaughlin of Michigan (for) with Mr. Woodruff (against).
Mr. Hoch (for) with Mr. Stevenson (against).
Mr. Driver (for) with Mr. Wilson of Mississippi (against).
Mr. Williams of Texas (for) with Mr. O'Brien (against).
Mr. Tinkham (for) with Mr. Eagan (against).
Mr. Fleetwood (for) with Mr. Lee of Georgia (against).
Mr. Humphreys (for) with Mr. Collins (against).
Mr. Kendall (for) with Mr. Milligan (against).
Mr. Vare (for) with Mr. Moore of Virginia (against).
Mr. Fredericks (for) with Mr. Lineberger (against).

The result of the vote was announced as above recorded.

Mr. BARKLEY. Mr. Speaker, the question now recurs on what?

The SPEAKER. The question recurs now on the amendment offered by the gentleman from Texas [Mr. BLANTON].

Mr. BARKLEY. And on that, Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Kentucky demands the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 95, nays 205, answered "present" 6, not voting 126, as follows:

YEAS—95

Ackerman	Fenn	Luce	Sproul, Ill.
Aldrich	Free	McFadden	Sproul, Kans.
Andrew	Freeman	McSweeney	Stephens
Anthony	Fuller	MacLafferty	Strong, Pa.
Bacon	Garber	Magee, Pa.	Taber
Beedy	Goldsborough	Merritt	Temple
Beers	Griest	Michener	Thatcher
Begg	Hadley	Miller, Ill.	Timberlake
Bixler	Hardy	Moore, Ill.	Tincher
Blanton	Haugen	Moores, Ind.	Tinkham
Boyce	Hawes	Newton, Minn.	Treadway
Brand, Ohio	Hickey	Newton, Mo.	Vaile
Brumm	Hill, Md.	Parker	Wainwright
Butler	Hull, William E.	Perkins	Watres
Cable	Jacobstein	Purnell	Watson
Clarke, N. Y.	Johnson, Ky.	Ransley	Welsh
Connolly, Pa.	Johnson, S. Dak.	Reece	Wertz
Darrow	Ketcham	Reed, N. Y.	White, Kans.
Dickinson, Iowa	Kiess	Robinson, Iowa	White, Me.
Dyer	Kurtz	Sanders, N. Y.	Winslow
Edmonds	Larson, Minn.	Shreve	Wyant
Elliott	Leatherwood	Sinnott	Yates
Evans, Iowa	Leavitt	Snell	Young
Fairchild	Lehlbach	Snyder	

NAYS—205

Abernethy	Casey	Frear	Jones
Allen	Celler	French	Keller
Allgood	Chindblom	Fulbright	Kelly
Almon	Christopherson	Fulmer	Kent
Arnold	Clancy	Gardner, Ind.	Kindred
Aswell	Cole, Iowa	Garner, Tex.	King
Ayres	Collier	Garrett, Tenn.	Kopp
Bankhead	Colton	Garrett, Tex.	Kvale
Barbour	Connally, Tex.	Gasque	LaGuardia
Barkley	Cook	Gibson	Lampert
Beck	Cooper, Ohio	Glatfelter	Lanham
Black, N. Y.	Cooper, Wis.	Graham, Ill.	Lankford
Black, Tex.	Corning	Green, Iowa	Larsen, Ga.
Bland	Cramton	Greenwood	Lazaro
Bloom	Crisp	Hammer	Lea, Calif.
Boies	Croll	Harrison	Lindsay
Bowling	Crosser	Hastings	Linthicum
Box	Crowther	Hawley	Longworth
Boylan	Cullen	Hayden	Lozier
Briggs	Cummings	Hill, Ala.	Lyon
Browne, Wis.	Davis, Tenn.	Hill, Wash.	McClintic
Browning	Doughton	Holaday	McKeown
Buchanan	Dowell	Howard, Nebr.	McLeod
Buckley	Doyle	Huddleston	McReynolds
Bulwinkle	Eagan	Hudson	McSwain
Burtness	Faust	Hull, Iowa	Magee, N. Y.
Busby	Favrot	James	Major, Ill.
Byrns, Tenn.	Fisher	Jeffers	Major, Mo.
Cannon	Fitzgerald	Johnson, Tex.	Manlove
Carter	Foster	Johnson, W. Va.	Mapes

Martin	Peery	Sandlin	Thompson
Mead	Pou	Schafer	Tillman
Miller, Wash.	Prall	Schall	Underwood
Minahan	Quayle	Schneider	Vincent, Mich.
Mooney	Quin	Scott	Vinson, Ga.
Moore, Ga.	Ragon	Seger	Vinson, Ky.
Moore, Ohio	Rainey	Shallenberger	Watkins
Morehead	Raker	Simmons	Weaver
Morrow	Rankin	Sinclair	Wefald
Murphy	Rathbone	Sites	Weller
Nelson, Wis.	Rayburn	Smith	Williams, Ill.
Nolan	Reed, Ark.	Smithwick	Williams, Mich.
O'Connell, N. Y.	Reid, Ill.	Speaks	Williams, Tex.
O'Connell, R. I.	Richards	Steagall	Wilson, Ind.
O'Connor, La.	Roach	Stedman	Wilson, La.
O'Connor, N. Y.	Robsion, Ky.	Summers, Wash.	Wingo
O'Sullivan	Rouse	Sumners, Tex.	Wolff
Oldfield	Rubey	Swank	Woodrum
Oliver, Ala.	Sabath	Swing	Wright
Oliver, N. Y.	Salmon	Tague	
Parks, Ark.	Sanders, Ind.	Taylor, W. Va.	
Peavey	Sanders, Tex.	Thomas, Okla.	

ANSWERED "PRESENT"—6

Berger	Driver	Kearns	Sherwood
Carew	Hudspeth		

NOT VOTING—126

Anderson	Fleetwood	Lowrey	Sears, Fla.
Bacharach	Fredericks	McDuffie	Sears, Nebr.
Bell	Frothingham	McKenzie	Stalker
Brand, Ga.	Funk	McLaughlin, Mich.	Stengle
Britten	Gallivan	McLaughlin, Nebr.	Stevenson
Browne, N. J.	Geran	McNulty	Strong, Kans.
Burdick	Gifford	MacGregor	Sullivan
Burton	Gilbert	Madden	Sweet
Byrnes, S. C.	Graham, Pa.	Mansfield	Swoope
Campbell	Greene, Mass.	Michaelson	Taylor, Colo.
Canfield	Griffin	Milligan	Taylor, Tenn.
Clague	Hersey	Mills	Thomas, Ky.
Clark, Fla.	Hoch	Montague	Tilson
Cleary	Hooker	Moore, Va.	Tucker
Cole, Ohio	Howard, Okla.	Morgan	Tydings
Collins	Hull, Morton D.	Morin	Underhill
Connery	Hull, Tenn.	Morris	Upshaw
Curry	Humphreys	Mudd	Vare
Dallinger	Johnson, Wash.	Nelson, Me.	Vestal
Davey	Jost	O'Brien	Voigt
Davis, Minn.	Kahn	Paige	Ward, N. Y.
Deal	Kendall	Park, Ga.	Ward, N. C.
Dempsey	Kerr	Patterson	Wason
Denison	Kincheloe	Perlman	Williamson
Dickinson, Mo.	Knutson	Phillips	Wilson, Miss.
Dickstein	Kunz	Porter	Winter
Dominick	Langley	Ramseyer	Wood
Drane	Lee, Ga.	Reed, W. Va.	Woodruff
Drewry	Lilly	Rogers, Mass.	Wurzbach
Evans, Mont.	Lineberger	Rogers, N. H.	Zihlman
Fairfield	Little	Romjue	
Fish	Logan	Rosenbloom	

So the substitute amendment of Mr. BLANTON was rejected.

The Clerk announced the following additional pairs:

Mr. Kearns (for) with Mr. Byrnes of South Carolina (against).
Mr. Vestal (for) with Mr. Connery (against).
Mr. Paige (for) with Mr. Brand of Georgia (against).
Mr. Madden (for) with Mr. Carew (against).
Mr. Strong of Kansas (for) with Mr. Hudspeth (against).
Mr. Anderson (for) with Mr. Bell (against).
Mr. Geran (for) with Mr. McNulty (against).
Mr. Wason (for) with Mr. Rogers of New Hampshire (against).
Mr. Sears of Nebraska (for) with Mr. Wurzbach (against).
Mr. Greene of Massachusetts (for) with Mr. Howard of Oklahoma (against).
Mr. Dallinger (for) with Mr. Curry (against).
Mr. Johnson of Washington (for) with Mr. Sherwood (against).
Mr. Burton (for) with Mr. Thomas of Kentucky (against).
Mr. Tilson (for) with Mr. Gallivan (against).
Mr. Morris (for) with Mr. Morgan (against).
Mr. Wood (for) with Mr. Hooker (against).
Mr. Winter (for) with Mr. Knutson (against).
Mr. Drewry (for) with Mr. Upshaw (against).
Mr. Underhill (for) with Mr. Mansfield (against).
Mr. McLaughlin of Michigan (for) with Mr. Woodruff (against).
Mr. Hoch (for) with Mr. Stevenson (against).
Mr. Driver (for) with Mr. Wilson of Mississippi (against).
Mr. Vare (for) with Mr. Moore of Virginia (against).
Mr. Fleetwood (for) with Mr. Lee of Georgia (against).
Mr. Humphreys (for) with Mr. Collins (against).
Mr. Kendall (for) with Mr. Milligan (against).
Mr. Fredericks (for) with Mr. Lineberger (against).

Mr. KEARNS. Mr. Speaker, did the gentleman from South Carolina [Mr. BYRNES] vote?

The SPEAKER. No.

Mr. KEARNS. I will withdraw my vote of "aye" and answer "present," as I am paired with the gentleman.

The result of the vote was announced as above recorded.

Mr. CHINDBLOM. Mr. Speaker, I move to reconsider the vote. Many Members seem to have voted under a misapprehension; I voted "no" myself——

Mr. BARKLEY. Mr. Speaker, I move that that motion be laid on the table.

The SPEAKER. The gentleman from Kentucky moves to lay the motion on the table. The question is on the motion of the gentleman from Kentucky to lay the motion of the gentleman from Illinois on the table.

Mr. GARRETT of Tennessee. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARRETT of Tennessee. What is the effect if that motion be laid upon the table? Would it carry all the other motions with it?

The SPEAKER. The Chair thinks it would just carry that motion to reconsider.

Mr. LONGWORTH. The gentleman from Kentucky supports that motion?

Mr. GARRETT of Tennessee. There is a motion pending to close debate. If this should be laid upon the table, would it carry these other motions?

The SPEAKER. The Chair thinks not.

Mr. BARKLEY. Mr. Speaker, a parliamentary inquiry. Is it in order to make——

The SPEAKER. The Chair thinks it simply carries the motion to reconsider and nothing else. The question is on the motion of the gentleman from Kentucky to lay the motion on the table.

The question was taken, and the Speaker announced the noes seemed to have it.

Mr. BARKLEY. Mr. Speaker, I ask for the yeas and nays.

Mr. LONGWORTH. Mr. Speaker, I make the point of order that is dilatory. [Laughter.]

The SPEAKER. Obviously a sufficient number, and the yeas and nays are ordered.

The question was taken; and there were—yeas 179, nays 126, answered "present" 4, not voting 123, as follows:

YEAS—179

Abernethy	Dowell	Larsen, Ga.	Rankin
Allen	Doyle	Lazaro	Rathbone
Allgood	Favrot	Lea, Calif.	Reed, Ark.
Almon	Fisher	Lindsay	Reid, Ill.
Arnold	Foster	Linthicum	Richards
Aswell	Frear	Lozier	Robsion, Ky.
Ayres	Fulbright	Lyon	Rouse
Bankhead	Fulmer	McClintic	Rubey
Barbour	Garber	McKeown	Sabath
Barkley	Gardner, Ind.	McReynolds	Salmon
Beck	Garrett, Tenn.	McSwain	Sanders, Tex.
Black, N. Y.	Garrett, Tex.	McSweeney	Sandlin
Black, Tex.	Gasque	Major, Ill.	Schafer
Bloom	Gibson	Major, Mo.	Schall
Boies	Glatfelter	Manlove	Schneider
Bowling	Greenwood	Martin	Shallenberger
Box	Hammer	Mead	Sherwood
Boylan	Harrison	Miller, Wash.	Sinclair
Briggs	Hastings	Minahan	Sites
Browne, Wis.	Hayden	Mooney	Smithwick
Browning	Hill, Ala.	Moore, Ga.	Steagall
Buchanan	Hill, Wash.	Moore, Ohio	Stedman
Buckley	Holaday	Morehead	Summers, Wash.
Bulwinkle	Howard, Nebr.	Morrow	Sumners, Tex.
Burtness	Huddleston	Murphy	Swank
Busby	Hull, Iowa	Nelson, Wis.	Swing
Byrns, Tenn.	Jacobstein	Nolan	Tague
Cannon	James	O'Connell, N. Y.	Taylor, W. Va.
Casey	Jeffers	O'Connell, R. I.	Thomas, Okla.
Celler	Johnson, Ky.	O'Connor, La.	Tillman
Christopherson	Johnson, Tex.	O'Connor, N. Y.	Underwood
Clancy	Johnson, W. Va.	O'Sullivan	Vinson, Ky.
Collier	Jones	Oldfield	Voigt
Connally, Tex.	Keller	Oliver, Ala.	Watkins
Cook	Kelly	Oliver, N. Y.	Weaver
Cooper, Ohio	Kent	Parks, Ark.	Wefald
Cooper, Wis.	Kincheloe	Peavey	Weller
Corning	Kindred	Peery	Williams, Ill.
Crisp	King	Pou	Williams, Tex.
Croll	Kopp	Prall	Wilson, Ind.
Crosser	Kvale	Quayle	Wingo
Cullen	LaGuardia	Quin	Wolff
Cummings	Lampert	Ragon	Woodrum
Davis, Tenn.	Lanham	Rainey	Wright
Doughton	Lankford	Raker	

NAYS—126

Ackerman	Edmonds	Johnson, S. Dak.	Perkins
Aldrich	Elliott	Johnson, Wash.	Phillips
Andrew	Evans, Iowa	Kearns	Purnell
Anthony	Fairchild	Ketcham	Ramsey
Bacon	Fairfield	Kiess	Reece
Beedy	Faust	Knutson	Reed, N. Y.
Beers	Fenn	Larson, Minn.	Roach
Begg	Fitzgerald	Leatherwood	Robinson, Iowa
Bixler	Free	Leavitt	Sanders, Ind.
Blanton	Freeman	Lehlbach	Sanders, N. Y.
Boyce	French	Longworth	Scott
Brand, Ohio	Frothingham	Luce	Seger
Britten	Fuller	McDuffie	Shreve
Bramm	Goldsborough	McFadden	Simmons
Butler	Graham, Ill.	McLeod	Stalnott
Cable	Graham, Pa.	MacLafferty	Smith
Chindblom	Green, Iowa	Magee, N. Y.	Snell
Clarke, N. Y.	Griest	Magee, Pa.	Snyder
Cole, Iowa	Hadley	Mapes	Speaks
Colton	Hardy	Merritt	Sproul, Ill.
Connolly, Pa.	Haugen	Michener	Sproul, Kans.
Cramton	Hawley	Mills	Stephens
Crowther	Hickey	Moore, Ill.	Strong, Pa.
Darrow	Hill, Md.	Moores, Ind.	Sweet
Dempsey	Hudson	Newton, Mo.	Tuber
Dickinson, Iowa	Hull, Morton D.	Parker	Temple
Dyer	Hull, William E.	Patterson	Thatcher

Thompson	Vare	Welsh	Wyant
Timberlake	Vincent, Mich.	Wertz	Yates
Tincher	Wainwright	White, Kans.	Young
Treadway	Watres	White, Me.	
Vaile	Watson	Winslow	

ANSWERED "PRESENT"—4

Berger	Carew	Eagan	Hudspeth

NOT VOTING—123

Anderson	Fish	McKenzie	Sears, Nebr.
Bacharach	Fleetwood	McLaughlin, Mich.	Stalker
Bell	Fredericks	McLaughlin, Nebr.	Stengle
Bland	Funk	McNulty	Stevenson
Brand, Ga.	Gallivan	MacGregor	Strong, Kans.
Browne, N. J.	Garner, Tex.	Madden	Sullivan
Burdick	Geran	Mansfield	Swoope
Burton	Gifford	Michaelson	Taylor, Colo.
Byrnes, S. C.	Gilbert	Miller, Ill.	Taylor, Tenn.
Campbell	Greene, Mass.	Milligan	Thomas, Ky.
Canfield	Griffin	Montague	Tilson
Carter	Hawes	Moore, Va.	Tinkham
Clague	Hersey	Morgan	Tucker
Clark, Fla.	Hoch	Morin	Tydings
Cleary	Hooker	Morris	Underhill
Cole, Ohio	Howard, Okla.	Mudd	Upshaw
Collins	Hull, Tenn.	Nelson, Me.	Vestal
Connery	Humphreys	Newton, Minn.	Vinson, Ga.
Curry	Jost	O'Brien	Ward, N. Y.
Dallinger	Kahn	Paige	Ward, N. C.
Davey	Kendall	Park, Ga.	Wason
Davis, Minn.	Kerr	Perlman	Williams, Mich.
Deal	Knutson	Porter	Williamson
Denison	Kunz	Ramseyer	Wilson, La.
Dickinson, Mo.	Langley	Rayburn	Wilson, Miss.
Dickstein	Lee, Ga.	Reed, W. Va.	Winter
Dominick	Lilly	Rogers, Mass.	Wood
Drane	Lineberger	Rogers, N. H.	Woodruff
Drewry	Little	Romjue	Wurzbach
Driver	Logan	Rosenbloom	Zihlman
Evans, Mont.	Lowrey	Sears, Fla.	

So the Barkley motion to lay on the table the Chindblom motion to reconsider the last vote was agreed to.

The Clerk announced the following additional pairs:

Mr. Eagan (for) with Mr. Tinkham (against).
Mr. Byrnes of South Carolina (for) with Mr. Kearns (against).
Mr. Connery (for) with Mr. Vestal (against).
Mr. Brand of Georgia (for) with Mr. Paige (against).
Mr. Carew (for) with Mr. Madden (against).
Mr. Hudspeth (for) with Mr. Strong of Kansas (against).
Mr. Bell (for) with Mr. Anderson (against).
Mr. McNulty (for) with Mr. Geran (against).
Mr. Rogers of New Hampshire (for) with Mr. Wason (against).
Mr. Wurzbach (for) with Mr. Sears of Nebraska (against).
Mr. Howard of Oklahoma (for) with Mr. Greene of Massachusetts (against).
Mr. Curry (for) with Mr. Dallinger (against).
Mr. Thomas of Kentucky (for) with Mr. Burton (against).
Mr. Gallivan (for) with Mr. Tilson (against).
Mr. Morgan (for) with Mr. Morris (against).
Mr. Hooker (for) with Mr. Wood (against).
Mr. Knutson (for) with Mr. Winter (against).
Mr. Upshaw (for) with Mr. Drewry (against).
Mr. Mansfield (for) with Mr. Underhill (against).
Mr. Woodruff (for) with Mr. Laughlin of Michigan (against).
Mr. Stevenson (for) with Mr. Hoch (against).
Mr. Wilson of Mississippi (for) with Mr. Driver (against).
Mr. Moore of Virginia (for) with Mr. Vare (against).
Mr. Lee of Georgia (for) with Mr. Fleetwood (against).
Mr. Collins (for) with Mr. Humphreys (against).
Mr. Milligan (for) with Mr. Kendall (against).
Mr. Lineberger (for) with Mr. Fredericks (against).
Mr. O'Sullivan (for) with Mr. Fenn (against).
Mr. Sabath (for) with Mr. Kunz (against).
Mr. Logan (for) with Mr. Fish (against).

The result of the vote was announced as above recorded.

The SPEAKER. The motion to lay on the table prevails. The question is on agreeing to the amendment offered by the gentleman from Ohio [Mr. LONGWORTH].

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. LONGWORTH. Mr. Speaker, I ask for a division.

The SPEAKER. A division is demanded.

The House divided; and there were—ayes 89, noes 122.

Mr. SNELL. Mr. Speaker, I object to the vote because there is no quorum present. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York objects to the vote on the ground that there is no quorum present. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll. As many as are in favor of the amendment offered by the gentleman from Ohio [Mr. LONGWORTH] will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 139, nays 157, answered "present" 5, not voting 131, as follows:

YEAS—139

Ackerman	Beedy	Brand, Ohio	Chindblom
Aldrich	Beers	Brumm	Christopherson
Andrew	Begg	Buchanan	Clarke, N. Y.
Anthony	Bixler	Burtness	Cole, Iowa
Aswell	Blanton	Butler	Connolly, Pa.
Bacon	Boyce	Cable	Cramton
Crowther	Hawes	Merritt	Sproul, Ill.
Darrow	Hawley	Michener	Sproul, Kans.
Davis, Tenn.	Hickey	Mills	Stephens
Dempsey	Hill, Md	Moore, Ill.	Strong, Pa.
Dickinson, Iowa	Hudson	Moore, Ohio	Sumners, Tex.
Dyer	Hull, Morton D.	Moores, Ind.	Sweet
Edmonds	Hull, William E.	Newton, Minn.	Taber
Elliott	Jacobstein	Newton, Mo.	Temple
Evans, Iowa	Johnson, Ky.	Parker	Thatcher
Fairchild	Johnson, S. Dak.	Patterson	Timberlake
Fairfield	Johnson, Wash.	Perkins	Treadway
Faust	Ketcham	Phillips	Vaile
Fish	Kiess	Porter	Vare
Fitzgerald	Kurtz	Ragon	Vincent, Mich.
Foster	Larson, Minn.	Ransley	Wainwright
Free	Lea, Calif.	Reece	Watres
Freeman	Leatherwood	Reed, N.Y.	Watson
French	Leavitt	Roach	Welsh
Fuller	Lehlbach	Robinson, Iowa	Wertz
Garber	Linthicum	Rouse	White, Kans.
Garrett, Tenn.	Longworth	Sanders, Ind.	White, Me.
Gibson	Luce	Sanders, N. Y.	Williams, Mich.
Goldsborough	McFadden	Scott	Williams, Tex.
Graham, Ill.	McLeod	Seger	Williamson
Graham, Pa.	McSweeney	Shreve	Winslow
Green, Iowa	MacLafferty	Simmons	Wyant
Griest	Magee, Pa.	Sinnott	Yates
Hadley	Manlove	Smith	Young
Hardy	Mapes	Snell	

NAYS—157

Abernethy	Dowell	Larsen, Ga.	Reid, Ill.
Allen	Doyle	Lazaro	Richards
Allgood	Eagan	Lindsay	Robsion, Ky.
Almon	Favrot	Lozier	Rubey
Arnold	Fisher	Lyon	Salmon
Ayres	Frear	McClintic	Sanders, Tex.
Bankhead	Fulbright	McKeown	Sandlin
Barbour	Fulmer	McReynolds	Schafer
Barkley	Gardner, Ind.	Magee, N. Y.	Schall
Beck	Garrett, Tex.	Major, Ill.	Schneider
Black, N. Y.	Gasque	Major, Mo.	Shallenberger
Black, Tex.	Glatfelter	Martin	Sinclair
Bloom	Greenwood	Mead	Sites
Boles	Hammer	Miller, Wash.	Smithwick
Bowling	Harrison	Minahan	Speaks
Box	Hastings	Mooney	Steagall
Boylan	Hayden	Moore, Ga.	Stedman
Briggs	Hill, Ala.	Morehead	Summers, Wash.
Browne, Wis.	Hill, Wash.	Morrow	Swank
Browning	Holaday	Murphy	Taylor, W. Va.
Buckley	Howard, Nebr.	Nelson, Wis.	Thomas, Okla.
Bulwinkle	Huddleston	Nolan	Thompson
Busby	Hull, Iowa	O'Connell, N. Y.	Tincher
Byrns, Tenn.	James	O'Connell, R. I.	Underwood
Cannon	Jeffers	O'Connor, La.	Vinson, Ga.
Carter	Johnson, Tex.	O'Connor, N. Y.	Vinson, Ky.
Casey	Johnson, W.Va.	Oldfield	Voigt
Celler	Jones	Oliver, Ala.	Watkins
Clancy	Keller	Oliver, N.Y.	Weaver
Collier	Kelly	Parks, Ark.	Wefald
Connally, Tex.	Kent	Peavey	Weller
Cook	Kincheloe	Pou	Williams, Ill.
Cooper, Wis.	Kindred	Prall	Wilson, Ind.
Corning	King	Quayle	Wingo
Crisp	Kopp	Quin	Wolff
Croll	Kvale	Raker	Woodrum
Crosser	LaGuardia	Rankin	Wright
Cullen	Lampert	Rathbone	
Cummings	Lanham	Rayburn	
Doughton	Lankford	Reed, Ark.	

ANSWERED "PRESENT"—5

Berger	Colton	Driver	Hudspeth
Carew			

NOT VOTING—131

Anderson	Fredericks	McLaughlin, Mich.	Sears, Nebr.
Bacharach	Frothingham	McLaughlin, Nebr.	Sherwood
Bell	Funk	McNulty	Snyder
Bland	Gallivan	McSwain	Stalker
Brand, Ga.	Garner, Tex.	MacGregor	Stengle
Britten	Geran	Madden	Stevenson
Browne, N. J.	Gifford	Mansfield	Strong, Kans.
Burdick	Gilbert	Michaelson	Sullivan
Burton	Greene, Mass.	Miller, Ill.	Swing
Byrnes, S. C.	Griffin	Milligan	Swoope
Campbell	Haugen	Montague	Tague
Canfield	Hersey	Moore, Va.	Taylor, Colo.
Clague	Hoch	Morgan	Taylor, Tenn.
Clark, Fla.	Hooker	Morin	Thomas, Ky.
Cleary	Howard, Okla.	Morris	Tillman
Cole, Ohio	Hull, Tenn.	Mudd	Tilson
Collins	Humphreys	Nelson, Me.	Tinkham
Connery	Jost	O'Brien	Tucker
Cooper, Ohio	Kahn	O'Sullivan	Tydings
Curry	Kearns	Paige	Underhill
Dallinger	Kendall	Park, Ga.	Upshaw
Davey	Kerr	Peery	Vestal
Davis, Minn.	Knutson	Perlman	Ward, N. C.
Deal	Kunz	Purnell	Ward, N.Y.
Denison	Langley	Rainey	Wason
Dickinson, Mo.	Lee, Ga.	Ramseyer	Wilson, La.
Dickstein	Lilly	Reed, W.Va.	Wilson, Miss.
Dominick	Lineberger	Rogers, Mass.	Winter
Drane	Little	Rogers, N. H.	Wood
Drewry	Logan	Romjue	Woodruff
Evans, Mont.	Lowrey	Rosenbloom	Wurzbach
Fenn	McDuffie	Sabath	Zihlman
Fleetwood	McKenzie	Sears, Fla.	

So the amendment was rejected.

The Clerk announced the following additional pairs:

On this vote:

Mr. Tinkham (for) with Mr. Tague (against).
Mr. Kearns (for) with Mr. Byrnes of South Carolina (against).
Mr. Vestal (for) with Mr. Connery (against).
Mr. Paige (for) with Mr. Brand of Georgia (against).
Mr. Madden (for) with Mr. Carew (against).
Mr. Strong of Kansas (for) with Mr. Hudspeth (against).
Mr. Anderson (for) with Mr. Bell (against).
Mr. Geran (for) with Mr. McNulty (against).
Mr. Wason (for) with Mr. Rogers of New Hampshire (against).
Mr. Sears of Nebraska (for) with Mr. Wurzbach (against).
Mr. Greene of Massachusetts (for) with Mr. Howard of Oklahoma (against).
Mr. Dallinger (for) with Mr. Curry (against).
Mr. Burton (for) with Mr. Thomas of Kentucky (against).
Mr. Tilson (for) with Mr. Gallivan (against).
Mr. Morris (for) with Mr. Morgan (against).
Mr. Wood (for) with Mr. Hooker (against).
Mr. Winter (for) with Mr. Knutson (against).
Mr. Drewry (for) with Mr. Upshaw (against).
Mr. Underhill (for) with Mr. Mansfield (against).
Mr. McLaughlin of Michigan (for) with Mr. Woodruff (against).
Mr. Hoch (for) with Mr. Stevenson (against).
Mr. Driver (for) with Mr. Wilson of Mississippi (against).
Mr. Vare (for) with Mr. Moore of Virginia (against).
Mr. Fleetwood (for) with Mr. Lee of Georgia (against).
Mr. Humphreys (for) with Mr. Collins (against).
Mr. Kendall (for) with Mr. Milligan (against).
Mr. Fredericks (for) with Mr. Lineberger (against).
Mr. Fenn (for) with Mr. O'Sullivan (against).
Mr. Kunz (for) with Mr. Sabath (against).
Mr. Fish (for) with Mr. Logan (against).
Mr. Colton (for) with Mr. Rainey (against).
Mr. McDuffie (for) with Mr. Tillman (against).
Mr. Frothingham (for) with Mr. Sherwood (against).

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

Mr. TINCHER. I move to reconsider that vote, Mr. Speaker.

Mr. BARKLEY. Mr. Speaker, I make the point of order that the motion is dilatory.

Mr. GARRETT of Tennessee. How did the gentleman vote?

Mr. TINCHER. I voted "no," and the motion is not dilatory, because I have a reason for making the motion, and I have reason to believe the motion will be reconsidered.

Mr. BARKLEY. Mr. Speaker, I make the point of order that the motion is dilatory.

Mr. GARRETT of Tennessee. I think the motion must be made by one who voted with the prevailing side.

Mr. TINCHER. I voted with the prevailing side.

Mr. GARRETT of Tennessee. The gentleman voted "no"?

Mr. TINCHER. Yes.

Mr. BARKLEY. Was that intentionally done?

Mr. SANDERS of Indiana. Do I understand that the gentleman from Kentucky makes the point of order that the motion is dilatory?

Mr. BARKLEY. Yes.

Mr. SANDERS of Indiana. Mr. Speaker, it would be a bad precedent to hold that a motion to reconsider, made for the first time, was dilatory, for the reason that the rules of the House specifically provide for a motion to reconsider at any time within three days, and very frequently, in order that a matter may be closed, a motion to reconsider is made and a motion to lay on the table.

Mr. TINCHER. I hope the Chair will not hold this motion, the first motion I have made to-day, dilatory without my having some right to argue the proposition.

The SPEAKER. The Chair will hear the gentleman.

Mr. TINCHER. I voted "No" when the roll was called with the idea that perhaps the House was determined upon three hours of debate. I had had some conversation with some gentlemen who are enthusiastic and were enthusiastic in discharging the committee this afternoon and who are enthusiastic for the consideration of this bill, some men who have voted consistently that way all day I can name them if necessary. They are men who thought that three hours was not sufficient time for general debate on this bill, and after the roll was practically finished one gentleman that I know of voted "Aye" who had voted "No" on the division. There is a sentiment that three hours is not sufficient time for debate on this bill, and I know of some men who voted "No" who want to vote "Aye" on the motion to reconsider. I have in mind no less a personage than the gentleman from Wisconsin [Mr. NELSON]. He voted "Aye" on this motion.

Mr. NELSON of Wisconsin. But he changed his vote.

Mr. TINCHER. In view of conversations like that which I have had on this floor I made the motion, not with any idea of delaying proceedings, because I realize that some time to-night we will finally determine how long a time we shall have for debate on this great, complicated measure, which must be considered for the first time in the House of Representatives and not by any committee. I contend it is unfair to charge a Member of the House, who has taken the interest in it I have, with dilatory tactics because he wants to fully debate it. [Laughter and applause.]

The SPEAKER. The Chair will state he was rather disposed to think it was dilatory, but does the Chair understand the gentleman to state that in his opinion he has some reason to think Members will vote to reconsider?

Mr. TINCHER. I have, and I cite this instance. In conversation with the gentleman from Wisconsin [Mr. NELSON] who voted "no" on the division, who has been enthusiastic and who has been in the conferences on that side all day, finally, when his name was called the last time voted "aye" and that leads me to believe that the crowd following him in this matter will on reconsideration determine it is fair for us to have this matter debated in the House and that we will be successful in the motion to reconsider. [Applause.]

The SPEAKER. The Chair will overrule the point of order.

Mr. BARKLEY. Mr. Speaker——

The SPEAKER. The Chair will hear the gentleman.

Mr. BARKLEY. In view of the proceeding that has occurred here to-day and to-night; in view of the fact that numerous motions to adjourn have been made by Members on the other side, and on numerous occasions we have seen droves of Members on that side leaving the House in order to break a quorum so that a motion to adjourn might not be held dilatory; in view of the fact that the gentleman from Kansas has voted in favor of every dilatory tactic and every obstructive motion that has been made during the day; in view of the fact that he voted with the majority in this particular instance in order that he might qualify to make this dilatory motion, I submit to the Chair it is a dilatory motion and that his vote was cast with the majority in order that he might make it as a dilatory motion. [Applause.]

Mr. BLANTON. Mr. Speaker, I ask for the regular order.

The SPEAKER. The Chair will state that he was disposed to rule that it was a dilatory motion, but no motion to adjourn has been made for two hours——

Mr. BARKLEY. The motion to adjourn is not the only dilatory motion.

The SPEAKER. Of course not; but in view of what the gentleman has stated, the Chair does not feel authorized——

Mr. NELSON of Wisconsin. Mr. Speaker, the gentleman has used my name, and incorrectly, and I desire briefly to be heard.

The SPEAKER. The Chair will hear the gentleman.

Mr. NELSON of Wisconsin. The gentleman has no right to say that I was hesitating about this question. He knows I voted inadvertently "aye" and changed my vote. Now, Mr. Speaker, just a word on this point. Clearly the rules prohibit dilatory motions of this kind.

Mr. TINCHER. Will the gentleman yield a moment? Did the gentleman say I knew he voted inadvertently?

Mr. NELSON of Wisconsin. We have had six or seven motions to adjourn, clearly dilatory tactics from start to finish, the House having repeatedly shown a desire to legislate, and yet we have had one constant motion after another, filibustering, and surely it is the duty of the Speaker, it would seem to me, somewhere to stop this dilatory proceeding, and I wish to say that if we can not stop it then we shall attempt to do this thing, because if it works in this case it will work in other cases, and we protest against it.

Mr. TINCHER. Will the gentleman yield to me a minute?

Mr. BLANTON. Regular order, Mr. Speaker.

Mr. LONGWORTH. Mr. Speaker, I submit that a calm perusal of the RECORD will show that not less than two-thirds of the time that has been taken up has been on the motion of the gentleman from Kentucky.

Mr. BARKLEY. In order to save time that would have been lost by your filibuster. [Laughter.]

The SPEAKER. The Chair appreciates the truth of what has been said by the gentleman from Kentucky and the gentleman from Wisconsin, and the Chair thinks it is his duty to prevent what are obviously dilatory tactics, and was disposed to rule that this motion was dilatory, but the gentleman from Kansas has stated that he has reason and the Chair does not feel warranted—has the gentleman from Kansas anything further to say?

Mr. TINCHER. Yes; Mr. Speaker. I regard my word as worth something in the House and I have some regard for the respect of the Speaker of the House. I want the Speaker to understand exactly what occurred between the gentleman from Wisconsin [Mr. NELSON] and myself.

The SPEAKER. The Chair does not think that is important. The Chair overrules the point of order.

Mr. BARKLEY. Mr. Speaker, I move to lay this motion on the table, and on that I ask for the yeas and nays.

Mr. LONGWORTH. I again submit that that is a dilatory motion, Mr. Speaker.

The yeas and nays were ordered.

The question was taken; and there were—yeas 172, nays 128, answered "present" 6, not voting 126, as follows:

YEAS—172

Abernethy	Doughton	Lanham	Rankin
Allen	Dowell	Lankford	Rathbone
Allgood	Doyle	Larsen, Ga.	Rayburn
Almon	Eagan	Lazaro	Reed, Ark.
Arnold	Favrot	Lea, Calif.	Reid, Ill.
Aswell	Fisher	Lindsay	Richards
Ayres	Frear	Linthicum	Roach
Bankhead	Fulbright	Lozier	Robsion, Ky.
Barbour	Fulmer	Lyon	Rouse
Barkley	Gardner, Ind.	McClintic	Rubey
Beck	Garrett, Tenn.	McKeown	Salmon
Berger	Garrett, Tex.	McReynolds	Sanders, Tex.
Black, N. Y.	Gasque	McSweeney	Sandlin
Black, Tex.	Glatfelter	Major, Ill.	Schafer
Bloom	Greenwood	Major, Mo.	Schall
Boies	Hammer	Martin	Schneider
Bowling	Harrison	Mead	Shallenberger
Box	Hastings	Miller, Wash.	Simmons
Boylan	Hayden	Minahan	Sinclair
Briggs	Hill, Ala.	Mooney	Sites
Browne, Wis.	Hill, Wash.	Moore, Ga.	Smithwick
Browning	Holaday	Moore, Ohio	Steagall
Buchanan	Howard, Nebr.	Morehead	Stedman
Buckley	Huddleston	Morrow	Summers, Wash.
Bulwinkle	Hull, Iowa	Murphy	Sumners, Tex.
Burtness	Jacobstein	Nelson, Wis.	Swank
Busby	James	Nolan	Swing
Byrns, Tenn.	Jeffers	O'Connell, N. Y.	Taylor, W. Va.
Cannon	Johnson, Ky.	O'Connell, R. I.	Thomas, Okla.
Carter	Johnson, S. Dak.	O'Connor, La.	Underwood
Casey	Johnson, Tex.	O'Connor, N.Y.	Vinson, Ga.
Celler	Johnson, W. Va.	Oldfield	Vinson, Ky.
Clancy	Jones	Oliver, Ala.	Voigt
Collier	Keller	Oliver, N. Y.	Watkins
Connally, Tex.	Kelly	Parks, Ark.	Weaver
Cook	Kent	Peavey	Wefald
Cooper, Wis.	Kincheloe	Peery	Weller
Corning	Kindred	Pou	Wilson, Ind.
Crisp	King	Prall	Wingo
Croll	Kopp	Quayle	Winslow
Crosser	Kvale	Quin	Wolff
Cullen	LaGuardia	Ragon	Woodrum
Davis, Tenn.	Lampert	Raker	Wright

NAYS—128

Ackerman	Fairchild	Leatherwood	Seger
Aldrich	Fairfield	Leavitt	Shreve
Andrew	Faust	Lehlbach	Sinnott
Anthony	Fish	Longworth	Snell
Bacon	Fitzgerald	Luce	Snyder
Beedy	Foster	McFadden	Speaks
Beers	Free	MacLafferty	Sproul, Ill.
Begg	Freeman	Magee, N. Y.	Stephens
Bixler	French	Magee, Pa.	Strong, Pa.
Blanton	Fuller	Manlove	Sweet
Boyce	Garber	Mapes	Taber
Britten	Gibson	Merritt	Temple
Brumm	Gifford	Michener	Thatcher
Burdick	Goldsborough	Mills	Thompson
Butler	Graham, Ill.	Moore, Ill.	Tincher
Cable	Graham, Pa.	Moores, Ind.	Treadway
Chindblom	Green, Iowa	Nelson, Me.	Vaile
Christopherson	Griest	Newton, Minn.	Vare
Cole, Iowa	Hadley	Parker	Vincent, Mich.
Connolly, Pa.	Hardy	Patterson	Wainwright
Cooper, Ohio	Haugen	Perkins	Watres
Cramton	Hawley	Phillips	Watson
Crowther	Hickey	Porter	Welsh
Cummings	Hill, Md.	Purnell	Wertz
Dallinger	Hudson	Ransley	White, Kans.
Darrow	Hull, Morton D.	Reece	White, Me.
Dempsey	Hull, William E.	Reed, N. Y.	Williams, Ill.
Dickinson, Iowa	Johnson, Wash.	Robinson, Iowa	Williams, Mich.
Dyer	Ketcham	Rogers, Mass.	Williamson
Edmonds	Kiess	Sanders, Ind.	Wyant
Elliott	Kurtz	Sanders, N. Y.	Yates
Evans, Iowa	Larson, Minn.	Scott	Young

ANSWERED "PRESENT"—6

Carew	Driver	McLaughlin, Mich.	Williams, Tex.
Dickinson, Mo.	Hudspeth		

NOT VOTING—126

Anderson	Denison	Humphreys	Mansfield
Bacharach	Dickstein	Jost	Michaelson
Bell	Dominick	Kahn	Miller, Ill.
Bland	Drane	Kearns	Milligan
Brand, Ga.	Drewry	Kendall	Montague
Brand, Ohio	Evans, Mont.	Kerr	Moore, Va.
Browne, N. J.	Fenn	Knutson	Morgan
Burton	Fleetwood	Kunz	Morin
Byrnes, S. C.	Fredericks	Langley	Morris
Campbell	Frothingham	Lee, Ga.	Mudd
Canfield	Funk	Lilly	Newton, Mo.
Clague	Gallivan	Lineberger	O'Brien
Clark, Fla.	Garner, Tex.	Little	O'Sullivan
Clarke, N. Y.	Geran	Logan	Paige
Cleary	Gilbert	Lowrey	Park, Ga.
Cole, Ohio	Green, Mass.	McDuffie	Perlman
Collins	Griffin	McKenzie	Rainey
Colton	Hawes	McLaughlin, Nebr.	Ramseyer
Connery	Hersey	McLeod	Reed, W. Va.
Curry	Hoch	McNulty	Rogers, N. H.
Davey	Hooker	McSwain	Romjue
Davis, Minn.	Howard, Okla.	MacGregor	Rosenbloom
Deal	Hull, Tenn.	Madden	Sabath
Sears, Fla.	Sullivan	Tinkham	Wilson, La.
Sears, Nebr.	Swoope	Tucker	Wilson, Miss.
Sherwood	Tague	Tydings	Winter
Smith	Taylor, Colo.	Underhill	Wood
Sproul, Kans.	Taylor, Tenn.	Upshaw	Woodruff
Stalker	Thomas, Ky.	Vestal	Wurzbach
Stengle	Tillman	Ward, N. C.	Zihlman
Stevenson	Tilson	Ward, N. Y.	
Strong, Kans.	Timberlake	Wason	

So the motion of Mr. BARKLEY was agreed to.

The following additional pairs were announced:

Mr. Tague (for) with Mr. Tinkham (against).
Mr. Byrnes of South Carolina (for) with Mr. Kearns (against).
Mr. Connery (for) with Mr. Vestal (against).
Mr. Brand of Georgia (for) with Mr. Paige (against).
Mr. Carew (for) with Mr. Madden (against).
Mr. Hudspeth (for) with Mr. Strong of Kansas (against).
Mr. Bell (for) with Mr. Anderson (against).
Mr. McNulty (for) with Mr. Geran (against).
Mr. Rogers of New Hampshire (for) with Mr. Wason (against).
Mr. Wurzbach (for) with Mr. Sears of Nebraska (against).
Mr. Howard of Oklahoma (for) with Mr. Greene of Massachusetts (against).
Mr. Curry (for) with Mr. Dallinger (against).
Mr. Thomas of Kentucky (for) with Mr. Burton (against).
Mr. Gallivan (for) with Mr. Tilson (against).
Mr. Morgan (for) with Mr. Morris (against).
Mr. Hooker (for) with Mr. Wood (against).
Mr. Knutson (for) with Mr. Winter (against).
Mr. Upshaw (for) with Mr. Drewry (against).
Mr. Mansfield (for) with Mr. Underhill (against).
Mr. Woodruff (for) with Mr. McLaughlin of Michigan (against).
Mr. Stevenson (for) with Mr. Hoch (against).
Mr. Wilson of Mississippi (for) with Mr. Driver (against).
Mr. Moore of Virginia (for) with Mr. McLeod (against).
Mr. Lee of Georgia (for) with Mr. Fleetwood (against).
Mr. Collins (for) with Mr. Humphreys (against).
Mr. Milligan (for) with Mr. Kendall (against).
Mr. Lineberger (for) with Mr. Fredericks (against).
Mr. O'Sullivan (for) with Mr. Fenn (against).
Mr. Sabath (for) with Mr. Kunz (against).
Mr. Logan (for) with Mr. Fish (against).
Mr. Rainey (for) with Mr. Colton (against).
Mr. Tillman (for) with Mr. McDuffie (against).
Mr. Sherwood (for) with Mr. Frothingham (against).
Mr. O'Brien (for) with Mr. Smith (against).
Mr. Dickinson of Missouri (for) with Mr. Little (against).

The result of the vote was announced as above recorded.

Mr. SANDERS of Indiana. Mr. Speaker, I move that the House do now adjourn.

Mr. BARKLEY. Mr. Speaker, I make the point of order that that motion is dilatory.

The SPEAKER. The Chair sustains the point of order.

Mr. BLANTON. Oh, Mr. Speaker, it is now 20 minutes past 11.

The SPEAKER. The question is on the original motion of the gentleman from Kentucky [Mr. BARKLEY].

The question was taken; and on a division (demanded by Mr. BARKLEY), there were 122 ayes and 115 noes.

Mr. BLANTON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 165, nays 136, answered "present" 4, not voting 127, as follows:

YEAS—165

Abernethy	Davis, Tenn.	Lanham	Reid, Ill.
Allen	Doughton	Lankford	Richards
Allgood	Dowell	Larsen, Ga.	Robsion, Ky.
Almon	Eagan	Lazaro	Rouse
Arnold	Favrot	Lindsay	Rubey
Aswell	Fisher	Lozier	Salmon
Ayres	Foster	Lyon	Sanders, Tex.
Bankhead	Frear	McClintic	Sandlin
Barbour	Fulbright	McKeown	Schafer
Barkley	Fulmer	McReynolds	Schall
Beck	Funk	McSweeney	Schneider
Berger	Gardner, Ind.	Major, Ill.	Shallenberger
Black, N. Y.	Garrett, Tex.	Major, Mo.	Sinclair
Black, Tex.	Gasque	Martin	Sites
Bloom	Glatfelter	Mead	Smithwick
Boies	Greenwood	Miller, Wash.	Speaks
Bowling	Hammer	Minahan	Steagall
Box	Hastings	Mooney	Stedman
Boylan	Hayden	Moore, Ga.	Summers, Wash.
Briggs	Hill, Ala.	Morehead	Sumners, Tex.
Browne, Wis.	Hill, Wash.	Morrow	Swank
Browning	Holaday	Murphy	Swing
Buchanan	Howard, Nebr.	Nelson, Wis.	Taylor, W. Va.
Buckley	Huddleston	Nolan	Thomas, Okla.
Bulwinkle	Hull, Iowa	O'Connell, N. Y.	Thompson
Busby	Jacobstein	O'Connell, R. I.	Underwood
Byrns, Tenn.	James	O'Connor, La.	Vinson, Ga.
Carter	Jeffers	O'Connor, N. Y.	Vinson, Ky.
Casey	Johnson, Ky.	Oldfield	Voigt
Celler	Johnson, Tex.	Oliver, Ala.	Watkins
Clancy	Johnson, W. Va.	Oliver, N. Y.	Weaver
Collier	Jones	Parks, Ark.	Wefald
Connally, Tex.	Keller	Peavey	Weller
Cook	Kelly	Pou	Williams, Ill.
Cooper, Ohio	Kent	Prall	Wilson, Ind.
Cooper, Wis.	Kincheloe	Quin	Wingo
Corning	Kindred	Ragon	Wolff
Crisp	King	Raker	Woodrum
Croll	Kopp	Rankin	Wright
Crosser	Kvale	Rathbone	
Cullen	LaGuardia	Rayburn	
Cummings	Lampert	Reed, Ark.	

NAYS—136

Ackerman	Fairfield	Leavitt	Scott
Aldrich	Faust	Lehlbach	Seger
Andrew	Fish	Linthicum	Shreve
Anthony	Fitzgerald	Longworth	Simmons
Bacon	Free	Luce	Sinnott
Beedy	Freeman	McFadden	Snell
Beers	French	McLeod	Snyder
Begg	Fuller	MacLafferty	Sproul, Ill.
Bixler	Garber	Magee, N. Y.	Sproul, Kans.
Blanton	Gibson	Magee, Pa.	Stephens
Boyce	Gifford	Manlove	Strong, Pa.
Brand, Ohio	Goldsborough	Mapes	Taber
Brumm	Graham, Ill.	Merritt	Temple
Burdick	Graham, Pa.	Michener	Thatcher
Burtness	Green, Iowa	Mills	Timberlake
Butler	Griest	Moore, Ill.	Tincher
Cable	Hadley	Moore, Ohio	Treadway
Cannon	Hardy	Moores, Ind.	Vaile
Chindblom	Haugen	Nelson, Me.	Vare
Christopherson	Hawes	Newton, Minn.	Vincent, Mich.
Clague	Hawley	Parker	Wainwright
Clarke, N. Y.	Hickey	Patterson	Watres
Cole, Iowa	Hill, Md.	Perkins	Watson
Connolly, Pa.	Hudson	Phillips	Welsh
Cramton	Hull, Morton D.	Porter	Wertz
Crowther	Hull, William E.	Purnell	White, Kans.
Darrow	Johnson, S. Dak.	Ransley	White, Me.
Dempsey	Johnson, Wash.	Reece	Williams, Mich.
Dickinson, Iowa	Ketcham	Reed, N. Y.	Williams, Tex.
Dyer	Kiess	Roach	Williamson
Edmonds	Kurtz	Robinson, Iowa	Winslow
Elliott	Larson, Minn.	Rogers, Mass.	Wyant
Evans, Iowa	Lea, Calif.	Sanders, Ind.	Yates
Fairchild	Leatherwood	Sanders, N. Y.	Young

ANSWERED "PRESENT"—4

Carew	Driver	Hudspeth	McLaughlin, Mich.

NOT VOTING—127

Anderson	Fredericks	McLaughlin, Nebr.	Sherwood
Bacharach	Frothingham	McNulty	Smith
Bell	Gallivan	McSwain	Stalker
Bland	Garner, Tex.	MacGregor	Steagle
Brand, Ga.	Garrett, Tenn.	Madden	Stevenson
Britten	Geran	Mansfield	Strong, Kans.
Browne, N. J.	Gilbert	Michaelson	Sullivan
Burton	Greene, Mass.	Miller, Ill.	Sweet
Byrnes, S. C.	Griffin	Milligan	Swoope
Campbell	Harrison	Montague	Tague
Canfield	Hersey	Moore, Va.	Taylor, Colo.
Clark, Fla.	Hoch	Morgan	Taylor, Tenn.
Cleary	Hooker	Morin	Thomas, Ky.
Cole, Ohio	Howard, Okla.	Morris	Tillman
Collins	Hull, Tenn.	Mudd	Tilson
Colton	Humphreys	Newton, Mo.	Tinkham
Connery	Jost	O'Brien	Tucker
Curry	Kahn	O'Sullivan	Tydings
Dallinger	Kearns	Paige	Underhill
Davey	Kendall	Park, Ga.	Upshaw
Davis, Minn.	Kerr	Peery	Vestal
Deal	Knutson	Perlman	Ward, N. Y.
Denison	Kunz	Quayle	Ward, N. C.
Dickinson, Mo.	Langley	Rainey	Wason
Dickstein	Lee, Ga.	Ramseyer	Wilson, La.
Dominick	Lilly	Reed, W. Va.	Wilson, Miss.
Doyle	Lineberger	Rogers, N. H.	Winter
Drane	Little	Romjue	Wood
Drewry	Logan	Rosenbloom	Woodruff
Evans, Mont.	Lowrey	Sabath	Wurzbach
Fenn	McDuffie	Sears, Fla.	Zihlman
Fleetwood	McKenzie	Sears, Nebr.	

So the motion of Mr. BARKLEY was agreed to.

The Clerk announced the following additional pairs:

Mr. Tague (for) with Mr. Tinkham (against).
Mr. Byrnes of South Carolina (for) with Mr. Kearns (against).
Mr. Connery (for) with Mr. Vestal (against).
Mr. Brand of Georgia (for) with Mr. Paige (against).
Mr. Carew (for) with Mr. Madden (against).
Mr. Hudspeth (for) with Mr. Strong of Kansas (against).
Mr. Bell (for) with Mr. Anderson (against).
Mr. McNulty (for) with Mr. Geran (against).
Mr. Rogers of New Hampshire (for) with Mr. Wason (against).
Mr. Wurzbach (for) with Mr. Sears of Nebraska (against).
Mr. Howard of Oklahoma (for) with Mr. Greene of Massachusetts (against).
Mr. Curry (for) with Mr. Dallinger (against).
Mr. Thomas of Kentucky (for) with Mr. Burton (against).
Mr. Gallivan (for) with Mr. Tilson (against).
Mr. Morgan (for) with Mr. Morris (against).
Mr. Hooker (for) with Mr. Wood (against).
Mr. Knutson (for) with Mr. Winter (against).
Mr. Upshaw (for) with Mr. Drewry (against).
Mr. Mansfield (for) with Mr. Underhill (against).
Mr. Woodruff (for) with Mr. McLaughlin of Michigan (against).
Mr. Stevenson (for) with Mr. Hoch (against).
Mr. Wilson of Mississippi (for) with Mr. Driver (against).
Mr. Moore of Virginia (for) with Mr. Butler (against).
Mr. Lee of Georgia (for) with Mr. Fleetwood (against).
Mr. Collins (for) with Mr. Humphreys (against).
Mr. Milligan (for) with Mr. Kendall (against).
Mr. Lineberger (for) with Mr. Fredericks (against).
Mr. O'Sullivan (for) with Mr. Fenn (against).
Mr. Sabath (for) with Mr. Kunz (against).
Mr. Logan (for) with Mr. Fish (against).
Mr. Rainey (for) with Mr. Colton (against).
Mr. Tillman (for) with Mr. McDuffie (against).
Mr. Sherwood (for) with Mr. Frothingham (against).
Mr. O'Brien (for) with Mr. Smith (against).
Mr. Dickinson of Missouri (for) with Mr. Little (against).

Mr. LOWREY. Mr. Speaker, I desire to vote "aye."

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. LOWREY. No, sir; I got here after my name was called.

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Welch, one of its clerks, announced that the Senate had passed the bill (S. 3097) to authorize the building of a bridge across the Great Peedee River, in South Carolina, in which the concurrence of the House of Representatives was requested.

SENATE BILL REFERRED

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 3097. An act to authorize the building of a bridge across the Great Peedee River, in South Carolina; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 7959. An act to provide adjusted compensation for veterans of the World War, and for other purposes.

ENROLLED BILL SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

S. 2902. An act authorizing the acquiring of Indian lands on the Fort Hall Indian Reservation, in Idaho, for reservoir purposes in connection with the Minidoka irrigation project.

ADJOURNMENT

Mr. BARKLEY. Mr. Speaker, having reached the point which we had set for ourselves in reference to this motion, which would have been reached some hours ago except for the filibustering conduct of the Republican leader, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 44 minutes p. m.) the House adjourned until to-morrow, Tuesday, May 6, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

461. A letter from the Secretary of State, transmitting request for permission to dispose of useless executive papers in the Department of State prior to the year 1909; to the Committee on Disposition of Useless Executive Papers.

462. A letter from the Acting Secretary of War, transmitting a draft of proposed legislation "to prevent counterfeiting of the form or request provided by the Government requesting a common carrier to furnish passenger transportation on account of the United States or any department thereof, and providing punishment therefor"; to the Committee on the Judiciary.

463. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Navy Department for the fiscal year ending June 30, 1924, to complete the purchase of land lying within the Naval Observatory Circle, $4,041 (H. Doc. No. 266); to the Committee on Appropriations and ordered to be printed.

464. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1924, for the construction of a road at Fort Story, Va., to remain available until June 30, 1925, $40,000, and a draft of proposed legislation to make the appropriation for fire control, Panama Canal, available until June 30, 1925 (H. Doc. No. 267); to the Committee on Appropriations and ordered to be printed.

465. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture for the fiscal year ending June 30, 1924, for the control and eradication of the coconut scale on the island of Guam, to remain available until June 30, 1925, $8,000 (H. Doc. No. 268); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PARKER: Committee on Interstate and Foreign Commerce. H. R. 5434. A bill to provide for the construction of a

public bridge across the Niagara River; without amendment (Rept. No. 657). Referred to the House Calendar.

Mr. PARKS of Arkansas: Committee on Interstate and Foreign Commerce. S. 3116. An act to authorize the Choctaw, Oklahoma & Gulf Railway Co. and the Chicago, Rock Island & Pacific Railway Co. to construct a bridge across the White River near the city of De Valls Bluff, Ark.; without amendment (Rept. No. 658). Referred to the House Calendar.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 6645. A bill to amend the national prohibition act, to provide for a bureau of prohibition in the Treasury Department, and to define its powers and duties; with amendments (Rept. No. 663). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BOX: Committee on Claims. H. R. 1082. A bill for the relief of Henry A. Kessel Co.; without amendment (Rept. No. 659). Referred to the Committee of the Whole House.

Mr. SWING: Committee on Naval Affairs. H. R. 2342. A bill for the relief of Gordon G. MacDonald; without amendment (Rept. No. 660). Referred to the Committee of the Whole House.

Mr. STEPHENS: Committee on Naval Affairs. H. R. 2418. A bill for the relief of Russell H. Lindsay; with amendments (Rept. No. 661). Referred to the Committee of the Whole House.

Mr. ANDREW: Committee on Naval Affairs. H. R. 2921. A bill for the relief of Paymaster Herbert Elliott Stevens, United States Navy; without amendment (Rept. No. 662). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MILLS: A bill (H. R. 9075) to amend the act entitled "An act authorizing suits against the United States in admiralty, suits for salvage service, and providing for the release of merchant vessels belonging to the United States from arrest and attachment in foreign jurisdictions, and for other purposes," approved March 9, 1920; to the Committee on the Judiciary.

By Mr. GREEN of Iowa: A bill (H. R. 9076) to amend sections 2 and 5 of the act entitled "An act to provide the necessary organization of the customs service for an adequate administration and enforcement of the tariff act of 1922 and all other custom revenue laws," approved March 4, 1923; to the Committee on Ways and Means.

By Mr. COLLIER: A bill (H. R. 9077) granting the consent of Congress to the board of supervisors of Hinds County, Miss., to construct a bridge across the Pearl River, in the State of Mississippi; to the Committee on Interstate and Foreign Commerce.

By Mr. FULMER: A bill (H. R. 9078) to authorize the Secretary of the Treasury to acquire by condemnation or otherwise such additional land in the city of Sumter, S. C., as may be necessary for the extension and remodeling of the post-office building in said city, to cause said building to be extended and remodeled, and authorizing an appropriation therefor; to the Committee on Public Buildings and Grounds.

By Mr. GARBER: A bill (H. R. 9079) to extend the limitations of time upon the issuance of medals of honor, distinguished-service crosses, and distinguished-service medals to persons who served in the Army or Navy of the United States during the Spanish War; to the Committee on Military Affairs.

By Mr. ROGERS of Massachusetts: Joint resolution (H. J. Res. 255) establishing a commission for the participation of the United States in the observance of the one hundred and fiftieth anniversary of the Battle of Lexington and Concord, authorizing an appropriation to be utilized in connection with such observance, and for other purposes; to the Committee on the Library.

By Mr. DALLINGER: Joint resolution (H. J. Res. 256) establishing a commission for the participation of the United States in the observance of the one hundred and fiftieth anniversary of the Battle of Lexington and Concord, authorizing an appropriation to be utilized in connection with such observance, and for other purposes; to the Committee on the Library.

By Mr. LUCE: Joint resolution (H. J. Res. 257) providing for the procurement of a design for the use of grounds in the vicinity of the Mall by the United States Botanic Garden; to the Committee on the Library.

By Mr. ROUSE: Resolution (H. Res. 284) to make the survey necessary for the purpose of determining the feasibility and practicability of building, constructing, and maintaining a military road between Camp Knox Military Reservation in Hardin County, Ky., and Fort Thomas Military Reservation in Campbell County, Ky.; to the Committee on Military Affairs.

By Mr. LEA of California: Resolution (H. Res. 285) to amend Rule XXVII of the House of Representatives; to the Committee on Rules.

By Mr. BRITTEN: Resolution (H. Res. 286) authorizing and directing the Secretary of the Navy to furnish to the House of Representatives information concerning the United States Navy; to the Committee on Naval Affairs.

By Mr. ROGERS of Massachusetts: Resolution (H. Res. 287) requesting the Secretary of the Navy to advise the House of Representatives as to the type and relative strength of the United States Navy as compared with Great Britain and Japan; to the Committee on Naval Affairs.

By Mr. RATHBONE: Resolution (H. Res. 288) authorizing the appointment of August N. Buehne receiving clerk for the House of Representatives; to the Committee on Accounts.

By Mr. GRIEST: Resolution (H. Res. 290) making in order a motion to suspend the rules; to the Committee on Rules.

By Mr. DEMPSEY: Resolution (H. Res. 291) for the consideration of H. R. 8914, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOIES: A bill (H. R. 9080) for the relief of Christina Conniff; to the Committee on Claims.

By Mr. BURTNESS: A bill (H. R. 9081) granting a patent to Paul Welo; to the Committee on Public Lands.

By Mr. GARBER: A bill (H. R. 9082) to award a medal of honor to Corp. William Otjen; to the Committee on Military Affairs.

By Mr. MORTON D. HULL: A bill (H. R. 9083) for the relief of Elizabeth B. Githens; to the Committee on Claims.

By Mr. LOZIER: A bill (H. R. 9084) granting a pension to Francis M. Alderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9085) granting a pension to Sarah Jane Alderson; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 9086) for the relief of Francis B. McCloskey; to the Committee on Military Affairs.

By Mr. MAJOR of Illinois: A bill (H. R. 9087) for the relief of Lieut. Col. Charles Burnett, Cavalry; Maj. Philip R. Faymonville, Ordnance Department; First Lieut. Warren J. Clear, Infantry; and Second Lieut. Thomas G. Cranford, jr., Coast Artillery Corps; to the Committee on Military Affairs.

Also, a bill (H. R. 9088) granting an increase of pension to Ruth M. E. Standage; to the Committee on Pensions.

By Mr. MERRITT: A bill (H. R. 9089) granting a pension to Annie Davis Delevan; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 9090) granting an increase of pension to Eliza A. O'Connor; to the Committee on Invalid Pensions.

By Mr. COLE of Ohio: Resolution (H. Res. 289) to pay Edward F. Janifer additional compensation as janitor to the Committee on Elections No. 1; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2670. By the SPEAKER (by request): Petition of the American Chemical Society, favoring the enactment of legislation to permit the attendance by the scientists of the Government as heads of departments may designate at scientific congresses, conventions, and meetings in the United States and other countries; to the Committee on Foreign Affairs.

2671. Also (by request), petition of the Trenton Council of Churches, Trenton, N. J., urging Congress to reconsider its action in the matter of Japanese immigration; to the Committee on Immigration and Naturalization.

2672. Also (by request), petition of Rope Paper Sack Manufacturers' Association, Providence, R. I., favoring the compilation, tabulation, and exchange of trade information under public regulation; to the Committee on Interstate and Foreign Commerce.

2673. By Mr. CULLEN: Petition of Dayton Post, No. 5, the American Legion, indorsing House bill 244, introduced by Hon. Roy C. Fitzgerald, to appoint a committee of five Members of the House of Representatives to investigate the National Home for Disabled Volunteer Soldiers to determine whether prevailing conditions there are caused by lack of appropriation; to the Committee on Military Affairs.

2674. By Mr. DARROW: Petition of the Philadelphia Bourse, protesting against the passage of the Howell-Barkley railroad labor bill; to the Committee on Interstate and Foreign Commerce.

2675. Also, petition of the Clerks' Association of the Operating Department, Pennsylvania Railroad system, eastern region, opposing the enactment of restrictive railroad legislation; to the Committee on Interstate and Foreign Commerce.

2676. By Mr. FULLER: Petitions of members of Locomotive Firemen, Helpers, Hostlers, and Hostler Helpers, and locomotive engineers' associations of sundry railroads, favoring the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2677. Also, petition of the Sycamore National Bank and the Citizens' National Bank, both of Sycamore, Ill., favoring enactment of the McNary-Haugen bill; to the Committee on Agriculture.

2678. Also, petition of officers of the Mechanical Department Association of the Chicago, Burlington & Quincy Railroad, opposing the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2679. By Mr. GALLIVAN: Petition of 55,000 engineers, firemen, helpers, hostlers, and hostler helpers, employed on 95 railroads operating approximately 150,000 miles of track in the western, southwestern, and northwestern territories, recommending early and favorable action on the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2680. By Mr. HICKEY: Memorial of Mrs. W. E. Bierly and others, of St. Joseph County, Ind., concerning the enforcement of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2681. By Mr. HUDSON: Petition of Homer L. Doyle, author of History of Peace and several plans for world-wide peace, favoring the passage of an act authorizing and requesting the President of the United States to call an international conference of all nations for purpose of establishing and maintaining an international relief bureau to relieve suffering caused by famine, epidemic, and calamities of all nations; to the Committee on Foreign Affairs.

2682. Also, petition of the Presbytery of Lansing, Mich., of the Presbyterian Churches in the United States of America, indorsing the proposed constitutional amendment to prohibit sectarian appropriations (H. J. Res. 159); to the Committee on the Judiciary.

2683. By Mr. KIESS: Petition of employees of the Reading Railroad at Newberry Junction, Pa., protesting against the passage of H. R. 7358, known as the Barkley bill; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, *May 6, 1924*

(Legislative day of Monday, May 5, 1924)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Curtis	Hale	McKinley
Ashurst	Dale	Harreld	McLean
Ball	Dial	Harris	McNary
Borah	Dill	Harrison	Mayfield
Brandegee	Edge	Howell	Moses
Brookhart	Edwards	Johnson, Calif.	Neely
Broussard	Ernst	Johnson, Minn.	Norbeck
Bruce	Fernald	Jones, N. Mex.	Norris
Bursum	Ferris	Jones, Wash.	Oddie
Cameron	Fess	Kendrick	Overman
Capper	Fletcher	Keyes	Pepper
Caraway	Frazier	King	Phipps
Colt	George	Ladd	Pittman
Copeland	Gerry	Lodge	Reed, Mo.
Cummins	Gooding	McKellar	Reed, Pa.
Robinson	Simmons	Stanley	Walsh, Mass.
Sheppard	Smith	Stephens	Walsh, Mont.
Shields	Smoot	Sterling	Warren
Shipstead	Spencer	Swanson	Watson
Shortridge	Stanfield	Wadsworth	Willis

Mr. CURTIS. I wish to announce that the Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Eighty Senators have answered to their names. There is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker of the House had signed the enrolled bill (S. 2902) authorizing the acquiring of Indian lands on the Fort Hall Indian Reservation, in Idaho, for reservoir purposes in connection with the Minidoka irrigation project, and it was thereupon signed by the President pro tempore.

PETITIONS AND MEMORIALS

Mr. FESS presented resolutions adopted by the Lindenwald Woman's Christian Temperance Union, at Hamilton, Ohio, favoring an appropriation to enable the United States to participate in the forthcoming international conference for the suppression of the narcotic traffic, which were referred to the Committee on Foreign Relations.

He also presented resolutions adopted at a meeting held under the auspices of a committee of the Jugoslav Workingmen Benevolent Organizations, at Bellaire, Ohio, remonstrating against the passage of legislation discriminating against foreign-born workers desirous of emigrating to the United States, which were referred to the Committee on Immigration.

He also presented resolutions adopted by Middletown Post, No. 218, the American Legion, at Middletown, Ohio, favoring the passage of legislation restricting immigration in any one year to 2 per cent quotas based on the 1890 census, etc., which were referred to the Committee on Immigration.

He also presented a resolution adopted by Middletown Post, No. 218, the American Legion, at Middletown, Ohio, favoring appropriations to properly maintain the several branches of the National Home for Disabled Volunteer Soldiers, which was referred to the Committee on Military Affairs.

Mr. WILLIS presented resolutions adopted by the Men's Church Club, of Maumee, Ohio, favoring the maintenance of an adequate Army and that sufficient appropriation be made to develop and train to a point of efficiency at least one-third of the Organized Reserves each year, which were referred to the Committee on Appropriations.

REPORTS OF COMMITTEES

Mr. LADD, from the Committee on Public Lands and Surveys, to which was referred the joint resolution (H. J. Res. 237) directing the Secretary of the Interior to withhold his approval of the adjustment of the Northern Pacific land grants, and for other purposes, reported it with amendments and submitted a report (No. 504) thereon.

Mr. GOODING, from the Committee on Interstate Commerce, to which was referred the bill (S. 863) for the protection of persons employed on railway baggage cars and railway express cars, reported it with amendments and submitted a report (No. 505) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 3246) granting a pension to Maria L. Peirce; to the Committee on Pensions.

By Mr. HARRELD:

A bill (S. 3247) providing for the payment of any unappropriated moneys belonging to the Apache, Kiowa, and Comanche Indians to Jacob Crew; to the Committee on Indian Affairs.

By Mr. WADSWORTH:

A bill (S. 3248) providing for sundry matters affecting the Military Establishment; to the Committee on Military Affairs.

A bill (S. 3249) granting the consent of Congress to the construction of a bridge across the Niagara River and Black Rock Canal; to the Committee on Commerce.

By Mr. DIAL:

A bill (S. 3250) to pension soldiers and sailors of the war with Spain; to the Committee on Pensions.

By Mr. WARREN:

A bill (S. 3251) for the relief of Elizabeth W. Kieffer; to the Committee on Post Offices and Post Roads.

By Mr. COLT:

A bill (S. 3252) referring the claim of the State of Rhode Island for expenses during the war with Spain to the Court of Claims for adjudication; to the Committee on Claims.

By Mr. DIAL:

A joint resolution (S. J. Res. 121) to create a body corporate by the name of the "Alien Property Trade Investment Corporation"; to the Committee on Agriculture and Forestry.

SALARIES IN THE POSTAL SERVICE

Mr. LODGE submitted two amendments intended to be proposed by him to the bill (S. 1898) to readjust the compensation of postmasters and reclassify and readjust the salaries and compensation of employees in the Postal Service, which were ordered to lie on the table and to be printed.

CAMPAIGN CONTRIBUTIONS

Mr. BORAH submitted an amendment intended to be proposed by him to the bill (S. 3114) to limit campaign contributions in presidential, senatorial, and congressional elections, which was referred to the Committee on Privileges and Elections and ordered to be printed.

AMENDMENT TO AGRICULTURAL RELIEF BILL

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 7111) to promote American agriculture by making more extensively available and by expanding the service now rendered by the Department of Agriculture in gathering and disseminating information regarding agricultural production, competition, and demand in foreign countries in promoting the sale of farm products abroad, and in other ways, which was ordered to lie on the table and to be printed.

PERMANENT COURT OF INTERNATIONAL JUSTICE

Mr. SWANSON submitted the following resolution (S. Res. 220), which was referred to the Committee on Foreign Relations:

Whereas the President, under date of February 24, 1923, transmitted a message to the Senate accompanied by a letter from the Secretary of State, dated February 17, 1923, asking the favorable advice and consent of the Senate to the adhesion on the part of the United States to the protocol of December 16, 1920, of signature of the statute for the Permanent Court of International Justice, set out in the said message of the President (without accepting or agreeing to the optional clause for compulsory jurisdiction contained therein) upon the conditions and understandings hereafter stated, to be made a part of the instrument of adhesion; Be it

Resolved (*two-thirds of the Senators present concurring*), That the Senate advise and consent to the adhesion on the part of the United States to the said protocol of December 16, 1920, and the adjoined statute for the Permanent Court of International Justice (without accepting or agreeing to the optional clause for compulsory jurisdiction contained in said statute) and that the signature of the United States be affixed to the said protocol; subject to the following reservations and understandings which are hereby made a part and condition of this resolution, namely:

I. That such adhesion shall not be taken to involve any legal relation on the part of the United States to the League of Nations or the assumption of any obligations by the United States under the covenant of the League of Nations constituting Part I of the treaty of Versailles.

II. That the United States shall be permitted to participate through representatives designated for the purpose and upon an equality with the other States, members respectively of the Council and Assembly of the League of Nations, in any and all proceedings of either the council or the assembly for the election of judges or deputy judges of the Permanent Court of International Justice, or for the filling of vacancies.

III. That the United States will pay a fair share of the expenses of the court as determined and appropriated from time to time by the Congress of the United States.

IV. That the statute for the Permanent Court of International Justice adjoined to the protocol shall not be amended without the consent of the United States.

The signature of the United States to the said protocol shall not be affixed until the powers signatory to such protocol shall have indicated, through an exchange of notes, their acceptance of the foregoing reservations and understandings as a part and a condition of adhesion by the United States to the said protocol.

INVESTIGATION OF INTERNAL REVENUE BUREAU

The PRESIDENT pro tempore. The Chair lays before the Senate the resolution (S. Res. 211) which will be read.

The reading clerk read Senate Resolution 211, submitted by Mr. JONES of New Mexico on the calendar day of April 11, 1924, and referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That in addition to the powers conferred upon the select committee appointed under the provisions of Senate Resolution 168, as recited therein, said committee be, and it hereby is, authorized in its discretion to employ counsel and such other agents, experts, and accountants as in its judgment may be necessary to aid in the investigation authorized under said resolution.

Mr. WATSON. Mr. President, has the resolution been reported from the committee to which it was referred.

Mr. ROBINSON. The unanimous-consent agreement entered into some time ago has the effect of discharging the Committee to Audit and Control the Contingent Expenses of the Senate from the consideration of the resolution. That committee, according to the information which I have, has not formally reported upon the resolution. If the Senator from Indiana desires to have the committee submit its report, I have no objection to that course, but I suggest to the Senator that the Senate has agreed by unanimous consent to proceed to the consideration of the resolution. If the committee is ready to submit a report I have no objection to its doing so.

Mr. WATSON. I refer it to the Senator from New Hampshire [Mr. KEYES], the chairman of the committee.

Mr. KEYES. Mr. President, the resolution, I understand, is still in the committee and has not been reported out. I realize very well that the Senate desires to act upon the resolution and the committee certainly has no desire to delay action.

The resolution is an amendment to a resolution agreed to some time ago, introduced by the Senator from Michigan [Mr. COUZENS]. At the time that resolution was introduced the Senator from Michigan had the idea that he might want to employ certain assistants, possibly counsel. In consulting with him I tried to impress upon him the attitude of the Committee to Audit and Control the Contingent Expenses of the Senate to the effect that we were desirous, if possible, to keep down the expenses of counsel fees and other expenses of committees. That was the policy adopted at the beginning of the session by our Committee on Contingent Expenses. After explaining the situation to the Senator from Michigan he agreed to an amendment to his resolution and his resolution as amended was reported from the committee and adopted by the Senate.

Senate Resolution 211, submitted by the Senator from New Mexico [Mr. JONES], is an amendment to the original resolution introduced by the Senator from Michigan [Mr. COUZENS]. I want to call attention to the language of the resolution of the Senator from New Mexico. It not only authorizes the employment of counsel but "such other agents, experts, and accountants as in its judgment may be necessary to aid in the investigation authorized under said resolution."

Of course that is pretty broad language and goes far beyond what was contemplated in the original resolution. We have had a statement presented recently by the chairman of the Committee on Appropriations as to the large amount of expenditures from the contingent fund of the Senate. If it is the desire of the Senate to make such a broad authorization of course the Senate can do so. The committee has endeavored carefully and seriously to hold down expenditures so far as possible. In this case I feel as I did when the resolution was first introduced. I am opposed to the employment of counsel except in very unusual cases. The committee at the present time is not agreed on the resolution and I am sure we can not agree. For that reason I ask that the committee be discharged from further consideration of the resolution.

The PRESIDENT pro tempore. The Chair ought to state at this point that in its opinion the Senate can proceed to consider the report of the Committee to Audit and Control the Contingent Expenses of the Senate only by unanimous consent.

Mr. ROBINSON. Mr. President, I do not assent to the suggestion of the Chair, and I inquire if the Chair has examined the unanimous-consent agreement under which we are already proceeding. The Senate on April 22 last entered into the following agreement.

Ordered, by unanimous consent, that on the 6th day of May, 1924, immediately after the conclusion of the routine morning business, the Senate proceed to the consideration of the resolution (S. Res. 211) authorizing the Select Committee to Investigate the Bureau of Internal Revenue, to employ counsel and other agents, and that immediately after, and so forth.

The legal effect of that agreement is to discharge the Committee to Audit and Control the Contingent Expenses of the Senate from the consideration of the resolution, and while, as I said a moment ago, if the committee is ready to report I

have no objection to its doing so, I do not for a moment consider that if any Senator objects to the committee submitting its report the Senate can not proceed to the consideration of the resolution.

The PRESIDENT pro tempore. The Chair is of the opinion that Senate Resolution 211 is before the Senate and can be considered.

Mr. ROBINSON. Very well.

The PRESIDENT pro tempore. But when it is proposed to consider the report of the Committee to Audit and Control the Contingent Expenses of the Senate, it seems to the Chair that it would require unanimous consent to do so.

Mr. ROBINSON. The Chair is correct about that. The Senator from Arkansas misunderstood the first announcement of the Chair. He understood the Chair to say that the Senate could not proceed with the consideration of the Jones resolution except by unanimous consent.

The PRESIDENT pro tempore. The Chair did not so suggest. The Chair is of the opinion that the Senate can proceed to consider the resolution.

Mr. ROBINSON. Then, the resolution is before the Senate?

The PRESIDENT pro tempore. The resolution is before the Senate.

Mr. ROBINSON. Mr. President, I feel it my duty to make——

Mr. WATSON. Mr. President, will the Senator from Arkansas yield?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Indiana?

Mr. ROBINSON. I yield to the Senator.

Mr. WATSON. Does the Senator from Arkansas now intend to address himself to the merits of the Jones resolution?

Mr. ROBINSON. Yes; the Senator from Arkansas intends to make a statement respecting the resolution.

Mr. WATSON. Would it relieve the Senator from Arkansas from any embarrassment and save time if I should say that I have no objection to the adoption of the resolution?

Mr. ROBINSON. I anticipate, Mr. President, that the resolution will pass, but I feel it my duty to make a statement respecting the subject before the resolution shall be voted upon.

Mr. NORRIS. Mr. President, may I interrupt the Senator from Arkansas in order to ask the Senator from Indiana whether at the conclusion of this discussion, and the action of the Senate on the resolution, he intends to avail himself of that part of the unanimous-consent agreement which will put the resolution discharging the committee before the Senate?

Mr. ROBINSON. I yield to the Senator from Nebraska for that purpose.

Mr. NORRIS. I should like to know whether, when the Senate shall have disposed of the pending resolution, it is the intention of the Senator from Indiana to ask for the consideration of his resolution discharging the committee?

Mr. WATSON. It is not.

Mr. ROBINSON. Mr. President, the Senator from Indiana has just stated that he has abandoned any purpose to prosecute the resolution which he presented on a former day.

Mr. NORRIS. Now, Mr. President, may I again interrupt the Senator from Arkansas?

Mr. ROBINSON. I yield to the Senator.

Mr. NORRIS. I am moved to interrupt again by the statement which the Senator from Arkansas has just made in which, I think, he has misquoted the Senator from Indiana. The Senator from Indiana simply said that he would not ask consideration of his resolution now. He may take it up later. I myself think we ought to have an understanding as to whether or not the resolution is going to come up at all, because there will be no use adopting one resolution if the other one is also to be adopted.

Mr. ROBINSON. I do not think I misunderstood the Senator from Indiana; I think I correctly interpreted what he stated. I ask the Senator from Indiana whether or not I misquoted him or misunderstood his statement?

Mr. WATSON. Mr. President, answering both the Senators, I will say that I have no intention whatever at this time of ever pressing that resolution.

Mr. NORRIS. That answers the question.

Mr. ROBINSON. Mr. President, the newspapers this morning contain a statement, published by Mr. George B. Lockwood, severely criticizing and attacking the Senate committees which, under the order of this body, have carried on investigations, and particularly that committee of which the Senator from Idaho [Mr. BORAH] is the chairman, and which is charged with the investigation of the alleged conduct of the Senator from Montana [Mr. WHEELER]. Ordinarily I would not take the time of the Senate to discuss such announcements and criticisms, but manifestly Mr. Lockwood has done or has attempted to do an injustice not only to the Senators from Montana but also to the Senate committees. He has even arraigned the leaders of the majority in the Senate and denounced them for their alleged failure to defend acts and transactions on the part of Government officers which have been in part the subject matter of the investigations to which I have referred.

While I do not feel myself bound to enter into any defense of those who sit on the majority side of the Chamber, I do feel that it is fair to say to the Senate and to the public that the arraignment and criticism of the Senator from Montana [Mr. WALSH] and the denunciation of the Senator from Montana [Mr. WHEELER] by Mr. Lockwood challenge the attention of every Senator. Mr. Lockwood is the secretary of the Republican National Committee. It appears from his statements that the organization with which he is associated has employed a number of agents or detectives to investigate into the private or personal conduct of the two Senators from Montana and that he and his agents have been instrumental in securing an indictment to be brought against the junior Senator from Montana [Mr. WHEELER]. Mr. Lockwood is particularly impatient and bitter when he speaks of the failure of majority Senators to defend the transactions which, in my judgment, have justly received criticism not only in the Senate but throughout the country.

Let me say that it is to the credit of a public officer, whether he sits in the Senate or serves in another capacity, that he is unwilling to abuse his power or to prostitute his ability to the defense of acts which are detrimental to the public. It is greatly to his credit that he declines, even for partisan reasons, to stand sponsor for transactions which have resulted in great loss to the public and in criticism of some of the departments of the Government.

It must be borne in mind that the avowed purpose of Mr. Lockwood is political. He has not entered into the controversy and his agents have not performed their functions from any desire to improve the public service but solely to bolster up a defense for acts which can not justly be defended.

Mr. Lockwood's statement appears in the New York Times, and he declares that—

> semiofficial secret agents of the Senate are trying "to intimidate and discredit Government witnesses in the Wheeler case since their arrival in Washington, even going to the lengths of attempted bribery, with the tapping of telephone wires, fake telephone messages notifying the witnesses of impending arrest, open street stalking, as well as secret shadowing of those not yet intimidated by the Senate reign of terror."

No explanation is offered by Mr. Lockwood why the facts which he alleges to exist have not been brought to the attention of the Senator from Idaho and of the other members who compose the committee.

The members of that committee are the Senator from Idaho [Mr. BORAH], chairman, the Senator from Oregon [Mr. MCNARY], the Senator from South Dakota [Mr. STERLING], the Senator from Virginia [Mr. SWANSON], and the Senator from Arkansas [Mr. CARAWAY]. It is inconceivable to me—and I believe every Senator, without regard to the position that he occupies in this Chamber, will hold the same viewpoint—that these Senators, or any one of them, would be a party to such acts and proceedings as Mr. Lockwood charges against what he terms their "semiofficial agents." It would be interesting to know, if such incidents as he recites have occurred, why they have not been brought to the attention of the Senator from Idaho or of some other member of the committee of which the Senator from Idaho is the chairman. It would seem, Mr. President, to be a bold effort upon the part of a politician to make a political issue of something which no honest Senator would consent shall become a political issue.

I am not sensitive upon the subject of politics; it does not wound my feelings to have a political adversary charge that my motive in taking a given action is political, since this charge merely reflects an opinion; but the statement which Mr. Lockwood makes goes to the integrity of the Senate committee, and of every member of it, and I feel justified in saying that I do not believe there is one word of truth in his declaration.

I do not believe that the Senator from Idaho [Mr. BORAH] or any member of the committee of which he is the chairman would be a party to any such transactions as are recited by the gentleman to whom I have referred.

The statement by Mr. Lockwood is significant in the fact that he apparently has anticipated the decision and report of the special committee investigating the Senator from Montana [Mr. WHEELER]. He has declared in the statement, a part of which I have read, that evidence exists, and is in his possession, which the committee has not seen, which discloses culpability upon

the part of the junior Senator from Montana. Clearly, Mr. President, in so far as his statement relates to the junior Senator from Montana [Mr. WHEELER], it is an effort to raise a false political issue. No Senator, whatever his politics, would be willing to see a fellow Member of the Senate discredited or abused, charged with criminal or other misconduct, when no foundation exists for such charges except the fancy of some one who has or imagines he has a conflicting political interest. When the secretary of the National Republican Committee, denouncing the majority Members of the Senate as cowards, criticizes the Senator from Idaho and his committee for permitting their semiofficial agents to practice bribery, to resort to intimidation and other forms of criminal practices, he establishes, in my conviction, his own insincerity and an utter lack of foundation for the position which he takes.

If his purpose had been an honest one, a frank one, he should have laid before the committee investigating the matter the information which he possesses, if he has any information. He is not an official of the Government; he is an official of a political party, and the only purpose that he has or avows is to obtain political benefit or advantage by offsetting the results of the efforts made by the junior Senator from Montana in his investigations into the Department of Justice by discrediting the junior Senator from Montana and putting him in a position where his efforts may not prove fruitful or beneficial to the public.

The reason why majority Senators have not defended the dissipation of the naval oil reserves, the reason why no Senator has dared to defend that transaction, is because it was a dishonest transaction, one which is offensive to all who seriously consider the rights of the public.

The secretary of the National Republican Committee declares that—

> My only regret is that the officials of the Republican National Committee have been compelled to stand so nearly alone in the effort to expose the true motives of those who for weeks have been staging an orgy of gossip, heavily paid for by the taxpayers of the country, by the Senate in wasted time, and by the people of the country in impaired business conditions.

That statement is an attempted vindication and justification of acts and proceedings which have been condemned not only by the Senate but by the people of the United States with respect to the leasing of the naval oil reserves. It is not my purpose now to review the details of the evidence which has been disclosed by the committees making these investigations. The evidence was sufficient to justify the Senate in passing with practical unanimity a resolution declaring that the leases had been entered into in violation of law and in disregard of the public interest. The evidence was sufficient to prompt the Senate to pass unanimously a resolution instructing the Executive to cause proceedings to be instituted for recovery of the property that had been recklessly bartered away by public officials who had been unmindful of their duty, and some of whom have been shown to have been corrupt. But the secretary of the National Republican Committee thinks that a Senator, merely because he is a Republican, ought to defend such transactions, and that the Senator who refuses to do it deserves to be designated as a coward.

I say to you that it takes more courage under such circumstances to do one's duty, to let be exposed those who belong to one's political party, than it does to pursue the course which Mr. Lockwood has pursued. Senators can not defend dishonesty in public office. Senators can not vindicate inefficiency in public office. Senators can not cover up or conceal the waste of national resources; and it is a sorry day for any interest that ought to be conserved when the authorized representative of a political party uses the prestige and influence that he has by reason of his position not only to condemn public officers who are trying to do their duty but to denounce others who are unwilling to prostitute their power to advance corrupt and crooked ends.

But the specialty of the secretary of the Republican National Committee is abuse and defamation of the Senators from Montana. He makes a bitter attack upon the senior Senator from Montana [Mr. WALSH].

Mr. REED of Missouri and Mr. BORAH addressed the Chair.

Mr. ROBINSON. I yield first to the Senator from Missouri.

Mr. REED of Missouri. Mr. President, the Senator has just said that no Senator could afford to defend corruption in public place, or the reckless waste of the public resources. I agree with him as to that. Does the Senator think that any honest or decent man, even though he be the secretary of the Republican National Committee, can afford to do it?

Mr. ROBINSON. I do not think any man, whatever his position, can afford to put himself in opposition to uncovering fraud against the Government that protects him.

I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, I have no desire, prior to the coming in of the report, to discuss the proceedings of the committee of which I have the honor to be chairman. There will come a time when the report will be here and the evidence will be here and it will be fully discussed, at which time I shall undertake to deal both with the evidence and with the parties who have views about the evidence which they have expressed.

I do want to say at this time, however, in order that there may be no misunderstanding, that a list of witnesses was given to the chairman of the committee by the party whom Mr. Lockwood sent to Montana. He was asked for a list of witnesses to sustain any view which they might entertain with regard to this matter, and every witness was subpœnaed. Every witness whose name was given has been put upon the witness stand except one, whom we have not yet been able to reach. He is said to be in Canada. We expect in all probability to reach him. So if there is any witness who has not been called it is because his name has not been given to the committee. Permit me to say further that any witness whose name is given to the committee whom anyone will vouch for as knowing anything concerning this matter will be called.

Furthermore, Mr. President, we have called every witness who was in position to know any of the facts concerning this transaction so far as we could ascertain. We called the witness who had to do with the original contract of employment. We called the witness who made the contract. We called the general attorney for the party for whom Mr. WHEELER was special attorney. We called Governor Spry, the head of the Land Department here. We called the Solicitor of the Land Department here. We called the land attorney who represented Mr. Campbell here in the city of Washington. I have written the Attorney General for any facts or documents which he may desire or which he may be willing to submit. So far as we have been able to ascertain, we have called any and all who could possibly be in a position to know anything concerning the facts, and I think the report will speak for itself when it comes in. It may not speak all that will be necessary to be spoken as the discussion proceeds, but it will speak all that is necessary and proper with reference to the particular subject matter which we are investigating.

Mr. ROBINSON. Mr. President, neither I nor those who hear me nor the people of the country need any assurance that the special committee investigating the Wheeler case will do its duty, and do it frankly and fearlessly. The Senator from Idaho [Mr. BORAH] has served in this body a great number of years. He enjoys the confidence and the respect of every Member of the Senate. There is no distinction as to whether one sits on the other side or on this; we all love and honor him, because we know he is an honest man. The committee are able and just Senators.

I can not find language in this assembly with which appropriately to characterize the passage I read in which Mr. Lockwood asserts that the agents of the committee have been practicing bribery and intimidation. I knew it was false when I read it, and every Senator knows it is false.

When I was interrupted I was about to refer to other statements contained in Mr. Lockwood's declaration. He said:

> The only differences between the Republican national organization and the two Montana Senators who have been most conspicuous in running the scandal mills on Capitol Hill is that these Senators have been conducting inquisitions into the conduct of organizations, officials, and individuals they seek to blacken and destroy, at great public expense, through witnesses, many of them disreputable, who testify to gossip and hearsay, while this organization has been investigating at its own expense the political and official records of these two chief inquisitors to determine whether they are prompted in their activities by a sense of public duty or by political motives that will not stand the light of day.
>
> The information collected has not been secured from train robbers, murderers, blackmailers, and bootleggers to be broadcast through the public press to satisfy the prurient demand for personal scandal.

What Senator reading that declaration would identify as the persons referred to the senior Senator from Montana [Mr. WALSH] and his colleague, the junior Senator from Montana [Mr. WHEELER]? The task which the senior Senator from Montana has been called to perform has been a difficult one. It has been performed in the face of difficulties which would have

crushed almost any other great lawyer, but, in the main, it has been discharged with signal ability and effectiveness.

It is the thanks which a public officer sometimes receives for doing his duty, and doing it fearlessly, that he is denounced and characterized as a scandalmonger. It sometimes happens that the best work of our lives goes unappreciated. It occasionly occurs that pure motives are misunderstood, and, when misrepresented, reflect upon one who is high-minded.

I say upon my responsibility as a public officer and a private citizen that in the roll of the Senate there is not an abler, braver public officer than TOM J. WALSH of Montana. From the hour when his skill revealed the baseness, the crookedness, and the contemptible rascality of those who were stealing the property of the people of the United States, he has been the target of every poisoned arrow that malice could design. Every act of his life, private and public, has been gone over in the hope that the "low-down," as one newspaper man expressed it, might be obtained against him, but with an army of secret service men, who ought to have been performing duties for the committee of which Senator WALSH is the most active member, pursuing him by day and by night, with the agencies of the Department of Justice training against him, they found no act, public or private, which reflected on him as a man or as an officer. Now, for political purposes, denouncing you Senators because you are unwilling to lend yourselves to cowardly practices, the secretary of the National Republican Committee seeks to make the name and the performances of the Senator from Montana odious before the public.

What had the Senator from Montana to accomplish by turning the light fully on Fall, Sinclair, and Doheny? Nothing except to discharge the duty which he owed to his country and to his office, and that he has performed that duty with signal effectiveness is emphasized by the manner in which he is hounded by the agents of those whose conception of public office and public duty is the concealment of wrong, the covering up of fraud, the condoning of corruption.

The Senator from Idaho [Mr. BORAH] recently stated to the Senate since I took the floor what action his committee has taken, a majority of them Republicans, all of the committee good men and true, who would not be influenced in their investigations and decisions touching such questions by any consideration of party or personal advantage. Every witness whose name has been furnished has been called, and while the Senator from Idaho [Mr. BORAH] did not say so, no doubt not desiring to anticipate the report of his committee, the implication to my mind was clear, that there is nothing against the junior Senator from Montana [Mr. WHEELER] except that he made it uncomfortable for crooks in office.

When the time comes that Senators shall be indicted in order to intimidate them in the performance of their duty, then the Senate owes it to itself to take the course necessary to protect its Members. I apprehend that Mr. Lockwood will be given an opportunity to tell what he knows, to explain why he has locked his information within the recesses of his own conscience; to justify withholding from the committee and the public the information which he says, in the concluding paragraph of his statement, warrants the indictment against the Senator from Montana [Mr. WHEELER].

Reference was made a moment ago by the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate to expenditures of the Senate on account of investigations. Other statements have been made respecting that subject. It is of course desirable that the cost of such investigations be reduced to the lowest practicable minimum consistent with the effective performance of their duties by the various committees. I happen to have a statement which relates to the costs of the investigations. The following separate items enter into the total, which it is urged by some is exceedingly high, of sums paid out by the Senate in its effort to obtain information essential to the performance of its duty.

First, there is the committee investigating the causes of the decrease in gold and silver values, which has spent $56,409.86. No suggestion has been made that the expenditures by that committee have been improvident or unwise.

The committee investigating the Veterans' Bureau has spent $45,902.67. Differences of opinion may exist as to whether the investigation resulted in relieving the Veterans' Bureau of incompetence, inefficiency, and corruption in office. Differences may exist about it, but no Senator here will say that the expenditures should not have been made. When we contemplate some of the disclosures made in that investigation, we pay little attention to the complaint heard from some sources that it has had a deleterious effect upon public opinion, and has caused many people to lose confidence in their Government. It would seem to you and to me that if any department of the Government would be honestly and fairly administered it would be such an institution as the Veterans' Bureau; but we have expended more than $45,000 in investigating that bureau, with results that are well known. No Senator and no other person familiar with the result would dare denounce or decry the investigation.

Then we have the committee investigating the naval oil reserves, which has expended $32,803.03. That is the committee of which the Senator from Montana [Mr. WALSH] has been the active leader. The amount named includes $12,000 for the services of geologists. The majority of the committee is composed of Republicans. It is in their power at any time they desire or dare to close the investigation and to stop the expenditures.

That committee was not provided with numerous agents and high-salaried detectives. That committee has not received the support of the Department of Justice. Instead of receiving the assistance of the Attorney General and the countless secret-service agents and spies under him the committee has been checkmated at every turn by the very agents who ought to have been serving them. But in spite of the difficulties under which they labored they have accomplished results which are about to be overlooked, but which must not be forgotten. They are recovering back treasures belonging to the people of the United States worth hundreds of millions of dollars.

When we consider the fact that the Committee on Public Lands and Surveys investigating the naval oil reserve leases was unprovided with adequate agents and investigators and that they were opposed at every turn by the agents of the Government who ought to have been helping them, it is not surprising that in many instances testimony, which in the light of after events has not been regarded as credible, was taken. When we contemplate the associates of the Attorney General it is not surprising that, in the language of the secretary of the National Republican Committee, witnesses who were bootleggers and professional crooks should have been called to testify. It would have been a very pleasing thing if the committee could have remained in its room and awaited confessions or the voluntary production of testimony that would show them culpable by the parties investigated. But such things do not happen. The committee was compelled to make its investigation in an adverse environment, and secure such evidence as it could, and it does not in any wise reflect upon the important and material results of the investigation that in a few instances hearsay which might have been excluded was admitted.

The fact stands out that in the face of difficulties which would have discouraged almost any man, the senior Senator from Montana [Mr. WALSH], with a persistence and a diligence that is to be commended and not condemned, went forward and did his duty. If he had pursued another course Mr. Lockwood and his associates would be heaping encomiums upon WALSH instead of denouncing him as a scandalmonger. If he had consented to suppression where revealment was necessary, if he had winked at crookedness in high places, his name would be heralded by those who now denounce and defame him. But it is a cause of gratitude to you and to all of us that he could not be overcome or thwarted, that he took the chance of mistakes in his own judgment and took the responsibility which he might easily have avoided had he been small and mean like those who censure him.

But I thank him, and you should do so, that he continued unterrified, and by the result of his courage and ability the Government is to get back and keep, against the day when we may need them, the naval oil reserves; is to recover back hundreds of millions of dollars' worth of public property. But more important than that, there have been driven from power men who never deserved it, men who betrayed public trust, who disregarded public duty, and who seem now to assert a special privilege and right to plunder and rob the people of the United States.

Mr. President, on the occasion of the receipt of President Coolidge's special message to the Senate dealing with the subject matter of this resolution and the investigation of the Bureau of Internal Revenue, I expressed astonishment that the President should have been led into so grievous an error as seemingly to condone and give courage to those who had wronged the public and to condemn and dishearten those who were trying to secure redress of those wrongs.

The pending resolution by the Senator from New Mexico [Mr. JONES] is a courteous but emphatic reply to the special message which the President sent to the Senate on the 11th of April, challenging the good faith of the special committee of

this body created to investigate the Bureau of Internal Revenue.

The President's message impliedly charged a purpose on the part of the committee to reveal confidential information in the bureau to the public detriment; to examine tax returns of companies in which the Secretary is interested for improper purposes; and through subterfuge to cover unwarranted intrusion by the legislative upon the business of the executive department. The Chief Executive, while recognizing the necessity for the maintenance of a spirit of comity between the executive and legislative agencies, in his message recklessly asserts that the Senate is attempting to throw the Government into disorder, and insists that we return to a government in accordance with the usual forms of the law of the land. It is noticeable that President Coolidge, neither in his message nor in any other public or private announcement, has one word of condemnation for those executive officers and agents who have prostituted their high offices and degraded the honor of the Government. Apparently he has lost sight of the conspiracy among certain Cabinet members to thwart the policy inaugurated by President Roosevelt, adopted by President Taft, and sustained by President Wilson, for the conservation of natural resources, particularly including the naval oil reserves.

The President expressed no indignation at the complete failure of the Department of Justice to institute legal proceedings to safeguard these natural resources or to expose and punish those responsible for their waste.

With unaccountable and astonishing blindness to his own responsibility as the executive head of the Nation, he apparently invites a controversy with the Senate where no ground for controversy exists, and defends as righteous and unquestionable the act and attitude upon the part of the Secretary of the Treasury in no principle distinguishable from that of Attorney General Daugherty, for which the latter was bitterly condemned and driven from public office.

The special committee had announced its purpose to examine in strict confidence the tax returns of the companies in which the Secretary is interested. No ground whatever existed for the fear that confidential information in the Treasury Department would be exposed to the public detriment.

When an investigating committee demanded certain files in the Department of Justice and the Attorney General refused to furnish them on the ground that they were confidential, the President said to the Attorney General:

> Your actions are under investigation and you are not presumed to decide what information the committee is entitled to. Your immediate resignation is requested.

When the Secretary of the Treasury manifested impatience and resentment after having challenged an investigation of the tax returns in which he is interested, when he declared that the morale of the personnel in the Treasury Department was being destroyed because the committee desired to examine tax returns in which he is interested, the President assumed an attitude in striking contrast to that which he occupied in the Daugherty case. He sent the Senate a communication apparently containing numerous attempts to offend and provoke controversy.

Meantime the President has neither raised a hand nor spoken a word to expose and punish those executives responsible for the waste of the Nation's resources through inefficiency, not to say through corruption. He has neither felt nor expressed indignation with agents of the Department of Justice—which department above all others is responsible for justice and the enforcement of law—for framing and securing the indictment of the Senator from Montana [Mr. WHEELER] in order to hamstring him and discredit the investigation of the Department of Justice which he is conducting, while Secretary Fall and others shown to be responsible for glaring wrongs against the Government have not been disturbed, and former Attorney General Daugherty becomes a Coolidge leader, enjoying a prominence comparable to his position in the campaign when President Harding was nominated.

The President veritably runs with the fox and chases with the hounds. He would like his administration to be pure, but dares not encounter the opposition or defy the power of those responsible for its defilement. He had a great opportunity and let it go by—an opportunity which Theodore Roosevelt or Woodrow Wilson would have made the most of—to promptly eliminate from his councils Cabinet members and other public officers who by either notable inefficiency or corruption in office have weakened the confidence of the public in the Government.

This confidence must be restored, and the only way it can be restored is by justifying it—by exemplifying honesty and efficiency in official transactions.

This task invites the cooperation of right-minded citizens without regard to partisanship. Surely sound public policy should prompt us to avoid all show of partiality, favoritism, and sympathy and to condemn the suppression of facts relevant to necessary remedies. If the Department of Justice had been diligent in uncovering frauds against the Government and in producing creditable witnesses, the committees investigating the Veterans' Bureau and the naval oil reserve transactions would have been able to avoid much confusion, some irrelevant testimony, and collateral inquiries which have occurred in large part because of the difficulties under which the committees have worked and the total lack of support from the executive departments which ought to have cooperated.

My answer to the President's declaration that we have departed from the usual forms of law in investigating inefficiency and dishonesty in executive departments is that we expressly authorize the committee charged with the investigation to employ counsel and to proceed.

Mr. SHIPSTEAD. Mr. President, there is one phase of the propaganda that has been carried on against Congress, there is one phase about the attack that has been made for some time upon the Senate of the United States which I had hoped would have been called to the attention of the Senate and to the attention of the country by some Senator. No Senator up to this time having done so, however, I deem it my duty to ask the indulgence of the Senate for a few minutes this morning while I direct the attention of the Senate to a phase of this evidently concentrated attack that has not been previously adverted to in this body.

I wish to invite the attention of the Senate to the fact that all over the world since the World War there has been carried on an organized attack against parliamentary government. It is not confined to America, but we find it in practically every nation all over the world. In some nations this propaganda and these attacks have been very successful because they have resulted in the overthrow of parliamentary government, and the attackers have been able to substitute for a parliamentary or democratic form of government some form of dictatorship.

I have been impressed with the marked similarity in the method of attack that is pursued here in America and the method of attack that has been pursued across the water. I have here a clipping from the New York Times of April 12. I send it to the desk and ask unanimous consent that the Secretary may read it to the Senate. It is only an example of a great mass of the same kind of propaganda that is being spread throughout the country from various sources, having evidently for its purpose the discrediting of Congress. In order to save time I send merely one article to the desk and ask that it may be read.

The PRESIDING OFFICER (Mr. WILLIS in the chair). Without objection, the article will be read by the Secretary.

The principal clerk read as follows:

CALLS WHEELER A "SNAKE"—LOUIS A. COOLIDGE SAYS SENATOR AIMS TO DESTROY DEMOCRACY

(Special to the New York Times)

SPRINGFIELD, MASS., April 11.—Calling Senator BURTON K. WHEELER a "snake," Louis A. Coolidge, candidate for the Republican nomination for the United States Senate from Massachusetts, told the Rotary Club here to-day that the shame in Washington rests not in the names that have been bandied back and forth in the investigation but in "the little reckless group who have besmirched their country in a desperate attempt to destroy all confidence in government and to bring upon the United States the terrors of the soviet."

"They are not all Democrats, they are not all Republicans," Mr. Coolidge declared. "They belong in neither party, though they carry on guerrilla warfare under party names. WHEELER and LA FOLLETTE, NORRIS, FRAZIER, LADD, and SHIPSTEAD, WALSH of Montana, OWEN of Oklahoma, and all the others in the group have this one aim in common—to destroy democracy and create a socialistic form of government in the United States; to break down representative government and set up such tyrannies in Washington as they admire in Russia and in Germany. Some of them have been working on these lines for 20 years.

"WHEELER is a snake," the speaker exclaimed, adding that it was regrettable that he was born in Massachusetts. As former district attorney in Montana his record was such that President Wilson was asked to depose him.

"LA FOLLETTE almost lost his seat because of disloyal utterances during the war," Mr. Coolidge went on. "It is to the shame of the Republican Party that he kept his seat in order that the party might have a majority."

Mr. SHIPSTEAD. Mr. President, I have here an article from the Wall Street Journal of April 14, 1924. On March Guy M. Walker, in which, speaking of the Congress, he said:

If they do not give us economic tax reduction at once, it is time for the vigilantes to start for Washington. Surely there is somewhere in America a Mussolini to lead the American blackshirts to Washington.

Mr. JOHNSON of California. May I inquire from what newspaper the Senator from Minnesota is reading?

Mr. SHIPSTEAD. I am reading from the Wall Street Journal. The article which I have just read appeared in the Wall Street Journal of March 17. On April 14, 1914, the Wall Street Journal printed an editorial in which the editor says that the Wall Street Journal was not quoted by Mr. Walker; that Mr. Walker expressed his own views; that he did not express the views of the editor of the Wall Street Journal. So in that issue of the Wall Street Journal in an editorial the editor of that publication proceeds to state what his views are. I will read them to the Senate.

First denying the responsibility for the article of March 17, the editor of the Wall Street Journal says:

Of course, there was no editorial call here for a Mussolini to lead a blackshirt army on to Washington. But do we not need a Mussolini in every State in the Union to lead his own people into sound economics?

And in the last paragraph of the editorial the editor states:

By all means give us 48 Mussolinis, and let us pray that we have in Washington a forty-ninth now leading the people in the direction of sanity and savings.

So the editor does not want one dictator, he wants 49.

I also send this article to the desk, Mr. President, and ask that it, together with the other article, may be printed in the RECORD with my remarks. I submit these articles because they afford the best evidence as to what is going on.

The PRESIDING OFFICER. In the absence of objection, the article referred to by the Senator from Minnesota will be printed in the RECORD.

The article is as follows:

[From the Wall Street Journal of April 14, 1924]

REVIEW AND OUTLOOK—WANTED, 48 MUSSOLINIS

In a letter to the Wall Street Journal published March 17, Guy M. Walker, the distinguished author of "The things that are Cæsar's," protesting as an economist against the indifference shown by Congress to tax reduction and the effect of uncertainty upon the business of the country, said:

> "If they do not give us economic tax reduction at once, it is time for the Vigilantes to start for Washington. Surely, there is somewhere in America a Mussolini to lead the American Blackshirts to Washington."

Decent newspapers believe in freedom of speech, but of course do not take any responsibility for the expressions used in the letters they publish. Nevertheless this paragraph was extracted without the context, circulated by some Democratic Party bureau, credited to the Wall Street Journal, and editorially criticized as this newspaper's utterance by at least five daily papers.

Of these, the Pittsburgh Press and the Erie Times made honorable amend on learning the facts. Apparently the Youngstown Telegram, the Cleveland Press, and the Spokane Press do not believe in freedom of speech where hitting below the belt seems profitable.

Of course, there was no editorial call here for a Mussolini to lead a Blackshirt army on to Washington. But do we not need a Mussolini in every State in the Union to lead his own people into sound economics?

Who would have believed that the son of an Italian blacksmith, ten times convicted, time and again fined and in jail for socialist leadership against the Government, would come to see the error of socialism after attaining the greatest prominence it could give?

Who would have believed that such a man, with the sublime courage of his convictions and conversion, would lead Italy and the world to a restoration of sanity, sound economics, the true gospel of labor production and saving, that he would bring forth such a triumph as he has now achieved by constitutional methods in Italy—the greatest post-war triumph the world has seen?

It was a triumph for reparations through labor and saving, the reduction of taxes and the honest collection of them, the sending of idlers on the Government payroll about their business, and the rejection of such socialist quackery as Government operation of railroads, "the means of production," telegraphs, and all the rest of it.

By all means give us 48 Mussolinis, and let us pray that we have in Washington a forty-ninth now leading the people in the direction of sanity and savings.

Mr. SHIPSTEAD. I wish to say, in conclusion, that I believe that the editors and others who have been attacking the Senators who are conducting these investigations, and who have therefore been subject to these attacks, have conferred upon those Senators a great honor. I consider it a great honor for a Senator of the United States that he can be attacked from the sources from which these Senators have been attacked, for it shows that they are doing their duty.

I am very glad to hear that the distinguished Senator from Indiana is not going to press his resolution, and I hope the resolution of the Senator from New Mexico will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the resolution offered by the Senator from New Mexico [Mr. JONES].

Mr. BRUCE. Mr. President, there are some reasons why it is impossible for me to allow this question to pass to a vote without expressing my personal convictions in relation to it.

First of all, I want to say that, though I have had a considerable degree of legislative experience in my life, I have never witnessed such an abrupt, unaccountable volte-face as that of the Republican Members of this body this morning. Surely I need not remind you, Mr. President, that it was only a few days ago that the President sent to this body a message in which he said that the Democrats in this body were creating a government of lawlessness instead of a government of law. Nor need I remind you, I am sure, that that message was accompanied by a communication to the President from no less a personage than the Secretary of the Treasury, in which the Secretary used such remarkable language that to a very general extent it was accepted by the public as indicating an intent on his part to resign his office.

Then what followed? Never have I seen more elaborate political staging. To begin with, the Senator from Indiana [Mr. WATSON], with a luxuriance of gesture and a volume of vocal resonance such as I have never on any other occasion heard in the Senate, denounced the continuance of the present investigation into the Internal Revenue Bureau in the strongest terms and ended by a glowing peroration on President Coolidge. He was followed by the Senator from New Jersey [Mr. EDGE], who also extolled the President in the most rapturous terms. And now, without a word of warning, the bell rings, the curtain goes down, the scenery is taken apart and hurried off to the freight yard, and all the actors go off to their hotels and their boarding houses for the purpose of making a speedy flight from the theater where all of this impressive staging had been set up.

It has been said for some time past that the Republican Party was taking its kicking lying down. Now, it looks to me as if it were not only taking its kicking lying down but after it had with its own hands bared its back and limbs to the kicking. It is entirely too late for it to recede and decline to face the music which its own conduct provoked.

When the Senate adopted the resolution asking for the resignation of Secretary Denby I voted against it because I felt that the Senate was overstepping the limits of its just constitutional authority, and now I also say, without the least hesitation, that when the President sent this extraordinary message to the Senate he in his turn was overstepping the boundaries of his just constitutional authority.

On a certain occasion Dr. Samuel Johnson is said to have declared that a piece of meat that had been placed before him was ill dressed, ill cooked, and ill served; and I assert that the message which the President has sent to this body was unhappy in form, unhappy in substance, and unhappy in spirit. So far as mere form is concerned, it is destitute of the pith and clearness which sometimes distinguish the productions of the President. Indeed, the paper may almost be said to be a confused, inarticulate one. In one place the President says that the executive branch of the Government has no desire to withhold any legitimate information from the inquiry of the Senate, and yet the context of the whole paper shows that if anything shall be furnished by the executive department of the Government for the purposes of the committee it will be furnished in the most begrudging spirit by that department.

In another place the President says that he recognizes the right of the Senate to indulge in political discussion and partisan criticism, and yet he has only terms of unstinted condemnation for the Senate when he proceeds to mention the fact that the present committee of investigation has, forsooth, been so audacious, so presumptuous, as to ask the executive department for the tax returns of corporations in which the Secretary of the Treasury is interested. He even goes so far as to claim that the Senate has been guilty of unlawful seizures of papers and of violations of fundamental rights of the citizen under circumstances to which the Constitution of the United States has no more application than the laws contained in the Book of Deuteronomy.

Then the President also charges the Senate, or the present committee, with unwarrantable intrusion. The message is just

as subject to criticism in point of substance as in point of form. Nobody in the Senate ever has been able to say exactly what it means. One individual construes it as meaning that the pending investigation of the Internal Revenue Bureau only is to come to an end. Another construes it as meaning that all investigations of every kind authorized by the Senate are to cease; but I stand here to affirm that whether the President means that this particular investigation shall end, or that all investigations instituted by the Senate shall end, he is in either case plainly in the wrong.

The President has a right to tell the Senate that it is asking for papers on which, for some good reason, the seal of confidence has been impressed. He has the right to tell the Senate in extreme cases that its desire for papers is inspired by purely frivolous and vexatious motives; but, except under highly extraordinary conditions, it is not for the President to intermeddle with an investigation that has been authorized by the Senate. It is for the Senate alone, in the exercise of its powers under the Federal Constitution, to decide when an investigation shall commence or in what manner it shall, when commenced, be carried on. Above all, it is for the Senate to say when an investigation shall terminate.

I have often thought that the sagest device which was ever conceived by the wit of man was the device of separating government into three great departments, the executive, the legislative, and the judicial. The legislature, of course, would make a poor executive. Everybody knows that. It would make an even worse judge. Everybody knows that. But in the history of the human race there never was an instrument more exquisitely fashioned for a specific purpose than was the legislature for its purposes. So true is this that there is not a free country on the globe which does not date its priceless freedom from the time that it acquired a legislative assembly.

Mr. Jefferson, in his original way, said on one occasion that if he had to take his choice between newspapers without government and government without newspapers, he would select newspapers without government; and the press is not more essential to the protection of the popular welfare than the legislature. Indeed, it is not so essential as is the legislature.

The legislature, be it remembered, is not exclusively concerned with the enactment of just, wise, and wholesome laws. That is the constructive side of its office; it is just as important that it should be afforded an untrammeled opportunity to exercise also the critical, the inquisitorial side of its office.

I, for one, do not know how to set limits to legislative investigation under any conditions not totally exceptional. Without legislative investigation there would be no such thing as true liberty, for a vast amount of official corruption and misconduct would escape discovery and rebuke. Ultimately, it is upon "the lidless dragon eyes" of the legislature, to use the image of the poet, that the freedom of a people depends.

As I have said, it is marvelously adapted to the ends for which it was designed. Its very caprices, its very passions, its sleepless partisanship, its suceptibility to every passing flaw of public opinion help to make it an efficient guardian of the popular welfare. When the President and his adherents in this body found themselves, after a period of cooling reflection, face to face with the proposition that investigations instituted by this body were to end at the suggestion of executive dictation, no wonder that they all lost heart and abandoned the theatrical performance of which I have spoken, and now come here and meekly say, "Yes; let the resolution of the Senator from New Mexico providing for the employment of an attorney for the committee be adopted. No; the Senator from Indiana has no intention of pressing his motion that the investigating committee be discharged." Really, I never did know a body of men in my life to descend to such a level of political self-abasement.

I also think that the spirit of the President's message, too, is not what it should be. It is plainly just a political move, a mere counterstroke in the conflict of party welfare, designed to offset the profound impression made upon the popular mind by the scandals laid bare by Senate investigations.

With great deference, I think that the Secretary of the Treasury, Mr. Mellon, too, made a mistake when he wrote his communication to the President. I have a deep respect for him. I think he shares with Secretary GLASS and Secretary Houston the credit of being one of the ablest Secretaries of the Treasury in our recent history. Personally, I have only a slight acquaintance with him; but I have seen enough of him to realize that he is one of those rare individuals that can be endowed with an uncommon measure of ability and a measure of wealth far beyond the lot of ordinary men and yet successfully maintain the character of a natural, unassuming, simple-hearted gentleman. I was glad to hear the Senator from Arkansas [Mr. ROBINSON], in his happy language, speak of him as being even a man of organizing genius, because I think that a tribute of that kind every now and then to personal merit does a great deal to relieve the bitterness of ordinary partisan feelings. All the same, as I have said, the Secretary of the Treasury made a mistake when he wrote his letter to the President. He is not exposed to anything to which all the rest of us in public life are not exposed. There is not one of us in public place who does not know that we may be as pure as ice and chaste as snow and yet not escape calumny. He should recollect that it is the tree that stands upon the lofty eminence or the spire that climbs highest into the skies that is most exposed to the winds and the lightning stroke.

Many years ago somebody asked the Emperor Francis Joseph, of Austria, whether he was not afraid of assassination. "No," he said; "assassination is but a part of the trade of a king." Mr. Mellon should take that saying to heart. Neither he nor any other eminent public official, when a suggestion in a responsible quarter is made that his conduct should be investigated, can afford to shrink from investigation, no matter how malicious or vexatious he may think that the motives behind it are.

I think it was perfectly natural that Mr. Mellon should have manifested some feeling of annoyance, or even of resentment, in his letter. From all that I can gather, he did not desire to be Secretary of the Treasury. He was content with the high, honorable place that he had secured in the great business world. From all that I can gather, too, when he did make up his mind to accept the position, though he accepted it reluctantly, he did everything that a scrupulous man could do to ascertain whether there could be any possible conflict between his private interests and the discharge of his public duties.

Now, when he has been appointed to the office under those conditions, it is natural enough that he should be disposed to shun to some extent the rougher side of political life. Moreover, I think that it was entirely natural that he should have resented the suggestion that the investigation of a bureau under his headship should be conducted under the legal advice of an attorney selected by one of the members of the committee at his own private expense. I do not care whether such an act would have been repugnant to any statute of the United States or not; that is a matter of secondary importance to me. For counsel to be employed under such circumstances would, in my opinion, be a violation of every proper principle of political, not to say social, decency. Everybody knows that an attorney selected by a member of a committee, at his own personal expense, would not be the servant of the Government of the United States, or the servant of the people of the United States, or the servant of the Senate of the United States, or even the servant of an investigating committee of the Senate of the United States. He would be nothing but the private counsel of a member of a committee of the Senate, and might at any moment, under circumstances readily conceivable, be employed merely as an instrument for the gratification of personal and political malice by the member of the committee whose hireling he was.

Of course, I assume that the idea of the Senator from Michigan [Mr. COUZENS] was not a mere purse-proud gesture, not a mere manifestation of that feeling which seems to possess not a few rich men, that they can buy anything if only they have the money to buy it with. All the same, the suggestion should never have been made, and now that it has been made it deserves the disapprobation that I have endeavored to deal out to it. I for one am not willing to change the American ship of state for a Ford flivver.

There is nothing for Mr. Mellon to do, even if his party associates here in the Senate are not prepared to go so far, except to face the present situation, and to face it with a steady foot and an unquailing eye, as I believe he will. He should recollect that the man who can best afford to be investigated is the man who least deserves to be investigated. That he would issue from such an investigation without reproach I for one am confident.

I have been unqualifiedly in sympathy with every one of the investigations instituted by the Senate since I have had a seat in it. I have never asked anything but that the investigating committees should be fairly constituted and that when they entered upon the exercise of their functions they should discharge their duties in an orderly and fair-minded way. There has been a good deal in the conduct of the investigations that has at times seemed to me to be not just what it might have been. I think the rules of evidence have not always been adhered to as closely as they might have been.

I think that at times partisan feeling has had too much sway. But I have felt from the beginning that from every point of view the investigations were abundantly justified and that each of them should go on to its logical conclusion without any interference by any agency except the Senate itself, which, of course, should always hold itself responsible to the supreme tribunal of public opinion.

In my judgment, in every substantial respect the investigations have been eminently successful. When, with a single exception, have so many "malefactors of great wealth" been brought to book?

When the Republican Party conducted its investigations after the World War its nets resulted in nothing but water hauls; but the present Senate has never let down a net into the political waters and drawn it up without finding some big predatory fish in it.

A few days ago the Senator from Pennsylvania [Mr. REED] said that we on this side of the Chamber knew that the people of the United States were not in sympathy with the investigations set on foot by the Senate; yet, after all these efforts to arrest the course of the investigation into the Internal Revenue Bureau, we find the Republican majority in this body again throwing up the sponge and again lying down submissively and supinely to receive its punishment.

Mr. FLETCHER. Mr. President, very briefly I desire to refer to the resolution now before the Senate specifically, and in that connection I may mention what seem to me some of the causes leading up to the resolution and the justification for it.

When the inquiry was set on foot by Senate Resolution 168 the burden rested upon the Senator from Michigan [Mr. COUZENS] to prosecute the inquiry to a satisfactory conclusion, and I mean by that with that degree of thoroughness which would make it worth while. The Senator from Michigan is, I believe, not a lawyer, but he has that clear, analytical mind, that splendid intelligence, that good judgment, that public spirit, and that ability to arrive at the facts which qualify him to pursue any inquiry with success as to the method and regularity of procedure and the ultimate development of the truth.

Having that burden upon him, and in the circumstances in which he was placed, with the difficulties which confronted him, he found, of course, that it was more than one man ought to be charged with; that it was more than one man ought to undertake, irrespective of his ability and his industry, both of which he commanded in a high degree, and eventually he went down under the strain. His serious physical ailment I have no doubt is directly traceable to the exertion, the strain, the nervous anxiety, and the work in connection with conducting this inquiry. He now lies in bed in a hospital, having undergone a very serious operation.

I do not wonder at all that the Senator from Michigan reached the point where he felt that it was necessary to have some assistance—legal assistance and other assistance—in order to pursue the inquiry with that thoroughness which would be satisfactory to him. I do not wonder that he was perfectly willing personally to secure that assistance and to pay for it. I do say, however, that no Senator on any committee ought to be required to bear the expense of employing counsel, legal assistance, or other assistance in connection with an inquiry ordered or directed by the Senate. That expense should be borne by the Senate, should be borne by the Government in the regular way, just as the Government provides stenographers, a meeting place, and other facilities for conducting investigations. The Government ought to bear the expense for all the agencies necessary to make that investigation thorough and complete.

Therefore I felt it would be a dangerous and unwise precedent for a Senator to take upon himself and to incur that sort of obligation to be out of his own pocket, the employment of counsel to do the Government's work. For that reason I think the Senate itself ought to provide the assistance, and the Government ought to pay the expense. I think, from the standpoint of public policy and from the standpoint of public interest, that the resolution ought to be adopted, and that the Government ought to provide the assistance rather than expect a member of the committee to take care of it. Therefore I favor the resolution.

At the same time I can well understand how the Senator from Michigan reached the point where he realized some such assistance had to be provided in order that the investigation might go on with that degree of thoroughness that he felt should be accomplished; and that rather than imperil his life after he had already endangered his health he was willing to go down into his pocket and pay the expense of employing counsel, thus insuring a continuance of the inquiry to conclusion. Offering to do it in those circumstances, he is to be commended rather than criticized. The Senate ought to relieve him of what appeared a necessity and provide at Government expense for the counsel, the agents, and the assistants that are necessary to carry on the investigation to its final completion.

Therefore, commending the ability and the skill and the real energy of the Senator from Michigan and his high purposes, and expressing the hope that he will soon be able to join his fellow Members in this body, I favor giving the assistance that is intended to be given by the resolution and providing at Government expense the attorneys, the agents, and the experts that may be needed to complete the investigation which has been ordered by the Senate.

Mr. WATSON obtained the floor.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CURTIS in the chair). The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Edge	Keyes	Robinson
Ashurst	Edwards	King	Sheppard
Ball	Ernst	Ladd	Shields
Borah	Fernald	Lodge	Shipstead
Brandegee	Ferris	McKellar	Shortridge
Brookhart	Fess	McKinley	Simmons
Broussard	Fletcher	McLean	Smoot
Bruce	Frazier	McNary	Spencer
Bursum	Gerry	Mayfield	Stanfield
Cameron	Gooding	Neely	Swanson
Capper	Hale	Norris	Wadsworth
Caraway	Harris	Oddie	Walsh, Mass.
Colt	Harrison	Overman	Walsh, Mont.
Copeland	Howell	Pepper	Warren
Cummins	Johnson, Calif.	Phipps	Watson
Curtis	Johnson, Minn.	Pittman	Weller
Dale	Jones, N. Mex.	Ransdell	Wheeler
Dial	Jones, Wash.	Reed, Mo.	Willis
Dill	Kendrick	Reed, Pa.	

The PRESIDING OFFICER. Seventy-five Senators have answered to their names. A quorum is present. The Senator from Indiana is recognized.

Mr. WATSON. Mr. President, I shall enter upon no lengthy speech because I do not think that a lengthy speech is required to voice my sentiments on the subject. Perhaps a short history of the entire controversy might throw some light on the subject.

When the Senator from Michigan [Mr. COUZENS], who is, happily, recovering from his illness, introduced the resolution it read as follows:

Whereas the Bureau of Internal Revenue of the Treasury Department has not, according to reports, completed settlement of all tax cases for the year 1917, which cases should have been settled long ago; and

Whereas this delay is indication of improper organization, or gross inefficiency, or the bureau's handicap by conditions of which the Senate is not aware; and

Whereas as the result of this system and this delay the Government has, it is claimed, lost millions of dollars, taxpayers have been and still are oppressed, and corruption or the opportunity for corruption exists; and

Whereas rates for income taxation are governed entirely by the administration or lack of it; and

Whereas there can be no helpful, honest, sincere, and intelligent action on the rates of taxation until this system is corrected: Therefore be it

Resolved—

When the resolution finally was proposed the whereases were eliminated and the resolution itself, as introduced, read as follows:

Resolved, That the President of the Senate pro tempore is authorized to appoint a special committee of five members, three of whom shall be of the majority party and two of the minority party, which shall investigate the Bureau of Internal Revenue to ascertain the extent to which said conditions exist and report thereon not later than April 1, 1924, so that this information may be ready for the Senate in considering a tax revision and tax reduction bill now before the House of Representatives.

In other words, as the whereases of the first resolution clearly recite and as the resolution itself provides, the Senator from Michigan had no thought in his mind at the time of their introduction save an investigation of the Income Tax Unit of the Treasury Department, or, as he saw fit to say, the Internal Revenue Bureau. When the committee was appointed it was appointed with that understanding and with no other. As the investigation proceeded it was upon that theory and no other. Nobody thought of any outside investi-

gation of any character or of any extraneous matter being introduced into the investigation.

After it had been conducted for some time the Senator from Michigan, the mover of the resolution, asked Doctor Adams, who was in attendance upon the committee, to prepare a final report, as the letter of Doctor Adams which was published in the RECORD clearly shows. Therefore the sole object of the investigation was the Income Tax Unit, as the whereases clearly show.

But when this report was about to be made another individual appeared on the scene and the whole course of investigation was deflected. The interview given by Governor Pinchot clearly showed the purpose he had in mind and the purpose which the Senator from Michigan had in mind when the appointment of this attorney was asked for. In that interview Mr. Pinchot said:

> Certainly I saw Senator COUZENS. I would have failed in my obvious duty as Governor of Pennsylvania if I had not. Last October in a public speech in Washington I described the breakdown of the Federal enforcement service in plain terms. Last January in another public speech in Washington I demanded a congressional investigation. In a case like this the only way to get the law enforced is to expose the facts. I have no sympathy with investigations as mere fishing expeditions; I have no personal animus or purpose in this matter; I am not pressing for a general investigation of the Treasury Department; but I assert, and I challenge Mr. WATSON or anyone else to deny, that it is time to put an end to corruption and inefficiency which exist in the Federal enforcement service.

So that after the investigation had gone on for four weeks or more, and after we were almost ready to report upon the object for which the resolution was introduced and the committee appointed, Governor Pinchot appeared on the scene and the Senator from Michigan completely changed the object of the investigation to one that would send it into the prohibition enforcement unit. As my Democratic friends on the committee will agree, there was no thought on the part of any member of the employment of any attorney for any purpose until that course was adopted by the committee and until the object for which the resolution was introduced and the committee appointed had been turned aside from an investigation of the income-tax unit to an investigation of the prohibition unit. That is why the Senator from Michigan wanted a lawyer; that is why Governor Pinchot wanted him to hire Mr. Heney; that is why, as was set forth in the newspapers, Mr. Vanderlip consulted Mr. Heney across the country by wire and insisted on his coming to Washington. That was the condition which existed when the Jones resolution was brought into the Senate and when I offered my resolution to abolish the committee or discontinue its labors. Why? Solely because there was an entire change from the original purpose for which the committee was formed, and another purpose had entered wholly outside of the purview of the original resolution, and, in my judgment, outside the authority of the committee to investigate.

At the time I introduced the resolution that situation confronted us and when that alone was the subject which demanded our attention. Our friends upon the committee and in the Senate recognized that situation, because the Senator from New Mexico [Mr. JONES] immediately introduced his resolution providing for the employment of an attorney, which was a confession that the committee had no authority to hire a lawyer, because it was not so provided in the original resolution; and, further, it was a confession of the fact that the Senator from Michigan himself had hired the lawyer and not the committee. There was not a single Member of this body who agreed that the Senator from Michigan had either the right or the authority to hire a lawyer for that purpose, and no man has spoken upon either side of the Chamber but has condemned the hiring of private counsel by a member of any investigating committee of the Senate for the purpose of conducting an investigation. Therefore we were clearly within our rights when we offered the resolution to abolish the committee, and we were clearly within our rights when we said that we intended to know the situation before we would agree to the resolution introduced by the Senator from New Mexico.

My able friend from Maryland [Mr. BRUCE] a while ago gave me a verbal castigation for "lying down," and yet in the latter part of his speech he inveighed in most vigorous fashion against any Senator hiring a private lawyer for the purpose of conducting an investigation; and that was the very object of my coming into the Senate with the resolution to abolish the committee. The reason why we insisted that the investigation should proceed no further was because its purpose had been deflected and its course altered by the hiring of a personal attorney by one of the members of the committee for a different purpose from that which had originally been intended when the original resolution was introduced and the committee appointed. Clearly we were within our rights when we introduced that resolution, and clearly the President of the United States was within his rights when he sent a message here backing up that resolution.

Mr. President, my friend from Maryland has expressed great solicitude for the bruised and bleeding Republican Party. Permit me to say to him that everything that transpires in connection with a legislative body does not happen on the floor, and it may be that certain situations will yet develop, and probably will, that will offer a balm for the wounds of my able and distinguished friend and satisfy him that perhaps the course we have adopted is all to the advantage of the committee.

Mr. President, my able friend from Arkansas, the honored leader of the Democracy, went far afield this morning in discussing this resolution and brought in all of the investigations and uttered splendid eulogies upon the Senator from Idaho and the Senator from Montana. I shall not disagree with him in the eulogies which he has just pronounced; I shall not attack any of my colleagues on this floor, their reputations, or their characters, nor shall I impugn their motives. They were well within their rights when they started these investigations; but I know, as everybody else knows, for none of us were born yesterday, that after a time they got into politics, and they began to hunt for a political issue, and they went further than they were justified in doing in order to try to get a political issue for the approaching campaign.

The Doheny case is in the courts; the Sinclair case is in the courts; the Fall case is in the courts; and even the case of our friend the Senator from Montana [Mr. WHEELER] is in the courts. I do not intend to try any of those cases on the floor of the Senate of the United States; they are to be tried in another forum, and it is not our business to settle those cases here; but when my friend the Senator from Arkansas said that the President in no speech had condemned corruption or guilt, I fear that he has not read the various messages and statements of the President of the United States on that subject, for in clear language—the clear language for which he is so distinguished—in express verbiage, and, if you please, in ringing words he condemned guilt and corruption in high places, and said that he intended at all times and in all places to punish that guilt and to bring those who were recreant to the bar of justice. "That I am doing, and that I propose to continue," he said in simple but all-inclusive language. So, Mr. President, there can be no political issue made out of an attempt to revive this dying issue in the United States.

Everybody condemns corruption; everybody has words of censure and ought to have for those in high places who betray their trust. That is universal; that is not confined to any political party or any organization anywhere. We all agree that no man in public life should be tainted by corruption, and that if he goes far afield or oversteps the limit, he shall be punished by the freezing terrors of the law. Upon that there is no disagreement of opinion.

But my friend, in order to castigate the secretary of the Republican National Committee, Mr. Lockwood, goes back to review all of the cases that have been investigated here for the months agone. I shall enter upon no defense of Mr. Lockwood, nor shall I attack him. He is a private citizen; he runs his own newspaper; and he has the right to say in it whatsoever he pleases subject only to the law of the land. He makes no covert attack under the panoply of senatorial immunity. What he says is in the columns of his own paper, and if he goes astray he is subject to the law of the land and can be called to book by anyone who feels himself aggrieved. I am not familiar with the facts in the so-called Wheeler case. I have not discussed them with anybody. I only know that when Mr. Lockwood said what he did say he said what he believed, and, while he may have been wrong, nevertheless I do know that he was actuated by honest motives.

But, Senators, the question now is, What shall be done? I was clearly of the opinion at the time I introduced the resolution that this committee ought to be abolished. The whole scenery had changed. Senators all admit that Mr. Heney ought not to be hired by Mr. COUZENS or by Mr. Vanderlip or by Governor Pinchot and paid out of a private treasury for a public purpose. That is what we were insisting should not be done when the resolution was introduced, and when that purpose had been conserved I concluded that the best thing to do was to permit the Jones resolution to be adopted and my own to be withdrawn, because I had accomplished and those who backed me up here had accomplished all that we started out to do;

and other things yet may develop that I shall not discuss on the floor of the Senate that may give further impetus and impulse to this view as I have announced it.

I believe that the country is tired of these investigations. The message of the President of the United States was received with great acclaim throughout the land; it was indorsed almost universally by the newspapers and magazines of the country and by public speakers in every forum and on every platform.

I believe that the people are weary of converting the Senate of the United States into a body where suspicion and innuendo and insinuation shall take the place of the measured rules of the law of the land, and they have so announced themselves in unmistakable terms.

I am not defending Secretary Fall. I am not defending anybody who is charged with any of these crimes; but, Mr. President and Senators, I only have this to say: After Mr. Fall had been condemned by the committee, and after the case had been remanded to the courts, the committee then went on in what I believe an unwarranted way in order to throw out a dragnet to bring here all sorts of gossipers for the purpose of going out upon a fishing expedition to find whether somebody could not be found who would make for them a political issue.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). Does the Senator from Indiana yield to the Senator from Montana?

Mr. WATSON. I do.

Mr. WALSH of Montana. I want to remind that Senator that when I brought here the witnesses from New Mexico, whose testimony pointed unmistakably to the guilt of Albert B. Fall, I was accused, as the Senator is now accusing me, of scattering scandal, of going beyond the legitimate scope of the inquiry; I was denounced as having committed an outrage.

Mr. WATSON. Mr. President, I heard no such language.

Mr. WALSH of Montana. It was expressed in the committee.

Mr. WATSON. I know nothing about that, not having been in the committee.

Mr. WALSH of Montana. The Senator does not know it, of course. I am giving him the information that exactly the same kind of criticism that he is now making of me was then made of me.

Mr. WATSON. Mr. President, I know nothing whatever about that.

Mr. WALSH of Montana. I am telling the Senator.

Mr. WATSON. I know that the able Senator from Montana was acting within what he thought were his rights; but after Fall had been implicated weeks were spent and even months, as I recall, in investigating Ned McLean, and at the very beginning every member of the committee knew that Ned McLean was not involved in the oil transaction, just as they know it now. They spent weeks in investigating his telegrams and hunting up his letters and looking up his correspondence and bringing people here to testify about him—what for? I will tell you what for: In a vain attempt to implicate somewhere along the line Calvin Coolidge, the President of the United States, and for no other purpose.

Mr. WALSH of Montana. The Senator is at liberty to form whatever conclusion he may with respect to that; but I desire to assert on my honor as a Senator that I prosecuted the inquiry involving Mr. McLean upon the assumption that he was particeps in the transaction. Now, after the whole thing has been developed, the Senator of course may form his own conclusion about that; but if he were in possession of the facts that I was in possession of he would have reached the same conclusion that I did, that Mr. McLean was particeps in the matter, and I proposed to establish it if I could. If I failed, that is unfortunate.

Mr. WATSON. I think it is fortunate; but, Mr. President, I do not agree with the Senator. Of course I do not impugn his motives. The Senator understands that.

Mr. WALSH of Montana. But the Senator did, because he asserted that after the fact was established that Fall was guilty of bribe taking I proceeded with the examination for political purposes only, and for the purpose of developing only a political issue.

Mr. WATSON. Did the Senator say "bribe taking"? I do not understand.

Mr. WALSH of Montana. That is what the Senator said.

Mr. WATSON. Did I say "bribe taking"?

Mr. WALSH of Montana. No; but the Senator said that after the evidence had established that Fall was guilty of crime, the Senator then proceeded for political purposes only, and for the purpose only of developing a political issue.

Mr. WATSON. Which is precisely what I believe.

Mr. WALSH of Montana. The Senator, of course, may express his belief.

Mr. WATSON. That is to say, Mr. President, after the McLean investigation had gone a certain length, it became evident—it must have become evident to the Senator, as it became evident to everybody else—that Mr. McLean was not involved in the oil transaction, and all of these telegrams and all of these emissaries that Mr. McLean sent up from the South—what for? for the purpose, as he said, of trying to keep off the witness stand—all of those things tended to show that Mr. McLean was not involved in the oil controversy; and yet for weeks after that was plainly manifest to everybody in the Senate, if it was not to everybody on the committee, the investigation continued; and finally, to their great glee and delight, they dug up a telegram which had found its way to the White House, and immediately they undertook to hitch up the President of the United States, not to Mr. McLean, but in some way or other not visible to the public eye to the oil transaction. Is not that so?

Mr. WALSH of Montana. It is not so, nor anything like so. The finding of the telegram involving the President of the United States was a mere accident that was a surprise to every member of the committee, without any purpose whatever to do so, and without any intent to do so, and, as I undertake to say, a perfect surprise to everybody.

Mr. WATSON. Did not my friend from Montana come in here and comment on that matter on the floor of the Senate?

Mr. WALSH of Montana. Comment on what matter?

Mr. WATSON. On that telegram from Ned McLean to the White House.

Mr. WALSH of Montana. Not that I recall. Does the Senator recall that I did?

Mr. WATSON. I thought the Senator had.

Mr. WALSH of Montana. The Senator, I think, is mistaken.

Mr. WATSON. Then I withdraw the statement.

Mr. WALSH of Montana. I never intended to comment upon it.

Mr. WATSON. The Senator will allow me to say that I think he did, but I do not know.

Mr. WALSH of Montana. Well, let the Senator think. The Senator will probably correct his statement by reference to the RECORD, however.

Mr. WATSON. I accept the Senator's statement about that.

Mr. WALSH of Montana. I undertake to say, however, that this is a new turn in this investigation. When it was demonstrated by the testimony in this case that Mr. Fall declared that he had borrowed $100,000 of Ned McLean, and it was afterwards disclosed that Ned McLean has falsified about that, as Fall had——

Mr. WATSON. Yes.

Mr. WALSH of Montana. That the suspicion was not justified that McLean was mixed up in the thing in some way or other is a new phase to this controversy.

Mr. WATSON. I do not think it is new. Everybody in the country understood it. The newspapers commented on it widely. Senators here talked about it right along after it was understood that Mr. McLean had no connection with the oil transaction.

Mr. WALSH of Montana. Of course I expect this character of treatment, just exactly as I expected the treatment I received at the hands of Mr. Lockwood. I am denounced on the floor of the Senate now for discharging my duty in connection with this matter.

Mr. WATSON. Mr. President, I am not denouncing the Senator.

Mr. WALSH of Montana. Yes; the Senator is, and the Senator has solemnly declared here that after Mr. Doheny's testimony concerning the loan to Mr. Fall I was actuated by no purpose except the purpose of developing a political issue and involving the President of the United States.

Mr. WATSON. I say that after this testimony had gone a certain distance and after all the salient facts had been developed that could be developed, and the Senator was perfectly aware of all of it, they did go on for the purpose of developing a political issue, and I think that the great majority of the people of the United States believe it. The great majority of the newspapers of the country have asserted it, and men over here and men everywhere have universally believed that that was the actuating motive.

Why, Senators, we are not children. We all play a little politics ourselves, and we know the quality and character of the game when it is being played; but my friend need not be so angry about it because I am agreeing with everything the honorable Senator from Arkansas [Mr. ROBINSON] said about

the character and the integrity and the ability of the Senator from Montana. That, however, does not detract one jot, one iota, one tittle from the declaration I have made, that for weary weeks this investigation went on for the express purpose of involving, if it could be done, the President of the United States, or of setting up a political issue for the purposes of the approaching campaign.

Mr. WALSH of Montana. Mr. President, if the Senator will indulge me a little further——

Mr. WATSON. Certainly.

Mr. WALSH of Montana. I should like to remind the Senator that it went on for weary weeks, and nobody paid any attention at all to it until eventually the essential fact was developed, namely, that Fall had been guilty of bribe taking. The fact that it has gone on now for weary weeks and nothing particularly has developed does not argue anything at all except that we did not establish what we set out to establish through those weary weeks.

Mr. WATSON. Mr. President, I have my own views about the final purposes of those investigations, and we all have, and the country has, and the people of the United States, unfortunately, have made another estimate of the Senate of the United States, and it has gone down lower in public esteem than ever before that I have known, and there is another thing about it: As the Senate has gone down in public esteem the President of the United States has gone up until no President has stood higher in the opinion of the people of the United States at any time than Calvin Coolidge at this glad hour.

Mr. ASHURST. Mr. President, did the Senator say that the Senate had gone down and the President had blown up? I did not catch what the Senator said.

Mr. WATSON. No; I did not say "blown up."

Mr. ASHURST. What did the Senator say?

Mr. WATSON. I said gone up—gone a long way.

Mr. ASHURST. Mr. President, will the Senator yield further?

Mr. WATSON. I yield to my genial friend, of course.

Mr. ASHURST. The Senator complains that the character of the Senate is lowering. Let me say to him that speeches from him excusing crime will not increase the estimate of the Senate, and the plain tendency of the Senator's speech is to excuse crime.

Mr. WATSON. No, Mr. President; of course my good friend from Arizona knows better than that.

Mr. ASHURST. Oh, I assert it.

Mr. WATSON. The Senator can not impute any such motive to me. He understands that thoroughly.

Mr. ASHURST. I assert that the Senator is encouraging crime by this speech.

Mr. WATSON. If the Senator and I were talking privately out in the cloakroom, with our arms around each other, of course he would not say any such thing.

Mr. ASHURST. Why, I would, Mr. President, absolutely; and in case the Senator will step out into the cloakroom I will say worse than that to him. [Laughter.]

Mr. WATSON. I understand my genial friend from Arizona. We have been together a good many times.

Mr. President, I do not know how long these investigations are to run their course. There is no way of telling. The majority have control. They can continue them ad libitum. So far as I am concerned, they can go on. If they develop anything that is wrong, as a matter of course we will clap our hands for joy; but if they are to be conducted for pure political purposes on into the heat of the campaign we shall all know absolutely the object for which they are being unduly prolonged. It is being freely stated that there is no disposition to adjourn the Senate before the conventions; that we are to be held here in session throughout the months of June, July, and August, perhaps on until the season of frost, for the express purpose of hauling everybody in here before these committees in order, if possible, to make a political issue in this campaign.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. WATSON. I yield.

Mr. ROBINSON. I should like to ask the Senator from Indiana where he gets that information. That is surprising to me. I say to the Senator from Indiana that if legislation which is generally considered by the country to be imperative is disposed of, he will find not only myself but practically every Member of the Senate on this side of the Chamber cooperating to secure an adjournment before that national calamity, the National Republican Convention.

I am really interested to know upon what authority the Senator bases his statement that there is a conspiracy in the Senate to prolong the session for the purpose of embarrassing anyone.

Mr. WATSON. No, no, Mr. President; the Senator must not put words in my mouth.

Mr. ROBINSON. No one need to do that. [Laughter.]

Mr. WATSON. No; I thank the Senator. I said that there were certain individuals on the other side who did not want to adjourn this session of Congress before the conventions, and I draw my own conclusions as to their reasons.

Mr. ROBINSON. If the Senator will yield, I have heard that there are a number of Senators on the other side who do not want to adjourn the Senate before the National Republican Convention.

Mr. WATSON. For the same purpose?

Mr. ROBINSON. I do not know. I do not impugn the motives of Senators. The Senator from Indiana alone can do that.

Mr. WATSON. Does the Senator maintain that it is impugning the motive of a Senator to say that he wants to keep Congress in session?

Mr. ROBINSON. No.

Mr. WATSON. Does he say that it is impugning the motives of Senators——

Mr. ROBINSON. But for the purpose of exposing the rascality of the Republican Party; I suppose the Senator from Indiana would think that was impugning the motives of Senators.

Mr. WATSON. Then does the Senator insist now that for the purpose of exposing the rascality of the Republican Party he wants to hold the Senate in session until September?

Mr. ROBINSON. I thought I stated in language which even the Senator from Indiana, in his present state of mind, could understand——

Mr. WATSON. I would like to hear it again.

Mr. ROBINSON. That so far as I am concerned, and so far as the Senators associated with me are concerned, we are anxious to secure an early adjournment, and we will cooperate to that end if legislation which the country generally considers to be imperative shall have in the meantime been disposed of.

Mr. WATSON. Mr. President——

Mr. ROBINSON. Investigations may proceed during the recess of the Senate, if it is necessary that they should do so.

Mr. WATSON. Is that the intention of the Senator from Arkansas or of the Senator from Montana?

Mr. ROBINSON. It is not the intention of the Senator from Arkansas or of the Senator from Montana to suppress any facts which the public interest requires shall be made public.

Mr. WATSON. Did the Senator say "facts"?

Mr. ROBINSON. Facts, yes; the Senator said "facts."

Mr. WATSON. Or fancy?

Mr. ROBINSON. The Senator from Indiana may not be familiar with facts——

Mr. WATSON. Yes, I am, perfectly.

Mr. ROBINSON. But he can certainly understand the implication of the statement. There is no disposition on this side of the Chamber to prolong investigations for political purposes, and the Senator might just as well come to understand that now. Neither is there a disposition on this side of the Chamber to suppress facts which the public is entitled to know.

Mr. WATSON. The kind of facts which have been developed recently before the committee?

Mr. WALSH of Montana. I will be very glad to answer that.

Mr. WATSON. All right.

Mr. WALSH of Montana. Among other things the sinister fact was revealed that one Jake Hamon spent $105,000 to secure a delegation of the State of Oklahoma that would elect him to the National Republican Committee, and that he spent $400,000 more, a half a million dollars in one State, to carry the State for the Republican ticket.

Mr. WATSON. Did that have anything to do with the oil investigation?

Mr. WALSH of Montana. It was elicited as incidental to that inquiry.

Mr. WATSON. "Incidental." What in the world did it have to do with Doheny and Sinclair or the oil investigation or Albert Fall?

Mr. WALSH of Montana. It was particularly pertinent to other testimony which we expected to get——

Mr. WATSON. I thank my friend for that concession.

Mr. WALSH of Montana. If it had been available. It was not. The Senator addressed an inquiry to me about the purpose of the committee.

Mr. WATSON. Yes.

Mr. WALSH of Montana. I am very happy to state to the Senator from Indiana that for the present, so far as I am able

to say, we have very nearly completed our labors, as far as the taking of testimony is concerned, except, of course, upon the conclusion of the proceedings instituted by Mr. Sinclair to avoid testifying further. If those proceedings shall eventuate in favor of the power of the Senate to call witnesses to testify, we shall, of course, want to interrogate Mr. Sinclair further.

I desire to say in this connection that I have exhausted the lines of inquiry which I have been pursuing, and when I say that the committee is about concluding the taking of testimony I desire to add that it has neither shortened its work nor prolonged it because of any clamor from either inside or outside the Senate.

Mr. WATSON. Mr. President, if the remarks I am making had elicited nothing else but the statement by the Senator from Arkansas and the statement by the Senator from Montana, I would have been amply repaid for the effort I have put forth in making them.

So far as the committee of which I have the honor to be the chairman is concerned, we shall meet soon—the Senator from New Mexico [Mr. JONES], the Senator from Utah [Mr. KING], the Senator from Kentucky [Mr. ERNST], and myself. If possible, we shall agree upon a lawyer, in accordance with the behest of the Senate, and after the lawyer shall have been agreed upon, we shall go on with the investigation in accordance with the command issued us by this body. Whenever I arrive at a place where I can not observe the dictates of my own conscience and proceed with the investigation such as they are trying to make, I shall quit the committee. But I do not desire to have it understood that we are going into the prohibition unit if I can prevent it. Of course, I may not be able to do so. I have no secrets from the Senate on that proposition.

The Senator who introduced the resolution [Mr. COUZENS] when he originally introduced it had no thought of such an investigation, as we all know, and it was only when it was deflected from its original course that we put up the defense we did, introduced the resolution we did, and made the fight we did, and were backed up as we were by the Secretary of the Treasury and the President of the United States. With that I am content.

Mr. DILL. Mr. President, what is there sacred about the prohibition unit, that it should not be investigated?

Mr. WATSON. Mr. President, the personal animus of Governor Pinchot, the desire of the Senator from Michigan, as evidenced in many speeches, to bring about such a change in the Volstead Act as that the country might have light wine and beer, and the backing of Mr. Vanderlip—all these led me to believe that the object of the investigation was sinister and not sincere. That is why an attorney hired by them, and backed up by them, would not investigate honestly even the prohibition unit. I answer my friend directly, from my own heart.

Mr. BRUCE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Maryland?

Mr. WATSON. I yield to the Senator from Maryland.

Mr. BRUCE. Mr. President, I ask the Senator this: Should an investigation of the manner in which prohibition is enforced be instituted, should not the investigation be of the most thorough and exhaustive character and should not the committee carrying on the investigation be made up in such a manner as to reflect every possible phase of sentiment upon that subject?

Mr. WATSON. That is a question for discussion. I am not going into that, because I do not think it is pertinent to the matter under consideration at this time. But I will say to my friend from Maryland that if I am correctly informed already there are four different committees investigating prohibition. Certainly one committee in the House, organized for that express purpose, as I am told, is carrying on an investigation of the prohibition unit at this hour. Why multiply these agencies, Ossa on Pelion, and pile them up?

Mr. BRUCE. I did not know there was any such agency at work. That is news to me. Then I will ask the Senator this: Is it the Senator's idea that there should not be any investigation into prohibition enforcement at all? Is that his idea?

Mr. WATSON. I have not said so.

Mr. BRUCE. But I ask the Senator.

Mr. WATSON. I ask my friend, the Senator from Texas [Mr. SHEPPARD], who is familiar with the prohibition unit, whether or not there is not at this time at least one committee investigating the unit, or perhaps others?

Mr. SHEPPARD. I understand that a subcommittee of the House District Committee has been authorized and empowered to examine practically every phase of prohibition enforcement.

Mr. BRUCE. What I say to the Senator is this, that if there is no purpose to investigate prohibition enforcement in any other directions, I should like to see this committee go ahead and investigate it.

Mr. WATSON. Does the Senator from Maryland think there should be an investigation of the prohibition unit?

Mr. BRUCE. Indeed I do.

Mr. WATSON. Why?

Mr. BRUCE. Why?

Mr. WATSON. Yes.

Mr. BRUCE. Because I think the so-called enforcement of prohibition in this country simply reeks with intolerable abuses.

Mr. WATSON. Does the Senator want to help the enforcement or break it down?

Mr. BRUCE. As long as there is a prohibition law on the statute books I believe it should be enforced, as every other law is, by the courts of the land and by the officers of the Government of every sort; but if the Senator wishes to know my personal convictions, I will say that I believe that prohibition is absolutely unenforceable by the Federal Government under any circumstances whatsoever.

Mr. WATSON. Then why investigate it——

Mr. BRUCE. And that the only result of all these additional appropriations by Congress and of the application actually of the armed power of the United States to the suppression of the violation of prohibition is to place the Government of this country in the position practically of waging war upon its own people.

Mr. WATSON. I understand all that. This is the point I want to make with the Senator from Maryland: He says that prohibition is utterly unenforceable in the United States?

Mr. BRUCE. Yes; in my judgment.

Mr. WATSON. Then why investigate a thing which is utterly impossible and which can not be carried out?

Mr. BRUCE. I believe that just as long as fish will drink in the sea men will drink on land.

Mr. WATSON. The Senator does not answer my question. Why investigate a thing which he knows in the beginning is utterly impossible of enforcement?

Mr. BRUCE. Because the public sentiment of the country has to be convinced of that fact, and so far it has not been completely convinced of that fact, though I believe certainly it will be before many years have elapsed.

Mr. WATSON. Let me ask the Senator another question. If it be utterly unenforceable, does the Senator think that we can add to the effectiveness of the enforcement by an investigation of the whole thing all over the United States? Does he really believe that, down in his heart?

Mr. BRUCE. Indeed, I do. I think that there are a great many conflicting views about the extent to which prohibition is or is not being enforced, and I do not believe that that conflict of testimony will ever be fully reconciled until there has been a thorough, honest investigation of the whole subject, and if that investigation is not going to be prosecuted by some special committee—and I would like to see it prosecuted by some special committee—then I for one would like to see it prosecuted by this committee.

Mr. WATSON. I have no objection to the Senator introducing a resolution to that effect, if he desires to try it.

Mr. DILL. The Senator from Indiana, in answering my question, gave as his reason why the prohibition unit should not be investigated the fact that the activities of Governor Pinchot and others had convinced him it would not be an honest investigation. Certainly the Senator as chairman of the committee could keep the investigation honest, could he not?

Mr. WATSON. Ah, Mr. Chairman, I might if I had the power. I do not mean that the other members of the committee would engage in a dishonest proposition, but I do mean that if Francis J. Heney had been in charge, as the committee would have given him charge, Heaven alone knows what the end would have been.

Mr. PITTMAN and Mr. ASHURST addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. WATSON. I have nothing personal against Francis J. Heney at all, and nothing political against him. I say that he is simply not of the type or temperament to conduct that kind of an investigation, and I simply say that hired by Mr. Pinchot, or hired by Mr. Vanderlip, as Mr. Vanderlip himself said, backed up by the Senator from Michigan [Mr. COUZENS], I know what the result would have been, and I do not know a man on the other side who does not know it just as well as I do.

Several Senators rose.

The PRESIDENT pro tempore. Does the Senator yield; and if so, to whom?

Mr. WATSON. I yield to all the Senators.

Mr. PITTMAN. I would like to know if the Senator is afraid that this investigation would injure the prohibition cause?

Mr. WATSON. I think so; but that is a debatable matter.

Mr. PITTMAN. There is the Senator from New Mexico [Mr. JONES], who is a prohibitionist; there is the Senator from Utah [Mr. KING], who is a prohibitionist; there is the Senator from Kentucky [Mr. ERNST], who is a prohibitionist. In other words, three-fifths of that committee are prohibitionists. Why is there any fear, if three-fifths of that committee are sincere prohibitionists, that that investigation would be so conducted as to purposely injure the prohibition cause?

Mr. WATSON. If I answered that question, I would be accused of impugning somebody's motives. I am not going to answer it on the floor of the Senate of the United States.

Mr. PITTMAN. Then one other question. The Senator has charged that the indications are that this investigation is urged by sinister motives. It is plain what he means is that by reason of a disagreement between a high Cabinet officer and one of the Senators in this body it developed into a bitter personal contest.

Mr. WATSON. Personalities between the Governor of Pennsylvania and Secretary Mellon.

Mr. PITTMAN. If there is a bitterness that brings about sinister motives, would not those motives extend to the investigation of the income-tax returns in the same spirit?

Mr. WATSON. It would if they had that same lawyer backed up in the same way. But the situation is altogether different, because Mr. Pinchot used this language:

> I have no sympathy with the investigation as a mere fishing expedition. I have no personal purpose or animus in the matter. I am not pressing for a general investigation of the Treasury Department. But I assert—and I challenge Mr. WATSON or anyone else to deny it—that it is high time to put an end to the corruption and inefficiency that exists in the Federal enforcement service.

In other words, here is the man who suggested to Senator COUZENS to hire the lawyer, who clearly says he does not care anything about an investigation of the income tax unit or any other part of the Internal Revenue Bureau, but that all he wants is an investigation of the prohibition unit. We all know the position he has taken on it. That is the reason why he would be animated by an entirely different spirit and stirred by an entirely different desire on the subject of prohibition than he would on the matter of the investigation of the income tax unit.

Mr. PITTMAN. If I understand the situation, the Senator suspects sinister motives on the part of a Senator who has been in disagreement with the Secretary of the Treasury. Now, as I further understand the Senator, he has no objection, and never has had any objection, to an investigation of the income tax unit of the Internal Revenue Bureau; but he is protesting against the investigation of the prohibition unit. I want to ask him if it does not indicate that he fears something in an investigation of the prohibition unit and does not fear anything in an investigation of the income tax unit?

Mr. WATSON. I can answer that plainly and explicitly. I fear nothing in the investigation of any portion of the Treasury Department of the United States Government. It is not a question of fear at all. That does not enter into it. If we had the time and had the right kind of surroundings, I would welcome a full investigation of the whole business for the express purpose of convincing every man, woman, and child of intelligence in the country that this great department has been nobly conducted and has achieved most marvelous results.

Mr. PITTMAN. If this unit had a great many corrupt agents in it and the investigation would expose those corrupt agents in that department, if it would disclose there was bribery going on through the department, bribery of officers of the department preventing them from doing their duty as agents of the department, would not the Senator then desire that the investigation be conducted to expose that corruption?

Mr. WATSON. Let me say to my friend that the Senator from Michigan had full authority to investigate the income tax unit. He brought every witness there that he wanted to bring. We did not lay a straw in the way of the operation as designed by the Senator from Michigan. I signed every subpœna he asked me to sign and asked no question about who it was for or what he wanted the witness to prove. After he had completely investigated the whole thing to his satisfaction, he asked to have a report made accordingly. That is the evidence in the case.

Mr. PITTMAN. That is not what I asked the Senator.

Mr. WATSON. I say I do not fear any investigation of the income tax unit.

Mr. PITTMAN. I did not ask that.

Mr. WATSON. And never did.

Mr. PITTMAN. I asked the Senator this question: If he believed that the prohibition-enforcement unit of the Treasury Department was filled with many agents who were corrupting it, who were accepting bribes to prevent them from doing their duty in the enforcement of the prohibition act, would he be in favor of an investigation for the purpose of bringing to light that situation?

Mr. WATSON. Certainly. Every man would be in favor of investigating if he knew the whole thing was seething with corruption and was rotten on the inside. That goes away back yonder into the preceding administration.

Mr. PITTMAN. Does not the Senator know that the evidence that goes to the whole country is that the department is filled with corruption?

Mr. WATSON. Which department?

Mr. PITTMAN. The prohibition enforcement unit.

Mr. WATSON. I hear all the fellows opposed to prohibition saying it.

Mr. PITTMAN. I am not opposed to prohibition, but if we are going to have prohibition we have to have an honest enforcement of the law.

Mr. WATSON. How would the Senator make it?

Mr. PITTMAN. I can see why the Senator from Indiana does not want an investigation.

Mr. WATSON. Why?

Mr. PITTMAN. Because he is like the Senator from some other State, possibly, who is opposed to the whole law and thinks the whole thing is a failure and a fraud and a mistake. How he can stand there and charge prohibitionists, who are anxious to enforce the law, with being in favor of a defeat of the investigation is absolutely incomprehensible to me.

Mr. WATSON. I thank the Senator.

Mr. DIAL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from South Carolina?

Mr. WATSON. I yield to my friend from South Carolina.

Mr. DIAL. Many of us think prohibition would be enforced more effectively if the politicians would keep their hands off of the enforcement officers. That is where the main trouble lies.

Mr. WATSON. I do not know that I would agree with the Senator. I think politicians can do things about as efficiently and about as honestly as anybody else, if they have the opportunity to do it.

As I said awhile ago on the floor of the Senate and previously, I voted for the law. I did not think it immediately could be effectively enforced because of the general condition throughout the country. I did believe that it would be progressively enforced. I think so now. But I believe that an investigation of all the departments at this time, instead of aiding in the enforcement of prohibition, would but retard it for a long while to come.

Mr. President, I yield the floor.

Mr. ASHURST. Mr. President, the able Senator from Indiana [Mr. WATSON] left an inference indicating that he doubted the capacity of Mr. Francis J. Heney, of California, to make a fair investigation. I do not believe the Senator from Indiana is personally acquainted with Mr. Heney. Evidently he knows nothing about the services that Mr. Heney has rendered to the people of the United States. I believe that of all the attorneys who could have been selected to assist the committee Mr. Heney was probably one of the most efficient. During the San Francisco graft prosecutions, in the final test, amongst the men who stood firm and carried the burdens of the prosecution, one was Francis J. Heney and the other was HIRAM W. JOHNSON, now the senior Senator from California. Mr. Heney was shot down in the court room and Mr. JOHNSON, now Senator JOHNSON, at once took up the gauge of battle and carried it forward. No man who appreciates courage and who strives for civic virtue can do other than pay his tribute of respect to Mr. Heney and to Mr. JOHNSON for the services they rendered to the city of San Francisco.

Mr. NORRIS. Mr. President, I want to discuss briefly the particular resolution upon which we are about to vote, the message of the President regarding it, and the letter of the Secretary of the Treasury to the President.

When the resolution was first introduced by the Senator from Michigan [Mr. COUZENS] I was very heartily in favor of it, because I believed that a proper investigation of the Bureau of Internal Revenue would give to the Congress valuable information upon which we could legislate to cure what in my judgment was a serious defect in the law. It never occurred to me that we would find in the head of the department of which

this bureau is a part any lack of duty or any lack of purpose of duty, and that there would be no lack of ability, no trouble found that could in any way be blamed to Secretary Mellon.

I thought the trouble came from what I believed to be deficiencies in the law. One of the most important was that the Bureau of Internal Revenue was a secret bureau; that it contained in it reports, income-tax reports, corporation reports, adjudications and actions of various department officials, all of which had been concealed not only from the public but from the Congress of the United States, concealed because it was the duty under the law of the Secretary of the Treasury and his subordinates to conceal them.

I had not in my mind a single thought that the Secretary of the Treasury or any of the immediate officials under him was doing anything but their full duty. As far as I know, the Senator from Michigan, who was the father of the resolution, had no other idea. Those of us who know the Senator from Michigan and have worked with him since he has been in the Senate absolutely know that he is not influenced in his official actions by personal difficulties or by personal interests. He is open minded, perfectly free, always courageous, honest, and ready to do what to him seems the right thing to do. I think he went into the matter with the best of faith and that he maintained it throughout all his connection with it until he was stricken down with illness.

Although the investigation did not go very far, it disclosed, as far as it went, some valuable information, and I thought when it was going on that it was going to disclose sufficient information so that when we came to the proposition of providing by law for the publicity of income-tax returns and adjudications of such returns, that it would carry. I do not know now how much influence that investigation had on the votes that we took just the other day by which we put into the bill now pending before the Senate a publicity provision.

The investigation could not have been very successfully carried on if it had not been for some concessions that were made. The first one was made by Mr. Mellon himself when he caused corporations in which he is directly interested to throw aside the veil of secrecy with which the law protected their returns and exposed them to the view of the committee. I think that was a commendable act on his part. I thought at the time and I yet think that when he took that action he performed a great public service in assisting the committee to get at the facts.

In the investigation, so far as it went—and I am not going to refer to all of the cases which were brought out—there was disclosed some information in regard to one of Secretary Mellon's corporations. I have here a synopsis of some of the evidence which I have been able to get in regard to the Gulf Oil Co., which was one of Secretary Mellon's corporations. In 1918 the revenue act provided that depletion was to be equitably divided between the lessee and lessor companies. The Gulf Oil case was settled in 1920, just before Mr. Mellon became Secretary of the Treasury; so this happened prior to the time when he had any official connection with the department. The investigation showed that in the case of the Gulf Oil Co. an opinion rendered by the then solicitor of the Bureau of Internal Revenue was used to reach back and give the company's lessees depletion for the years 1916 and 1917. That was all done in secret. The amount saved to the company was $849,000, which is quite an item.

The public was not aware of that ruling until 1922. I only call the attention to it in order to show that in the secret archives of that great bureau, where the fortunes, more or less, of every corporation and of every individual are at stake, secret tribunals have been passing on cases and years elapse before the public finds it out.

What is the importance of the decision in the Gulf Oil case? How many other companies are in the same condition? Perhaps that decision was wrong. It may be, if there had been a public hearing the case would not have been decided in that way. As I understand, it is not yet settled. I am not basing my argument upon the question whether the decision was right or wrong, but I am basing it upon the fact that the decision was rendered in secret and that the public did not find it out. All other corporations and all citizens having the same rule applied to them are entitled to know what is going on there in order that the law may be applied equally to all people and to all corporations alike. So this was an important proposition. It reached right into the vitals of business everywhere and, in reality, into the pocketbook of every man who paid an income tax.

Mr. CARAWAY. Mr. President, may I ask the Senator from Nebraska a question?

Mr. NORRIS. Yes.

Mr. CARAWAY. If it were not the intention to apply one rule to one person and another rule to another, what excuse could there be for concealing a ruling of that kind?

Mr. NORRIS. I do not know of any, I will say to the Senator. Everybody must concede that such a condition ought not to exist in a free country, where everyone ought to have the same rights accorded to him and the same rule applied to him, openly and above board. So I thought something good was going to come out of it, and I think it did. As I said before, I felt that Secretary Mellon had done a great public service; and if I did not previously say so, I wish now to state that I never had any suspicion that Secretary Mellon was wrongfully covering up anything. It was his duty under the law, perhaps, to do what he did.

But, Mr. President, there came a time when there seemed to be some fear that the prohibition unit might be investigated. I do not know why this should throw them all into hysterics. If the prohibition unit here in Washington has not been doing its duty, has not been enforcing the law as best it could, then there is the same reason for exposing that part of the bureau as for exposing the internal-revenue part of it. As soon as Governor Pinchot, whose motives no man has ever questioned and whose faithfulness to prohibition no man doubts for a moment, said there was something wrong in that unit, and wanted the committee to investigate it, Secretary Mellon immediately ran to the President with uplifted arms and shouted—

> Save me, Cassius, or I sink.

Then the President sent a message, together with Secretary Mellon's letter, to the Senate. Senators may go through that message from one end to the other time and time again and they will find no other meaning at all than that he wanted to stop all investigations of every kind. I have no objection to a man who claims that ought to be done if he will say so, but I dislike to hear persons such as the Senator from Indiana [Mr. WATSON], for instance, say, "We want to uproot every wrong; we want to expose every evil; we want to punish every criminal; but do not investigate anything." That is the substance of the President's message—"do not investigate; punish wrong and evil wherever you find it, but do not look for it." According to that kind of program, what we ought to do would be to issue a proclamation to all the thieves and rascals in the country and say, "We want to punish the whole bunch; come forward now and receive your punishment."

Mr. President, I desire to quote from the President's message, and I wish to say that I shall discuss the President's message with no unfriendly spirit toward President Coolidge. I concede he has a perfect right to do what he advocates doing. For instance, he says in the message:

> I recognize also that it is perfectly legitimate for the Senate to indulge in political discussion and partisan criticism.

That is practically a charge that the Senate is playing politics. I think, Mr. President, a fair-minded man, without prejudice or bias, would say that the Senate does play politics; it always has played politics and perhaps always will. It is getting better I think all the time, and it gets better and improves as it lessens the degree of politics which is played. The playing of politics is not confined to this side of the Chamber or to the other side. Mr. President, there may come a time in the future when the Senate will not play politics, when public men will be so imbued with a sense of the official duty they owe to the country that they will not be influenced by partisan considerations, and that even unconsciously party considerations will never be a moving cause in any of their transactions; but the playing of politics is not confined to the Senate; the playing of politics goes on in the White House just as it does in the Capitol. President Coolidge is not exempt from the accusation that he has played politics just as his predecessors have played politics. The presidential office would be better off if the occupant never played politics, but the occupants of the White House are all human, and it must be conceded, as President Coolidge concedes to the Senate, that they have a right to play politics. I would not prevent them doing so if I could, because the right to play politics is akin to the right of free speech and of free press, which we all know are the fundamental corner stones of free government. Yet everybody knows that where free speech exists it is very likely to be abused, and often is abused; but our forefathers and all those skilled in the science of government who have followed them have always believed that if we undertook to punish that abuse we would do more harm to human liberty and civil government than though we let it go unrestrained. So we have always held as part of our Constitution the principle that free speech and free press shall always be maintained and not interfered with. If we undertook to suppress men playing politics in the Senate or in the White

House or in a governor's office or in a State legislature we would in a degree suppress free speech, and we would do more harm by our action than we would prevent harm by reason of such suppression.

The country, after all, forms its own judgment. If we play politics, we may succeed for awhile, but eventually we will be found out by the people of the country. In a country sufficiently intelligent to have self-government that will always follow, not as soon, perhaps, as it ought to follow, but eventually that condition will be reached.

Mr. President, in my judgment, the message of the President of the United States is nothing in the world but a little play of politics by the President, and I would not take that right away from him any more than he wants to take it away from the Senate. He says:

The appointment of an agent and attorney to act in behalf of the United States, but to be paid by some other source than the Public Treasury, is in conflict with the spirit of section 1764 of the Revised Statutes, the act of March 3, 1917.

The constitutional and legal rights of the Senate ought to be maintained at all times. Also the same must be said of the executive departments. But these rights ought not to be used as a subterfuge to cover unwarranted intrusion. It is the duty of the Executive to resist such intrusion and to bring to the attention of the Senate its serious consequences. That I shall do in this instance.

Under a procedure of this kind the constitutional guaranty against unwarranted search and seizure breaks down——

Mr. CARAWAY. Where?

Mr. NORRIS. That is the language of President Coolidge in his message to the Senate.

Mr. CARAWAY. Will the Senator from Nebraska point out wherein it breaks down.

Mr. NORRIS. God Almighty could not do that, because such procedure does not do it at all.

Mr. CARAWAY. Nobody, then, but the President could do that.

Mr. NORRIS. The President could not do it. He has made an assertion that no one can substantiate; he has made an assertion that is impossible of substantiation—

the prohibition against what amounts to a Government charge of criminal action without the formal presentment of a grand jury is evaded—

Of course, the President, as we know, is not a lawyer.

Mr. CARAWAY. Oh, he has a license and practiced law.

Mr. NORRIS. Has he a license?

Mr. CARAWAY. Oh, yes; he practiced law before he went into politics.

Mr. NORRIS. He has not practiced it lately.

Mr. CARAWAY. I do not think he ever did practice it much, but he had a license and an office.

Mr. NORRIS. I judged from this language that he was not a lawyer and that he wrote this without consulting a lawyer, because any lawyer who would lay down a legal proposition of that kind would be disbarred from practice on the ground of ignorance.

Mr. CARAWAY. I rather imagine the Attorney General wrote that particular passage.

Mr. NORRIS. The ex-Attorney General, the Senator means?

Mr. CARAWAY. Yes.

Mr. NORRIS (reading)—

the rules of evidence which have been adopted for the protection of the innocent are ignored, the department becomes the victim of vague, unformulated, and indefinite charges, and instead of a government of law we have a government of lawlessness. Against the continuation of such a condition I enter my solemn protest and give notice that in my opinion the departments ought not to be required to participate in it. If it is to continue, if the Government is to be thrown into disorder by it, the responsibility for it must rest on those who are undertaking it. It is time that we returned to a government under and in accordance with the usual forms of the law of the land.

Mr. President, whenever you take away from the legislative body of any country in the world the power of investigation, the power to look into the executive department and every other department of the government, you have broken down free constitutional government; you have taken a full step that will eventually lead into absolute monarchy and destroy any government such as ours.

Right on that point, the Secretary of the Treasury has something to say in his letter:

At a meeting of the committee yesterday Senator COUZENS carried a resolution, against the objection of the two Republican members, empowering Francis J. Heney to assume charge of the investigation and to conduct the examination of witnesses, with the understanding expressly stated in the resolution that neither the committee nor the Government pay Heney's compensation. In effect, a private individual is authorized to investigate generally an executive department of the Government. This individual is paid by, not the Senate or its committee, but Senator COUZENS alone.

As Secretary of the Treasury I have charge of the finances of the Nation. The Treasury touches directly or indirectly every person, and in the sound conduct of its business affects the industrial life of the United States. Already the present investigation has greatly injured the efficiency of the income-tax organization, and the sufferer is not the Government but every taxpayer. Attacks such as these seriously impair the morale of the 60,000 employees of the department throughout the country. Government business can not continue to be conducted under frequent interference by investigations of Congress, entirely destructive in their character. If the interposition of private resources be permitted to interfere with the executive administration of government, the machinery of government will cease to function.

Mr. President, that language would almost scare a timid person. We are about to break down the Government because this Couzens committee, investigating the Bureau of Internal Revenue, have employed an attorney to help them, and that attorney is going to be paid by the Senator from Michigan.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. WATSON. Of course my friend from Nebraska knows that the President did not refer alone to this one investigation.

Mr. NORRIS. I said that awhile ago, when the Senator was out. He had reference to all these investigations. He does not want any investigations.

Mr. WATSON. And, if my friend will permit me, he knows precisely what it means to give a roving commission power to go into the Treasury Department and rake over all the documents and get out all the returns within the limits of the law, unless the President of the United States shall specially prohibit their being taken away in that investigation for that purpose. The Senator must know what that means.

Mr. NORRIS. If the Senator wants to ask me something, let him ask me, and I will try to answer it, but I hope he will not make a speech. The Senator has utilized an hour or two already in making a speech.

Mr. WATSON. I beg the Senator's pardon.

Mr. NORRIS. I am willing and delighted to have the Senator interrupt me and ask any questions, or even make a suggestion. Has the Senator asked me a question that he wants me to answer?

Mr. WATSON. I will put my statement in the form of a question, and say, Does not the Senator understand the full purport of what the President had in mind in the investigation of this department?

Mr. NORRIS. No; the President did not want it investigated, and the Secretary of the Treasury says it is going to destroy the entire efficiency of the whole concern. If we have a lot of machinery down there that can be so easily destroyed, that in itself is sufficient reason to have us investigate, with the view behind the investigation always of trying to improve the condition and change it so that it will not be so susceptible to a little movement on the part of Congress to get some information.

Mr. CARAWAY. Mr. President, will the Senator permit me to call his attention to what the Senator from Indiana said he told the President about it?

Mr. NORRIS. Yes.

Mr. CARAWAY. If the Senator will just read this part right here, he states that he talked to the President, and down there is evidently what he said to him, because that is the next time he touched on the subject.

Mr. NORRIS. I will refer to that.

Mr. CARAWAY. He says here that he talked to the President and to the Secretary, and then the President and the Secretary got busy, and here, later, is what he says he told them—that they were not enforcing the law, and the Lord knew the scandal that was going to grow out of it.

Mr. WATSON. I shall be very glad to have that referred to.

Mr. CARAWAY. The Senator ought to have referred to it, because it is exactly in conflict with his statement a while ago.

Mr. WATSON. Oh, no.

Mr. CARAWAY. I am sure the Senator has forgotten his first statement.

Mr. WATSON. Oh, no.

Mr. CARAWAY. Oh, yes; I heard the Senator, and I read this.

Mr. WATSON. It is in perfect harmony with my statement.

Mr. CARAWAY. If it is, then this is parallel. I will put it in the RECORD, and I shall be obliged to the Senator if he will just stay here and hear it. I recall that the Senator assured me that Daugherty had told him he had nothing to do with the Morse case.

Mr. NORRIS. Mr. President, the President does not want it investigated; but what is wrong about the Senate making an investigation of the prohibition unit if there is something wrong in it? The very fact that they want to close the door and get on the lid is the first suspicion I have had that at least high up, among the high officials, there is something wrong in the prohibition unit.

As I said a while ago, playing politics is not confined to the Senate. The President and his Secretary of the Treasury were playing politics in these communications.

Mr. ADAMS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. Yes.

Mr. ADAMS. I simply want to ask a question for information. I understood from the discussion of the senior Senator from Indiana that it was conceded that the committee's original delegation of authority was eminently proper; that the investigation of the income tax bureau was an entirely proper proceeding. In the passage of the resolution authorizing that we all joined. What I want to know is, why should the Senate as a body be criticized and condemned by the President by quoting a statute and pointing out that a committee appointed by the Senate for a lawful and proper purpose had exceeded its authority? I have wondered why the criticism should have been directed to the Senate, and not to the committee.

Mr. WATSON. Mr. President——

Mr. NORRIS. Let me answer the question.

Mr. President, the Senate has never exceeded its authority. No one here at any time has pointed to a single instance where this committee has exceeded its authority, judged by the resolution that we passed authorizing its appointment. That is not the question involved; but the fact that they were going to use their authority is what brought about this message, this letter, and the resolution of the Senator from Indiana. It was not because they were exceeding their authority, but because they were going to use what they already had, and what the Senate had given.

In other words, when Governor Pinchot made some remark about prohibition, and the Senator from Michigan [Mr. COUZENS] said something about prohibition, they jumped at the conclusion that this committee were going to investigate the prohibition unit of the Bureau of Internal Revenue; and that authority existed in the original resolution. The prohibition unit is a part of the Bureau of Internal Revenue. They had authority to investigate the prohibition unit under the original resolution that was passed. No one can question that for a moment; and that they went about it in any ungentlemanly way has not been charged. That they did anything in a discourteous way has not been charged.

I think the most of the Senate, judging from those who have spoken, do not believe that an attorney ought to be hired and paid privately. Personally, I do not see anything wrong about it, although I am going to vote for the resolution and authorize the appointment and the payment of an attorney out of the Federal Treasury. It must be remembered that in this case the Senator from Michigan [Mr. COUZENS] could not select Mr. Heney and take him in to do the work he wants him to do without the approval of the committee. It requires the action of the committee; and if we pass this resolution it will give to the committee the authority to make the very appointment which they did make, as a matter of fact, when Mr. Heney was selected, the difference being that in one case he will be paid publicly, and in the other case privately.

Now, it just happens that I know of some instances since I have been in the Senate where an investigating committee have had the assistance of attorneys without any action of the Senate authorizing it, and without any payment from the Public Treasury for the services rendered. It just happens that in a particular instance which I remember very well I was the guilty Senator who selected the attorney. It happened several years ago, in an investigation which the Agricultural Committee was making, that at my suggestion an attorney was employed, not paid for out of the funds of the Treasury, and the man was selected at my suggestion. I really felt that I was doing a public service in saving that much money to the Treasury. Maybe I was committing a sin, and ought to be punished for it.

Another queer coincidence is that on that occasion the attorney I selected happened to be the identical attorney that this committee has selected, Mr. Heney. So I want to plead guilty to whatever charge may properly be made against the Senator from Michigan—and let the same punishment be inflicted on me—excepting that I did not pay him out of my own pocket, as it is said here the Senator from Michigan is going to do. I do not know whether Mr. Heney is particularly fitted for this particular work or not, but I am willing to trust the committee. The work we employed him to do was done efficiently and well. I never have heard from any member of the committee a single word of complaint about it.

Because Mr. Heney was going to be employed in this case the Secretary of the Treasury ran like a spoiled child to the President and said: "For God's sake, stop this thing. They are going to investigate prohibition before they get through, and it will hurt us." Politics, Mr. President—nothing but politics. I repeat, and I say it without any idea of censuring anybody, that the Senate can play politics; so can the President, and the President does play it, just as the Senate does.

Let me give you one or two other instances, Mr. President.

The Committee on Agriculture and Forestry have been considering for several weeks the question involved in the disposition of Muscle Shoals. One of the prominent bidders, the most prominent of all, has been Mr. Ford, of Detroit. On the 12th day of October Mr. Ford issued a scathing rebuke to the Secretary of War, which in effect meant Mr. Coolidge's administration, showing, in my opinion, an unwarranted bitterness, a bitterness that I would be unable in my limited way to use language sufficiently severe to describe, showing that in his heart there must have existed at that time a terrible hatred and animosity.

It is claimed, and in fact it is known, that a contributor to the Dearborn Independent, Mr. Ford's paper, sent a telegram to Mr. Ford when that statement came out, on the same day, the 12th of October, 1923, in which, in substance, he advised Mr. Ford's secretary that the President hoped he would not say anything that would prevent him from helping him to get Muscle Shoals. It is true the President has denied he tried to give Muscle Shoals to anybody, but that this telegram was sent there is no question. It was admitted under oath by Mr. Ford's private secretary, Mr. Leibold, and the telegram was printed.

Some way or other, after that happened, this feeling of animosity changed into a feeling of great admiration and love. Mr. Ford came to Washington and made a friendly visit upon those who had been his previous enemies, according to his own statement. Later on he issued a statement in which he said that he would withdraw as a candidate for President, and that under no circumstances would he run in any party against President Coolidge, whom he thought everybody ought to get behind and reelect. So he had become a great friend.

In the meantime, the President had sent a message to Congress in which he advised that Muscle Shoals be sold, and although he did also recommend that a committee be appointed, that it ought to be recommended that of all the bids that had ever been made for Muscle Shoals there was only one that provided that the Government should sell the property, and that was the bid of Henry Ford. So these enemies became great friends.

Therefore, Mr. President, the battle of Mr. Ford had been fought in the Senate, which the President says plays politics. The Senator from Alabama [Mr. HEFLIN] and the Senator from Mississippi [Mr. HARRISON] were the leaders who took charge of the Ford band wagon in the Senate; but it seems now, by the operation of these things I have related, that they can increase the membership of the firm.

A chemist does wonderful things in his world, things that to the ordinary person look like magic, and as though they were superhuman. The chemist can do them because he has a knowledge of the nature of the elements he puts together. He can take two or three ordinary things in common use, which we all think we understand pretty well, and put them together, with the result that he has a product so explosive that it would destroy property and human life almost without end. He can unite again products well understood by men, and make a poisonous gas that would destroy all the people in a city or a town.

So with the political chemist. He can put together men of different political faiths, of different interests, and make a

product that will emit poisonous gas that will smell to high heaven.

So, instead of the firm of HEFLIN and HARRISON, representatives of Ford in the Senate, we have added two members to the combination by this operation of playing politics, and now we have Coolidge, grave, silent, honest patriot; Ford, the magic of whose very name causes millions to go insane with enthusiasm for any crazy notion he may ever express; the Senator from Alabama [Mr. HEFLIN], whose eloquence in behalf of the downtrodden reverberates around the world; and then the junior member of the firm, the Senator from Mississippi [Mr. HARRISON], who converts himself by his own eloquence into the belief that every Democrat is a saint and every Republican is the devil's own pal.

Coolidge, Ford, Heflin, Harrison. Cal, Hank, Tom, and Pat, all mixed up together like a scrambled egg. Result: Fertilizer. [Laughter.]

Mr. President, the playing of politics is not confined to the Senate.

A few days ago we passed an immigration bill. There was just a little dispute as to the date when the Japanese exclusion provision should take effect. It went to conference. It has been noised all around here, and everybody understands it, it has been talked in the cloakrooms, but nothing is said publicly about it, that the President did not like the exclusion provision; he wanted it changed. He wanted it put off, not to take effect for a couple of years, and to have a provision added that in the meantime if this Government entered into a treaty of exclusion that the provision in the bill should be absolutely void from that time on. But to-day, right while we are here, a primary election is being held in California for the voters there to say whether that State shall be for Coolidge or for its own honored son as the Republican candidate. The people of California are unanimous in favor of the exclusion provision of the immigration bill, and just on the eve of that election it is announced from the White House that the President is in favor of the exclusion provision, but the conference committee is held back in secret, and has not reported, and will not report until after the Californians get through voting to-day, and then, if the President has his way, there will probably be a provision in the bill which at least many people honestly think will mean nonexclusion.

Mr. McKELLAR. Will the Senator yield?

Mr. NORRIS. In just a moment. Again, I say, there is a game of politics. I would not stop it if I could, I could not stop it if I would; but Senators must not come to the belief that the Senate is the only place where politics is played. The great White House plays it sometimes, and, as in this instance, it is sufficiently powerful to control committees, both of the Senate and of the House, and keep them back until the President wants the results of the conference known. It is politics. Now I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, in connection with the President's attitude on the Japanese exclusion bill, which is now in conference, a member of the conference committee of the House last Friday brought to me a proposal which he said came from the President of the United States, and asked me to sound out the opinion on the Democratic side of the Chamber as to the acceptance of the President's proposal. Whatever the Senator from Nebraska says does not need any substantiation, but in order that there can not be any misunderstanding about it, I am going to read just what was suggested in this proposal as submitted to me, if the Senator will permit me.

On and after March 1, 1926—

These words being in italics and being a change from July 1, 1924.

No alien ineligible to citizenship shall be admitted to the United States unless such alien (1) is admissible as a nonquota immigrant under the provisions of subdivision (b), (d), or (g) of section 4, or (2) is the wife, or the unmarried child under 18 years of age, of an immigrant admissible under such subdivisions (d), and is accompanying or following to join him, or (3) is not an immigrant as defined in section 3: *Provided, however, That the provisions of this paragraph shall not apply to the nationals of those countries with which the United States, after the enactment of this act, shall have entered into treaties, by and with the advice and consent of the Senate, for the restriction of immigration.*

I call the Senator's attention to the fact that the words in italics are new language entirely, not in either the bill as it passed the House or in the bill as it passed the Senate, and as the Congressman from the conference committee told me, that was the proviso the President wanted to go into the bill. Of course, it could only be put into the bill by suspension of the rules, because the rules of both the Senate and the House prevent such an addition. In concluding my interruption, I will say that this proviso changes the question from a domestic question and makes it an international question.

Mr. NORRIS. I hope the Senator will not take up my time with a discussion of the immigration proposition. I only wanted to illustrate, by referring to this fact, that the President played politics as well as the Senate.

I hope that because I have said this it will not be charged that I impute any wrong motive to any President. President Coolidge is only doing what other Presidents did before. He is doing, however, just what he charged the Senate with doing. While I concede that we would be better and that our country would be better if the President did not play politics and the Senate did not play politics, all officers of a government composed of human beings do play politics.

When this matter was up before the Senator from Indiana [Mr. WATSON] made a speech in which he said, reading from the CONGRESSIONAL RECORD of April 12, 1924, on page 6383:

Why, Senators, when we voted for prohibition, those of us who did, we knew that the law could not be completely enforced for 5 or 10 years, but voted for it only with the understanding that it would be progressively enforced. As I am aware, and as everybody knows, if we begin a wholesale investigation of that bureau there will be no end to it.

That is the meat in the coconut here; because they were going to show, perhaps, that it was not enforced properly, they wanted to stop it, and stop all other investigations.

I do not agree with the Senator from Indiana. I do not want to have it enforced progressively. I think that if it is not being enforced properly we ought to know why, and if the bureau here is a nest of politicians—and I have some reason to think that there are a good many in it—we ought to run them out. We can not do it until we know what the facts are. We ought to direct this committee to go into the prohibition unit and see what is wrong, and when we find what is wrong, we ought to make it right as near as we can, either by change in the law itself or in the method of administration.

I am not finding fault with a man who conscientiously believes that we ought to repeal the law or modify it, but I do say that when we have a law of that kind, or of any other kind, on the statute books we ought to enforce it, and if it is not enforced, and purposely not enforced, if an honest attempt is not being made to enforce it, I want to know where the trouble is.

We have a right to know it. Does anybody here question the good motives of Governor Pinchot, for instance, as a prohibitionist? He ran on that kind of a platform when his State was largely wet. He has stood for it everywhere, at all times, fearlessly and courageously. His honesty is not impugned or questioned by any man who knows him, and most of the people of the United States do know him; and because he said there was something wrong with the prohibition unit the President and the Secretary of the Treasury went crazy, in a way at least, got scared to death, and through the Senator from Indiana brought in a resolution here to discharge the committee that was going to get some information about that unit.

I have never been so satisfied of anything in my life as that Governor Pinchot was moved by motives just as high as ever moved the human heart. He wanted to see prohibition enforced. As long as it is on the statute books, even if we believe there should be no such law, we ought to be with him and help him enforce it. But as soon as that is attempted or information is sought that would bring it about there came the message and came the Senator's resolution to discharge the committee. There came word from the President, "Stop investigating; you are taking away the corner stone of the Government. You are interfering with 60,000 employees." Do you suppose there would be criticism if that committee took up the prohibition unit in Washington, composed of comparatively few people, and found that there was some fraud there? We know that in a good many ways there has been fraud. I did not know before that the Secretary of the Treasury had ever winked at it. I did not know the President did not want it opened up. I supposed he wanted the law enforced. Every once in a while somebody is arrested and a lot of whisky is found in his apartment or in his house or in his store or in his shop. I supposed they were honestly trying to enforce the law. But it seems there is something there that the Senate did not know about and they do not want us to find it out. They do not want the law enforced, it seems to me, when they take this kind of course.

Are we in the coming election as Republicans going into partnership with bootleggers? Are we going to say to the men who violate the law, "We will not permit the law to be enforced. We will let you bootleg. We will let you sell liquor without regard to the law. We are not going to enforce it," and to prove it show that under the command of the President and the Secretary of the Treasury we stopped an investigation that would expose that the law was not being enforced?

If the Senator from Indiana wants to go into that kind of deal, he is welcome to it. I am not going with him. No matter what may happen, it seems to me we ought to let the American people know the truth. If the law is not being enforced right, we should improve it so that it can be enforced, even progressively, as the Senator from Indiana said. It may be we are not progressing fast enough. I think the idea of the Senator from Indiana of enforcing it progressively means a little more next year and a little more the next year.

Mr. CARAWAY. No; a little less.

Mr. NORRIS. It makes me think of the drunkard who quit drinking progressively. He could not quit all at once. He said, "I will quit by degrees, progressively." He had been progressing, getting worse and worse, on a long drunk one time, and then had gone away for a long while. While he was gone the well went dry. The wife, who remained at home while he was reforming progressively, had to dig a new well. They got the well down to water and mud. While the well was in that unfinished condition, with the windlass still over the top of it, the man who was reforming progressively came home and fell into the new well. He made a loud outcry, and his wife came out and let the windlass down to him. She brought him up a little ways and let the windlass go, and he went back into the mud. Then he got hold of it again, and she drew him a little higher and let him down again. Then he got hold of it again, and she pulled him still a little higher and let him down again. At last she had him clear up, with his head at the top, when she let go, and down he went again. Every time he went down he went deeper into the mud. He said, "Mary, what are you trying to do?" She said, "John, I am getting you out progressively." [Laughter.]

That is how the Senator from Indiana wants to enforce the prohibition law. That is what I am afraid of, Mr. President. That is what it seems they are trying to do down there, and that they do not want anybody to find it out.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. EDGE. The resolution now pending, Senate Resolution 211, which is supplemental to Senate Resolution 168, carries with it, does it not, in the Senator's judgment, all divisions of the Internal Revenue Bureau and, if passed as now before the Senate, would give the committee power to investigate the prohibition unit?

Mr. NORRIS. I think so. The original resolution did that, I will say to the Senator. They have always had that power and nobody has questioned it.

Mr. EDGE. I simply rose to say that, believing that myself, it would be one of the reasons why I would vote for the resolution, because I thoroughly agree with the Senator that there is a fertile field there to be investigated.

Mr. NORRIS. The reason why opposition has come, the reason that has brought the President's message and the Secretary's letter, has been not that the committee were doing anything they did not have any right to do, but were doing something they did specifically have a right to do. It is all poppycock to say that it would interfere with the morale of 60,000 employees over the country. That is all poppy-cock. There can not be anything to it. There is not anything to it. It would interfere with some here whose time might be taken up looking into the files and papers for a few days while the investigation was on. That might occur, but that ought to occur. It must occur if we are going to improve conditions. Nobody ought to be afraid of the truth unless he is a gainer by suppression of the truth. Are we going to say to the people of the country in the coming campaign that we never did believe that we could enforce the law and we have not tried to enforce the law, that if they will keep us in power 10 years more perhaps we will begin to enforce the prohibition law? Do we want to take that attitude before the people? That is the attitude I think we would have to take if we followed this message as interpreted by the Senator from Indiana on the floor of the Senate.

I submit in all fairness, in all honesty, that it is our duty to find out what the facts are, and to tell the truth, not only for the benefit of the American people, but for the benefit of the Congress in order that we may remedy a situation if we find it is susceptible of remedy.

Mr. BROOKHART. Mr. President——

Mr. NORRIS. I yield to the Senator from Iowa.

Mr. BROOKHART. A special assistant of the Attorney General has testified in the investigation to-day that there are more than a dozen bars and a thousand saloons in the city of Chicago that are operating in violation of law. When we touch that situation in the Department of Justice they invariably call attention that enforcement is in the hands of the prohibition unit of the Treasury Department. They pass the buck from one to the other.

Mr. NORRIS. There is an illustration. That illustrates a condition which we ought to remedy. Assuming that the Department of Justice is right—that it has not any duty to enforce the law, but it is somebody else's duty—and we find that the buck is being passed from one side to the other, should we leave that condition purposely? Are we going to say to the American people, "Yes; it is true, and it is true because we put it there; and if it is there, we did put it there. We do not intend to enforce it for 10 years." The very instance the Senator from Iowa calls to our attention is a sufficient reason why we ought to know just what the truth is about this unit.

Mr. McKELLAR. Mr. President, on March 31 occurred a colloquy between the Senator from Pennsylvania [Mr. REED] and myself in reference to the ownership of the Overholt Distillery Co., of Broad Fork, Pa., which is near Pittsburgh, from which I read as follows:

Mr. McKELLAR. That makes it an active trust, of course, in which Mr. Mellon is interested.

Mr. REED of Pennsylvania. Of course it is an active trust. Of course Mr. Mellon is interested to the extent of his share in the net proceeds after the business has been entirely wiped out; but the business itself is stopped. It has been stopped for over eight years. The property lies there in the warehouse; and when the trustee does finally dispose of it and parts with the whole of the physical property, then Mr. Mellon is entitled to his share in the net balance remaining after that liquidation. I hope that is very clear.

Mr. McKELLAR. The only thing that is not clear is the extent of Mr. Mellon's share in the trust estate.

Mr. REED of Pennsylvania. Mr. Mellon's share is less than a majority. He is not a majority partner. Further than that, I do not think it is any of our business or anyone else's business what his proportion is.

As to the quantity of spirits still in the warehouse, I am not sufficiently advised to answer accurately, except that I can say positively that every quart that was left there when the prohibition amendment went into effect is there now, in so far as it was owned by them. There may have been some withdrawals on certificates that were then outstanding, but the partnership has not sold either a certificate or a drop of the stuff itself, nor has the trustee.

A few days afterwards I asked and obtained unanimous consent of the Senate to place in the RECORD an article relating to the Overholt Distillery Co., owned to a very large extent by Mr. Mellon, Secretary of the Treasury, the article being published in Hearst's Magazine for May, 1924. By some remarkable coincidence the principal part of the magazine article was not published. It was a photograph reproduction of a forged certificate under which the Overholt Distillery Co. sold $50,000 worth of liquor. It was explained to me afterwards that it was not published in the RECORD because there was no means of reproducing the particular photographic copy that was handed in with the article to be printed in the RECORD. Why they did not publish the words and figures contained in the photographic reproduction I can not understand, but inasmuch as it was not done I now propose to read into the RECORD this reproduction of a forged liquor permit. Under it is the following statement:

This is a reproduction of a forged liquor permit. The above is a forged permit of the kind that play a part in some of the most sensational liquor cases that are now before Congress. It took $50,000 worth of whisky out of the Overholt Distilleries at Broad Ford, Pa. Many Members of Congress thought it better to keep liquor out of the investigations for reasons that are explained in the article, but it now seems pretty sure to be gone into.

In view of so much of the speech of the distinguished Senator from Indiana to-day that I heard, it seems to me it is very timely and appropriate that this liquor certificate, upon which the Overholt Distillery Co., owned in great measure by the head of the Prohibition Enforcement Unit of the Government, should come to the notice of the committee that is going into this matter and should come to the notice of the Senate. It reads as follows:

TREASURY DEPARTMENT
U. S. INTERNAL REVENUE
Form 1410

Serial No. of Permit Pa. B. 262
(To be entered by consignee.

PERMIT TO PURCHASE

INTOXICATING LIQUOR, ETC., FOR OTHER THAN BEVERAGE PURPOSES

	Distilled spirits.		Other liquor.	
	Wine gallons.	Proof gallons.	---------*	---------*
Quantity received since January 1, 1920	none			
Quantity applied for herein				
Total				
Quantity on hand this date	none			
Quantity received since Oct., 1920 (first day of quarterly period)	none			

Penal sum of bond Fifty Thousand Dollars $50,000.00

* State kind. Quantity to be stated in wine gallons.

To FEDERAL PROHIBITION DIRECTOR

At ..... January 3, 1921

The undersigned permit holder requests permission to purchase or to procure from A. Overholt & Co., of Pittsburgh, Pa., the following-described intoxicating liquors or other preparations for other than beverage purposes:

Description of goods.	Number of packages.	Serial No. each package.	Wine gallons.	Proof.	Proof gallons.	Tax gallons.
Whiskey	2,950 cases	2048459–9013 2052825–3908 2052215– 818 2053909–4069	8,850.00	100	8,850.00	
Total						

Sworn to and subscribed before me this 3rd day of Jan., 1921.
A. L. MEYER, *Notary Public.*

(Signed) MORRIS GOODMAN.
(Address) Beadling, Pa.

The above-described intoxicating liquors were delivered Jan. 6, 1921.

A. OVERHOLT & CO., Inc., *vendor.*
Broad Ford, Pa.

January 4, 1921.
The above application is hereby approved.
A. MCLEAN, *Federal Prohibition Director.*
M. Q.

FOR USE ON CONSIGNEE IN OBTAINING CONSIGNMENT FROM CARRIER.

Subscribed and sworn to before me this 7th day of Jan., 1921.
A. L. MEYER,
Notary Public.

AFFIDAVIT OF CONSIGNEE.

I hereby swear or affirm that this is a true copy of the permit to purchase issued to me by the Federal Prohibition Director, and that it has not been changed in any manner since its receipt by me.
(Signed) MORRIS GOODMAN, *consignee.*

——— ———, who signed the affidavit hereto attached, is personally known to and is hereby identified by me.

——— ———

Forward via B. & O., 5th permit Md. C 13.

Mr. President, it will be noted that on January 21 the Overholt Distillery Co. sold to Morris Goodman on a forged permit 8,850 gallons of liquor for nonbeverage purposes. That statement has been made and published in a magazine that goes out through the country, and no notice has ever been taken of it. The article, which has already been put in the RECORD, shows that the agent of the Overholt Distillery Co., of which Mr. Mellon is part owner, was indicted in connection with the permit and the sale of those liquors; that Morris Goodman, who is said to be a saloonkeeper in Pittsburgh, was likewise indicted; and when the facts came out, according to the article, it was found that Mr. Mellon's company had sold 8,850 gallons of liquor to be used for nonbeverage purposes in a village of 200 people.

Mr. President, I have read this into the RECORD for the purpose of perhaps throwing a little light upon why the head of the prohibition department of the Government rushes with such hot haste to the President of the United States when there is any suggestion that there may be a real investigation of that department. There has been no denial of this statement, which has been published to the world. The junior Senator from Pennsylvania [Mr. REED], in making the statement that no liquors had been taken from the Overholt Distillery Co. since the prohibition law went into effect, I have no doubt was entirely honest, but evidently he was mistaken in his statement to the amount of 8,850 gallons of liquor.

I hope the resolution will pass. I hope that there will be a thorough investigation of this bureau of the Government. If there is nothing to conceal, why should not the light of publicity be thrown upon it? What reason is there for not having an investigation? The matter ought to have been gone into long ago.

The honest, sober prohibitionists of this land have been fighting for over half a century to secure the adoption of the great prohibition amendment so that Americans might be a sober people; and yet after it has been secured we blandly put its enforcement into the hands of the Secretary of the Treasury, who has been for 42 years one of the greatest distillers in the land. Is it not remarkable that after the prohibitionists of the country, the sober people of the country, have made this great fight, won it in behalf of sobriety, the prohibition enforcement law should be turned over to a man whose every interest is not to enforce the law?

Mr. WADSWORTH. Mr. President, will the Senator yield for a question? The Senator's observations arouse my curiosity, and perhaps he can satisfy it.

Mr. McKELLAR. I do not know as to that; I will try to do so, if I can.

Mr. WADSWORTH. This is a very interesting proposition. Can the Senator inform the Senate whether or not the original proponents of the eighteenth amendment and the officials of the Anti-Saloon League would like to see an investigation of this bureau?

Mr. McKELLAR. I have no knowledge about that at all; I have not discussed this matter with the officials of the Anti-Saloon League, but I take it that it is beyond question that the officials of the Anti-Saloon League do know that the law is not being enforced at this time. There is not a 10-year old child in this country, much less a grown person, who does not know that the law is not being enforced; but it ought to be enforced.

Mr. FESS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. FESS. Would the Senator care to give us the date of the withdrawal of this liquor from the distillery company?

Mr. McKELLAR. I have already read the date. The withdrawal was on January 6.

Mr. FESS. January 6 of what year?

Mr. McKELLAR. January 6, 1921.

Mr. FESS. That was before Mr. Mellon became Secretary of the Treasury.

Mr. McKELLAR. Yes; but the Senator will recall that I quoted the statement of the junior Senator from Pennsylvania [Mr. REED] that none had been withdrawn since the prohibition act had gone into effect.

While I am on the subject, I may state a further fact, which is very unusual. At the time these facts came out there was a good Republican district attorney in the Pittsburgh district in Pennsylvania, who indicted Mr. Mellon's agent and indicted this man Morris Goodman, but very shortly after the indictment was returned the good Republican who was the prosecuting officer and who was trying actively to enforce the law was let out and another Republican, by the name of Lyon, was put in; and since that time there have not only been no prosecutions but the cases, so the newspapers state, have been nol-prossed.

Mr. REED of Pennsylvania. Mr. President, I thought the Senator from Tennessee had heard me correctly in what I said in answer to him about a month ago, but evidently he did not.

Mr. McKELLAR. I just read the words of the Senator, but before he entered the Chamber, perhaps.

Mr. REED of Pennsylvania. I was not here when the Senator read from the RECORD, but I heard his last statement that I had stated that there had been no liquor withdrawals from the Overholt warehouse. I was careful not to say that because, of course, it would not have been correct. Perhaps I can explain the facts, so far as I know them, and then there will not be any doubt about what is meant.

Mr. McKELLAR. In order that the Senator may be certain about it, and for his information, if he will permit me, I will read to him just what I read to the Senate a moment ago. It is very short.

Mr. REED of Pennsylvania. I will be very glad to hear it.

Mr. McKELLAR. The Senator's mind may be refreshed in regard to it. On March 31, 1924, this colloquy occurred between the Senator from Pennsylvania and myself:

Mr. MCKELLAR. I would like to have the Senator's statement a little more full as to the Secretary's present ownership of this property. He said that before the Secretary took office he created the Union Trust Co. of Pittsburgh a trustee.

Incidentally the trustee is one of the well-known Mellon companies.

Of course, under those circumstances the Secretary of the Treasury owns the property. To what extent does he own the Overholt Co., and what is the extent of its business?

Mr. REED of Pennsylvania. I thought I had answered that.

Mr. McKELLAR. How much liquor do they own?

Mr. REED of Pennsylvania. Let me try it again. On January 31, 1921, Mr. Mellon's whole interest in that partnership was transferred to the Union Trust Co. of Pittsburgh as liquidating trustee to close out the business.

Mr. McKELLAR. That makes it an active trust, of course, in which Mr. Mellon is interested.

Mr. REED of Pennsylvania. Of course, it is an active trust. Of course Mr. Mellon is interested to the extent of his share in the net proceeds after the business has been entirely wiped out; but the business itself is stopped. It has been stopped for over eight years. The property lies there in the warehouse, and when the trustee does finally dispose of it and parts with the whole of the physical property, then Mr. Mellon is entitled to his share in the net balance remaining after that liquidation. I hope that is very clear.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield to me there?

Mr. McKELLAR. I will yield to the Senator after I read one more paragraph:

Mr. McKELLAR. The only thing that is not clear is the extent of Mr. Mellon's share in the trust estate.

Mr. REED of Pennsylvania. Mr. Mellon's share is less than a majority. He is not a majority partner. Further than that, I do not think it is any of our business or anyone else's business what his proportion is.

As to the quantity of spirits still in the warehouse I am not sufficiently advised to answer accurately except that I can say positively that every quart that was left there when the prohibition amendment went into effect is there now in so far as it was owned by them. There may have been some withdrawals on certificates that were then outstanding, but the partnership has not sold either a certificate or a drop of the stuff itself nor has the trustee.

Mr. REED of Pennsylvania. Mr. President, every word of that statement I reiterate to-day, with a single exception, which Mr. Mellon had evidently forgotten and which I never knew until this week. Fifty-two cases, aggregating about 3 gallons a case, making something less than 160 gallons, were sold by the trustee back early in 1921, I am informed, to druggists, and that sale of 51 cases is the only sale made by the trustee since the trustee's appointment. The partnership has not sold one teaspoonful of liquor or a certificate for liquor since 1920. The partnership has not manufactured a drop of liquor since 1916, with the exception of those 52 cases, of which Mr. Mellon did not know and of which I did not know until last week.

The statement is true to-day, and was then; and Mr. Mellon further states to me—he told me about it, by the way, as soon as he learned of the 52 cases—that he has not yet been able to learn why they disobeyed the instruction, and what the reason was for selling that amount, as was done; but, as I stated before, there were outstanding certificates for some liquor that was stored in that warehouse. It did not belong to Mr. Mellon or his partnership or the trustee. It belonged to outside persons. Those certificates had been outstanding for many years, and the people who owned the certificates owned the spirits.

Back in 1920, and the beginning of 1921, there was one forged permit presented with a genuine certificate. It was forged with the name of the Democratic prohibition officer who had charge of issuing permits. I do not remember now what his name was, but I think that is the permit which was photographed and printed in Hearst's International. That was presented, and the distillery officials thought it was a genuine permit, and it was a genuine certificate, and they honored it, and allowed the man to take out this whisky; but the partnership was absolutely as innocent of that as the Senator from Tennessee was innocent of it. They did not know a thing about the falsity of the permit until after the stuff had been removed.

Mr. McKELLAR. Mr. President, did the partnership get the money, and has it retained the money?

Mr. REED of Pennsylvania. No; I have tried to tell the Senator that the partnership got nothing out of it except a lot of blame.

Mr. McKELLAR. Did the trustee get anything out of it?

Mr. REED of Pennsylvania. The trustee got nothing out of it. The certificate had been the other man's property for years. The certificate was legal. It had been sold years ago, and the stock left in the warehouse there, in bond; and then along comes a man with a proper assignment of the certificate, which was genuine, and he says: "I have bought this from the owner, and here is my permit taken out," and they thought the permit was genuine. That was before they had learned the ways of these bootleggers. They have become more careful since.

Mr. McKELLAR. My understanding is that Morris Goodman—I believe that is the permittee's name—has been a saloonkeeper in the city of Pittsburgh almost since the memory of man runneth not to the contrary, and I am quite confident that the Senator from Pennsylvania himself has some knowledge of Mr. Goodman.

Mr. REED of Pennsylvania. I am sorry to disappoint the Senator's confidence, but I have no recollection of ever hearing of him in my life.

Mr. McKELLAR. Until this transaction? The published articles, which the Senator must have read, describe him as being a well-known whisky dealer in the city of Pittsburgh, and having been one for many, many years; and it is almost inconceivable to me how a well-known saloon keeper could get by with the Overholt Distillery Co. for 2,850 gallons of liquor to be used for nonbeverage purposes. It is just a little difficult to understand how that worked out. The Senator may work it out, but I do not know how it can be worked out.

Mr. REED of Pennsylvania. I am sorry to disappoint the Senator, and I suppose that my acquaintance is inadequate, but I never heard of Mr. Goodman until I saw the Hearst's article, and I had forgotten since then what his name was. If he was the permittee, and if he was a distinguished saloon keeper of Pittsburgh, I suppose I ought to know about him, but I do not; and I doubt very much whether these people knew about him except that he came with a genuine certificate and an apparently genuine permit. In all that time, in the four years that have followed, there have been many, many forged permits, and many efforts that were dishonest and criminal to evade the law and get liquor out of that warehouse, and that is the only one that has ever succeeded; and I venture to state, Mr. President, that there is not another warehouse of importance in the United States that has so clear a record or has been fooled so seldom as this one of which the Senator is speaking. In four years, in spite of all the trickery that the wit of man can devise, that is the only time they have ever been deceived by these forgeries.

Mr. REED of Missouri. Mr. President, I think we ought to thank the Senator for giving us the assurance that there is one oasis of good liquor in this desert of moonshine.

Mr. REED of Pennsylvania. I want to give the Senator a warning along with that assurance.

Mr. REED of Missouri. That it is hard to get?

Mr. REED of Pennsylvania. I understand that the market—here again I am speaking by hearsay, and I do not know of my own knowledge—I understand that the country is flooded with counterfeit labels of this particular type of spirits, and I only want to caution the Senator to warn his friends, if any of them are given to that sort of thing, not to trust to those labels, because practically all of them are forged.

Mr. McKELLAR. Is the Senator speaking to me or to the Senator from Missouri?

Mr. REED of Pennsylvania. I am sure that the Senator from Tennessee has not any thirsty friends, but I did not know about the Senator from Missouri.

Mr. SHEPPARD. Mr. President, the Senator from New York [Mr. WADSWORTH] made inquiry as to the attitude of a certain prohibition organization in this matter. I have here a statement that is signed by leaders of a number of prohibition organizations, which I ask the Secretary to read.

The PRESIDENT pro tempore. Is there objection to the Secretary reading the communication? The Chair hears none, and the Secretary will read it.

The principal clerk read as follows:

The friends of prohibition enforcement want to know the facts, both good and bad, about it, and are cooperating to this end. Committees are already at work in Washington investigating various phases of this question.

The subcommittee of the House District Committee, headed by Congressman HENRY R. RATHBONE, of Chicago, is empowered to probe prohibition enforcement. It is now investigating the causes of liquor lawlessness, the carrying of firearms, and fixing the responsibility for the shooting of Senator GREENE. Every phase of the cause of liquor lawlessness properly goes to this committee. It has already secured much testimony that goes to the bottom of this question. Any competent evidence relating to the Prohibition Unit's success or failure properly comes before this committee.

Prohibition activities that relate to the Justice Department are being investigated by the committee headed by Senator BROOKHART.

The House committee headed by Congressman BURTON is investigating the alleged violations of the liquor laws by two Members of Congress.

The committee headed by Senator WATSON was appointed to investigate internal-revenue affairs. The question has been raised as to whether or not it should go into an investigation of the prohibition enforcement unit, whose activities are now being investigated by another committee.

House Resolution 261 proposes a joint investigation of the prohibition unit and 2.75 per cent beer. Other resolutions have been introduced by wet leaders to investigate prohibition enforcement, evidently for the purpose of furnishing propaganda for beer and wine advocates in the coming primaries and elections.

It is evident that there are enough committees at work to investigate every phase of prohibition enforcement, unless one or more of them fail to do their duty. It will not add to efficiency or help enforcement to duplicate or multiply these agencies. Every friend of law enforcement who knows any fact that will reveal the dereliction of any official who is not doing his duty, or who can give facts showing why the law is not enforced, should come before one of these committees and testify. What is needed is facts. Competent testimony will run every bootlegger to cover and compel every derelict official to act or resign. We urge all good citizens to help produce it.

Rev. Walter A. Morgan, chairman of the Commission on Law Enforcement of the Congregational Churches of America; Mrs. Florence V. Watkins, representative legal department of National Congress of Mothers and Parent-Teachers' Associations; Lucy W. Peabody (Mrs. Henry W.), chairman Women's National Committee for Law Enforcement; Charles Scanlon, secretary Board of Temperance, Presbyterian Churches of United States of America; Harry S. Warner, secretary Intercollegiate Prohibition Association; Wayne B. Wheeler, general counsel and legislative superintendent of the Anti-Saloon League of America; Clarence True Wilson, general secretary, Methodist Episcopal Board of Temperance and Public Morals; James Cannon, jr., chairman Commission on Temperance and Social Service, Methodist Episcopal Church South; Sam W. Small, secretary general of the Constitution Defense League of America; Lenna Lowe Yost, legislative representative National Woman's Christian Temperance Union.

Mr. SHEPPARD. Mr. President, I think that statement presents the attitude of the leading prohibition organizations of the country. I want to say that as far as I am concerned I am entirely willing to trust this committee to do the right thing and to pursue the right course. If they think an investigation of prohibition enforcement should be made, in addition to that which is being made in the House, they will and should do so. I am sure, however, they will not desire to engage in any unnecessary work or any work of duplication.

Mr. JONES of New Mexico. Mr. President, may I ask the Senator how he interprets that remarkable document and what he thinks was intended to be accomplished by it—the document which has just been read? What was the purpose of that statement?

Mr. REED of Missouri. Let me add—for I rose to ask the same question—what does it mean, anyway? What is their position to-day?

Mr. SHEPPARD. It explains itself.

Mr. JONES of New Mexico. Mr. President, I think that is the most remarkable document——

Mr. WADSWORTH. Mr. President, will the Senator yield at that point? Perhaps I can enlighten him.

Mr. JONES of New Mexico. I am glad to receive any enlightenment which it is possible for me to get.

Mr. WADSWORTH. The document was offered by the Senator from Texas as a reply to an inquiry from me as to whether or not the original proponents of the eighteenth amendment and the officials of the Anti-Saloon League favor the investigation of the prohibition unit by the Senator's committee, and that is the answer.

Mr. JONES of New Mexico. Oh! I did not understand that. If it was written in response to an inquiry, I think it is a perfectly proper reply. It is entirely right for them to set forth their views upon the subject; but I did not understand that it was in reply to any inquiry, and I assumed, therefore, that it was purely voluntary.

Mr. REED of Missouri. The inquiry was made here just a minute ago. The letter was already prepared and here——

Mr. JONES of New Mexico. May I see it?

Mr. WILLIS. I was just looking at it, but I will loan it to the Senator.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield a moment while he is reading that?

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Massachusetts?

Mr. JONES of New Mexico. I yield.

Mr. WALSH of Massachusetts. Yesterday I introduced a resolution and asked for its immediate consideration, and the Senator from South Carolina [Mr. DIAL] asked that it go over. I understand the Senator from South Carolina is content to have the resolution adopted if we eliminate from it subheads 3 and 4. That I am willing to do, and I ask for its immediate adoption.

Mr. DIAL. With the elimination of those two subheads I have no objection to its adoption.

The PRESIDENT pro tempore. The Chair is in doubt about putting the question on the resolution of the Senator from Massachusetts. The Senate is operating under a unanimous-consent agreement to consider Senate Resolution 211.

Mr. WALSH of Massachusetts. The Chair has received other matters very recently, and I thought probably it would be in order to have the resolution adopted. I ask unanimous consent for its adoption.

The PRESIDENT pro tempore. Is there objection to taking up the resolution offered by the Senator from Massachusetts?

Mr. SMOOT. Mr. President, we are operating under a unanimous-consent agreement——

Mr. ROBINSON. Let us have a vote on the pending resolution first. There is a resolution now pending, and I think debate has been exhausted on it. Let us vote on it.

Mr. JONES of New Mexico. Mr. President, I have the floor, and I do not care to yield for the purpose of having other business transacted. If the Senator from Massachusetts desires to make some remarks in connection with the matter we are discussing, I gladly yield to him, but not for the purpose of having any other business transacted.

I think the Senator from New York rather confused the situation by stating that this was in response to an inquiry made by him.

Mr. WADSWORTH. I quoted the Senator from Texas when he read it.

Mr. SHEPPARD. I put it in the RECORD in direct response to an inquiry.

Mr. JONES of New Mexico. The question I asked was, What was the occasion for the preparation of this document in the first place?

Mr. WADSWORTH. I thought the Senator asked, What was the occasion for the presentation of it?

Mr. JONES of New Mexico. Oh, no; I had quite a different thought entirely. I do not suppose any Member of Congress has used his voice and his vote any more than I have regarding the prohibition movement, but I am unable to understand why this remarkable document should have been prepared. If I am able to understand the document, it purports to favor congressional investigation of the enforcement of the liquor laws of the country. It refers to various committees which are doing that sort of thing. But here is another committee of the Senate which it is alleged is going to engage in that sort of an investigation. The Secretary of the Treasury and the President of the United States protest against it, and then comes this remarkable document, so far as I can see for no other purpose than to help out the political side of the Secretary of the Treasury and the President of the United States. I hope I am in error about this matter, but if it is right for one agency of the Congress to investigate this subject, upon what theory, from the standpoint of prohibition, can it be said that it is wrong for another agency to do it?

Mr. President, I am a member of this committee, and I never knew, from anything which occurred before the committee, that there was any intention of investigating the prohibition unit.

Mr. CARAWAY. Does the Senator know who sent those communications to Senators?

Mr. JONES of New Mexico. All I know about it is that it was produced here by the Senator from Texas in response to a question asked by the Senator from New York.

Mr. CARAWAY. The Senator got one this morning, or yesterday, himself?

Mr. JONES of New Mexico. I do not recall.

Mr. CARAWAY. The Senator did. Every Senator got one. I did, and I am sure I was not particularly favored above all others.

Mr. JONES of New Mexico. It is quite likely it came to my desk. I am just advised that a similar document has been sent by Mr. Wheeler probably to every Senator. I do not recall getting one, myself. I see that the Senator from Utah says he received one. The Senator from New York says he did not receive one.

Mr. WADSWORTH. I do not often receive documents from him.

Mr. JONES of New Mexico. It is just possible that I did receive one.

Mr. REED of Missouri. Perhaps the Senator from Texas, who produced this document, can tell us how he got it, whether it was accompanied by a letter; and he may let us have the correspondence.

Mr. SHEPPARD. Mr. President, the statement came to my desk from my office with my other mail, unaccompanied by the envelope. It contains the opinion of leaders of representative prohibition organizations. They have as much right to express their opinion and to put it in writing as have any other citizens of the United States. I take my stand with the people who signed this statement.

Mr. REED of Missouri. That, of course, if the Senator will pardon me, goes without saying, that wherever they stand there stands the Senator from Texas.

The inquiry I made—and I made it not to be offensive in any way—was whether this document did come to the Senator accompanied by a letter from Wayne B. Wheeler. I thought that if that were true he might produce the letter. I hardly think I am on correspondence terms with my friend Wheeler, and I would like to see the letter he sent out.

Mr. SHEPPARD. Mr. President, the signatures speak for themselves. The signatures have been read, and all the signers are equally responsible for the statement.

Mr. REED of Missouri. But if it was accompanied by a letter, that might throw some light on it, and I ask the Senator if it was accompanied by a letter?

Mr. SHEPPARD. As I said to the Senator, I have no knowledge as to that. It came to my desk with the other mail from my office, unaccompanied by letter or envelope.

Mr. JONES of New Mexico. Mr. President, as I said a moment ago, I do not believe there is a word of testimony before the committee of which the Senator from Indiana [Mr. WATSON] is chairman, and of which I am a member, which related in any way to the question of prohibition or any investigation of the prohibition unit of the bureau. That had never been brought to the attention of the committee as a whole, unless it was something that escaped my mind and was of but little importance. I can not remember a word being said before the committee about the prohibition unit at all. That question only arose after the Senator from Michigan [Mr. COUZENS] had engaged Mr. Heney to assist him in the committee in carrying on its work, and then overnight, without a word being said in the committee about the prohibition unit, and so on, as I recall, without any determination that the committee would enter upon an investigation of the prohibition unit, the very next morning came this remarkable letter from the Secretary of the Treasury to the President and the letter from the President to the Senate, and then the very remarkable speech of the Senator from Indiana upon the general subject.

Mr. CARAWAY. May I ask the Senator another question?

Mr. JONES of New Mexico. I gladly yield.

Mr. CARAWAY. Had the Senator from Indiana introduced his resolution to discharge his committee before that?

Mr. JONES of New Mexico. He introduced it the same day, as I recall.

Mr. CARAWAY. Did he consult with the committee before he introduced it?

Mr. JONES of New Mexico. He did not. There was not a word said about it.

Mr. EDGE. Will the Senator yield for a question?

Mr. JONES of New Mexico. I yield to the Senator from New Jersey.

Mr. EDGE. Now that there has been considerable said about it, and it must be generally conceded that the resolution if adopted will give the committee power to make such an investigation, does the Senator from New Mexico, as a member of the committee, think that the prohibition unit should be immune from such an inquiry?

Mr. JONES of New Mexico. In view of the remarkable letter to which I have just referred, I think I shall favor asking this committee to go into that bureau and make an investigation. But what I said was that until after the employment of Mr. Heney nothing had been said regarding the investigation of the prohibition unit.

I think it my duty to make some comment as to how this question arose. It is my pleasure to make the comment, in view of the fact that the distinguished Senator from Michigan [Mr. COUZENS] is unable to be present.

As I have heretofore stated, the Senator from Michigan necessarily undertook the real work of the committee. The other four members of the committee were engaged daily in connection with the work of the Finance Committee. The Senator from Michigan was the only one who was in a position to carry on this work.

The Senator from Michigan is not a lawyer. I realized in the beginning that the duties of that committee would be very arduous, and would involve much detail. After the committee had been going forward with its work for two or three weeks, I remember meeting the Senator from Michigan in the Chamber here and discussing briefly the work of the committee, and I then suggested to him that what the committee needed was a good lawyer, somebody who could take up the evidence and sift it, and in that way aid the members of the committee, as well as eliminate from the record various irrelevant matters. There was no suggestion at that time that an attorney would be employed, and it was not until the day of the employment of Mr. Heney by the Senator from Michigan that I had any information whatever that such an employment was in contemplation.

I knew, as well as I could know anything, that the Senator from Michigan was actuated by the very highest purpose. He simply wanted to serve his country. He wanted to do the thing which the Senate had authorized that committee to do, and it was only for the purpose of getting adequate assistance that he made that employment. I am sure that he looked upon it as nothing more than the employment by him of an extra clerk, just the same as many Senators here are doing. I venture to say that the large percentage of the Members of this body employ extra help at their own personal expense. We have heard it stated here that some Senators are spending more than $10,000 a year for that purpose. Then why should not the Senator from Michigan have done so if he saw fit?

After we learned that the Senator from Michigan had employed Mr. Heney, then the question came up as to how his services should be utilized. The Senator from Indiana will bear me out in the statement that when the resolution came before the committee it was a question whether Mr. Heney should be permitted to conduct the investigation as he saw fit or as the committee saw fit, and after discussing the matter, after the Senator from Michigan had said and every member of the committee had said that there was no such thing in view, I then proposed to amend the resolution and did get it amended by inserting the words "under the supervision of the committee."

Mr. President, I know that the Senator from Michigan had no idea of going out simply upon a muckraking expedition any more than any other member of the committee had. But I think that if it should come to the committee that there has been corruption in the prohibition unit, it should be exposed. It is only through that kind of thing that we can formulate our ideas as to legislation, the only way by which we can know whether legislation is needed or not. But we were not willing to allow testimony to go into the public records of the committee until after the committee had considered it and decided whether it was relevant or not. That was the attitude of the committee. But just the next morning after it became known that Mr. Heney had been employed, then it was that the remarkable letter from the Secretary of the Treasury went to the President and the still more remarkable message from the President came to the Senate.

I do not believe I should stop without saying a word in regard to Mr. Heney. I have known Francis J. Heney only in a very casual way for a number of years. I have known him, however, more intimately through his general reputation. Since this controversy arose I have tried to get some real knowledge as to Mr. Heney's career. From the information which I have obtained I do not believe the aspersions which have been cast upon his name in this Chamber are justified in any degree. He is spoken of here as one who is known as a great criminal lawyer. The information I get is that he has tried but one or two criminal cases in his life, and they were without any compensation. He volunteered his services in the ferreting out of graft in the city of San Francisco, and on another occasion he was invited to take charge of a case by the lamented ex-Senator Knox when Mr. Knox was connected with the United States Government as Attorney General.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield.

Mr. ASHURST. Mr. Francis J. Heney was attorney general of Arizona for some time a number of years ago. True, at that time he was a young man. That was some 25 or 30 years ago, but even as a young man he demonstrated profound knowledge of the law, and amongst the eminent lawyers in Arizona he was regarded as foremost. The judges of both political parties united in paying tribute to his talent as a

lawyer, and his services as attorney general were highly creditable to him and to Arizona.

Mr. JONES of New Mexico. I suppose it was more than 30 years ago that he was attorney general of Arizona?

Mr. ASHURST. It was about 28 or 29 years ago.

Mr. JONES of New Mexico. This information relates to the time after he was attorney general of the Territory of Arizona. I am informed that his business for the last 30 years has been that of an attorney for corporations and business interests, except in two instances: Once for the Federal Government, when at the urgent solicitation of United States Attorney General Philander C. Knox he conducted the Oregon land-fraud prosecution; and once for the city of San Francisco, when as a volunteer he undertook to clean up the graft and corruption which was rampant in that city immediately after it had been stricken by the earthquake and fire in 1906. For this work, which continued for three years, Heney, although far from being a rich man, refused to accept any compensation whatever from either public or private sources.

In the Oregon land-fraud cases Heney brought about the repeal by Congress of the lieu land act, under which many millions of acres of the finest timberland in Washington, Oregon, and northern California had been acquired within the short period of three or four years by fraudulent and corrupt practices and unjust exchanges on a wholesale scale which threatened the complete monopolization of all the timberlands that were then left in public ownership, outside of forest reserves. His exposures and prosecutions also brought about a new consideration and administration of the timber and stone act, which had been a prolific source of fraud and corruption during the preceding 30 years and under which vast holdings of timberlands had been fraudulently acquired and concentrated in the hands of a few men and corporations. As a result of Heney's work and advice, President Roosevelt and Secretary of Interior Garfield classified all the remaining timberlands under appraised valuations running from $2.50 per acre minimum upward, whereas prior to that time all timberlands, regardless of their value, had been sold at the fixed price of $2.50 per acre under the authority of an act of Congress which provided that this should be the minimum price and which put no restriction on the maximum price. The low valuation of $2.50 per acre on timberlands, a very large proportion of which were worth from $10 to $100 per acre, had proven to be too great a temptation for ordinary human nature to withstand; and the simple remedy of appraising and selling these lands at from 25 to 50 per cent of their actual market value instead of from 5 to 10 per cent thereof put almost a complete stop to the extensive frauds and saved the remaining timberlands from immediate monopolization.

We all know what occurred in the San Francisco graft prosecutions. I do not need to refer to them. I shall not go into the packer investigation at this time any more than to say that Heney was not the one who prosecuted the criminal cases. He made an investigation of the packer concerns with the view of showing the combinations which existed among them, but he recommended a settlement of the litigation by an agreement as to future conduct. This was under the supervision of the Federal Trade Commission.

I do not know whether anything has been said regarding a lawsuit which Mr. Heney had in connection with some land in California where some of his relatives were involved. I have a telegram giving the opinion of the court and in that opinion it seems to me the court went as far as any court could go in absolutely exonerating Mr. Heney from any bad or improper conduct in the case or in the bringing of the case.

Mr. ASHURST. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Arizona.

Mr. ASHURST. Does the Senator refer to a charge made against Mr. Heney that some of his intimate relatives were remotely interested in a land case brought by the Government?

Mr. JONES of New Mexico. No; it was simply a suit between relatives of the Heney family. The Government was not involved. I do not know that it had been mentioned on the floor of the Senate. If I could learn that it had been, I should enjoy very much having printed in the RECORD a copy of the opinion of the court, because according to the opinion of the court there was absolutely nothing in the record of that case to discredit Mr. Heney.

Mr. ASHURST. I was going to say that I have heard the charge and have heard it for years to the effect that Mr. Heney was in some way less diligent than he should have been in the prosecution of some land-fraud case because some relative of his was remotely interested. I am quite familiar with the case to which common rumor refers.

Mr. JONES of New Mexico. I had reference to an entirely different matter.

Mr. ASHURST. I want to say on the general land cases that in Mr. Heney's prosecution, so far as I have been able to know, and I followed them closely at the time, they were entirely to his credit. I know that enormously powerful and potent influences were attempted to be brought against him to induce him to relax the rigor of his prosecution, but he never relaxed at all. He pressed forward with courage and ability, and about the only complaint I ever heard against Mr. Heney was that he was successful in getting men convicted who probably ought to have been convicted so far as the record shows.

Mr. JONES of New Mexico. I do not know what the present relations are between Mr. Heney and the Senator from Michigan [Mr. COUZENS], but if the resolution is adopted, so far as I am concerned, nothing which has been said here would have any influence upon my mind against the employment of Mr. Heney. I think that might be clearly understood. I would only speak for myself, but from what I have learned and what I have heard here I think that the committee would do a great public service if it could avail itself of the services of Mr. Heney. If there is no fraud to be uncovered, why should there be any objection to one lawyer any more than to another? If the bureau will permit the light of day to be turned upon it, why should there be any fear of Mr. Heney, even though he be considered one of the great criminal lawyers of the country?

Mr. President, with all due regard and respect to which we should entertain for the Secretary of the Treasury, one of the highest officers in the land, it is beyond me to explain why there should be this objection to turning the light upon the bureau. It seems to me that, with all the criticism that has been cast abroad throughout this great land, the Secretary of the Treasury should invite rather than seek to close the door to investigation.

I do not suggest and I have no information bearing upon the operations of that bureau which would justify me in making any charges. I have no evidence in my possession which I think should go into the record of any committee. But I do stand here insisting that the Senate has the right to make these investigations, and that it should not be deterred by anything that has taken place.

Mr. EDGE. Mr. President, I had not the slightest intention of participating in this debate, but the very apparent and, to me, remarkable effort to keep out of the purview of the activities of the committee its possible inquiry into the prohibition unit under the Internal Revenue Department leads me to address the Senate at least very briefly.

It appeals to me that the very opposition to the suggested inquiry emphasizes its necessity.

With all the investigations that have been undertaken during the present session of the Congress, many of them fruitful, some of them constructive, some of them not so much so, certainly if a committee of the Senate is to investigate the Bureau of Internal Revenue, in view of all the charges, justified or otherwise, which have been made relating to the failure of the prohibition unit, the committee would overlook its responsibility should it not make some inquiry there. That unit has an appropriation, as I recall, of approximately $12,000,000, which is quite a sum of money. It employs agents in every State of the Union, policing every section of the States. Certainly no one who is a sincere believer in the enforcement of the law—and I hope we all are; I know I am—can be satisfied with present conditions so far as the observance of the national prohibition law is concerned. Therefore it would seem to me that the original advocates of that law—and I questioned its terms or provisions, as everyone knows—should be the first to welcome any investigation which might improve the administration of the law.

The prohibition unit, after all is said and done, is to a great extent a police department. Everyone knows that a police department in any city, large or small, is in the very nature of things subjected to all kinds and types of influence. Everyone knows that in this particular bureau the temptations are very great. In any investigation of a police department in any large city the usual result of such investigation or turning on of the light is an improvement. Conditions are discovered, which have existed because of the lack, perhaps, of sufficient surveillance, that require improvement; improvement is made; and, temporarily, at least, the result of such investigations has always been to the best interest of the community and the protection of society. Why should there be any different viewpoint in connection with this great responsibility, this difficult responsibility of endeavoring to enforce the prohibition act, with the protests and the challenges that everyone knows exist?

I believe some of the protests and challenges are justified; I am not going into detail on that to-day, although I may do so at some later date; but I believe that the protests and challenges are to some extent justified, because the prohibition or Volstead Act in some of its provisions attempts to curtail the liberties of the public beyond what the Constitution itself contemplates; in other words, it is a well-known fact that the Constitution only prohibits the sale and transportation of intoxicating beverages; it does not prohibit the sale and transportation of alcoholic beverages. It very distinctly stipulates that the prohibition shall be of the sale and transportation of intoxicating beverages.

On the other hand, the Volstead Act, the national prohibition act, prohibits the use of any beverage containing one-half of 1 per cent of alcohol or more. I think everyone knows, and I think it has been generally admitted by the original proponents of this legislation that one-half of 1 per cent of alcohol is not intoxicating or near intoxicating; but that percentage was simply adopted, as I recall the argument at the time, in order possibly that a better enforcement of the prohibition law could be brought about.

We have had four years' experience, and I contend that no one can take the position, following those four years of experience, that that law, which, in my judgment, is in contravention of the intent of the Constitution, has been successfully or satisfactorily enforced.

I have contended that Congress has not the moral right to deny the people through an act of Congress what the Constitution permits. I contend further that in enacting the Volstead Act, with its provision relative to less than one-half of 1 per cent maximum alcoholic content we have denied the public what the Constitution permits. In my judgment—I may be wrong, but I sincerely believe it is a correct analysis that that fact being thoroughly realized to-day throughout the country has much to do with the protests and the challenges we hear on every side.

So, Mr. President, while as I have stated I did not intend to discuss in detail possible improvements of the Volstead Act, I believe that possibly improvements of the act—and it is not sacred any more than is any other act of Congress—could be made which would develop better observance of the law.

However, I rose to-day because of the plain indication, as developed by the letter which was submitted by the Senator from Texas [Mr. SHEPPARD] and read at the desk, of the desire on the part of the officials of the organization referred to in the letter, which takes to itself much of the control and handling of this question, not to have any thorough investigation of this department of the Government. As I said in the opening, the very opposition to this investigation emphasizes its necessity. If, as has so often been said referring to other investigations, an investigation of the prohibition unit shall demonstrate that the best system has been adopted and is being used by that unit, then certainly the original proponents of the law will have won a great victory, and it will have been established that this bureau is doing the very best it can do under the circumstances, difficult as we all know them to be. The mere fact that they apparently do not want the investigation, that they fall back on the flimsy excuse that there is already an investigation in the District, and that that should be sufficient to ascertain the activities of this bureau, in itself to me is evidence that an investigation is most necessary. Why should there be any exception here? Certainly no one is proud of present accomplishments.

In speaking upon this subject I am not entering at all into the personal side of the controversy which has apparently brought it about. I do not care whether it was the Governor of Pennsylvania or some one else who took advantage of the existence of the committee to suggest that the prohibition unit should be investigated. I believe that ought to be done; and I believe that the best interests of the country would be served and, perhaps, a better system to help bring about a better observance of the law might be the result of such an investigation.

Mr. President, it does not make a particle of difference what our individual opinions may be as to the wisdom of the prohibition amendment. I questioned its wisdom, as I think everyone knows, and I decidedly question, as I have already briefly stated, some provisions of the Volstead law.

None of us, however, can have any other conviction than a positive one as to the necessity of encouraging in every way observance of the law. No one can put us in the false position because we are not in sympathy with the provisions of an existing law—that we are against enforcement of the law or that we wish to encourage violations of the law. The two positions are absolutely distinct.

Now that we have the eighteenth amendment as part of the fundamental law of the land, I want to see the enforcement act honestly representative of the eighteenth amendment; I want it to be a correct interpretation of the provisions of the eighteenth amendment. When prohibition was proposed the people of this great country voted for or against the eighteenth amendment through the election of their various State legislatures, but they did not vote on the wisdom of provisions of the Volstead Act; only in isolated cases have they ever had such an opportunity. The Volstead Act should represent the eighteenth amendment, not in effect nullify it. The eighteenth amendment became a part of the law of the land, and it must be respected and upheld in every possible manner. In my judgment, the Volstead Act has been a failure in the function it was supposed to serve as a measure through which to enforce the Constitution of the United States.

The opposition to this inquiry might lead one to assume that there is fear of the result. What other interpretation can we take? It can not upset this bureau of the Government to have it stated that its present system and policy are the best that could be devised. It should be an encouragement to the leaders of the bureau if that is found to be the case. Conversely, if the contrary is found to be the fact, and it is ascertained that the present administration of law is not the best that could be devised or that there is corruption in the bureau, as freely stated by the Governor of Pennsylvania—and I know nothing about it; I am merely quoting his words—then of course the investigation is most necessary and timely. All the investigations we have conducted have supposedly been for the purpose of clarifying situations and of improving conditions, and I should think the real friends and the original proponents of the prohibition legislation would absolutely welcome the opportunity to improve and strengthen the administration of the law.

The committee is composed of Members of the Senate, all of whom I believe have voted for measures which would strengthen the national prohibition act. It is made up of the Senator from Indiana [Mr. WATSON], the Senator from Kentucky [Mr. ERNST], the Senator from Washington [Mr. JONES], the Senator from Utah [Mr. KING], and the Senator from Michigan [Mr. COUZENS]. I have read in the public press that the Senator from Michigan believes that an increase of the alcoholic content of beverages would be proper under the Constitution, just as I have indicated to be my position in the remarks I have already made.

That does not in any way place him in a position where he does not want to see, and on the contrary I am positive that he does want to see, the most efficient administration possible of this department. Therefore I was glad to hear the Senator from New Mexico, when this discussion developed, state very positively and very plainly that he believed that an inquiry and investigation of this department was wise and timely; and I am going to vote for this resolution with the idea that such an investigation will be made, as well as any further inquiry into the income tax department of the Internal Revenue Bureau that wise statesmanship would deem to be proper and necessary.

Mr. WILLIS. Mr. President, it seems absurd that a resolution to which nobody is opposed should occupy the attention of the Senate for half a day. I had not thought to say anything at all upon this question, but I am unwilling to permit the statements made by the Senator from New Jersey [Mr. EDGE] to go unchallenged in this body.

The alleged facts which the Senator states are as amazing as his logic. The other day he spoke here with great eloquence and power, opposing the investigation of the Secretary of the Treasury, and one of the reasons alleged was because the Secretary of the Treasury and the President were opposed to that investigation upon grounds which he thought good, and upon grounds which I thought good. He now says, however, because he alleges that the friends of prohibition are opposed to the investigation, that that is why it ought to be investigated. I submit that the two conclusions and the logic used in the two cases are mutually destructive.

Mr. EDGE. Mr. President——

Mr. WILLIS. I yield to the Senator from New Jersey. If he can explain it, he ought to have an opportunity now.

Mr. EDGE. I listened with great pleasure and approval to the Senator from Ohio a day or two ago when he answered the Senator from Mississippi [Mr. HARRISON], who criticized a speech the Senator from Ohio had made, as I recall, in the city of Pittsburgh. The Senator from Ohio then based his ex-

ceptions mainly on the fact that the Senator from Mississippi did not tell all the story. This case is entirely parallel.

Mr. WILLIS. The Senator has not given me a chance to tell all the story. He rises to explain before I begin the story; but go ahead.

Mr. EDGE. I shall be glad to tell it for the Senator.

Mr. WILLIS. Fine!

Mr. EDGE. The main contention of my objection to the resolution to which the Senator refers—and I think I addressed the Senate twice on the same general subject—was the fact that the Senator from Tennessee [Mr. MCKELLAR] had found it necessary to invoke a law passed 140 years ago, as I recall, in 1789, prohibiting the Secretary of the Treasury engaging in commerce and business and some other provisions of that character. I am sure the Senator from Ohio will remember that. It was upon the basis of that old law being brought out on the floor of the Senate as a reason for the investigation of the Secretary of the Treasury because he might have and perhaps had technically violated the provisions of the law of 1789 in engaging in commerce or industry or business that I opposed that resolution. As to the subject of prohibition, if the Senator will go further in the same speech he will find that I said that I thought there was an opportunity to find something that might be interesting if they investigated the prohibition department. If the Senator cares to read the speech, I am sure he will find that paragraph in it.

Mr. WILLIS. Mr. President, if my friend the Senator from New Jersey is willing to let that statement go as an explanation of what he said formerly and what he said to-day, I am perfectly willing; but the fact remains that he opposed the investigation of the Secretary of the Treasury because the Secretary of the Treasury did not want to be investigated, and he now says that the prohibition department ought to be investigated because, as he says, it does not want to be investigated. The fact is that the friends of prohibition are not opposing any legitimate inquiry. The letter which was placed in the RECORD by the Senator from Texas [Mr. SHEPPARD] called attention to the fact that two or three investigations are now going on.

Mr. SHEPPARD. Mr. President, let me add that it was placed there in response to an inquiry by the Senator from New York [Mr. WADSWORTH] as to what was the attitude of the prohibition organizations in reference to this subject.

Mr. WILLIS. Precisely. The milk in the coconut is to be found in the statement which the Senator made in the latter part of his speech. He is not so much dissatisfied with the method of enforcement as he is with the law itself. He is opposed to the Volstead Act. He is one of that small minority that favors the light-wine and beer proposition.

Mr. EDGE. No, no, Mr. President.

Mr. WILLIS. Then what does the Senator favor?

Mr. EDGE. I can not permit that statement to go in the RECORD unchallenged. I might favor it if I felt that it was legal to get it; but I have always very carefully confined my criticisms of the Volstead Act to what I felt reasonably would be constitutional. I do not think it would be possible to increase the alcoholic content beyond a point that reasonable interpretation of the Supreme Court might permit as nonintoxicating, which, in my judgment, would not include light wines of any kind.

Mr. WILLIS. Well, where is that point? I want to understand the Senator.

Mr. EDGE. That point is open to argument and discussion. I think that all of the scientific researches, all the customs and practices of other countries where a defining point is made, have placed it from 2½ to 3 per cent. The question is an open one until the court has an opportunity to determine.

Mr. WILLIS. Is the Senator in favor of 2.75 per cent beer, or opposed to it?

Mr. EDGE. I am in favor of 2.75 per cent beer and believe it constitutional.

Mr. WILLIS. I thought the Senator was.

Mr. EDGE. But that is not light wines.

Mr. WILLIS. No; I presume that 2.75 per cent beer is not light wines. The Senator is not in favor of the present law, and he thinks it ought to be amended; that is a defensible position. Any man has a right to take that position. I do not criticize the Senator for that, though I disagree with him, but the facts upon which he bases his statement certainly must be looked into a little bit.

The Senator says that the law has been a failure. I desire to appeal to other authority. It is significant, by the way, that there has been the most trouble about law enforcement in States where Senators were not in sympathy with the law and did not recommend appointment of men that were in sympathy with the purposes of the law that would enforce it.

Mr. EDGE. Is the Senator referring——

Mr. WILLIS. I am not referring to any State; I am making a general statement.

Mr. EDGE. Would the Senator include in that statement a State like Florida, for instance?

Mr. WILLIS. I do not know anything about that State. That is a good way off. I had in mind some that were nearer.

Mr. BRUCE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Maryland?

Mr. WILLIS. I do.

Mr. BRUCE. I hope the Senator will not include me in any statement of that kind.

Mr. WILLIS. Oh, no.

Mr. BRUCE. Nothwithstanding my strong convictions on the subject of prohibition, as long as prohibition is the law of the country I believe absolutely in its proper enforcement——

Mr. WILLIS. I did not have the Senator in mind at all.

Mr. BRUCE. Not only by the courts but by all the agencies of the Government of every sort. General Grant used to say that the best way to repeal a bad law is to enforce it. I agree with him entirely.

Mr. REED of Missouri. Mr. President——

Mr. WILLIS. I yield to my friend from Missouri.

Mr. REED of Missouri. What I am interested in is the statement of the Senator that prohibition is the greatest failure where Senators from the State are opposed to prohibition, and will not permit the appointment of officers who will enforce the law. I want to ask the Senator if he knows of any State where any Senator opposed to prohibition has even been consulted with reference to who would be appointed to enforce the law; and I will couple another question with that—if he does not know it to be a fact that for a long time it was the custom to require the indorsement by the prohibition authorities or prohibition officers of all of the men appointed to enforce the law?

Mr. WILLIS. Mr. President, in the first place, I want entirely to absolve the Senator from Missouri from the statement I was making, because, frankly, I had in mind those cases where Republican Senators had been consulted as to matters of appointment. I assumed that the Senator had not been consulted. It is a matter of common knowledge that Senators are consulted in some cases about appointments.

Mr. REED of Missouri. But does the Senator know of any instance where a Republican or a Democratic Senator has prevented the appointment of prohibition officers who would enforce the law?

Mr. WILLIS. I regret to have to say, Mr. President, that I do know of such cases. The Senator, I am sure, would not want me to go into any——

Mr. REED of Missouri. I certainly would want to know it. I certainly want to know, now and here, if there is a Senator of the United States who has deliberately sought to nullify a law, and who has been sufficiently potential with the President or any of the President's subordinates to prevent the appointment of officers who would enforce the law. If that is true, then there are some Senators who ought to be removed. If that is true, there are some prohibition officers who name these enforcing officers who ought to be removed. If that is true, and was brought to the knowledge of the President who appointed the heads of the prohibition department, and he knew what was being done, then there ought to be a President impeached.

Mr. WILLIS. Mr. President, I do not desire that my friend from Missouri shall make arguments for me that I did not make. I did not say—or at any rate, did not mean to say—that there was any Senator who was undertaking to nullify the law. What I meant to say, and what I think I did say, was that in some States where Republican Senators were not in sympathy with the law recommendations were urged for appointment of men who were not in sympathy with the purposes of the law, and who therefore were inclined to put forth but little effort to enforce the law.

Mr. CARAWAY. May I ask the Senator——

Mr. WILLIS. I decline to mention any, to get down to cases, or name any States.

Mr. CARAWAY. I do not want to ask the Senator to do that.

Mr. WILLIS. I yield to the Senator from Arkansas.

Mr. CARAWAY. But if that statement is true, is not that the strongest argument that has been made for an investigation—that the service is full of men who were put there for political reasons, and who are seeking to nullify the law? Therefore, since the Senator believes in enforcing the law, that

is the strongest argument that anyone has made that the prohibition unit ought to be investigated.

Mr. WILLIS. Mr. President, I think that conclusion would not be justified, in view of the fact that there are at least two, and perhaps three, investigations going on at the present time.

Mr. EDGE. Mr. President——

Mr. WILLIS. I yield to the Senator from New Jersey.

Mr. EDGE. Mr. President, the reference which the Senator has made several times to States represented by Republican Senators where recommendations were made for the appointment of enforcement officers who were not in sympathy with the enforcement of the law, I think justifies him in permitting me to answer him very briefly.

If he in any way referred to New Jersey—I can not think that he did, because the Senator from Ohio is usually very careful to look up his facts—it is a matter of record, which the Senator from Ohio can ascertain for himself if he will investigate it, that the present prohibition enforcement officer in the State of New Jersey, Mr. Chamberlain, was recommended by the senior Senator from New Jersey, myself. He has been in office, I think, about six or seven months. Some little time back, about three or four months ago, a charge was lodged against the prohibition enforcement director to the effect that he had not performed his duty as well as his critics felt it should be done, or, at least, that his administration should be investigated. This prohibition enforcement officer has the great total of 21 men in the State of New Jersey, with some four million inhabitants, with many things happening on the coast with which we are generally familiar, through the newspapers.

The result of the investigation conducted by the Intelligence Department of the Internal Revenue Bureau, which I know the Senator will be glad to have me state, was completed about a month ago and demonstrated that this official had succeeded in his few months of administration in quadrupling the number of arrests which had been followed with many convictions. I would not attempt to hazard a guess from memory of the tremendous increase in the amount of spirits and liquors that have been confiscated under the direction of this little army of 21 men in a State with a population of 4,000,000, but the net result of the investigation was a public statement of approval, published in the newspapers, covering the administration of his office and the care and zeal which he has exhibited in this very difficult task. This I say in fairness to the director of New Jersey.

Mr. WILLIS. Mr. President, I think the Senator has made a good deal better speech for law enforcement in my time than he made in his own time. I am glad he made that speech.

The purpose for which I rose was to place before the Senate and in the RECORD some statement of fact as to how the law has worked out. The Senator from New Jersey advances the idea that it has been a failure. There is a good deal of that propaganda sown around over the country. I was therefore very much interested to know what some other people outside of the country thought about this.

Not long since Mr. Lloyd-George made a trip over to this country, and after he got back home he made—regarding prohibition—this statement to the press, which I thought was exceedingly interesting. He said:

> I went to America with the usual European prejudice against it, hearing that it was demoralizing America and that there was more liquor than ever.
>
> That is not true—not in the least. There are some men who get it. But I believe it is mostly very bad liquor. Some have already been poisoned, and others are getting frightened for fear that their turn will be next.
>
> The only unemployed in America are the gaolers. The children of America never saw such times as they have now.

So, in the opinion of Mr. Lloyd-George, the law is working out pretty well.

Ambassador Geddes made an interesting statement not long since. He said to his people:

> I don't think the people of England recognize, amid the mass of stories of violation of the prohibition laws of the United States, how strong the feeling of the best minds of the best people of America is on the subject of prohibition. Given the American problem, given the American climate, I think that if I were an American I would be a prohibitionist.

Then it would be interesting to know what the governors of some of the States have said about this subject. If I may have permission, I will read the statements of the governors.

Gov. Thomas McRae, of Arkansas, said:

> There are thousands of homes in Arkansas where a greater measure of domestic happiness exists, where less of privation and want are to be found, all due to our prohibition laws, State and National. Business men, such as merchants, sawmill operators, construction contractors, and manufacturers, tell us that labor conditions have been more satisfactory under prohibition than before. There is greater thrift, less suffering, and more domestic and community tranquillity than during the days of the open saloon.

Gov. Walter M. Pierce, of Oregon, said:

> I know that prohibition has vastly improved the condition of the workingmen. Many little feet wear shoes to-day, and these same children have books to read and study that they would not have if we had the booze joints back or the legalized sale of liquor in any form. The wives and children have more at stake in this fight than any other class. To-day thousands of workingmen after their day's work is done go home and rest, work in their garden around home, when formerly they spent all their leisure time at the corner saloon.
>
> If we elect men to office in sympathy with the prohibition law our trouble will vanish at once. We can not expect drinking officers and judges to honestly enforce the law, for they are not in sympathy with it. I hope the people everywhere, those who believe in clean homes, will vote for men for office who believe in the enforcement of laws, including the prohibition law.

Gov. Percival Baxter, of Maine, said:

> The people of Maine of all classes and all occupations have greatly benefited by prohibition. Our savings banks have larger deposits than ever before, the homes of our people are more comfortable, and our children are growing up without a knowledge of liquor and the evils that accompany it.

Gov. A. J. Groesbeck, of Michigan, said:

> The people of Michigan would never think of going back to the license system.

Gov. W. D. Denny, of Delaware, said:

> I believe that the beneficial result of prohibition, both morally and economically, can not be overestimated, applying to the workingman and all classes of citizens in the country.

Gov. A. V. Donahey, of my own State, and not of my political faith, I may state, said:

> The State of Ohio and all classes of citizens in the State are better off economically, morally, and in every other way by reason of prohibition. Money that used to be spent for liquor now is spent for things more essential, or at least for things from which the families of men derive some benefit or pleasure. Ohio was the first populous State to vote dry, and it is drier in sentiment now than it ever was.

Gov. William Sweet, Colorado:

> Above all other classes in the community, labor has gained the most, and has the most to gain from the honest enforcement of prohibition. The workingman has been able by his savings to improve greatly his economic status. He is in a better position to withstand unemployment when it comes, and can afford to give his family and himself a greater measure of happiness in the enjoyment of life.

Gov. Arthur M. Hyde, Missouri:

> I am of the opinion that all classes of people have been the gainers from the enforcement of prohibition. Prohibition has improved the economic condition of the workingman. He has been able to apply his income to better advantage.

Ex-Gov. Lee M. Russell, Mississippi:

> The use of intoxicating liquors in any form has been a curse to the world. It has never brought any user money, honor, or real pleasure; its mission is to degrade, debauch, and finally destroy. The world's greatest leaders have always come from the laboring class of people, their vision is broader and deeper than all others. In order to think properly and live righteously it is necessary to have a clear head and a strong body. Intoxicants in any form are the worst enemy of these two fundamentals. Our people favor a bone-dry world.

In other words, when we come to look into the facts of the case we find that the testimony is quite different from that which the Senator from New Jersey would have us believe it is. This prohibition law has not been a failure. It has not been fully enforced. It ought to be better enforced. But in my humble opinion the starting of such an inquiry as the Senator proposes by dubious logic would have but one effect, and that would be to paralyze the prohibition unit and make law enforcement of any sort impossible for months to come. Anyone who knows anything that ought to be brought to the attention

of an investigating body now has the opportunity to go before the House committee, and it seems to me that there would be no occasion for this committee going into that subject.

But that is not involved in this resolution. I am perfectly willing to vote for this resolution, and let the whole matter rest in the sound discretion of the Senate committee.

Mr. REED of Missouri. Mr. President, the closing sentence of the Senator from Ohio was that the starting of this investigation by this committee would paralyze the entire prohibition forces, and he coupled that with the statement that there were already three committees prepared to investigate, and investigating, and they seem to utterly fail to produce paralysis. How ridiculous it is to say in one breath that an investigation will paralyze the prohibition unit, and in the next breath say that investigations are now going on, and that it is all right to have them go on. A man ought to be able to utter at least a complete sentence without contradicting himself in that same sentence, even though he be a prohibitionist.

Mr. President, I want to give a little attention to organized hypocrisy and carefully planned verbal fraud. I heard read the remarkable document that was produced instanter by the Senator from Texas [Mr. SHEPPARD] in response to an inquiry made by the Senator from New York [Mr. WADSWORTH]. The situation was that the the Senator from New York rose and asked, "What is the attitude of the prohibition forces with reference to the investigation proposed to be conducted by the Watson committee?" I suppose it ought to be called after its chairman. At least within five minutes—and I think immediately—the Senator from Texas rose and answered, and I think the inquiry had been propounded to him, and his answer was a written document, which was read here with great gusto.

Then we inquired how that document happened to get into the hands of the Senator from Texas. The suggestion was made that it might have been sent out by Mr. Wayne B. Wheeler, who always acts as an assistant Republican, and who is willing always to use the forces he has bamboozled as far as possible to aid the Republican Party. The question was put to the Senator from Texas whether this document had been sent out by Mr. Wheeler in a letter. The Senator from Texas technically answered that he did not know whether it was accompanied by a letter, that it had been merely brought to him by his clerk. I have tried a few lawsuits in my lifetime, and before I hand an exhibit to opposing counsel I always look to see whether there is any memorandum on it, and I commend that rule to my friend from Texas, for written at the top of this, very dimly, in lead pencil, with a line drawn through it, are these words:

> Mr. Wheeler wants this to get to you at once.

So I think there was no doubt in the mind of the Senator from Texas when he produced this document where it had come from, who sent it to him, and who is its real sponsor and author.

Far be it from me to say a word of criticism touching any of the persons whose names appear at the bottom of this instrument as its sponsors, save and except Hon. Wayne B. Wheeler, hired lobbyist, professional legislative agent, who I have no doubt could be hired for the other side for an advance in salary just as soon as he was assured he would get his pay.

I charge that the document is to all intents and purposes a falsehood in so far as it undertakes to recite facts. Every man who reads it will be convinced that its purpose was to assert that the prohibition forces were entirely agreeable to an investigation but that there is no necessity for this committee to investigate, because there are three other committees already engaged in conducting full and complete investigations. That error was repeated by my distinguished and genial friend from Ohio.

Mr. WILLIS. Let me see the letter.

Mr. REED of Missouri. Just a moment. I am going to use it. The first statement in the document is:

> The friends of prohibition enforcement want to know the facts, both good and bad, about it and are cooperating to this end.

So they do want full investigation. That is the assertion they make. That sentence is followed by the statement:

> Committees are already at work in Washington investigating various phases of this question.
>
> The subcommittee of the House District Committee, headed by Congressman HENRY R. RATHBONE, of Chicago, is empowered to probe prohibition enforcement. It is now investigating the causes of liquor lawlessness, the carrying of firearms, and fixing the responsibility for the shooting of Senator GREENE.
>
> Every phase of the cause of liquor lawlessness properly goes to this committee. It has already secured much testimony that goes to the bottom of this question. Any competent evidence relating to the prohibition units, success or failure, properly comes before this committee.

Now, Mr. President, anybody on earth reading that would understand that the Rathbone committee was authorized to investigate the entire prohibition unit and that its authority was as broad as the United States, as all embracing as the complete activities of the Government. I want to read the Rathbone resolution:

> Whereas the Nation has been shocked by a Senator of the United States being shot while walking on one of the streets of Washington; and
>
> Whereas it appears that the said shooting occurred during an attempt at arrest of bootleggers by officers of the United States; and
>
> Whereas there is reason to believe that the law has been and is being violated in the District of Columbia in the matter of obtaining and carrying and using firearms and also in the illicit sale and use of intoxicants in the Nation's Capital: Now, therefore be it
>
> *Resolved*, That a subcommittee of the Committee on the District of Columbia, composed of five members, be appointed by the chairman of this committee to investigate and report to the Committee on the District of Columbia both as to violations of the law in the carrying and use of firearms and also as to the illicit sale and use of intoxicants in the District of Columbia.

It is a District of Columbia resolution first and last and has to do with the illicit sale of liquor in the District of Columbia and the sale of firearms, and yet this imputant lobbyist, with a total disregard for the truth and in a manifest and clearly attempted design to mislead the people of the country and the Congress of the United States, writes this document and sends it to Members of Congress.

Now, what is the next one of the investigations to which he refers? I read on:

> Prohibition activities that relate to the Justice Department are being investigated by the committee headed by Senator BROOKHART.

It is true that the question of the bribing of some officers has been looked into by that committee, and that statement is literally true, but it is intended to lead the casual reader to understand that the question of the activities of the Department of Justice throughout were being investigated, whereas the investigation has been confined in its general purpose to the case of Mr. Daugherty and those immediately under him. That statement comes nearer the truth, but we are not proposing by this resolution to investigate the Department of Justice. We are proposing by this resolution to investigate that department which has in charge the enforcement of the law, what is known as the prohibition unit under the Treasury Department.

Then this man states:

> The House committee headed by Congressman BURTON is investigating the alleged violations of the liquor laws by two Members of Congress.

That is thrown in to mislead somebody again. It will mislead the casual reader. Suppose they are investigating the question of the violation of the liquor law by two Members of Congress. That does not take the place of the proposed investigation. It is to me a ridiculous statement put in there to help deceive somebody. It was put in there purposely by an artful man who is engaged in writing artful sentences for the purpose of deceiving the public, and who has willfully and deliberately uttered many falsehoods regarding many public men, and among them he has lied about me.

It is time to get rid of this legislative pest, Wayne B. Wheeler. He never had any law business in his life except as he hired himself out and has been willing to do any kind of service to deceive the good men and good women who pay him a salary. Here is a part of his deceptive propaganda. Then he states:

> The committee headed by Senator WATSON was appointed to investigate internal-revenue affairs. The question has been raised as to whether or not it should go into an investigation of the prohibition enforcement unit whose activities are now being investigated by another committee.

What other committee? I have read the scope of the authority of this committee in the District of Columbia. Then he states, and notice the chicanery of this statement:

> House Resolution 261 proposes a joint investigation of the prohibition unit and 2.75 per cent beer.

I do not know, and I am not going to make a positive statement because I do not know, but as far as I do know the last thing that happened to that resolution is shown in the RECORD of April 17, 1924, at page 6802.

By Mr. DYER: Resolution (H. Res. 261) providing that the Judiciary Committee of the House or any subcommittee thereof be authorized and directed to investigate the whole question pertaining to enforcement of the prohibition act and for other purposes; to the Committee on Rules.

So far as I know, it is still there, but it may be out. When we get through reading this document nobody can tell whether these people are willing to say that the committee we have raised and which we are now discussing should investigate the question or not. But the whole purpose was to make an argument based upon false statements and a false premise, to lead the Senate into the mistake of discharging the committee, and when we add to that the fact that it was commonly reported here that Mr. Wheeler was trying to back up the Senator from Indiana [Mr. WATSON] in demanding the discharge of the committee or the discontinuance of its activities, we know perfectly well that was the purpose he wanted to accomplish; yet he did not dare say in so many terms that he, as the representative of the prohibition forces, was afraid of an investigation. Yet that is exactly what is the matter with that gentleman.

I hold no brief for the liquor interests. I have never held any for them. I hold no brief for any particular interests. I have said, and said repeatedly, that as long as the Constitution of the United States stands as it does stand it should be obeyed by all good citizens, and that Congress ought to pass laws for its just and fair enforcement. But, Mr. President, when we are told in one breath that prohibition is a complete success, as my friend the Senator from Ohio [Mr. WILLIS] would have us believe, and in the next breath we are told by the eminent Senator from Indiana [Mr. WATSON] that prohibition is so ghastly a failure that none dare investigate it without doing it harm, and finally when we are told in the concluding sentence of the statement of the Senator from Ohio that an investigation will do it harm, it occurs to me that it is about time we should take a plain, common-sense view with reference to the whole matter.

What is that common-sense view? It is that if prohibition is being thoroughly enforced and if the officers are fairly doing their duty, then an investigation should develop that fact and the result would be beneficial to the prohibitory law. If upon the other hand the officers are not doing their duty, if that which was charged by the Senator from Ohio be true, to wit, that prohibition is not a success in those States where the Senators are opposed to prohibition and where—and I quote almost his exact language—the Senators will not permit the appointment of men who will enforce a prohibitory law, if that be the case, then every friend of prohibition in the land ought to know the names of those Senators, ought to know what kind of man it is who has the appointment of officers, and who, because of senatorial influence, will appoint men to enforce the law with the understanding that they shall not enforce the law.

If that kind of rotten condition exists down here in this department, and it was the direct and specific charge of the Senator from Ohio that it does exist, then we ought to know it. That was the most frank confession of guilt, of improvidence, and of infamy that was ever made by any Senator on this floor who claims to be a friend of prohibition or of the prohibition department. It was an absolute admission made by the distinguished Senator who appears here, next to the Senator from Texas as the supporter of prohibition, next to him as the archangel of the prohibition forces upon whose banners are inscribed the glories of all the prohibition victories that have happened since Adam was a boy. If that one fact exists—and it has been charged on the floor of the Senate this afternoon by a friend of prohibition—then it ought to be disclosed by an investigation. That is enough to warrant the investigation. Any hesitancy for a moment is hesitancy in the face of certainty that there is guilt and that it is our duty to ferret it out and find the responsible and guilty parties.

Mr. President, if we find that to be true, then, if we would be true to our offices, true to the Constitution, and true to our oath, we will insist that the prohibition department shall be renovated, that the head of the department who, at the command or demand of Senators, puts men in the enforcement division who will not enforce the law and does it because of senatorial influence, we should demand that that creature shall be removed and that there shall be put in his stead a man who will perform his duty the same in a State that is represented by a dry Senator as in one that is represented by a wet Senator. We will get rid of the man who nullifies the law of the United States at the request of a wet Senator and who enforces it at the demand of a dry Senator. We will get rid of that sort of geographic conscience that operates on one side of a political line in one way and on the other side in another way and who, for political considerations, at the command of a political Senator proceeds to nullify the Constitution. I am talking about the statement that was made by the distinguished Senator from Ohio [Mr. WILLIS] who is third in the great triumvirate of prohibitionists, the first, of course, being Wayne B. Wheeler, who draws the salary and who writes these deceptive statements; the second being my distinguished and amiable and lovable friend from Texas [Mr. SHEPPARD], who is a good prohibitionist—the one man to whom I will give that title—and the third being my friend from Ohio, who has recently entered the lists and who apparently intends to elbow both of his conferees out of their jobs, and to be the one man who shall stand astride the question. I am willing he shall get rid of Wheeler, but I protest he shall not trample upon the preserves of my friend from Texas [Mr. SHEPPARD].

But suppose, on the other hand, that we should discover not only that these men have appointed prohibition officers in certain States with the understanding that they will not enforce the law, but suppose it should be developed that in addition to senatorial influence which they have obeyed that they have taken bribe money, for it seems to me that a man who would violate his oath of office for the one reason—for a political consideration, the desire to please a Senator—might for the purpose of pleasing himself put money in his purse. Suppose—and I do not charge it—that an investigation should disclose that this bureau was honeycombed by graft and corruption, as has been so often charged with reference to prohibition enforcement. That might constitute a shock to the people of the United States, but because it would shock the people of the United States to learn that there was graft or corruption is no excuse for allowing the cancer of corruption to eat on and on until its roots would reach into the very brain and heart of the Nation itself.

Every friend of the United States and every true friend of prohibition would want to see that cancer cut out, and if there has to be an operation he would rather withstand the shock of the operation than to witness the march of the disease. So if these things were found to be true, while it might shock the Nation to learn them, we would at least be able to supplant these dishonest men by honest men. Then the car of prohibition and moral progress and reform would roll on; my friend from Ohio [Mr. WILLIS] would occupy a front seat, and would finally arrive at the gates of glory with a whole cargo of virtues in the wagon with him.

How can anyone object? If there be wickedness there, why should it not be disclosed? The only man who objects is a man who either himself has or his friends have been engaged in crooked business. They have been objecting ever since these investigations started. When the first hint was given that Albert Fall had bought a piece of ground and that probably he could not account for the money, what a wave of indignation there was; how Fall strutted along the boards of the public stage and declared that his honor had been impugned; how he challenged an investigation; how he declared that he wanted to come and tell all about it! Still, however, at the same time how many men turned to criticize the Senator from Montana [Mr. WALSH] when he adduced some hearsay evidence. We heard the same criticism continued here to-day. He put in some hearsay evidence! Yes; he put in some hearsay evidence. That is the only way a committee of Congress can proceed when the Department of Justice and all its agencies are in the hands of corrupt men who will not permit the department to function.

If the Department of Justice had been functioning, we would not have needed to have had any congressional investigations where hearsay evidence would be taken, but we would have had grand juries. A grand jury, however, has to get hearsay evidence. Every man who is acquainted with the practice of the criminal law knows that the way grand juries get their information is to call in a man who is supposed to know something about the case and take his testimony, both direct and hearsay. Why do they take his hearsay evidence? It is not for the purpose of considering it as binding evidence upon a defendant, but in order that it may furnish them leads and enable them to find finally a witness who knows the facts at first hand. Unfortunately committees of Congress, sitting in the open, may produce hearsay evidence in that way that may reflect unjustly upon somebody; but it is the only method we have to pursue. So the first witnesses that were put on in regard to Albert Fall were witnesses who gave hearsay evidence, but that hearsay evidence led to sources from which the direct evidence was finally acquired.

Then Mr. McLean came forward to account for the money that Mr. Fall had. We have heard criticism here this afternoon because the Senator from Montana tried to find out what McLean's real connection was, a criticism because he did not accept McLean's word as final. This man McLean had certified, and I believe under oath, that he had furnished to Fall the $100,000 to buy the ranch in New Mexico. He afterwards stated that he furnished him the money in checks. Fall had made the same statement. There, I suppose, we ought to have stopped; nobody should have gone any further; but an investigation finally brought out a situation which frightened Doheny, and Doheny came in and said he had provided the money. Then, I suppose, we ought to have stopped; nobody should have asked a question after that. We should have drawn the veil of secrecy and charity over it all.

But questions were asked, and in the asking of those questions it was disclosed that the Department of Justice had been lending itself to these culprits; that Mr. McLean had been in possession of the secret code of the United States; that the telegrapher at the White House had been employed to send him messages in that code; that the code had been employed for the purpose of advising him with relation to the proceedings here in Congress and the means and methods by which he could circumvent further inquiry into his affairs. Because these facts, which were directly pertinent to the inquiry and directly necessary to its proper understanding, were brought out, a Senator has had the temerity in this Chamber to undertake to castigate the Senator who conducted the investigation. I say it was as shameless a performance as ever took place upon this floor, and it will not react in favor of the party whose spokesman the distinguished Senator was.

We proceeded a little further. The clamor here all the time was to "Stop! Stop! Do not investigate; you may shock somebody if you investigate." But Doheny came in with his story, and little by little the facts came out. On one day the evidence would be hearsay, but the next day there would come evidence from the lips of some one who knew directly.

Then we came to the Daugherty investigation. Here I want to suggest a thought to my fellow Senators which if they have not considered I hope they will bear away with them. It is said that hearsay evidence was produced against Mr. Daugherty; that disreputable characters were placed on the stand against him, and that the testimony adduced was not pertinent to the inquiry. I deny that the testimony adduced was not pertinent to the inquiry. The resolution appointing the committee to investigate Mr. Daugherty called for an investigation with reference to his activities in many respects. It contained this language:

> And said committee is further directed to inquire into and investigate and report to the Senate the activities of the said Harry M. Daugherty, Attorney General, or any of his assistants in the Department of Justice which would in any manner tend to impair their efficiency or influence as representatives of the Government of the United States.

It was not necessary to prove a crime; it was not necessary to prove a misdemeanor; it was not necessary to prove anything in the nature of a criminal charge, but the committee were called upon to find out whether the conduct of Mr. Daugherty had been such as would impair his efficiency or the efficiency of his department.

Bearing that in mind, I come to the question of the character of the evidence. If Mr. Daugherty associated himself with rogues, if he made companions of scoundrels, if he made his habitat with grafters, then he had impaired his efficiency; if that was true, then he had committed the very acts that the committee was authorized and directed to investigate, to wit, acts tending to impair the efficiency of the department and his own efficiency. So, when the committee sought to prove that Smith had been a grafter, that Smith had been a violator of the law, that Smith had lined his pockets with ill-gotten gains, and further to prove that he was the constant companion of Daugherty, that the two were more inseparable than David and Jonathan, that they were political and personal Siamese twins, that they slept literally in the same room, if not in the same bed, and that Smith was in the office of the Attorney General habitually and constantly, and when those facts were proven there was demonstrated an impairment of the efficiency of the Attorney General.

When they came to prove the fact, who did they prove it by? By this blatherskite who represents the Republican National Committee? I call him that because his letter is the letter of a blatherskite, and he reflects no credit on that committee. Let me tell Senators on the other side of the Chamber that they will want to get rid of him worse than the President wanted to get rid of Daugherty before they get through with him, for if he ever loads this mass of corruption on the Republican Party officially, no political horse can ever be found to take the hurdles with that sort of a burden on his back. But going back to my parenthesis, when the committee came to prove that they produced a woman by the name of Roxie Stinson. Now hands go up in holy horror. They say "You produced a woman; and it is said that she is not a decent woman and her word should never be taken against any man."

Mr. ASHURST. Mr. President——

Mr. REED of Missouri. I prefer not to yield for the moment.

Mr. ASHURST. Very well.

Mr. REED of Missouri. My friends, I know nothing about this woman except what I have read in the testimony, but this I do know, that it is the undisputed sworn testimony that she was the friend and confidante of Smith, who was the friend and confidant of Daugherty; that she—and it is the undenied testimony—was constantly in Smith's companionship, and Smith was constantly in Daugherty's companionship, and the three of them were together frequently; and it is a part of the statement made in the press as to the testimony—I did not read the testimony personally—that he even introduced this woman whom he now denounces into the family of the President.

Mr. President, it does not lie in the mouth of the man who thus consorted with this woman and with this woman's friend, Smith, to denounce the woman as unworthy of belief. It does not lie in the mouth of the political friends of the former Attorney General to open their lips against this woman or against her testimony, because she was certified to for her respectability and character by constant association with the former Attorney General. That kind of evidence is not only pertinent, direct, and to the point, but it is evidence that indubitably was true, in my opinion; and they can not attack the character of the witness.

But I take another stand.

They say that Means was put on the witness stand; and I suppose when this blatherskite to whom I am referring, this secretary of the Republican National Committee, who disgraces a great party that has many great men, for he disgraced it when he wrote this offensive and indecent letter—when he refers to murderers I suppose he refers to Gaston B. Means, who was tried for murder in North Carolina and acquitted. I do not know whether Gaston B. Means was guilty of that murder or not. I know that I would be the last man in the world to certify to the good character of Gaston B. Means. I would not admit that man into my office and have a private conversation with him under any circumstances. I have had occasion to read some court records which relate to performances of Gaston B. Means; but let us put him down as low as we please in the calendar of villains, and let us let him paint his own villainy as he did upon the witness stand, when he blatantly boasted of searching the desks of Senators, in violation, of course, of the law of the land, and blatantly and boastingly admitted that he perpetrated those searches for the purpose of blackmailing the Senators, not for money but blackmailing them into silence, if possible—equally culpable in morals, and, in my judgment, equally offensive to the law.

You can write him down as low as you want to write him, but the fact remains that he was Daugherty's appointee, and the fact remains that you can not escape the responsibility of Daugherty by the pretense that he might have been slipped in there by Burns or somebody else without Daugherty's knowledge, because after he was removed, for some reason which we do not know, they had a hearing at which Mr. Daugherty was present, and he was reinstated with full pay. So Daugherty knew the man was there; Daugherty knew his record; Daugherty knew his character; Daugherty knew that this man with this wretched character—and let them paint it as black as hell if they desire; I will take no exception—nevertheless he knew that that man had been armed with Government papers and Government authority and had been sent out here among the decent citizenship of this country to prey upon them and to perpetrate whatever iniquity might come into his foul brain or into his black heart upon these people of the United States. The man who thus turned this serpent loose upon the people can not be heard to complain if the crooked fangs of that same snake are sunk into his flesh, for he sent him forth among the people to perpetrate like acts upon the people.

How many people are there in the United States who may be in the penitentiary to-day upon the false statements of that man? How many innocent men may have suffered? How many people may have been blackmailed by this wretch who went about unlocking the desks and breaking into the habitations of people? But it does not lie in the mouth of Mr. Daugherty, it does not lie in the mouth of his defenders to complain that

his own tool, his own agent, the man whom he authorized to act in the name of the great United States, and to whom he gave a certificate—"Reposing special faith and confidence in your fidelity, and so forth, we send you forth with the authority of the Government back of you"—it does not lie in the mouth of men who did that to say that the testimony is not worthy of belief.

I had something to say about blackmail, but I will come to that in a minute. Let us take a résumé of what has happened.

They demonstrated that these invaluable oil lands were taken away from our country, and a suit has been brought to recover them. If we had sat here all winter and done nothing but that, investigated every day, and spent ten times the amount of money that the Senator from Indiana complains about, it would have been time well spent and money well put forth, but we did not stop there. Criminal prosecutions are supposed to be inaugurated, not by the Department of Justice but by special counsel whom we had to employ; but we did not stop there in these investigations. We have driven from the Cabinet an unfaithful minister of the Navy. We have driven from the Cabinet an unfaithful Attorney General. We have placed the Department of Justice, with its great enginery and machinery, in the hands of a man whom we all believe to be honest, and who we all hope will be efficient. We have done this much, at least, as the result of these investigations; but as we have proceeded we have received no aid, assistance, or comfort from the executive department of this Government. On the contrary, we haye been reprimanded. Obstacles have been placed in our way. Now, at last, because the investigation is getting a little too hot, we find they are denouncing the men who have produced these great results. At every stage they have told us we have gone too far and we ought to stop. We ought to have stopped before we investigated Fall's ranch. We ought to have stopped before we investigated Daugherty. We ought to have stopped before we investigated Doheny. Every time we should stop, every time there is a protest. Now it is proposed to investigate into the prohibition department and the other departments of the Treasury, and they tell us we must stop.

They tell us the foolish, silly story that 60,000 employees of the Treasury Department will have the buck ague, their morale will be destroyed, they will be trembling in their boots, they can not figure and they can not collect taxes, they can not testify against a bootlegger, if there is anybody looking in the books down here to see what has been going on in the past! If the concern is that rotten and is that corrupt, then it all ought to be wiped out by a general statute or by an Executive order.

I do not believe the story. I do not believe they are all corrupt. I do not believe they are all rotten; but that there are rogues down there I have not the slightest doubt, and that fortunes have been made in the illicit sale of liquor I have not the slightest doubt. But if I claimed to be a prohibitionist of the most pronounced type, I would say that I wanted every rogue put out of the prohibition-enforcement department and I wanted honest men put in, and that any department that could not stand an investigation was too reeking rotten to exist, and that any man who protested against it knew there was something to fear.

Mr. President, just one word more.

I have commented upon the fact that Gaston B. Means says that he was sent out to pry into the offices and desks of Senators and public men to find out, if he could, something against them, and then use that to make them cease their activities in favor of a particular bill or a particular measure. He told us this boastingly. It seems to me that the distinguished secretary of the Republican National Committee has taken a leaf out of Gaston B. Means's philosophy. I read from the New York Times:

> Whether the attack by Mr. Lockwood will be taken cognizance of by the Senate will not appear until after the publication of the statement, which is in the nature of a response to remarks made in the Senate on Saturday by Senator THOMAS J. WALSH of Montana in connection with published news dispatches that an agent of the Republican National Committee, sent to Montana to investigate the record of Senator BURTON K. WHEELER, had said that he also had investigated the record of Senator WALSH.

Turning, with that as a prelude, to the statement of this distinguished gentleman who thinks he is going to save the Republican Party by undertaking to defend this iniquity—a thing that every decent Republican on earth repudiates—I find that he says this:

> While this organization has been investigating at its own expense the political and official records of these two chief inquisitors—

WALSH and WHEELER—

> to determine whether they are prompted by a sense of public duty or by political motives that will not stand the light of day.

A little later:

> The national organization of the Republican Party will continue to resist wrong, fight injustice, denounce hypocrisy, and stand up for Republicanism and Americanism.

Notice the sentence:

> While this organization has been investigating at its own expense the political and official records of these two chief inquisitors.

Mr. President, what was the situation? Gaston B. Means said—and I am drawing a parallel—that when the Senator from Arkansas [Mr. CARAWAY] and one or two other Senators did something the Department of Justice did not like they sent down to look through their desks to see if they could not find there something "on them," to use the expression that was employed, and then tell them to go back and sit down and shut up. Now, we have two investigations here in the Senate in which the Senators from Montana [Mr. WALSH and Mr. WHEELER] are active members of the committees investigating crimes against the United States. What has their personal character or personal reputation to do with that? If they had been bad and wicked men, that would have had no real bearing upon the case, because the evidence had to be produced from the mouths of sworn witnesses, and there were four or five or six or seven or eight Senators there to see that justice was done. Why, then, were these people investigating their private characters? Because they intended to levy the same kind of blackmail that the wretched fellow Means had been levying. They intended to find out something against them and tell them they had better quit investigating, and when a man engages in blackmail of that kind for the purpose of stopping an investigation I put him in the class of common crooks and common criminals. That is where I put the secretary of the Republican National Committee on his own admission.

I am not making this speech to attack Republicans. The Senate will bear me out in the statement that I have made here a hundred times, which I have made on platforms a hundred times, that between the rank and file of Republicans and Democrats there is no difference in morals or in patriotism. We differ in our opinions. But it so happens that you may get some bad men in office and we might get bad men.

You have a man now as secretary of your committee who baldly confesses that for the purpose of stopping a legitimate investigation authorized by the Senate, he started to see if he could not dig up something against the personal character of two distinguished Senators, and to what end? What was his purpose? He may state his purpose as he pleases. He may make any assertion he desires, but every man in this room knows that his purpose was to put blackmail upon these men, and say to them, "You must pause in your course." That was his purpose. Nobody but a fool will doubt that proposition. Nobody but a man who has no regard for the truth will deny it. If he had found something on the senior Senator from Montana [Mr. WALSH], some speck on his character, then the hint would have come, "You had better stop and close up the investigation, Senator." That would have been the Gaston B. Means method. That would have been the Daugherty method. That would have been the crooked method that has been employed here all too often.

They practically admit that they went out and instigated the indictment of the junior Senator from Montana [Mr. WHEELER]. Have you ever heard it stated by men who were acquainted with criminal practices that if you could get the other fellow indicted that it is a great thing to do, how that would stop him and destroy his influence? So the Department of Justice that could not raise its hands to go after Fall; the Department of Justice that could not raise its finger to do anything against Doheny; the Department of Justice that lent its good offices to these criminals and wretches; the Department of Justice that had nothing to say when Mr. McLean, of the Washington Post, entered into a conspiracy to help defeat the processes of the law and to secrete the crimes of Albert Fall, which never could think of drawing an indictment against him for conspiracy, or for being an accessory after the fact; they could not think of that; but this Department of Justice could immediately lash itself into a foam to go out and return an indictment against the junior Senator from Montana [Mr. WHEELER].

Is there anybody here who does not know that it was the recourse of the guilty to stop the on march of justice; that it was the device of crooked men to stop honest men in the performance of their duty? Is there anybody so dull in all this land who does not know that this question was made political for the first time by the action of this secretary of the Repub-

lican committee when he took the Republican committee's money, hired his agents, and sent them out to Montana to dig up something against the junior Senator from Montana, and to have him indicted? In order to stop these prosecutions he made this confessed political movement. He strapped this mass of infamy on the Republican horse, and he will have to carry it through the campaign, unless Republican Senators repudiate the act of this political blackmailer and wretch who poses as the critic of a Senator.

Mr. SHEPPARD. Mr. President, in justice to myself I want to say that the pencil notation to which the Senator from Missouri referred as being on the margin of this statement entirely escaped my attention. The statement came to me a few moments before the Senator from New York made his inquiry. I placed it in the RECORD in response to an inquiry of the Senator from New York. The name of Mr. Wheeler is signed to the statement, and was read from the desk, as were the names of the other signers. They had a right to express their opinion regarding this controversy, and, as far as I could see the matter, it was entirely proper that that opinion should be made known to the Senate, especially when it was inquired about by a Member of this body.

The PRESIDENT pro tempore. The question is upon agreeing to Senate Resolution 211, offered by the Senator from New Mexico [Mr. JONES].

The resolution was agreed to.

The PRESIDENT pro tempore. The Chair is informed that the Senator from Indiana [Mr. WATSON] does not desire to bring forward his motion to discharge the committee, and therefore, under the terms of the unanimous-consent agreement, it is fully executed with the final disposition of Senate Resolution 211.

Mr. SMOOT obtained the floor.

Mr. CARAWAY. Will the Senator from Utah yield to me a moment?

Mr. SMOOT. I yield.

Mr. CARAWAY. I ask unanimous consent that the resolution of the Senator from Indiana may be laid before the Senate, and that we may have a yea-and-nay vote on it.

Mr. SMOOT. I would not make that request in the absence of the Senator from Indiana.

Mr. CARAWAY. Of course, the Senator can object, but I make the request.

The PRESIDENT pro tempore. The Senator from Arkansas asks unanimous consent——

Mr. SMOOT. The Senator from Indiana is not in the Chamber. Therefore I will have to object.

The PRESIDENT pro tempore. The Senator has a right to make the request.

Mr. SMOOT. I say, the Senator from Indiana being out of the Chamber, I shall be compelled to object to the request.

The PRESIDENT pro tempore. Objection is made to the request of the Senator from Arkansas.

TAX REDUCTION

Mr. SMOOT. I ask that the unfinished business be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. REED of Missouri submitted an amendment intended to be proposed by him to the bill, which was ordered to lie on the table and to be printed.

Mr. WALSH of Massachusetts submitted an amendment intended to be proposed by him to the bill, which was ordered to lie on the table and to be printed.

Mr. ROBINSON. Mr. President, I desire to suggest to the Senator from Utah the advisability of taking a recess or an adjournment. The Senate has now been in session for seven hours, and as far as I am concerned we can recess or adjourn to any hour the Senator from Utah thinks proper. A number of Senators have expressed a desire that no session be held to-night for the reason that some of them have engagements which they feel bound to fill.

I think the time of the Senate will be conserved by pursuing the course I am now suggesting. There is anxiety on this side of the Chamber equal to that on the other side of the Chamber to facilitate the prompt disposition of the pending revenue bill. I know of no reason why it can not be disposed of to-morrow, if the Senator from Utah wants to take that course; but I do not think we ought to continue longer in session to-day.

Mr. SMOOT. Would the Senator be willing to enter into a unanimous-consent agreement that beginning at 2 o'clock on Wednesday——

Mr. ROBINSON. I make this suggestion to the Senator: I think the bill can be disposed of in all probability to-morrow. [After a pause.] The junior Senator from Utah [Mr. KING] advises me that he does not think so.

Mr. KING. In addition to the corporation tax, the question of the inheritance tax will of necessity compel some discussion.

Mr. SMOOT. That is why I wanted it to go over.

Mr. KING. There are several other controverted matters.

Mr. SMOOT. I think we can get rid of the estate tax and the corporation tax to-morrow if we hold a night session to-night.

Mr. NORRIS. I would like to suggest to the Senator that after all Senators are heard who want to speak at length on a particular item like the corporation tax, which I understand is to come up next, instead of asking for a unanimous-consent agreement now that he present it then. I think at that time there would not be any objection to it.

Mr. SMOOT. I thought of asking unanimous consent that beginning on Wednesday at, say, 3 o'clock——

Mr. ROBINSON. I do not believe it would be fruitful of benefit to try to enter into an agreement to limit debate to-night. I think there is no disposition to prolong the debate, and I am of the opinion that the bill can certainly be disposed of on Thursday. I had hoped it might be completed to-morrow.

INVESTIGATION OF INTERNAL REVENUE BUREAU

Mr. NORRIS. May I interrupt the Senator just a moment? There is another matter closely connected with the resolution which we have had up to-day; that is, the resolution of the Senator from Indiana [Mr. WATSON]. He is not present in the Chamber now, but I had expected that that would be disposed of as soon as we got through with the resolution we have just disposed of.

I want to say, if the Senator will permit me, that in my opinion that resolution ought to be pending in the Senate. I would not want to be on a committee making preparation to go on, when hanging over me was a motion to discharge the committee from further consideration of the matter under investigation. It is only fair to the committee that we vote the resolution up or down. I do not want to do it to-night, because the Senator from Indiana is not in the Chamber, but I am going to ask, and if necessary I shall move to take up that resolution if it is not either withdrawn or voted on.

Mr. CARAWAY. I hope the Senator will not consent to the withdrawal of the resolution, because it was introduced and ought to be disposed of.

Mr. NORRIS. Personally I have no objection to its being withdrawn, but I want to have some disposition made of it. It seems to me it is not fair to have it pending here subject to be brought up at any time. If this committee is going to be discharged, it ought to be discharged now. If it is not going to be discharged, then this resolution ought to be voted down.

Mr. SMOOT. I do not think there will be any objection at all to action being taken upon the resolution to-morrow. I think there should be action taken. The only reason why I objected taking it up at the present time is because the Senator from Indiana is absent.

I will say to the Senator in relation to taking a recess at this time that I gave notice Saturday that we would hold an evening session, and a conference of the Republican Members was held and it was agreed to have a session to-night. There have been seven hours spent and not a word said upon the bill to-day. I thought we would run a couple of hours on the bill and then it would be perfectly agreeable to me to take a recess until to-morrow. I know that course will be satisfactory to a number of Senators on the Finance Committee.

Mr. ROBINSON. Mr. President, I am compelled to state, by the advice of those about me, that unless the Senator can agree to a recess, I shall make a motion to adjourn.

Mr. KING. I would like to say to my colleague that I know of one Senator who ought to have spoken to-day, and who would have occupied the floor in expounding his views on the corporation tax amendment. The time has been consumed, however, and he has been occupied in the discussion of the resolution before the Senate. At this late hour I am sure he would not be ready to proceed. That matter is so important that there should be a very full attendance of the Senate. I hope the Senator will find it suitable to take a recess until to-morrow.

Mr. ROBINSON. I will make my motion if the Senator does not consent to take a recess or adjourn. I move that the Senate now adjourn.

Mr. SWANSON. I want to make a statement to the Senator from Utah. We are making good progress on the bill. I have

never known a revenue bill on which as much progress has been made as on this one up to the present time. I am satisfied none of the Senators on the other side will object to taking a recess or an adjournment. There is a general disposition to get the bill through quickly, and I do not think we will make any progress by staying here to-night.

Mr. ROBINSON (at 7 o'clock p. m.). I move that the Senate adjourn.

Mr. WADSWORTH. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CURTIS (when Mr. LENROOT's name was called). The Senator from Wisconsin [Mr. LENROOT] is detained from the Senate on account of illness.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senator from Vermont [Mr. GREENE] and vote "nay."

Mr. REED of Pennsylvania (when his name was called). I transfer my general pair with the junior Senator from Delaware [Mr. BAYARD] to the senior Senator from West Virginia [Mr. ELKINS] and vote "nay."

The roll call was concluded.

Mr. CURTIS (after having voted in the negative). I have a pair with the Senator from Montana [Mr. WALSH]. I transfer that pair to the Senator from North Dakota [Mr. LADD] and let my vote stand. If the Senator from Montana were present he would vote "yea," and if the Senator from North Dakota were present he would vote "nay."

Mr. SMITH (after having voted in the affirmative). I notice that my pair, the Senator from South Dakota [Mr. STERLING], is not present. I transfer my pair with that Senator to the junior Senator from Alabama [Mr. HEFLIN] and allow my vote to stand.

Mr. FLETCHER. I desire to announce that my colleague, the junior Senator from Florida [Mr. TRAMMELL], is unavoidably absent. He has a general pair with the senior Senator from Rhode Island [Mr. COLT]. I request that this announcement may stand for the day.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Illinois [Mr. MCCORMICK] with the Senator from Oklahoma [Mr. OWEN]; and

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY].

The result was announced—yeas 28, nays 38, as follows:

YEAS—28

Adams	Ferris	Kendrick	Reed, Mo.
Ashurst	Fletcher	King	Robinson
Broussard	George	McKellar	Sheppard
Bruce	Gerry	Neely	Shields
Caraway	Harris	Overman	Simmons
Dial	Harrison	Pittman	Smith
Dill	Jones, N. Mex.	Ransdell	Swanson

NAYS—38

Ball	Fernald	McLean	Shortridge
Brandegee	Fess	McNary	Smoot
Bursum	Frazier	Moses	Spencer
Cameron	Hale	Norbeck	Stanfield
Capper	Harreld	Norris	Wadsworth
Copeland	Johnson, Minn.	Oddie	Warren
Cummins	Jones, Wash.	Pepper	Watson
Curtis	Keyes	Phipps	Willis
Dale	Lodge	Reed, Pa.	
Edge	McKinley	Shipstead	

NOT VOTING—30

Bayard	Glass	Lenroot	Trammell
Borah	Gooding	McCormick	Underwood
Brookhart	Greene	Mayfield	Walsh, Mass.
Colt	Heflin	Owen	Walsh, Mont.
Couzens	Howell	Ralston	Weller
Edwards	Johnson, Calif.	Stanley	Wheeler
Elkins	Ladd	Stephens	
Ernst	La Follette	Sterling	

So the Senate refused to adjourn.

Mr. NORRIS. Mr. President, I desire to submit a unanimous-consent request.

Mr. REED of Pennsylvania. Before the Senator does that, will he yield to me to present an amendment to the tax bill and ask that it be printed and lie on the table?

Mr. NORRIS. Certainly.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

Mr. NORRIS. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the resolution of the Senator from Indiana [Mr. WATSON], Senate Resolution 210, discharging the special committee to investigate the Bureau of Internal Revenue.

Mr. WATSON. What is the request?

Mr. NORRIS. I ask unanimous consent to consider the resolution which the Senator from Indiana has submitted, to discharge the committee.

Mr. WATSON. Evidently the Senator has not seen fit to accept my word on the proposition, that I do not intend to press it at all.

Mr. NORRIS. I do accept the word of the Senator, but that does not dispose of the resolution.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent that the unfinished business be temporarily laid aside and the Senate proceed to the consideration of Senate Resolution 210. Is there objection?

Mr. WATSON. I want to know whether I am at liberty now to withdraw the resolution under the parliamentary rule. I think I am.

The PRESIDENT pro tempore. What is the parliamentary inquiry?

Mr. WATSON. The parliamentary inquiry is whether or not I can withdraw the resolution at this time.

The PRESIDENT pro tempore. The Chair is of the opinion the Senator can not withdraw it.

Mr. WATSON. Then I move to indefinitely postpone it.

Mr. SMOOT. Is that going to lead to any discussion?

Mr. WATSON. Oh, no.

Mr. NORRIS. I do not want to discuss it. I just wanted to dispose of it. That is entirely satisfactory to me.

Mr. WATSON. I imagine that my statement that I never intend to press it is not satisfactory to the Senator from Nebraska.

Mr. NORRIS. Now, I do not want the Senator from Indiana to misunderstand me. I do not doubt his statement a particle, but I want the record to be made right. I have no interest in it other than as a matter of justice to the committee. I do not believe it is fair to have them directed, as they are, to go on and make an investigation with a resolution to discharge them hanging over them in the Senate. That ought to be disposed of. It is only a matter of common justice to get it out of the way.

Mr. MOSES. The Senator from Indiana can ask unanimous consent to withdraw it.

Mr. WATSON. I have already tried that.

Mr. MOSES. Let the Senator try it again.

Mr. WATSON. I ask unanimous consent to withdraw my resolution.

Mr. CARAWAY. I object. I want a vote on it.

Mr. WATSON. I knew the Senator intended to object.

Mr. CARAWAY. Yes; I told the Senator I was going to object.

Mr. WATSON. I know the Senator did.

Mr. MOSES. In view of that objection, I object to the request for unanimous consent submitted by the Senator from Nebraska.

Mr. WATSON. Is it in order to move to postpone indefinitely the resolution?

The PRESIDENT pro tempore. The opinion of the Chair is that the revenue bill is before the Senate——

Mr. HARRISON, Mr. NORRIS and others addressed the Chair.

The PRESIDENT pro tempore. Will the Senators permit the Chair to state his view about the matter? The Chair is of the opinion that without unanimous consent the motion to postpone indefinitely is not in order at this time.

Mr. NORRIS. I agree with the Chair, and I want to make a motion that will be in order. If the objections are not withdrawn, I am forced to make a motion to take up the resolution, which is in order.

Mr. SMOOT. Mr. President, I ask the Senator from New Hampshire to allow the motion of the Senator from Indiana to be voted on.

Mr. MOSES. To indefinitely postpone it?

Mr. SMOOT. Yes.

Mr. MOSES. My objection was to the unanimous-consent agreement asked for by the Senator from Nebraska.

Mr. SMOOT. I understood that the Senator from Indiana made a motion to indefinitely postpone the resolution and I understood the Senator from New Hampshire to object to that motion.

Mr. MOSES. Oh, no.

Mr. NORRIS. The Senator from Utah has not the correct situation in mind. In order that the motion of the Senator from Indiana may be in order we must formally lay aside the unfinished business and take up the resolution, and that was my request.

Mr. SMOOT. I am perfectly willing to have the unfinished business temporarily laid aside and that question voted upon.

Mr. NORRIS. It will take only a moment.

Mr. SMOOT. I understand no discussion whatever is to take place, and I hope the Senator from New Hampshire will withdraw his objection.

Mr. MOSES. If a record vote is not to be had, I will withdraw my objection.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent that the unfinished business be temporarily laid aside. Is there objection to that request? The Chair hears none, and it is so ordered.

Mr. WATSON. I now renew my motion.

The PRESIDENT pro tempore. The Senator from Indiana moves that Senate resolution 210 be indefinitely postponed. [Putting the question.] In the opinion of the Chair the ayes have it.

Mr. CARAWAY and Mr. HARRISON called for the yeas and nays.

Mr. MOSES. Oh, no, Mr. President; when I withdrew my objection to the unanimous-consent request submitted by the Senator from Nebraska, I stated that it was on condition that no record vote should be had upon the motion.

Mr. CARAWAY. I did not hear that statement of the Senator from New Hampshire.

Mr. MOSES. I am sorry.

Mr. CARAWAY. Of course the Senator can object now at this time.

Mr. MOSES. No; I can not object now. I am estopped.

The PRESIDENT pro tempore. The demand for the yeas and nays being withdrawn, the ayes have it.

Mr. CARAWAY. No; nobody withdrew the request for the yeas and nays. We want a yea-and-nay vote.

The PRESIDENT pro tempore. Does the Senator demand a yea-and-nay vote?

Mr. CARAWAY. Yes, sir.

Mr. WATSON. That is a good-faith proposition. The Senator ought not to do that.

Mr. CARAWAY. Very well; I withdraw the request.

The PRESIDENT pro tempore. The ayes have it, and the resolution is indefinitely postponed.

TAX REDUCTION

The PRESIDENT pro tempore. The unfinished business will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. SMOOT. Mr. President, the next amendment passed over is on page 82. It has reference to the tax on corporations.

The PRESIDENT pro tempore. The Secretary will state the amendment. The Chair is advised that the amendment on page 82 has been agreed to.

Mr. HARRISON. A parliamentary inquiry. What was the observation of the Chair?

The PRESIDENT pro tempore. The Chair is advised that the amendment referred to by the Senator from Utah [Mr. SMOOT] has been agreed to.

Mr. HARRISON. What is the amendment?

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. The amendment is on page 82, line 6, to strike out "12½ per cent" and insert "14 per cent."

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Will the Senator from Utah state the next amendment which he desires taken up?

Mr. SMOOT. The next amendment is on page 139.

Mr. JONES of New Mexico. Mr. President, the corporation tax amendment was agreed to several days ago, with the understanding that I could offer a substitute for it after the other committee amendments should have been acted upon.

Mr. SMOOT. That is as I understood it; and we agreed to take it up in its order, and that the Senator from New Mexico should have the right to offer his substitute for it. I think that is the proper thing to do.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. The Chair suggests that the vote by which the amendment was agreed to must be reconsidered before a substitute can be offered for it.

Mr. JONES of New Mexico. It was understood the other day that we might act upon the amendment of the committee. I asked the Chair at that time a parliamentary question, whether or not after that amendment should be adopted I then could offer a substitute for the paragraph.

The PRESIDENT pro tempore. The Chair is of the opinion that a substitute for the paragraph is in order.

Mr. JONES of New Mexico. I do not believe I care, Mr. President, to present that substitute to-night. A great many Senators have gone to their dinners; it is now 20 minutes after 7 o'clock. I have no purpose or desire merely to consume the time of the Senate. If more Senators were present to listen to an explanation of the substitute which I shall offer, that would be all the time I should care to occupy.

Mr. ROBINSON. May I suggest to the Senator from New Mexico that under the arrangement to which reference has been made he is entitled to wait until committee amendments shall have been disposed of; so that he need not go on now unless he desires to do so?

Mr. SMOOT. I am aware of that, but the next amendment is the one relative to the estate tax.

Mr. SIMMONS. I do not think the Senator from New Mexico desires to make the point.

Mr. JONES of New Mexico. I do not desire to make that point. I can talk about this amendment, but it is quite evident that we can not give any just consideration to so important a matter with the Senate in its very confused state of mind.

Mr. FLETCHER. I will ask the Senator has his amendment been printed?

Mr. JONES of New Mexico. It has been printed. It was printed several days ago.

Mr. SMOOT. I wish to ask the Senator if he will be ready to take up the amendment to-morrow morning?

Mr. JONES of New Mexico. To-morrow morning on the convening of the Senate I shall be glad to take the amendment up and to discuss it and let the Senate dispose of it. I shall not attempt any delay, and I shall not take very much time to discuss the amendment, unless some other Senator wishes to make inquiries, and so on, regarding some of its provisions.

Mr. SMOOT. I will say to the Senator that I do not care to speak on the amendment for more than 30 minutes.

Mr. JONES of New Mexico. I doubt if I shall occupy that much time.

The PRESIDENT pro tempore. The Chair desires to suggest to the Senator from Utah that there is one amendment on page 113 and another one on page 114 which have not been agreed to. It is possible that upon consideration those amendments might be disposed of.

Mr. SMOOT. The Norris amendment was adopted as a substitute for the committee amendment relating to the publicity of tax returns. The Norris amendment strikes out all after the word "the" on line 20, page 111, down to line 4, on page 113.

Mr. FLETCHER. It strikes out all after the word "records" in line 17, on page 111.

The PRESIDENT pro tempore. The amendment offered by the Senator from Nebraska, while it may affect that portion of the bill, did not specifically become a substitute for it.

Mr. SMOOT. There is not any question but that it was understood that the Norris amendment was a substitute for the entire provision relating to the publicity of tax returns. Since the adoption of the Norris amendment there is no need for the committee amendment; but it is true that it was not acted upon. Therefore, the committee amendment under the heading "Returns to be public records" after line 4, on page 113, should be disagreed to.

The PRESIDENT pro tempore. The Senator from Utah moves that that part of the bill beginning with line 5, on page 113, down to and including line 8, on page 114, be stricken out.

Mr. SMOOT. That all ought to be stricken out.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Utah.

The amendment was agreed to.

The PRESIDENT pro tempore. That part of the bill is stricken out.

Mr. JONES of New Mexico. Mr. President, I have an amendment here which I am willing to take up to-night if it be satisfactory to the Senator from Utah. It is an amendment regarding the publicity of proceedings before the board of appeals.

Mr. SMOOT. That would properly come after the committee amendments.

Mr. JONES of New Mexico. Yes; it should properly come after the committee amendments.

Mr. SMOOT. I will ask the Senator from Washington if he cares to take up the appropriation bill in his charge at this time?

Mr. JONES of Washington. I am ready to do so.

Mr. SMOOT. We might save that much time and also serve the convenience of the Senator from New Mexico.

Mr. ROBINSON. Mr. President, will the Senator from Utah ask unanimous consent that the unfinished business may be temporarily laid aside?

Mr. SMOOT. I am ready to do that now.

Mr. ROBINSON. Mr. President, I am very anxious to expedite the revenue bill, but if the Senator from Utah is not ready to go on with it, I will make no objection to the request to lay the bill aside and take up another bill.

Mr. SMOOT. In the first place, I ask unanimous consent that at the conclusion of business to-day the Senate take a recess until 11 o'clock to-morrow.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. Now I ask unanimous consent that the unfinished business may be temporarily laid aside in order that the Senate may resume the consideration of the appropriation bill which is in charge of the Senator from Washington [Mr. JONES].

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the revenue bill is temporarily laid aside.

APPROPRIATIONS FOR DEPARTMENTS OF STATE AND JUSTICE, ETC.

Mr. JONES of Washington. I ask unanimous consent that the Senate proceed to the consideration of House bill 8350.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 8350) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1925, and for other purposes.

Mr. KING. Mr. President, as I understand the purpose of the Senator having the bill in charge, we shall proceed with the consideration of the bill, but not take a final vote upon it this evening?

Mr. JONES of Washington. I just told the Senator from Utah that we would not pass the bill to-night, so that he would have an opportunity if he desired to take up any matter at another time he could do so; but I should like to get along with the bill just as far as possible.

Mr. WARREN. Mr. President, I trust the Senator will get the bill in a position where it will be out of the way of the other appropriation bills which follow. Of course we do not want to stall the other appropriation bills.

Mr. JONES of Washington. Certainly; we will not do that.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Contingent expenses, Department of Justice," on page 27, line 17, after the word "bicycles," to strike out "$51,750," and to insert "$58,287," so as to read:

For stationery, furniture and repairs, floor coverings not exceeding $500, file holders and cases; miscellaneous expenditures, including telegraphing and telephones, foreign postage, labor, typewriters and adding machines and the exchange thereof and repairs thereto, street-car fares not exceeding $300, newspapers, press clippings, and other necessaries ordered by the Attorney General; official transportation, including the repair, and maintenance, operation of a motor-driven passenger car, delivery truck, and motor cycle, to be used only for official purposes, and purchase and repair of bicycles $58,287.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous objects, Department of Justice," on page 32, line 15, after the word "annum," to strike out the semicolon and "*Provided further*, That the compensation agreed to be paid to any person by the Department of Justice shall be definitely fixed at the time of employment," and to insert "but the Attorney General may fix the compensation of not to exceed 10 persons at not to exceed $10,000 each," so as to read:

Investigation and prosecution of war frauds: For the investigation and prosecution of alleged frauds, either civil or criminal, or other crimes or offenses against the United States, growing out of or arising in connection with the preparation for or prosecution of the late war, including the institution and prosecution of suits for the recovery of moneys which contain no element of fraud but arose incident to the investigation of alleged frauds, to be available for the employment of counsel and other assistants, rents, and all other purposes in connection therewith, whether in the District of Columbia or elsewhere, including not to exceed $10,000 for communication service, the purchase of furniture, law books, books of reference, and other necessary equipment and supplies at the seat of the Government, $500,000, to be expended in the discretion of the Attorney General: *Provided*, That this appropriation shall not be available for rent of buildings in the District of Columbia if suitable space is provided by the Public Buildings Commission: *Provided further*, That not more than one person shall be employed hereunder at a rate of compensation exceeding $10,000 per annum, but the Attorney General may fix the compensation of not to exceed 10 persons at not to exceed $10,000 each.

Mr. JONES of Washington. Mr. President, with reference to this amendment, I will state that the Attorney General came down after this bill was reported and urged very strongly that the one person in line 14 be changed to two, so that the one person we have provided now could continue in his place, but that he could have another person that he probably would want to pay about $12,000, or something over $10,000, to be at the head of the various sections into which these war-fraud cases are divided. Each branch of war frauds is headed by an attorney who gets $10,000 a year, and the Attorney General would like to place one man over those different branches. I think there are about seven or eight; so he suggested that we change the word "one," in line 14, to "two," and change the word "ten," in line 19, to "eight." It really results in a saving rather than an increase; and while one of these is not a committee amendment, I ask unanimous consent that at this time we may consider, in line 14, changing the "one" to "two," and then in the committee amendment changing "ten" to "eight."

The PRESIDENT pro tempore. The Senator from Washington asks unanimous consent to strike out "one," in line 14, on page 32, and insert "two."

Mr. JONES of Washington. I am suggesting the two changes together because the one depends upon the other.

The PRESIDENT pro tempore. Is there objection?

Mr. KING. Let the Secretary state the amendment.

The READING CLERK. On page 32, line 14, it is proposed to strike out "one person" and insert "two persons."

Mr. JONES of Washington. And, in connection with that, change "ten" to "eight."

The READING CLERK. And in line 19, it is proposed to strike out "ten" and insert "eight," so that it will read "eight persons."

Mr. McKELLAR. Mr. President, we are making large appropriations for war-fraud investigations and reports and prosecutions. Is the Senator convinced that the Government is actually making any money out of it?

Mr. JONES of Washington. I think the Government is making money out of it. In other words, we are collecting much more than we are appropriating.

Mr. McKELLAR. Has the Senator the figures?

The PRESIDENT pro tempore. Does the Senator from Washington suggest that the word "each" shall be inserted after the word "annum," in line 15?

Mr. JONES of Washington. Yes; I think that would have to go in with the other change.

The PRESIDENT pro tempore. Without objection, that amendment is agreed to.

Mr. KING. Mr. President——

Mr. JONES of Washington. Just a moment, Mr. President.

Mr. FLETCHER. The word "person" ought to be changed to "persons."

The PRESIDENT pro tempore. That has been changed.

Mr. JONES of Washington. I want to suggest to the Senator that on page 171 of the hearings the amounts recovered by the war transactions section are stated, and it is shown there that there has been collected a grand total of $6,018,889 thus far, up to the time of the hearings before the committee.

Mr. McKELLAR. What is the grand total of expenditures? We have been appropriating $500,000 a year in this appropriation bill for a number of years.

Mr. JONES of Washington. No; 1922-23 is the first fiscal year, apparently, that these amounts came in.

Mr. McKELLAR. Well, two years. That is $1,000,000, and then we have appropriated $1,000,000 for the examinations and reports by accountants and expert examiners. That is $2,000,000, and my recollection is that the figures in the hearings show that we collected only about $600,000 last year, but I may be mistaken. I ask the Senator if he will look and see what it was. If we spent $1,000,000 and collected only $600,000, it is about time to put a stop to it.

Mr. JONES of Washington. For the fiscal year 1922-23 we collected $3,076,513.68; for 1923-24, $2,942,375.32, or a total of $6,018,889. That is much more than our appropriations.

Mr. McKELLAR. Mr. President, I am not going to institute a fight on this particular item, but I am going to be very careful to see exactly what we are collecting for another year or for the present year, exactly what it costs to keep these prosecutions going, and unless they show up a great deal better than they apparently show in those hearings, I say to the Senator that I am going to make a fight on them hereafter.

Mr. JONES of Washington. Very well.

Mr. ROBINSON. Mr. President, I want to ask the Senator from Washington a question. Does this last amendment, in lines 18 to 20, inclusive, "but the Attorney General may fix the compensation of not to exceed 10 persons at not to exceed $10,000 each," contemplate additional employees, or does that provide for lawyers already in the employ of the department?

Mr. JONES of Washington. That provides for lawyers already in the department.

Mr. ROBINSON. What salaries are they receiving now?

Mr. JONES of Washington. There are a certain number here at the heads of the various sections into which the work is divided.

Mr. McKELLAR. I will say that there are lawyers there who are receiving fees very much larger than these figures.

Mr. JONES of Washington. They are now getting $10,000 apiece.

Mr. ROBINSON. Is that correct? The Senator from Tennessee has just volunteered the statement that they are now receiving very much larger sums by way of fees; that they are not paid salaries at all.

Mr. McKELLAR. Some of them are paid salaries, and some of them are paid fees, and the amounts fixed are greater than $10,000 a year in a number of cases.

Mr. JONES of Washington. Not these people. These are annual people.

Mr. McKELLAR. I will say to the Senator from Arkansas that this is just a small number of a great batch of lawyers employed.

Mr. ROBINSON. I am asking about these 10 employees; and the Senator from Washington states that these employees are now receiving the same amount that is proposed in this bill to be appropriated for them.

Mr. JONES of Washington. Except one.

Mr. ROBINSON. Except one.

Mr. JONES of Washington. Except, really two, as we have amended it now. There is one man that is getting $18,000—James Cameron, the attorney of the accounting section.

Here is the way it is arranged: Here is the advisory council over here, two of them getting $10,000 a year. Here is the aviation section. The head of that gets $10,000. Here is the camps and cantonment section. The head of that gets $10,000. Here is the ordnance unit. The head of that gets $7,200. Here is the quartermaster unit. The head of that gets $10,000. These various sections are all responsible directly to the Attorney General. What the Attorney General would like to do would be to have one man over these various activities, and that he may be directly responsible to him, because the Attorney General has so many things in charge that he feels that they could be handled much better in that way.

Mr. ROBINSON. What salary does he propose to pay?

Mr. JONES of Washington. He thought he could pay him about $12,000. He is one of those that we put in here at over $10,000. That is the way he desires to arrange it.

Mr. COPELAND. He has cut the number to eight.

Mr. JONES of Washington. Yes; the number has been cut to eight.

Mr. KING. I should like to ask the Senator who are the ones alluded to in lines 19 and 20? Are they attorneys?

Mr. JONES of Washington. They are the men who are at the head of the various divisions into which these war-fraud activities are divided. For instance, here is the advisory council. Two of those get $10,000 apiece. Here is the aviation section. The man at the head of that gets $10,000. Here is the camps and cantonments section. The man at the head of that gets $10,000. Here is the ordnance unit. The man at the head of that gets $7,200. Then here is the quartermaster unit. The man at the head of that gets $10,000; and so on.

Mr. KING. Is it understood that the Attorney General is limited in the number who may be employed to be paid out of the $500,000 appropriation carried in this paragraph?

Mr. JONES of Washington. He is limited in the number to whom he can pay these particular salaries; but under the camps and cantonments section, for instance, here is W. T. Chantland at $7,500, J. M. Butler at $7,500, H. E. Hadley at $4,500, F. E. Mitchell at $4,000, A. Levitt at $3,600, E. J. Weston, $6,000—he is an industrial engineer—S. B. Atwood, $3,000—he is an investigator—S. F. Lambert, $3,000, and so on. This limits the salaries of only these certain ones. Except that, all the others, of course, must be below that figure.

Mr. COPELAND. Mr. President, is it not intended really to leave it in the hands of the Attorney General to make some increases if he so chooses?

Mr. JONES of Washington. Not over the $10,000.

Mr. COPELAND. No; not over the $10,000.

Mr. JONES of Washington. He can make one.

Mr. COPELAND. But you have now at least eight persons, have you not, receiving $10,000?

Mr. JONES of Washington. We have five that are getting $10,000 here, and one getting $18,000.

Mr. COPELAND. Then, really, the purpose of this is to make it possible for the Attorney General to readjust salaries?

Mr. JONES of Washington. No; there are six getting $10,000.

Mr. COPELAND. Then he can raise two others to that amount?

Mr. JONES of Washington. I think that is true. The head of the Ordnance Unit gets only $7,200, instead of $10,000, as those at the heads of these other divisions get.

Mr. COPELAND. Is not that the case, then—that this gives the Attorney General permission, if he so desires, to increase the salaries of one or two of these men?

Mr. JONES of Washington. Here is another special assistant at $10,000. Here are six at $10,000.

Mr. McKELLAR. Mr. President, if the Senator will yield, I will call his attention to a number more:

T. M. Bigger	$10,000
Charles Kerr	10,000
Thomas W. Hardwick	10,000
Henry W. Anderson	10,000
C. Frank Reavis	10,000
Roscoe C. McCulloch	10,000
Milton D. Purdy	10,000
James N. Linton	10,000
T. M. Bigger, again, another	10,000

Mr. JONES of Washington. The Senator has some there that I have not here.

Mr. McKELLAR (reading)—

Charles Kerr	$10,000
Thomas W. Hardwick	10,000
Henry W. Anderson	10,000

Mr. JONES of Washington. Here is the list, as I understood, of those that are now in office. Here is Judge Kerr, who gets $10,000, and Judge Bigger, $10,000. That is two. Judge Linton gets $10,000. That is three. Mr. McCulloch gets $10,000. That is four. C. F. Reavis gets $10,000. That is five. Mr. Cameron gets $18,000 and Henry Anderson gets $10,000. Oh, yes; here is Mr. Steinbrink, $10,000, and Mr. Williams, $10,000. That makes eight at $10,000. That is correct. I looked at the heads here, but I found some down below the heads.

Mr. COPELAND. Then you really do not need this amendment, do you?

Mr. JONES of Washington. Yes; we limit it to the eight. The Attorney General can not put in any more above the eight at $10,000.

Mr. McKELLAR. Mr. President, I call the Senator's attention to pages 176 and 177 of the hearings, where, apparently, these gentlemen are all paid two salaries. Their names appear twice. If the Senator will look at the House hearings, on pages 176 and 177, he will see that, and then I call his attention to this:

John P. Phillips, compensation to be determined.

Robert S. Conklin, compensation to be determined.

Robert C. McClure, Dayton-Wright case, compensation to be determined.

Meier Steinbrink, Wright-Martin case, compensation to be determined.

Leland B. Duer, Wright-Martin case, compensation to be determined.

George P. Hoover, Old Hickory case, compensation to be determined.

By the way, I stop long enough to say that I happen to know something about the Old Hickory case, that being a Nashville matter. There has been absolutely nothing done except a prevention by the Department of Justice of the district attorney from prosecuting that case. They took it out of his hands and prohibited him from going on and prosecuting it.

Mr. COPELAND. Is that some kind of whisky?

Mr. McKELLAR. No; that is the Old Hickory powder plant at Nashville.

Mr. WARREN. Mr. President, so far as the proposition is concerned which the Senator has here now, it is directly in line with the Attorney General's recommendation. The Attorney General came to us in subcommittee and made a statement as frankly as a man could make it of what he proposed to pay these men and what he proposed to do.

Mr. McKELLAR. I hope the new Attorney General will adopt a different procedure from the old one.

Mr. WARREN. Exactly; that is why he wanted cooperation.

Mr. McKELLAR. I want to say this, so that if he looks at the RECORD to-morrow he will have an opportunity to get my

views on this matter: I think the record of these prosecutions of the various so-called war frauds is as woeful a waste of the people's money as I have ever seen. It is almost equal to the frauds themselves. There is little difference between having outsiders take the Government's money and having it paid recklessly and extravagantly to a degree to the many, many attorneys who are shown on pages 166 and 167 of this record.

Mr. JONES of Washington. I want to say to the Senator that that is evidently a misprint. Page 177 is an exact duplication of page 176. It is evidently a misprint.

Mr. McKELLAR. Apparently, it is. Ordinarily I should say that it was a duplication; but seeing how extravagantly and wastefully the money is paid out to various attorneys, and fees fixed in the future in reference to many of these men, as appears on page 177, I do not know but that these gentlemen in the various units are drawing double salaries. I hope it is not so, but this would indicate it.

Mr. JONES of Washington. I know it; but one table is an exact duplicate of the other.

Mr. McKELLAR. Before I go further, I want to read the remainder of that list, so that it will appear in the RECORD:

George P. Hoover. Old Hickory case. Compensation to be determined.

D. L. McCarthy. Motor Trucks (Ltd.) case. Compensation to be determined.

John J. Parker. Harness case and Philips and Stevens case. Compensation to be determined.

Herbert E. Hadley. Camp Dodge and Camp Grant cases. Fifteen dollars per diem.

R. H. Williams. Old Hickory construction case. Compensation to be determined.

I stop again to say that the only services I have known of Mr. Williams and Mr. Hoover performing in the Old Hickory case was the preventing of Mr. McLean, the very efficient district attorney at Nashville, from prosecuting the Old Hickory cases. In other words, McLean had them in hand. There is no reason why he could not proceed with the prosecution of those cases. He was proceeding to prosecute them. An investigation had been made, and it had been determined that the Du Pont Co. owed the Government something like $15,000,000. Mr. McLean wanted to prosecute; but these two attorneys were appointed some time ago, took the matter out of the hands of McLean, and since that time they have kept it out of his hands and held up all prosecution against the Du Pont Co. If the other attorneys mentioned in this list are pursuing similar tactics to those of the two attorneys who have been selected in the Old Hickory Powder Co. case, they ought to be discharged, and we ought not to pay any of them.

Mr. JONES of Washington. The committee investigating the Department of Justice is going into that matter.

Mr. McKELLAR. I am very glad to know that it is, and I hope that the new Attorney General, Mr. Stone, will make it his business to take off a day or two to see if some of the leaks in attorneys' fees can not be stopped and some money saved to the Government.

Mr. COPELAND. I assume that is exactly what the new Attorney General will do. I take it for granted that the committee has conferred with him, and that he has outlined some plans of reorganization he has in mind, and I think that some leeway should be given to him. I have confidence to believe that the Attorney General will take hold of the department; that he will wipe out deadwood there, and that in the reorganization we will have more efficient service.

Mr. JONES of Washington. I think he is trying to do it.

Mr. COPELAND. I think he is.

Mr. KING. Mr. President, I want to say to the Senator that I have made some little investigation of the appropriations—several appropriations, by the way—for the prosecution of war frauds. I assent to substantially all of the statements made by the Senator from Tennessee. I think the greater part of the money appropriated has been wasted, and I should like to ask the Senator now whether any statement has been made by the Department of Justice with reference to the disposition made of the $500,000 carried in the last appropriation for war-fraud prosecutions.

Mr. JONES of Washington. The Senate committee did not go into that. It is covered in the House hearings quite fully.

Mr. KING. Do not the hearings demonstrate that substantially that entire amount was used in paying lawyers and investigators?

Mr. JONES of Washington. The Appropriations Committee did not go into that phase of it. It was gone into quite fully in the House. The Attorney General brought us a statement of the annual salaries. I do not know what the aggregate is, but, for instance, under the accounting section there is $132,000; in the quartermaster unit, $41,400; in the ordnance unit, $68,200; in the camps and cantonment section, $55,000; in the aviation section, $19,100; the advisory council, $22,500; the administrative, $14,900; the special assistants, $64,100; and the Court of Claims, $7,500. Then, personnel detailed from other activities, $25,970. What that aggregate is, I do not know. I understand the House went into that matter pretty fully. I can not give the Senator the detailed information about it right now except as I have given it from this sheet.

Mr. KING. I feel sure that a most careful review of the activities of the Department of Justice under this appropriation will confirm the statement which I am about to make, that no adequate results have been obtained from these expenditures. I know a number of lawyers who resigned from the service. I shall not state the reasons that impelled them to resign, but I think that I am well within the bounds of accuracy when I say that up to date the results have been and must be disappointing to everyone interested in conserving the Treasury of the United States.

It was understood from the representations made, and I think some of the representations were political in character, that great frauds had occurred in war contracts, and it was promised that a sensational revelation would be brought to the attention of the public, and that immense sums would be recovered from those who entered into contracts with the Government during the period of the war.

The Senator will recall that a number of investigations were had in the House. Committees were appointed involving a number of lines of contract, and some of the reports, as I now recall, indicated that recovery could be had. A number of persons or corporations made payments because it was discovered that there were errors in the computations and in the balances which were struck, errors which in part they were responsible for, and in part the Government's representatives were responsible for. My understanding is that substantially nothing has resulted from the prosecutions or activities that were to be carried on under the $500,000 appropriation carried in the preceding appropriation bill and appropriations carried in bills anterior to that time. I think it may be said that the Department of Justice has absolutely broken down in the prosecution of the war-fraud cases, or in recovering amounts alleged to be due to the Government.

I am unwilling, speaking for myself, to make this large appropriation of $500,000, in the light of the very unsatisfactory record of the Department of Justice under the administration of Mr. Daugherty. It has been an absolute failure, and we have wasted substantially all of the money which was appropriated. Moreover, let me say to the Senator while I have the floor——

Mr. JONES of Washington. I can give the Senator the amounts. I have found them.

Mr. KING. In one moment. Let me say while I have the floor that we have made very large appropriations during the past three or four years for the Department of Justice. We have given to the department all the help asked for; indeed, far more, in my opinion, than was required. The roll of attorneys in the Department of Justice, in my opinion, would astonish most of the Senators, because they can not conceive that so large a number have been employed by the Department of Justice.

In addition, as the Senator knows, in all of the districts, in all of the States, we have made very liberal appropriations for the Department of Justice. Take the State of New York, and take Chicago. I do not carry in my head the number of special district attorneys in the city of New York and in the city of Chicago and in other large districts of the United States, but millions of dollars have been appropriated in the aggregate for the administration of justice and for the execution of the laws.

In addition to these district attorneys and assistant district attorneys and special assistant district attorneys—and there are enough to carry on the work involved in the investigation of the war fraud cases—we appropriated for the past year $500,000, and we are asked to appropriate now $500,000 more for war fraud investigations.

The Department of Justice has enough officials outside of those who would be provided for by this appropriation. I think it is a waste, an unnecessary waste, of the taxes of the taxpayers of the United States, and I want to register my protest against the inefficient conduct of the Department of Justice in carrying out the provisions of the law with respect to the

prosecution of war-fraud cases in the past, and my protest against the appropriation of a single dollar now for like purposes, for the reason that the general appropriation carried in the bill is adequate, if the Department of Justice would do its duty and the numerous employees found therein would live up to the requirements which the law imposes on them.

Mr. McKELLAR. Mr. President, I want to know if the Senator will not accept this as an amendment to the amendment he has just offered: In line 14, leave the one person there with the rate of compensation not exceeding $10,000, and then add another at not exceeding $12,000. That is what I understand the new Attorney General has asked for. Let us not give him a different limit. Let us start out on a basis of some economy, at any rate.

Mr. JONES of Washington. Let me say to the Senator that the Attorney General said he thought "about $12,000" would be right. The Senator appreciates that the Attorney General has just come into office.

Mr. McKELLAR. That is the reason why I think it would be wise to put a limit. We have not just come in. We have been connected with this thing for some time.

Mr. JONES of Washington. We have been connected with the appropriations, but we do not know the details of the business, and we can not know them.

Mr. McKELLAR. Mr. President, this is what I want to call the Senator's attention to. We are paying regular Assistant Attorneys General $7,500, a number of them. It is not fair to the regular officials of the Government who are receiving $7,500 a year. There is no reason why we should authorize the appointment of this great number of attorneys, whose services are exceedingly doubtful, and probably not giving one-third of their time to the work, paying them these very large salaries, $10,000 each, and two more than that. I do not object to the one, but it seems to me that as the Attorney General has fixed the amount at $12,000 we ought not to give more than he asked for.

Mr. JONES of Washington. It is hardly fair to say that the Attorney General fixed it.

Mr. McKELLAR. I just judged from what the Senator said that he had. I was not present when the Attorney General appeared.

Mr. JONES of Washington. He said "about" that amount. He wants to keep it down as low as possible. He did not indicate that he had a mature judgment as to the amount, but he said "about $12,000."

Mr. McKELLAR. The Senator recalls that we allowed the Shipping Board to pay $35,000 a year for some $3,000 men. I remember some of them were clerks here in the departments. Then they were made high officials of the Shipping Board—one of them, I know, was—with the full limit of $35,000 a year, and I doubt very much whether any one of the men drawing $35,000, a salary more than twice as much as that of the Chief Justice of the Supreme Court, was worth more than the $3,000 to the Government.

Mr. JONES of Washington. I am not going to discuss Shipping Board matters now.

Mr. COPELAND. It may well be that the reason why there has not been greater activity is because $3,000 men have been employed. My judgment is that since the upset charge is fixed at half a million dollars we can well afford to leave it in the hands of the Attorney General to determine what kind of a staff he wants. It might well be that the matter of a thousand dollars or $2,000 would determine whether he could get the right sort of vigorous counsel to go forward with the war-fraud prosecutions. My own conviction is that we had better accept the recommendation of the committee and give the Attorney General a free hand. Then next year we will be here and the Senator from Tennessee and I will see to it that the committee does not have such an easy time if he has not kept the faith.

Mr. McKELLAR. That is the usual plea—to put it off until another year and another year and another year. It is the old story of to-morrow and to-morrow and to-morrow. But I am going to make a very careful examination into every attorney employed by the Attorney General during the present year, and if the money is being wasted it is going to be stopped.

Mr. JONES of Washington. I will join the Senator in a vigorous effort to stop it if that occurs.

I think I should make a statement in answer to the Senator from Utah. I find in the testimony before the House committee that Mr. Harris said that they had spent $498,098.79 of the first year's appropriation. That was at the close of business of last year. Then they had spent out of the $500,000 under which they are working now at the close of business on the day preceding the day when the testimony was given, which I think was in February of this year, the sum of $349,049. That gives the amount expended.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Senator from Oregon will state the parliamentary inquiry.

Mr. McNARY. I was out of the Chamber when the bill came up for consideration and I ask the Chair if individual amendments are now in order.

The PRESIDING OFFICER. The Chair is advised, though he was not the occupant of the chair when the bill came up, that individual amendments are not now in order.

Mr. JONES of Washington. We have not yet completed committee amendments.

The PRESIDING OFFICER. Committee amendments are first to be considered under the unanimous-consent agreement.

Mr. McNARY. May I ask the Senator from Washington if he expects to reach that stage of the proceedings with respect to the bill this evening?

Mr. JONES of Washington. I hope so, but I can not tell, of course.

I want to say, with reference to a statement made by the Senator from Utah [Mr. KING] in regard to the expenditure of money in connection with the war-fraud cases, that when the matter came up I personally thought we had better call that water gone over the dam and go on in the future and try to get things in as good shape as possible. We had just come out of the war and I never had any doubt that there was fraud practiced upon the Government in the conduct of the war in the furnishing of supplies, and all that sort of thing. I knew it would be very difficult to furnish proof and to secure the evidence upon which recoveries could be had. I thought we were very likely to spend about as much money, if not more, than we would recover. I was perfectly willing, so far as I was personally concerned, to wipe the slate clear as to the past and try to straighten things out for the future.

But the Congress provided an appropriation and we started to try to collect in the war-fraud cases. We are ahead, so far as the money is concerned, thus far. Whether we will be ahead when we complete it or not is another question. We have received more money thus far than we have paid out. Of course, we have a good many cases pending, I think. What the outcome of those cases will be nobody knows. The expenses of the attorneys are going on, and if the cases turn out without any collection, as I said, we may find in the end that we have not collected much more than we have spent.

Mr. McKELLAR. I want to give the Senator an illustration of one of the cases about which I happen to have some personal knowledge. It is in evidence before one of the committees that in the case of the Old Hickory plant the Du Pont people actually admitted that they were willing to pay $1,600,000.

Mr. JONES of Washington. I think it was $1,500,000, and I think they paid it.

Mr. McKELLAR. Oh, no; it has not been paid. These Government employees—the Government lawyers for whom we are appropriating in this bill—were successful in preventing any proceedings against the Du Pont people, and nothing was paid until it came out in an investigation before one of the committees. Now, I suppose they will take some steps; but whether the Government will ever get any money or not I do not know. I understand there is some $15,000,000 or $20,000,000 claimed against the Du Pont people, and instead of prosecuting them the regularly employed and appointed officers of the Government are kept from prosecuting them.

Mr. JONES of Washington. The $1,500,000 that I had in mind was paid in another transaction.

Mr. McKELLAR. Yes; that was another transaction. The $1,600,000 the Du Pont people offered to pay if they would give them a clean bill of health.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Washington to the amendment of the committee.

Mr. KING. Mr. President, if I understand the committee amendment, I move to strike out the word "ten," in line 19, and insert in lieu thereof "five."

Mr. JONES of Washington. I asked awhile ago to change "ten" to "eight." That is what the Attorney General asked—to reduce "ten" to "eight." I hope the Senator will allow that to stand, because it takes care of the arrangement which the Attorney General has inherited at least from the past. It may be that in the future we can cut it down further. It is very possible that we may have to reduce it when we get to conference.

Mr. KING. The Senator certainly can not justify the past Attorney General, Mr. Daugherty, in entering into contracts beyond the end of the fiscal year which would bind the Government.

Mr. JONES of Washington. There is no contract. I do not want to give the Senator the impression that we are bound to pay these men $10,000.

Mr. KING. So the new Attorney General would not inherit any contract that would bind the Government beyond June 30 of this year.

Mr. JONES of Washington. That is true. I merely meant he had inherited this organization, headed, as it is, with the salaries they are now getting.

Mr. KING. I think the new Attorney General could do no better work than to disorganize some of the organizations of Mr. Daugherty and set up organizations of his own.

Mr. JONES of Washington. I call the Senator's attention that this does not give them $10,000. The Attorney General can give five of them $10,000 or one of them $10,000. It gives him that discretion if he finds it necessary.

Mr. McKELLAR. The Senator never knew of the authority being given to an executive officer where the full appropriation was not taken up, and the full number of attorneys or others employed.

Mr. JONES of Washington. Oh, I think so.

Mr. McKELLAR. I do not know of any.

Mr. COPELAND. This is the first time a nonpolitician was ever appointed to the office.

Mr. McKELLAR. I hope the new Attorney General is all that the Senator from New York and other Senators think he is. I do not happen to have the pleasure of his acquaintance as yet, but it does seem to me that if ever a man had a chance to make a reputation as being an improvement on the preceding Attorney General, Mr. Stone has that opportunity. I hope he will make good. I want him to make good. I want to say here, so that he can read it to-morrow, that he has an opportunity to save the Government many, many thousands of dollars, if he will investigate the employment of attorneys under him.

Mr. JONES of Washington. I believe that he is going to do the very best he can. He impressed me as that sort of a man. I would be very glad to give him a little leeway and to give him a chance and not handicap him too much. He has a difficult task down there. It is no easy job to take over that great department, considering the splendid attorneys with whom they must compete. I think we should be very liberal. The committee reported an amendment providing 10, but he said to cut it to 8.

Mr. KING. May I ask the Senator whether the Attorney General has made a sufficient investigation of the work in the war fraud section of his department and the activities conducted by that section to have an opinion as to the necessity of an appropriation so large as $500,000 in addition to the millions of dollars which the bill carries to his department?

Mr. JONES of Washington. I doubt if the Attorney General had gone into that, because it was just two days after he had come into office. I do not think he had had an opportunity to do it.

Mr. KING. I am not complaining. I do not see how, with the multitudinous duties devolved upon him, it would be possible for him to make the investigation even up to the present time.

Mr. JONES of Washington. That is the basis on which I made the answer to the Senator.

Mr. KING. It seems to me an appropriation of $500,000 is entirely too much, and at the appropriate time I shall move to reduce it to $300,000. It seems to me he ought to consent to a reduction in the number of attorneys.

Mr. JONES of Washington. As I said, the Attorney General consented to a reduction from 10 to 8. We cut off two and we added one above, and that was done at his special request. I hope we will start in not handicapping the Attorney General too much.

Mr. KING. I want to assure the Senator that there will be no disposition on my part to do that. If I may be pardoned a personal allusion, I took the opportunity two years ago, and also a little more than a year ago, to visit the then Attorney General and to assure him that every dollar that was necessary for the prosecution of war-fraud cases or the antitrust cases would be gladly voted for by the Democratic Members of the Senate. I must confess my disappointment. I went to the Attorney General and his assistants a number of times since and remonstrated because they failed to prosecute the violations of the Sherman antitrust law. I called the attention of the Attorney General and his assistants, the present one, Mr. Seymour, and the predecessor of Mr. Seymour, to the fact that the Federal Trade Commission had transmitted reports, more than 50 in number and voluminous in character, detailing violations of the law, furnishing the evidence or furnishing the data which would enable them to obtain the evidence necessary to justify the bringing of suit, criminal or civil, against corporations which had violated the Sherman antitrust law.

No satisfactory response was ever given by the Department of Justice and those in charge for their neglect, their dereliction in bringing proceedings, either civil or criminal, against corporations who had violated the Sherman antitrust law and evidence of which violations had been brought to the attention of the Department of Justice. I think there has been a flagrant dereliction of duty by the Department of Justice in the matter just referred to. I have confidence in the new Attorney General, and he can do no greater service to the country than to execute the law and enforce the terms of the Sherman antitrust law against gigantic corporations which are daily violating that law.

So far as I am concerned, whatever is necessary to enforce the law I shall gladly vote for, but this appropriation of $500,000, I think, is wholly unnecessary. There is enough machinery in the Department of Justice, there are sufficient appropriations carried by the bill, to enable the Attorney General to do whatever is requisite to prosecute the war-fraud contract cases, and, if necessary, to institute criminal proceedings.

Let me say to the Senator from Washington, in conclusion, that the amounts received in most instances, I am advised, could have been obtained and were obtained not by the employment of counsel but by the employment of bookkeepers. It is merely a bookkeeping transaction; and when experts went through the books and demonstrated that some of the persons or corporations having contracts with the Government were indebted to the Government payments were promptly made. I feel sure that there has been but little, if anything, obtained as a result of the appropriations, although we have appropriated $1,000,000, as I now recall, for the prosecution of war-fraud cases.

Mr. McKELLAR. Mr. President, I wish to say that we have been reporting appropriations from the Military Affairs Committee for two years past amounting to $500,000 for accountants and bookkeepers to ferret out war frauds in the department and certify them over to the Department of Justice. My information is that the Department of Justice has never brought any proceedings in many of these cases and has never considered some of them at all.

I wish to say to the Senator from Washington, for whom I entertain the very warmest regard and highest esteem, that so long as we continue to appropriate $500,000 annually to pay lawyers in these war-claim matters, that long we are going to have lawsuits which will be looked after by these lawyers.

I think the Senator from Washington, in charge of the bill, should call especially to the attention of the Attorney General that action ought to be had on these claims, that they ought to be brought to a conclusion. For the big salaries and the large fees which are being paid by the Government the lawyers under the department ought to be required to bring these cases to a conclusion and thereby prevent this enormous expenditure.

I want to say further that I never would agree to any of these appropriations if they were not to be placed in the hands of a new Attorney General. I imagine that we should let him try, but if he fails, as the department in the past has failed, then there is going to be a tremendous fight against any more appropriations of this character.

Mr. JONES of Washington. I wish to say just a word. I assume the Attorney General is going to do the best he can and that he is going to get the very best possible results out of the attorneys who may be employed. If he does not do that, then he ought not to be in the position in which he now is. At the first intimation we have that he is not doing that I shall join with the Senator from Tennessee or with any other Senator in withholding the appropriation, and also in seeing if the President will not get another man for Attorney General.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Washington [Mr. JONES] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. JONES of Washington. On page 33, in line 9, the date "1924" should be changed to "1925," and I move that amendment.

The amendment was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was under the heading

"Title III—Department of Commerce," on page 47, line 14, before the word "for" to insert "including those," and at the beginning of line 16 to strike out the word "not," so as to read:

CONTINGENT EXPENSES, DEPARTMENT OF COMMERCE

For contingent and miscellaneous expenses of the offices and bureaus of the department, including those for which appropriations for contingent and miscellaneous expenses are specifically made, including professional and scientific books, law books, books of reference, periodicals, blank books, pamphlets, maps, newspapers (not exceeding $2,500); stationery; furniture and repairs to same; carpets, matting, oilcloth, file cases, towels, ice, brooms, soap, sponges; fuel, lighting, and heating; purchase and exchange of motor trucks and bicycles; maintenance, repair, and operation of two motor-propelled passenger-carrying vehicles and of motor trucks and bicycles, to be used only for official purposes; freight and express charges; postage to foreign countries; telegraph and telephone service; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; first-aid outfits for use in the buildings occupied by employees of this department; street car fares, not exceeding $300; and all other miscellaneous items and necessary expenses not included in the foregoing, $225,000, which sum shall constitute the appropriation for contingent expenses of the department and shall also be available for the purchase of necessary supplies and equipment for field services of bureaus and offices of the department for which contingent and miscellaneous appropriations are specifically made in order to facilitate the purchase through the central purchasing office (division of supplies), as provided in the act of June 17, 1910 (36 Stat. L. p. 531).

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Foreign and Domestic Commerce," on page 49, at the end of line 4, to strike out "$266,477" and to insert "$276,477," so as to read:

Salaries: For the director and other personal services in the District of Columbia in accordance with "the classification act of 1923," $276,477.

Mr. JONES of Washington. I ask that the Senate disagree to that committee amendment.

The amendment was rejected.

The next amendment was, on page 50, at the beginning of line 2, to strike out "$241,000" and to insert "$291,000," so as to read:

Commercial attachés: For commercial attachés, to be appointed by the Secretary of Commerce, after examination to be held under his direction to determine their competency and to be accredited through the State Department, whose duties shall be to investigate and report upon such conditions in the manufacturing industries and trade of foreign countries as may be of interest to the United States and for the compensation of a clerk or clerks for each commercial attaché at the rate of not to exceed $3,000 per annum for each person so employed, and for janitor and messenger service, traveling and subsistence expenses of officers and employees, rent outside of the District of Columbia, purchase of furniture and equipment, stationery and supplies, typewriting, adding and computing machines, accessories and repairs, books of reference, and periodicals, reports, documents, plans, specifications, manuscripts, newspapers (both foreign and domestic) not exceeding $400, and all other publications, travel to and from the United States, and all other incidental expenses not included in the foregoing; such commercial attachés shall serve directly under the Secretary of Commerce and shall report directly to him, $291,000.

The amendment was agreed to.

The next amendment was, on page 50, at the beginning of line 19, to strike out "$385,000" and to insert "$400,000," so as to read:

Promoting commerce, Europe and other areas: For all necessary expenses, including investigations in Europe and other areas, purchase of furniture and equipment, stationery and supplies, typewriting, adding, and computing machines, accessories and repairs, purchase of books of reference and periodicals, maps, reports, documents, plans, specifications, manuscripts, newspapers (both foreign and domestic) not exceeding $400, and all other publications for the promotion of the commercial interests of the United States, rent outside the District of Columbia, traveling and subsistence expenses of officers and employees, and all other incidental expenses not included in the foregoing, to further promote and develop the foreign and domestic commerce of the United States $400,000, to be expended under the direction of the Secretary of Commerce.

The amendment was agreed to.

The next amendment was, on page 51, line 14, after the word "foregoing," to strike out "$166,000" and to insert "$181,000," so as to read:

District and cooperative office service: For all expenses necessary to operate and maintain district and cooperative offices, including personal services in the District of Columbia and elsewhere, rent outside of the District of Columbia, traveling and subsistence expenses of officers and employees, purchase of furniture and equipment, stationery and supplies, typewriting, adding, and computing machines, accessories and repairs, purchase of maps, books of reference, and periodicals, reports, documents, plans, specifications, manuscripts, newspapers (both foreign and domestic) not exceeding $400, and all other publications necessary for the promotion of the commercial interests of the United States, and all other incidental expenses not included in the foregoing, $181,000.

The amendment was agreed to.

Mr. KING. Mr. President, I wish to inquire of the Senator in charge of the bill respecting the amendment on page 50, line 2, which was just agreed to. I observe an increase in the appropriation carried in the bill as it came from the House of $50,000.

Mr. JONES of Washington. Yes. The amount is increased by $50,000. It was the desire of the Secretary of Commerce to provide really for five additional attachés, but the committee heard him with reference to that and we decided to give him three additional attachés. That accounts for the increase.

Mr. KING. I wish to express my disapproval of the action of the committee. I should like to ask the Senator from Washington whether in the consideration of this subject the committee took into account the large number of consular agents and diplomatic agents that the United States now has throughout the world and the provisions in the new consular bill which has passed the other House and is now before the Senate, which, as I understand, will extend the duties and amplify the powers of the consular agents and diplomatic officers of the United States?

If so, I am sure the Senator will reach the conclusion that there is much duplication in the work which the Commerce Department is assuming to undertake and in the work which the consular agents of the United States not only have assumed to undertake, but are better competent to undertake and to execute than are any of the officials of the Department of Commerce.

Mr. JONES of Washington. Mr. President, if the Senator will pardon me, I wish to say that we did not take the so-called Rogers bill into account, because it is not a law and we do not know whether or not it will become a law.

I wish to say further to the Senator that the commercial attachés perform practically entirely different duties and functions from those performed by consuls. Our consuls are stationed rather permanently at their posts of duty, while the commercial attachés go about from place to place, gathering information that is deemed desirable. The two sets of officers do not perform the same functions at all.

Mr. KING. Mr. President, I repeat that the diplomatic representatives of the Government—and I include in that general characterization the consuls and vice consuls—are in a position to obtain fuller and more complete information respecting trade and commerce and business in the respective countries to which they are assigned than are the representatives of the Department of Commerce. Moreover, Mr. President, in the past we have rather repressed our consular agents and diplomatic representatives from engaging in what is denominated business matters, and they have sometimes been afraid to look after the business interests of the United States and to promote trade and commerce.

I have in the past talked with many representatives of our Government in the Consular Service and in the Diplomatic Service, and they have uniformly stated that they would be glad to extend their activities and field of usefulness and not only obtain the data which they have been collecting in the past, but further data, and to perform whatever duties might be assigned to them in connection with extending the trade and the commerce of the United States throughout the world.

The purpose upon the part of the Department of Commerce, is, of course, to serve a very useful end; I have no complaint of the ambitions of the Department of Commerce; the words "Department of Commerce" signify the extension of activities that relate to the expansion of the business of our country; but I have learned, as all who have made inquiry have learned, that the diplomatic and consular representatives of other countries have been very energetic in getting business for their nationals. A British ambassador or a British consular agent does not feel that it is beneath his dignity to aid a British subject in negotiating a contract for the extension of trade. He will go with the British national and confer with the firms with which he seeks association and business relations.

American diplomats and American consular agents would be glad to aid in every possible way in the expansion of our foreign trade and commerce.

I had occasion to remark the other day that when in Europe last summer in one city I found a score and more of representatives of various departments of the Government of the United States engaged—I will not say in substantially the same thing, but doing things which could have been done, or most of which could have been done, by the consular and diplomatic representatives of the United States.

It is getting so now that every department of the Government wants to have ambulatory representatives running over the world. We have a bill now before us under which the Department of Agriculture is to have its commercial attachés and its representatives throughout the world collecting data, statistics, and so on. The Senator from Idaho very pertinently remarked the other evening when that measure was mentioned that there is such a thing as having too many statistics. Our consular representatives, Mr. President, can obtain the statistics and do the work that we are now seeking to devolve upon the Department of Commerce.

So far as I am concerned, I think it is a mistake to perpetuate this policy which inevitably will lead to duplication and continued duplication. If we should increase the duties and responsibilities of the Diplomatic Consular Service and eliminate the activities of the Department of Commerce abroad and these commercial attachés we would be doing a better service, in my opinion, to the Government of the United States. I was informed by those who knew that some of the attachés of the Department of Commerce obtained their information from the consular officers. The plan now is to give to these commercial attachés a sort of a diplomatic status, at least to put them under the wing of the State Department, so that they may have the prestige that the diplomatic representatives and the consular agents of the Government have.

If we are going to do that, it is far better, if the consular officers now are too restricted in their activities, to increase their power and their jurisdiction, and by law, if necessary, require them not only to perform the work which they are now performing, but to extend their activities in the direction of expanding the trade and commerce of the United States.

Mr. President, I do not think that the committee should have recommended this increase. The House, I think, were more than liberal. They went into the matter very fully. I hastily read the hearings, and it seems to me that the Senate committee is not justified in recommending this increase; and I hope that the Senate will disagree to the recommendation of the committee.

Mr. COPELAND. Mr. President, a moment ago I took the floor to help the committee get some money, but I want to join with my colleague in opposition to this amendment.

The purpose of this appropriation is to appoint certain commercial attachés "whose duties shall be to investigate and report upon such conditions in the manufacturing industries and trade of foreign countries as may be of interest to the United States." Certainly there is no more work to be done on the other side. There is less work to be done. In the next paragraph, on page 50, "Promoting commerce, Europe and other areas," it is proposed to increase the appropriation $15,000. I will join with the members of the committee and with the other side of the Chamber in voting unlimited money to promote conditions on the other side so that there will be some commerce between Europe and the United States.

I think it is a pity to begin to spend money now to promote our interests on the other side when we are doing nothing at all as a country to improve conditions in Europe in order that trade and commerce may be reestablished. I think it is decidedly inconsistent, in view of the general attitude of our country toward Europe, to ask more money at this time to promote commerce with a great continent which has broken down because of our failure to give any assistance in order that there may be commerce. Therefore, I am opposed to the amendment.

Mr. KING. Mr. President, I hope the Senator will not call for a vote on this amendment to-night. I shall be compelled to ask for a quorum, and I do not want to do that to-night.

Mr. JONES of Washington. The Senator would like the matter to go over?

Mr. KING. If the Senator will not insist upon his recommendations, if he will accept the amount appropriated by the House——

Mr. JONES of Washington. No; Mr. President; I can not do that.

Mr. KING. Then I shall have to ask that it go over.

Mr. JONES of Washington. Which one?

Mr. COPELAND. Both of them.

The PRESIDING OFFICER. The Chair will state that the amendment in line 2, page 50, has already been agreed to by the Senate. The pending amendment is in line 20, page 52.

Mr. KING. The one to which I refer is in line 2, page 50.

The PRESIDING OFFICER. That has been agreed to.

Mr. JONES of Washington. I will ask that that be reconsidered, then.

Mr. KING. I was speaking with the present occupant of the chair at the time and hastened to my seat as soon as I could.

The PRESIDING OFFICER. Without objection, that amendment will be considered as having been reconsidered.

Mr. JONES of Washington. And passed over temporarily.

The PRESIDING OFFICER. And temporarily passed over.

Mr. COPELAND. Also the amendment in line 19.

Mr. JONES of Washington. I also ask to have the amendment in line 19 passed over.

The PRESIDING OFFICER. The amendment in line 19, page 50, is passed over. The amendment in line 14, page 51, has been agreed to.

Mr. KING. May I ask the Senator the reason for the increase in line 4, page 49?

Mr. JONES of Washington. I asked to have that rejected, and it was rejected.

The PRESIDING OFFICER. The question is on the amendment in line 20, page 52, which will be stated.

The READING CLERK. On page 52, line 20, after the word "Commerce," strike out "$213,000" and insert "$253,000," so as to read:

Promoting commerce in the Far East: To further promote and develop the commerce of the United States with the Far East, including personal services in the District of Columbia and elsewhere, purchase of furniture and equipment, stationery and supplies, typewriting, adding and computing machines, accessories and repairs, books of reference and periodicals, reports, documents, plans, specifications, manuscripts, maps, newspapers (both foreign and domestic) not exceeding $400, and all other publications, rent outside of the District of Columbia, traveling and subsistence expenses of officers and employees, and all other incidental expenses not included in the foregoing, to be expended under the direction of the Secretary of Commerce, $253,000.

Mr. KING. Mr. President, I ask that that go over, too. I supposed it was just a question of total.

Mr. JONES of Washington. No.

Mr. KING. I ask that that go over.

The PRESIDING OFFICER. The amendment will be passed over. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 53, at the end of line 22, to strike out "$582,550" and to insert "$625,000," so as to read:

Export industries: To enable the Bureau of Foreign and Domestic Commerce to investigate and report on domestic as well as foreign problems relating to the production, distribution, and marketing in so far as they relate to the important export industries of the United States, including personal services in the District of Columbia, traveling and subsistence expenses of officers and employees, purchase of furniture and equipment, stationery and supplies, typewriting, adding and computing machines, accessories and repairs, books of reference and periodicals, reports, documents, plans, specifications, manuscripts, and all other publications, rent outside District of Columbia, and all other incidental expenses connected therewith, $625,000.

Mr. KING. Mr. President, I ask that that may go over, too.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, under the subhead "Bureau of the Census," on page 58, at the end of line 2, to strike out the word "Commission" and the comma, and to insert "Commission" and a semicolon, so as to read:

Collecting statistics: For securing information for census reports, provided for by law, semimonthly reports of cotton production, periodical reports of stocks of baled cotton in the United States and of the domestic and foreign consumption of cotton; quarterly reports of tobacco; per diem compensation of special agents and expenses of same and of detailed employees, whether employed in Washington, D. C., or elsewhere; not to exceed $100,000 for temporary personal services in the District of Columbia, to be selected from the registers of the Civil Service Commission; the cost of transcribing State, municipal, and other records; temporary rental of quarters outside of the District of Columbia; for supervising special agents, and employment by them of such temporary service as may be necessary in collecting the statistics required by law, including $15,000 for collecting tobacco statistics authorized by law in addition to any other fund available

therefor: *Provided*, That the compensation of not to exceed 10 special agents provided for in this paragraph may be fixed at a rate not to exceed $8 per day, $805,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Navigation," on page 62, at the end of line 17, to strike out "$158,778" and to insert "$180,278," so as to make the paragraph read:

Wireless communication laws: To enable the Secretary of Commerce to enforce the acts of Congress "to require apparatus and operators for radio communication on certain ocean steamers" and "to regulate radio communication" and carry out the international radio telegraphic convention, examine and settle international radio accounts, including personal services in the District of Columbia, and to employ such persons and means as may be necessary, traveling and subsistence expenses, purchase and exchange of instruments, technical books, tabulating, duplicating, and other office machinery and devices, rent, and all other miscellaneous items and necessary expenses not included in the foregoing, including the transfer from the office of the Director of Naval Communications to the Department of Commerce of mechanical and office equipment and supplies now in use in connection with the examination and settlement of international radio account, $180,278.

Mr. KING. Mr. President, may I inquire of the Senator, before that is agreed to, what is the reason for that increase?

Mr. JONES of Washington. The reason for that is the rapid development of the radio.

Mr. COPELAND. Mr. President, I should like to give notice of an amendment that I want to present to the next section, "Bureau of Standards," to provide for an appropriation to standardize clinical thermometers.

Mr. JONES of Washington. The Senator will have an opportunity to do that after we get through the committee amendments.

Mr. COPELAND. Do I have to have it printed in order to present it?

Mr. JONES of Washington. No.

Mr. KING. Mr. President, the Senator having mentioned that, while no amendment would be in order now, the statement has been made that the item of $500,000 was entirely too much for the efficient and economical administration of that department. I have no knowledge of that. Two persons have brought that information to me, one who was a former employee. May I ask the Senator whether investigation made by the committee justifies this appropriation of $500,000?

Mr. JONES of Washington. I will say that our committee did not go into that. It was gone into pretty carefully by the House, and they appropriated that amount to comply with the classification act. We felt justified in taking the judgment of the House committee on that matter. This is the amount of the estimate, too.

Mr. KING. Mr. President, I have not sufficient information, and therefore I shall not propose any amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Coast and Geodetic Survey," on page 76, at the end of line 16, to strike out "$250,000" and to insert "$314,300," so as to read:

Pacific coast: For surveys and necessary resurveys of coasts on the Pacific Ocean under the jurisdiction of the United States, $314,300.

Mr. KING. Mr. President, I should like an explanation of that.

Mr. JONES of Washington. Mr. President, that is for surveys on the Pacific coast. The amount of $314,300 is the amount appropriated for the current year. If it is cut to $250,000, one of the boats that we are operating will have to be laid up. I think the whole committee was very much impressed with the showing made there as to the necessity of that work. We had Mr. Jones, the head of the Coast and Geodetic Survey, come in and give us a full statement in regard to it. As I say, if we have only $250,000, one of the vessels that was just completed and gotten ready for the service about two years ago will have to be laid up, and the committee were unanimous in recommending that increase.

Mr. FLETCHER. The department recommended it, and the Budget Director?

Mr. JONES of Washington. The Budget did not recommend that. That is one place where we exceeded the Budget. The department recommended it to the Budget. Of course after the Budget failed to recommend it they could not urge it; but I asked Mr. Jones, of the Coast and Geodetic Survey, to come before the committee. He did not come there of his own volition. I asked him to come there and make the statement, because I knew the conditions on the Pacific coast, and I think all the committee were fully impressed with the importance of keeping that work going, and keeping the new vessel that we just got into commission about two years ago active in the work.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, which the Secretary will again state.

The reading clerk restated the amendment, and it was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 78, line 18, to increase the total appropriation for field expenses of the Coast and Geodetic Survey from "$566,720" to "$631,020."

The amendment was agreed to.

The next amendment was, under the heading "Title IV.—Department of Labor, Bureau of Immigration," on page 90, line 4, after the word "patrol," to insert "of which $100,000 shall be immediately available," so as to read:

Regulating immigration: For enforcement of the laws regulating immigration of aliens into the United States, including the contract labor laws; costs of reports of decisions of the Federal courts, and digests thereof, for the use of the Commissioner General of Immigration; salaries and expenses of all officers, clerks, and employees appointed to enforce said laws, including personal services in the District of Columbia not to exceed $50,000, and per diem in lieu of subsistence when allowed pursuant to section 13 of the sundry civil appropriation act approved August 1, 1914; enforcement of the provisions of the act of February 5, 1917, entitled "An act to regulate the immigration of aliens to and the residence of aliens in the United States," and acts amendatory thereof; necessary supplies, including exchange of typewriting machines, alterations and repairs, and for all other expenses authorized by said act; preventing the unlawful entry of aliens into the United States by the appointment of suitable officers to enforce the laws in relation thereto; expenses of returning to China all Chinese persons found to be unlawfully in the United States, including the cost of imprisonment and actual expenses of conveyance of Chinese persons to the frontier or seaboard for deportation; refunding of head tax, maintenance bills, and immigration fines upon presentation of evidence showing conclusively that collection was made through error of Government officers; all to be expended under the direction of the Secretary of Labor, $4,500,000: *Provided*, That at least $1,000,000 of this amount shall be expended for additional land-border patrol, of which $100,000 shall be immediately available.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments not passed over.

Mr. JONES of Washington. Mr. President, I have here another amendment that I was directed by the committee to offer on the floor.

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from Washington.

The READING CLERK. On page 2, line 4, after the word "State," it is proposed to insert the following:

to be nominated by the President and appointed by him by and with the advice and consent of the Senate, who shall hereafter receive compensation at the rate of $10,000 per annum, $10,000.

Mr. JONES of Washington. That is the Undersecretary of State. It is putting him on the same basis as the Undersecretary of the Treasury.

Mr. KING. Mr. President, does this bill deal with the Department of State?

Mr. JONES of Washington. Yes; this is the first item of the bill.

Mr. ROBINSON. What salary is this officer receiving now?

Mr. JONES of Washington. I think he is receiving $7,500 now.

Mr. KING. This matter has been brought to the attention of the Senate upon a number of occasions and defeated.

Mr. WARREN. No; not this one. He has been there continuously for some years.

Mr. JONES of Washington. I desire to say that just a few days ago we provided for the Undersecretary of the Treasury $10,000 a year.

Mr. WARREN. It makes a difference in the amount we pay him; that is all.

Mr. JONES of Washington. It was thought that this man was about as important as an Undersecretary of the Treasury, with the important duties that he has to perform, acting as

Secretary of State when the Secretary is away. They have urged it very strongly, and so the committee decided to offer it on the floor for the consideration of the Senate.

Mr. KING. I was in error when I stated that this particular matter had been brought to the attention of the Senate before. The question of Undersecretary of the Treasury has been brought to our attention.

Mr. JONES of Washington. That is probably so.

Mr. KING. It was brought to our attention when Mr. Gilbert, a very competent and efficient man, held that important position. My recollection is that whenever the matter was brought to our attention the Senate rejected the proposition.

Mr. JONES of Washington. But in the last bill we put it in, at this session.

Mr. KING. Of course, that means, then, that in every department we will have to make the ranking member next to the Cabinet minister an undersecretary and increase his salary.

Mr. JONES of Washington. I will say to the Senator that personally I have always been opposed to these things, and I would oppose doing this in any other of the departments aside from the State Department.

Mr. KING. The Senator will be importuned immediately, before the session is over, in behalf of the highest Assistant Secretary of Agriculture. Why should not agriculture, that important industry which has to do with the basic affairs of our country, be recognized? Why should a man who simply deals with foreign affairs receive $10,000 and the highest official in the Department of Agriculture, next to the Cabinet officer, be denied similar compensation, and the Department of Commerce, and the Attorney General, and so on down the list? So the Senator, or those responsible for the other change, will be compelled to witness still other changes to conform to the error which they have committed in the past.

Mr. JONES of Washington. I know how those things come; I appreciate that, but I think I shall resist the others.

Mr. KING. I hope the Senator will resist this.

Mr. WARREN. There was no application except for these two, and also a similar salary, but under a different title, in the case of the War Department.

Mr. KING. The Senator from Wyoming, with his long experience and his great knowledge of public affairs, must know that when we give compensation to an official in a certain grade, every official in the same grade in every other department of the Government will demand the same compensation. That is the purpose of the reclassification act.

Mr. OVERMAN. Mr. President, the creation of the office of Undersecretary of State was fought here for years, and finally it was put on several years ago, my recollection is, at $7,500. Senator Root proposed it on the ground that every other country had it and we ought to have one of equal dignity. That is where it started, and we have had it in the bill for some time.

Mr. WARREN. We have had it for a number of years, I will say to the Senator. The only difference we make now is in the compensation.

Mr. OVERMAN. At first we succeeded in having it stopped, but it has been done for some time. The Undersecretary has been getting $7,500, and here we put him on an equality with the Treasury Department, which I think is all right.

Mr. WARREN. The only difference is that the others who have been getting $5,000 go to $7,500 and this one would go to $10,000, under this amendment.

Mr. OVERMAN. This was done several years ago, against my protest.

Mr. KING. The example of the distinguished Senator from North Carolina shows what would be accomplished by this insidious encroachment upon the ground which in the past has been solidly held. The Senator has withstood for years these applications, and now he succumbs.

Mr. OVERMAN. The Senate beat me. I could not help it.

Mr. KING. I think the Senator ought to continue his fight against further encroachments. I hope the Senate will disagree to the amendment offered by the Senator from Washington.

Mr. LODGE. I understand this is for the Undersecretary in the State Department?

Mr. KING. It is.

Mr. LODGE. That particular office was established by Congress with unusual powers. This man has unusual responsibilities. In the case of the absence or illness of the Secretary of State, he becomes acting Secretary of State without action by the President. The office is one of very great responsibility. There is no one in the Government who has more responsibility than this man. I do not want to be invidious, but we have raised the Undersecretary of the Treasury to $10,000 on account of the burden of work which he has, and I think the argument is stronger, if anything, in this case, and I hope the amendment will prevail.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The READING CLERK. On page 2, lines 6 and 7, the committee proposes to strike out "$1,057,600; in all, $1,069,600," and to insert in lieu thereof "$1,060,100; in all, $1,072,100."

The amendment was agreed to.

Mr. JONES of Washington. I ask unanimous consent that the clerks at the desk may be authorized to change the totals to conform to the action of the Senate.

The PRESIDING OFFICER. Without objection, that order will be made.

Mr. JONES of Washington. There is another committee amendment on page 25, line 7.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 25, line 7, the Senator from Washington moves to strike out the words "and subsistence expenses" and insert in lieu "expenses and per diem, in lieu of subsistence, at not exceeding $8."

Mr. JONES of Washington. That is in regard to the Mixed Claims Commission between the United States and Germany. One of the representatives of the commission came before the committee and stated that it might be necessary for them to send one of their men to Germany to get some facts with reference to some of the claims, and he said that under the law as it is, providing $4 or $5 a day allowance, they could not subsist, and he asked us to make an allowance. We put a limit on it of $8 a day, which is applicable in some other cases.

The amendment was agreed to.

Mr. JONES of Washington. There is another amendment I wish to offer.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 12, after line 25, the Senator proposes to insert the following:

For Irene Gracie Pontius, widow of Albert W. Pontius, late consul general at Mukden, China, one year's salary of her deceased husband, who died while at his post of duty of illness incurred in the Consular Service, $5,500.

The amendment was agreed to.

Mr. JONES of Washington. Those are all the committee amendments we will consider to-night, a request having been made that the others go over. I ask unanimous consent that the order may be modified so that other amendments as Senators have to present may be proposed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

Mr. CURTIS. I offer the following amendment, on page 83, after line 19.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 83, after line 19, the Senator from Kansas proposes to insert:

The appropriation of $40,000 for the fiscal year 1923, for the establishment of a fish-rescue station on the Mississippi River made by the deficiency appropriation act approved July 1, 1922, is hereby continued and made available during the fiscal year 1923.

Mr. CURTIS. Mr. President, I offer this amendment for the Senator from Wisconsin [Mr. LENROOT], who is sick and unable to be here. This money was appropriated and not used. About 148,000,000 fish are rescued a year, and over a million of those have been distributed in 32 States. The Senator from Wisconsin says that this appropriation is needed in order that the work may go on.

Mr. JONES of Washington. I remember that we passed a law a year or so ago providing for this station, and appropriated some money for it. That money has not been used, and this is merely a reappropriation of what we have already appropriated, as I understand it.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I offer an amendment on page 68, where we find the Bureau of Standards provided for. I move to insert a new heading, "Clinical thermometer standardization," and the following:

To provide for the standardization and testing of clinical thermometers throughout the United States, and to test such clinical thermometers, including necessary equipment and personal services in the District of Columbia and in the field, $250,000.

Mr. JONES of Washington. Is the Senator reading the amendment?

Mr. COPELAND. I am reading the proposed amendment. If the Senator will permit me, I will speak on it.

Mr. JONES of Washington. I thought the Senator was reading from some part of the bill.

Mr. COPELAND. I admit it sounds like the bill, because I find here in various places we have provision for standardization of steam gauges, and sound investigations, and high-temperature investigations, and sugar standardization.

It may be information to the Senator to know that the clinical thermometers which are sold throughout our country vary from 1° to 4° in accuracy. Many a man has been operated on for supposed appendicitis because the clinical thermometer did not read correctly. If there is any one thing which ought to be accurate in the instruments of precision, it is the clinical thermometer.

Mr. OVERMAN. Does the Senator propose to have the Government furnish the thermometers?

Mr. COPELAND. No, I do not; but I do propose to have every thermometer which is used in the Senator's family an accurate thermometer, and have knowledge that it is accurate. Many a thermometer has been used in the Senator's family which was not accurate.

Mr. OVERMAN. Would it take $250,000 to make these tests?

Mr. COPELAND. We had a hearing at the Bureau of Standards, and had every manufacturer of clinical thermometers in the United States present. We had an all-day hearing, and it was the consensus of opinion that this should be done.

The standardization of clinical thermometers differs from the standardization of a medicine. For instance, in the case of salvarsan, or some other preparation of arsenic, you can take one sample from a ton, perhaps, which you have prepared, and that will give you a test of the accuracy of the whole ton. But you can make a thousand clinical thermometers, and you can not take one from the lot and by testing that know that all the rest are perfect. So, as a matter of fact, in my experience in New York City we have found that over 80 per cent of the clinical thermometers are defective. I have no doubt at all that the thermometers sold in this country are largely defective.

For my part I want to see started in the Bureau of Standards a movement to make it certain that every clinical thermometer used will be an accurate one. You do not want your child or some member of your family operated on by mistake because the thermometer was defective. You have certain symptoms. You have a high pulse, you have redness of the skin, and you think, "Well, something is wrong," and you take the thermometer and find it to read 103 or 104. Then immediately appendicitis is suggested. So I say that no member of society is safe where dependence must be placed on the clinical thermometer unless the thermometers are standardized and tested.

Mr. FLETCHER. Will the Senator allow an interruption?

Mr. COPELAND. Certainly.

Mr. FLETCHER. It looks something like the case of a man who went into a railway station and looked about through the station and after awhile he went to an attendant and said: "You have 12 clocks in this station and every one of them gives a different time." The attendant said: "Of course; if they were all the same we would need but one." So it looks as though the difference in the clinical thermometers means that the supply must be increased. If all of them agreed, you would not need so many.

Mr. JONES of Washington. I make a point of order against the Senator's amendment on the ground that it is not estimated for.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. COPELAND. Of course, I expected this treatment, but it is a shame, when one thinks about how necessary it is to have standardized and tested the things having to do with the welfare of the human family.

Mr. JONES of Washington. I hope the Senator will present that to the Bureau of Standards for its consideration, so that they may have an estimate brought in with the next bill.

Mr. COPELAND. I have it all ready now in my possession and I shall be glad to present it there.

Mr. JONES of Washington. Present it to the Bureau of Standards and let them submit an estimate to the Budget and get it down to Congress the next time the appropriation comes up.

Mr. REED of Pennsylvania. I offer the following amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 12, after line 25, the Senator from Pennsylvania proposes to add a new paragraph, as follows:

To Leonore M. Sorsby, daughter and only child of William B. Sorsby, late envoy extraordinary and minister plenipotentiary of the United States to Bolivia, the sum of $4,200 as reimbursement for extraordinary expenses incurred for medical attendance, nurses, hospital treatment, and transportation to the United States following a stroke of paralysis suffered by said William B. Sorsby at his post of duty, La Paz, Bolivia, from which he remained wholly disabled until his death.

Mr. REED of Pennsylvania. Mr. President, this was an item put in the bill last year by unanimous vote in the Senate. It was stricken out in conference. It is a most proper amendment. It is a pure gratuity, of course. There is no legal liability for it.

This gentleman was appointed minister to Bolivia in 1902. He was stationed at La Paz, which is a town in a very high altitude. He was in perfect health when he went there. He served there faithfully for six years, and then was stricken with complete paralysis. He was brought home utterly helpless, and died soon after his arrival in the United States. This amount, which is given as a gratuity by the amendment, is merely the amount which was spent by his family for his physician's services and for nurses' attendance during the period of his illness. I hope there will be no objection to it.

Mr. JONES of Washington. This amendment was presented to the committee and the committee rejected it. I am sorry to say that I shall have to make a point of order against it.

Mr. REED of Pennsylvania. Will the Senator say by whom it was presented in the committee?

Mr. JONES of Washington. I think by the junior Senator from Illinois [Mr. McKINLEY].

Mr. REED of Pennsylvania. I was not aware of that. In any event, Mr. President, it seems to me that this being a pure gratuity the point of order is not well taken, as no estimate is required for it.

Mr. JONES of Washington. Of course, we might make all these gratuities.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. SHEPPARD. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 15, line 19, strike out the word "shall" and insert in lieu thereof the words "may, in the discretion of the President," so as to read:

To enable the President to perform the obligations of the United States under the treaties of 1884, 1889, 1905, and 1906, between the United States and Mexico, including not to exceed $900 for rent, $40,000: *Provided*, That not to exceed $6,000 of such sum may, in the discretion of the President, be used for taking over the water gauging now being done by the State of Texas.

Mr. SHEPPARD. As the proviso now reads it is compulsory that the entire item of $6,000 be used for water gauging. My amendment leaves it discretionary as to how much of the amount shall be used.

Mr. JONES of Washington. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas.

The amendment was agreed to.

Mr. SHEPPARD. I also offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 38, line 5, after the numerals "$10,000" and before the period, insert a colon and the following proviso:

Provided further, That not more than $150,000 of the $840,000 herein appropriated shall be available for special counsel to enforce the national prohibition act.

The amendment was agreed to.

Mr. McNARY. Mr. President, on page 51, line 14, under the heading "District and cooperative office service," I move to strike out the figures "$181,000" and insert in lieu thereof "$250,000."

Mr. JONES of Washington. Let me say to the Senator that the amendment on page 51, line 14, has gone over at the request of the Senator from Utah [Mr. KING], so that the Senator from Oregon will probably have to wait until it comes up later.

Mr. McNARY. Very well.

Mr. JONES of Washington. If there are no other individual amendments, I will ask that the bill go over until the next opportunity we have to resume its consideration.

RECESS

Mr. CURTIS. I move that the Senate take a recess, the recess being under the order previously entered, until 11 o'clock to-morrow morning.

The motion was agreed to; and the Senate (at 9 o'clock and 5 minutes p. m.) took a recess until to-morrow, Wednesday, May 7, 1924, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, *May 6, 1924*

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We praise Thee, O God, for the gift of Thy love as shown in Him who has suffered for us, walked our way, lived our life, borne our griefs, and carried our sorrows. May His moral preeminence be our guide and inspiration. Revive in all breasts a new devotion to Thee, a charity to one another and to all mankind. Impress us that Thou dost never fail him who, in however obscure a sphere, however lowly a spot, is true to his God and to himself. Whatever we do, may there be no uncertainty concerning the things that matter. Give us to understand that obedience to vision means consecration to duty. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. WATKINS. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a copy of a letter written by four members of the Committee on Immigration and Naturalization to the conferees on the immigration subject.

The SPEAKER. The gentleman from Oregon asks unanimous consent to extend his remarks in the RECORD by inserting a letter as indicated. Is there objection?

Mr. JOHNSON of Washington. Reserving the right to object, Mr. Speaker, what is it?

The SPEAKER. A letter written by four members of the Committee on Immigration to the conferees on the immigration bill. Is there objection?

There was no objection.

Following is the letter referred to:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON IMMIGRATION AND NATURALIZATION,
Washington, D. C., May 2, 1924.

Hon. ALBERT JOHNSON, Hon. WILLIAM N. VAILE, Hon. BIRD J. VINCENT, Hon. ADOLPH J. SABATH, and Hon. JOHN E. RAKER,
House Conferees on Immigration Bill,
House of Representatives, Washington, D. C.

GENTLEMEN: We read in the press persistent reports that it is proposed that the conferees so change that portion of the immigration bill which excludes persons ineligible to citizenship as to postpone its effective date for two years, and to provide that it shall never become effective as to any country with which the United States shall thereafter make a valid treaty restricting immigration.

These propositions were not embodied in the bill passed by either House and are at great variance with the original bill and the purpose of the House and its committee as indicated by their discussion and action on the bill. To invite by legislative action the regulation of the immigration of orientals by treaties with Asiatic nations would, in our view, be unfortunate. After the United States has agreed to consult the wishes and interests of Asia as to immigration it could not consistently refuse to consult the wishes of Europe and the rest of the world in the same manner. That is exactly what is desired by the opponents of restrictive immigration legislation. Finding the country and Congress determined to restrict immigration, and remembering that nearly all restrictive immigration legislation has been opposed by the executive department, they would much prefer to have the President and foreign nations control it without consulting Congress.

In 1879 President Hayes vetoed the first Chinese exclusion act. In 1882 President Arthur vetoed an act suspending Chinese immigration for a period of 20 years. (Immigration Commissioner's Report, vol. 2, pp. 580–581.) On March 3, 1897, President Cleveland vetoed an immigration act excluding illiterates. (I. C. R., vol. 2, p. 573.) President Taft vetoed an immigration bill in 1913 containing a restriction against the admission of illiterates. (RECORD, special session, 59th Cong., p. 101.) In 1917 President Wilson vetoed an act excluding illiterates, but Congress passed it over his veto. The present percentage quota immigration law was passed by the Sixty-sixth Congress, but failed because President Wilson withheld his approval. It was again passed by the Sixty-seventh Congress and later extended, both acts having been approved by President Harding, whose actions on these measures were about the first approvals by a President of measures designed to reduce or strictly regulate immigration from foreign countries.

The effect of the Burlingame treaty with China, in 1868, by which the treaty-making power undertook to regulate immigration, having been found highly unsatisfactory, China, under compulsion, in 1880, agreed to another immigration treaty in which she consented for the United States to suspend the coming of laborers only, but the treaty expressly forbade the United States to prohibit Chinese immigration and permitted only the limitation or suspension of the coming of Chinese laborers in such manner as should be "reasonable." That proved unsatisfactory. In that same year Congress passed an act suspending Chinese immigration for 20 years, but President Arthur vetoed that act, chiefly because a suspension of Chinese immigration for 20 years was in violation of the latest treaty with China.

That it would be unfortunate to the Pacific coast and the whole country to have oriental immigration regulated by the treaty-making power is shown by the history recited in the preceding paragraph and by recent experience. It would, in our judgment, be ruinous to have all immigration thus controlled, but that would probably follow. Japan's demand that we consult her about our immigration policy is extraordinary and unwarranted. If we surrender to it we will almost surely surrender later to similar demands by European powers.

To pass the control of our immigration policy to the treaty-making power will completely silence the voice of the House of Representatives therein. It would surrender a sovereign right and give to foreign countries a power which the country has never conceded.

We earnestly protest against the inclusion of the proposed amendments in the bill as written in conference. The tremendous importance of the question and of the consequences involved is our apology for addressing you in this manner.

Respectfully yours,

RILEY J. WILSON,
JOHN C. BOX,
S. D. MCREYNOLDS,
ELTON WATKINS,
Members House Committee.

(Copies to Members of the Senate and House for their consideration.)

Mr. HILL of Maryland. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address by the president of Columbia University, Mr. Nicholas Murray Butler.

Mr. LAGUARDIA. I object, Mr. Speaker

The SPEAKER. Objection is heard.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating a compilation of the record of Judge TILLMAN, of Arkansas.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD by inserting a compilation of the record of Judge TILLMAN, of Arkansas. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Speaker, under the leave granted to extend my remarks, I insert a compilation of the record of Judge TILLMAN, of Arkansas, which is as follows:

TEN YEARS IN CONGRESS

To some it seems a long time; to me it passed like the flashing wings of a swallow in flight.

When my family arrived with me in Washington the last of November, 1915, I recall their expression, caused by their first far-away view of the stately Monument, piercing the sky like a giant's spearhead.

Much water has passed under the bridge of the spanning years since these 10 busy ones have gone to take their places like silent soldiers in the steadily increasing ranks of the silent centuries.

It has long been the custom for Members of both House and Senate to set forth in speeches their records in Congress, particularly when their records are attacked, to defend their records, to publish letters bearing on same, and to furnish their constituents with copies.

My term began March 4, 1915.

I came to Congress at an interesting period, but at a time when it became necessary to express by vote and speech opinions on a thousand new questions. Mine has not been an easy service. The people have differed widely on many issues, and the wonder is they have found so little to criticize in my votes and speeches, my bills and public and private behavior during and since the Great War. I have scored many successes, pleased many people, displeased some, and have made my share of mistakes. I would not have been human if I had not. The

times have been abnormal, unusual, and trying. In the hurry of the frequent roll calls, in the rapid cut and thrust of parliamentary battle, no ordinary mortal actually operating in the heat and dust of action can avoid blundering now and then. Only that perfect, pure, and all-wise fellow on the outside wanting by hook or crook to get in is faultless and incapable of error. He knows exactly how the public business should be transacted. He is the gifted creature who points out the many wrongful acts of the ins and modestly admits that he alone has the wings of perfection sprouting from his holy shoulders.

With proper modesty, I hope, I am calling attention to some of my activities as a Congressman, and I let others do most of the talking.

I represent an agricultural district. My sympathies are enlisted in behalf of farmers, and most of my activities have been directed along that line. I will set out first some of the measures in aid of farmers which have been the subject of my support.

AGRICULTURE

GRAIN AND COTTON

Every effort that has been made since I have been a Member of Congress to prevent gambling in futures, both in grain and cotton exchanges, has received my support.

I was one of the group of Congressmen who made the fight in the fall and winter of 1917 and 1918 to break the bear combinations in their attempt to force down the price of cotton in the United States, and who had succeeded in putting the price down $40 to $60 a bale. We finally induced the Government to aid the farmers and compel the banks to provide the means to enable the farmers to hold their cotton until ships could be provided to export it.

Millions of dollars were saved for the cotton growers of the South by this.

TILLMAN HONORED

"Our Congressman, Judge TILLMAN, was elected to preside at the organization and subsequent meetings of the Congressmen from all the cotton States, meeting in Washington to ask for legislation to combat the boll weevil, to aid generally in cotton production and marketing. Our people, regardless of party, are glad to see our Representative in Congress thus highly honored. Congressman TILLMAN evidently stands well among his associates." (Mountain Wave.)

I voted for and helped to pass the Federal reserve banking act, which took away from Wall Street the power to produce a panic.

ANIMAL HUSBANDRY

I advocated the carrying out of the provisions of an act establishing a Bureau of Animal Industry to enable the Secretary of Agriculture to collect and disseminate information concerning livestock, dairy, and other animal products.

For all necessary expenses for investigations and experiments in dairy industry.

For investigating diseases of animals, for its control and eradication, methods of treatment and prevention, independently or in cooperation with farmers' associations, State or county authorities.

For experiments in animal feeding and breeding, including cooperation with State agricultural experiment stations.

For investigating the disease of hog cholera and its control and eradication.

For investigating the preparation for market, handling, grading, packing, freezing, drying, storing, transportation, and preservation of poultry and eggs.

For furnishing to producers, dealers, newspapers, and consumers accurate information regarding supplies of fruits, vegetables, dairy and poultry products.

For collecting and distributing by telegraph, mail, or otherwise timely information on the supply, demand, commercial movement, disposition, quality, and market prices of dairy and poultry products.

Provided for publication and distribution of bulletins on hog and cattle raising in the South.

GENERAL AGRICULTURAL IMPROVEMENTS

I assisted in having thousands of acres withdrawn from the forest area and opened for homestead entry in Arkansas. There are now many prosperous farmers owning their own homes within this area.

Helped to pass the Smith-Lever Agricultural Extension Act.

Helped to adopt methods of teaching the various phases of profitable, up-to-date farming and scientific agriculture, and it is the most valuable and comprehensive farm-demonstration plan ever devised.

To enable the Secretary of Agriculture to cooperate with the several States in the employment of agents to acquire and diffuse useful information connected with the distribution and marketing of farm products.

Advocated the investigation of cotton, corn, and other crops introduced from the tropical regions and for the improvement of cotton, grain, and fruit.

Helped to establish the Bureau of Markets, giving the needed and valuable assistance and information to both producer and consumer.

For collecting and distributing by telegraph, mail, or otherwise timely information on the supply, commercial government, disposition, and market prices of fruits and vegetables.

Have advocated the investigation and improvement of grasses, alfalfa, clover, and other forage crops.

Investigation of insects affecting cereal and forage crops.

Investigation of and improvement of cereals and methods of cereal production and the study of cereal diseases.

Have advocated investigating means and methods of more effectually providing for the national security and defense by gathering authoritative information concerning the food supply, by increasing production, and preventing waste of food supplies.

Have advocated investigating the history and habits of the insects injurious and beneficial to agriculture, the study of insects affecting the health of man and domestic animals, and ascertaining the best means of destroying those found to be injurious.

Have advocated the investigation of insects affecting southern field crops, including insects affecting corn, tobacco, and sugar cane.

For the investigation and improvement of methods of crop production.

For investigating plant diseases, soil bacteriology, and plant nutrition.

For the investigation of insects affecting fruits, orchards, and vineyards.

For the investigation and improvement of fruits and the methods of fruit growing, harvesting, and, in cooperation with the Bureau of Markets, studying fruits during the processes of marketing and while in commercial storage.

I have given special thought and study and rendered service to the great agricultural interests in my State and Nation.

I was one among the twenty Members of Congress who voted against the so-called daylight saving bill, and also assisted in its repeal.

Since I have been your Representative in Congress I have caused to be established rural routes that give mail facilities to more than 8,000 people in our district and have been constant in my efforts to have extended and improved the mail service in every other way possible.

In this day and age it is necessary that the farmer should receive his mail daily, as it is that the business man should do so, in order that he may keep constantly in touch with the conditions of the world and its markets. Especially is this true at the present time. The establishment of rural routes, in my judgment, is a means of education as well as a pleasure. It is welcome to the people and they should have it.

I have procured city delivery for thousands of our people also.

I blocked the scheme to transfer Camp Pike to Little Rock, the first step toward university removal.

I have opposed in every way measures that seek to foist upon America any plan or system that smacks of military despotism.

I helped pass the workmen's compensation act for accidents and death in industry.

I helped to pass the humane act declaring that human labor is not a commodity, thus taking the flesh and blood of human beings out of the class of chattels.

Have supported every measure necessary to carry out the purpose of the people in constitutional amendments adopted.

I supported every measure looking to the best interests and advancement of the cause of education.

Have advocated in the House and elsewhere the doctrine that America and other civilized nations should set up an international tribunal for the settlement of disputes by arbitration to the end that peace of the world may be preserved and the cruel, useless slaughter of human beings prevented.

Voted for Federal aid for State schools and colleges for vocational education.

I was one among the first to advocate sending out of this country those who advocate the overthrow of our Government by force, and helped to secure legislation to carry out this purpose. Under this law the deadly enemies of our country are being sent back to their own country.

I have aways voted for restricted immigration laws, which are intended to protect America from the unfit people and criminal refuse of foreign countries.

I advocated and will continue to advocate fair and just treatment of American soldiers who served our country in the great World War. I have voted for measures that promote and safeguard their interest in various ways.

I favor additional appropriations for all kinds of internal development of our country. I favor additional appropriations for Federal aid to roads. If we used half the money appropriated for the Army and Navy in aid of the building of roads throughout the States for a few years what a splendid system of roads we would have and how wonderful these arteries of commerce would be over which the people could travel and the farmers in turn bring their products to market.

There should be additional amounts appropriated for those things which we regard as investments which will bring happiness and prosperity to the people of the country, and another conference called

which will result in disarmament, both of the land and naval forces, and which will justify reduced appropriations for those purposes. When all countries cease to spend the greater part of the money obtained through burdensome taxes upon their people for agencies of war and turn their attention to peace and industrial pursuits, then will prosperity and contentment come, not only to their own people but to the nations of the earth.

The Army bill for the coming fiscal year carries an appropriation of $326,224,993.13, and the Navy bill for the coming fiscal year carries an appropriation of $271,942,867, or a total appropriation of $598,167,860.13. I favored both amendments offered to the Army and Navy bills to call disarmament conferences. The leading powers in 1922 agreed to naval disarmament or the reduction of their capital ships. This should be extended to auxiliary cruisers, submarines, airplanes, and all other kinds of naval craft. This would permit tax reduction in our country and in foreign countries and enable us to spend much larger sums of money in the internal development of the country. Large expenditures for destructive purposes are not consistent with tax reduction.

RECONSTRUCTION LEGISLATION

Modifications and changes in the present tax law are necessary. The burden should be distributed so that those most able to pay shall pay the greater share.

I am in favor of adequate and additional marketing facilities so the farmer will not have to market his crops at a sacrifice.

I favor stamping out gambling in farm products so the farmer can have an open and honest market in which to sell the products of the farm.

I have been true to the farmer and his legislation at every step of the way. The speeches made, bills introduced, votes cast in his behalf are all available. The record is made.

I am not in favor of reducing the volume of money and bringing on another panic for the benefit of the financiers, who alone would profit to the grief and distress of the rest of us. To do this would ruin the man in debt, but multiply the millions of the money lenders.

I oppose universal military training, call it compulsory or volunteer.

I have always stood before, during, and since the war for America and American rights and institutions.

I stand on my record, speeches made, bills introduced, votes cast, the life I have lived, and the things I have achieved.

Occasionally an unscrupulous person will charge Congress with raising freight rates. To offset that charge I submit the following, showing that the rate-fixing power is, and has been for years, in the Interstate Commerce Commission:

INTERSTATE COMMERCE COMMISSION,
OFFICE OF THE SECRETARY,
Washington, April 23, 1924.

Hon. JOHN N. TILLMAN, M. C.,
House of Representatives.

DEAR MR. TILLMAN: In response to your inquiry of even date I beg to state that under existing law, including the transportation act, 1920, the Interstate Commerce Commission is charged with the duty of regulating freight rates.

General increases in rates were permitted in 1920 and general reductions required in 1922, both by the commission. Neither the transportation act nor any other act passed by Congress to my knowledge has directly authorized or required increases in rates.

Respectfully, G. B. MCGINTY, *Secretary.*

It must be refreshing for our people to read some newspaper articles that have not been purchased, paid for, and branded advertisement. I print below a few unbought comments from the press. They cover the period during my service here, first published four to eight years ago. They are all the more valuable because they come to me without solicitation and without a purchase price:

Dispatch from Mountain Home, Ark., to Arkansas Gazette.

"Mrs. Z. M. Horton, John Hicks, Gertrude and Annie Simpson, heirs of Thomas I. Hicks, all of this place, received a Treasury warrant a few days ago for money due Mr. Hicks at the beginning of the Civil War. A short time ago the claim was turned over to Congressman TILLMAN, who got the same through Congress."

The Beebee Bulletin, out of the district, says:

"Judge TILLMAN has made good and has measured up to every requirement. Within three months after taking his seat he achieved a national reputation by his speech on his Confederate pension bill. Portions of this speech were published in newspapers all over the country and it was pronounced by many to have been one of the most eloquent addresses ever heard in Congress."

Fred Heiskell, managing editor of the Arkansas Gazette, under date of April 19, 1924, wrote Congressman OLDFIELD, saying, among other things:

"Arkansas should realize that we have now and for some years have had unusually strong representation in Congress."

On September 22, 1916, C. B. Oldham, editor Van Buren County Democrat, said:

"Mr. TILLMAN made a ringing Democratic speech. His address, which is truly characteristic of the recognized ability possessed, rings true. Those who have failed to hear him could well afford to ride several miles to be present."

This same editor, without solicitation on my part and without pay, copied the following comment from the Arkansas Farmer, published outside the third district:

"The Arkansas Farmer's editor has enjoyed the friendship and confidence of Congressman TILLMAN for years. He is one of Arkansas' grandest men and one of the South's noblest sons. His record is an open book, and to know him is to love him. His constructive work compels support from the people because it merits recognition."

The Mountain Echo said:

"Congressman TILLMAN delivered one of the ablest speeches here Monday, September 25, that it has been our good fortune to hear in many a day. Mr. TILLMAN is a fluent speaker and is ably representing the third district in Congress."

Muscogee Times-Democrat said:

"Congressman TILLMAN is one of the biggest men that has visited Muskogee in this campaign. He is a bright, original orator, a unique political campaigner. His speeches are original and pleasing and are entirely different from the ordinary political talk. He is a highly cultivated old-school southerner and appeals mightily to the women, whom he says should vote for President Wilson because of his peace policies."

Rogers Democrat said:

"Congressman J. N. TILLMAN addressed the Democratic voters in Rogers Saturday afternoon. His address was of his usual pleasing and virile style, and his discussion of the national issues were logically and well-rounded arguments indicating that the speaker was not only competent but well informed. Congressman TILLMAN has just returned from his attendance at his first session of Congress. He made an enviable record, having become during the comparatively short session a national figure, and has the distinction of not having missed a roll call."

This is from the American Issue, Ohio, which copied my address on national prohibition:

"Congressman TILLMAN of Arkansas in his appeal for the adoption of the prohibition resolution amendment on December 17 paid a tribute to the militant church which is worthy of large publicity."

"The speech of Hon. JOHN N. TILLMAN, of Arkansas, in the House of Representatives when the prohibition amendment was pending is a strong arraignment of the diabolism of the liquor traffic and a fine specimen of southern oratory. We rejoice that Arkansas was heard that glorious day." (Arkansas Methodist.)

The Winslow American said:

"TILLMAN'S famous prohibition speech ought to be read by every public-school pupil."

"We have received a copy of Judge TILLMAN'S really great speech on national prohibition. It is a gem of oratory and a masterly forensic effort. It will be read by everyone who receives it with pleasure and profit. Judge TILLMAN is reflecting credit on his district." (Fayetteville Daily Democrat.)

"Representative JOHN N. TILLMAN, of Arkansas, was on the program and made an eloquent speech at the National Convention of Confederate Veterans at Washington on June 4." (Washington Post.)

"STAND BY YOUR GUNS," SAYS ARKANSAS CHAIRMAN OF CONGRESSIONAL PARTY

"ROME, ITALY, July 21, 1918.—'Stand by your guns. Hurl back the invader from your sacred soil. Fight for a strong allied peace, and after the war let Italy, France, and England and all the other allies form a league enforcing universal peace and never again allowing the world to be bathed in the blood of the brave to forward the ambitious designs of a war lord seeking the military domination of the people of the earth.'

"This speech from Judge JOHN N. TILLMAN, of Arkansas, chairman of the congressional party, to the Italian people, is published in all Rome papers." (Arkansas Democrat.)

"The Advertiser will publish the able, descriptive, and scholarly speech of Hon. JOHN N. TILLMAN, of Arkansas, delivered in the House of Representatives last month. Owing to its great length we shall be obliged to present it in installments, but it will amply repay a careful perusal." (Fort Edward Advertiser, New York State.)

The Arkansas Gazette published a large part of this address in three separate Sunday editions.

"Bentonville County apple growers and buyers owe a vote of thanks to Congressman TILLMAN for his untiring work with the

Railroad Administration at Washington and his success in getting the necessary cars for the removal of the immense apple crop." (Bentonville Sun.)

"Congressman TILLMAN is one of the ablest speakers in the national legislative body." (Roanoke Times, Virginia.)

"Judge TILLMAN has made us a good Representative and has attained a prominence rarely accorded to new Members." (Baxter County Citizen.)

Mountain Echo, Yellville, Ark., April 10, 1924, says:

"The State of Arkansas may justly feel proud of having in Congress such men as CARAWAY and TILLMAN, who are able to command recognition for speedy action when the rights of their constituents are threatened. Mr. TILLMAN introduced the Dixie power extension bill in the House, championed the bill on the floor, and secured its passage. He has rendered each citizen and the counties of Marion and Baxter the greatest possible service."

"Congressman TILLMAN spoke in the interest of the Democratic Party last night at Union Square. He spoke interestingly for one hour. His address was well received and frequently applauded." (Lewiston (Maine) Daily Sun.)

"A fine time was had at the Democratic rally. Mr. TILLMAN is a forceful and most interesting speaker, and his audience gave him the closest attention. He is an orator of unusual ability and a man to be admired, whether or not you agree with him politically." (Neosho (Mo.) Daily Democrat.)

"Congressman JOHN N. TILLMAN has again succeeded in getting the Harrison land office out of the list that is to be abolished. It is worth something to the country to have a sure-enough Representative in Congress." (North Arkansas Star (recent issue).)

"Congressman TILLMAN has made good during his first term and will prove to be a power in Congress in the future. The Democratic National Committee sent him to Kentucky last week and next week will send him to Oklahoma." (St. Paul Mountain Air.)

A Stilwell, Okla., paper says:

"Congressman TILLMAN is a splendid type of the true southern gentleman, eloquent, chivalrous, and courteous."

The Tahlequah Arrow says:

"A large delegation met Congressman TILLMAN at the depot. He made a ringing speech and greatly pleased the people with his manner of speaking. We consider it the best speech made in the city during the campaign."

"Mr. TILLMAN'S eulogy of President Wilson was one of the gems of his eloquent speech. This congressional district has reason to congratulate itself that it is represented in Congress by JOHN N. TILLMAN." (Benton County Democrat.)

"Mr. TILLMAN'S broad ability was soon recognized after entering Congress, as is attested by the fact that he has succeeded in putting into effect some very important measures. He has been on the job continuously, seldom missing a roll call, and has at all times kept in mind the folks at home and the good of the country at home." (Rogers Cooperative Press.)

"The editor of the Courier considers Congressman TILLMAN'S ability and faithfulness the very highest. Our readers know he is one of the biggest, brainiest men in our State to-day." (Cotter Courier.)

"Judge TILLMAN last night addressed the Business Men's Club. Always a speaker of eloquence and power, he was at his best, and delivered a stirring and powerful appeal. Judge TILLMAN has won unusual prominence and influence in Congress and is the kind of Representative this district needs in Congress." (Fayetteville Daily Democrat.)

"Coming to the work splendidly equipped by education and experience, Congressman TILLMAN has been able to give us superior service from his first day in Congress up to the present, and our people are not only proud of his record but consider themselves especially fortunate in having elected him just at a time when the Nation needed men of his caliber." (Harrison Times.)

"The editor of this paper lives a few miles from the farm where Congressman TILLMAN grew to manhood. With full knowledge of his early struggles, knowing and appreciating his high character and abundant energy, we supported him for Congress in his first race, predicted that he would make good, and it is gratifying to know that even his enemies admit that he has more than done so. He has risen from a farm hand to Congress, and his friends, overwhelmingly in the majority in this, his home county, are proud of him and the record he has made.

"Judge TILLMAN became a national character before he had been in Congress three months. Commerce and Finance, of New York City, published his speech on his cotton tax restitution bill and said: 'We print his speech for the pleasure of our readers, who will find delight in oratory and who can appreciate a really charming apostrophe to the land of sunshine.' The great southern daily newspapers published this speech, and in lengthy editorials commended it.

"We doubt if any Arkansas man ever had a greater triumph than Congressman TILLMAN had at Richmond, Va., where, according to the Richmond Times-Dispatch, 'he spoke to 5,000 people, who accorded him a great ovation.' Similar to this was the reception his speeches received at Birmingham, Ala., Manassas, Va., and at the national Confederate reunion at Washington.

"Mr. TILLMAN is the author of many bills of national importance, and he has secured the passage of numerous bills local to this district. After introducing a bill to abolish the forest reserve he was instrumental in getting an Executive order opening for homestead thousands of acres of this reserve.

"Congressman TILLMAN has been 'on the job' constantly, rarely, if ever, missing a roll call. He has answered every card, call, or letter from his constituents, and probably excels any of his colleagues in supplying documents, bulletins, and pamphlets." Springdale News.

The following was not bought and is from my home town paper:

"Congressman JOHN N. TILLMAN is a candidate to succeed himself. He ought to be elected without a canvass. He has shown his faith by his works. He has given the people of the district faithful, consistent, and efficient service. They depend upon him and trust him. Their interests have had his serious attention since his name was first enrolled in the House.

"For nine years Judge TILLMAN has been in Congress. He has stood for every measure that has contributed to the advancement of the people of this district. He has held back the attacks upon our industries, institutions, and our citizenship. In Congress and at home he has aided every worthy cause and reflected honor upon our people.

"It has not taken all these nine years to prepare Mr. TILLMAN to represent us ably. He was prepared when he was sworn in, and soon took high rank in the House. Because of the workings of the complicated legislative machinery experience counts largely, and our people have learned this, a thing the East and North have long known and profited by, as long service has the advantage of powerful committee assignments and legislation originates in committees.

"The stale charge of every candidate seeking to displace a Congressman is that his name is attached to no bill. Judge TILLMAN deserves commendation that his name is not on many of the bills that have passed since he went to Congress. The truth is, however, that no helpful legislation has been enacted since he began service that he did not help frame and pass. His speeches have appeared in the press throughout the Nation. His hard work and fearless courage have made him a national figure. He is found always on the people's side of public questions, fighting for the right and justice. Business men, professional men, laboring men, ex-service men know they have no better friend.

"Never before, even during the dark days of the war, has it been so necessary to have safe and experienced men in Congress. The situation in foreign nations is critical. Conditions in our own country are unsettled.

"The puny piffle and the tearful sniffle of some candidates trying to undermine him, claiming that the people should change Congressmen every 10 years, are trifles as thin and transparent as heated air.

"That our Congressman is a consistent friend of agriculture is well known and appreciated. Every measure of relief for the farmers has had his help.

"TILLMAN is able in debate, a fine parliamentarian, logical, a polite, genial gentleman, consistent, and has represented us creditably and acceptably. His influence and his vote will be worth much to every class of people in the district. As a matter of selfish interest they will be glad to send him back to Congress.

"Ten years ago he carried his home county, Washington, by a plurality of 820, a much larger plurality than was received by either of his opponents in their home counties, and this time he will carry his home county by 2,500 majority, and will be renominated and reelected overwhelmingly." (Arkansas Countryman, Fayetteville.)

This was unbought also.

The Van Buren County Democrat some years ago published, among other proceedings, the resolutions of the Farmers' Union of that section as follows:

"Resolution No. 2 memorialized Congress to give the country a genuine rural credit law, such as the country needed, while Resolution No. 3 was an expression of appreciation and assurance of continued friendship upon the part of the membership extended Congressman TILLMAN for valuable service rendered the cause of farmer unionism throughout the South."

WE'LL NOT FORGET HIM

"The voters of this congressional district will gratefully remember JOHN N. TILLMAN for his valuable and successful assistance in securing to them an extension of our water-power privilege and saving it from the hands of dishonest 'big business.' TILLMAN will also be remembered by the boys for his

splendid fight for the bonus. He should be returned to Congress by the largest majority ever cast in the district." (Cotter Record, April 11, 1924.)

Defending one's good name when attacked is always permissible and excusable. Robbed of that, many of us would have but little left.

OFFICE HELP

Mr. BLANTON, of Texas, a bold, fearless critic, says the following in a speech published in the RECORD of March 4, 1923:

"A majority of the most prominent men in Congress employ relatives, and it really accrues to the benefit of the Government."

All of us have been charged at one time or another with voting to exempt our own salaries from income tax. Also, the stock claim against a Member is that no general bill bears his name. Read this letter:

HOUSE OF REPRESENTATIVES,
CLERK'S OFFICE,
Washington, D. C., January 22, 1924.

Hon. JOHN N. TILLMAN,
House of Representatives, Washington, D. C.

DEAR JUDGE TILLMAN: Your letter of January 15 was received, and I have been refreshing my memory concerning the alleged exemption of the salaries of Members of Congress from taxation. I recall the criticism distinctly.

No proposition was voted upon at any time to exempt Members of Congress from payment of income taxes. The charge that they did was unjust and clearly proven erroneous. * * *

Replying to the other part of your letter, I would say that in general a bill of any importance takes the name usually of the chairman of the committee reporting it. * * *

Very truly yours, WILLIAM TYLER PAGE.

Speaker Clark served 26 years; Speaker GILLETT, 32 years; GARRETT, Democratic floor leader, 20 years; LONGWORTH, Republican leader, the same time. How many Clark bills can be named? There is no Gillett bill. Nobody can recall a Joe Cannon bill, even; no Garrett bill, no Longworth bill, no Oldfield bill, no Wingo bill, no Robinson bill, no Caraway House bill; they all served longer than I have; no Gunter bill, no Peel bill, no Dinsmore bill, no Floyd bill, but local bills, and I have passed as many, or more, local bills than any of them. This list could be indefinitey extended. While Mr. Floyd passed bills authorizing post-office buildings at Rogers and Eureka Springs, the money to erect same was appropriated during my service.

Since an irresponsible individual has attempted to reflect upon my influence in Congress and my standing among my associates, the following letters and statements from some of the strongest, cleanest, and ablest men in the House will set at rest such aspersions.

The letter below is from "the last of the Confederates in Congress," Major STEDMAN, 82 years of age, who fought with Lee and Jackson:

JANUARY 12, 1924.

Hon. JOHN N. TILLMAN,
House of Representatives, Washington, D. C.

MY DEAR MR. TILLMAN: I was talking to my secretary yesterday afternoon with reference to events of long ago—incidents occurring during the War between the States and other matters.

In our conversation I told her of the heroic death of a boy who belonged to the company which I commanded for a long while. His name was Jesse Tillman. His home was in Chatham County, N. C., the place of my birth. He enlisted in a company in the Forty-fourth North Carolina Regiment at my request. I had an affectionate regard for him on account of his courage and his fidelity to whatever he thought was right.

He had attracted the favorable notice of our brigade commander and was at his request attached to the color guard. He was also honorably mentioned in "Orders of the day" from brigade headquarters. Soon thereafter in front of Petersburg the regiment became severely engaged with the enemy and suffered heavy loss. The flag several times fell as its bearers were shot down in quick succession. Young Tillman seized it and again carried it to the front. It was but an incident, and he, too, fell. As one of his comrades stooped to raise the flag again the dying boy touched him and in tones made weak by the approach of death said, "Tell the general that I died with the flag."

I assume that this boy was connected with you by blood, and I know that he was worthy of the kinship of anyone.

I do not know whether I have ever mentioned these facts to you in any of our many conversations. My secretary told me that on account of the friendly relations existing between you and myself that I ought to mention the facts connected with young Tillman's death to you, as they could not fail to interest you. I have therefore written you these lines this morning.

With kind personal regards and best wishes for the prosperity and happiness of Mrs. Tillman and yourself, I am,

Sincerely your friend, CHAS. M. STEDMAN.

EL DORADO, ARK., *December 31, 1923.*

Hon. JOHN N. TILLMAN,
Congressman Third Arkansas District,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I want to assure you of my appreciation of the courtesies shown me during a recent visit to Washington, and to reassure you, also, of the very high esteem in which you are held in the hearts of the ex-service men of this State because of your whole-hearted and generous support in favor of Legion legislation.

I trust that we shall never call upon you to support any bill which is not worthy from the standpoint of justice and fair dealing, and which is not in the interest of good citizenship.

With the best of good wishes, I am,

Most cordially yours,

O. L. BODENHAMER,
Arkansas Commander American Legion.

JANUARY 7, 1924.

Hon. JOHN N. TILLMAN, M. C.,
Washington, D. C.

MY DEAR COLLEAGUE: I thank you heartily for your generous letter of congratulation on my New Year speech on "The majesty of the law and national sobriety."

It will be an inspiration to keep among my treasures such golden words of commendation from such a rock-ribbed defender of constitutional prohibition and such a 100 per cent example of personal sobriety as you have been since I entered Congress four years ago.

But not only for this vital law have you stood four square, but for everything in constructive legislation which should characterize loyal, practical statesmanship.

I hope your fortunate district will keep you in Congress as long as you live, feeling sure that your usefulness will increase every year.

Cordially yours, W. D. UPSHAW, *Georgia.*

WASHINGTON, D. C., *March 24, 1924.*

Hon. JOHN N. TILLMAN,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: While I am aware of the fact that we have made a good many demands upon you in the past, and while I am aware of the further fact that you have always generously responded with your time and ability, for which we are duly grateful, yet may I not ask you to so arrange your personal affairs as to give us as much of your time and effort in the coming national campaign as is reasonably consistent with the other burdens upon you.

I am, with every expression of regard,

Sincerely yours,

A. B. ROUSE,
Chairman Democratic National Congressional Committee.

WASHINGTON, D. C., *April 2, 1924.*

MY DEAR JUDGE TILLMAN: I write to apologize for the delay of the subcommittee, of which I am chairman, appointed by you as chairman of the conference, to investigate the matter of lower freight rates for our farmers, to make its report. We hope to do so soon. I want to take this opportunity to express my appreciation of the arduous and effective labor you have given to all the matters placed under your care and direction looking to the improvement of the condition of our southern farmers. The conference over which you have presided and the suggestions you have made have already borne fruit in the nature of some practical remedial legislation and will yet bring other desired results.

With personal regard.

Yours sincerely, WM. B. BANKHEAD, *Alabama.*

DECEMBER 14, 1923.

Messrs. R. L. and F. L. GLOVER,
West Fork, Ark.

DEAR KINSMEN: Your Congressman, Hon. JOHN N. TILLMAN, informs me that he saw you gentlemen shortly before leaving his district and ascertained that you and I are related. * * *

I was glad to receive this news and certainly hope to have the pleasure of seeing you both in Washington sometime. I want also to say that I have had the pleasure of being intimately associated with Congressman TILLMAN for over eight years and I regard him one of the most able men in the House and an honor to your district. * * *

With every good wish, I am,

Very truly yours, D. H. KINCHELOE.

Hon. JOHN N. TILLMAN,
House of Representatives.

DEAR JOHN: I write to thank you sincerely for being present and exerting your wholesome influence in the House on important matters of legislation during the present Congress. Your standing and popularity in the House have been of great assistance to our party and the country in the many close and vital contests which have been decided since the beginning of the present Congress. As whip of our party on the floor, it is my duty to see to it that Democratic Members are present when questions of vital interest are being considered, and it is a pleasure for me to be able to state that I have always found you on the alert, ready and capable of doing your full share in the many contests which we have had. I felt it my duty to write you this letter of thanks.

With best wishes, I am,

Sincerely yours,

W. A. OLDFIELD,
Democratic Whip.

OFFICE OF MINORITY LEADER,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 17, 1924.

Hon. JOHN N. TILLMAN,
House of Representatives, Washington, D. C.

MY DEAR MR. TILLMAN: I beg to inclose herewith for your files a copy of House Joint Resolution 68, proposing an amendment to the Constitution of the United States. * * * I regard this a very worthy and a very important amendment. * * * If, after your study of it, you feel that you can give it your support, it will be most helpful, indeed.

Knowing, as I do, the painstaking care and the assiduous study which you have given to public questions, and particularly those legal and constitutional matters with which the great Committee on the Judiciary, of which you are a member, has had to deal and which is appreciated by all your colleagues in the House, I will be especially glad to have your opinion upon this proposed measure. With all good wishes, I remain,

Yours sincerely,

FINIS J. GARRETT.

JANUARY 17, 1924.

Mr. H. L. HUNNICUTT,
Durham, Ark.

MY DEAR SIR: Knowing that you are a former Texan, and always being interested in the welfare of former citizens of my State wherever they may be located, prompts me in writing you concerning the record and activities of your able Representative, Hon. JOHN N. TILLMAN. I have watched the record of this splendid southern gentleman since coming to Congress five years ago, and I would like to vouchsafe to you and others who I know will be interested in knowing of his achievements the following facts:

First, Judge TILLMAN has the esteem and confidence of every man on the Democratic side, and is admired and esteemed also by the Members of Congress on the Republican side, because he is always fair in his statements and in his conduct on matters of legislation. He is a member of the important and powerful Judiciary Committee of the House, and, in my judgment, this committee ranks next in importance to the powerful Appropriations Committee, and probably, with this exception, outranks in importance and influence any other committee of Congress.

Judge TILLMAN is a constant attendant upon the floor of the House when the Congress is in session and takes a keen interest in all matters of legislation, and I have observed at frequent intervals that his voice is raised on the floor in behalf of good legislation or in opposition to legislation that he deems detrimental to his country and his people. He is a forcible speaker, a man of splendid judicial mind and trained in parliamentary debate, and I have never observed a lack of attention on the part of Members of Congress when Judge TILLMAN is addressing them.

The fact that he has served several terms in Congress and of his wide acquaintance with the Members, which necessarily has inculcated a feeling of friendship and desire to do him service, prompts me in saying to you that his constituents, if they knew of this esteem as we here in Congress daily hear it expressed, that there would be no question about his constituents returning him to succeeding Congresses, where his usefulness will increase as the legislative days go by.

Although a native son of Texas myself, I love the great State of Arkansas and her people. Your State is the birthplace of my mother, one of the greatest women this country has ever produced. Therefore I feel that interest in your State's welfare which prompts me to write you concerning your able and distinguished Representative as I have done, and you are at liberty to make such disposition of this letter as you may see fit.

Very sincerely yours,

C. B. HUDSPETH,
Member of Congress, Sixteenth District of Texas.

My record here will show that I have kept on the job, performed my committee duties and office work, and attended the sessions of the House constantly. I have stood for the enforcement of law, for the protection of society, for the restriction of immigration, for the enactment of tax reduction laws that would relieve the small taxpayer and compel the wealth of the country to bear its just proportion of the burdens of government, and for the protection of the rights of the masses against the encroachment of special interests. I voted against, spoke against, and favor the repeal of the present iniquitous tariff law which was enacted at the behest of the protected interests of our country, which compels the farmers and other consumers to pay exorbitant prices for everything they have to buy. I stand for a renewal of commerce with all the world so that the surplus products of our farmers can find a market.

I have helped in framing all the important legislation my party favored, fought with vigor that which it opposed, and have spoken from the floor of the House on all the great measures before Congress since I have been a Member.

I believe in and have lived a life of service. To me it is the most attractive life. During my years here I have made many mothers happy by securing the discharge of a son from the Army or Navy. I have procured pensions or increases for hundreds of soldiers, their widows or orphans. I have aided thousands of ex-service men by getting for them additional travel pay, back pay, mileage, uniforms, vocational training, compensation, hospitalization, and extended them a thousand kindly courtesies. At the expense of hard work and long hours I have written letters, mailed out thousands of small remembrances to the young and old alike of the district, which tended to make life brighter and worth while for the moment at least. It is the thoughtful, tender little things as well as the big things that go to make up happiness in this short life. I have enjoyed the pleasure of sending to West Point and to the Naval Academy at Annapolis some of the brightest young Americans that have ever graduated at these great Government schools. I am solely responsible for their appointment, and am proud of them. I have caused to be appointed hundreds of postmasters, Government clerks, census supervisors, enumerators, rural carriers, and members of various boards. I have, in short, during the last 10 years accomplished more, achieved more, rendered better service to the people and to my country than ever before during a busy, active life.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Welch, one of its clerks, announced that the Senate had passed with amendments joint resolution (H. J. Res. 195) authorizing an appropriation for the participation of the United States in two international conferences for the control of the traffic in habit-forming narcotic drugs, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 112. An act providing for a comprehensive development of the park and playground system of the National Capital;

S. 703. An act making an adjustment of certain accounts between the United States and the District of Columbia;

S. 1014. An act for the relief of F. J. Belcher, jr., trustee for Ed Fletcher;

S. 1017. An act for the relief of Florence Proud;

S. 1786. An act to amend sections 5, 6, and 7 of the act of Congress making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, approved July 1, 1902, and for other purposes;

S. 2100. An act authorizing the sale of the United States Veterans' Bureau hospital at Corpus Christi, Tex.; and

S. J. Res. 49. Joint resolution authorizing the President to require the United States Sugar Equalization Board (Inc.) to adjust a transaction relating to 3,500 tons of sugar imported from the Argentine Republic.

SENATE BILLS REFERRED

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 703. An act making an adjustment of certain accounts between the United States and the District of Columbia; to the Committee on the District of Columbia.

S. 1014. An act for the relief of F. J. Belcher, jr., trustee for Ed Fletcher; to the Committee on War Claims.

S. 1017. An act for the relief of Florence Prand; to the Committee on Claims.

S. 2257. An act to consolidate, codify, revise, and reenact the laws affecting the establishment of the United States Vet-

erans' Bureau and the administration of the war risk insurance act, as amended, and the vocational rehabilitation act, as amended; to the Committee on World War Veterans' Legislation.

S. 2430. An act to create a commission to procure a design for a flag for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 1786. An act to amend sections 5, 6, and 7 of the act of Congress making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, approved July 1, 1902, and for other purposes; to the Committee on the District of Columbia.

S. 2100. An act authorizing the sale of the United States Veterans' Bureau hospital at Corpus Christi, Tex.; to the Committee on World War Veterans' Legislation.

S. J. Res. 49. Joint resolution authorizing the President to require the United States Sugar Equalization Board (Inc.) to adjust a transaction relating to 3,500 tons of sugar imported from the Argentine Republic; to the Committee on Agriculture.

LEAVE OF ABSENCE

Mr. SPROUL of Kansas. Mr. Speaker, my colleague from Kansas, Colonel LITTLE, has asked me to request that he be excused for to-day on account of illness.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

CHANGE OF REFERENCE

The SPEAKER. The Senate bill 2098, providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico, is referred by the Chair to the Committee on Irrigation and Reclamation. It is agreed by the chairman of that committee and by the Committee on Foreign Affairs that it should properly have gone to Foreign Affairs, and, without objection, the Chair will rerefer it.

There was no objection.

ORDER OF BUSINESS

Mr. MADDEN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8839) making appropriations for the government of the District of Columbia.

The SPEAKER. The gentleman from Illinois moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8839) making appropriations for the government of the District of Columbia. The question is on agreeing to that motion.

Mr. BARKLEY. Mr. Speaker, I claim recognition under the prior right to move to go into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 7358 as the unfinished business from yesterday.

The SPEAKER. The Chair will hear the gentleman.

Mr. SNELL. Mr. Speaker, I make a point of order against the motion of the gentleman from Kentucky on the ground that the legislation he desires to present at this time belongs to a special class, and it is only in order on such days as that class of business is in order, under the rules of the House.

The SPEAKER. The Chair will hear the gentleman from Kentucky.

Mr. BLANTON. Mr. Speaker, I want to make the further point of order that the status of the Barkley bill now is no more privileged than that of a general appropriation bill. At most it could only become a question of recognition, and the Chair having already recognized the gentleman from Illinois [Mr. MADDEN] to go into Committee of the Whole on a general appropriation bill, under no circumstances could the gentleman from Kentucky [Mr. BARKLEY] have the right of way.

Mr. BANKHEAD. Mr. Speaker, in order that the RECORD may be entirely clear on all questions that may arise on this decision, I also make the point of order that it is not the unfinished business coming over from yesterday.

Mr. BARKLEY. Mr. Speaker, I recognize the importance of the question upon which the Speaker must pass by virtue of my motion. I recognize that the ruling which the Chair will make to-day will be setting a precedent in the interpretation of an unusual rule which has recently been adopted by the House. I have not risen, Mr. Speaker, for the purpose of undertaking to engage in any captious discussion about the interpretation of the rule or in any effort to override in any roughshod way the rules of the House or the proper interpretation of those rules. But this is a question which I think ought to be settled now in order that we may know in the future how to proceed in matters of this kind, and it is a question—by reason of the fact that this will be the first decision upon this rule on a point made in this manner—that the Chair will want to consider from every standpoint, so that his ruling may be established as the proper precedent of the House in the future.

The point has been made that the motion which I have made is not in order on the ground that this is not the unfinished business from yesterday and on the ground that it belongs to a class of legislation set apart for certain days of the week by the rules of the House.

In the first place, Mr. Speaker, we have got to take into consideration in interpreting section 4 of the rule which was adopted for the discharge of committees what was undertaken by the House and what its object was in providing for such a rule. It has been contended and will be contended that the chief and primary object of the adoption of this rule was to bring about the discharge of a committee that held a bill a certain length of time and refused to act upon it, and that that was the only object—at least the chief object—that the House had in view in the adoption of this rule.

If that were true, Mr. Speaker, the only language of the rule that would have been necessary to accomplish that would be the first part of the rule, that any Member may make a motion for the discharge of a committee after 30 days, and upon the signature of 150 Members to have that motion voted upon to determine whether the committee would be discharged and the bill brought before the House and placed upon the calendar, where it would go if the committee had reported it favorably.

Now, Mr. Speaker, I contend that was not the only object in the adoption of this rule. The object in the adoption of this rule was not only to provide a way for taking a bill away from a recalcitrant committee but to provide for the immediate consideration of the bill after the committee had been discharged, and if that had not been the object, coupled with the discharge itself, it would not have been necessary to add the language to the rule providing for the immediate consideration of the bill. Therefore, coupling both of those objects together, we must take it for granted that the object of the House in establishing this rule was to discharge the committee, bring a bill before the House, and then to enter into the immediate consideration of that bill. Following that analogy, we must conclude that the object in entering into the immediate consideration of that bill was to conclude its consideration before any other bill could be taken up.

Mr. BEGG. Will the gentleman permit a question right there?

Mr. BARKLEY. Yes.

Mr. BEGG. The gentleman said the object of the rule was to put a bill on the calendar. I do not believe the gentleman contends that this bill is now on the calendar, does he, or ever has been?

Mr. BARKLEY. If the only object was to get the bill away from a committee, some other provision would have been added that would have put it on the calendar immediately without any action on the part of the House.

Mr. BEGG. If a certain condition had happened that did not happen, then the bill would have gone on the calendar, but it never reached the calendar and never will.

Mr. BARKLEY. But my point is that if the House had desired simply to get it away from a recalcitrant committee, it would not have provided for the immediate consideration of the bill; but, having performed that service, the bill would have gone to its appropriate calendar; and the lack of that provision presumes that the House desired, by entering upon the immediate consideration of the bill, to make it the unfinished business of the House and have it before the House until it had been concluded.

Mr. BEGG. I do not want to encroach on the gentleman's time, but I think the gentleman's argument is wrong if he contends it is on any other calendar than the Calendar for the Discharge of Committees.

Mr. BARKLEY. I am not making any contention as to where it is now. My contention is that if the House had merely desired to get a bill out of a committee, all it would have done would have been to provide for the discharge of the committee and then put it on a calendar. But the House had more than that in view; it had in view the immediate consideration of the bill after it had been taken from the committee and by reason of the provisions of this rule making it unfinished business.

Mr. BEGG. Immediate consideration as a special class and special bill?

Mr. BARKLEY. No; it is not a special class. I will discuss that in a moment.

Now, Mr. Speaker, under the rule governing the consideration of unfinished business, which I will read—

consideration of the unfinished business in which the House may be engaged at an adjournment, except business in the morning hour—

Of course, there is no such thing now as the morning hour, practically—

shall be resumed as soon as the business on the Speaker's table is finished, and at the same time each day thereafter until disposed of, and the consideration of all other unfinished business shall be resumed whenever the class of business to which it belongs shall be in order under the rules.

Under section 865 of the Manual and Digest we find this:

The rule excepts by its terms certain classes of business which are considered in periods set apart for classes of business, viz:

(a) Bills considered in the morning hour for the call of committees.
(b) Bills in Committee of the Whole.
(c) Private bills considered on Fridays.
(d) District of Columbia bills.
(e) Bills brought up under the rule setting apart days for motions to suspend the rules.

Now, I contend, Mr. Speaker, that the fact that this motion is made in order on the day set apart for suspension of the rules has no relation whatever to the suspension of the rules, but merely for convenience in setting a time when a motion to discharge a committee would be in order, and that day is fixed as the day when such a motion may be made; but that does not thereby put it in any relation whatever to the question of suspending the rules of the House and passing bills by a two-thirds majority, because if it did have any relation to that, it might be held that the bill would have to be passed, if passed on that day, by a two-thirds majority; that is, if the rule applying to the suspension of the rules in the passage of bills applied to bills passed under this discharge rule.

I contend this bill does not apply to a class for which a particular day is set apart. Under the rulings of the House, in Hinds' Precedents, Volume V, section 6945, the Speaker held that when public business is considered on a Friday, the unfinished business goes over until the next legislative date. Friday, under the rules, is set apart——

The SPEAKER. Will the gentleman give that citation again?

Mr. BARKLEY. Volume V, section 6945.

Friday of every week, under the rules, is set apart for the consideration of private bills, and private bills are a class of bills referred to in the rule where the exception is made that bills set apart for consideration on certain days by reason of the class to which they belong are excepted from the rules, and the Chair held in that decision that even on Friday, which is set apart for a certain class of bills, to wit, private bills, if a measure of a public nature is under consideration, then it goes over until the next legislative date.

The bill to which I have referred—H. R. 7358—is not a bill that is on the Unanimous Consent Calendar. It is not on the Calendar for Suspension of the Rules, and its consideration is not undertaken by the House under unanimous consent, although taken up on the day when unanimous consent may be in order.

It is not taken up under the rule providing for a suspension of the rule which requires a vote of two-thirds, which may be taken up on this particular Monday; but the motion to discharge a committee is in order only on that day, and by reason of the adoption of the motion and the discharge of the committee an affirmative vote to enter into the immediate consideration of that bill, which is not of a class of bills that is set apart for certain days under the rules of the House, makes it the unfinished business of the House and is entitled to be brought up on the next legislative day for consideration.

Mr. Speaker, I recognize that during the debate on this rule a question was propounded to the gentleman from Georgia, for whom I have not only a personal affection but for whose parliamentary ability I have the greatest respect, as to what might happen under a situation like this, and in response to a question propounded to him by the gentleman from Connecticut [Mr. TILSON], which is in this language, copied from the CONGRESSIONAL RECORD:

Suppose that the House decided to consider it and begins the consideration of it, and yet adjourns before the completion of the bill or resolution; what happens? Does it go on next day, Tuesday, or does it wait until the next suspension day?

Mr. CRISP replied:

I think it would go on until the next suspension day.

That is, I presume he means by that it would go over until the next suspension day—

But the gentleman from Connecticut will recognize that the whole scheme of this rule is to make it, under the orderly procedure, within the power of the majority of the House to work its will, and when a bill is up under this rule, if the House wants to go on with it to its conclusion, the House can refuse to adjourn. The House, instead of adjourning at a late hours, recesses, and the next day is the same legislative day and the House can proceed on indefinitely to the disposal of it. It is simply in the power of a majority to do its will.

The Speaker held on yesterday that the gentleman from Georgia was mistaken at least in part of the answer he made to the gentleman from Connecticut in which he said the House might refuse to adjourn and might recess.

Mr. CRISP. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. CRISP. While I made that statement, the next time I had the floor in the discussion of this rule the question was again asked me if a recess was in order, and I replied that it was not. When I was first debating the matter I did say that the House might recess, but in the debate on the rule I also called attention to the fact that the provision of the rule making the motion for a recess a privileged motion had been eliminated and that motion would not be in order, and the only way the House could recess would be by unanimous consent, and the House now can recess by unanimous consent.

Mr. LONGWORTH. If the gentleman will yield, the House can recess by unanimous consent, and the gentleman was quite accurate in his statement.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. CHINDBLOM. I want to suggest to the gentleman from Georgia that you not only could proceed by unanimous consent but if no objection was made a motion to take a recess would be in order if the regular order was not demanded.

Mr. BARKLEY. Of course, we all appreciate we can do anything by unanimous consent.

Mr. CHINDBLOM. It is not a matter of unanimous consent. There has to be an affirmative point of order made.

Mr. BARKLEY. The reason I make that suggestion is that in my judgment the gentleman from Georgia will take an opposite view to that which I am expressing, and the gentleman feels more or less committed to it by reason of what he said during that debate.

The suggestion I was going to make was that that was probably a hasty reply made in running debate and that the gentleman might be mistaken, and if he was mistaken in one part of his answer he might be mistaken in the other.

Now, I do not desire to take the time of the House unnecessarily. I do think it is important that a ruling should be made on this proposition that will consider it from every standpoint, that will consider not merely that the House was trying to punish the committee for failing to report the bill but to make it the business to consider the bill after it was brought from the committee. If it is held that the measure goes over for two weeks until the next suspension day or the third Monday, it will not carry out the viewpoint of the majority of the House who supported the rule and who expected under it that they would be able to proceed immediately to the consideration of the bill and keep it before the House until it was disposed of.

I want to say, as I said in the outset, that I am not making the motion in order to be captious. I think the House ought to have a definite ruling upon it. I think it is fair to say that it is not my purpose to appeal from the decision of the Chair if it is adverse, and I trust that no appeal will be taken, because it is not our desire to jam and rush it through regardless of the rules of this House. We do not desire to set them aside and create an impression on the Members of the House that we are seeking to embarrass the orderly procedure of the House, but we do desire to know what the rules are, so that we may proceed in accordance with them in the future. I thought it was fair to the Speaker and to the Members of the House that I should make the point and get the ruling definitely and officially, and if the Speaker should decide against us it is our purpose to abide by his decision.

Mr. MADDEN. Mr. Speaker, the rules of the House are clear as to what our duty and that of the Speaker is. The rule provides:

At any time after the reading of the Journal it shall be in order, by direction of the appropriate committees, to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the purpose of considering bills raising revenue, or general appropriation bills.

As early as 1835 the necessity of giving the appropriation bills precedence became apparent, and in 1837 a rule was adopted which established the principle which continues in the present rule.

The mere fact that the Interstate and Foreign Commerce Committee has been discharged from the consideration of the bill introduced by the gentleman from Kentucky [Mr. BARKLEY] does not place it in any different status than an appropriation bill which the Committee on Appropriations has reported. If the contention of the gentleman from Kentucky to the effect that because his bill has been discharged from further consideration by a committee and has had consideration by the House it is privileged for continuous consideration—that argument would also apply to appropriation bills which have had consideration for several days. The bill which I moved to go into Committee of the Whole House for the consideration of has been before the House. It is true the committee was not discharged from its consideration by a vote of the House, but the committee has been discharged just as effectually; and, moreover, the bill that I propose to ask consideration for is a privileged bill under the rules of the House, while the bill that the gentleman is insisting upon giving consideration to has no privilege under the rules of the House except as any bill on Calendar Wednesday would have, for example. It comes within that class, in my judgment. A bill providing for consideration on Calendar Wednesday could not be taken up on any other day. I maintain that the rule which authorizes the discharge of a committee from consideration of a bill places such a bill in the Calendar Wednesday class, that it could not be taken up except on a special day provided for the consideration of such bills, namely, on suspension day or the day when bills can be taken up by unanimous consent.

Then, too, Mr. Speaker, the very life of the Government depends upon the passage of appropriation bills. The Government itself can not function without that, and if the contention of the gentleman from Kentucky be sustained by the Speaker, what is to prevent other Members of the House having discharge motions similar to the one the gentleman from Kentucky is insisting upon, from putting those in the way of appropriation bills and preventing appropriations being made for the conduct of the Government.

Mr. WINGO. Will the gentleman yield?

Mr. MADDEN. I yield.

Mr. WINGO. Do I understand the gentleman's position to be that this bill on days other than the first and third Monday is in exactly the same position that it would have been in had the Committee on Interstate and Foreign Commerce reported it to the House and it had taken its regular place on the calendar?

Mr. MADDEN. If the committee had reported the bill and it had taken its place on the calendar and the House had gone into consideration of that bill, it would have been in order on all days which the rules of the House themselves did not prohibit.

Mr. WINGO. I think the gentleman misapprehended my question. The contention of the gentleman is that the fact the committee has been discharged does not give this bill any more of a privileged status on days other than the first and third Monday than it would have had if it had reached the calendar in the regular course.

Mr. MADDEN. That is the point.

Mr. WINGO. And if it had reached the calendar in the regular course and the rule had made it in order, the unfinished appropriation bill being of higher privilege would be entitled to recognition rather than this bill?

Mr. MADDEN. That is the contention that I am endeavoring to make. I may not have made myself clear, but that is what I have been trying to tell the Speaker. Mr. Speaker, there can be no doubt about appropriation bills having a higher privilege than the bill referred to by the gentleman from Kentucky [Mr. BARKLEY]. My contention is that that bill has no privilege except on the first and third Mondays of the month, and that the bill that I have moved the House go into the Committee of the Whole to consider is privileged not only today but every day, except on particular days, above the bill which we had up yesterday.

Mr. CRISP. Mr. Speaker, it is with reluctance that I enter into this discussion, and I do it only because I feel impelled by a sense of duty that I owe to the House to present my views to the Speaker on the construction of this rule. I played some inconspicuous part in the drafting of this rule and in defending it on the floor of the House when it was before the House for consideration. The rule was not drafted for this bill, because this bill has never been introduced. The rule was not drafted for any particular bill, but the rule was drafted for the purpose of providing a workable discharge rule of the House whereby on certain days the House might have an opportunity to work its will, and, in passing, I may say this rule has demonstrated that it will do that. Some friends have said that the filibuster resulted from the discharge of the rule. Not so. If the committee had reported this bill favorably and the bill had been under consideration under the general rules of the House, everything that took place yesterday could have taken place. The rule simply brought the bill before the House. The reason for the rule was to give the House an opportunity to take from a recalcitrant committee any bill they were pigeonholing; to give the House a chance to consider. The rule was not designed to give a higher privilege to a bill taken from the committee under its terms than a bill favorably reported from the committees of the House possesses.

I think the point of order made by the chairman of the Committee on Rules [Mr SNELL] that this motion is not in order to-day, but that it goes over until the next suspension day, is absolutely correct, and why do I say that? When the House was considering the question of whether or not to adopt this discharge rule, I was debating it. That was on January 14 of this year. I was interrupted with a volley of inquiries. The gentleman from New York [Mr. LAGUARDIA] asked me in my opinion if the rule was adopted, and a bill was taken up and not disposed of, whether it would come up the next day or go over until the next suspension day. I replied that it would go over to the next suspension day. Later, the gentleman from Connecticut [Mr. TILSON] propounded to me the inquiry which the gentleman from Kentucky [Mr. BARKLEY] has already read to the Chair, and which I shall not again read.

He asked me the question whether if the House voted to discharge the committee from consideration of a bill, and then after that proceeded to its immediate consideration and failed to finish the bill on the Monday, if it would go over until the next suspension day or come up the following day, Tuesday, like to-day. I replied that it would go over until the next suspension day; that it would not come up on Tuesday. The gentleman from Connecticut replied that he thought that construction was correct, and thought that was what the rule meant. The gentleman from Virginia [Mr. MOORE] later on asked me the question, corroborating the construction that I placed upon it in debate by saying that in a short session of Congress, if the rule was adopted, there would be only a very limited number of days in which the rule could be brought up, and he gave the number of days in a Congress on which this rule might be brought up in the long session of Congress. I think he figured it as 12 in case the Congress adjourned about the 1st of June. He called attention to that in support of my contention that it went over by saying that the rule would not work havoc or interfere with the House in the transaction of its necessary business, but that it was workable only on a certain limited number of days in a session of Congress.

I call the attention of the Chair to these facts simply because a court in construing any statute is permitted to read the debates of the legislative body in arriving at what the intent of the legislative body was which enacted the statute, and the court would give great weight in construing a statute to those debates as indicative of the intention of the legislative body in adopting it. In view of the debate, in view of what took place on the floor of the House on January 14 when the House was considering whether or not it would adopt this rule, it seems to me conclusive as to the intent of the House as to this rule. On the floor, as I have before stated, I answered that I thought it would go over until the next suspension day. I was not expecting that question, but I answered what I honestly thought about it, and since then I have investigated the matter and I am confirmed that the position that I took then was absolutely correct, and the only one that is tenable.

Why do I say that? The discharge rule provides that when the House discharges a committee, it is in order to move to take the bill up for immediate consideration, and the motion to proceed with immediate consideration is made of high privilege, but the bill itself is not made a privileged bill. The motion is made privileged. The bill is not made privileged, but if the motion to proceed to the consideration of the bill prevails, then the rule says what? It says that the bill shall be considered under the general rules of the House. If the drafter of that rule had desired to make it a continuous order of business, it could have been made so by the insertion of a few words saying that it is a privileged bill and that it should be continued from day to day until disposed of, but

the rule does not say that. The rule says that it shall be considered under the general rules of the House. What are the general rules of the House? No one rule of the House is superior to the other rules of the House, but they are to be construed in an entirety; it is one complete code of procedure for this body, and it is of the utmost importance that we have orderly procedure. It is of great importance to the majority party in the House to see that the rules are fairly and properly construed so as to enable them to legislate, and it is vital to the minority that the rules be accurately, fairly, and consistently construed, because the rights and liberties of the minority depend upon them. What are the general rules of the House? We have a general rule of the House providing for the order of business which my friend from Kentucky read, providing that after the reading of the Journal and the clearing of the Speaker's table and the disposal of unfinished business, then the morning hour for the consideration of bills called up by committees. The Speaker knows that that is an obsolete rule. I do not think the House has proceeded under that rule since the present occupant of the chair has been Speaker. I mean by that it has not followed that rule literally, because there are other special rules which supersede this rule, and the whole code of rules is construed together by the Speaker and he determines which rule controls the legislative situation for each particular day.

Mr. NELSON of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. NELSON of Wisconsin. Let me ask the gentleman a few questions about this rule. The gentleman did me the honor when he prepared this rule of coming to my office and submitting it to me. I was misled by the language "the general rules of the House." Had the gentleman inserted the language "special rules of the House" I would have understood that it was considered like Calendar Wednesday; but "the general rules of the House" would indicate to me, and did to all of us who were behind this proposition, that it would be considered like any other bill that comes up and continues from day to day. Will the gentleman kindly explain that?

Mr. CRISP. I am sorry my friend was misled. I am sure he knows that it was unintentional on my part——

Mr. NELSON of Wisconsin. Entirely so.

Mr. CRISP. And I made no statement to mislead the gentleman except to let him read the rule as drafted.

Mr. NELSON of Wisconsin. The gentleman is correct.

Mr. CRISP. I want to say further to my friend, if he was misinformed then as to the meaning of that rule, he did me the honor to be present here when I was discussing the rule on the floor of the House.

Mr. NELSON of Wisconsin. May I say to the gentleman——

Mr. CRISP. Let me finish this, please, and then I will yield. I want to answer the question. If the gentleman will turn to the page he will find where they asked me what was meant by the "general rules," and I said if a bill was up, it was up under the general rules, and clause 4, Rule XVI, applied; and that when a measure was up for consideration it was considered under the general rules of the House, open to amendment, debate, and so forth; that you could move to amend, to close debate, to refer, to postpone, to lay on the table, or do anything with it that the general rules authorized.

Mr. NELSON of Wisconsin. I wish to withdraw the word "mislead," because the gentleman could not——

Mr. CRISP. I understood the gentleman did not mean anything. We are very close friends.

Mr. NELSON of Wisconsin. I understood then, and we did generally understand, that that day was picked out in which to bring up a motion to discharge and that we would have other days to consider it, and because my distinguished friend said that on the floor, and undoubtedly because it also led others to vote that way, that the gentleman, my friend BARKLEY, asks now a ruling from the Speaker without any desire to appeal from the Speaker's ruling. Now, then, the gentleman knows the measure also contained these words, "shall have the highest privilege." Now, was not it his intent that we should give it a continuing privilege?

Mr. CRISP. No; my idea in writing "highest privilege" was for the purpose of making the motion to proceed with the consideration—if it was possible for this House to make one motion superior to all others—to make that motion superior and of the highest privilege so as to try to cut off a proposition which the gentleman from Illinois has just argued to the Speaker. If there are two highly privileged motions and gentlemen contending for recognition by the Speaker it is entirely discretionary with the Speaker as to which one he will recognize, and there is no appeal from the decisions of the Chair in question of recognition, and I was trying to scotch that proposition by putting in the rule a motion to proceed to the consideration that would be of the highest privilege, so if anybody else was up contending for recognition on a privileged bill we could argue with the Speaker this would take that matter out of the ordinary procedure and made it of the highest privilege, and he would have to recognize them to make a motion to proceed to the consideration of the bill just taken from a committee. These were the thoughts in my brain when I used those words.

Mr. NELSON of Wisconsin. If the gentleman will yield for another question——

Mr. CRISP. I hate to take up so much time of the House.

Mr. NELSON of Wisconsin. The committee changed the words from "highest privilege" to "high privilege." Does the gentleman think that would deprive us now of a right of way over an appropriation bill?

Mr. CRISP. Well, it would be tenable to argue that the use of the words "high privilege," if a motion was made to proceed with the consideration of another privileged matter, gave preference to the motion to consider the discharged bill, and I feel confident that would be persuasive with the Speaker to give prior recognition to this motion first.

Mr. NELSON of Wisconsin. One more question, if I may. The gentleman used the language "shall proceed to immediate consideration."

Mr. CRISP. Yes.

Mr. NELSON of Wisconsin. What is the force of "immediate"?

Mr. CRISP. So as to prevent any dilatory motions coming in. I apprehended we might be met with the very situation of yesterday; a filibuster by numerous motions to adjourn, to reconsider, motions to lay on the table, motions to do this, that, and the other, and roll calls, and that is why I put in "shall proceed immediately," which cuts off all of these motions coming in and required the House to vote at once on the motion to consider.

Mr. HASTINGS. Will the gentleman yield?

Mr. CRISP. I do not think it is fair to the House that I should take up so much time.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CRISP. I yield to the gentleman from Oklahoma, and then I will yield to the gentleman from New York.

Mr. HASTINGS. Now, let us assume that the House has assembled on the third Monday of this month. Under the rules of the House the Consent Calendar is in order. I would like to hear the gentleman discuss whether a motion to consider this bill would be in order over the bills upon the Consent Calendar on the third Monday of this month?

Mr. CRISP. I will answer the gentleman very easily. You have had a discharge here for many years. The discharge rule was put at the tail end of the suspension rule. You first had the Consent Calendar business and then the suspension business, and when that was over, which contingency never arose, then it was in order to call up the discharge rule. The House always adjourned for the day before the discharge rule was reached. As I said, I wanted a discharge rule that would work. The discharge rule will never clog the calendar, because it takes 150 signatures to get a motion to discharge on it, and if a discharge rule did not come up the first thing it would be but a dead letter, and therefore in redrafting the rule I put the discharge rule first, so the motion would be reached and the rule work so the House could go on record as to whether or not it wanted to discharge a committee. That was the purpose. I yield to the gentleman from New York.

Mr. LAGUARDIA. If the second vote for the immediate consideration of the bill after the discharge of the committee had not been taken, would the bill be in a better position than it is by reason of the fact that the second vote required immediate consideration? Because if the gentleman will look at the second clause there, he will find that it says if the House by vote decides against immediate consideration of such a bill or resolution "it shall be referred to its proper calendar and be entitled to," and so forth. Therefore if the vote had been adverse, instead of favorable, would the gentleman contend that the conditions of the bill are alike?

Mr. CRISP. I think the bill is in better condition, and a more advantageous parliamentary position, by virtue of the House having decided to consider it. In drafting the rule I thought that the House might want to discharge a committee and might not care to consider the bill on that day. So the rule provided that they could discharge, and if they did not care to proceed with the consideration of the bill it could go to the appropriate House Calendar.

However, the second proposition puts it before the House, and if they desire to proceed with it, they can do it. This bill is now on the Union Calendar and the unfinished business on suspension days. When a bill comes in by report from a committee or by discharge from consideration it must go to one of the three calendars of the House or to the Speaker's table. But only bills from the other legislative branch go to the Speaker's table. There are only three receptacles where that bill can repose in the House. One is on the Union Calendar. Bills of a public nature, making a charge on the Treasury, go to the Union Calendar. Other bills of a public nature, not making a charge on the Treasury, go to the House Calendar, and all private bills go to the Private Calendar; so that this bill in my judgment is on the Calendar of the Committee of the Whole House on the state of the Union, and it is also the unfinished business on suspension day.

Mr. SHALLENBERGER. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. SHALLENBERGER. I would like to submit this proposition to the gentleman from Georgia, because of the fact that the House recognizes his ability in the House as a parliamentarian and on account of the further fact that he is the author of the rule. There are two distinct provisions in this rule, as it seems to me. The first is the authority to call up the bill on a certain day under this rule. That provision of the rule provides that it can only be done on a certain day. The second provision of the rule is that if the House desires to vote, it can vote on the question of consideration. That part of the rule is made a matter of high privilege.

Mr. CRISP. The motion to proceed to consider.

Mr. SHALLENBERGER. Does not that motion go to the bill? Is not the only reason under the rule why the gentleman from Illinois [Mr. MADDEN] now arises and asks the House to give consideration to his bill, not because the bill is privileged but that the motion is privileged?

Mr. MADDEN. Let me interrupt the gentleman. This bill is privileged that I am trying to get before the House.

Mr. SHALLENBERGER. It is privileged because the motion is privileged.

Mr. MADDEN. The bill itself is privileged.

Mr. SHALLENBERGER. If the gentleman's motion were not privileged, he could never get the bill before the House. The bill is privileged because the motion is privileged.

Mr. MADDEN. Not at all. The bill is privileged, and so is the motion.

Mr. SHALLENBERGER. The motion is privileged, and therefore it follows that the bill is privileged under the rules.

Mr. CRISP. Mr. Speaker, I wish to resume, at the point where I was diverted, by presenting the facts to the Chair as to my judgment why this bill goes over to the next suspension day.

This discharge rule is not a separate, distinct, independent rule, but it is an integral part of Rule XXVII, which is a suspension rule. It is clause 4 of the suspension rule. That suspension rule is only workable on the first and third Mondays of each month. The House has a Calendar Wednesday rule only workable on Calendar Wednesday. Under the rule the second and fourth Mondays are set apart for District of Columbia business, only workable on those days. The rules provide that on Fridays it is in order to move to take up the Private Calendar. That motion can not be made except on those particular days.

Now, when you construe the whole set of rules together, any matter called up on any of those special days goes over as unfinished business until the days when that particular class of special legislation or business comes up. There are rulings that where a motion is called up on suspension day to move to suspend the rules, and the motion has been seconded, this undoubtedly puts it before the House. The House then is considering it, and if the House adjourns and the matter is undisposed of, it goes over until next suspension day. If a bill is called up on Calendar Wednesday and the House considers it and does not finish it, under the undisputed precedents of this House it does not come up on Thursday, but goes over until the next Calendar Wednesday, and comes up as unfinished business on the next Wednesday. Bills from the Committee on this District of Columbia not concluded on Monday do not come up on Tuesday, but go over until District of Columbia business is next in order and come up as unfinished business. That is also true as to bills on the Private Calendar. And in my judgment this bill, being in order only to be called under Rule XXVII, which is a special suspension rule, the rule only working on the first and third Mondays of each month—to my mind it is conclusive that if business called up under its terms is undisposed of it goes over until the day when that class of business, to wit, business under the suspension rule, is next in order, the first and third Mondays; and I think the point of order is good. [Applause and cries of "Rule!"]

Mr. COOPER of Wisconsin. Mr. Speaker, I would like to ask the gentleman from Georgia a question.

The SPEAKER. Does the gentleman from Georgia yield to the gentleman from Wisconsin?

Mr. CRISP. Yes.

Mr. COOPER of Wisconsin. The rule governing Calendar Wednesday specifically provides that certain bills shall be considered only on Calendar Wednesday; that certain bills on the Private Calendar shall only be considered on a certain day, and it specifically mentions the bills. This rule—27—provides that the motion to discharge a committee shall only be heard on certain days, but it does not say that the bill called up shall be considered only on those days, but it shall be considered under the general rules of the House. It does not say that they shall be considered only on Monday. The motion can be taken up only on Monday, but the bill itself is considered under the general rules.

The gentleman from Illinois [Mr. MADDEN] has brought up the question of the privilege of a general appropriation bill. That is true, but it is not privileged as against Calendar Wednesday, because Calendar Wednesday has a specific rule applying to bills and mentions the bills which can be heard on that day. That is not the case here. Here is a motion which can be taken up only on Monday, but a bill called up can be considered under the general rules. The cases are not similar.

Mr. CRISP. In answering the gentleman let us consider the history of Calendar Wednesday. Under the order of business rule they had a morning hour for the call of committees, and under that hour you could not take up a bill which made an appropriation or which was a charge on the Treasury. It was contended that under the congestion of business here it was impossible to get up public bills unless they had a privileged status. The rules provided for the consideration of private bills, and you had Private Calendar days, Fridays, but there was no general rule setting apart a day or an opportunity to consider public bills, especially those that were a charge on the Treasury. So they adopted the Calendar Wednesday rule, and that rule made it in order for a committee, when it had the call, to call up any bill it had previously reported of a public nature. Private bills can not come up on Calendar Wednesday. You can not get up an appropriation bill under the Calendar Wednesday rule, but any bill of a public nature, nonprivileged in character, whether it made an appropriation or not, is in order on Calendar Wednesday, and that is the history of the Calendar Wednesday rule. I do not think it conflicts at all with this rule. It is one of the general rules of the House, and all of the general rules must be construed together.

Mr. NELSON of Wisconsin. Mr. Speaker, I will not thrash over the same things. Some of us who are very much interested in the rule that is being considered desire the Speaker, because of his fairness, his large experience with the decisions of the House, and also his long experience under the rules, give us an interpretation of this rule as he sees it.

We believe that it had a much larger scope than the gentleman from Georgia [Mr. CRISP] has indicated, and the Speaker also, the other day. We hoped that it would enable the will of the House to function effectively, but if it shall be narrowed to the channel of only two days a month and then shall be subject to a continued filibuster, of course, it can not be expected to work the will of the House. It may, therefore, need to be strengthened and enlarged. I had the promise of the distinguished chairman of the Committee on Rules and of individual members of the committee, publicly and privately, that we should have an opportunity to consider further amendments to the rules in the House this Congress. I wish to say that, after going over all the proposed changes introduced by me, I have not urged further consideration by the committee, because there was a multiplicity of other things pressing for attention; but I hope that at the end of the vacation we can take up these proposed reforms in our rules for further consideration in the House. Moreover, I have been expecting the gentleman from Massachusetts [Mr. LUCE], who presented some very splendid suggestions, and the gentleman from Ohio [Mr. BURTON], who has other thoughts of revision, to commence to press for consideration.

Now, if we can have a ruling by our able Speaker, pointing out the deficiency as he finds it in this discharge rule, and see it tested under a filibuster, we can amend the rule so that it will work as was intended. I invite the decision of the Chair and shall cheerfully abide by it. I would prefer to rev.se it

in the Committee on Rules than by an appeal from the decision of the Chair, should the ruling be adverse to our contention.

Mr. GARRETT of Tennessee. Mr. Speaker, if I may have just two or three minutes?

The SPEAKER. The gentleman may have as much time as he desires.

Mr. GARRETT of Tennessee. Of course, I realize that the statements of the gentleman from Georgia [Mr. CRISP], who was the author of this rule in its present form, will necessarily have very great weight with the Chair in construing it, and because of my great respect for the parliamentary skill and ability of the gentleman from Georgia I hesitate very much to express an opinion different from his as to the construction of the rule.

Nevertheless, Mr. Speaker, I do not concur with him in his construction. It has been my idea that the motion to discharge, and that alone, was confined to certain Mondays. I do not believe that the motion of the gentleman from Kentucky [Mr. BARKLEY] is of higher privilege than the motion made by the gentleman from Illinois [Mr. MADDEN], but I do believe that under a proper construction of the rule the motion of the gentleman from Kentucky would be a privileged motion equal in dignity to the motion made by the gentleman from Illinois. So that if the House should choose to vote down the motion made by the gentleman from Illinois, and other motions of a privileged character, until it reached the point where it could pass upon the motion presented by the gentleman from Kentucky, it seems to me it would be in order.

It has seemed to me that under the language of the rule—construing it as it expresses itself and not by what was said in debate at the time of its adoption—that its fair meaning would be that after the House had once determined to discharge and then had adopted a motion to go into immediate consideration, if it were a Union Calendar bill, such as the particular one was yesterday, that it would become the unfinished business at the conclusion of the committee's sitting for that day, to be taken up when the House again determined it should go into Committee of the Whole House on the state of the Union for its consideration, and not go over as special business until some succeeding Monday.

I think the expression "under the general rules of the House" does not refer to special days. I think the expression "under the general rules of the House" has reference to the question of whether it is a Union Calendar bill or a House Calendar bill; that it means that if it be a Union Calendar bill, then the House shall go into Committee of the Whole to consider it.

If it be a House bill, then it would be considered in the House and not in the Committee of the Whole and the general rules of debate would apply to it. I think that is what the expression "general rules of the House" means. Now I yield to the gentleman from Wisconsin.

Mr. NELSON of Wisconsin. I would like to ask the distinguished leader of the minority, who is also a member of the Committee on Rules, if in all of our consideration of this motion in the committee, whether the suggestion that it would be under the special rules of days ever arose in his mind or if he heard anyone else suggest that idea?

Mr. GARRETT of Tennessee. Before the Committee on Rules?

Mr. NELSON of Wisconsin. Yes.

Mr. GARRETT of Tennessee. I do not think so. I do not recall that question being raised before the Committee on Rules. I do recall what was said by Mr. CRISP during the debate on the floor of the House.

Mr. NELSON of Wisconsin. I mean that was the only instance of that kind.

Mr. GARRETT of Tennessee. Yes.

Now, Mr. Speaker, if the motion to consider had not been passed yesterday, then the bill would have taken its place on the calendar and could have been considered only on Calendar Wednesday or, of course, under some special rule brought in by the Committee on Rules if the Committee on Rules had seen fit to do so; but it having been taken up yesterday, the committee having been discharged and it having been taken up for consideration, it does seem to me that it has now a status which entitles it to consideration upon any day that a privileged bill reported from any committee would be entitled to consideration, if the House by a majority vote wishes to consider it.

Mr. DENISON. Will the gentleman yield for a question?

Mr. GARRETT of Tennessee. I yield.

Mr. DENISON. The gentleman holding those views does not agree with the gentleman from Georgia that if this bill goes over until the third Monday, it will not have any special privilege over other suspension business of that day.

Mr. GARRETT of Tennessee. Did the gentleman understand that the gentleman from Georgia made that construction?

Mr. DENISON. I understood him to say so.

Mr. CRISP. If my friend will yield, I tried to make it plain that, in my judgment, this bill would come up the first thing as unfinished business on the next suspension day.

Mr. GARRETT of Tennessee. That is the conclusion I understood the gentleman from Georgia to state. Of course, if the House should vote it down, then the House would go on with the other business on that day's calendar; but if the House votes it up, then, of course, you destroy the Unanimous Consent Calendar and suspensions and everything else; but under the construction of the gentleman from Georgia it is the first order of business on that Monday.

Mr. DENISON. Does the gentleman from Tennessee agree with the gentleman from Georgia in that respect?

Mr. GARRETT of Tennessee. Yes. If it is to be held that it is only in order on Mondays, then I do agree with that construction.

Mr. NELSON of Wisconsin. Will the gentleman yield for a further inquiry supplemental to my other question?

Mr. GARRETT of Tennessee. I yield.

Mr. NELSON of Wisconsin. Does not the gentleman think that when the Committee on Rules considered this bill and our amendment to the Unanimous Consent Calendar that if we had thought for a moment the ruling would be that this bill would only be considered on suspension day we would have taken care of suspension and unanimous-consent matters in a better way than we have? We have destroyed them utterly if this suggested ruling prevails.

Mr. GARRETT of Tennessee. I can not answer what would have been in the minds of the various members of the Committee on Rules if that construction had been then laid before them.

Mr. MOORE of Virginia. Mr. Speaker, I will only detain the House a few minutes. I was one of those who voted to discharge the committee because I thought the House was entitled to consider the bill. Personally I think from many points of view it would be undesirable to make the rule more drastic than it is, but yet I think our friends upon the other side must recognize—I am not saying this in any censorious way—if we have many such performances as we had yesterday, a majority of the House, which stands for this discharge rule, will make it more drastic. [Applause.]

Mr. Speaker, so far as the point or order is concerned, I concur in the view expressed by my esteemed friend, the gentleman from Georgia [Mr. CRISP].

If this were a case in court, as I understand, ordinarily the court finding that when the law was before the legislative body there was an interpretation given to it by its author and given it throughout the proceedings, and absolutely uncontested the court would almost, as a matter of course, accept that interpretation, and that is the condition we have here. The Supreme Court, for instance, should it find that Mr. Madison of Virginia offered some provision in the constitutional convention and in debate his interpretation of that provision had been acquiesced in by the convention, the court would take that interpretation as practically final.

Mr. Speaker, there is another consideration. Not only are we, the gentleman from Georgia [Mr. CRISP] and myself and some others, bound by the view which we expressed in the course of the debate, but the House, it seems to me, is in a large sense bound by the very circumstance that that view was not contested.

What was argued in the House when the rule was before the House? It was strongly argued that a group of 150 Members might bring forward any bill, however voluminous, have the committee discharged, have the bill taken up for immediate consideration, and then the consideration protracted indefinitely during the following days and the following weeks. That was the argument, and that argument had to be met, and that argument was met by the construction which was given to the rule by the author of the rule himself, and apparently agreed to by the House.

Connected with this is a very common principle that the courts lay down, and that is, that the matter of convenience should properly be taken into account.

If it is true, whether we wish it to be true or not, if it be true that the measure taken up under the discharge rule on a certain Monday shall be continued as the order of business without any limit, then it is certainly true that it would be possible to confine the House to the consideration of one par-

ticular measure for no telling how long, which might greatly embarrass the House and be detrimental to the interests of the country.

Mr. BARKLEY. Will the gentleman yield?

Mr. MOORE of Virginia. Certainly.

Mr. BARKLEY. Might not that obtain under the consideration of any bill regardless of how it might come up? It is a fact that this bill comes up under a rule which gives it a peculiar consideration different from any other bill under consideration in the House.

Mr. MOORE of Virginia. I thought my friend in discussing the point of order submitted the suggestion that inasmuch as the bill was taken up yesterday and its consideration not concluded that it has a continuing privilege status.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. MOORE of Virginia. Yes.

Mr. LAGUARDIA. What the gentleman has said about the intent of the rule as manifested in the debate on the floor of the House is true. The gentleman will recall that when the distinguished chairman of the Committee on Rules [Mr. SNELL] took the floor in opposition to the motion of the gentleman from Georgia [Mr. CRISP] the chairman of the committee made this significant statement:

> Let us see just what might happen if you discharged a committee from an important bill, like the railroad bill, water power bill, farm credits, forestry, or others I might mention. Now, what would be the situation if one of those pieces of legislation was suddenly taken to the floor of the House without any previous consideration by the committee, without the information and facts always presented by the committee? What would happen if, for example, my friend NELSON discharged the committee and brought the railroad bill onto the floor for consideration? I predict that after it had been considered by the House two or three days under the chaotic conditions that would prevail, it would be kicked bodily out of the House.

Mr. SANDERS of Indiana. That does not say on consecutive days.

Mr. MOORE of Virginia. Well, let us assume that the chairman spoke of two or three consecutive days. I do not think a fugitive utterance by the chairman of the Rules Committee can be put against what seems to be the conclusion of the House itself, if we can infer anything from the debate.

Mr. LAGUARDIA. The utterance of the chairman of the Committee on Rules as to what would happen to the railroad bill I do not think can be called a fugitive statement.

Mr. MOORE of Virginia. Well, perhaps not. While I have stood with my friend from Kentucky [Mr. BARKLEY] and have voted for the discharge of the committee, I am simply obliged now on a question of how the rule should be interpreted to stand with my friend from Georgia [Mr. CRISP].

There is one other thing that is in the minds of some gentlemen, and that is that two weeks hence they intend to raise the question as to whether the bill, which has been partly considered, will have a privileged status on the Union Calendar. It is just as clear from the debate as it is clear from the debate that the bill is not entitled to continued consideration; that if the House does not conclude the consideration of a bill on the Monday when it is taken up then on the following suspension day it will have a status that would entitle it to consideration in preference to other bills. The House was of that opinion.

Mr. DENISON. Will the gentleman yield?

Mr. MOORE of Virginia. I will.

Mr. DENISON. If that construction proves to be true, the effect of the discharge rule would be to absolutely do away with suspension and unanimous-consent bills during the rest of the session of Congress if a bill like the Barkley bill is brought up.

Mr. MOORE of Virginia. I think the gentleman goes too far in assuming conditions that may not often exist. I am simply forestalling a point that I predict is going to be made two weeks hence, namely, that the bill is not entitled to a privileged consideration.

The SPEAKER. Gentlemen will confine themselves to the point of order.

Mr. MOORE of Virginia. I was only anticipating a little.

Mr. COOPER of Wisconsin. Mr. Speaker——

[Cries of "Vote!" "Vote!"]

Mr. COOPER of Wisconsin. Mr. Speaker, there is no Member of the House for whom I entertain a more sincere respect than I have for the gentleman from Virginia [Mr. MOORE]. I served with him on the Committee on Foreign Affairs and know his great learning and ability and his fairness. But he has just made a statement with which I can not at all agree. I refer to the statement with which he prefaced his remarks, that he and the gentleman from Georgia [Mr. CRISP] are bound by what they said in debate as to the meaning of the rule we are now considering. Now, I can not believe that the distinguished gentleman from Virginia will hold himself to be bound by what he said in that debate, if convinced that he was wrong.

The Supreme Court of the United States reversed itself in the legal tender cases, two of the most important that ever came before that eminent tribunal.

And surely if the Supreme Court of the United States can reverse itself, it would not be unconscionable for the distinguished gentleman from Virginia to think that he is not absolutely bound by something he carelessly said in debate here. No, Mr. Speaker, the proposition laid down by the gentleman from Virginia is not sound in either law or ethics.

Gentlemen have dwelt upon what was said in the debate on the rule. Now, in law, the conversation and negotiations preliminary to the making of a written contract are merged into the contract itself; and in interpreting it the question is, What does the written instrument itself mean?

The question before us now is not what was said in debate before the rule was adopted, but what is the fair interpretation of the rule itself in the light of what it was intended to accomplish?

Mr. Speaker, this rule was brought onto the floor and adopted because sometimes committees deliberately strangle bills. Of this there is no doubt. One of the newspapers in this city some years ago editorially charged the packing of a certain committee in Congress, and if it were necessary I could enumerate important measures that have been deliberately pigeonholed in committee despite the fact that a clear majority of the House wished to consider them. The rule now before us was introduced for the purpose of putting a stop to that evil practice and to bring onto the floor measures that a majority of the Members might think ought to be considered.

Gentleman are, it seems to me, asking the Chair to make an extraordinary ruling. And here I beg the indulgence of the Chair while I read something with which he is, of course, perfectly familiar but the reading of which may perhaps bring more clearly to his attention the point that I wish to make.

The arguments of my distinguished friends, the gentleman from Virginia and the gentleman from Georgia, are based largely upon an alleged analogy or similarity between this Rule XXVII and the procedure under it ,and the provisions of, and the practice under, the two special rules relating, respectively, to the Private Calendar and to Calendar Wednesday. I read from the special rule for the Private Calendar:

> On Friday of each week, after the disposal of such business on the Speaker's table as requires reference only, it shall be in order to entertain a motion for the House to resolve itself into the Committee of the Whole House to consider business on the Private Calendar in the following order: On the second and fourth Fridays of each month preference shall be given to the consideration of private pension claims and bills removing political disabilities and bills removing the charge of desertion.

It will be observed that there is in the special rule for the Private Calendar an express provision that certain bills shall be considered on certain days. The word "bills" is used, and the days on which those bills are to be considered are expressly mentioned. In a similar way the Calendar-Wednesday rule in specific terms provides that under certain conditions certain "bills" are to be considered on Calendar Wednesday. But this rule that we are discussing and asking the Speaker to interpret contains no such provision fixing definite days for considering bills. It provides that on the first and third Mondays motions shall be in order to discharge committees; that such motions are privileged; and that if such a motion is carried, a motion may then be made that the House proceed to the immediate consideration of the bill or resolution.

It further provides that if the motion shall be decided in the affirmative the bill shall be immediately considered under the "general rules" of the House. But Rule XXVII, that we are considering, does not say that the bill thus brought up shall be considered only on the first and third Mondays of the month. Ordinarily, under the general rules of the House, if consideration of a bill is not completed on Monday it becomes unfinished business, and a motion to take it up will be in order on the next day. Mr. Speaker, gentlemen are asking an interpretation of Rule XXVII which would so change it that instead of providing, as it now does, that the bill shall be immediately considered under the general rules of the House, it will provide that the bill shall be immediately considered on the first and third Mondays of the month, a construction which absolutely violates the very purpose for which the rule was suggested and voted for by its friends. I suggest, Mr. Speaker, that, regardless of what

was said in debate on this floor, to interpret that rule now to mean that we can take the bill up only on the first and third Mondays of the month is to insert into the plain language of the rule other language which, in my judgment, violates its whole spirit and intent.

Mr. WINGO. Mr. Speaker, the rule under consideration is embodied in paragraph 4 of Rule XXVII. It has three separate and distinct substantive propositions—first, the motion to discharge the committee; second, the motion for immediate consideration; and, third, the consideration of the bill itself. The rule specifically provides the time and the manner for the consideration of each of those three propositions. It provides that the motion to discharge shall be in order on the first and third Mondays. Nowhere else in the rule does the proposition about the first and third Mondays apply. It provides that when the motion to discharge has been adopted it shall then—the word "then" fixes the time—be in order to move the immediate consideration of the bill. The rule also provides that if the motion for immediate consideration be decided in the affirmative the bill shall be considered—how and when?

As to time, it says immediately. How, under the general rules of the House? The words "under the general rules of the House" do not apply to the time it shall be in order to consider it but the rules under which its consideration shall proceed. It applies to the method of consideration, the rules governing consideration, not the time when it may be considered. The time is immediately. Now, the gentleman from Georgia [Mr. CRISP] says that you could very easily have added certain words and have made it a continuing order. Why, with equal force it could be urged that if it were intended to consider it other than immediately you could have written in the words "on the first and third Mondays shall be considered under general rules of the House." But the House did not do that. So, in considering this point of order the Speaker does not consider the motion to discharge or the motion to proceed to immediate consideration. He considers only the last proposition, the time when and the rules governing procedure. What is the meaning of the words "the bill shall have immediate consideration under the general rules of the House"? Let us see what the House decided. What happens if you do not decide in the affirmative? The rule contains just what the contention of those who are supporting this point of order contend, but only when the motion for immediate consideration is negatived.

The rule contains a provision that the status of this bill shall be what the proponents of this point of order urged in the event the consideration motion fails. What is its present status if the motion to consider immediately is voted down? What is it? Then it takes its regular place on the Calendar. And then what? If the House shall by a vote decide against immediate consideration it shall be referred to its proper calendar and be entitled to the same rights and privileges that it would have had had the committee to whom it was referred duly reported the same to the House for its consideration. That is the exact language of the rule. That is the contention upon which this point of order is brought up to-day, that this bill is on the Union Calendar, that it has no right other than on the first and third Mondays to be considered as a general proposition, and if the Chair sustains the point of order he will have to be confronted with this proposition, that it will be on the Calendar considered under the general rules of the House, with no specific direction of any particular day on which it shall be considered, and the theory of those who make this point of order to-day, if followed to its logical conclusion, will impel them when the third Monday arrives to raise the point of order that it has no particular privilege on that day, but that the Speaker may elect to take any one of three classes of bills in order on that day, this particular bill being only one of those classes. That will be the logical conclusion of those who support this point of order. I submit the further contention that you must not confuse a restriction of time governing consideration of the discharge motion with the language of the rule with reference to the consideration of the bill after the discharge motion is adopted. "Immediately" means immediately. So that this bill is the unfinished order of this House under this rule, adopted after all the other rules have been adopted, or else it is on a calendar subject to the general rules of the House and having no other right than it would have had if the Committee on Interstate and Foreign Commerce had reported it favorably, but the rule specifically provides that condition shall only exist where there is a negative vote against the motion for immediate consideration. The House did not give that negative vote, it gave an affirmative vote, and it gave it that privileged status that the House can not ignore.

The SPEAKER. The Chair appreciates that this is an important question, because it is a precedent for the future conduct of the House under this rule. Let us consider the exact parliamentary status. The Chair recognized the chairman of the Committee on Appropriations to move to take up an appropriation bill which was partly finished. As against that the gentleman from Kentucky [Mr. BARKLEY], who has charge of the bill considered yesterday under the discharge rule, moved to take up that bill, claiming it had a higher privilege. In order to recognize the gentleman from Kentucky it must be shown that it has a higher privilege than an appropriation bill because if they are of equal privilege the Chair has the discretion in recognition, and that is conclusive. Therefore it must be maintained that this bill from which the committee was discharged has a higher privilege than an appropriation bill. The clause of the rule which we must interpret reads:

> If the motion prevails, it shall then be in order for any Member who signed the motion to move that the House proceed to the immediate consideration of such bill or resolution (such motion not being debatable), and such motion is hereby made of high privilege; and if it shall be decided in the affirmative, the bill shall be immediately considered under the general rules of the House.

It is to be observed that the bill itself is not made privileged. Privilege is given only to the original motion to consider the bill; and the question which has been debated and which is really in issue is whether that applies simply to suspension days and so would not come up again for two weeks, or whether it is a continuing privilege and applies to-day.

It seemed to the Chair that the argument made by the gentleman from Georgia [Mr. CRISP], who was the author of the rule and its main advocate and proponent in the House when it was debated, very lucidly and, conclusively stated the meaning of that rule. Of course, it could be, by the mere phraseology of the rule, interpreted either way. It could be held to be privileged every day or only Mondays. The fact that it was made a clause of Rule XXVII, the suspension rule would have some weight.

Then also the well-established law that business which is in order on a special day, if it is not finished, goes over to the next special day is a suggestive analogy. We have become accustomed to it on Calendar Wednesdays and on suspension days and on the Private Calendar days, and it would seem to apply here. But what seems to the Chair conclusive is that when the rule was under consideration in the House the gentleman from Georgia, who was the author and chief advocate of the bill, stated in language which has been quoted on the floor—stated very explicitly—that the intention of the rule was that if a committee was discharged and the bill was not finished on that day it would go over until the next suspension day.

Now, that was stated more than once by him. It was in response to inquiries from Members as to what the proper interpretation of the rule was; and it seems to the Chair that it is very conclusive as to the meaning which the House, when it adopted that rule, understood and intended by it; that the House understood at the time that the business under that rule, if it came up on one Monday, as yesterday, and was not completed, went over for two weeks; and while in the courts it may not be allowed to ascertain the meaning of a law by examining the debate in the legislature, it seems to the Chair it is different here. The House only at this session debated this question and adopted this rule. The House was informed by the author of the rule what was intended. There was no remonstrance or difference of opinion that the Chair has been able to find at the time. The House apparently acquiesced in his explanation. And so it seems to the Chair that he is carrying out the purpose of the House in adopting this rule by deciding that the House intended that this language, which might be given either interpretation, was intended to mean that the business should go over for two weeks. So the Chair sustains the point of order.

Mr. BARKLEY. Mr. Speaker, I understand the Speaker holds that only for purposes of clarity, because the Speaker mentioned the fact of priority between the motion of the gentleman from Illinois [Mr. MADDEN] and mine. Regardless of the question of priority as between the gentleman's motion and mine, the Chair holds that it is not in order for me to-day to move to consider the bill?

The SPEAKER. Yes.

DISTRICT OF COLUMBIA APPROPRIATION BILL

The SPEAKER. The gentleman from Illinois [Mr. MADDEN] moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District of Columbia appropriation bill. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Illinois [Mr. GRAHAM] will resume the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District of Columbia appropriation bill, with Mr. GRAHAM of Illinois in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District of Columbia appropriation bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes.

The CHAIRMAN. The Clerk will proceed with the reading of the bill for amendment.

Mr. CRAMTON. Mr. Chairman, before the Clerk reads I move to strike out the last word.

The CHAIRMAN. The gentleman from Michigan moves to strike out the last word.

Mr. CRAMTON. Mr. Chairman, when this committee was last in session the gentleman from Tennessee [Mr. BYRNS] had spoken with reference to the undue delay in developing proper school facilities for the District, and I want just for a moment to supplement what he said by stressing a different angle of the case.

The custom here with the Board of Education and the superintendent of schools and the assistant superintendent of schools is to indulge about this time in the year in a daily attack upon Congress, the niggardliness of Congress, and so forth. Of course, it is another story, the fact that when we propose to enact legislation that will permit the District to secure greater facilities of this kind by a little increase of taxes we are pilloried for that. That is aside from what I wish to speak about now. I want to call attention now and challenge the attention of the press of the District, if possible, and challenge the attention of the District authorities to this fact: That after they get by the Budget and after they get by Congress and an appropriation is given for a needed school building there is an undue delay, a scandalous delay, in securing the building after the Board of Education has been given the appropriation.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. In a moment. I would like to finish this statement.

Two years ago there were two items for substantial increases in the accommodations for the schools, two items necessary for further accommodations. It was definitely known in January what they would be. The bill became a law on the 28th of last February—on the 28th of February, a year ago. One of these items was $130,000 for the building for the Raymond School, somewhere northwest, between Sixteenth Street and Georgia Avenue. That money was made immediately available on the 28th of February for a new school building to provide 336 seats. But they did not ask for bids until the next December following.

It was 9 or 10 months after the money was available in the Treasury before they got around to advertising for bids. As I say, they advertised for bids on the 1st of December and it took them until the 22d of April to award the contract, five months after they had advertised for bids, and it is expected it will not be completed until February, 1925, two years after the money was available.

Again, out in Tennallytown, the Tennally School, there was $160,000 to provide 336 seats, and the latest information I have, given to me by the superintendent of schools within the last week, is this, "Plans being developed." Plans being developed a year and three months after the money was available.

Tell me that Congress is entirely to blame for the lack of school facilities. "Probable completion in January, 1925." I say it is time these District authorities should have some plans developed before they come to Congress asking for a building, so that when they get the money they will be ready to go ahead and provide the classroom facilities which are needed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ABERNETHY. Will the gentleman yield for a question?

Mr. CRAMTON. I am sorry, but my time has expired.

Mr. ABERNETHY. I move to strike out the last word, or rise in opposition to the amendment. I desire to call the gentleman's attention and the attention of the House to an editorial that appeared in, I think, the Herald of his morning, an editorial signed, I think, by Bill Price. It specifically calls attention to the $8,000,000 appropriation of the gentleman from Michigan, and also speaks of the House as being conspirators because we joined with him. I did not know whether the gentleman was acquainted with that editorial or not.

Mr. CRAMTON. I will be glad to give the gentleman this information if he desires it. That editorial was based upon the theory that the $8,000,000 amendment which I offered took the House by surprise and that it was sneaked in here in some underhand way. The truth is that on Tuesday night, when this House adjourned, I, in effect, gave notice that I was going to offer an amendment. The newspapers, including the Washington Herald, the Star, and the Post, had big headlines about it Tuesday night, Wednesday, and Thursday morning, either the Times or the Herald having a six-column headline calling attention to the fact that we were going to try to do that thing, so that everybody had notice. They talk about the fact that there were only 33 Members present when we voted. The fact is that everyone who was interested in that proposition was on notice and had a chance to be here, and the fact that they were not here is pretty good evidence that everybody was agreeable to that action. That is confirmed by the very general expressions of approval and the announcement that no effort will be made in the House to overturn the committee acion.

Mr. BLANTON. And it carried 8 to 1.

Mr. ABERNETHY. What about the conspiracy charges? they do not seem to affect the gentleman at all, the fact that the leading Washington newspaper calls him the leading conspirator.

Mr. BLANTON. That is not the leading paper.

Mr. ABERNETHY. Is it the News, or have they a leading paper here?

Mr. BLANTON. Yes. The Washington Star is the leading paper of this city, and everybody knows that.

Mr. ABERNETHY. I want to know who is the arch conspirator and who are the conspirators.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

For grading and making the water and sewer connections in the school site on Calvert Street near Connecticut Avenue, $5,000.

Mr. BLANTON. Mr. Chairman, on page 44, line 20, I move to strike out the words "water and sewer connections."

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 44, line 20, strike out the words "water and sewer connections."

Mr. BLANTON. Mr. Chairman, on Saturday I called attention to the fact that the property owners here have to pay only a small percentage of the expense of making water and sewer connections. The gentleman from Ohio [Mr. BEGG] said I surely must be mistaken. The gentleman from Minnesota [Mr. DAVIS] thought I was mistaken. He thought the law was different, but I assured him I had a letter from the auditor, over his signature, showing that that was the fact. I got permission to put that letter in the RECORD, and I did put it in the RECORD. I now want to read you from Auditor Donovan's letter, over his signature. Here is what he said about sewer connections:

For service sewers the law at present provides for a flat rate assessment of $1.50 per front foot—

That is exactly what I said—

with certain deductions made for corner property.

Now, listen. Auditor Donovan says:

This rate represents approximately 37 per cent of the cost of the work.

In other words, the property owner pays, according to the auditor's statement, only 37 per cent of the cost of making that sewer connection, and the District and the Government of the United States, 60–40, pay the other 63 per cent of the expense of making a sewer connection for the private property owner, and for all time to eternity the private property owner never has to pay another cent for that sewer connection and service. He gets it free every year, and that cost and maintenance is paid by the Government and the District every year 60–40.

I offered Saturday an amendment to this bill which would provide that hereafter the property owner should pay the full cost of the expense of making his own sewer connection, but it was voted down the other day, and at that time we did not have

over about 35 Members present. The newspapers complained that the District suffered because we had only 35 Members present. I want to say that the Government of the United States and this House suffered, because I proposed in that amendment to make the property owners pay the full expense of making their sewer connections, but it was voted down because the membership did not seem to understand it.

Mr. KEARNS. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. KEARNS. Does the gentleman mean to say that after a sewer has been put in and the property owner wants to use that sewer for the purposes of his residence or his business place the Government pays 67 per cent?

Mr. BLANTON. Sixty-three per cent by the District and the Government, and the property owner pays 37 per cent. We make the connection and the property owner never pays another cent thereafter for annual service.

Mr. KEARNS. The gentleman means the connection from the property out to the main sewer?

Mr. BLANTON. Why, certainly.

Mr. DAVIS of Minnesota. I will have to interrupt the gentleman from Texas, and say he is absolutely mistaken.

Mr. BLANTON. I want to read you again from Auditor Donovan's letter.

Mr. DAVIS of Minnesota. Let me tell the gentleman something.

Mr. BLANTON. I do not want the gentleman from Minnesota to take up all of my time.

Mr. KEARNS. I want to say that I put in a connection from my dwelling out to the sewer last summer, and I had to build it myself.

Mr. DAVIS of Minnesota. And that is the law in the District.

Mr. BLANTON. I wrote to the auditor and I was told these were the facts.

Mr. KEARNS. I did not mean here in the District, but I meant in my home town.

Mr. DAVIS of Minnesota. That is so here.

Mr. BLANTON. I understood that was the case, and I wrote to Auditor Donovan, and here is what he tells me over his own signature. If you will get the RECORD and look at page 8031 you will see his letter.

Mr. DAVIS of Minnesota. Will the gentleman explain what a service sewer is?

Mr. BLANTON. In a moment I will let the gentleman explain that.

Mr. DAVIS of Minnesota. Tell what a service sewer is. It is not the connection to the house at all.

Mr. BLANTON. I call a service sewer the sewer that furnishes service to the residence.

Mr. DAVIS of Minnesota. A service sewer is the sewer that runs along the street, and the owner of the house himself pays for the connection to the house and $1.50 per front foot is for the service sewer along the street.

Mr. BLANTON. Auditor Donovan, on page 8031, over his own signature——

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

Mr. AYRES. Mr. Chairman, we might just as well have an understanding now as any other time. I am not going to object this time; but, reserving the right to object, I want to say that I am going to object to an extension of time on every line of this bill if I have to make the point of no quorum.

Mr. BLANTON. Auditor Donovan, over his own signature at page 8031 of the RECORD, says:

> For service sewers the law at present provides for a flat-rate assessment of $1.50 per front foot, with certain deductions made for corner property. This rate represents approximately 37 per cent of the cost of the work.

The other 63 per cent is paid by the Government and the District in the proportion of 60–40.

Mr. DAVIS of Minnesota. Mr. Chairman, I wish to instruct the gentleman on what the practice is and what the law in the District is.

Mr. BLANTON. I am just telling you what Auditor Donovan states.

Mr. DAVIS of Minnesota. You misconstrue Mr. Donovan's language. The service sewer means the sewer running along the street in front of the property, and where a connection is made with his house the owner pays all of that himself, and for the service sewer along the street he is charged $1.50 per front foot. That is the practice here now and has been all the time. You have misconstrued the meaning of Mr. Donovan's expression, "service sewer."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The Clerk read as follows:

> The Commissioners of the District of Columbia are hereby authorized and directed to erect the school building for the care of tubercular children on such part of the site now occupied by the Tuberculosis Hospital as in their judgment may be best suited for such purpose, the said site being described on the tax records of the District of Columbia as parcels 84–134, 84–146, and 84–147, and the said building having been appropriated for in the act entitled "An act making appropriation to supply deficiencies in appropriations for the fiscal year ending June 30, 1921, and prior fiscal years, and for other purposes," approved June 16, 1921.

Mr. BLANTON. Mr. Chairman, I make a point of order against the paragraph that it contains legislation unauthorized in an appropriation bill.

The CHAIRMAN. What is the contention of the gentleman from Minnesota on this point?

Mr. DAVIS of Minnesota. I will state for the benefit of the gentleman and the balance of the House that the appropriation for this tuberculosis school building was made several years ago. The commissioners attempted to start the erection of this building on the site indicated here. The law did not specifically specify the particular site on which the school was to be erected and the Supreme Court of the District decided that, because of that omission, the building could not be built there. That is the reason we have put in this provision, and I am surprised at the gentleman making a point of order when the tubercular children of this District are suffering so immensely for proper school facilities. Of course, it ought to go in beyond all question.

Mr. BLANTON. Will the gentleman yield?

Mr. DAVIS of Minnesota. The money has been appropriated a long time, and this is simply a technicality that was raised because the property owners around there who wanted to build houses did not want a tubercular school in that vicinity. That is why there has been this delay, and I am surprised at the gentleman making the point of order.

Mr. BLANTON. Will the gentleman yield?

Mr. DAVIS of Minnesota. Certainly.

Mr. BLANTON. I want to return the compliment. I was surprised when the gentleman caused a point of order to be made against my proposal to give the 70,000 school children here a 5 instead of an 8 cent car fare. I proposed that, and the gentleman had a point of order made against my amendment and I was awfully surprised when he did that.

Mr. DAVIS of Minnesota. I could make a statement about the gentleman's point of order which was made the other day, but it would take perhaps too long a time. I will just say that he made a speech here on economy a few minutes before making that point of order, and then the question came up about limiting expenditures for draftsmen and other technical assistants in the architect's office, and the gentleman made a point of order that it was new legislation. It no doubt was, but they have always employed and will have to continue to employ special architects to do certain things, and the provision was inserted to put a curb on such expenses. I cut that down to 2½ per cent, and the gentleman made a point of order on the grounds of economy.

Mr. BLANTON. And my point of order did effect economy.

Mr. DAVIS of Minnesota. I am simply telling you the facts.

Mr. BLANTON. Well, both of us are surprised, so we are even.

Mr. DAVIS of Minnesota. I concede the point of order, but I am surprised, I will say, at the gentleman making the point of order.

The CHAIRMAN. The point of order is sustained, and the Clerk will read.

The Clerk read as follows:

> None of the money appropriated by this act shall be paid or obligated toward the construction of or addition to any building the whole and entire construction of which, exclusive of heating, lighting, and plumbing, shall not have been awarded in one or a single contract, separate and apart from any other contract, project, or undertaking, to the lowest bidder complying with all the legal requirements as to a deposit of money or the execution of a bond, or both, for the faithful performance of the contract: *Provided*, That no architect's fee shall be paid or obligated for plans, specifications, or any professional services whatever, unless they are such as will enable the Commissioners of the District of Columbia, or those letting a contract, to secure a legal bid within the amount authorized by Congress

for the building or other project: *Provided further*, That nothing herein shall be construed as repealing existing law giving the commissioners the right to reject all bids.

Mr. BLANTON. Mr. Chairman, I make a point of order against the first proviso, beginning in line 25, page 45. This is so worded that it is a veiled authorization seeking to give authority to pay outside architects' fees when we have a municipal architect here, Mr. Chairman, with various assistants in his office paid salaries by the people to do this work. I called attention to this once before and that is the reason this language is put in this bill. About two years ago, when the Eastern High School was built, there were nine buildings contracted for in the District at the same time, and every one of those nine contracts was let to nine outside architects and the architects were paid large fees when that work should have been done by the municipal architect for the District of Columbia. This is just an attempt to put legislation in this bill seeking to get around the point we made against such practice at that time; in other words, to give them authority to employ outside architects, and that ought to be stopped. We have an architect's office here and they have assistants and numerous employees in that office and they ought to do the work or else ought to give it up and let somebody else do it.

Mr. CRAMTON. Mr. Chairman, if the gentleman's point of order should be sustained and the language to which he takes exception stricken out, the result would be that out of the building appropriations for the schools outside architects might be employed without any let or hindrance. It would be entirely up to the Board of Education. There is no law to prevent them employing outside architects instead of the municipal architect, and the only purpose of this language—and it is not new language, because, as I recall, it was framed a year ago by the gentleman from Kentucky [Mr. JOHNSON], and the object of this language is a limitation strictly to prevent the expenditure of these funds to employ outside architects unless the work results in the securing of a legal bid within the amount authorized by Congress for the buildings. The purpose is to prevent, after Congress makes an appropriation of $100,000 for a building, the hiring of an architect who goes on and makes plans that result in bids of $150,000 or otherwise above the amount authorized by Congress.

The gentleman from Kentucky desired to stop that, and so put in a plain limitation, and that it is a limitation is shown by the fact that if the language is stricken out there will be no interference by the law with the Board of Education employing architects. With this in, they can only pay them for other work in relation to certain kinds of bids.

Mr. BLANTON. There is no law now that authorizes outside architects, but the trouble is they go beyond the law.

Mr. CRAMTON. Every time we make an appropriation that of itself includes such necessary expense as the pay of architects.

Mr. BLANTON. Not outside architects; we put them on notice, and they have stopped it. You will find that they are trying to pay these outside architects by such language put in on appropriation bills. This language will permit them to do it.

Mr. McSWAIN. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. McSWAIN. Why would it not be possible to accomplish the aim the gentleman from Texas speaks of and what the gentleman from Michigan desires by striking out this language and putting in a limitation that no part of the appropriation shall be available to pay any outside architect?

Mr. BLANTON. That is a good suggestion; but this ought to come out first.

The CHAIRMAN. The langauge here is "that no architect's fee be paid or obligated for plans, specifications, or any professional services whatever, unless they are such as will enable the Commissioners of the District of Columbia, or those letting a contract, to secure a legal bid within the amount authorized by Congress for the building or other projects."

Transposing the language, it might be read in this way: "Provided, an architect's fee may be paid or obligated for plans, specifications, or any professional services if the plans are such as will enable the Commissioners of the District of Columbia to secure a legal bid within the amount authorized by Congress for the building or other projects." In other words, by this language under a reasonable and proper construction the commissioners are authorized to do some affirmative act. While it is couched in the negative, it is an authorization for them to do something. Therefore it is legislation, and the point of order is sustained.

Mr. CRAMTON. Does the Chair take into consideration the fact that that which the Chair says they are authorized to do is something they are authorized to do without this? They are authorized to pay for all necessary things incident to the construction of the building, and the architect's services are just as necessary as the lumber or the plaster.

The CHAIRMAN. That may be so; and if true, there is no necessity for the language.

Mr. CRAMTON. That is not for the Chair to decide.

The CHAIRMAN. That may be true; but this gives them authority to do some additional thing. It might be put in the form of a limitation, but the Chair does not think it is, and the point of order is sustained.

Mr. BLANTON. Mr. Chairman, I offer the following amendment:

Page 45, line 25, after the word "contract," insert: "Provided no architect's fee shall be paid or obligated for plans, specifications, or any professional services whatever."

The CHAIRMAN. The gentleman will put his amendment in form.

Mr. CRAMTON. Mr. Chairman, I make the point of order that amendments must be in form when offered. It is not the business of the Clerk to prepare amendments, for he has not the time, especially when he is called upon as often as he is by the gentleman from Texas.

The CHAIRMAN. The gentleman from Texas will put his amendment in proper form.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent that while the gentleman from Texas is preparing his amendment the Clerk may read and then return to the paragraph where the gentleman's amendment fitted.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

The total cost of the sites and of the several and respective buildings herein provided for, including heating, lighting, and plumbing, when completed upon plans and specifications to be made previously and approved, shall not exceed the several and respective sums of money herein respectively appropriated or authorized for such purposes, any provision in this act to the contrary notwithstanding.

Mr. BLANTON. Mr. Chairman, I have my amendment at the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 45, line 25, after the word "contract" and the colon insert "*Provided*, That no architect's fees shall be paid or obligated for plans, specifications, or any professional services whatever."

Mr. CRAMTON. Mr. Chairman, I am only going to make this suggestion: The municipal architect's office has a very small force. There is pressing need for new buildings, so pressing that the bill makes the money immediately available. The gentleman's amendment means that if the architect's office is overcrowded with work no one else can be employed and the school construction must wait accordingly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 4 ayes and 8 noes.

So the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word to call attention to the fact that I was seeking to prevent anything from being paid to outside architects, and the gentleman from Michigan [Mr. CRAMTON] indicated that he was with me on that, but claimed that the bill already protected it. Now, when I propose a definite program in language that would absolutely keep them from doing this, I do not find the gentleman with me. As a matter of fact, they have no authority now to do it, and if hereafter they attempt to pay out one dollar for architect fees I am going to have action brought against some of them for violating the laws of the country. The gentleman, by the influence of the committee membership on the floor, is able by the tremendously overwhelming vote of 8 to 4 to strike out a provision that would definitely settle the matter.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. CRAMTON. I am sorry that the gentleman finds it as hard to understand me as he does to understand the District auditor.

Mr. BLANTON. Oh, I understand him better than the gentleman does. The only thing about me is that I am plain about

my language while the gentleman has his meaning covered up in a way that an ordinary man can not understand it in reading these bills, and when we try to get them in plain language so the ordinary individual may understand, then he objects.

Mr. CABLE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CABLE. Mr. Chairman, my attention has been called to-day to a clipping wherein Mr. Arthur Henderson, Minister of State for Home Affairs for England, is quoted as complaining about a bill passed by the last Congress granting independent citizenship to American women. The law was passed at the request of the women of the United States and granted them citizenship independent of their husbands. It ill becomes this gentleman in Great Britain to object to a law passed by the United States seeking to protect the citizenship rights of our people. If Great Britain wants to protect the rights of her women, as this Congress has done for the American women, she should take some action, instead of standing on a law that is 40 or 50 years old.

Two American girls, members of our most prominent families, recently attracted national and international attention because of their marriages to eminent Englishmen. In this feature the two marriages were similar, but following this one point deep contrast sets in.

Miss Cornelia Vanderbilt, now Mrs. Cecil, exerted her right as an American and retained her citizenship after her marriage to the Hon. John F. Cecil, a subject of the British King. On the other hand, the daughter of Marshall Field, jr., recently in the Federal court at Chicago made a formal renunciation of her citizenship in this country following her marriage to an Englishman. By the law of Great Britain she became a British subject, and by her action in the court she relinquished her right of citizenship in the United States.

Citizenship carries with it high privileges and obligations too great to be forced on a woman or arbitrarily taken from her through a marriage ceremony. She is entitled to equal rights with her husband in determining the country of her choice, and the Congress of the United States so stated in the act of September 22, 1922, signed by President Harding, which those who backed the measure state "removes the greatest single Federal disability of women left after enfranchisement."

Stated broadly, the purpose of this law was to remove the marriage state from the field of operation of our naturalization and citizenship laws. Under the act marriage after September 22, 1922, does not operate to confer citizenship upon an alien woman whose husband was then or subsequently becomes a citizen; neither does such marriage forfeit citizenship in the case of a woman citizen who marries an alien husband unless the latter is of the class ineligible for naturalization. Citizenship of a woman forfeited by marriage to an alien prior to September 22, 1922, may be regained by simplified naturalization proceedings; and the marriage state no longer constitutes an obstacle to the naturalization, by separate and independent proceedings, of an alien woman married to an alien husband, if he himself is not barred.

This change in our citizenship act and improvements in other laws of the States and Nation have been brought about to a great extent by the influence and work of women's organizations. To-day women are a vital, if not the most important, factor in governmental affairs.

Women wield the most powerful of all influences in the enactment of laws in the States and Nation. It took 80 years of hard work on their part to add the nineteenth amendment to our Constitution. It is less than four years since the Secretary of State issued the proclamation that the required number of States had ratified the proposed amendment, but in that short period of time the lists of accomplishments by the women of this country through their powerful organizations should be most encouraging.

There were in the last two years 287 measures supported by organized women voters that became laws in various States and 30 measures, which the same voters opposed, were defeated.

The women's organizations are not selfish in their motives and concern themselves especially with laws relating to social hygiene, child welfare, education, and efficiency in government.

Women do not seem particularly anxious to secure public office. Notwithstanding the fact that no women have been elected to governorships in any of the States nor occupy positions in the President's Cabinet, we must realize that women have entered politics and public life and are in them to stay. Their great organizations are giving the men officeholders further trial, and unless laws indorsed by women for the betterment of all the people are placed on the statute books it is my prediction that the women officeholders will increase in large numbers.

Mrs. Maude Wood Park, retiring president of the National League of Women Voters, tells her followers that it is very desirable to "put more women into public office," but adds that "the women to be chosen must be better qualified for office than their men opponents."

Those women who have been elected or appointed to public office have been so honored not so much for political reward as for their own personal qualifications. The excellent work of Dr. Ellen Culver Potter, as secretary of welfare for Pennsylvania, has attracted nation-wide attention. So also has the high character of the work being done in public welfare in North Carolina by Mrs. Kate Burr Johnson, the first woman commissioner of public welfare for any State, attracted favorable comment. Mrs. Johnson was appointed because of her fitness for the post. Her attitude as to welfare work should be followed in my home State because, as she says:

> Politics should have no place in work of this kind for unfortunate people. I'd rather see the public welfare work in North Carolina entirely discontinued than see it made the plaything of politics.

The citizenship act is but one of many measures supported by women's organizations. The resolution to submit the child-labor amendment to the States has the backing of these same women and has already passed the House by an overwhelming vote. There are many other constructive measures receiving their support and influence in the States and Nation.

Besides the women who have banded themselves together in great organizations and associations devoted strictly to a membership of women we find them affiliated with organizations, both political and civic, that have heretofore been regarded as strictly limited to man's sphere of operation.

An outstanding example of this is Mrs. Harriet Taylor Upton, of Warren, Ohio, vice chairman of the executive committee of the Republican National Committee, nationally known speaker and a politician of the first class.

The views of Mrs. Upton upon the progress that women have made since their enfranchisement are most encouraging. In a recent statement she said:

> Women without a doubt have progressed politically since their enfranchisement. It is idle to assert that they have not. Generally speaking, the women had no responsibility in the 1920 campaign. They were not enfranchised in time to vote at the primaries. What they did was to vote for the men and measures that had been decided upon without their aid.
>
> Women carry on their political activities in their own fashion. They profit by the methods used in their own homes, together with what they have learned in their clubs. They proceed into politics through educational and domestic channels.
>
> There is no question but that women have made an advance as officeholders in the last four years, just as the rank and file of women everywhere have become more politically minded.

It is interesting to note the women who have taken a prominent part in the present administration.

Mrs. Helen H. Gardener is one of the three members of the United States Civil Service Commission.

Mrs. Mabel Walker Willebrandt is an Assistant United States Attorney General, having charge of the division which handles all matters arising under the national prohibition act as well as all questions concerning the conditions and managements of prisons. Six women are now serving as assistant United States district attorneys and there are a number of women holding other important positions under the Department of Justice.

Miss Lucile Atcherson, of Columbus, Ohio, is the first woman to enter the diplomatic corps of this country. She has just completed her first year in the State Department in the division of Latin-American affairs.

Miss Mary Anderson is director of the Women's Bureau, which promotes the welfare of eight and one-half million working women in the United States. This bureau is the only one of its kind in the world created to promote the standards and policies for the employment of women workers.

As director of the Children's Bureau, Miss Grace Abbott works in behalf of the 40,000,000 children in the United States and in our island possessions.

Mrs. Bessie Parker Brueggeman is chairman of the United States Employees' Compensation Commission. In holding this position she is the only woman chairman of a Federal commission. Mrs. Mabel Reinecke is collector of the Internal Revenue Bureau for Illinois. Two women hold positions as Federal merchandise appraisers, one in Cleveland and the other in St. Louis. One woman is serving as assistant trade commissioner in Berlin, and another has just returned from a similar post in Shanghai.

Miss Florence E. Allen is a judge of the Supreme Court of Ohio and one of the great outstanding woman leaders of the country.

Another Ohioan, Miss Belle Sherwin, is the newly elected president of the National League of Woman Voters.

Women officials have taken their places in both great political parties in the State organizations, as well as in the national. Mr. CORDELL HULL, head of the Democratic National Committee, has appointed Mrs. Franklin D. Roosevelt, of New York, as chairman of the committee to frame planks on social-welfare legislation for the national platform. On the Republican side the 29 women members of the national committee's subcommittee on policies and platforms are also making suggestions. These women, prominent in the work of women's organizations, are consulting leaders in club, civic, and political groups to determine what the Republican women want in their platform.

More and more each day we are realizing that women are an important and vital factor in governmental affairs at Washington. The Women's Joint Congressional Committee, organized in 1920, represents 21 national organizations, which have representatives in Washington for the purpose of keeping in touch with Federal legislation of interest to women.

Mrs. Maud Wood Park is the chairman of this organization, which is composed of the following suborganizations:

American Association of University Women, American Federation of Teachers, American Home Economics Association, General Federation of Women's Clubs, Girls' Friendly Society in America, National Congress of Mothers and Parent-Teacher Associations, National Consumers' League, National Council of Jewish Women, National Council of Women, National Educational Association, National Federation of Business and Professional Women's Clubs, National League of Women Voters, National Woman's Christian Temperance Union, National Women's Trade Union League, National Board of Young Women's Christian Association, Service Star Legion, Committee for a Department of Education, National Association of Colored Women, Council of Women for Home Missions, American Nurses Association, and the Medical Women's National Association.

By far the largest organization of women in the United States is the National Council of Women. Mrs. Philip North Moore, of St. Louis, is president, and Mrs. Glen L. Swiggett, of Washington, D. C., legislative representative. It has a combined membership of more than 11,000,000. The National Council acts as a clearing house for 33 organizations, as follows:

General Federation of Women's Clubs, National League of Women Voters, National Women's Relief Society, Young Ladies' National Mutual Improvement Society, National Women's Relief Corps, National Council of Jewish Women, National Florence Crittenton Mission, Ladies of the Maccabees, National Federation of Colored Women, Ladies of the G. A. R., American Association of University Women, National Congress of Mothers and Parent-Teachers Association, National Federation of Music Clubs, Needlework Guild of America, Women's International League for Peace and Freedom, Woman's Christian Temperance Union, Young Women's Christian Association, Woodmen's Circle, National Women's Republican Association, Children of America Loyalty League, Kansas State Council, Rhode Island State Council, Indianapolis Local Council, Medical Women's National Association, International Sunshine Society, National American War Mothers, National Council Administrative Women in Education, National Kindergarten Association, Sons of Veterans' Auxiliary, National Auxiliary, United Spanish War Veterans, Association of Women in Public Health, May Wright Sewell State Association, Southern Women Educational Alliance.

Within recent days the Women's National Farm Gardens Association and the War Mothers' National Memorial Association have attracted public attention by their national conferences in Washington. Another important association, composed of national organizations, is the Woman's National Committee for Law Enforcement.

This committee for law enforcement met in Washington recently and urged the women of the country to put aside all self and selfish desire and devote their service to the problem of saving America through allegiance to the Constitution and observation of law. Their creed is—

For enforcement of all law, with special stress at present on the prohibition law, the front to-day where the battle against lawlessness has to be fought.

Under the leadership of Mrs. Henry W. Peabody, a woman leader with a long life of good works and notable accomplishments, 20 great national organizations allied themselves in the Committee for Law Enforcement. The membership at the present time totals 10,000,000 women.

The Woman's Party is a militant organization. Its present task is the enactment of a United States constitutional amendment providing for equal rights between men and women throughout the United States.

Closely identified with all women movements for the betterment of the people is the National Council of Women of the United States, affiliated with the International Council of Women. The International Council federates all national organizations in Europe and the Orient and is the largest women's association in the world, having a combined membership of approximately 36,000,000.

The International Woman Suffrage Alliance is represented in the United States by the National League of Women Voters. This alliance held its ninth congress in Rome, Italy, during the month of May last year to consider legislation for the benefit of women.

During the meeting they passed a resolution "that this congress declares that a married woman should be given the same right as a man to retain or change her nationality." The United States has taken the lead in granting such independent citizenship to its women. Other nations have not done so, resulting in difficulties international in character, because these countries have failed to protect the rights of their nationals.

It is interesting to note the diversity of the laws of the various nations relating to the citizenship of women. In brief, they are as follows:

Austria: Native woman loses nationality upon marriage with an alien; foreign woman marrying an Austrian becomes an Austrian.

Belgium: Native woman may retain nationality after marrying an alien, provided she declares her intention within six months after marriage; foreign woman takes husband's citizenship.

Bulgaria: Native woman loses nationality except when husband's country will not allow the wife to nationalize; foreign woman becomes Bulgarian.

Canada: An act was passed in 1919 giving women the right to their own nationality after marriage, but it was later repealed.

Chile: Native woman does not lose nationality; foreign woman does not become Chilean.

China: Native woman loses nationality upon marriage with an alien, or if native husband becomes naturalized in another country during married life, unless husband's country will not let her be naturalized.

Congo: Native woman not considered; foreign woman becomes Congolese by marriage if she has lost her nationality by this act.

Denmark: Before 1898 native women kept own nationality after marriage with an alien. Now take the nationality of their husbands, except where the country of the husband will not permit. Bill now being considered to give independent citizenship to residents.

Ecuador: Principle of the law is that a native woman follows the nationality of her alien husband, but if she resides in Ecuador after marriage she may choose her own nationality.

Esthonia: Native woman loses her nationality unless within two weeks after marriage she notifies the nearest police officer or, if abroad, the nearest Esthonian consul. She must state her intention to remain Esthonian. Foreign woman becomes an Esthonian.

Finland: Native woman takes the nationality of her husband. No exceptions.

France: Native woman takes the nationality of alien husband unless his country will not permit, in which case she remains French. Bill now being considered to give independent citizenship.

Germany: Native woman loses nationality; foreign woman becomes a German. If both the husband and the wife are German and the husband changes his nationality during marriage, the wife may retain her own nationality.

Great Britain: Native woman loses nationality; foreign woman becomes British.

Greece: Native woman loses nationality; foreign woman becomes Greek, providing the marriage ceremony is solemnized according to Greek law.

Honduras: Native woman loses nationality, but can regain own nationality independent of her husband; foreign woman becomes Honduran, unless she explicitly states that she wishes to retain her own nationality.

Hungary: Native woman loses nationality, with no exceptions; foreign woman becomes Hungarian upon marriage.

Italy: Native woman loses nationality providing the husband possesses citizenship, which by virtue of his marriage he can grant her; foreign woman becomes Italian.

Latvia: Native woman loses nationality; foreign woman becomes Latvian. Both cases without exception.

Lithuania: Native woman takes the nationality of her alien husband

Monaco: Native woman loses nationality unless her husband's country will not grant her naturalization; foreign woman becomes Monacoan without exception.

Netherlands: Native woman takes the nationality of her husband.

Norway: Native woman takes the nationality of her husband; foreign woman becomes a Norwegian.

Panama: Native woman loses nationality; foreign woman becomes Panaman. Both without exception.

Paraguay: Native woman takes the nationality of her husband; foreign woman becomes Paraguayan. Both without exception.

Persia: A woman takes the nationality of her husband.

Poland: Native woman loses nationality; foreign woman becomes a Pole.

Portugal: Native woman loses nationality unless husband's country will not grant her nationality.

Russia: Native woman does not lose her nationality; foreign woman does not have to become Russian by marriage.

Salvador: Native woman takes nationality of her husband; foreign woman becomes Salvadorian. Both without exception.

Serbs, Croats, Slovenes: Native woman loses nationality; foreign woman takes the nationality of her husband.

Siam: Native woman loses nationality if by husband's national law she acquires his nationality upon marriage; foreign woman becomes a Siamese.

South Africa: Native woman loses here nationality. Bill being proposed to change this law.

Spain: Native woman loses nationality; foreign woman becomes Spaniard. No exceptions to either law.

Sweden: Native woman loses her nationality; foreign woman becomes Swede.

Switzerland: Native woman loses nationality except if the husband has no nationality, if marriage is not valid according to laws of two countries, or if husband's country refuses to grant wife's nationalization. Foreign woman becomes Swiss without exception.

Turkey: Native woman not considered. Foreign man who marries Turkish Mussulman woman must become a Mussulman and change his baptismal name to Mussulman name.

United States of America: Native woman retains her citizenship upon marriage to an alien; foreign woman does not acquire husband's nationality unless she so desires.

Uruguay: Nationality of women, like men, dependent entirely upon country in which born.

Argentina, Brazil, Japan: Alien marrying a woman of the country is naturalized by the act, regardless of his preference.

In Monaco a woman married to an alien can not regain her nationality after her husband's death, except by favor of the reigning sovereign. In Esthonia, Ecuador, and Honduras if a native woman wishes to regain her nationality during the life of her husband she can do so by declaring her intentions and passing through the required steps of naturalization. In 23 countries this privilege is granted only upon the dissolution of the marriage.

The citizenship law of the United States has operated successfully and has aided the immigrant women, besides protecting the American girl and her property. Other countries should pass similar laws and thus eliminate the difficulties often experienced by their women citizens because of marriage to an alien.

In the spring of 1925 the quinquennial of the International Council of Women will meet in Washington, D. C. Delegates will be present from Canada, Germany, Sweden, Great Britain, Ireland, Iceland, Ukraine, Denmark, Holland, New Zealand, Italy, France, Argentina, Switzerland, Hungary, Austria, Norway, Belgium, New South Wales, Tasmania, Victoria, Queensland, West Australia, Greece, Bulgaria, Yugoslavia, Finland, South Africa, Portugal, Uruguay, Russia, Mexico, Esthonia, Rumania, Chili, Latvia, and Cuba.

One of the important questions that will come before that body will be the citizenship of married women throughout the world. I have introduced a resolution authorizing the President to call a conference of the governments of the world to adopt a convention on the nationality of married women embodying the principle that a married woman has the same right as a man to retain or change her nationality, and that the conference be held in the city of Washington, D. C.

According to information at hand, the Governments of Norway, Sweden, and Denmark are about to bring independent citizenship bills before their respective parliaments. The Governments of Sweden, Denmark, Greece, Switzerland, and Hungary have indicated that they would be willing to send delegates to an international conference on the question of the nationality of married women; but so far no government has been willing itself to call such a conference.

My idea is that the delegates to the quinquennial be officially delegated by their respective countries to attend the conference at the time of the meeting in Washington of the quinquennial and so iron out the difficulties that have arisen because other nations have not seen fit to pass laws similar to that passed by the Congress of the United States as to the citizenship of their subjects. The recommendations of the various delegates could be made to the legislatures or lawmaking bodies of their countries upon their return.

Mr. Raymond F. Crist, Commissioner of Naturalization, in his annual report to the Secretary of Labor, says that the passage of the independent naturalization and citizenship law for married women has made the question of Americanization of more vital interest, with the result that the standards of citizenship are being raised ever higher, and both native and foreign born are being better equipped to discharge their civic duties.

The Clerk read as follows:

METROPOLITAN POLICE

SALARIES

Major and superintendent, $4,500; 2 assistant superintendents, at $3,000 each; 4 inspectors, at $2,400 each; 12 captains, at $2,400 each; additional compensation for 35 privates detailed for special service in the detection and prevention of crime, $10,800; additional compensation for 14 privates detailed for special service in the various precincts for the prevention and detection of crime, at the rate of $120 per annum, $1,680; additional compensation for 1 inspector or captain and 1 lieutenant detailed for special service in the detection and prevention of crime, at $400 each; 21 lieutenants, one of whom shall be harbor master, at $2,000 each; 56 sergeants, 1 of whom may be detailed for duty in the harbor patrol, at $1,800 each; privates—033 of class 3, at $1,660 each; 170 of class 2, at $1,560 each; 51 of class 1, at $1,460 each; amount required to pay salaries of privates of class 2 who will be promoted to class 3 and privates of class 1 who will be promoted to class 2 during the fiscal year 1925, $2,600; motor-vehicle allowance for 2 inspectors at $480 each; 20 captains, lieutenants, sergeants, and privates, mounted on horses, at $540 each; 32 lieutenants, sergeants, and privates, mounted on bicycles, at $70 each; driver-privates—35 of class 2, at $1,560 each; 3 of class 1, at $1,460 each; personal services in accordance with the classification act of 1923, $66,000; in all, $1,743,000.

Mr. HILL of Maryland. Mr. Chairman, I move to strike out the last word for the purpose of asking a question of the chairman of the committee. Is that a very material increase over the last year's appropriation?

Mr. DAVIS of Minnesota. It is not. This bill does not include the bonus, and the gentleman knows that we are waiting for this new law to come in in respect to the salaries of schoolteachers, librarians, policemen, and firemen. This is the old bill without the bonus, but when they add the bonus to this it will be about $81,000 increase over last year.

The Clerk read as follows:

For miscellaneous and contingent expenses, including rewards for fugitives, purchase of modern revolvers and other firearms, maintenance of card system, stationery, city directories, books of reference, periodicals, telegraphing, telephoning, photographs, printing, binding, gas, ice, washing, meals for prisoners, not to exceed $200 for car tickets, furniture and repairs thereto, beds and bed clothing, insignia of office, motor cycles, police equipments and repairs to same, repairs to vehicles, van, patrol wagons, and saddles, mounted equipments, and expenses incurred in prevention and detection of crime, and other necessary expense, $60,000; of which amount a sum not exceeding $500 may be expended by the major and superintendent of police for prevention and detection of crime, under his certificate, approved by the commissioners, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided*, That the War Department may, in its discretion, furnish the commissioners, for use of the police, upon requisition, such worn mounted equipment as may be required.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CRAMTON: Page 40, line 8, strike out "$60,000" and insert "$70,000."

Mr. CRAMTON. Mr. Chairman, realizing the necessity for cutting down debate, I ask unanimous consent to extend my remarks in the RECORD with reference to this amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRAMTON. In connection with that I state that I expect to put into the RECORD some statement of my views with reference to the necessity of the District of Columbia police enforcing the laws of the United States in the District of

Columbia. In connection with that I expect to discuss the pronounced opposition of the Washington Post and of the president of the Association Against the Prohibition Amendment to such enforcement of the prohibition laws in the District. I expect also to discuss the statistics as to crime that were referred to a little while ago by the gentleman from Massachusetts [Mr. TINKHAM], all of which I know will be extremely interesting to the House, but I shall not take up the time now to present them. I invite the attention of Members to this in the RECORD. I think I should say that the commissioner of police feels that there should be an increase in this item. I feel the proper way for any increase to come to the attention of Congress is through the Budget, with a proper statement and a justification of the item. That has not come to Congress, and so for the present I shall withdraw the amendment.

Some time ago I noted the following news item in a Washington paper:

DRUNKEN DRIVING OF MOTOR CYCLES IS HELD LAWFUL

Persons driving motor cycles while intoxicated can not be prosecuted under the law, according to a ruling made yesterday by Judge Gus A. Schuldt in police court.

Judge Schuldt held section 20 of the Sheppard Act lists every type of vehicle in which it is unlawful to operate while intoxicated, motor cycles not being included.

Revision of the section of the act by Congress to include motor cycles was recommended.

Examination of section 20 of the Sheppard Act, the District of Columbia prohibition act, convinced me of the correctness of Judge Schuldt's decision, and I introduced H. R. 7924 to amend the Sheppard Act in that respect. That bill being referred to the commissioners for report, they made the following response:

APRIL 15, 1924.

Hon. STUART F. REED,
Chairman Committee on the District of Columbia,
House of Representatives.

SIR: The Commissioners of the District of Columbia have the honor to submit the following on House bill 7924, Sixty-eighth Congress, first session, entitled—

> "A bill to amend section 20 of an act entitled 'An act to prevent the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes,' approved March 3, 1917, as amended,"

which you referred to them for consideration and report:

The object of this bill is to amend section 20 of the act of Congress of March 3, 1917, usually called the Sheppard law. This section was designed to punish drivers of motor vehicles while operating the same in a state of intoxication. The only change provided for in the bill is to add the words "or any motor" to the section. These words appear in line 11, page 1. Because of the fact that these words were omitted in the original section, the judges of the police court have ruled that the operator of a motor cycle driving while drunk could not be punished under the section.

The commissioners recommend favorable action on the bill, but suggest that there be added to it a section which would reenact section 11 of the same law. This section provides for the punishment of people appearing on the streets while intoxicated. There has been some question as to whether any section of the Sheppard law, being the act of March 3, 1917, was left in force after the passage of the national prohibition act. If this bill passes, this doubt would be removed by reenacting sections 20 and 11 of the act.

Very respectfully,

THE BOARD OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
By CUNO H. RUDOLPH, *President.*

About the same time I saw in the Star a long article on the question of enforcement of dry laws in the District, in which Major Sullivan, chief of police, was quoted as saying that the local police were handicapped in their efforts in this line by the fact that in order to seize liquor, and so forth, they were obliged to secure also the presence of a Federal agent.

Under the Volstead Act, he said, a policeman in Washington may only gather the evidence. The arrest and prosecution must be conducted by prohibition agents of the Government. Although the police superintendent said the Federal authorities had cooperated loyally in every instance, the lack of authority to act on their own initiative is a detriment to the Washington police force.

> "If Congress would give us an enabling act permitting us to make an arrest in liquor cases without the assistance of a Federal agent, the task of keeping Washington 'bone dry' would be much simplified. That law has made it possible for General Butler to smash right into crime in Philadelphia, and it would give the same opportunity here."

I did not believe the Sheppard Act had been repealed and do not believe it has been repealed. It is significant that the police court is enforcing it to-day. It seems to me very desirable that all doubt be cleared up on these points. Further, the police should be given powers so clear and complete as to leave no question. Therefore, I expanded the former bill and reintroduced it as H. R. 8845, reading as follows:

A bill (H. R. 8845) to amend sections 20 and 21 of an act entitled "An act to prevent the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes," approved March 3, 1917, as amended

Be it enacted, etc., That sections 20 and 21 of an act entitled "An act to prevent the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes," approved March 3, 1917, are hereby amended to read as follows:

"SEC. 20. If any person while in charge of a locomotive engine, or while acting as a conductor or brakeman of a car or train of cars, or while in charge of any street car, steamboat, launch, or other water craft, or while in charge of or operating any automobile or *any motor*, horse, or other vehicle in the District of Columbia, shall be intoxicated, he shall be guilty of a misdemeanor, and if convicted shall be punished by a fine of not less than $25 nor more than $300, and in default of payment of said fine shall be imprisoned in the District Jail or workhouse for not exceeding three months, or both fine and imprisonment in the discretion of the court.

"SEC. 21. It shall be the duty of the Commissioners of the District of Columbia to enforce the provisions of this act. They shall detail qualified members of the police force to detect violations of the act, if any, and to report promptly all knowledge or information they may have concerning such violations, together with the names of any witnesses by whom they may be proven to the corporation counsel; but it shall be the duty of all members of the police force to detect violations of the act and to promptly report any information or knowledge concerning the same to the corporation counsel, together with the names of witnesses, by whom such violations may be proven; and the corporation counsel shall bring such alleged violators of the law to trial with due diligence. *Such officers shall have the same authority and power to make arrests, serve warrants, and make seizures of intoxicating liquors as is now conferred upon officers and agents under the national prohibition act.*

"If any such officer shall fail to comply with the provisions of this section, he shall upon conviction be fined in any sum not less than $100 nor more than $500; and such conviction shall be a forfeiture of the office held by such person, and the court before whom such conviction is had shall, in addition to imposition of the fine aforesaid, order and adjudge the forfeiture of his said office. For a failure or neglect of official duty in the enforcement of this act any official herein referred to may be removed by court action.

"All the provisions of the District of Columbia prohibition act entitled 'An act to prevent the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes,' approved March 3, 1917, as amended, and all other laws in regard to the manufacture, transportation, sale of, and traffic in intoxicating liquor, and all penalties for violations of the District of Columbia prohibition act and of such other laws as were in force and effect when the national prohibition act was enacted shall be and continue in force, as to both beverage and nonbeverage liquor, except provisions of such laws as are directly in conflict with any provision of the national prohibition act."

In the above the changes proposed in the Sheppard Act are shown in italics. The last paragraph is taken from the supplemental Federal prohibition act and has been approved by the courts.

I was given a hearing before the District Committee and H. R. 8845 was referred to a subcommittee, of which the gentleman from Illinois [Mr. RATHBONE] is the chairman.

This committee has been for a considerable time giving consideration to the question of liquor-law enforcement in the District since the regrettable shooting of Senator GREENE. It is a capable and diligent committee, and I am sure whatever should be done by the Congress will be formulated and recommended by them.

I would not feel it necessary to discuss these details were it not for the fact that the avowed opponents of law enforcement, the Association Against the Prohibition Amendment, and their apparent organ, the Washington Post, have been so actively opposing any program for effective police enforcement and have been so busily misrepresenting the situation.

The Washington Post gave a full column on the front page Thursday, April 24, the purpose of which is to be judged by this:

Fearing that the failure of Federal machinery to make prohibition effective in Washington will react harmfully against their movement elsewhere, supporters of the plan have determined to shift responsibility for enforcement to the District police department.

Once this is done, it is pointed out, District officials will have to bear the brunt of all criticism for the "wetness" of Washington, Federal enforcement authorities will be able to stand clear in public opinion, and prohibition leaders will not be faced with the difficult task of explaining why the expensive Federal enforcement machinery fails to function effectively in Washington.

This story was followed by another full column the next day, still front-page position, the heading of which declared:

Oyster backs plans to dry up District with local police, attitude of two other commissioners not yet revealed, opponents of plan question its efficacy, declare local force can not accomplish task where Federal agents failed.

The unfriendly attitude of the Post toward proposed improvement of conditions here is very apparent in the following excerpt from that article:

Commissioner Oyster yesterday committed himself to the proposal that the District police force shall take over prohibition enforcement in Washington, following another conference with Maj. Sullivan and Representative CRAMTON, of Michigan, one of the dry leaders of the House.

Francis H. Stephens, corporation counsel; Maj. Sullivan and himself, the commissioner said, will act as a committee to draft an outline of the legislation they will ask Congress to enact.

The program, he explained, calls for clothing the District police with all of the powers of Federal prohibition agents so the police may assume the entire burden of prohibition enforcement, which has been a failure, it is asserted, under the Federal prohibition enforcement machinery; appointment of two additional judges to the police court and an enlarged appropriation for use in gathering evidence.

On the second and third proposals there is accord among the three commissioners, but whether Commissioner Rudolph and Engineer Commissioner Bell are willing to assume to ask Congress to give them a task which the whole power of the Federal enforcement machinery has failed to do could not be learned. When the question comes up for decision in the board meeting it is believed the objectionable features of the plan will at least be pointed out.

THINK PLAN UNWISE

It is not a question of whether or not they favor the prohibition law or law enforcement, District officials who are opposed to the scheme said, but rather of the wisdom of the proposal. They do not believe, they said, the District government should be saddled with a task which has proved too much for the army of Federal agents, with the millions at the disposal of the prohibition unit. They also predicted the District will not be given any material increase in the police force or in the general law enforcement funds.

It was not until the next day, however, that the deus ex machina appears, although he is not permitted the front page but is confined to page 2, under these heads:

Wet leader fights plan to dry up city with local police—Declares scheme would make them "the goats" in Volstead law enforcement.

And here Capt. W. H. Stayton, presiding genius of the Association Against the Prohibition Amendment, comes boldly into the limelight as an avowed opponent of enforcement of the national law in the National Capital by the police, 40 per cent of whose salaries come from the Federal Treasury, just as he is on record heretofore as demanding repeal of the Federal enforcement act and of any State enforcement laws. The article says in part:

The plan to clothe the members of the District police department with all the powers of Federal prohibition agents is designed to make the department "the goat" for the Federal prohibition unit, and Commissioner Oyster "apparently swallows the scheme hook, line, and sinker," Capt. W. H. Stayton, founder and executive head of the Association Against the Prohibition Amendment, charged in a statement made public last night.

"It is my earnest belief that if this proposed change in enforcement is made, the District officials will ever regret it," he declared.

Representative CRAMTON, of Michigan, House dry leader, Captain Stayton said, "realizing that prohibition can not be enforced in Washington, is seeking to relieve the Federal prohibition unit from criticism of the drys and have the blame placed on the District police department."

These articles abound in misrepresentation and untruths. These articles leave the Post well open to the charge of hostility to better enforcement of the liquor laws in this city. It is quite what we would expect to find Captain Stayton opposing enforcement, but the Post, which has so much else in its recent past it would willingly have forgotten, ought not to let the captain entangle them also.

My statement has already shown that any steps I have taken have been in response to suggestions volunteered by District officials—Judge Schuldt, the board of commissioners, Major Sullivan.

Those officials, when in their efforts to enforce the law they find weaknesses in the law, do well to call them to public attention and to the consideration of Congress. And Congress does well to give careful consideration to such suggestions.

No one has sought to relieve the Federal bureau of responsibility for law enforcement here.

It is sought, in response to suggestions of District officials, to give the police also clear authority and full authority, so that acting by and of themselves they may enforce prohibition in the District vigorously.

We urge that everywhere enforcement of national prohibition is primarily a duty of local police officials. Then why should it not be so in the National Capital? We have here 1,000 police, 40 per cent of whose salaries are paid by the Federal Government. This District was set aside for Capital purposes, under Federal control, in order to insure supremacy of the Federal will in the shadow of the Capitol. Captain Stayton urges these Federal-paid police to fold their arms, close their eyes, in the presence of violation of the fundamental law of the Nation, because Captain Stayton relies on failure of law enforcement to break down the law. It is greatly to the credit of Commissioner Oyster and Major Sullivan that they have clearer conceptions of their duties and that they do not fear responsibility. They are entitled to all the aid that can be given them in the way of proper machinery and a free hand.

Some time ago the gentleman from Massachusetts [Mr. TINKHAM] printed in the RECORD a statement of arrests in the District, 1910 to 1923, inclusive, concerning which he declared:

Statistics of arrests in the District of Columbia, as reported officially by the superintendent and major of police to the subcommittee on the District of Columbia of the Appropriations Committee, disclose a civic depravity and social disintegration under present conditions and laws which are both appalling and unbelievable.

He plainly sought therein to give Congress and the country to understand that the attempt "to produce virtue by law and statute" is largely responsible for this "civic depravity"; that is to say, that national prohibition has caused a cataclysmic increase of crime in our National Capital.

It is of course to be noted that while total arrests have increased from 34,003 in 1910 to 66,758 in 1923, or 96.33 per cent, the arrests for speeding and other traffic violations, which took up only 1,095 of the arrests in 1910, account for 28,176 in 1923, and that the arrests for all other causes which were 32,908 in 1910, had only risen to 38,582 in 1923, or a gain of 17.24 per cent.

How many automobiles there were in 1910, or prior to 1918, can not be told, because an annual license system did not prevail till 1918. The rapid increase in motor vehicles is shown by the following total registration in the District each year beginning with 1918:

1918	36,354
1919	46,412
1920	55,810
1921	63,610
1922	79,546
1923	101,543

As annual registration did not start until January 1, 1918; can not give figures previous to that date.

That will take care of the increase in traffic arrests.

Now, how about the 17 per cent gain in all other arrests since 1910? Note these population figures, furnished by the Census Bureau, for the District of Columbia:

January 1, 1910	331,069
January 1, 1920	437,571
January 1, 1924	486,930

Percentage of increase, 1910 to 1924, 47.1 per cent.

While arrests, other than traffic, increased 17 per cent, the population increased 47 per cent. Not such a "social disintegration" after all. If crime had increased with population there would have been occasion for over 10,000 more arrests, or 25 per cent more in 1923 than did occur.

But what about prohibition and the "social disintegration" and "civic depravity?"

Note that national prohibition was not effective until January, 1920, and hence 1923 must be compared with 1919 to have any connection with the eighteenth amendment. Therefore take

the following figures, 1919 being the last year before the eighteenth amendment was in force and 1923 the last one since:

	1919	1923
Total arrests	53,386	66,758
Arrests for speeding	5,154	8,970
Arrests, other violations of traffic regulations	8,543	19,206
Arrests for all other causes	36,659	38,582
Details:		
Murder	49	26
Manslaughter	14	21
Assault with dangerous weapon	282	289
Assault with intent to kill	16	9
Robbery	323	189
Bigamy	5	11
Embezzlement	126	71
False pretenses	212	292
Forgery	166	73
Grand larceny	426	343
Housebreaking	462	457
Rape and attempt to rape	16	24
Total	2,087	1,805
Assault	1,727	2,431
Disorderly conduct	4,847	5,959
Threats of personal violence	296	489
Carrying weapons	413	371
Petit larceny	2,425	1,707
Adultery	120	199
Fornication	740	777
Disorderly house	52	124
Soliciting prostitution	63	196
Indecent exposure	109	126
Maintaining of nuisance	184	324
Nonsupport of wife and children	50	59
Incorrigibility	73	80
Indigent or dependent children	29	27
Total	11,129	12,879

The truth is, more men are sober and sobriety does not breed desperation, destitution, or crime, and social degeneration is not upon us.

Mr. Speaker, under the leave given me to extend my remarks in the RECORD I present the following impressive editorial from the Christian Science Monitor, headed "University aid for the saloon." It has reference to the assumption of "wet" leadership in the United States by Dr. Nicholas Murray Butler, president of Columbia University. The recent pronouncement by Doctor Butler to that effect has attracted very general attention throughout the Nation and is the subject of widespread comment. This is not because of anything new in the position he assumes or in the specious arguments he presents. Every would-be nullifier of the eighteenth amendment has mouthed the same things. It is not because of any ability in civic leadership that Butler is hailed as the wet Moses in this hour. He is never a constructive civic leader or political force. He is always a drawback. He is always in more intimate touch with the breeching than with the breastband. No progressive step taken by the American people in his lifetime has had his aid or approval. When he "views with alarm" he calls the roll of all that has changed in his lifetime. All has been done over his protest and his leadership in opposition has accomplished nothing but the front page, top the column, for Butler. As a leader, his batting average is nil.

But his bid for leadership of the wet forlorn hope is widely noted and quickly granted. Why? Simply because everyone, wet or dry, feels the incongruity of the head of a great American university preaching contempt for law and nullification for the Constitution. The picture challenges attention, not because of its effectiveness but because of its singularity.

It is a regrettable thing, nevertheless. What it means needs to be realized by thoughtful Americans. This editorial has reduced the problem to its simplest terms and the presentation is startling. The article reads as follows:

UNIVERSITY AID FOR THE SALOON

Nicholas Murray Butler, the president of Columbia University, has set out systematically to overthrow the prohibition policy adopted in due constitutional form by the people of the United States. His eminence in educational circles and his admitted respectability, as evidenced by his very considerable wealth, cause a certain measure of respect to be attached to his efforts that is not conceded to other individuals who seem to be more naturally allied with the liquor forces in their desperate struggle for life. Yet Mr. Butler is quite as reckless in his statements, quite as violent in his proclamations, as any of the purely professional wets.

The spectacle presented by this gentleman now at the head of a great educational institution is not encouraging to those who wish to admire the position of the scholar in politics. Mr. Butler advocates the repeal of the eighteenth amendment because he insists that it is not uniformly enforced. Famous beyond most college presidents for his extreme conservatism and his determined opposition to the agitation of radical theories in the college of which he is the head, he puts himself thus in a position precisely parallel to that of the most dangerous anarchist. His position is that violations of the law afford a reason for the repeal of the law. This is the essence of anarchism. It is doubtful whether the most earnest and sincere advocate of the destruction of any other clause in the national Constitution would be permitted to address an audience in a hall of Columbia. It is reasonably certain that no instructor in that institution who should apply to other features of the fundamental law of the United States the destructive methods which Doctor Butler is applying to this one would be permitted to retain his connection with the university. The luckless undergraduate who would say of capitalism, for example, what Doctor Butler says of prohibition would doubtless find his connection with the university abruptly and dishonorably terminated.

A not inconsiderable number of trustees and other officials of Columbia have flocked to Doctor Butler's support with interviews and letters to the press. If there be those in the faculty who condemn the president's course, they are naturally restrained by prudence from expressing their opinion. What is being done is to make of Columbia no less a center for antiprohibition and proliquor agitation than is the office of the Association Against the Prohibition Amendment. The wet headquarters that used to be maintained in the central office of the Brewers' Association have apparently been moved to the office of the president of Columbia University.

In a discussion before the Methodist conference now in session at Springfield, Mass., a bishop of that church said that the question might soon come up as to whether all Methodists should not be warned against sending their children to Columbia. The question is one that may well present itself not to members of any church alone but to every believer in prohibition, to every enemy of the saloon, to every opponent of the reestablishment of the political power of liquor, and to every defender of the Constitution of the United States. It can not be possible for Columbia University to be at once an institution for the higher education of youth in ethics, morals, and the humanities, and the principal headquarters of the advocates of the return of the liquor forces to power in the United States.

Mr. POU. Mr. Chairman, I move to strike out the last word for the purpose of preferring a request for unanimous consent. My colleague, Major STEDMAN, has delivered a very interesting and historical address in Greensborough, entitled "North Carolina in the War Between the States," and I ask unanimous consent that I may have the privilege of inserting it in the RECORD.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE

The committee informally rose; and Mr. CRAMTON having taken the chair as Speaker pro tempore, a message from the Senate by Mr. Welsh, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2257. An act to consolidate, codify, revise, and reenact the laws affecting the establishment of the United States Veterans' Bureau and the administration of the war risk insurance act, as amended, and the vocational rehabilitation act, as amended.

S. 2430. An act to create a commission to procure a design for a flag for the District of Columbia, and for other purposes.

DISTRICT OF COLUMBIA APPROPRIATION BILL

The committee resumed its session.

The Clerk read as follows:

MISCELLANEOUS

For repairs and improvements to engine houses and grounds, $25,000.

Mr. McLEOD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 52, line 3, after the figures "$25,000," insert "for one drill tower, $16,000."

Mr. DAVIS of Minnesota. Mr. Chairman, I make the point of order against that.

Mr. McLEOD. Mr. Chairman, I desire to say that Washington appears to be the only city in the country with a population of over 125,000 people that is now without a drill tower.

Mr. MADDEN. That is something that would have to be authorized by the District Committee, and I must insist upon the point of order.

The CHAIRMAN (Mr. TEMPLE). Does the gentleman wish to be heard upon the point of order?

Mr. MADDEN. It is legislation on an appropriation bill and not in order, and it is not germane.

The CHAIRMAN. The Chair is in doubt and will be glad to hear anything that may be said upon the point of order.

Mr. BLANTON. Mr. Chairman, the rules of the House provide that where a point of order is made the burden is immediately shifted to the chairman of the committee to show a law. The chairman does not show the law. No one attempts to show a law, and the burden is on the gentleman from Michigan to show the law.

The CHAIRMAN. The Chair understands that.

Mr. BLANTON. And he has not made any attempt to show the law.

The CHAIRMAN. The Chair may be supposed to know something about the law himself, however.

Mr. BLANTON. Oh, yes; if the Chair knows of any.

Mr. MADDEN. I make the point of order it is not germane to the paragraph.

Mr. McLEOD. It is germane to this portion of the bill.

Mr. DAVIS of Minnesota. It is not germane, nor is there any law authorizing this construction.

The CHAIRMAN. The Chair thinks as to the second point of order that it is not germane to the paragraph is good, and the Chair sustains that point of order.

The Clerk read as follows:

For repairs, improvements, and alterations to engine house No. 16, D Street between Twelfth and Thirteenth Streets NW., $15,000: *Provided*, That the appropriations made for this purpose in the District of Columbia appropriation acts for the fiscal years ended June 30, 1923, and June 30, 1924, are reappropriated and continued available in addition to the appropriation herein authorized.

Mr. McLEOD. Mr. Chairman, I offer the following amendment: Strike out the figures "$15,000" and insert in lieu thereof "$20,000."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 52, line 6, strike out the figures "$15,000" and insert in lieu thereof "$20,000."

Mr. McLEOD. Mr. Chairman, I offer that amendment for the reason the architect's report states that the building can not be completed for less than $20,000. I hold the report in my hand.

Mr. DAVIS of Minnesota. Mr. Chairman, they have already had $10,000, and there was no application made for an increase.

Mr. McLEOD. The municipal architect's report shows that it can not be done for that amount.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

For repairs to apparatus and motor vehicles and other motor-driven apparatus, and for new apparatus, new motor vehicles, new appliances, employment of mechanics, helpers, and laborers in the fire department repair shop, and for the purchase of necessary supplies, materials, equipment, and tools: *Provided*, That the commissioners are authorized, in their discretion, to build or construct, in whole or in part, fire-fighting apparatus in the fire department repair shop, $35,000.

Mr. McLEOD. Mr. Chairman, I offer an amendment. Page 52, line 20, strike out "$35,000" and insert "$40,000."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. McLEOD: Page 52, line 20, strike out the figures "$35,000" and insert in lieu thereof "$40,000."

Mr. McLEOD. Mr. Chairman, we have been shown, at least, by the report of the fire department, that the apparatus of the fire department of the District of Columbia is in such a condition that the chief has now ordered that all apparatus do not travel over 12 miles an hour by reason of its oldness and the dilapidation that exists in all the apparatus, and he says it is absolutely important that they have this amount of money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

For two pumping engines, triple combination, motor driven, $10,000 each.

Mr. McLEOD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 53, line 10, strike out "two" and insert "three," and in line 11 strike out "$10,000" and insert "$12,500."

Mr. BLANTON. Have not we passed that?

Mr. McLEOD. I do not think there will be objection if those people who are objecting want to assume the responsibility that exists with reference to poor apparatus.

Mr. DAVIS of Minnesota. I will state that we have had full hearings on this matter and that is all they desired.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

For house, site, furniture, and furnishings for a truck company to be located in the northeast section of the city in the vicinity of Twelfth and H Streets NE., including the cost of necessary instruments for receiving alarms and connecting said house with fire-alarm headquarters, $50,000.

Mr. McLEOD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 53, line 18, strike out "$50,000" and insert in lieu thereof "62,000."

Mr. McLEOD. Mr. Chairman, I would like to make a short statement, and that is according to the architect's figures and according to the prices obtained by this department they find that that building can not be renovated and put in shape for $50,000, but it will take $62,000 at the lowest figure.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

HEALTH DEPARTMENT

SALARIES

For personal services in accordance with the classification act of 1923, $130,640.

Mr. BLANTON. Mr. Chairman, I offer an amendment. In line 3, page 54, I move to strike out the words "in accordance with," and I want to deliver a lecture on that subject.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 54, line 3, strike out the words "in accordance with."

Mr. BLANTON. Mr. Chairman, under the heads which we have just read—the police department and the fire department—there are six different paragraphs of legislation subject to points of order. In accordance with the rules of the House I could have made a point of order against them and had them stricken out, but I did not want to do it because they were all absolutely necessary for the conduct of the fire department and the police department. Now, I exercised my prerogatives in not making the point of order. I could have made it, any Member could have made it, but I did not want to do it. Now, you have the right at any time to resort to the rules of this House in conducting legislation here on this floor.

When there was a bad bill before this House yesterday, a vicious bill, one of the worst that has been here for the last 20 years or at least since the Adamson bill was passed in 1914, certain Members here, in accordance with the rules of the House, the only way on earth they had of stopping that legislation and keeping it from passing and letting it go to the country as a million-dollar burden each year around the tax-burdened people's necks, they used the rules of the House to keep that bill from passing, and they were lectured here upon the floor by other Members. They were condemned here on the floor by other Members for doing what? Using the rules of this House to stop bad legislation. It is just as much the duty of a Member of this House, and just as legitimate for him to use the rules of this House to keep a bad bill from passing as it is for a Member to expedite the passage of a good bill—good legislation. Now, I am glad that there were enough Members here to use the rules of this House to keep that bill from passing yesterday. I hope there will be enough Members here on the floor who will stand together and use the rules of the House in the future to keep that bill from ever passing or ever coming to a final vote. It would be the worst thing that ever happened for the people of this country to be hog-tied with any such legislation as that; and in accordance with the rules of the House I have made these few remarks.

Mr. McLEOD. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. McLEOD. That argument also holds good for voting down these amendments?

Mr. BLANTON. I did not vote against the gentleman's amendments. The gentleman's amendments were good and

ought to pass. Every one of these items that the gentleman suggested will be put in in the Senate. The Senate will put them in. They will go into conference and the conferees of the Senate will induce the House conferees to incorporate every one of them in the law. Every one of them will be put in.

Mr. Chairman, I withdraw the pro forma amendment.

The CHAIRMAN (Mr. TEMPLE). The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

For establishing and maintaining a child hygiene service, including the establishment and maintenance of child-welfare stations for the clinical examination, advice, care, and maintenance of children under 6 years of age, payment for personal services, rent, fuel, periodicals, and supplies, $18,000: *Provided*, That the commissioners may accept such volunteer services as they may deem expedient in connection with the establishment and maintenance of the service herein authorized: *Provided further*, That this shall not be construed to authorize the expenditure or the payment of any money on account of any such volunteer service.

Mr. DAVIS of Minnesota. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Minnesota: Page 58, line 5, strike out "establishing and."

Mr. DAVIS of Minnesota. It is absolutely unnecessary. I wish the passage to read: "For maintaining a child hygiene service," and so forth.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CHINDBLOM. Mr. Chairman, in line 13, page 58, strike out the word "*further*" after the word "*Provided*" in the second proviso. It is a proviso under the first proviso, not a proviso under the main paragraph.

Mr. BLANTON. That is the usual language.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CHINDBLOM: Page 58, line 13, strike out the word "further."

Mr. CHINDBLOM. That is the usual language, and the second proviso is a proviso under the second proviso.

Mr. BLANTON. That ought to stay in, to make it clear.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COURTS AND PRISONS

JUVENILE COURT

Salaries: For personal services in accordance with the classification act of 1923, $41,516: *Provided*, That the court shall have authority in the absence of an employee to deputize another employee to act in the capacity of the absent employee.

Mr. BLANTON. Mr. Chairman, I make a point of order on the language beginning with the word "*Provided*," in line 20, and embracing line 23 as being legislation on an appropriation bill, unauthorized by law. All this language is new legislation that has not been in previous appropriation bills.

Mr. CRAMTON. Mr. Chairman, I make the point of order that the point of order came too late.

Mr. BLANTON. I made it immediately after the Clerk read it.

The CHAIRMAN. The Clerk was still reading when the gentleman made it.

Mr. BLANTON. Yes. I made it on time.

The CHAIRMAN. The Chair sustains the point of order. The Clerk will read.

The Clerk read as follows:

For compensation of jurors, $6,500: *Provided*, That deposits made on demands for jury trials in accordance with rules prescribed by the court under authority granted in section 11 of the act approved March 3, 1921 (41 Stat. L. p. 1312), shall be earned unless, prior to three days before the time set for such trials, including Sundays and legal holidays, a new date for trial be set by the court, cases be discontinued or settled, or demands for jury trials be waived.

Mr. BLANTON. Mr. Chairman, reserving the point of order, beginning with the word "*Provided*," embracing lines 24 and 25, on page 60, and from lines 1 to 16, inclusive, on page 61, it is new legislation on an appropriation bill. But it being such salutary legislation, Mr. Chairman, I think it ought to stay in the bill, and I shall not make a point of order against it. But it does occur to me, Mr. Chairman, that these District Commissioners, when they want a law, ought to come to the law committee of the House; and the Committee on Appropriations, when they think that a certain piece of legislation ought to be passed, ought to suggest it to the legislative committee and let that committee attend to it, and not just keep sticking these items of legislation in the appropriation bill. But this is such a salutary law that I am not going to make a point of order against it.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Probation system: Probation officer, $2,200; two assistant probation officers, at $1,400 each; stenographer and typewriter and assistant, $900; contingent expenses, $325; maintenance of motor vehicle used in performance of official duties, at not to exceed $26 per month, $312; in all, $6,537.

Mr. BLANTON. Mr. Chairman, in line 9 on page 62 I make a point of order against the language "two assistant probation officers, at $1,400 each." The law provides for only one. I have no objection if the gentleman from Minnesota will amend that by letting it correspond with the law and provide for only one. I would have no objection. But this is legislation that is unauthorized in attempting to provide an additional probation officer here. I make the point of order.

Mr. DAVIS of Minnesota. I concede the point of order; but they made a very strong case that they needed these two officers. I concede that it is subject to a point of order.

Mr. BLANTON. I insist on the point of order and ask unanimous consent that the following language be restored there, "one assistant probation officer, at $1,400." I ask unanimous consent that that be inserted.

Mr. DAVIS of Minnesota. I have no objection.

The CHAIRMAN. The Chair sustains the point of order. Is there objection to the request that the language be inserted as indicated by the gentleman from Texas?

Mr. DAVIS of Minnesota. It should be "assistant probation officer, at $1,400."

The CHAIRMAN. Is there objection to the request that the item indicated be inserted?

The was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COURT OF APPEALS

Salaries: Chief justice, $9,000; two associate justices, at $8,500 each; clerk, $4,250, and $250 additional as custodian of the Court of Appeals Building; two assistant or deputy clerks, at $2,250 each; reporter, $1,500: *Provided*, That the reports issued by him shall not be sold for more than $5 per volume; crier, who shall also act as stenographer and typewriter in the clerk's office when not engaged in courtroom, $1,200; three messengers, at $720 each; three stenographers, one for the chief justice and one for each associate justice, at $1,200 each; necessary expenditures in the conduct of the clerk's office, $950; in all, $44,410.

Mr. BLANTON. Mr. Chairman, I make the point of order to the language, beginning in line 7, on page 63, as follows: "Two assistant or deputy clerks, at $2,500 each." That is legislation on an appropriation bill unauthorized by law. The law authorizes only one, and they attempt to put in a new one here without authority of law. Of course, I have no objection to the chairman inserting "one assistant."

Mr. DAVIS of Minnesota. If the gentleman makes that motion, I will consent to it.

The CHAIRMAN. The Chair sustains the point of order.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the following language be inserted: "One assistant or deputy clerk, at $2,250."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 63, line 7, after the word "building," insert "one assistant or deputy clerk, at $2,250."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

For construction of sewer to the combined system of sewer on B Street SE., $1,800.

Mr. BLANTON. Mr. Chairman, I make a point of order against the paragraph just read embraced in lines 17 and 18, page 65, on the ground that it is legislation on an appropriation bill unauthorized by law. There is no authority for this new construction.

Mr. DAVIS of Minnesota. I think it is a part of the sewer system and work in progress and is not subject to a point of order at all.

Mr. BLANTON. This is new construction entirely.

The CHAIRMAN. Is the sewer constructed on the jail property?

Mr. DAVIS of Minnesota. It leads from the jail property right into the sewer system of the District.

The CHAIRMAN. And is it for the disposal of sewage from the jail?

Mr. DAVIS of Minnesota. That is what it is for.

The CHAIRMAN. It seems to the Chair that it is a continuation of an already existing work, and the Chair overrules the point of order.

The Clerk read as follows:

For brickmaking plant, including structure, machinery, and installation, $15,150.

Mr. BLANTON. Mr. Chairman, I make a point of order against the paragraph just read between lines 13 and 14, which lines read as follows:

For brickmaking plant, including structure, machinery, and installation, $15,150.

The same being legislation on an appropriation bill unauthorized by law. There is no law for a brickmaking plant.

Mr. DAVIS of Minnesota. I think, Mr. Chairman, there is authority for it. They have a very large and immense brick plant there and have had it for many years, and this simply provides for some repairs.

Mr. BLANTON. I challenge the gentleman to show any law authorizing any brickmaking plant.

Mr. DAVIS of Minnesota. I think we will. They make a large part of the brick used in the schools. For instance, there are 5,000,000 bricks in the Central High School and that brick was made there. They make a large share of the brick—and have for years—that goes into all our school buildings.

Mr. BLANTON. I challenge the gentleman to show any law for it.

Mr. DAVIS of Minnesota. We will look it up. There is a law about that brickyard down there. I wish to say this is a reformatory and workhouse and is one of the grandest institutions we have. If the gentleman would go down there——

Mr. BLANTON. The gentleman is discussing the merits but I am not discussing the merits. I am talking about an unauthorized appropriation.

Mr. DAVIS of Minnesota. I think, perhaps, we can find the law.

Mr. CRAMTON. Mr. Chairman, in 35 Statutes, page 717, is found this authority:

The Commissioners of the District of Columbia are hereby authorized and directed to purchase two tracts of land, widely separated, of not less than one thousand acres each, either or both of which to be situated in the State of Maryland, or in the State of Virginia; one of said tracts shall be used as a site for the construction and erection of a reformatory of sufficient capacity to accommodate at least one thousand inmates, and the other for the construction and erection of a workhouse of sufficient capacity to accommodate at least five hundred prisoners, and to build necessary temporary structures on each tract; the said commissioners are hereby authorized and directed to appoint a commission to consist of three persons, one of said commissioners shall be chairman, which commission shall employ an architect skilled in the construction of such buildings, to prepare all plans, specifications, and estimates deemed necessary or required by said commission, and which shall first be approved before acceptance by the Commissioners of the District of Columbia, who are hereby required to construct said reformatory and workhouse—

I repeat—

who are hereby required to construct said reformatory and workhouse.

And then—

and on their direction the prisoners at the time confined in any existing workhouse of said District shall clear and prepare any or all such tracts of land for building and assist in the construction of any or all of said buildings.

The statute, therefore, not only authorizes but requires the commissioners to build a workhouse.

Mr. BLANTON. Right there——

Mr. CRAMTON. I do not yield, because I think my statement will be more intelligible if I make it myself.

The commissioners are directed and required to build a workhouse. There is no limitation of cost fixed—no limitation as to the number of buildings. The only limitation is as to the number of inmates. They are required to have it large enough to take care of 1,000 inmates. It is a "workhouse." Necessarily that contemplates that the inmates shall work.

Mr. DAVIS of Minnesota. And they do work.

Mr. CRAMTON. And they do work. One of the means that has been used for many years to keep them employed—a very humane proposition—is the making of bricks, so that now an appropriation is provided here for this additional brickmaking machinery and plant.

I call further attention to this: That in Thirty-sixth Statutes, page 1004, is found this proviso:

That the Commissioners of the District of Columbia are hereby authorized, under such regulations as they may prescribe, to sell to the various departments and institutions of the government of the District of Columbia the products of said workhouse, and all moneys derived from such sales shall be paid into the Treasury—

In a certain way. That is to say, we have authorized and required them to build a workhouse, which means that those confined there shall do work, and we have authorized the sale of the products of their labor. So I contend—there being no limitation on the cost of the construction of that plant—that the item is amply justified by existing law.

Mr. BLANTON. Mr. Chairman, I would like to be heard a moment. The rules of the House are the most important tools we have to work with and they ought not to be set aside for expediency.

I want to call the Chair's attention to a precedent that should be decisive against the gentleman's contention. We have a penitentiary system for the United States, where men are sent to work. When the Congress got ready to supply that working place—at Leavenworth and the one down in Georgia, with a shoe factory, a broom factory, and a brush factory—did they go to the Appropriations Committee? No. They went to the Judiciary Committee to provide the law, and the Judiciary Committee brought on the floor of this House a bill from the proper legislative committee authorizing the Department of Justice to establish a broom factory, a brush factory, and a shoe factory in these penitentiaries so that the convicts might have places to work. Here is a smaller penitentiary out here known as a reformatory and workhouse, not for the United States Government but just for the District of Columbia and authorized nearly 20 years ago. Incidentally they have boys confined out there and because of that fact the gentleman from Michigan [Mr. CRAMTON], who wants this item of legislation to go through—through expediency and exigency—wants the Chair to hold that the Appropriations Committee has the authority to put legislation in this bill authorizing the construction of a brickmaking plant, to build it and establish it, when it is legislation pure and simple.

It is just as much legislation with respect to this little reformatory for the District as the brush-making plant and the broom-making plant and the shoemaking plant constituted legislation for the penitentiary system of the United States. It is clear. The gentleman said what he would read would be a little more intelligent than what I might read from the same book.

Mr. CRAMTON. No; it was our respective remarks.

Mr. BLANTON. I submit that the way he twists things when he reads them and writes them in bills, makes them dovetail more propositions of legislation to get them in an appropriation bill than anyone else could accomplish, and he is more skillful about that than any man I ever saw operate out of the Appropriations Committee; but we now have a distinguished parliamentary in the chair, who is conscientious, and he is not going to set aside the rules of this House just because the gentleman from Michigan wants him to do so.

Mr. CHINDBLOM. If the Chair will permit, of course, the Chair will not be affected by the argument ad hominem of the last speaker. If the Congress saw fit to pass a general piece of legislation authorizing the establishment of a workhouse at Leavenworth or Atlanta, of course, Congress would have the power to do it; and if Congress did that, I submit to the Chair that the money appropriated for that workhouse could be used for almost any purpose within the purview of a workhouse. So I do not think the gentleman's remarks are at all applicable here. We chose to pass special legislation for the penitentiaries at Leavenworth and Atlanta, indicating the kind of in-

dustrial establishments we wanted there, but Congress has already passed a general law with reference to this reformatory, and because it is so much smaller, I have no doubt Congress concluded at that time it was not necessary to designate the particular kind of industrial plant.

Mr. DAVIS of Minnesota. Mr. Chairman, I do not care to take up the time of the committee, but we have here an immense brickyard already constructed, which has been there for many years. This is simply an addition to it and for repairing it, including certain small structures, and appropriates $15,000. This brickyard furnishes, as I have said, millions and millions of brick for use all over the District and has been in operation now for 10 or 15 or 20 years. They have over 300 prisoners down there working every day, and over in the reformatory 300 more. They have 2,600 acres of land, and there is one railroad running down there now and there is to be another constructed. It is a very large institution, and this is simply something that is incidental which they have asked for to add to the plant somewhat. It is a continuation of work in progress, and hence is not subject to a point of order.

The CHAIRMAN. The statement made before the committee is:

That plant has been running, as you know, since about 1913, the second year after we got down there, and there are too frequent breakdowns, and we have no reserve machinery. When the present engineer commissioner came here he went down there and went over the plant, and he was much impressed with the need of the brick. By the way, we can not begin to supply the brick that the District could use.

The work seems to have been going on for a number of years under the act authorizing the establishment of the workhouse. This seems to be an extension of an existing work, and the Chair overrules the point of order.

The Clerk read as follows:

Hereafter pay patients may be admitted to the tuberculosis hospital for care and treatment at such rates and under such regulations as may be established by the Commissioners of the District of Columbia.

Mr. BLANTON. Mr. Chairman, I reserve a point of order against the paragraph. I would not make a point of order against this paragraph except for two reasons: One is that pay patients admitted here could cause the exclusion of those who are unable to pay by taking up all the room. That is one reason; and the other reason is that of all the places that a tuberculosis hospital ought not to be, Washington is the place. If they have the interest of the tubercular patients at heart, it occurs to me they ought to put the hospital somewhere else and send the patients to it. This ought to be merely a receiving hospital, and they ought to be sent to Fort Bayard, N. Mex., or Prescott, Ariz., where they would have a chance to get well and not die. For those two reasons, Mr. Chairman, I make the point of order that the paragraph is legislation on an appropriation bill unauthorized by law. The Chair will note it begins: "Hereafter pay patients may be admitted to the tuberculosis hospital." That is not authorized now by law.

Mr. DAVIS of Minnesota. What part of the paragraph does the gentleman refer to? Lines 23 and 24?

Mr. BLANTON. Lines 23 and 24, on page 69, and lines 1 and 2, on page 70.

Mr. DAVIS of Minnesota. I admit that is subject to a point of order.

Mr. CRAMTON. Will the gentleman yield before conceding the point of order?

Mr. DAVIS of Minnesota. Yes.

Mr. CRAMTON. Of course, both of the suggestions of the gentleman from Texas can not very well be met, because we are not in a position to provide for the care of the District tubercular in the southwest; but if the other suggestion should be met by language providing for the admission of these pay patients in so far as such admission will not interfere with the admission of indigent patients——

Mr. BLANTON. If the gentleman will offer that, I shall not make a point of order against it.

Mr. CRAMTON. I offer then an amendment, and I hope the chairman——

Mr. DAVIS of Minnesota. I will accept it. That is the case now, and would not interfere.

Mr. CRAMTON. Then if the gentleman withdraws the point of order I offer an amendment, on page 70, after the word "Columbia" strike out the period, insert a comma, and add the following, "in so far as such admissions will not interfere with admission of indigent patients."

Mr. BLANTON. You will have to put in the balance of it.

Mr. CRAMTON. No; this is offered at the end of the paragraph.

Mr. BLANTON. Mr. Chairman, I shall not insist that we stop proceedings so that the gentleman from Michigan may put his amendment in writing, because I think expedition requires that we go along as we are doing now.

Mr. CRAMTON. Of course, if the gentleman will give me advance notice of his points of order——

Mr. BLANTON. That is what the gentleman required a moment ago.

The CHAIRMAN (Mr. GRAHAM of Illinois). The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 70, line 2, after the word "Columbia" strike out the period, insert a comma, and add the following, "in so far as such admissions will not interfere with admission of indigent patients."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

The CHAIRMAN. The reservation of the point of order is withdrawn, and the Clerk will read.

The Clerk read as follows:

For the purchase of a microscopic and chemical outfit for the pathological laboratory, $760.

Mr. BLANTON. Mr. Chairman, I make the point of order that this is legislation unauthorized on an appropriation bill.

Mr. CRAMTON. Mr. Chairman——

The CHAIRMAN. The Chair does not care to hear any argument. The point of order is overruled.

The Clerk read as follows:

For furniture, furnishings, instruments, and appliances, and other necessary articles, $5,000.

Mr. BLANTON. Mr. Chairman, I make the point of order against the following language in line 16. "And other necessary articles." That is opening altogether too wide a construction—that will take in anything in the world that some fantastic-minded person might want to buy.

The CHAIRMAN. It would take in most any kind of article, but if Congress wants to appropriate for this purpose, it can do it. The point of order is overruled.

Mr. BLANTON. Mr. Chairman, I move to strike out on page 70, line 16, the words "and other necessary articles."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 70, line 16, strike out the words "and other necessary articles."

Mr. BEGG. If that language is stricken out it might preclude them from getting medicine or bandages.

Mr. BLANTON. Does not the gentleman think that language too broad?

Mr. BEGG. I think the hospital ought to have that privilege.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was rejected.

Mr. BLANTON. Mr. Chairman, there not being enough here to get tellers, I will not ask for them.

The Clerk read as follows:

Hereafter pay patients may be admitted to the psychopathic ward of the Gallinger Municipal Hospital for care and treatment at such rates and under such regulations as may be established by the Commissioners of the District of Columbia.

Mr. BLANTON. Mr. Chairman, I make the point of order against the paragraph as being legislation on an appropriation bill and unauthorized.

Mr. CRAMTON. Mr. Chairman, there is no doubt about this being subject to a point of order.

The CHAIRMAN. The point of order is sustained.

Mr. CRAMTON. Mr. Chairman, I am going to ask the gentleman to consent to the same amendment that I offered before.

Mr. BLANTON. There will be no objection to that.

The Clerk read as follows:

Amendment by Mr. CRAMTON: Page 70, after line 18, insert: "Hereafter pay patients may be admitted to the psychopathic ward of the Gallinger Municipal Hospital for care and treatment at such rates and under such regulations as may be established by the Commissioners of the District of Columbia, in so far as such admission will not interfere with the admission of indigent patients."

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

HOME AND SCHOOL FOR FEEBLE-MINDED

For continuing construction, $30,000; for maintenance, salaries, and other necessary expenses, $20,000; in all, $50,000: *Provided*, That the commissioners are authorized to proceed with such construction by day labor or otherwise as in their judgment may be most advantageous to the District of Columbia and to enter into contracts or otherwise to incur obligations on account of such construction not to exceed $232,000.

Mr. BLANTON. Mr. Chairman, I make a point of order on the proviso, lines 17 to 22 on page 72, as being legislation on an appropriation bill. I doubt very seriously whether the commissioners can go more advantageously on day labor.

Mr. CRAMTON. Will the gentleman withhold his point of order?

Mr. BLANTON. I will reserve it.

Mr. CRAMTON. I am going to pass the question whether it is subject to a point of order. Even if it should be, I will ask the gentleman not to make it, because it is clearly in the interest of economy to have the language in the bill. Let me say this to the gentleman: The feeble-minded greatly enjoy doing that which they like to do and which they can do.

Mr. BLANTON. Are they doing this work?

Mr. CRAMTON. It is planned to have them do it in part. These boys who have the strength will be taken out there——

Mr. BLANTON. If it was limited to them, I would not object. But here is $232,000 to be expended. Has the gentleman from Michigan seen any day-labor work in Washington? I have. I have seen them leaning on a spade handle 15 minutes carrying on conversation.

Mr. CRAMTON. There is to be *only* $92,000 available to expend the coming year. I do not know to what extent the inmates will be utilized, but to whatever extent they are utilized it will be an economy. I hope the gentleman will not make the point of order.

Mr. BLANTON. I will state that if they are going to use some of these unfortunate individuals and they are going to get the benefit of it I would not feel like objecting. But I want to say that it would not surprise me to see half of the sum wasted. I withdraw the point of order.

The Clerk read as follows:

All moneys received at said school as income from sale of products and from payment of board or of instruction or otherwise shall be paid into the Treasury of the United States to the credit of the United States and to the credit of the District of Columbia in the same proportions as the appropriations for such institutions are paid from the Treasury of the United States and the revenues of the District of Columbia.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 73, line 11, after the word "Columbia," strike out "in the same proportions as the appropriations for such institutions are paid from the Treasury of the United States and the revenues of the District of Columbia" and insert in lieu thereof the following: "in the proportion required by law."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

TEMPORARY HOME FOR FORMER SOLDIERS AND SAILORS

For personal services in accordance with the classification act of 1923, $2,760; maintenance, $5,000; in all, $7,760, to be expended under the direction of the commissioners; and ex-soldiers, sailors, or marines of the Spanish War, Philippine insurrection, or China relief expedition, and soldiers and sailors of the World War shall be admitted to the home.

Mr. JEFFERS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JEFFERS: Page 75, line 1, after the word "war," insert "or who served prior to February 9, 1922."

Mr. JEFFERS. Mr. Chairman, this is a little amendment which I think I can explain in just a moment and I think I can show very clearly that it is really needed. This bill provides that soldiers and sailors of the World War may be taken care of in the way of meals and in some other ways that other ex-service men who are in need are taken care of. But the language "soldiers and sailors of the World War," if interpreted literally, might exclude such needy soldiers and sailors who served, for example, in the army of the occupation after the armistice; who enlisted after the armistice, and who have been returned to this country and who may now be temporarily in hard luck and in need of a meal. They might not be able to get it under a strict interpretation of the language of the bill, and if the Congress will allow it to extend to February 9, 1922, it will then include any such needy boys as enlisted for service in the army of occupation, for example; or who served prior to February 9, 1922.

Mr. BEGG. Does the gentleman's amendment say "enlisted prior to February 9, 1922?"

Mr. JEFFERS. It says, "who served prior to February 9, 1922."

Mr. BEGG. In other words, if they served a week they are eligible?

Mr. JEFFERS. Yes; of course, the same as if the soldier served a week during the World War he would be eligible.

Mr. BEGG. I understand, but if a man were enlisted just a week before or a day before he is eligible.

Mr. JEFFERS. I suppose he would be, but permit me to call attention to the fact that, under the old law which has been in force here, Public Act 457, they are so taken care of in cases of Spanish-American War veterans, and veterans of other wars and engagements.

Mr. DAVIS of Minnesota. Mr. Chairman, as far as I am concerned, I accept the gentleman's amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

For payment to beneficiaries named in section 3 of an "An act making it a misdemeanor in the District of Columbia to abandon or willfully neglect to provide for the support and maintenance by any person of his wife or his or her minor children in destitute or necessitous circumstances," approved March 23, 1906, $1,500, to be disbursed by the disbursing officer of the District of Columbia on itemized vouchers duly audited and approved by the auditor of said District.

Mr. BLANTON. Mr. Chairman, I reserve the point of order. Why was this legislation put in this bill?

Mr. DAVIS of Minnesota. The item is really transferred from another place in the bill.

Mr. BLANTON. Where is it in the last year's act? I have overlooked it.

Mr. DAVIS of Minnesota. It was in the last year's bill, but this has been transferred from another place in the bill.

Mr. BLANTON. Yes; but was it in the last year's bill?

Mr. DAVIS of Minnesota. It was under the "workhouse" in the last year's bill.

Mr. BLANTON. The gentleman is sure of that?

Mr. DAVIS of Minnesota. Yes.

Mr. BLANTON. The clerk of the committee remembers it?

Mr. DAVIS of Minnesota. Yes.

Mr. BLANTON. I withdraw the point of order.

The Clerk read as follows:

BURIAL OF EX-SERVICE MEN

For expenses of burying in the Arlington National Cemetery, or in the cemeteries of the District of Columbia, indigent ex-Union soldiers, ex-sailors, or ex-marines, of the United States service, either Regular or Volunteer, who have been honorably discharged or retired, and who die in the District of Columbia, to be disbursed by the Secretary of War, at a cost not exceeding $45 for such burial expenses in each case, exclusive of cost of grave, $500.

Mr. JEFFERS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JEFFERS: Page 77, line 5, after the comma at the end of line 5, insert "or in near-by Maryland cemeteries."

Mr. JEFFERS. Mr. Chairman, my attention has been called to this matter by members of the American Legion here in the District. Those legionnaires often handle the burial of ex-service men who die here in the District. The amount appropriated here is very small. Now the cemeteries in the District are crowded and cemetery space is difficult to get, and also high in price, and they find that if they could bury them at, say, some near-by cemetery outside of the District line, it would possibly be much cheaper, and consequently this little amount appropriated would go much farther in this work.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS. Yes; certainly.

Mr. BLANTON. Would the gentleman mind embracing in his amendment after the word "Maryland" the words "or

Virginia." For instance, right here across from Anacostia, within 10 minutes ride of this Capitol, there is a Virginia cemetery.

Mr. JEFFERS. That suits me, and so far as I know there would not be any objection to that modification. They feel that with such a small appropriation it would be the sensible and practical thing to do to write it into the law that they can go over the line to some near-by cemetery where they can provide just as nice a burial and do it at less expense.

The CHAIRMAN. Without objection, the amendment of the gentleman from Alabama will be modified by the insertion of the words "or Virginia."

There was no objection.

Mr. BEGG. Mr. Chairman, if that amendment is adopted, they can take a body to the very farthest point in Virginia and charge the expense to the Government.

Mr. BLANTON. Oh, no; it said "near by."

Mr. BEGG. But what is "near by"?

Mr. JEFFERS. Well, so far as I am concerned, we will leave that to my friend from Ohio. This is an absolutely bona fide proposition. All they want is to have the law provide that they can go to these near-by cemeteries. I do not know of anyone who wants to skin the Government on this matter. This $500 will not cover more than a few cases during the year, anyway, and of course it is desired to make it go just as far as it will.

Mr. BEGG. I think the language ought not to be so broad. Let the gentleman add "within a radius of 10 miles of the District of Columbia."

Mr. BLANTON. Make it within 5 miles of the District of Columbia.

Mr. BEGG. If the gentleman will accept that, I think it will be all right.

Mr. JEFFERS. That suits me; make it within 5 miles of the District line, if you wish.

The CHAIRMAN. Without objection, the Clerk will again modify the amendment by inserting that language. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment as modified for the information of Members.

The Clerk read as follows:

Modified amendment offered by Mr. JEFFERS: Page 77, line 5, after the comma at the end of line 5, insert "or any near-by Maryland or Virginia cemeteries within 5 miles of the District line."

The question was taken, and the amendment was agreed to.

Mr. JEFFERS. Mr. Chairman, I have another amendment to offer.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. JEFFERS: Page 77, line 6, after the word "ex-marines," insert the words "or indigent wife or mother of indigent ex-service men."

Mr. BEGG. Mr. Chairman, I make the point of order against that amendment that it is not germane to the paragraph.

Mr. JEFFERS. Mr. Chairman, all I wish to say is that I realize the technical strength of that point of order, and I do not intend to cause the time of the committee to be consumed in a technical argument against it; but I just want to say to my colleagues here that there have been actual cases where the poor wives or mothers of ex-soldiers have spent their last cent in coming to local hospitals, or near-by hospitals, to visit their husbands or sons who have been confined and suffering in these hospitals, and in some cases those poor wives or mothers have fallen ill themselves and have passed away while they were here on their mission of love, and these burial benefits certainly ought to be extended to cover such pitiable cases wherever there is no one to take care of the proper burial of such deceased wife or mother of such a suffering ex-soldier.

Mr. MADDEN. I think it is legislation, and the gentleman should withdraw it.

Mr. JEFFERS. I wanted to make at least that much of a statement about this amendment that I have offered and to say that in some cases it may be that there is no place where such deceased wives or mothers of indigent ex-service people may be taken for burial, except to the potter's field, and this little amendment was intended to relieve such cases.

Mr. McLAUGHLIN of Michigan. Why, Mr. Chairman, legislation ought not to interfere with this bill which comes in loaded down with legislation. The gentleman from Texas has been up all the afternoon and every day since this bill was first taken up making points of order because the bill contained legislation, and in almost every instance the chairman of the committee or some Member admitted that there is stuff in the bill in the nature of legislation.

The CHAIRMAN. The point of order is sustained.

Mr. McLAUGHLIN of Michigan. It seems to me it is pretty raw here for the committee that talks so much about the beneficial and helpful manner in which legislation is now framed and put through this House and then bring in a bill jam chuck full of items subject to the point of order because they are legislation.

Mr. MADDEN. Of course, I do not think most of these items are subject to a point of order.

Mr. McLAUGHLIN of Michigan. The chairman of the subcommittee has acknowledged it in almost every instance.

Mr. DAVIS of Minnesota. Excuse me, only in three or four since we began reading the bill five days ago.

Mr. McLAUGHLIN of Michigan. There have been three or four in the last half hour.

Mr. DAVIS of Minnesota. Oh, no.

Mr. JEFFERS. Mr. Chairman, I would like to offer another amendment, and if the point of order is made then I shall withdraw it. I have not written it. Page 77, line 9, where it says "disbursed by the Secretary of War," as a matter of fact it ought to be "disbursed by the commissioners." The Secretary of War is old legislation, and now that should be "disbursed by the commissioners." I offer an amendment to insert the word "commissioners" instead of the words "Secretary of War," and if anybody objects to it I will withdraw it.

Mr. MADDEN. The Secretary of War has the records of these men, and I think we had better let it stay there.

Mr. JEFFERS. Very good; I withdraw the amendment.

The Clerk read as follows:

TRANSPORTATION OF PAUPERS

For transportation of paupers, $1,500.

Mr. DAVIS of Minnesota. Mr. Chairman, I send an amendment to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment: Page 77, strike out all of lines 12 and 13 and insert in lieu thereof "transportation of indigent persons. For transportation of indigent persons, including indigent veterans of the World War and their families, $1,500."

The question was taken, and the amendment was agreed to.

Mr. JEFFERS. Mr. Chairman, I offer an amendment in line 13 as it now stands. Strike out "$1,500" and insert in lieu thereof "$2,000."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment to the amendment offered by Mr. JEFFERS: Strike out "$1,500" and insert in lieu thereof "$2,000."

Mr. DAVIS of Minnesota. That is all that was recommended for this matter.

Mr. CHINDBLOM. I make the point of order that the amendment has been adopted and can not be amended after it is adopted. You must amend an amendment before it is adopted and not after. However, I do not care, and I withdraw the point of order.

Mr. JEFFERS. I would like to refer to the old law, No. 457, where $2,000 is the amount provided and they need at least $2,000 or more for this purpose, especially as it has been broadened, as it has been broadened by the gentleman's amendment.

Mr. ALLEN. Mr. Chairman, I move to strike out the last word for the purpose of asking a question. I would like to ask if this amount will be sufficient?

Mr. DAVIS of Minnesota. That is all that is demanded by the commissioners or by anybody else, and we have always had the service.

Mr. JEFFERS. Then it will not hurt them.

Mr. ALLEN. I know it takes quite a lot to pay transportation.

Mr. MADDEN. If they need money, they can come and get it.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For rent of armory and drill hall, $6,000.

Mr. SPEAKS. Mr. Chairman, on line 11, page 78, I move to strike out "$6,000" and insert "$7,000."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. SPEAKS: On line 11, page 78, strike out "$6,000" and insert "$7,000."

Mr. SPEAKS. Mr. Chairman, my attention was called to this matter by newspaper reports early in the week that the local organizations were about to be deprived of their armory, the drill hall particularly. I took the trouble to go down and investigate it, and saw the commanding officer. Now, the appropriation for the District of Columbia National Guard or militia this year is about $8,000 below that of last year, but if they have $1,000 additional they will be well provided for.

Mr. DAVIS of Minnesota. Mr. Chairman, I am willing to accept that amendment. When we had our hearings on the subject I thought the amount here was rather small, but that is all they asked for at the time, so I let it go.

The CHAIRMAN (Mr. GRAHAM of Illinois). The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ANACOSTIA RIVER AND FLATS

For continuing the reclamation and development of Anacostia Park, $150,000, to be expended below Benning Bridge.

Mr. BLANTON. Mr. Chairman, I make a point of order against the paragraph. This is legislation, regardless of the manner in which the language is framed. This is to buy land over there, known as the Anacostia Flats. There has been an attempt here for years to do this. There is a legislative bill pending right now to accomplish this very purpose, but instead of waiting for the legislative bill to pass, they sneak in here to the Committee on Appropriations and get them to put the money in.

Mr. BEGG. That bill was passed for this purpose in 1911.

Mr. BLANTON. No. This is to buy new property.

Mr. BEGG. It is to develop parks.

Mr. BLANTON. This is not for the purchase of additional land?

Mr. DAVIS of Minnesota. No.

Mr. MADDEN. It is to develop where they are dredging.

Mr. BLANTON. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. BEGG. Mr. Chairman, I offer an amendment: On line 23 after the words "$150,000" strike out the balance of the line.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Ohio.

The Clerk read as follows:

On line 23, after the words "$150,000" strike out the remainder of the line.

Mr. BEGG. Now, Mr. Chairman, I offer this amendment because I believe in the park-development system, and I think that anybody who has been down along the Mall will agree. I will ask the chairman if he will accept that amendment. It does nothing except to leave those responsible to spend the money where they want to in the reclamation.

Mr. DAVIS of Minnesota. I wish to make a very brief statement. This bill calls for $150,000 for Anacostia Flats. It is below Benning Bridge. There is a positive law authorizing this from Anacostia Bridge up to the District line. The appropriations heretofore made amount to $1,610,607.45. This is, as I said, below Benning Bridge. It requires $900,000 to complete the job below Benning Bridge. The estimate of the cost above Benning Bridge is $861,000. For several years they did not ask for more money. One hundred and fifty thousand dollars is all they want. They got $50,000 below for the park. That goes every year. They do not ask for any more money this year, but there is quite a contention to the effect that if the engineer commissioner wishes to start a little below the bridge you must not cut this out.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PARK POLICE

Salaries: Lieutenant, $1,900; first sergeant, $1,700; 5 sergeants, at $1,580 each; privates—14 at $1,440 each; 31 at $1,360 each; nine at $1,280 each; in all, $85,340.

Mr. BLANTON. Mr. Chairman, I move to strike out the period on line 19 of page 79 and insert a colon and insert the following: "*Provided*, That the 11 policemen for the Zoological Park shall receive the same salary as that drawn by the Metropolitan police." And I want to submit that matter to the chairman of the committee.

Mr. CRAMTON. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 79, line 19, "*Provided*, That the 11 policemen for the Zoological Park shall receive the same salary as that received by the Metropolitan police."

Mr. CRAMTON. Mr. Chairman, I have a point of order reserved on that.

The CHAIRMAN. The gentleman from Michigan reserves a point of order on the amendment.

Mr. BLANTON. I think when I explain this matter to the chairman and the chairman's generalissimo, Mr. CRAMTON, he will not make a point of order.

Mr. CRAMTON. That is too rough language. [Laughter.] I will have to make the point of order. It is not germane to this part of the bill. There is nothing in this paragraph about Zoological police. But I will reserve it.

Mr. BLANTON. Mr. Chairman, there is a great injustice being done 11 men, without intention by Congress. The House has passed a salary bill for the policemen of this city, embracing nearly 1,000 police.

We overlooked the park police and the park police went to the Senate and had themselves taken care of. But I find now that we have overlooked 11 policemen out here in the Zoological Park, who serve there in every kind of weather and their service is just as arduous as any service performed by any other policemen in this city. Gentlemen, what do you think they get? They get $100 a piece a month, and out of that $100 they have to furnish their uniforms and all of their equipment. It is not right, and we just overlooked them; that is all.

Mr. CRAMTON. If the gentleman will yield, we will compromise. The gentleman's amendment is not germane to this part of the bill and ought not to go in here, so that I will have to make a point of order against it. However, if the gentleman will offer it at the proper place in the bill and will not speak at undue length I shall not make any point of order. Of course, I do not know what the gentleman from Minnesota will do.

Mr. BLANTON. I will withdraw it, Mr. Chairman, and will not speak at undue length.

The CHAIRMAN. Without objection the amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

ROCK CREEK AND POTOMAC PARKWAY COMMISSION

To enable the commission created by section 22 of the public buildings act approved March 4, 1913 (37 Stat. L. p. 885), to continue the acquisition of lands for a connecting parkway between Potomac Park, the Zoological Park, and Rock Creek Park, $75,000: *Provided*, That the total area finally to be acquired shall not exceed the areas heretofore authorized as shown within the taking lines indicated on the map in four sheets marked "R. C. & P. P.–1; R. C. & P. P.–2; R. C. & P. P.–3; R. C. & P. P.–4" on file in the office of the executive and disbursing officer of the Rock Creek and Potomac Parkway Commission and known as "The Map of the Rock Creek and Potomac Parkway," dated May 1, 1923: *Provided further*, That in order to protect Rock Creek and its tributaries, none of the moneys herein or heretofore appropriated for the opening, widening, or extending of any street, avenue, or highway in the District of Columbia shall be expended for the opening, widening, or extension of any street, avenue, or highway which shall or may in the judgment of the District Commissioners permanently injure or diminish the existing flow of Rock Creek or any of its tributaries, nor shall permission so to do at private expense be granted to any private person or corporation except by the joint consent and approval of the Commissioners of the District of Columbia and the officer in charge of public buildings and grounds, dated May 1, 1923.

Mr. CRAMTON. Mr. Chairman, I move to strike out the last word for the purpose of calling attention to the fact that on page 82 is carried an appropriation for the maintenance of a tourist's camp in East Potomac Park, the amount being $5,000. I call attention to the fact that the appropriation designates where that camp is to be located and is an expression by Congress that that camp is to be maintained in that park. The Secretary of War has no authority, if that appropriation goes through in the form it is set forth, either to discontinue the camp or to move it elsewhere. I make this statement for the reason that during the past year the Secretary of War at one time announced his purpose of discontinuing the camp, although Congress had appropriated for it, and I want to direct attention here and now to the fact that Congress has designated that that camp shall be maintained and designated where? I withdraw the pro forma amendment.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

For laying in the National Zoological Park approximately 1,550 feet of 6-inch water main and installing two fire hydrants, $3,250.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 85, line 8, insert a new paragraph as follows:

"That hereafter the 11 police in the National Zoological Park shall receive the same salaries as are drawn by other park policemen in the District of Columbia."

Mr. MADDEN. Mr. Chairman, I reserve a point of order against the amendment for this reason: That the classification act fixes the pay of these policemen.

Mr. BLANTON. Mr. Chairman, the gentleman from Illinois [Mr. MADDEN] is one of the fairest men in the United States when you put a proposition up to him that has merit; so is the gentleman from Minnesota [Mr. DAVIS], just like the gentleman from Michigan [Mr. CRAMTON]. When you put a proposition up to them that has merit it appeals to them and they are willing to acknowledge it. And the assistant whip, the gentleman from Ohio [Mr. BEGG], is just like them in that respect.

Mr. Chairman, under the reclassification act these 11 park policemen, who have wives and little children to support, will get only $1,320 a year.

Mr. MADDEN. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. MADDEN. I would like to say this: That every man or woman who comes within the classification act, who has been classified and feels aggrieved has the right to appeal to the board. Such appeal ought to be made to the board first; then if they do not grant the appeal there might be some reason why we should modify the law.

Mr. BLANTON. But let me suggest this to the gentleman from Illinois: We are going to adjourn in June and the Senate and House leaders have already agreed upon it. We will be at home and out on the hustings seeing the people, and these park policemen will be drawing $1,320 a year. They draw now only $100 a month, and they have to furnish all their equipment out of that, and they can not live. They have told me they can not pay their expenses; that they can not support their wives and little children, and it is not fair. We ought to take care of them.

Mr. BEGG. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. BEGG. I am in sympathy with the gentleman's proposition, but I can not see why the reclassification board took 11 policemen in one park and put them in a different classification than they did the other policemen.

Mr. BLANTON. It is under a law that is so archaic that it has cobwebs on it.

Mr. MADDEN. But they have been taken out from under that law and they have the right of appeal. I would like to help them appeal to the board.

Mr. BLANTON. But the gentleman will be in Illinois.

Mr. MADDEN. They can do it this week.

Mr. BLANTON. It was an inadvertence on the part of the committee that the policemen in that park were left out, because we did not know about them at all.

Mr. MADDEN. The gentleman can ask them to appeal.

Mr. BLANTON. Yes; and I will ask them to appeal.

Mr. MADDEN. And I will join in the appeal with them.

Mr. BLANTON. I am going to ask every one of them to camp in the gentleman's office until they get relief.

Mr. MADDEN. As I say, I shall be glad to join with them in their appeal.

Mr. BLANTON. But we could so easily help them right here.

Mr. CRAMTON. The gentleman will recall our little understanding.

Mr. BLANTON. I remember. He is not doing it, but somebody else is doing it for him.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I move to strike out the last two words.

Mr. BEGG. Is the gentleman from Louisiana going to speak against the amendment?

Mr. O'CONNOR of Louisiana. No; I want to ask two questions.

Mr. BEGG. I want to say a word on this proposition.

Mr. O'CONNOR of Louisiana. I merely want to ask two questions.

The CHAIRMAN. Does the gentleman from Illinois [Mr. MADDEN] insist on his point of order?

Mr. BEGG. If he does not, I will make the point of order.

Mr. MADDEN. Yes; I am going to insist on my point of order.

The CHAIRMAN. The point of order is sustained.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I move to strike out the necessary number of words in order to get the floor. I take the floor largely for the purpose of asking two questions, one of which I know the distinguished gentleman from Illinois, chairman of the Committee on Appropriations, will be pleased to answer. What has been done, Mr. Chairman of the Appropriations Committee, with respect to the reclassification bill and its extension to the field service?

Mr. MADDEN. The Classification Board is accumulating the evidence upon which it may make up the schedules of rating. It is not sufficiently complete to enable it to make the ratings. At any rate, they have not the power under the law to make the ratings effective as to the field without further legislation, and what has been done is that the ratings have been made, allocations have been made, compensation fixed, different classes within the different grades have been adjusted as to the District, and I have requested all the departments to furnish information to the Committee on Appropriations, giving the base pay of every employee in the field, in all branches of the Government service, the amount now paid as a bonus to each one, and the amount that will be required to put the field service on a parity with the District service.

Mr. AYRES. Will the gentleman from Illinois yield?

Mr. MADDEN. Yes.

Mr. O'CONNOR of Louisiana. Would the gentleman permit him to answer the question?

Mr. AYRES. I do not think we ought to be taking up the time of the committee in explanations of the classification act.

Mr. O'CONNOR of Louisiana. I have not taken up any of the time of this committee during the whole day. Perhaps it would be just as well and save time to let him answer the question.

Mr. MADDEN. Let me finish, please.

Mr. O'CONNOR of Louisiana. I will be glad to do so.

Mr. MADDEN. I have requested this information and I expect to submit it to the House before we leave, in the form of a bill for appropriation, which will enable the House to act on the matter of the field employees and put them on a parity with the District employees who have been classified, until the classification for the field service is completed.

Mr. O'CONNOR of Louisiana. Do you hope that will go into effect before adjournment?

Mr. MADDEN. By the 1st of July. None of this goes into effect until the 1st of July, but we expect this will be enacted before we adjourn.

Mr. O'CONNOR of Louisiana. That is very satisfactory and I believe will be good tidings of great joy to a great many people throughout this country.

Now, before taking my seat, I would like to ask the gentleman from Michigan [Mr. CRAMTON] a question. I have not been in so fortunate a position as to be able to attend all the committee meetings recently as a result of other committee sessions, and I want to know if the gentleman has ever extended his remarks or made an address upon the subject of the $8,000,000 that he wants the Federal Government to contribute to the support of the District, in order that we might thoroughly understand how he has arrived at the judgment that $8,000,000 would be a proper contribution from the Government to the District?

Mr. CRAMTON. Without taking too much time, I will simply say that I made a brief but fairly comprehensive presentation of the case when I offered the amendment on Thursday and you will find it in the RECORD of that day. I still feel that the statements I made deserve the favorable support of the House.

Mr. O'CONNOR of Louisiana. Thank you. I withdraw the pro forma amendment.

The Clerk read as follows:

WATER SERVICE

For continuing work on the project for an increased water supply for the District of Columbia, adopted by Congress in the Army appropriation act for the fiscal year 1922, as modified by the District of Columbia appropriation acts for the fiscal years 1923 and 1924, and as further modified by the report submitted to Congress by the Secretary of War December 4, 1923, and for each and every purpose connected therewith, to be immediately available and to remain available until expended, $800,000: *Provided*, That the Secretary of War may enter

into contracts for materials and work necessary to the construction of said project, to be paid for as appropriations may from time to time be made, not to exceed in the aggregate the sum of $8,900,000, including all appropriations and contract authorizations herein and heretofore made: *Provided further*, That no bid in excess of the estimated cost for that portion of the work or plant covered by the bid shall be accepted, nor shall any contract for any portion of the work, material, or equipment to constitute a part of the plant for which this appropriation is available be valid unless the Chief of Engineers of the United States Army shall have certified thereon and that all its terms are within the requirements of the authorization and the revised estimates for the work.

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

Mr. BLANTON. Mr. Chairman, this is just a pro forma amendment. I want to tell the gentleman from Louisiana a few facts about this water system. The gentleman seems to have been stung by these editorial bees that have been appearing in the papers for the last day or two against the Cramton amendment.

Mr. O'CONNOR of Louisiana. No; I have not been stung at all.

Mr. BLANTON. Does the gentleman know that the main water conduit of this city belongs to the Government? The Government paid out every dollar for it, owns it, and the District has never contributed one dollar for it. Does the gentleman know that? Does the chairman of this committee know it? That is the fact. This Government owns the main water conduit, and every dollar for it was paid out of the people's Treasury; and in addition to the other sums we have expended on this water system here is a paragraph that appropriates $800,000 more for it, and what else does it do?

It authorizes the Secretary of War to enter into additional contracts for $8,900,000 more for this water system here. This is paid 40 per cent out of the people's Treasury. Forty per cent of this $800,000, and 40 per cent of the $8,900,000 is to be paid out of your people's Treasury, and then you talk about opposing this Cramton amendment. The Cramton amendment does not increase the taxes of the people of the District of Columbia more than 10 cents on the $100.

Mr. UNDERHILL. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. UNDERHILL. It will increase them in the course of time as they ask for improvements and extensions.

Mr. BLANTON. How will it increase them? They pay $1.20 now. If they get several more bills passed like that one passed yesterday in another body giving them $4,500,000 as a so-called surplus out of the Treasury—if they succeed in getting bills like that passed every once in a while, their taxes are going to be decreased below $1.20 instead of being increased. At the worst, the Cramton amendment would only cause them to pay about $1.30 on the $100, whereas they now pay only $1.20.

The papers said there would be a roll call to strike out the Cramton amendment. If there is a roll call—and it ought not to be stricken out without a roll call—every man who votes to strike out the Cramton amendment ought to go on record in order to let the people of the United States know who is doing it.

Mr. O'CONNOR of Louisiana. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. O'CONNOR of Louisiana. I was not stung by the editorials in the Washington newspapers.

Mr. BLANTON. That was only a facetious remark.

Mr. O'CONNOR of Louisiana. Nor am I incensed. I was wondering why the gentleman from Michigan was so generous.

Mr. BLANTON. He is generous with the District. He increased the tax only from $1.20 to $1.30.

Mr. CRAMTON. My purpose is to continue substantially the present contribution, and if the people of the District want more schools, more pavements, and so forth, badly enough to be willing to pay more, they should have them.

Mr. BLANTON. I am for the gentleman's amendment as far as it goes, but it does not go far enough. It would be an outrage to vote it down. It ought to be adopted. It is a little advanced step in the right direction. It is ridiculous to talk about voting it out.

Mr. UNDERHILL. Mr. Chairman, I move to strike out the last word. I take the floor to say a word of approval of the so-called Cramton amendment. One who has served on the District Committee for the past few years realizes the difficulty that we have in that committee because of the difference of opinion continually expressed to us through the various organized bodies in the city of Washington regarding the policy of the Government in making appropriations. It has been in my mind that an inventory should be taken of all the property owned by the United States Government, a generous valuation placed thereon, and a tax assessed on the Government pro rata.

Mr. MADDEN. But the gentleman knows that we can not assess a tax upon the property of the Government of the United States.

Mr. UNDERHILL. Yes; I know that. I mean for the purpose of arriving at the proper amount which the Government should contribute. Possibly that is what has been done by the gentleman from Michigan.

Mr. MADDEN. What we ought to do more than anything else is to allow the people of the District to have such improvements as they think they ought to pay for and to the extent that they are willing to pay for. For every $100 of property that I own outside of the District of Columbia I pay $4 tax. Here I pay $1.20, although I am willing to pay more.

Mr. UNDERHILL. We pay $33 a thousand in Massachusetts, and I doubt if you find many places where the tax rate is as low as it is here in the District. What we ought to do is to have a specified amount appropriated annually for the District of Columbia and then give more power to the District Commissioners. Congress should hold enough power to say to the District that they shall do such and such things. For instance, the $4,000,000 that the gentleman from Texas speaks about. If Congress gives that to the District they ought to specify that it shall be used entirely for the lighting of this city. It is the worst-lighted city that I have known anywhere. It is almost impossible to drive an automobile safely after dark. I want to emphasize the value and importance of the Cramton amendment, and I trust that the Members of Congress will take it seriously, spread the gospel, and pass it unanimously.

Mr. O'CONNER of Louisiana. Mr. Chairman, I move to strike out the paragraph.

Mr. BEGG. A point of order, Mr. Chairman.

Mr. BLANTON. Mr. Chairman, I withdraw my pro forma amendment.

The CHAIRMAN. Without objection, the gentleman from Texas withdraws his pro forma amendment and the gentleman from Louisiana moves to strike out the paragraph.

Mr. O'CONNOR of Louisiana. I desire to make it clear that I am in thorough accord with the gentleman from Michigan [Mr. CRAMTON] in suggesting a contribution of $8,000,000 for the operation of the District, although I think he is extremely generous. I might say, however, I have always felt that if the property of the National Government were assessed at anything like a fair valuation and subjected to taxation, and the Government paid only its own share of District operation, as a great taxpayer and employer of thousands of employees, in all probability it would get off with about one-fifth of the amount that it is to-day contributing to the support of the District of Columbia. The amendment is undoubtedly a step in the right direction. I wanted to make that clear. I believe the gentleman from Michigan, in his desire to do full and ample justice to the Capital, in all probability has arrived at a more than fair adjustment to them, considering all of the obstacles in the road to a reform in the way of interests that believe themselves wards of the Nation and who look upon the privileges and favor they have enjoyed as vested rights, and has come to a proper conclusion; but he is extremely generous in his attitude. I feel, as does the gentleman from Texas [Mr. BLANTON], that in all probability no one will question the amendment that Mr. CRAMTON has proposed. On the anvil of discussion the spark of truth may fly. Some day when the other big cities find how soft it is for Washington and therefore how much harder for themselves, there is going to be a howl throughout the land.

The Clerk concluded the reading of the bill.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DAVIS of Minnesota. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. Before making that motion, the Chair calls the attention of the gentleman from Minnesota to the fact that on page 3 there is pending a point of order to line 9, "for temporary additional assistant inspectors, $15,000." That matter was brought up and the point of order was urged against it by the gentleman from Texas [Mr. BLANTON], and while the Chair tentatively ruled upon it, finally it was passed with the right to recur to it and take the matter up later. In

the meantime can the gentleman from Minnesota inform the Chair as to the legal authority for this item?

Mr. CRAMTON. Mr. Chairman, a similar point of order was made to another paragraph relating to inspectors of buildings, and the decision of the Chair, found on page 7888 of the RECORD, if I am correct, shows that the same reasoning will apply with equal force. These inspectors are necessary to carry out and make effective the regulations that have been promulgated by direct authority of Congress.

The CHAIRMAN. The recollection of the Chair about the matter is that afterwards in succeeding sections similar questions were raised and legal authority was found, in the opinion of the Chair.

Mr. CRAMTON. And later on a point was raised and the statute was presented to give the commissioners full authority to promulgate regulations for the construction of buildings.

The CHAIRMAN. The point of order is overruled.

Mr. DAVIS of Minnesota. Mr. Chairman, I move that the committee do now rise and report the bill with the amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8839, the District of Columbia appropriation bill, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. DAVIS of Minnesota. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded upon any amendment?

Mr. BACON. Mr. Speaker, I demand a separate vote on the so-called Cramton amendment.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. CRAMTON. Mr. Speaker, will the gentleman consent to joining with the Cramton amendment the amendment on page 30, lines 20 to 26, which is joined with the Cramton amendment?

Mr. BLANTON. Mr. Speaker, I make the point of order that the previous question has been ordered, and that is out of order. The gentleman is proposing to amend his amendment in the House.

The SPEAKER. As the Chair understands the gentleman is trying to join two amendments.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent that the vote may be taken upon the so-called Cramton amendment on page 1, and also join with that the amendment on page 30, lines 20 to 22.

Mr. BLANTON. Which one is that?

Mr. CRAMTON. It is with reference to the distribution of returns. They are hooked up together.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to find out what this is. I object, Mr. Speaker.

Mr. CRAMTON. Then I demand a separate vote on the amendment on page 30

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. BEGG. Mr. Speaker, in view of the statement made to me by the chairman of the Committee on Appropriations I withdraw the request.

Mr. CRAMTON. I withdraw my request also.

Mr. GARRETT of Tennessee. I renew the request for the moment.

Mr. MADDEN. We do not want to call the Members back here just for this. The Senate is still existing. If it is desired to amend this, it can go to conference.

The question was taken, and the amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time; was read the third time, and passed.

On motion of Mr. DAVIS of Minnesota, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

NORTH CAROLINA IN THE WAR BETWEEN THE STATES

Mr. POU. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include an address delivered by Hon. CHARLES M. STEDMAN, which is as follows:

United Daughters of the Confederacy, ladies and gentlemen: I esteem it a high privilege to deliver an address before a convention of the United Daughters of the Confederacy.

Their history is one resplendent with great deeds, many of them gilded with romantic luster which has cast its radiance throughout the world. This organization owes its origin and life to an association of Southern women beginning in the days of the War between the States for the purpose of caring for the wounded, and after the war was over in providing cemeteries for the Confederate dead, many of whom slept upon the battle fields where they fell. When it was not possible to bring them home, they buried many of them at the same spot and erected a monument that the stranger might know he was treading on hallowed ground.

After the formation of the Confederate Veterans' Association, many of these associations became known as the Daughters of the Confederacy.

Their fidelity and loyalty to the memory of the Confederate soldier has scarcely a parallel in history, and is and will be an inspiration to the people of every land who recognize those great qualities as essential to the moral grandeur of mankind.

When I received an invitation from the distinguished president of the North Carolina Division of the United Daughters of the Confederacy to deliver an address this evening it was accompanied with a request that I adopt as the theme of my discourse "North Carolina in the war between the States." The same request was made in connection with an address recently delivered by me at the Confederate reunion held at Winston. I adopted without hesitancy the suggestion as to my address at Winston and shall do likewise as to the address I shall deliver this evening, for North Carolina and the Confederate soldier will ever be inseparably connected in a record of glory. A subject so splendid in itself, so replete with great and heroic action, seldom falls to the lot of any speaker. When I reflect upon the self-denial and the unshaken fortitude of the people of North Carolina during that unhappy period, when the splendid and unexcelled achievements of North Carolina soldiers during that same era pass in review before my mental vision, I can but feel my inadequacy to so great an undertaking. If aught I say shall seem to detract in the slightest degree from the merit of any Confederate soldier from any State or from my loyalty to this great Republic, whose flag protects and shields all its citizens, I ask that you do not so construe my words but ascribe them to the enthusiasm which characterizes all the children of North Carolina for her great name. The character and reputation of every Confederate soldier will ever be near to my heart, and the glory and honor of our common country will ever command my sincere and unchanging fealty.

The part acted by North Carolina in the greatest drama of modern times—the war between the States—history will preserve without blemish upon its pages. It has long since passed beyond the pale of legitimate controversy that in the number of troops furnished to the Southern Confederacy, in proportion to its white population and in the losses sustained by those troops, she stands first of all the States which make up that galaxy of great names.

It is likewise true that no troops in any corps of the Confederate Army were more thoroughly equipped and provided for in every way necessary to their efficiency and comfort, both as to arms, food, and clothing, than were the soldiers from North Carolina.

In considering the number of troops furnished by North Carolina to the Confederate Army, her attachment to the Union of the States will ever demand your consideration and attention, and her loyalty to her sister States of the Confederacy when once her faith was pledged will claim the admiration of all who have an honest pride in national honor wherever it may be found. North Carolina was next to the last State to secede from the Union, and in February, 1861, voted against secession by more than 30,000 majority; yet with a white population of 629,942 and a military population of 115,369, being one-ninth of the military population of the 11 seceded States, she sent to the Confederate Army 125,000 men, one-fifth of its entire enrollment, which was 600,000, according to the accepted estimate approved by General Cooper, the adjutant general of the Confederacy. Maj. A. Gordon, who was on the staff of the adjutant general of North Carolina, and who was thoroughly conversant with the organization of the North Carolina troops, estimated her contribution to the Confederate Army at 127,000. Governor Vance, after a thorough examination of the records of the adjutant's office, stated that number to be 125,000, and Capt. S. A. Ashe, who, at the request of the State Literary and Historical Association of North Carolina, gave to the consideration of this subject careful research, adopted the figures given by Governor Vance, and in his report says they are as correct as it is possible to make them. Lieut. Gen. Stephen D. Lee, in an address delivered at Asheville, N. C., stated North Carolina furnished 22,942 more troops than any other State. Of the troops furnished to the Confederate Army by North Carolina four regiments of infantry and one of cavalry were sent to the Army of Tennessee.

Of the soldiers present for duty, North Carolina had a larger proportion than naturally fell to her lot. They were ever ready in camp

or upon the field of battle. Of the 92 regiments which assailed and defeated the right flank of McClellan's Army in front of Richmond, 46 were from North Carolina. Of the 16 brigades engaged in the first day's fight at Gettysburg, 7 were from North Carolina.

The First North Carolina Regiment, commanded by Col. D. H. Hill, later a lieutenant general, was the first regiment sent by the Government to Yorktown and the first to arrive at Bethel. Over 800 of the 1,200 present when the action commenced were from North Carolina.

The first Confederate soldier killed in battle was Henry L. Wyatt, of the Edgecombe Guards, Company A, of that regiment, who fell at Bethel on the 10th of June, 1861.

At Reams Station, on the 25th of August, 1864, after a previous assault by other troops had failed, the three North Carolina brigades of Cooke, Lane, and McRae, in number less than 2,000 men, drove the Federal troops from the field, capturing their breastworks, with 2,150 prisoners, 2,100 stands of small arms, 12 stands of colors, 9 guns and caissons. The result of this brilliant engagement was hailed with great rejoicing throughout the South and shed a declining luster upon the Confederate battle flag, upon which the sun of victory was about to go down forever. Gen. R. E. Lee, publicly and repeatedly stated that not only North Carolina but the whole Confederacy owed a debt of gratitude to Lane's, Cooke's, and McRae's brigades which could never be repaid. He also wrote to Governor Vance expressing his high appreciation of their services. I will read his letter:

HEADQUARTERS ARMY NORTHERN VIRGINIA,
August 29, 1864.

His Excellency Z. B. VANCE,
Governor of North Carolina, Raleigh, N. C.:

I have been frequently called upon to mention the services of the North Carolina soldiers in this army, but their gallantry and conduct were never more deserving of admiration than in the engagement at Reams Station on the 25th ultimo.

The brigades of Generals Cooke, McRae, and Lane, the last under the temporary command of General Conner, advanced through the thick abatis of felled trees, under a heavy fire of musketry and artillery, and carried the enemy's works with a steady courage that elicited the warm commendation of their corps and division commanders and the admiration of the Army.

On the same occasion the brigade of General Barringer bore a conspicuous part in the operations of the Cavalry, which were no less distinguished for boldness and efficiency than those of the Infantry.

If the men who remain in North Carolina share the spirit of those they have sent to the field, as I doubt not that they do, her defense may be securely intrusted in their hands.

I am with great respect,
Your obedient servant, R. E. LEE, *General.*

The regiments from North Carolina engaged in this battle again illustrated those high qualities which will perpetuate the name and fame of the Confederate soldier in years to come. Unshaken by the fall of Vicksburg and the disaster of Gettysburg, undismayed amidst the general gloom which was settling upon the fortunes of the South, they exhibited the same enthusiasm and valor which had marked their conduct upon every field where they stood for the honor, glory, and renown of their State.

The greater part of the Confederate Infantry who were engaged in the last battle fought at Appomattox were from North Carolina. They were commanded by Maj. Gen. Bryan Grimes, a North Carolinian.

The last charge made and the last volley fired at Appomattox was made by a North Carolina brigade, commanded by Gen. W. R. Cox, of North Carolina.

The last capture of cannon by the Army of Northern Virginia was made by Roberts's brigade of North Carolina Cavalry.

No State stacked so many muskets at Appomattox as did North Carolina.

These facts are beyond dispute. The accuracy of the first two just mentioned in connection with the fight at Appomattox has been established by a statement made in writing in the year 1879 by General Grimes, which will be found in volume 11 of Moore's History of North Carolina, and which has never been contradicted. The statement of General Grimes is corroborated by a statement made by Gen. William R. Cox, which was published during the same year, in volume 11, Moore's History of North Carolina. If more evidence could possibly be needed, it is furnished by the statements of Brig. Gen. W. L. London, of the Second Brigade in the North Carolina Division of the United Confederate Veterans, who was serving on General Grimes's staff on the morning of the surrender, and of Hon. Henry A. London, of the Thirty-second North Carolina Regiment, who carried the last orders at Appomattox.

Wherever the flag of North Carolina floated on land or sea it was without tarnish, the emblem of honor, of courage, and unchanging fortitude which endured to the end.

The *Shenandoah*, commanded by James Iredell Waddell, a North Carolinian, flew the Confederate battle flag at its masthead more than six months after General Lee's surrender.

Shall their immortality be reckoned by their blood? Forty thousand two hundred and seventy-five soldiers from North Carolina gave their lives to the Confederacy, more than one-third of her entire military population, and a loss more than double in percentage than that sustained by the soldiers from any other State.

The entire Confederate loss during the Civil War, killed on the battle field and died of wounds, was 74,524. The loss of North Carolina soldiers was 19,762, more than one-fourth of the whole.

Of the 10 regiments of either side which sustained the heaviest loss in any one engagement during the war, Georgia, Alabama, Tennessee, Illinois, New York, Pennsylvania, and New Jersey furnished one each, and North Carolina furnished three.

The Confederate loss at Gettysburg was 2,592 killed and 12,707 wounded. Of the killed, 770 were from North Carolina, more than one-fourth.

Wherever the tide of battle was strongest and the harvest of death greatest on that field of carnage, there could be seen the battle flag of North Carolina. Her dead sons were found far up its blood-stained slopes. The three brigades at Gettysburg suffering the heaviest loss were Pettigrew's, from North Carolina, with 190 killed; Davis's, from Mississippi, composed of three regiments from Mississippi and one regiment from North Carolina, with 180 killed; and Daniels's, from North Carolina, with 165 killed. No brigade in Pickett's division, whose laurels won upon that field I trust may grow brighter with each revolving year, suffered so great a loss as the Twenty-sixth North Carolina Regiment. Its loss was 86 killed and 502 wounded, the largest sustained by any regiment on either side during the Civil War; Company F of that regiment, with 3 officers and 84 men, lost every officer and 83 of the 84 men in killed and wounded. Thirteen standard bearers of the regiment were shot down. Upon that same field one company in the Eleventh North Carolina Regiment lost 2 of its 3 officers killed and 34 of 38 men killed or wounded. The color company of the Thirty-eighth North Carolina Regiment had every man either killed or wounded. At Sharpsburg the Third North Carolina Regiment lost 330 in killed and wounded of 520 men which it carried into action, and upon that field Company C of the Fourteenth North Carolina Regiment lost every man, either killed or wounded. At Chancellorsville the same company, which carried into the fight 43 men, lost every one in killed or wounded but one.

The charge of the Fifth North Carolina Regiment at Williamsburg ranks in military history with that of the Light Brigade at Balaklava. The regiment lost 197 killed and wounded of 240 men which it carried into action. That charge gave to immortality its illustrious commander, Col. D. K. McRae.

At Seven Pines the Fourth North Carolina Regiment went into the fight with 25 officers and 520 noncommissioned officers and men and lost in killed and wounded every officer and 462 men.

At Bristoe Station the Twenty-seventh North Carolina Regiment lost 291 of 426 men in less than half an hour.

The four regiments of North Carolina Infantry—the Twenty-ninth, the Thirty-ninth, the Fifty-ninth, and the Sixtieth—and the Sixth Regiment of North Carolina Cavalry, upon the field of Chickamauga, rivaled the deeds of their brothers in the East and linked their names forever with imperishable renown. It has been established by the highest and most impartial testimony that "the point where the topmost wave of the tide of southern battle broke nearest to the unbroken line of Thomas's defense" was reached by the Fifty-eighth North Carolina Infantry. This was the unanimous report made by five commissioners appointed by Governor Carr, of North Carolina, to locate the position of the North Carolina regiments upon the field of Chickamauga. One of the commissioners was an officer of high reputation in the Federal Army, who afterwards made his home in North Carolina and won the friendship and esteem of all who knew him. I allude to Judge Clinton A. Cilley.

When stating the exceptionally great losses sustained by the troops from North Carolina there is no intention to assert that they were braver or better than those of any of her sister States. The soldier from North Carolina desires no praise, no laudation, no eulogy at the expense of his brother Confederate soldiers. The fortune of battle on many different fields furnished North Carolina soldiers the opportunity for their great achievements, and they ever proved themselves equal to the occasion.

Lieut. Gen. A. P. Hill, when asked what troops he preferred to command, replied: "Unquestionably North Carolinians; not that they are braver where all are brave; but, brave as the bravest, they are the most obedient to command." To this trait of character—obedience to orders—has been ascribed their preeminence.

Without underestimating this great quality in a soldier, it will be found upon scrutiny that a higher, nobler, and more exalted virtue than even the spirit of obedience to orders gave to the Confederate soldier, from whatever State he came, his superiority on the battle field.

A supreme sense of duty was the cardinal trait of character which gave him that moral power against which it is vain to hurl trained legions and endless battalions. It was the dauntless moral resolution of the soldiers of the South which made their great deeds possible.

Without that moral power to sustain them, the incomparable legions of Lee would have in vain struggled for so long a time to roll back the tide of invasion across the banks of the Potomac, and the marvelous campaigns of Stonewall Jackson would have found no place in history to adorn its pages with a halo of glory which will live through ages yet unborn. Neither famine nor pestilence nor mighty armies carrying in their track the destruction of all that was near and dear to them could subdue their invincible will. In the splendid future which awaits the southern portion of this Republic there is no character the study of which will more elevate its citizens and fit them for its blessings than that of the Confederate soldier. The capstone of the arch of his glory was the moral power which sustained him upon the battle field and which will forever perpetuate his fame.

An incident which illustrates the supreme sense of duty which can only be imparted by moral firmness, as exhibited by a North Carolina soldier, deserves to be recorded amidst the feats of heroes. The conduct of a private by the name of Tillman, in the Forty-fourth North Carolina Regiment, had attracted the favorable notice of his brigade commander, and he was, at his request, attached to the color guard. Tillman's name was also honorably mentioned in orders of the day from brigade headquarters. Soon thereafter, in front of Petersburg, the regiment became severely engaged with the enemy and suffered heavy loss. The flag several times fell, as its bearers were shot down in quick succession. Tillman seized it and again carried it to the front. It was but an instant, and he, too, fell. As one of his comrades stooped to raise the flag again the dying soldier touched him and in tones made weak by the approach of death said: "Tell the general that I died with the flag." The tender memories and happy associations connected with his boyhood's home faded from his vision as he rejoiced in the consciousness that he had proved worthy of the trust which had been confided to him.

Wolfe died on the Heights of Abraham the death of a hero, and as his spirit took its flight to another world, left as a legacy to his countrymen words which will forever live.

Nelson at Trafalgar illustrated by his conduct and speech his supreme sense of duty to England and her glory.

The Scotchman who died at Waterloo with his bagpipe in his hand, by the saber of the cuirassier of the guard, has been immortalized by Victor Hugo; but which of these three—who, of all those who live in song and story—is more worthy of the crown of immortality than this boy from North Carolina, whose grave is unnoticed and unknown.

It would be idle for me to attempt this evening to give a record of the achievements of North Carolina soldiers upon the different fields of their glory. There was not an engagement in which the Army of Northern Virginia participated in which they did not contribute to its immortal renown. The day has come when our whole united country accords to them the full measure of praise to which they are entitled as representing the highest and best type of American manhood.

I am greatly indebted to Chief Justice Walter Clark, of North Carolina; to Hon. Henry A. London; and to Capt. S. A. Ashe for assistance in securing as far as it can be furnished with accuracy a statement of the number of troops furnished by North Carolina and their losses. I have used for reference the History of North Carolina Regiments, edited by Chief Justice Clark, to which work he gave great and unstinted labor without remuneration or reward, except the gratitude of the Confederate soldier. I have also been aided by information gained from an eloquent speech of Hon. Henry A. London, of North Carolina, delivered by him a few years ago, which was reproduced in the fifth volume of the History of North Carolina Regiments, and by the report of Capt. S. A. Ashe, of North Carolina, made to the North Carolina Library and Historical Association.

For the splendid organization which equipped and supplied North Carolina troops, they are largely indebted to the provident foresight, practical business ability, and untiring efforts of Gov. Z. B. Vance, the great war governor of their State, who thereby endeared himself forever to all North Carolinians.

North Carolina not only clothed her own troops during the entire war, but furnished clothing for troops from other States, and when Lee's army surrendered had in store and ready for use 92,000 suits of uniform, with many thousand blankets and a large amount of leather. During the winter succeeding the Battle of Chickamauga, North Carolina sent to General Longstreet's corps 14,000 suits of clothing, and when the great drama was drawing to a close, North Carolina was furnishing food and supplies to a large part of Lee's army.

Governor Vance, in a memorable speech delivered at White Sulphur Springs, W. Va., August 18, 1875, stated that he was told by Gen. Joseph E. Johnson that—

> "When his army was surrendered at Greensboro he had in his depots in North Carolina, gathered in the State, five months' supplies for 65,000 men, and that for many months previous General Lee's army had been almost entirely fed from North Carolina."

For the comfort of her soldiers when at home sick, wounded, or traveling to and from the army, North Carolina established hospitals and inns at many different points in the State along the lines of railway.

She did more than this: For the helpless wives and children of soldiers who might be in distress she established depots of grain, salt, and provisions for their subsistence and appointed committees to provide for them and see that they were not neglected.

The soldier who was sleeping upon some field afar off under the stars in northern Virginia rested calmly as he dreamed of his loved ones at home, for he knew if he fell in the conflict of to-morrow, that they would be cared for by the great State which sent him to the battle field.

My friends, can you wonder that North Carolina is still to all her children the well-beloved mother and sovereign, whose name ever brings to them, when exiled from home by the decree of fate, that poetry of youth and memory of early happy days which neither gold nor power nor place can buy?

If commemorative words were needed to perpetuate the fame of the Confederate soldier, I should be all unhappy here to-night; but it is not so. It will live, transmitted from generation to generation, when the costliest tombs erected by the love of their countrymen have perished by decay and crumbled into dust.

It may not seem proper for me to make this prediction, but I do so with a reverent love for all portions of this great Republic. The day will come, though I trust it may not be far distant, when the intentions and ideas of the founders of this Government will be disregarded by those who, in the wild greed for money and amidst the dissolute luxury engendered by the vast accumulation of wealth, have forgotten the teachings of better and purer days, and the very existence of a constitutional form of government as framed by our ancestors will be in jeopardy. Then will be found amongst a people regenerated by fire and blood that high and broad and lofty patriotism which shall constitute them the strongest, safest, and best defenders of the land of our fathers in its entirety, and as the suffering and oppressed of every land and every clime shall still turn their steadfast gaze toward this Western Hemisphere, they will rise up and call you blessed.

Have we learned naught from the silent endurance, the patient agony, the deathless valor of the Confederate soldier? It can not be. His life and conduct have taught us the lesson over again which history has ever repeated.

It is neither on the greatest fields of battle nor places where the most calamitous bloodshed has taken place that the recollection of future ages is chiefly riveted. It is moral grandeur which produces a durable impression. It is patriotic heroism which permanently attracts the admiration of mankind. The day may come when the memory of the fields of Gettysburg and Chancellorsville, of Fredericksburg and Sharpsburg shall be dimmed by the obscurity of revolving years and recollected only as a shadow of ancient days; but even then the enduring fortitude and patriotic valor of the Confederate soldier who followed the banners of Robert E. Lee and Stonewall Jackson will stand forth in undecaying luster amidst the wreck of ages and survive unshaken above the floods of time.

Friends and comrades, let us never fail to defend the fame and achievements of the brave men whom the South sent to the battle field.

Death, which destroys the pomp and power of this world, has only placed the seal of immortality upon their lives. The sacred charge of their fame is intrusted to you, my countrymen and countrywomen. Guard it devotedly, bravely, justly, and truly, that it may remain untarnished in its pristine glory; not alone with this generation but with all those who may come after us until time shall be no more. Let the glorious example left by them be preserved for untold ages and for every people from the rising to the setting sun. If history be false, let tradition preserve it, and on every anniversary of our memorial days let eloquence proclaim it as a heritage for all humanity, which it has elevated and adorned with a pathos and glory which belongs to the civilized world.

> "Let us cheer for those boys to the ends of the earth,
> From the mountain heights to the sea,
> In the land where freedom had its birth,
> Where manhood still is the highest worth,
> In the hearts of the noble free.
>
> "Let us drink to those boys who march no more
> To the call of the drum and fife,
> Who sail the sea with the soundless shore,
> Far out from the harbor of life."

ADJOURNMENT

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute p. m.) the House adjourned until to-morrow, Wednesday, May 7, 1924, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MADDEN: Committee on Appropriations. S. J. Res. 119. A joint resolution making appropriation for contingent expenses

of the United States Senate, fiscal year 1924; without amendment (Rept. No. 664). Referred to the Committee of the Whole House on the state of the Union.

Mr. FITZGERALD: Committee on World War Veterans' Legislation. H. R. 6484. A bill making eligible for retirement under certain conditions officers and former officers of the World War, other than officers of the Regular Army, who incurred physical disability in line of duty while in the service of the United States during the World War; without amendment (Rept. No. 665). Referred to the Committee of the Whole House on the state of the Union.

Mr. ALDRICH: Committee on Foreign Affairs. S. 2998. An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico; without amendment (Rept. No. 666). Referred to the Committee of the Whole House on the state of the Union.

Mr. ALDRICH: Committee on Foreign Affairs. H. R. 8371. A bill providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico; without amendment (Rept. No. 667). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WOODRUFF: Committee on Naval Affairs. H. R. 7167. A bill for the relief of George A. Berry; without amendment (Rept. No. 668). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 8834) granting an increase of pension to Florence A. Rathbun; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (S. 2998) providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico; Committee on Irrigation and Reclamation discharged, and referred to the Committee on Foreign Affairs.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

[Omitted from the Record of January 3, 1924]

By Mr. WILLIAMS of Texas: A bill (H. R. 4527) to provide for the purchase of a site and the erection of a public building thereon at Graham, Tex.; to the Committee on Public Buildings and Grounds.

[Submitted May 6, 1924]

By Mr. THOMPSON: A bill (H. R. 9091) authorizing the erection of a Federal building at Napoleon, Ohio, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. HAUGEN: A bill (H. R. 9092) to authorize the transportation at public expense of the remains of officers and employees of the Department of Agriculture who die while away from their official stations; to the Committee on Agriculture.

By Mr. MILLER of Washington: A bill (H. R. 9093) declaring pistols, revolvers, and other firearms capable of being concealed on the person nonmailable, and providing penalty; to the Committee on the Post Office and Post Roads.

By Mr. HILL of Washington: A bill (H. R. 9094) to provide for free homesteads on the public lands for bona fide settlers in the diminished Colville Indian Reservations, State of Washington, and for other purposes; to the Committee on the Public Lands.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 9095) to incorporate the American War Mothers; to the Committee on the Judiciary.

By Mr. ROGERS of Massachusetts: A bill (H. R. 9096) to facilitate the naturalization of aliens who served in the armed forces of the United States during the World War; to the Committee on Immigration and Naturalization.

By Mr. BACON: A bill (H. R. 9097) authorizing an exchange of lands between the United States and the State of New York; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER: Joint resolution (H. J. Res. 258) creating a joint committee of three Members of the Senate and three Members of the House to investigate the administration of Indian affairs in the State of Oklahoma; to the Committee on Indian Affairs.

By Mr. MACGREGOR: Resolution (H. Res. 292) to pay six months' salary and funeral expenses to relatives or representatives of deceased employees of the House of Representatives; to the Committee on Accounts.

Also, resolution (H. Res. 293) to pay one year's salary and funeral expenses to widows of deceased employees of the House of Representatives; to the Committee on Accounts.

By Mr. HAUGEN: Resolution (H. Res. 294) for the consideration of H. R. 8942, a bill to amend the packers and stockyards act, 1921, and for other purposes; to the Committee on Rules.

Also, resolution (H. Res. 295) for the consideration of H. R. 9033, a bill declaring an emergency in respect of certain agricultural commodities, to promote equality between agricultural commodities and other commodities, and for other purposes; to the Committee on Rules.

By Mr. WHITE of Kansas: Resolution (H. Res. 296) for the consideration of S. J. Res. 22, proposing an amendment to the Constitution of the United States fixing the commencement of the terms of the President and Vice President and time of assembling of Congress; to the Committee on Rules.

By Mr. TREADWAY: Memorial of the Legislature of the State of Massachusetts, in favor of the passage of legislation to prevent the manufacture of shoes in factories owned by the Federal Government; to the Committee on the Judiciary.

By Mr. ROGERS of Massachusetts: Memorial of the Legislature of the State of Massachusetts, favoring the enactment by Congress of legislation to prevent the manufacture of shoes in factories owned by the Federal Government; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVEY: A bill (H. R. 9098) granting a pension to Mamie Gilland; to the Committee on Pensions.

By Mr. DRANE: A bill (H. R. 9099) granting a pension to Almira Washburn; to the Committee on Invalid Pensions.

By Mr. FAUST: A bill (H. R. 9100) granting a pension to Orba A. White; to the Committee on Pensions.

By Mr. MANLOVE: A bill (H. R. 9101) granting a pension to Clarinda Holder; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 9102) granting a pension to Carl A. Dickinson; to the Committee on Pensions.

Also, a bill (H. R. 9103) granting a pension to Archie McDonald; to the Committee on Pensions.

By Mr. NEWTON of Missouri: A bill (H. R. 9104) for the relief of Anna Osburg; to the Committee on Claims.

By Mr. SHERWOOD: A bill (H. R. 9105) granting a pension to Augusta C. Harris; to the Committee on Invalid Pensions.

By Mr. TINCHER: A bill (H. R. 9106) granting an increase of pension to Joseph Alton; to the Committee on Pensions.

By Mr. THOMPSON: A bill (H. R. 9107) granting a pension to Ella Wallace; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2684. By Mr. BARBOUR: Petition of Kern County (Calif.) Association of Graduate Nurses, urging the modification of the report of the Personnel Reclassification Board so that all regularly graduated nurses shall be classed as "professionals"; to the Committee on the Civil Service.

2685. By Mr. CONNOLLY of Pennsylvania: Papers in support of the bill (H. R. 1001) for the relief of Walter R. Smith; to the Committee on Claims.

2686. By Mr. DARROW: Petition of the Lumbermen's Exchange of Philadelphia, protesting against the present consideration of the Howell-Barkley railroad labor bill; to the Committee on Interstate and Foreign Commerce.

2687. Also, petition of the Philadelphia Wholesale Lumber Dealers' Association, protesting against the consideration of the Howell-Barkley railroad labor bill; to the Committee on Interstate and Foreign Commerce.

2688. Also, petition of the Philadelphia Board of Trade, opposing the enactment of Senate bill 2327, proposing to amend the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

2689. By Mr. GALLIVAN: Petition of Michael H. Crowley, superintendent of police, Boston, Mass., recommending the establishment of a national police bureau in Washington, D. C.,

as provided for in H. R. 8580; to the Committee on the Judiciary.

2690. By Mr. GIFFORD: Petition of the board of directors of the Cape Cod Chamber of Commerce at Hyannis, Mass., urging the Government to obtain control of the Cape Cod Canal; to the Committee on the Merchant Marine and Fisheries.

2691. By Mr. GRIFFIN: Petition of the magazine called "Life," of New York City, granting to Congress a special award in its recent war contest for the best plan for the promotion of international ill will; to the Committee on Immigration and Naturalization.

2692. By Mr. VARE: Petition of the Board of Trade of Philadelphia, opposing the several so-called farm-relief bills before the House; to the Committee on Agriculture.

SENATE

WEDNESDAY, *May 7, 1924*

(Legislative day of Monday, May 5, 1924)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS

Mr. ROBINSON presented telegrams and a letter in the nature of petitions from J. E. W. Clark, department commander, Civil War Veterans, of Little Rock, Ark.; of Gaylord M. Saltzgaber, commander in chief, Grand Army of the Republic, of Washington, D. C.; of Albert D. Alcorn, national commander in chief, United Spanish War Veterans, of Washington, D. C.; and of Press Waggoner, of Johnstown, Pa., praying for the passage of the so-called Bursum pension bill over the veto of the President, which were referred to the Committee on Pensions.

Mr. NEELY presented the petition of Rev. S. K. Arbuthnot, pastor, and the congregation of the First Methodist Episcopal Church, of Sutton, W. Va., praying that the United States participate in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

Mr. WILLIS presented resolutions adopted by the Jackson-Jefferson Club, of Ashland County, Ohio, protesting against the adoption of the so-called Mellon plan of tax reduction and favoring a substitute therefor in pending legislation, which were referred to the Committee on Finance.

Mr. CAPPER presented a petition of sundry citizens of St. John, Kans., praying an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

FREIGHT RATES ON FARM PRODUCTS

Mr. SHEPPARD. I present a memorial of representatives of the American National Livestock Association, favoring the passage of the joint resolution (S. J. Res. 107) declaring agriculture to be the basic industry of the country, and for other purposes. I ask that it be referred to the Committee on Interstate Commerce and printed in the RECORD.

There being no objection, the memorial was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

Memorial of the Livestock Producers

To the Senate of the United States:

The American National Livestock Association, Texas and Southwestern Cattle Raisers' Association, Arizona Cattle Growers' Association, Arizona Wool Growers' Association, California Cattlemen's Association, Corn Belt Meat Producers' Association, Idaho Cattle and Horse Growers' Association, Kansas Livestock Association, Montana Stock Growers' Association, Nebraska Stock Growers' Association, Nevada Land and Livestock Association, New Mexico Cattle and Horse Growers' Association, Oregon Cattle and Horse Raisers' Association, Utah Cattle and Horse Growers' Association, Wyoming Stock Growers' Association, Wyoming Woolgrowers' Association.

In behalf of the livestock producers of the of the western half of the United States present this memorial to the Senate of the United States urging the passage of the resolution reported by the Committee on Interstate Commerce (S. J. Res. 107) declaring agriculture to be a basic industry, and that the products thereof should be accorded the lowest possible freight rates that can be lawfully made, and directing the Interstate Commerce Commission to speedily prescribe the lowest possible rates on agricultural products and livestock.

These petitioners would point to the fact that the value and amount received by the producer out of the price obtainable at the markets or elsewhere is so small that, in the case of cattle and hogs, it is not equal to the cost of production and anything like a substantial return for the labor, or interest on the capital employed by the producer, and under the standard of the transportation act the production of these animals—the meat supply of the country—can not survive and pay the enormously increased rates now prevailing.

The existing distress and threatened destructions of the once profitable stockraising industry and agriculture connected therewith demand that this resolution be enacted so as to untie the hands of the commission in order that the commission may, by the construction that Congress shall give to the act and the duty of the commission thereunder, make rates on these products commensurate with the ability of the producer to pay and live rather than to be bound by the general rule of the standard of the transportation act, which standard creates rates so unreasonable to the producer that these great industries, stockgrowing and agriculture, must bear an unjust and unreasonable burden, to their great detriment and even destruction.

While the commission is directed by the resolution, Senate Joint Resolution 107, to make the lowest possible rates that are lawful on the products, it must be borne in mind that under the decision of the United States Supreme Court in the Dayton-Goose Creek case, January 7, 1924, the commission fixing rates on particular commodities, like these named in the resolution, is not under the transportation act bound to give consideration to the standard return upon the value of the property of carrier, and it is entirely within the province of Congress to direct the commission as is done in the resolution.

We appeal to Congress to pass the resolution to afford the opportunity for relief to agriculture and livestock that will make rates reasonable for the producers and shippers to pay.

Respectfully submitted,

AMERICAN NATIONAL LIVESTOCK ASSOCIATION,
FRED BIXBY, *President.*
T. W. TOMLINSON, *Secretary.*
S. H. COWAN, *General Counsel.*

WASHINGTON, D. C., *May 7, 1924.*

Mr. SHEPPARD. I ask the Senator from South Carolina [Mr. SMITH], who is the author of the joint resolution, what is its status at present?

Mr. SMITH. The joint resolution is on the calendar awaiting an opportunity to be considered. It has been on the calendar for some time, and I shall take advantage of the very first opportunity to bring it before the Senate.

SERGT. ALVIN C. YORK

Mr. SHEPPARD. From the Committee on Military Affairs I report back favorably without amendment the bill (S. 412) authorizing the President of the United States to appoint Sergt. Alvin C. York as a captain in the United States Army and then place him on the retired list, and I submit a report (No. 506) thereon.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

Mr. SHEPPARD. I ask that the report may be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the report will be printed in the RECORD.

The report this day submitted by Mr. SHEPPARD is as follows:

Your committee, to which was referred the bill (S. 412) authorizing the President of the United States to appoint Sergt. Alvin C. York as a captain in the United States Army and then place him on the retired list, begs leave to report to the Senate the bill without amendment with the recommendation that it do pass. The bill is as follows:

"*Be it enacted, etc.*, That the President of the United States be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint Sergt. Alvin C. York, late of Company G, Three hundred and twenty-eighth Infantry, United State Army, an officer with the rank of captain in the United States Army and then to place him on the retired list in that grade."

The Adjutant General in giving the record of Sergeant York, said:

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington.

STATEMENT OF THE MILITARY SERVICE OF SERGT. ALVIN C. YORK

The records of this office show that Alvin C. York, S. N. 1910421, was inducted into the military service November 14, 1917, by the local board for Jamestown, Tenn., was assigned to the Twelfth Com-

pany, One hundred and fifty-seventh Depot Brigade, Camp Gordon, Ga., November 16, 1917, was transferred to the Three hundred and twenty-eighth Infantry at that place and assigned to Company G, February 9, 1918. He sailed for overseas service May 1, 1918, was promoted to private first class July 8, 1918, praticipated in the following engagements: Lucey sector (Lorraine), June 26–August 9, 1918; Marbache sector (Lorraine), August 17–September 11, 1918; St. Mihiel offensive, September 12–16, 1918; Marbache sector (Lorraine), September 17–18, 1918; and Meuse-Argonne offensive, October 2–November 2, 1918. He was promoted to sergeant November 1, 1918, returned to the United States May 22, 1919, and was honorably discharged May 29, 1919, at Fort Oglethorpe, Ga., with character excellent.

He was awarded the following decorations:

Congressional medal of honor, with the following citation: "For conspicuous gallantry and intrepidity above and beyond the call of duty in action with the enemy near Chatel Chehery, France, October 8, 1918. After his platoon had suffered heavy casualties and three other noncommissioned officers had become casualties Corporal York assumed command. Fearlessly leading seven men, he charged, with great daring, a machine-gun nest which was pouring deadly and incessant fire upon his platoon. In this heroic feat the machine-gun nest was taken, together with 4 officers and 128 men and several guns."

French medaille militaire, by presidential decree of May 5, 1919, and French croix de guerre with palm, under Order No. 160046 D, dated April 13, 1919, general headquarters, French Armies of the East, with the following citation: "All the noncommissioned officers of his platoon having been disabled, he took command of it and with seven men succeeded in silencing a nest of enemy machine guns, capturing several machine guns and 132 prisoners, including 4 officers."

Italian croce di guerra (no specific citation of record).

Montenegrin medaille pour la bravoure militaire (no specific citation).

Official statement furnished Hon. KENNETH MCKELLAR, United States Senate, December 12, 1923.

By authority of the Secretary of War:

ROBERT C. DAVIS,
The Adjutant General.

Alvin C. York was born at Pall Mall, Tenn., on December 13, 1887, and is one of 11 children. He has living seven brothers and two small sisters. The family have lived in the mountains of Tennessee for generations. York's father was a blacksmith and had a small farm on which he raised wheat and oats and other grain. In November, 1911, his father, William York, died and left him provider of, and protector of, his mother, one brother, and two small sisters. The other brothers had married or moved away. For a long time he took care of them, running the smithy which his father had left and the farm on which the family lived. In 1915 he joined the Church of Christ and Christian Union. None but a man of deep convictions could attain to their teachings. You can not meet York without profound respect for his sincere and rugged strength. His church is against fighting in any form. So when the draft came along and reached out for York he was in a difficult dilemma. He was not only a member of the church but was second elder and often led in the service. His congregation wanted him to ask for exemption as a conscientious objector. His pastor, R. C. Pile, urged it. His mother, faced with the prospect of losing the head of the household at a time when her health was not robust, also urged it, but York refused. He belonged to the Church of Christ and Christian Union and subscribed to its doctrines, but he was not going to back out on his country when it was drawn into war. Patriotism is very strong in Tennessee. After he got into the Army his conscientious scruples about killing his fellow man gave him great trouble. He was sent to Camp Gordon, Ga., and while learning how to be a soldier frequently talked to Captain Danforth, his captain, about the matter. They discussed every phase of the situation from a Biblical standpoint, and York became convinced that it was his duty to fight and, if necessary, to kill. I quote from an article by George Pattullo in the Saturday Evening Post of April 26, 1919, which graphically describes his killing of 25 Germans and capture of 132 men:

"The Eighty-second Division was originally a southern division; nearly all its officers hail from the South. But various shifts and changes resulted in every State of the Union being represented in the Eighty-second in considerable numbers. For instance, one regiment can boast that 35 training camps have contributed men to its ranks. Therefore the Eighty-second wears AA on its insignia—all America—and they are almost as proud of it as the veteran First Division is of the red numeral on the left shoulder. The men of the First think that means more than a Croix de Guerre, and I am inclined to agree with them.

"York was soon promoted to corporal in Company G, Three hundred and twenty-eighth Infantry, Eighty-second Division. And he was with his company when the second battalion of the Three hundred and twenty-eighth jumped off from Hill 223, just north of Chatel-Chehery, at 6 o'clock on the morning of the 8th of October. Their objective was the Decauville railroad, 2 kilometers due west, and, by the way, they got it. They got it despite the sheer ridges they had to climb under artillery and machine-gun fire; and the boches were obliged to pull out of a sector of the Argonne Forest, their communications having been cut.

"The battalion had to cross a valley several hundred yards in width. On the left rose a considerable hill from which the boches sprayed them with machine-gun fire; straight ahead towered the elevation known as 167, a steep, high ridge from which came a withering fire; Cornay Ridge, on their right, sounded like a thousand steel hammers at work. In other words, the Americans were caught by fire from three directions.

"York was on the extreme left of the advance, his platoon being the support platoon of the left assault company.

"'We are losing a lot of men,' he said. 'See that little rise just where the slope of the hill comes down? Well, it looked like we couldn't get beyond that. The line just seemed to melt away when it reached there.'

"UNDER CROSS FIRE

"This was due to the fact that boche machine guns on the hill—now known as York's Hill—had the Americans enfiladed. Therefore, Sergt. Harry M. Parsons, formerly an actor, who was in command of the platoon, was ordered to advance with his men and cover the left flank. The fire was too hot in the valley, so they skirted the foot of the hill in order to gain some protection.

"Parsons ordered Acting Sergt. Bernard Early to take two squads and put the enemy machine guns out of action. That was when the real business began.

"Early had under him 16 men: Corporal York, Corpl. William B. Cutting, Corpl. Murray Savage, Pvts. Maryan E. Dymowski, Ralph E. Weiler, Fred Wareing, William Wine, Carl Swanson, Mario Muzzi, Percy Beardsley, Joe Konotski, Feodor Sak, Thomas G. Johnson, Michael A. Sacine, Patrick Donahue, and George W. Wills. Of these Corporal Savage and Privates Dymowski, Weiler, Wareing, Wine, and Swanson were killed early in the fight, practically by the first blasts from the machine-gun emplacements. Sergeant Early, Corporal Cutting, and Private Muzzi were wounded at the same time, the first-named being shot three times through the body. That left Corporal York and seven privates to turn the trick.

"It was a clear day. There had been mists in the valley and shrouding the hills just after dawn, but they had lifted so that the movements of the Americans were perfectly visible to the enemy along the ridges. As the little party started up the hill which they proposed to clear of boches, machine guns peppered them from the Cornay Ridge at their backs, but the trees and brush were very thick, and they escaped beyond observation without losing a man. The nests they were after lay on the other side of a slope; the boches were firing at the Infantry in the valley and were wholly unconscious of the detachment bent on circling round behind them.

"The Americans went stumbling upward through the leafy jungle, bullets whipping the branches above and around them. None were hit, however, and soon they gained above the fire. It was a stiff climb. I went up that hill later without a pack and free from anxiety, and found it hard going. What must it have been with full equipment, machine guns blazing at them, and the enemy ahead in unknown strength.

"About two-thirds of the way up they came upon an old wide trench, probably built by the French early in the war. They entered this and followed it. The clamor of the fight on the other side of the hill now grew less.

"The trench led over the crest. Going warily in single file, now stopping to listen and make sure that no enemy lurked near, now moving with painful caution lest they be heard, the detachment penetrated upward through the dense woods and began to descend the other slope. Sergeant Early was in the lead. Until wounded he directed all the operations. His behavior throughout the entire affair was of the highest order.

"A SHRIEKING BEDLAM

"Still they saw no Germans. They could hear firing off at their right, they could hear it ahead, but not a sign of the enemy did they see. Finally they debouched upon a path, and there in the wet earth were fresh footprints.

"They crossed the path and continued the descent, veering to the left to make sure they should get behind the enemy. A few minutes and they entered another path, well worn, full of new footprints.

"'Which way had we better take?' whispered Sergeant Early to Corporal York.

"'Let's right oblique,' answered the mountaineer; and they right obliqued and went downward along the path.

"It dipped steeply to a cuplike valley amid the hills. A puny stream flowed through this valley. Everywhere were trees and bushes and tangles of undergrowth.

"Suddenly they espied two Germans ahead of them in the path. Both wore the Red Cross brassard, and both started to run at the first glimpse of the Americans. Some shots were fired, and one stopped. He surrendered, the other disappeared.

"'It looked like a battle was coming,' said York, so we went into skirmish order.

"They scattered out amid the riot of brush and pushed forward. Presently the leaders of the party arrived at the stream, and there on the other side were about 20 or 30 Germans, gathered near a small hut that was evidently some kind of P. C. At any rate several officers were holding a conference and a number of the men were squatted on the ground apparently about to eat.

"The Americans instantly let fly. A few of the enemy returned the shots, but the majority dropped guns and equipment and threw up their hands, shouting 'Kamerad!'

"What had happened? How came the enemy behind them?

"'Don't shoot!' ordered Sergeant Early. 'They're going to surrender.'

"Surrender they did, the whole outfit, including the major in command of the battalion.

"'What are you, English?' he asked.

"'Americans,' answered York.

"'Good Lord!' said the major.

"Early's detachment now made preparations to take them out. But before they could move all hell broke loose. Along the steep slope of the hill facing them, not 30 yards away, was machine gun after machine gun, snugly placed in fox holes, but pointing in the other direction. The Boches manning them swung these guns around and opened up a fusillade on the attackers. The valley became a chattering, shrieking bedlam. Some Heinies on a hill far to the rear of the Americans sensed a new menace and opened up wildly against their own position, but their fire was many yards high and merely seared the tops of the trees.

"At the first blast of fire every Heinie prisoner dropped flat on his stomach and hugged the ground. The Americans followed their example. Some took refuge behind trees, others burrowed amid the underbrush; but six were killed. Sergeant Early was shot through the body; Corporal Cutting had three bullets through the left arm; Private Muzzi had a wound in the shoulder; Private Beardsley, who had an automatic and was crouched down near Corporal York when the trouble started, crept back to a big tree for protection. On one side of him lay Private Dymoswki, and on the other was Private Wareing. Both were riddled with bullets—shot all to pieces. Beardsley told me afterwards that he considered the situation hopeless and could not operate his gun.

"Nine hundred and ninety-nine thousand nine hundred and ninety-nine men out of a million would have considered the situation hopeless. The millionth man was Corpl. Alvin C. York. The second elder was down on his haunches amid the brush picking off the boches as fast as he could shoot. From this moment the battle became all York's.

"Six of the detachment were killed almost immediately after the machine guns opened up; three were wounded, including the sergeant in command. York and seven privates remained.

"Of these Private Beardsley could do nothing from his position while the enemy fire kept up, for it raked both sides of his tree from close to the ground to a height of 4 feet.

"Pvt. Michael A. Sacina says in his statement: 'I was guarding the prisoners with my rifle and bayonet on the right flank of the group of prisoners, so close to them that the machine gunners could not shoot at me without hitting their own men. This saved me. During the fighting I remained on guard, watching these prisoners and unable to turn around and fire myself for this reason. From where I stood I could not see any of the other men in my detachment.'

"And Private Donahue, a game little Irishman: 'During all this shooting I was guarding the mass of Germans taken prisoners and devoted my attention to watching them. When we first came in on the Germans I fired a shot at them before they surrendered. Afterwards I was busy guarding the prisoners and did not shoot. From where I stood I could see only Privates Wills, Sacina, and Sak. They were also guarding prisoners.'

NEVER A THOUGHT OF DEATH

"Pvt. George W. Wills: 'When the heavy firing from machine guns commenced I was guarding some of the German prisoners. During this time I saw only Privates Donahue, Sacina, Beardsley, and Muzzi. Private Swanson was right near me when he was shot. I closed up very close to the Germans with my bayonet on my rifle and prevented some of them, who tried to leave the bunch and get into the bushes, from leaving. I knew that my only chance was to keep them together and also to keep them between me and the Germans who were shooting. I heard Corporal York several times shouting to the machine gunners on the hill to come down and surrender, but from where I stood I could not see Corporal York. I saw him, however, when the firing stopped, and he told us to get along the sides of the column.'

"My purpose in quoting the statements of these men is to show by elimination what York did, in order to convince the skeptical. Every man except the second elder is now accounted for; we know from their own lips what the survivors of the first blasts did in the fight that ensued. But somebody killed more than 20 boches on the slopes of that hill and put 35 machine guns out of action. Who was it?

"Capt. B. Cox, of Atlanta, Ga., who later came over the hill frontally with his platoon, told me that he counted a dozen dead boches lying along a path and saw the arms and legs of 8 or 10 more sticking out from behind bushes. His estimate placed the dead at 25. I am putting the number at 20 to be conservative and because the slaughter was the least part of the exploit. What counts is the fact that the second elder of a church opposed to fighting should have given battle to an entire machine-gun battalion and got away with it.

"He never thought of surrender. His problem was to make the enemy give up as quickly as possible, and he kept yelling to them to 'Come down!'

"Bang! Bang! 'Come down!' York would shout, precisely as though the surrender of a battalion to an individual soldier were the usual thing—and I really believe he regards it that way, provided the soldier be an American.

"'Somehow I knew I wouldn't be killed,' he said. 'I've never thought I would be—never once from the time we started over here.'

"At the first crack of the machine guns on the slope opposite him York dropped to earth. He was in a narrow path leading to the emplacements. Directly in front lay the boche prisoners, groveling in fear of their comrades' fire. The machine guns were less than 30 yards away and were blazing away straight down. Their stream of fire mowed off the tops of the bushes as though they had been cut with a scythe.

"And then the second elder got going on his own account. Sighting as carefully as he was wont to do in the turkey matches at home in Tennessee he began potting the boches in their fox holes and the boches who were hiding behind trees and the boches who were firing at him from the shelter of logs. And with every shot he brought down an enemy. No; I am wrong; he showed me a crease on a tree bole later, and confessed his belief that he had missed that one.

"'You never heard such a clatter and racket in all your life,' he said. 'I couldn't see any of our boys. Early and Cutting had run along toward the left in front of me just before the battle started, but I didn't know where they were.'

SHOT THE WHOLE BUNCH

"'If I'd moved, I'd have been killed in a second. The Germans were what saved me. I kept up close to them, and so the fellows on the hill had to fire a little high for fear of hitting their own men. The bullets were cracking just over my head and a lot of twigs fell down.

"'Well, I fired a couple of clips or so—things were moving pretty lively, so I don't know how many I did shoot—and first thing I knew a boche got up and flung a little bomb at me about the size of a silver dollar. It missed, and wounded one of the prisoners on the ground, and I got the boche—got him square.

"'Next thing that happened, a lieutenant rose up from near one of them machine guns and he had seven men with him. The whole bunch came charging down the hill at me—like this. They held their guns like this.

"'I had my automatic out by then and let them have it. Got the lieutenant right through the stomach and he dropped and screamed a lot. All the boches who were hit squealed just like pigs. Then I shot the others.'

"'You killed the whole bunch?'

"'Yes, sir. At that distance I couldn't miss.' He killed this detachment before they could charge 20 yards down hill—eight men.

"'As soon as the Germans saw the lieutenant drop, most of them quit firing their machine guns and the battle quieted down. I kept on shooting, but in a minute here comes the major who had surrendered with the first bunch. I reckon he had done some shooting at us himself, because I heard firing from the prisoners, and afterward I found out that his pistol was empty.

"'He put his hand on my shoulder like this and said to me in English "Don't shoot any more, and I'll make them surrender." So I said, "All right"; and he did so, and they did so.'

"As York himself would phrase it, the battle now quieted down, and the boches descended from their positions on the hill. They came in droves; their arrival swelled the number of prisoners to 90.

"Meanwhile the enemy machine guns from the hills back of the Americans were still spitting wildly in their direction, and none of the little detachment knew at that moment other Germans might arrive or an undiscovered nest open on them. Their own dead lay about, and they had three wounded, but it became imperative that the detachment should return with their captures immediately. Accordingly Corporal York formed up the prisoners in column and placed his surviving comrades as escort.

"To him came acting Sergeant Early and Corporal Cutting. The former said: 'York, I'm shot, and shot bad. What'll I do?' York answerd: 'You can come out in rear of the column with the other boys.' Private Donahue helped bring him in, for Early was seriously wounded. Corporal Cutting and Private Muzzi were able to walk out unassisted.

"After the turmoil of fighting none but a woodsman could have found his way back. York's sense of direction was perfect, but though he knew whither he wanted to go he did not know the best way of getting there. The boche major decided for him.

"'Go along this path,' he suggested, pointing down the one which skirted the base of the hill.

"Of course York went the other way; that was all he needed to determine him. He formed up his prisoners, placed the major in front of him as a screen, a couple of other officers behind him, and started up the wide of the hill through the thick woods. The long line trudged behind, herded by the seven men left of the detachment, which Sergeant Early and the two other wounded bringing up the rear. All the boches had flung down their weapons and equipment on surrendering. The field of battle was littered with their stuff.

"'Just as we started I passed the body of Corpl. Murray Savage.' York told me, strongly moved. 'Him and I were cronies—he was my bunkie—but I had to leave him there. I didn't dare to take my eye off the mob of prisoners.'

"As they toiled up the hill the major tried to engage York in conversation.

"'How many men have you got?' He inquired.

"'I got a plenty,' returned the second elder grimly, and made him step faster.

"It was impossible to see where they were going, on account of the thick brush, but York knew that the direction was right to bring them out on the side of the hill where the Americans ought to have established a post of command by this time. A hundred yards or more, and they were challenged. They had stumbled upon another boche machine-gun nest. York thrust the major in front of him, covered the crew with his pistol, and ordered them to surrender. They abandoned their weapons and equipment and joined the prisoners.

BACK TO SAFETY

"During the journey back they flushed several more nests. In one the crew offered resistance.

"'I had to shoot a man there,' remarked Corporal York regretfully. 'When we hit the next nest and I got ready to settle them if they didn't give up, the major tapped me on the shoulder and said: "Don't kill any more and I'll make them surrender,'" and he did."

"The result of these operations was that York and his small detachment pretty well cleaned up that hill before they arrived on the other side. He says that somebody was shooting at them from behind as they went along, but without any damage.

"Probably this firing came from a bunch of machine gunners whom Captain Danforth accounted for half an hour later. With Sergeant Olson and two runners he easily captured 44 prisoners while going back for his support platoons.

"On the far slope of the hill York heard a loud challenge of 'Halt!' and perceived a bunch of doughboys about to fire. He shouted to them that he was bringing prisoners, and they permitted him to approach. The men were part of a detachment that had taken up position in the old abandoned trench York and his party had followed earlier in the day.

"It was wearing on toward 10 o'clock when York and his column emerged from the scrub at the foot of the hill and halted near a dugout in which the attacking Americans had just established a battalion P. C. The battalion was now well up on the ridges fighting its way toward the Decauville Railroad.

"'I certify that I personally counted the prisoners reported to the P. C. of the Second Battalion, Three hundred and twenty-eighth Infantry by Corp. Alvin C. York, Company G, Three hundred and twenty-eighth Infantry, on October 8, 1918, and found them to be 132 in number.—Joseph A. Woods, first lieutenant, assistant division inspector.'

"After reporting there York had to take his prisoners farther back. Their route lay through the valley for some distance, and a Boche lookout on a knoll atop Cornay gave the range to his artillery. A few seconds, and shells began bursting close to the column. The prisoners yelled and squealed, and some of them attempted to scatter. The Americans herded them back into line, and York broke the whole column into a run, which was sustained until they got beyond the shelling."

Gen. Charles P. Summerall, the corps commander, had this to say about York:

"Corporal York, your division commander has reported to me your exceedingly gallant conduct during the operations of your division in the Meuse-Argonne battle. I desire to express to you my pleasure and commendation for the courage, skill, and gallantry which you displayed on that occasion. It is an honor to command such soldiers as you. Your conduct reflects great credit not only upon the American Army but upon the American people. Your deeds will be recorded in the history of this Great War, and they will live as an inspiration not only to your comrades but to the generations that will come after us. I wish to commend you publicly and in the presence of the officers of your division."

Also, from the History of the Eighty-second Division, by Lieut. Col. George E. Roosevelt:

"The corps' objective which the Three hundred and twenty-eighth Infantry reached on October 8 was a narrow-gauge railroad which supplied the German troops opposing the Seventy-eighth Division with food and ammunition. This strategic line was seized and held in an assault of great brilliancy by the Second Battalion, Three hundred and twenty-eighth Infantry. It was during this attack that Sergt. Alvin C. York, with some assistance from seven men in his squad, fought and whipped a first-class German battalion, capturing and bringing into our lines 132 prisoners, including the German major and three other officers. This has been called the outstanding individual achievement of the war."

I also quote the following from an editorial in the Philadelphia Ledger, dated May 7, 1919:

"While a certain type of mind will squirm these days as it reads of the honors that crowd the path of Sergt. Alvin C. York, of Tennessee, who, like the captains of Bible times, slew 25 Germans and captured 132 in one engagement, although he was an elder in the Church of Christ and was opposed to war, at the same time, for most healthy minded Americans, York will stand as the best type of the American soldier. For Sergeant York was opposed to war and is still opposed to war. Though he has been medaled and honored by Congress and by Foch and is now being given practically the freedom of America, he is still the same simple elder of the Tennessee mountains and has not become a bloodthirsty monster or a cruel and relentless advocate of might as against right. No. Elder York when he was drafted saw there was a great idea back of America's participation in the war. He believed that "righteousness exalteth a nation," and also that it should prevail, and he convinced himself and others, too, that it was this country's duty and his, by the way, not some other person's duty who was not an objector, to put an end to the threat of might with which Germany filled the earth. As a Christian, as Doctor Van Dyke has pointed out, York made that tremendous and necessary distinction between hate and righteous abhorrence of wrong, without which abhorrence moral and spiritual concepts are a mere feeble beating of the winds. So, as our own Muhlenberg did in the Revolutionary days, Elder York saw that there was a time for fighting as well as a time for prayer and exhortation. And that he returns to his homeland fit in body and mind, and modest withal, warrants the enthusiasm over him, since what he does and says is a rebuke to those who would have us believe that this high police duty that our men performed across the ocean has permanently impaired the American character. As Sergeant York proves, as it were, on behalf of all his associates, it has given them a clearer vision of actualities and a new sense of the value of peace, but not a peace at the cost of dishonor, at the cost of right helpless before wrong, unpunished and unrepentant."

Also, from an editorial of the Louisville Courier Journal of October 11, 1919.

"Alvin C. York, who might have lived in luxury like Mary Pickford had he been willing to capitalize his fame as a hero, is marvelously—to many persons incomprehensibly—modest, earnest, and unmercenary. His speech made in Louisville in the interest of the education of children in the mountains of Tennessee hardly is a revelation. His fame as a man of high ideals precedes him as far as his fame as a military hero, but his appearance in the flesh and his expression of the spirit impress anew the manliness of the man, which is even more inspiring than the achievement of the hero in the smoke and the sweat of battle. We admire the might and skill of a Trojan warrior. We revere the moral qualities of Lincoln. In the presence of Sergeant York, backwoodsman, blacksmith, farm hand, pillar of the local church, are combined the romantic attributes of a soldier of singular and all but incredible achievement and the clear vision of the rare man of little

schooling and much reflection, who is the superior of the highly educated in essential enlightenment.

"It is said too often that the military hero is the mere daredevil type, the sporting spirit who finds in war his first opportunity for really worthy accomplishment. It is believed too widely that courage upon the battle field proceeds from the love of excitement which makes the dashing polo player or rough rider or the reckless motorist. It is well for young Americans to hear from Sergeant York the following:

"'I was offered many different kinds of positions, and to-night I could have $500,000 in bank if I'd accepted those offers, but I read in a little book I carried on the battle fields of France something that I remembered. It said: "What does it profit a man if he gain the whole world and lose his own soul?"

"'When I came back here I remembered that those little ones in the mountains were struggling for something greater than money—the right to become upright and Christian men and women—and I thought I would show them the example.'

"School histories of the recent war should contain a chapter telling the story of Alvin C. York's attitude toward his responsibilities after his return to America.

"Like Putnam, who is credited in legend with having crept into a wolf's den and dispatched a destructive pariah, Sergeant York has the sort of self-confidence which makes possible Homeric achievement in a fight. Like Putnam he returned to the farm at the end of the war. Putnam's fame is everlasting, because he is compared with Cincinnatus. York's fame will live because of his Lincolnian simplicity and moral steadfastness, not because of the incident in the Argonne solely."

Your committee sets forth the official military citations that accompanied the award of the Congressional Medal of Honor, which citation is as follows:

"General Orders No. 59.—War Department.—Washington, May 3, 1919. Award of Medal of Honor. By direction of the President, under the provisions of the act of Congress approved July 9, 1918, the Medal of Honor was awarded April 11, 1919, in the name of Congress, for conspicuous gallantry in action in France to the following-named enlisted men of the United States Army:

"'Alvin C. York (Serial No. 1910421), corporal, Co. G, Three hundred and twenty-eighth Infantry. For conspicuous gallantry and intrepidity above and beyond the call of duty in action with the enemy near Chatel-Chehery, France, October 8, 1918. After his platoon had suffered heavy casualties, Corporal York assumed command. Fearlessly leading seven men, he charged with great daring a machine-gun nest which was pouring deadly and incessant fire upon his platoon. In this heroic feat the machine-gun nest was taken, together with 4 officers and 128 men and several guns.'"

Major General Duncan, who commanded the Eighty-second or All-American Division, and who presented the Medal of Honor, said in announcing the award:

"The commanding general takes particular pride in announcing to the command this fine example of courage and self-sacrifice. Such deeds are evidence of that spirit and heroism which is innate in the highest type of American soldier and responds unfailingly to the call of duty wherever or whenever it may come."

Petain, the Marshal of France, Commander of the French Armies, issued the following citation to Alvin C. York in Order No. 16046, dated April 13, 1919:

"General headquarters of the French armies of the East. With the approbation of the commander in chief of the American Expeditionary Forces in France, the marshal of France, commander in chief of the French Armies of the East, cites in the award of the army Corpl. Alvin C. York, No. 1910421, Company G, Three hundred and twenty-eighth Regiment American Infantry. All the noncommissioned officers of his platoon having been put out of the battle, he took command, and with 7 men succeeded in reducing to silence a nest of enemy machine guns, capturing 132 prisoners, 4 of whom were officers, and several machine guns."

Marshal Foch, commander in chief of the allied armies, decorated Sergeant York with the croix de guerre with palm. General Pershing, commander in chief of the American Expeditionary Forces, decorated him with the distinguished service cross. The King of Montenegro awarded him with the medaille de bravours. The French Government awarded him its medal of honor. The Italian Government awarded to him its medal of honor and the Italian croce di gerra. The State of Tennessee awarded him a medal of honor.

In bestowing the croix de guerre with palm on April 24, 1919, Marshal Foch said:

"What you did was the greatest thing ever accomplished by any soldier of any of the armies of Europe."

On the occasion of his landing in New York on the return from the war, on May 24, 1919, he was met by generals, admirals, Congressmen, and many notables. That night he was the chief guest at a dinner of 128 members of the Tennessee Society at the Waldorf Hotel. Maj. Gen. George B. Duncan, commander of the Eighty-second Division of the American forces, of which York, as a member of Company G, Three hundred and twenty-eighth Infantry, was a part, paid Sergeant York this tribute:

"This is a very unique experience, indeed. I have talked with soldiers a great deal, but this is the first time in my life I have been the guest to honor one. It is an especial distinction to have on one side the admiral who safely conducted us to Europe—Vice Admiral Gleaves, of Nashville—and on the other side to be reflected in the glory of one of the most distinguished soldiers the world has produced. His deeds are of the character that go down in history, upon which boys and girls of our country are fed to make them patriotic and in time of emergency to emulate the example he set."

On his arrival at Nashville, the capital of his State, in May, 1919, York was given a great ovation at the Ryman Auditorium, fully 6,000 people being present. In answer to many tributes paid him, York, among other things, said:

"The American Army in France and in Europe has had the opportunity to accomplish the greatest victory ever known. They did it with a will. They did it with a spirit, and I say that the American Army is the greatest Army in the world to-day.

"And as America is the only nation that has the greatest generation of young men, let's make it a better Nation and a more Christian Nation. Let's better the towns and cities; but, first, let's better ourselves."

The people of Tennessee have given to him a farm in Fentress County, near his former home, and he is now engaged in cultivating that farm. Recently he had a destructive fire, burning his barn and some of his stock and much grain. He is also engaged in educational work. He has refused to go on the movie stage or to lecture for money for himself or do any of the other things for the purpose of advertising himself or making money out of his patriotic conduct during the war. This is a very high and dignified position and one that ought to be emulated. The Government of the United States can well afford to give him this honor of a commission and to retire him on the small annual pay that will go to him in the event the bill is passed and he is appointed and retired by the President.

Nor, in the opinion of your committee, will this action be regarded as a precedent that will ever be embarrassing to the Congress. Perhaps no one in the war performed a more conspicuous act of bravery, and instead of its being a precedent that the people of the United States would not want followed, it will be a precedent showing the high esteem in which the people of the United States hold a conspicuous act of bravery upon the part of one of its enlisted soldiers, and therefore your committee earnestly recommends that the bill be passed.

AMENDMENT OF TRADING WITH THE ENEMY ACT

Mr. SHORTRIDGE, from the Committee on the Judiciary, to which was referred the bill (S. 1548) to amend section 9 of an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved March 4, 1923, as amended, reported it with amendments and submitted a report (No. 507) thereon.

ENROLLED BILLS PRESENTED

Mr. WATSON, from the Committee on Enrolled Bills, reported that on May 6, 1924, that committee presented to the President of the United States the following enrolled bills:

S. 1631. An act to authorize the deferring of payments of reclamation charges; and

S. 2902. An act authorizing the acquiring of Indian lands on the Fort Hall Indian Reservation, in Idaho, for reservoir purposes in connection with the Minidoka irrigation project.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 3253) to amend section 3929, Revised Statutes, relating to exclusion of fraudulent devices and lottery paraphernalia from the mails;

A bill (S. 3254) to amend section 4041, Revised Statutes, enabling the Postmaster General to forbid payments of postal money orders in connection with the exclusion of fraudulent devices and lottery paraphernalia from the mails;

A bill (S. 3255) to amend section 213, act of March 4, 1909 (Criminal Code), affixing penalties for use of mails in connection with fraudulent devices and lottery paraphernalia; and

A bill (S. 3256) to amend section 215, act of March 4, 1909 (Criminal Code), penalizing fraudulent use of the mails; to the Committee on Post Offices and Post Roads.

By Mr. WADSWORTH:

A bill (S. 3257) to amend section 27 of the national defense act, as amended by the act of June 4, 1920; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 3258) to create a national police bureau, and for other purposes; to the Committee on the Judiciary.

By Mr. CAMERON:

A bill (S. 3259) for the relief of Herbert R. Cornforth (with accompanying papers); and

(By request): A bill (S. 3260) for the relief of the legal representatives of the estate of Henry H. Sibley, deceased; to the Committee on Claims.

By Mr. McKINLEY:

A bill (S. 3261) to extend the benefits of the United States employees' compensation act of September 7, 1916, to William Horton Brown; to the Committee on Claims.

AMENDMENTS TO TAX-REDUCTION BILL

Mr. McKELLAR submitted two amendments intended to be proposed by him to House bill 6715, the tax reduction bill, which were ordered to lie on the table and to be printed.

AMENDMENT TO FLOOD CONTROL BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 8070) authorizing preliminary examinations and surveys of sundry streams with a view to the control of their floods, which was referred to the Committee on Commerce and ordered to be printed.

SALARIES IN THE POSTAL SERVICE

Mr. SHIELDS submitted an amendment intended to be proposed by him to the bill (S. 1898) to readjust the compensation of postmasters and reclassify and readjust the salaries and compensation of employees in the Postal Service, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

TAX REDUCTION

Mr. SMOOT. I ask that the unfinished business be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. HARRIS obtained the floor.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fernald	King	Sheppard
Ball	Ferris	Ladd	Shields
Bayard	Fess	Lodge	Shipstead
Borah	Fletcher	McKellar	Shortridge
Brandegee	Frazier	McKinley	Simmons
Bruce	George	McLean	Smoot
Bursum	Gerry	McNary	Stephens
Cameron	Glass	Mayfield	Sterling
Capper	Gooding	Moses	Swanson
Caraway	Hale	Neely	Trammell
Colt	Harris	Norbeck	Wadsworth
Copeland	Howell	Oddie	Walsh, Mass.
Cummins	Johnson, Calif.	Overman	Walsh, Mont.
Curtis	Johnson, Minn.	Pepper	Warren
Dale	Jones, N. Mex.	Phipps	Watson
Dial	Jones, Wash.	Reed, Mo.	Weller
Edge	Kendrick	Reed, Pa.	Willis
Ernst	Keyes	Robinson	

Mr. McNARY. I wish to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from South Carolina [Mr. SMITH], and the Senator from Mississippi [Mr. HARRISON] are attending a meeting of the Committee on Agriculture and Forestry.

Mr. CURTIS. I desire to announce that the Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I ask that this announcement may stand for the day.

I was requested to announce that the Senator from Iowa [Mr. BROOKHART], the Senator from Arizona [Mr. ASHURST], and the Senator from Montana [Mr. WHEELER] are attending a hearing before a special investigating committee of the Senate.

Mr. GERRY. I wish to announce that the Senator from Louisiana [Mr. RANSDELL] and the Senator from Virginia [Mr. SWANSON] are necessarily detained on business of the Senate.

The PRESIDENT pro tempore. Seventy-one Senators have answered to their names. There is a quorum present.

EXEMPTIONS FROM INCOME TAX WHERE COST OF COLLECTION EQUALS OR EXCEEDS TAX—REDUCTION IN NUMBER OF RETURNS

Mr. HARRIS. Mr. President, I desire to call attention to my amendment exempting all single persons whose net incomes do not exceed $2,000 each and all heads of families and married persons living with their husbands or wives whose net incomes do not exceed $3,000 each from payment of any income tax whatever and from making income-tax returns. My amendment also provides that in computing their net incomes such persons shall deduct the credits for dependents authorized by law. This credit is now $400 for each dependent, but I hope the Congress will see fit to increase it.

To my mind the greatest objection to the Mellon plan, which the Senate Finance Committee on a strictly party vote has adopted, and to the revenue bill as it passed the House is their failure to furnish greater relief to men and women, particularly those with families, whose small incomes are completely absorbed in providing the necessities of life.

In discussing this matter in the Senate a few days ago I stated that when the sixteenth amendment was adopted to authorize an income tax to be collected those who favored it never dreamed it was to be so perverted as to thrust the hands of the taxgatherer into the pockets of the laborer, farmer, and small business man and take from them the necessities of life while it relieved the rich of their fair share of the tax burden they could so easily carry. The poor man is already taxed indirectly more than he can bear through the Republican high protective tariff, which increases the price of everything and adds to the cost of living.

I also stated that if I had my way no married man with an income of $5,000 or less would be required to pay one cent income tax. He needs all he can make to support and educate his family. While I shall support measures to bring this about, I realize that it will not be possible during the present session of Congress.

Secretary Mellon says there would be 4,361,357 taxpayers under his plan, and the number would be the same under the revenue bill as it passed the House, or under the law as it stands to-day. This is the number that would actually pay some income tax, and it does not include those men and women—3,072,191 in 1921—who are required under existing law to make returns, but who pay no income tax on account of the deductions and exemptions allowed them.

The credit allowed by law to each individual in computing his or her income tax, known as the personal exemption, is for a single person $1,000 and for a head of a family or married person living with husband or wife $2,500, unless the net income is in excess of $5,000, in which case the personal exemption for a head of a family or married person is only $2,000.

Secretary Mellon also says that raising the personal exemption from $1,000 to $2,000 for single persons and from $2,500 to $3,000 for heads of families and married persons living with their husbands and wives would reduce the number of taxpayers to 1,878,904. My amendment does not raise the personal exemptions, as does the amendment of the Senator from Florida [Mr. TRAMMELL], to which I shall refer later, but it does exempt altogether from payment of any income tax those single persons whose net incomes do not exceed $2,000 each and those heads of families and married persons whose net incomes do not exceed $3,000 each.

There is a vast difference in the effect upon revenue receipts between my plan of exempting certain classes or groups from payment of any income tax whatever and that of raising the personal exemptions, though the reduction in number of taxpayers would be the same.

If we raise the personal exemption, we reduce the taxes of all taxpayers, rich and poor, and the reduction of the taxes of the rich will be four times as great as that of the man or woman with small income. For instance, raising the personal exemption $1,000 for a man whose unearned income, less the credits allowed by law, exceeds $8,000 reduces his income tax $60, while the same raise of the personal exemption for the man whose earned income, less the credits allowed, does not exceed $4,000 would reduce his tax only $15, under the rates provided in the bill as it passed the House.

I shall later show that the loss to the Government by raising the personal exemptions $1,000 for single persons and $500 for heads of families and married persons, as proposed in the amendment of the Senator from Florida, would be many times as great as under my plan of exempting those single persons

whose net incomes range from $1,000 to $2,000 and those heads of families and married persons whose net incomes range from $2,500 to $3,000 from payment of any income tax.

NO REDUCTION IN TAXPAYERS NOW

To return to the consideration of the number of taxpayers, which, as I have stated, will be the same under the revenue bill as it passed the House as under the Mellon plan; that is, 4,361,357. This would also be the number of taxpayers in 1924 under existing law, if Secretary Mellon's estimate is correct.

My amendment, as well as the amendment of the Senator from Florida, according to the statement of Secretary Mellon, would reduce the number of taxpayers to 1,878,904. In other words, 2,482,453 (4,361,357 less 1,878,904), or in round numbers 2,500,000 men and women of small means, who are now required to pay income tax, will be wholly exempt from such tax, if either of these amendments is adopted.

The number exempted under my amendment is 57 per cent of those who now pay taxes, and I am glad to say, Mr. President, that we can furnish this much-needed relief to these 2,500,000 hard-working people, many of whom earn their incomes by the sweat of their brows, without great loss to the Government, because the cost of collecting their tax in most cases exceeds the amounts collected, as I shall show later.

At my request, Mr. Joseph S. McCoy, Government actuary, has made estimates of the loss in revenue that would result from the adoption of my amendment, as well as from the adoption of the amendment of the Senator from Florida. In both estimates he used, as I have done in my estimate, the tax rates in the revenue bill as it passed the House.

Based upon the statistics of incomes from returns for 1921, Mr. McCoy estimates that the loss in revenue under my amendment would be $18,000,000 a year. We can, therefore, relieve from taxation 57 per cent of all the taxpayers and only lose $18,000,000 in revenue.

Based upon the incomes anticipated by the Treasury Department for 1924 Mr. McCoy estimates that my amendment would cause a loss in revenue of about $25,000,000.

He states that his estimates are conservative from the viewpoint of the Treasury Department, in other words, the Treasury is fully protected.

While the estimate of Mr. McCoy based upon the statistics for 1921 ($18,000,000) may not be far from correct, though I do believe it is high, I think I can demonstrate that the estimate based on anticipated incomes for 1924 is not justified.

Secretary Mellon, as I have stated, estimates that there will be 4,361,357 taxpayers in 1924, while the actual number of taxpayers for 1921 was only 3,589,985. In making his estimate of the number for 1924 the Secretary has, therefore, added nearly 30 per cent to the actual number for 1921.

Based upon this 30 per cent increase, Secretary Mellon estimates that my amendment would reduce the number of taxpayers by 2,482,453, or in round numbers 2,500,000.

The income taxes that would be paid by the single persons exempted by my amendment range from a few cents for those whose net incomes only slightly exceed $1,000 to $15, the maximum, for those whose incomes are $2,000. The average tax for this group would therefore be $7.50.

The income taxes that would be paid by the heads of families and married persons exempted by my amendment range from a few cents for those whose net incomes only slightly exceed $2,500 to $7.50 for those whose net incomes are $3,000. The average tax for this group would therefore be only $3.75.

If all of the taxpayers exempted by my amendment were single persons, the total reduction in revenue receipts would be $18,750,000—2,500,000 multiplied by $7.50.

If all of the taxpayers exempted by amendment were heads of families or married persons, the total reduction would be only $9,375,000—2,500,000 multiplied by $3.75.

Of course, Mr. President, all of these taxpayers do not belong to either class, but this computation shows conclusively that the loss in revenue receipts resulting from the reduction of 2,500,000 in the number of taxpayers, or 57 per cent, can not exceed $18,750,000. It would be somewhere between this figure and $9,375,000.

It should not be forgotten that Mr. Mellon's estimate of the number of taxpayers for 1924 is nearly 30 per cent greater than the actual number for 1921. His estimate of the number of taxpayers for 1924 in the groups or brackets exempted by my amendment is also about 30 per cent greater than the actual number in these brackets for the year 1921.

Mr. McCoy's lower estimate, $18,000,000, may therefore be taken as the maximum loss in revenue receipts that would result from the adoption of my amendment; and I shall show later that this loss will be to a large extent offset by the reduction in the number of employees and other operating expenses of the income tax division of the Internal Revenue Bureau, resulting from the 2,500,000 or 57 per cent reduction in the number of taxpayers and the still greater reduction in the number of income-tax returns to be examined, passed upon, filed, and later reexamined for final settlement.

The amendment of the Senator from Florida increases the personal exemptions of all single persons from $1,000 to $2,000 and of all heads of families and married persons from $2,500 to $3,000, unless the net income is in excess of $5,000, in which case the increase is from $2,000 to $2,500. As I have stated, this increase of the personal exemption applies to all taxpayers, whether their incomes are large or small, while my amendment applies only to those incomes that do not exceed $2,000 for single persons and $3,000 for others.

Based upon the 1921 income-tax statistics, Mr. McCoy, the Government actuary, estimates that the adoption of the amendment of the Senator from Florida will result in a loss in revenue of about $115,000,000.

Based upon anticipated increases for 1924, Mr. McCoy estimates the loss under this amendment would be about $160,000,000.

I am convinced, however, that the estimates by Mr. McCoy of the effect of the amendment of the Senator from Florida are much too high; but there can be no doubt that the loss in revenue would be very much greater than under my plan, while the number of taxpayers that would be exempt from payment of any income tax would be the same in either case.

COST OF ADMINISTERING INCOME TAX LAW

On March 31, 1924, there were 7,483 Government employees engaged exclusively on income-tax work, at an annual rate of salary of $15,676,160. The allotment for travel expenses and subsistence for this force amounts to $1,335,000, and for rent and miscellaneous expenses $292,000. The total annual allowance for the force engaged exclusively on income-tax work, which includes the income-tax field force and the bureau force of the income-tax unit, is therefore $17,303,150. These statistics have been furnished me by the department.

In addition to this force, which is engaged exclusively on income-tax work, there were employed, on March 31, 1924, in the 65 collection districts throughout the United States and in Hawaii 6,598 employees at an annual rate of salary of $10,745,300. The allotment for travel expenses and subsistence for the 65 collection districts amounts to $1,230,000 and for rent and miscellaneous expenses $445,000, making a total annual allowance of $12,421,300 for this branch of the Internal Revenue Bureau.

With reference to the collection districts, the Acting Commissioner of Internal Revenue, in a letter to me of April 28, 1924, from which I obtained my information as to number of employees and allotments of funds, states:

> It is almost impossible to tell just what part of the collector's force is engaged exclusively on income-tax work, as this force is also employed in the collection of all taxes of whatever nature, but income tax constitutes a large per cent of their work. The work of this force is, therefore, of such a nature as to make segregation difficult.

You will observe that the acting commissioner says "income tax constitutes a large per cent of their work"; that is, the work of the collector's force. If this "large per cent" amounts to one-half, the annual allowance for income-tax collections would be $6,210,650, which with the $17,303,160 for the force engaged exclusive on income-tax work, would make the cost to the Government of collecting the income taxes and keeping the records pertaining thereto $23,513,810.

If the "large per cent" amounts to three-fifths, the annual allowance for income-tax collections would be $7,452,780, and the total cost of collecting income tax and keeping records $24,755,940.

From the acting commissioner's letter it is evident that the Government is now spending in the vicinity of $25,000,000 to collect the Federal income taxes, or an average of about $6 for each taxpayer.

INCOME-TAX RETURNS

In order to determine the full effect of my amendment upon the appropriations required for collection of income taxes and for keeping the records incident thereto, let us consider the matter of income-tax returns.

Under the present law a single person, or a married person not living with husband or wife, is not required to make an income-tax return unless his or her net income exceeds the personal exemption of $1,000. A married person living with husband or wife must, however, make a return to the Government if his or her income exceeds $2,000, though the per-

sonal exemption is $2,500. In other words, the Government can trust the single person or the married person not living with husband or wife to come forward and pay the income tax, but if the income of the married person living with husband or wife approaches within $500 of the personal exemption he or she must make a return so the Government can see for itself that the happily married man or woman does not escape paying the income tax.

Again, if the single man should happen to have a dependent mother, for instance, and his income is between $1,000 and $1,400 he must make a return to the Government, though he well knows that the additional credit of $400 allowed him because of the dependency of his mother will exempt him from payment of any income tax. Apparently a married man living with his wife or a single man with dependents is regarded with suspicion by income-tax collectors, but if the married man's wife quits him and the dependent mother of the single man dies, both can be trusted again.

I will admit that acquiring a wife, or having a mother to support, does make it difficult for the poor man to save enough money to pay his income tax, and to relieve such people from the burden of taxation is the principal purpose of my amendment. I do not, however, admit that marrying or caring for dependent relatives makes a man any less honest.

I am glad to see that the Senate Finance Committee proposes to change the law so the married man living with his wife will not have to make a return unless his net income exceeds his personal exemption of $2,500. The Finance Committee, however, apparently shares with the tax collectors their distrust of the single man who is good to his aged mother and the happily married man who is blessed with children. They will still be required to make returns if their net incomes exceed their personal exemptions, even though the credits allowed for their dependent mothers and children would excuse them from paying any tax.

MORE KNOWLEDGE ABOUT RETURNS NOW

Mr. President, any man or woman who can compute his or her net income to determine whether or not a return is required by the present law can without difficulty tell whether or not the net income exceeds the personal exemption plus the credit for dependents, which is now $400 for each, as every person with a dependent well knows. This is a simple problem in addition and subtraction, and does not require an income-tax expert to solve it.

A few years ago there may have been some excuse for calling for returns from those whose incomes approach the personal exemption plus the credits for dependents, but experience in computing net incomes and credits for dependents has changed all this.

During the calendar year 1921, 6,662,176 persons submitted income tax returns, while the number of taxpayers was only 3,589,985. In other words, as I have already stated, 3,072,191 persons made returns but were not required to pay any tax, because the credits for dependents, and so forth, together with their personal exemptions, exceeded their net incomes.

My amendment would eliminate these useless returns and dispense with the thousands of Government clerks now employed in examining and filing them. It would also relieve the poor man and woman of the trouble and expense of preparing income-tax returns when they well know they do not have to pay any tax.

No doubt the income-tax examiners do catch some ignorant and dishonest tax dodgers by going over the returns of the 3,000,000 men and women who claim exemption from payment of income tax, but nevertheless make returns as required by law. The number of such tax dodgers is, however, comparatively small, and the Government, I am convinced, spends many times as much in clerks' salaries as the recovered taxes amount to.

Mr. President, the very best way of catching the dishonest tax dodger is the plan now employed of giving wide publicity to the names of those who have made income-tax returns. The list of these names posted in the town or village post office or other public place where the neighbors, friendly and unfriendly, can scrutinize it does more to discourage the dishonest man from attempting to evade his tax than the work of the thousands of clerks going over these millions of useless income-tax returns.

I realize that the income-tax clerks and officials claim it is necessary to have these returns. The jobs of thousands of them depend upon a continuance of the present practice. If we listened to these people or blindly acted upon their advice, every man and woman in the United States would be required to make income-tax returns, however small their incomes might be.

These officials and clerks say that the returns of the people who pay no taxes are simple, and that little time is required to examine them.

Mr. President, the forms for these returns are exactly the same as for the three million and more taxpayers whose net incomes do not exceed $5,000.

There are only about half a million taxpayers whose net incomes exceed $5,000, and of these only 172,359 have incomes exceeding $10,000.

For the tax examiner the returns of the latter class—those whose incomes exceed $10,000—are the only ones that present any difficulty, and they amount in numbers to only 2.59 per cent of the number of returns filed for the year 1921.

It is evident, then, that the greater part of the time of the thousands of income-tax examiners is spent upon the returns called simple by the tax officials.

In addition to the elimination of more than 3,000,000 returns now required from those who pay no tax my amendment would dispense with returns from the 2,500,000 taxpayers that in the future become exempt from income tax.

5,500,000 RETURNS WOULD BE ELIMINATED

My amendment would therefore effect a reduction in the number of returns of about 5,500,000, which is about three-fourths of the number that will be made for 1924 if the law is not changed.

It is true, as the income-tax officials say, that it requires only a short time to examine one of these simple returns, but when you multiply this short time by five and a half millions you will find the Government is spending millions of dollars for the examination of returns that would be dispensed with under my amendment. To this should be added the expense of collecting the tax from the 2,500,000 men and women exempted by my amendment and the expense of keeping account of their remittances, usually quarterly, and the expense of reexamining the returns and accounts for final settlement.

The 57 per cent reduction in the number of taxpayers and the 75 per cent reduction of the number of income-tax returns that would result from the adoption of my amendment ought, Mr. President, to effect a reduction of about 50 per cent in the appropriation for employees and other operating expenses of the income tax division of the Internal Revenue Bureau.

I have already shown from a recent letter of the Acting Commissioner of Internal Revenue that the collection of income taxes is now costing the Government in the vicinity of $25,000,000.

NET LOSS WILL NOT EXCEED $6,000,000

If we deduct 50 per cent of this amount, or say $12,000,000, from $18,000,000, which I have shown is the maximum loss in revenue receipts under my amendment, it will be found that the net loss to the Government through the exemption of 2,500,000 former taxpayers from further payments of income taxes will not exceed $6,000,000.

Mr. President, several hundred thousand of the taxpayers exempted by my amendment would pay about a dollar each, and many of them would pay only a few cents, under the tax rates in the revenue bill as it passed the House. For instance, the income tax of a single man with an income of $1,001 or of a married man with an income of $2,501 is just 1½ cents. The average tax of the 2,500,000 men and women exempted by my amendment is $7.50 for single persons and $3.75 for heads of families and married persons, as I have already shown.

The difference in the effect of the amendment upon the tax of heads of families including married persons and upon single persons is due to the fact that the personal exemption is now $2,500 for the former (unless their incomes exceed $5,000 each), while it is only $1,000 for single persons.

I have also shown that the average cost of collecting income taxes is about $6 for each taxpayer.

It is therefore evident, Mr. President, that for the vast majority of the 2,500,000 taxpayers exempted by my amendment, the tax will be less than the average cost of collecting income taxes. For the Government to force a man to pay tax when it will cost more to collect it than the tax amounts to is uneconomical, to say the least, if it is not really absurd.

The 2,500,000 taxpayers exempted by my amendment belong to the large class of laboring people whose small incomes, as I have stated, are completely absorbed in providing the necessities of life. They are, therefore, entitled to special consideration in the matter of taxes by the Congress.

EARNED-INCOME DISTINCTION FINALLY ADOPTED

Mr. President, in October, 1921, I introduced an amendment to the revenue bill providing for a 50 per cent reduction of the normal tax on earned incomes, but the amendment was defeated by a strictly party vote, because the Republican Secretary of the Treasury reported that the plan to make a distinction between earned and unearned incomes was not

workable. That was two years ago, when we voted on the revenue bill.

Two years later the same Republican Secretary of the Treasury, Mr. Mellon, adopted my plan bodily, except as to the per cent of reduction, and incorporated it in the bill or plan that now bears his name.

This earned-income provision of the revenue bill recently passed the House without a dissenting vote, and so far as I am aware no opposition to it has been voiced in the Senate.

If my amendment exempting 2,500,000 hard-working men and women with small incomes from payment of income taxes meets the fate of my earned-income tax amendment of 1921, I predict that it will be among the first measures taken up and passed by the newly elected Congress when it assembles next year.

The justice of the measure can not be denied, and when these 2,500,000 taxpayers begin to realize that all or nearly all of the hard-earned money they pay to the Government is eaten up by the salaries and other expenses of the Government clerks employed in examining their income-tax returns and keeping accounts of their tax payments, and that the Government itself derives little if any benefit from the taxes, they will, I predict, let their Representatives in Congress understand in no uncertain terms that this uneconomical feature of the income tax law must be changed.

CHILD-LABOR CONSTITUTIONAL AMENDMENT

Mr. LODGE. Mr. President, before we continue on the revenue bill I desire to renew a request which I made the other day, as we are drawing near, I hope, to the end of the revenue bill—a request for unanimous consent that we take up the child-labor amendment when the bill now pending is disposed of.

Mr. ROBINSON. Mr. President, may I ask the Senator from Massachusetts the calendar number of the measure to which he refers?

Mr. LODGE. There is a House joint resolution as well as a Senate joint resolution.

Mr. WADSWORTH. Mr. President——

Mr. ROBINSON. Mr. President, I have no objection to proceeding to the consideration of the joint resolution. Personally, I should like to see it taken up and disposed of. I think, however, in view of the small attendance in the Senate, that a quorum should be in attendance.

I yield to the Senator from New York.

Mr. WADSWORTH. If the Senator desires to call a quorum, I have no objection. I was going to object myself.

Mr. ROBINSON. If the Senator is going to object, there is no use in suggesting the absence of a quorum.

Mr. WADSWORTH. I object, Mr. President.

The PRESIDENT pro tempore. Objection is made.

DEPRESSION IN COTTON MANUFACTURING INDUSTRIES

Mr. WALSH of Massachusetts. Mr. President, on May 5 I offered a resolution asking for certain information from the United States Tariff Commission in reference to the effect, if any at all, upon the cotton textile industry of importations of cotton cloth into this country. The Senator from South Carolina [Mr. DIAL] objected to two clauses in the resolution, which I have eliminated. I now ask unanimous consent for the immediate consideration of the resolution as modified, and for its adoption with the changes made.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts?

Mr. SMOOT. Mr. President, will it lead to any discussion?

Mr. WALSH of Massachusetts. No discussion at all.

Mr. SMOOT. Let it be read.

The PRESIDENT pro tempore. The Secretary will read the resolution as modified.

The reading clerk read Senate Resolution 219, submitted by Mr. WALSH of Massachusetts on the 5th instant, as modified, as follows:

Whereas a prolonged depression of exceptional magnitude has and is occurring in the cotton textile industry, causing an attendant decrease in production of 40 to 60 per cent and general unemployment and its consequent want and distress in communities where this industry is located: Therefore be it

Resolved, That the United States Tariff Commission be, and hereby is, directed to furnish to the Senate as expeditiously as possible, if not incompatible with the public interests, all available facts requested hereinafter:

(1) Is the present depression in the cotton manufacturing industry confined to the United States, or is it world-wide?

(2) To what extent and for how long a period has the present depression in the cotton manufacturing industry of this country been apparent?

(3) What is the quantity and value of cotton cloth imported into and exported from the United States under the present tariff act as compared with those under the acts of 1909?

(4) What is the percentage of imports and exports, as compared to the domestic production, of cotton cloth in the census years 1909, 1914, 1919, 1921, and 1923?

(5) What types of cotton cloths constitute the bulk of the import trade, and are these cloths similar or different in character from those produced in this country?

(6) What are the main reasons for the importation of cotton cloths in particular; are such imports due primarily to price or to quality?

(7) To what extent has the domestic industry been affected by the post-war increases in the importation of cotton cloths?

(8) Would changes in the present tariff rates on cotton cloths be of material assistance in stimulating production and restoring prosperity to this industry?

Mr. SMOOT. Mr. President, I notice that two questions in the original resolution have been stricken from the resolution. One of them reads as follows:

3. To what extent is the present depression due to the high price of cotton, particularly in curtailing the consumption of cotton cloth, and to what extent is it due to other causes?

I think that is a very important inquiry.

Mr. WALSH of Massachusetts. I quite agree with the Senator that both the third and fourth questions are very important.

Mr. SMOOT. Very.

Mr. WALSH of Massachusetts. And I thought I would incorporate them in another resolution; but the situation in this industry now is such that it is imperative that the public should have immediate information as to the extent to which importations of cotton cloth are affecting the industry, and I thought that at a later time I would present a resolution embodying the third and fourth questions.

Mr. SMOOT. I think the third and fourth questions are the very substance of the resolution. I believe they are the basis of whatever information we ought to have.

Mr. WALSH of Massachusetts. Personally, I think it is self-apparent that the high price of cotton necessarily affects the consumption of cotton cloth.

Mr. SMOOT. Just as the price of wool affects the price of woolens, and so with anything else.

Mr. WALSH of Massachusetts. I think it is also self-apparent that long hours of labor in one community and short hours of labor in another community and other labor costs naturally affect the curtailment of the industry in one locality as against another locality when a depression occurs.

Mr. GOODING. Mr. President——

Mr. WALSH of Massachusetts. I hope the Senator will not press the matter, but will let me get through this morning that part of the resolution that is agreed to.

The PRESIDENT pro tempore. This is a request for unanimous consent and is not debatable.

Mr. McLEAN. Mr. President, I should like to ask the Senator from Massachusetts why he confines his inquiry to cloth? A great deal of cotton is used in the manufacture of other goods.

Mr. WALSH of Massachusetts. The cotton cloth textile industry more than any other industry in the country is depressed to-day, and it is being alleged that it is due to importations of a certain class of cotton cloth from England. That is why I am asking the Tariff Commission to give us the information which they have available for the public.

Mr. McLEAN. The Senator does not understand my question.

Mr. WALSH of Massachusetts. I hope the Senator will not press an objection now. This is a resolution calling for information only.

Mr. McLEAN. It would affect cotton stockings, cotton underwear, and other things. I think the whole cotton industry ought to be included.

The PRESIDENT pro tempore. Is there objection to the consideration of the resolution?

Mr. GOODING. Mr. President, I would like to have some information before the resolution is acted upon. I would like to know whether the resolution provides for an inquiry into the conditions of agriculture, and the possibility of the farmer being able to buy cotton goods at the present time.

Mr. WALSH of Massachusetts. I do not happen to come from an agricultural State. If I did, and felt that information was available in the departments here that would help that industry, I would offer a resolution calling for it. My resolution relates to an industry that is depressed in my State.

When the Senator offers one asking information in regard to agriculture, I will be glad to vote for it.

Mr. SMOOT. I shall object to the consideration of the resolution at this time. I will ask the Senator if he will not bring it up at another time.

Mr. WALSH of Massachusetts. I think I have a right to have the information, and I shall object to the Senate recessing. We have not had a morning hour for days, and I think the Senate ought to be allowed to get a little information in regard to what effect importations and the tariff law have upon the unemployment of thousands of people. I think the Senator ought to realize that there will be objections to recessing and to consideration of the revenue bill if we can not get this information. Of course, if a morning hour session will be held we can debate the resolution, and I shall insist upon such action as makes it possible to get action.

Mr. SMOOT. I am in favor of this, and of going still further——

Mr. WALSH of Massachusetts. This is the second time I have tried to get unanimous consent. It is most unusual to refuse a request for information.

Mr. GOODING. Mr. President——

Mr. WALSH of Massachusetts. I give the Senator notice that I shall object to any further recesses until we have a morning hour and dispose of this resolution.

Mr. SMOOT. That is all right.

Mr. GOODING. Let me say that I am very much in favor of the resolution, but it should go far enough to inquire into the greatest purchaser of cotton goods in America. The farmer at the present time is making a fight to keep the wolf from the door, and if the Senator will help remedy the condition of agriculture, there will not be any trouble about the spindles in the cotton mills being kept going.

RADIO ADDRESS BY SENATOR WALSH OF MONTANA

Mr. ADAMS. Mr. President, I ask that a speech delivered by the senior Senator from Montana [Mr. WALSH] over the radio last night from Station WRC, Washington, D. C., on "The oil scandal" be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. THOMAS J. WALSH, SENIOR SENATOR FROM MONTANA, DELIVERED MAY 6, 1924, OVER THE RADIO FROM STATION WRC, WASHINGTON, D. C.

THE OIL SCANDAL

A keen contributor to one of the great metropolitan journals in a recent communication of an ironical character began his letter thus:

> "Allow me to introduce THOMAS J. WALSH, a Senator from Montana, the man who is responsible for the oil scandal. If it were not for him, there would be no oil scandal."

I am that offender. More denunciation has been heaped upon my devoted head by partisan newspapers and political orators than they have ever directed against the late Secretary Fall or those who, in concert with him, either corruptly or indifferently and negligently surrendered the great naval oil reserves to private exploitation under leases yielding the Government for the use of the Navy but 6 per cent of their recoverable content of oil.

I have been charged with having been actuated by political motives only. If the heritage of the people, the value of which is estimated not in millions, but in hundreds of millions, if the means of making effective defense against the enemies of the Nation shall be restored, if faithless and corrupt public servants shall be brought to justice through my efforts, of what consequence is it what my motives were? Fall's guilt is none the less, however exalted or however mean they may have been. I assume no superior virtue; my motives like those of most men in matters of consequence are not without dross. The springs of human action are complex. I would not even pretend that entering upon the investigation with which I have been somewhat prominently identified and finding, in the facts coming under my notice, every reasonable ground for believing that the transactions being inquired into were tainted with corruption and disregard of the law as well as violative of a sound public policy, I was insensible to the fact that some advantage would probably accrue from the revelations to the party with which I am affiliated, nor that I was not moved to any degree in the labors I pursued by that consideration. Whether I was impelled to any extent by a sense of duty and a desire to be of service to my country is obviously a matter of pure speculation, but whatever be the truth in that regard the value of what has been achieved is neither heightened nor lessened by the fact.

Moreover if it be the truth that the investigation was and is "all politics" as has been so industriously inculcated of late, no one would be justly subject to reprehension on that account. Our Government is operated if not organized on the party system. It is the duty of the party of the opposition to expose the wrongs and misdeeds of the party in power and to show up the error and the evils in the policies it advocates and carries out.

In that way each party is constrained to offer its best men, its ablest men, as candidates for public office. It is in a way forced to propose legislation which it can defend against all attack as in the public interest, and it is for perfectly obvious reasons impelled to put honest and capable men in positions of trust or responsibility. It is in the public interest that the party out of power should scrutinize with a critical eye every act of officials elevated to such positions through the favor of its political opponents. It is simply neglecting its duty if it fails to expose any delinquency or dereliction on their part. The criticism that the investigations have been inspired or that they have been pursued by an animus purely political is a weak effort to divert the public mind from the revelations made, revealing an orgy of corruption without a parallel in our history. In that connection, however, it must be remembered that the investigations were all ordered by practically if not actually a unanimous vote of the Senate, and that in every instance a majority of the members of the committees are of the same political faith as that of the executive and administrative officers whose conduct has been under inquiry.

If, upon a crucial question arising in the course of the hearings, action was taken the propriety of which can be questioned, some Republican member or members, if not all such, must have voted with their Democratic associates, moved by a desire to develop the actual facts, notwithstanding the disclosures might be to some extent to the disadvantage of their party. Instances of that character have been rare however. Except in a few instances and in relation to matters of relatively inferior importance all testimony taken by the committee with which I have been serving was received, and every proceeding entered upon was taken, without objection.

Much has been said in the press of late and from the rostrum, and intimations have come from high official sources, that the character of men has been besmirched, if not blackened, by rumor and gossip, by the testimony of witnesses of low character and no credibility, obviously of a purpose to divert the public mind from contemplation of the misdeeds of those who have ignominiously betrayed the trust reposed in them and of those who induced their recreancy, emanating from the personal and political friends of the discredited and disgraced public officials, and to break the political effect of their misdeeds.

I do not undertake to speak for other committees, of whose proceedings I have little knowledge not shared by the public generally. But I defy anyone to point to a single individual whose character or reputation has been in the slightest degree affected injuriously by anything in the nature of rumor or gossip or by testimony from witnesses unworthy of belief before the committee investigating the naval oil leases. Fall's character has been seriously impaired, but not by hearsay testimony, nor by rumor, nor by gossip, nor by evidence that admits of any doubt. Doheny himself testified to delivering to him $100,000, carried in cash to Washington from New York in a satchel, two days after writing to Fall about bidding on the contract eventually awarded to the former, under which he secured a preference right to a lease of a large part of naval reserve No. 1, which, when it was actually issued, was found to embrace the whole reserve of 32,000 acres, out of which he asserted he expected to make $100,000,000.

Practically everything that is known of Doheny's guilt, if he is guilty, came from his own lips or from official documents that can not be questioned. That Fall, who presently on the receipt of the money from Doheny repaired to El Paso, Tex., where he made the initial payment on the purchase of the Harris ranch in bills taken from a black tin box, was testified to by the man who got the money, a gentleman whose veracity no one has questioned.

Some suspicion has been attached to the more or less impeccable previous character of Harry Sinclair in consequence of the testimony adduced at the hearing, but whatever legitimate inference may be drawn from it none of it was of the doubtful character referred to, indeed the evidence as to him was of the most indubitable character.

Whatever unfavorable inference must be or has been drawn as to Denby, arising out of the proceedings, flows from his own words on the witness stand. Not an item of evidence was cited against him in the debate on the resolution, in consequence of which he was driven into the obscurity from which he should never have emerged, except such as fell from his own lips.

The reputation of three or four newspaper proprietors suffered seriously from the revelations, but the testimony involving them came in the main from their own mouths.

What man, whose character was besmirched by testimony of doubtful character introduced before the committee with which I have been identified? What reputations were ruined by gossip and rumor received by it? Ah, I see; reference is made to Vanderlip. The same rumors to which he gave such dramatic significance in a public speech came to my ears. I refused to pay any attention to them unaccompanied as they were by anything like proof. When the statement attributed to him was made public, what was our committee to do? We were called upon to investigate. Could we ignore such a declaration

publicly made by a man once Assistant Secretary of the Treasury and for years the head of the first banking institution of the country, presumably having sources of information quite beyond those open to the ordinary citizen? There was no division of opinion among the members of the committee as to its duty in the premises. It was due to the memory of the dead President that he called to acquaint the committee with what he knew of the matter and to acquaint it with any information in his possession that might lead to the disclosure of the truth. The friends of the deceased hastened to ask that they might appear to refute the inferences necessarily drawn from the Vanderlip utterances. The committee is to be commended for not shutting its doors to the development of the facts, not vilified for opening them.

I do not mean to intimate by stressing the absurdity of this attempt to discredit the work of the oil committee that some other may be more vulnerable to that line of attack. The effort is never directed specifically against the committee that revealed the villainies of Fall. The assault is made in general terms, and reference is commonly made in that connection to Roxie Stinson and Gaston B. Means, witnesses of more or less prominence appearing before the committee in whose proceedings my colleague, Senator WHEELER, has had a prominent part. But what man whose character was theretofore unimpeachable suffered undeservedly because of any evidence heard by that committee? Whatever was its character, the result aimed at was accomplished. Daugherty was driven from the Cabinet to the very general satisfaction of the public. He was condemned by public opinion, which held to the view that there was enough truth in what was told to require that he stand not on the order of his going but go at once. The astonishing thing about that affair is that people indulging the firm belief that it was a travesty on the name of justice to have Daugherty at the head of the department of the Government, charged in a special way with the administration of it, who had a low estimate of his character, who are delighted he is gone, join the hue and cry against WHEELER because of the character of the witnesses through whose evidence he accomplished the result, for the greater part the boon companions and bosom friends of the deposed Attorney General. Here, too, the accusations are general. The public is not told in detail who these high-minded, these spotless citizens are who have been defamed by the Wheeler committee.

I can not believe that these frantic attempts to minimize and discredit the work which has been done by, and the notable achievements which have come through the investigation prosecuted by order of the Senate at the current session, will seriously affect the judgment of the American people touching the public career of those whose iniquities have been exposed.

In the case of Fall the public interests were vast, the office he held an exalted one; but be the office high or humble, the price of perfidy great or trifling, instinctively it is felt that corruption in public life is a vice that eats into the very structure of our system; that the exposure of it, however regrettable its existence may be, is a service of the very highest order, and that swift, certain, and condign punishment is the only cure for it outside of a moral regeneration.

AGRICULTURAL DEPRESSION

Mr. GOODING obtained the floor.

Mr. McNARY. Mr. President, the able Senator from Idaho has long been a student of agricultural problems. He has collected very valuable data, and I should like to see a larger attendance of the Senate; therefore I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fess	McKellar	Shipstead
Bayard	Fletcher	McKinley	Shortridge
Borah	Frazier	McLean	Simmons
Brandegee	George	McNary	Smith
Bruce	Gerry	Mayfield	Smoot
Bursum	Glass	Moses	Stanfield
Cameron	Gooding	Neely	Stanley
Capper	Harris	Norbeck	Stephens
Caraway	Harrison	Oddie	Sterling
Colt	Howell	Overman	Swanson
Copeland	Johnson, Minn.	Pepper	Trammell
Cummins	Jones, N. Mex.	Ralston	Underwood
Curtis	Jones, Wash.	Ransdell	Wadsworth
Dale	Kendrick	Reed, Mo.	Walsh, Mass.
Dial	Keyes	Reed, Pa.	Walsh, Mont.
Edge	King	Robinson	Warren
Ernst	Ladd	Sheppard	Weller
Ferris	Lodge	Shields	Willis

The PRESIDENT pro tempore. Seventy-two Senators having answered to their names, there is a quorum present. The Senator from Idaho will proceed.

Mr. GOODING. Mr. President, this Government was organized for the purpose of protecting and defending the rights of its people, and Congress was created for the purpose of legislating in their interest, and whenever through legislation, or by an official act of a representative of this Government, the prosperity and happiness of a great body of its citizens is destroyed, it becomes the duty of this Government to enact such legislation as will make amends for the hardships and privations it has forced upon its people. Nor will it ever be too late for this Government to make right a great wrong when its mistakes are of such a serious nature that hundreds of thousands of our citizens lose the earnings of a lifetime, and are forced to commence life's work over again to provide a home for their declining years.

Mr. President, it is not strange that mistakes were made during the war, and that out of that great conflict there should come much suffering and distress. That some governments should be destroyed, only repeats the history of other great conflicts of humanity, for the fortunes of war never rest on all alike. To some, war brings great sorrow, while to others, the fortunes of war are sometimes kind. To some industries in this country the World War brought an era of prosperity never dreamed of before; and to American labor it brought the highest standard of wages since the dawn of civilization, a standard they have been able to maintain, through organization, and increase in many lines of industry. On the other hand, through the unfortunate administration of legislation, passed as war measures, and the deflation forced upon the country by the Federal Reserve Board and the lack of organization on the part of agriculture to protect its industries, the World War has brought to agriculture in the last four years a loss, as compared to the value of farm lands and farm products of 1919, of more than $32,000,000,000.

Mr. President, during the last Congress I stated upon the floor of the Senate that this Government became a profiteer in handling the farmers' wheat during the war, and that it fixed the price of wheat at our primary markets below the cost of production for some of the wheat crops produced during the life of the food control act. I did not make that statement believing it was the deliberate purpose of this Government to become a speculator and a profiteer in handling the farmers' wheat, or that this Government intentionally fixed the price of wheat below the cost of production.

There is no doubt but what it was the intention of the President and of Congress that the wheat growers of this country should be given a reasonable profit over and above the cost of production of a bushel of wheat during the war. It was so provided in the food control act, but with Julius Barnes, one of the greatest speculators in wheat this country has ever produced, together with a board of directors, many of whom were grain dealers and speculators in wheat, controlling and directing the affairs of the grain corporation, there was never a chance for the farmers of this country to get a square deal, and the good intentions of the President and of Congress, during the war, do not help the individual whose prosperity has been destroyed and whose home has been lost through a patriotic effort to help win the war. It is to repay the wheat growers in a small way for their losses, brought about by the unwise administration of war measures, that I introduced Senate bill 185, fixing the price of No. 1 northern wheat by this Government at $1.50 per bushel for the crops of 1924 and 1925 at the primary markets. This bill provides that the Government shall make a charge of 10 cents per bushel to defray the administration charges and to reimburse the Government for any losses that may be sustained in the export of wheat. The bill provides for an embargo on wheat and flour imported during the life of the act.

No doubt the Government would sustain some losses in the export of wheat over and above the 10 cents per bushel allowed to cover administration charges and losses in export, but it must not be forgotten that this Government made a profit of $62,050,778.90 in handling the farmers' grain during the life of the food control act, and it is safe to say that with the charge of 10 cents a bushel, together with this profit, that the Government would not sustain the loss of a single dollar if this bill should become a law.

But it is not my purpose to urge the consideration of Senate bill 185, for I find there is a great deal of opposition toward the Government stabilizing the price of farm products, although this Government has stabilized and subsidized about everything else in this country with the exception of farm products, and then I am satisfied that Senate bill 2012, introduced by the Senator from Oregon [Mr. McNARY], for the stabilization of the price of farm products by the farmers themselves, will come nearer solving the problems of agriculture and give back to those agricultural products that are now depressed and demoralized somewhere near the purchasing power that existed before the war than any other measure that is before Congress at the present time. Nor shall I discuss Senate bill 2012 at this time. I shall leave that to the author of the bill, the Senator from

Oregon [Mr. McNARY], when the measure is before the Senate for consideration.

Mr. President, the attitude of every Senator on any measure that promises relief for agriculture should be determined upon the question of whether or not this Government through legislation or through the official act of its President or through the official act of any representative of this Government is responsible for the loss sustained by the farmers in answering their country's call to produce more farm products to help win the war.

Mr. President, the purpose of my remarks at this time is to discuss the condition of agriculture, and to show that this Government, through the unwise administration of legislation passed as war measures, is responsible for the deplorable condition of the wheat grower and of agriculture generally throughout the whole country. I shall have no trouble in showing that the Government did fix the price of wheat below the cost of production for some of the wheat crops produced under the food control act. I shall have no trouble in showing that our own Government was the only Government that fixed a maximum price for a bushel of wheat during the war. I shall have no trouble in showing that the Government after it fixed a price of $2.20 a bushel at the primary markets increased the price of labor upon the railroads and in our shipyards by more than 100 per cent, which in turn was responsible for the increase in the cost of everything the farmer had to buy for the production of a bushel of wheat by more than 100 per cent, without any thought or consideration of its effect upon the wheat growers of this country. I shall have no trouble in showing that after the Government had increased the cost of production of a bushel of wheat by more than 100 per cent and all other farm products in the same proportion, and when the very peak in the cost of production was reached in farm products the Federal Reserve Board in 1920 forced a deflation upon this country that brought about the greatest crisis ever known to agriculture, and I shall have no trouble in showing that through the patriotic efforts of the farmers to help win the war the wheat growers alone in this country lost not only millions but billions of dollars in answering their country's call to produce more wheat to help win the war.

Mr. President, on April 6, 1917, Congress declared war against Germany. The destructive submarine warfare of Germany had made such inroads on the merchant marine of our allies that for a time grave doubts were entertained as to the outcome of the war. There was no time to send ships to the far distant ports of India, South America, and Australia for their surplus food products, and the winning of the war depended upon this country and Canada producing enough wheat to feed our own armies in Europe and the armies of our allies.

On August 10, 1917, the food control act was approved—"an act to provide further for the national security and defense by encouraging production, conserving the supply, and controlling the distribution of food products and fuel." That act especially provided that the wheat growers should be given a reasonable profit for the production of wheat. Section 14 of that act is very clear on that point. It provides that—

> Whenever the President shall find that an emergency exists requiring stimulation of the production of wheat, and that it is essential that the producers of wheat, produced within the United States, shall have the benefits of the guaranty provided for in this section, he is authorized from time to time seasonably and as far in advance of seeding time as practicable to determine and fix and give public notice of what, under specified conditions, is a reasonable guaranteed price for wheat, in order to assure such producers a reasonable profit.

Mr. President, I shall have no trouble in showing before I conclude my remarks that the provision of section 14 of the food control act, which guaranteed to the farmers a reasonable profit for the production of wheat during the war, was not carried out in good faith by those who controlled the Grain Corporation.

Under the provisions of the food control act the President issued an Executive order on August 10, 1917, creating the Food Administration, and appointed Herbert Hoover as United States Food Administrator. On August 14, 1917, the President issued an Executive order creating the Grain Corporation, and Julius Barnes was made president of the corporation. Very properly, those in authority began to take stock of our national resources. It was found that the average pre-war yield of wheat from 1909 to 1914 was 690,000,000 bushels. In 1914 we produced 891,000,000 bushels, and in 1915, 1,025,800,000 bushels. The wheat crop of 1915 yielded the greatest number of bushels ever produced in this country, and was sold by the farmers at a great loss.

Out of the crops of 1914 and 1915 we exported 600,000,000 bushels of wheat and over 43,000,000 barrels of flour. There is no doubt that the low price for wheat in 1915 had much to do with the production of wheat in 1916 and 1917, for in 1916 we only produced 636,518,000 bushels, and in 1917, 636,655,000 bushels—a loss, as compared with the crops of 1914 and 1915, of 643,827,000 bushels.

On August 1, 1917, it was found that we only had 62,000,000 bushels of wheat on hand in this country; barely enough to run our flour mills for one month. Our consumption of wheat at that time was $5\frac{3}{10}$ bushels per capita. This meant that we needed 556,000,000 bushels for food alone. Our requirements for seed were estimated at 80,000,000 bushels, making our total requirements 645,000,000 bushels. With the country at war and our production not enough to supply our own needs, the fact that it was of vital necessity to stimulate the production of wheat and limit its use as far as possible was recognized and accepted by every loyal American.

With not enough wheat in sight for the use of our own people, and with the destructive warfare of the German submarine, the President believed the country was facing a very dangerous situation. On August 14, 1917, he appointed what was known as the fair price committee, consisting of 11 men representing all interests to fix a price for the wheat crop of 1917. The committee was not connected in any way with the food administration. On August 30, 1917, the committee presented the following report to the President, which I ask leave to have printed as a part of my remarks.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Idaho is granted.

The report is as follows:

> TO THE PRESIDENT OF THE UNITED STATES:
>
> The undersigned committee has been asked by you to recommend the price which the Government should pay for the 1917 crop of wheat.
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> In its deliberations the committee has kept constantly in mind the three following factors:
>
> First. The fact that the United States is at war.
>
> Second. The need of encouraging the producer.
>
> Third. The necessity of reducing the cost of living to the consumer.
>
> The normal laws of supply and demand have been violently interferred with and Congress has undertaken to offset this disturbance by conferring extraordinary powers upon the President to stabilize prices.
>
> Each of the foregoing factors grows out of conditions which have received the careful attention of the committee, chief among which are:
>
> That the wheat yield in a great and important section of the country has this year been below the normal; that over against this situation is the crying need among the whole body of the population, especially of the wage earners, that the rising tide of costs shall be stayed and reduced as rapidly as possible, consistent with the welfare of the producers; that the Government is at the present time engaged in the great task of reducing and stabilizing the cost of other staple commodities; that the wheat of the world is abundant for its needs, even disregarding the stores in Russia, but because of lack of shipping, and war conditions, the burden of supplying wheat to the Allies and to neutral nations rests for the time being upon the United States and Canada.
>
> Your committee has also considered the fact that the Government price for the 1917 wheat crop is in effect a continuing guaranty until the minimum price guaranteed by Congress for the crop of 1918 goes into effect (July 1, 1918). It has considered the relation of the 1918 maximum price guaranty to the price here recommended. It has also considered the effect which an early termination of the war would have upon the wheat markets of the world.
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> * * * * * * *
>
> In reaching its conclusion, the committee has been guided by the principles you have announced, that a fair price should be based upon the cost of production for the entire country plus a reasonable profit. We have relied upon the cost estimates for the crop of 1917, furnished by the United States Department of Agriculture, checked by the results of our own independent investigations, and the evidence submitted to the committee by the producers and their representatives.
>
> The committee has considered the regulations recently established by the United States Grain Corporation for the different grades of wheat, through which all transactions in wheat are to be standardized and speculation is to be entirely eliminated; also that profits to the grain dealer, miller, and flour dealer have been regulated and reduced by the Grain Corporation, effecting a material reduction in the cost of flour.
>
> In consideration of the foregoing facts and circumstances this committee respectfully recommends that the price of No. 1 northern spring wheat or its equivalent at Chicago be $2.20 per bushel.

Mr. GOODING. Mr. President, I especially want to call the attention of Senators to the fact that the fair price committee

based $2.20 a bushel at the primary markets for a bushel of wheat on information furnished them by the Department of Agriculture, to which they added a reasonable profit. What the farmers of this country are complaining about is the fact that they were only given the cost of production, plus a reasonable profit for a bushel of wheat in 1917, and that the Government immediately proceeded to increase the price of labor upon our railroads and in our shipyards and our freight rates until the cost of production of a bushel of wheat was increased more than 100 per cent, when the fair-price committee found from their investigation in August of 1917, and from information furnished them by the Department of Agriculture, that the cost of production of a bushel of wheat with a reasonable profit delivered at the primary markets was $2.20 per bushel.

I hope, Mr. President, that Senators will not overlook this portion of my remarks and will remember that the fair price committee after a thorough investigation of the whole subject, based on information furnished the committee by the Department of Agriculture, recommended a price of $2.20 a bushel for No. 1 northern wheat at the primary markets, freight paid.

Mr. President, in May, 1917, wheat sold in Chicago for $3.45 a bushel. When the fair price committee found that $2.20 was a fair price for a bushel of wheat delivered at the primary markets August 30, 1917, wheat was selling for $2.72 a bushel. For some time it had been well known that there were to be some regulations on the part of the Government affecting the price of wheat. This gradually reduced the price of wheat from its high point of $3.45 a bushel in May, 1917, to $2.72 a bushel on the 30th of August, 1917.

The day the President issued his proclamation, September 1, 1917, fixing the maximum price of wheat at $2.20 a bushel, the price of wheat fell 52 cents a bushel at all the primary markets. This was brought about by the Grain Corporation entering into a contract with grain buyers, elevators, and millers not to pay more than $2.20 a bushel for the grade of wheat known as No. 1 northern at the primary markets. In fixing the maximum price of a bushel of wheat at $2.20, in a publication issued by the Grain Corporation, they tell the story of how it was done, and have this to say:

> The Grain Corporation was made the sole agency for all Government buying and it at once entered into a series of voluntary agreements with flour mills and country elevators to maintain the Government fair-price basis in their own purchases throughout the crop year of 1917. These buyers of wheat—including some 3,000 mills and 14,000 elevators—agreed to pay for wheat of the 1917 crop the Government fair price, less freight to terminals and hauling charges, and no more, so that the farmers everywhere should receive a fair reflection of the Government buying basis. Through these trade agreements, which embraced about two-thirds of the elevators and by far the preponderance of the flour-milling capacity of the country, as well as through its own purchases running to nearly 30,000,000 bushels of wheat, the Grain Corporation made effective the "fair price" on the crop of 1917.

I might add that it made effective $2.20 a bushel as the maximum price of wheat for the crop of 1917.

Mr. President, the food control act approved August 10, 1917, contained no reference to the crop of 1917 or its price. The act did, however, provide a minimum price for the crop of 1918 at $2 a bushel. Senators must not forget, however, that there is a mighty difference between a minimum price of $2 a bushel for wheat and a maximum price of $2.20 a bushel under the conditions that existed during the war.

I have been advised by the Senator from North Dakota [Mr. LADD] and Mr. C. F. Barrett, president of the Farmers' Union, who were members of the fair price committee—and if I do not quote him correctly I hope I may be set right—that it was their understanding that when the committee recommended the price of $2.20 a bushel for wheat at the primary markets, it was to be a minimum price and not a maximum price, and that the making of $2.20 the maximum price for a bushel of wheat at the primary markets by the Grain Corporation came as a very great surprise to them.

Mr. President, there has been much said about the farmers being satisfied with the Government price of $2.20 a bushel for wheat at the time the President issued his proclamation fixing the price of wheat at $2.20 at the primary markets. There has been much said upon the floor of the Senate that the farmers were responsible for the Government fixing the price of wheat during the war. That generally, I am sure, is a mistake, and I am going to prove it by again quoting from a publication issued by the Grain Corporation. It is true that some of the Senators from the agricultural States did ask that the Government fix the price of wheat during the war, but what they were asking for and what the farmers got were two entirely different things, for, as I understand, the Senators from the agricultural States were asking the Government to fix a minimum price for wheat as provided in the food control act and not a maximum price as fixed by the Grain Corporation.

Quoting from a publication by the Grain Corporation, it has this to say:

> WHAT THE FARMERS WANTED
>
> It should be clearly understood that the food control act, passed by Congress in August, 1917, contained no reference to the crop of 1917 or its price. There was nothing in the act itself authorizing any buying basis for Government purchases, and there was absolutely no authorization to the President or anyone else to "fix" the wheat price which should govern the prices to be paid in every-day transactions by individuals. It was necessary, however, that some element of stability should exist in the wheat market, and the best way to bring this about was to establish a fair buying basis for Government purchases and induce other buyers to pay the same price. But what was a "fair" price? The farmers of the Southwest who had sold some of their 1917 crop at prices around $2.50 per bushel held out for a price at least that high. They were backed up by the whole agricultural interest of the Northwest, which had seen the price of spring wheat pass the $3 mark at Minneapolis before harvest. Naturally these interests were opposed to any reduction in the price.

So, Mr. President, without any authority of law for the crop of 1917, this Government forced a maximum price for a bushel of wheat upon the wheat growers without their consent, and I shall show before I conclude my remarks that the action of this Government, through the Grain Corporation headed by Julius Barnes, enacted a chapter in dealing with the farmers of this country that I believe is one of the blackest pages in American history.

Mr. President, while the farmer was never satisfied with the maximum price of $2.20 as fixed by the Grain Corporation for a bushel of wheat delivered at the primary markets, he did not go on a strike. The increased production of wheat in 1918 and 1919 shows that the farmers answered their country's call for the production of more wheat to help win the war, for in 1918 they produced 921,438,000 bushels and in 1919 967,969,000 bushels, representing an increase of more than 600,000,000 bushels for the two years over 1916 and 1917. In 1920 the production of wheat in this country was 833,027,000 bushels.

The story of the efforts of the farmers to produce more wheat to help win the war is best told by the increased acreage of wheat planted. In 1916 the farmers planted, in round numbers, 56,000,000 acres; in 1917, 58,000,000 acres; in 1918, 64,000,000; and in 1919, 76,000,000 acres, an increase over 1917 in two years of 18,000,000 acres of wheat.

Mr. President, the American people will never know the sacrifice that has been made by the farmers of this country in answering their country's call to produce more wheat to help win the war. I am sure we can all remember the campaign that was inaugurated for the production of more wheat. Farmers were told that bread would win the war. The Food Administration prescribed a lower grade of flour for the use of our own people. Where bread had been free generally upon hotel and restaurant tables the Food Administration encouraged them to make a charge for bread and limit its use as much as possible. All through the wheat belt in this country, where corn can not be grown successfully, wheat had been fed to livestock. I have in mind one small county in my State where prior to 1917 20,000 hogs were finished for market on wheat each year.

During the war the feeding of wheat to livestock was forbidden by the Food Administration, and to feed wheat to livestock was branded as an act of disloyalty. I well remember that in my State a few people of foreign birth had a real struggle to keep from being deported because they fed wheat to some of their livestock. The rules and regulations prescribed by the Food Administration making it necessary to guarantee an ample supply of wheat for food to feed our own armies in Europe and the armies of our allies drove the farmers out of the swine industry in many of the Western States, where corn is not grown successfully. This upset what we call a balanced condition upon the farm—diversified farming—and contributed to the loss of many of our farmers.

Mr. President, when this Government fixed the maximum price of a bushel of wheat, by every right and by common justice it should have fixed a maximum price on everything the farmer had to buy to produce a bushel of wheat; but instead of the Government controlling the price of those commodities it was necessary for the farmer to buy to produce a bushel of wheat, it increased the price of labor upon our railroads 146 per cent above the pre-war price, and of labor in our shipyards 122 per cent above the pre-war price, which in turn increased

the price of labor upon every farm in America and in every industry in America, until the cost of everything the farmer had to buy for the production of a bushel of wheat was more than doubled as compared with the cost of production of a bushel of wheat when the fair price committee found, from information furnished them by the Department of Agriculture and their investigation, that the cost of production of a bushel of wheat with a reasonable profit was $2.20 per bushel delivered at the primary markets.

Mr. President, we own and operate in this country 250,412 miles of steam railroads. This is about 34 per cent of all the railroads in the world. Railroads traverse every part of this great country, and no agricultural community of any size is without a railroad. On these railroads are employed something over 2,000,000 men, and when this Government increased the price of labor upon our railroads and standardized and legalized that increase it increased the price of labor upon every farm in America; for every farmer, every merchant, and every other line of business in agricultural communities during the war—and that is true at the present time, with the scarcity of labor—is forced to compete with the railroads for labor, all of which I shall have no trouble in showing.

Mr. President, on June 30, 1916, the average compensation per hour for all labor, including general and division officers, upon all class A railroads in this country was 27 1/10 cents per hour.

On January 1, 1917, the Adamson Act became effective, constituting an eight-hour day upon the railroads which had previously operated on a 10-hour basis. While the Adamson law did not prescribe any rate of wages, it increased the hour's pay on the railroads from 27 1/10 cents per hour in 1916 to 32 cents per hour in 1917, an increase of 16 per cent above the price paid for labor on all class A railroads in the United States in 1916.

On the 1st of September, 1917, when the President issued his proclamation fixing the price of a bushel of wheat at $2.20 at the primary markets, the average compensation per hour for all labor, including general and division officers, upon all class A railroads in the United States was 32 cents per hour.

On December 28, 1917, Mr. McAdoo, Secretary of the Treasury, was appointed Director General of Railroads. Three days later—January 1, 1918—Mr. McAdoo issued what is known as General Order No. 27. This, together with other supplementary orders issued by the Director General of Railroads in 1918 and 1919, increased the average compensation of labor on the railroads in the United States in 1919 to 56 5/10 cents per hour, an increase of 76 per cent over the wages paid for labor on our railroads when the fair price committee found $2.20 a bushel was a fair price for a bushel of wheat delivered at the primary markets, and 104 per cent above the price paid for labor on our railroads in 1916, before the Adamson law was passed.

On March 1, 1920, the Esch-Cummins Act became effective. This act created the Labor Board, with power to increase or decrease the price of labor upon our railroads. On July 20, 1920, the Railroad Labor Board issued its decision No. 2, effective retroactively as of May 1, 1920. This order had the effect of increasing the average compensation on our railroads for all labor, including general and division officers, to 67 5/10 cents per hour, an increase of 121 per cent over 1917, when the President issued his proclamation fixing the price of a bushel of wheat at $2.20 a bushel delivered at the primary markets, and 146 per cent above the price paid for labor on our railroads on January 1, 1917, before the Adamson law became effective.

In 1921 the Labor Board made a small reduction in the price of labor upon our railroads. For that year the average compensation for all labor was 66 7/10 cents per hour. In 1922 the Labor Board made further reduction, and for that year the average compensation per hour on our railroads for all labor was 61 5/10 cents per hour. The price of labor on our railroads to-day is 127 per cent above the price paid for labor upon our railroads on January 1, 1917, before the Adamson Act became effective.

Up to the 1st of January, 1917, there had been no increase in the price of labor in our shipyards, but in 1917 the Government took over all shipyards for supervision and increased the price of labor in 1917 10 per cent; so it can be said that when the President issued his proclamation fixing the price of a bushel of wheat at the primary markets at $2.20 a bushel the price of labor in our shipyards was 10 per cent above the pre-war price. In 1918 the Government increased the price of labor in our shipyards 81 per cent, and in 1919 our Government increased the price of labor in our shipyards until it was 122 per cent above the pre-war price. In 1921 and 1922 there were some reductions in wages in our shipyards, equal for those two years to about 10 per cent, so that the price paid for labor in our shipyards to-day is 110 per cent above the price paid for labor before the war.

These increases in the price of labor by the Government increased the cost of everything the farmer had to buy for the home and the farm; they increased his elevator charges; they increased his freight rates; and no part of these increases can the farmer pass on to the people. This increase in the price of labor by our own Government upon our railroads brought about a material increase in the cost of operation; but the Esch-Cummins Act provided that the Interstate Commerce Commission should fix rates so that the railroads should earn in whole or in part or in groups, as the Interstate Commerce Commission may designate, 6 per cent above all costs of operation, including taxes.

Mr. President, our Government exercised great care when it made its increase in the price of labor upon our railroads, for it made two horizontal increases in freight rates, the peak of which reached 78 per cent of an increase in freight rates, which enabled the railroads to pass their increased cost of operation on to the farmer and to the rest of the people to a very large extent, for the farmers of this country pay nearly one-third of the freight bill collected in this country by the railroads, and before I conclude my remarks I shall show that the railroads were materially benefited, and properly so, by the increased price of labor upon their roads.

Mr. President, the increase in the price of labor has brought about an increase in the cost of every manufactured article in America; but the manufacturer is able to add this increased cost to the price of his manufactured article and pass it on to the people. Mr. President, if our railroads could not pass their increased cost of operation on to the farmers and the rest of the people every mile of railroad in the United States would be in the hands of a receiver in one short year, and that is also true of our manufacturing industries; but the farmer occupies an entirely different position in the economic affairs of his country from the railroads or our manufacturers, for he is unable to pass his increased cost of production on to the people. If the farmer wants to know the price of wheat, cotton, livestock, or any other farm product, he must look in the newspaper or inquire of some commission merchant who deals in farm products, and who is part of a great system that fixes the price of farm products. The farmer of the country has nothing to say about what returns he shall receive for his labor and investment, and when this Government fixed a maximum price for a bushel of wheat and then forced an increased cost of production upon the farmers of this country of more than 100 per cent without any thought or consideration of its effect upon agriculture, and without any authority of law as far as the crop of 1917 was concerned, it was the greatest tragedy ever enacted by any government against a great body of its citizens since the dawn of civilization. So it is not strange, Mr. President, with this increased cost of production forced upon the farmer by his own Government, which he is unable to pass on to the people, that hundreds of thousands of our farmers in the last few years have endured great hardships and privation, and have lost the earnings of a lifetime.

On June 24, 1918, Mr. McAdoo, Director General of Railroads, made a horizontal increase in all freight rates of 25 per cent. This order made an exception as far as wheat was concerned and provided that no rate on wheat should be increased more than 6 cents per hundred; but this did not affect the wheat growers of North Dakota or Kansas. It only gave a little relief in such States as Montana, Idaho, and a few other far Western States where rates were excessively high.

On July 1, 1918, the President ordered an increase of 6 cents per bushel in the price of wheat at the primary markets of the country. The increase of 6 cents per bushel compensated the farmers for the 25 per cent increase in the freight rates on wheat, but it did not compensate the farmers for the 25 per cent increase on farming machinery, building material, binding twine, and everything else they had to buy and to sell. In this horizontal increase no attention was paid to how high the rate was originally, or how low the rate, or how long the haul, or how short the haul, or what the product would bear to carry it to market. Low-priced farm products were increased the same as the higher-priced manufactured articles.

Mr. President, I wish to call the attention of Senators to how closely the increased price of labor upon the farm followed the increased price of labor made by the Government upon our railroads. When the President issued his proclama-

tion on September 1, 1917, fixing the price of a bushel of wheat at $2.20 at the primary markets, the price of labor upon the farm was 25 per cent above the pre-war price.

In 1918 it was 75 per cent above the pre-war price; in 1919 it was 100 per cent above the pre-war price, and in 1920, 130 per cent above the pre-war price. In the wheat fields of Kansas in 1920 day labor was 173 per cent above the pre-war wage. This year it is 70 per cent above the pre-war price paid for labor. In 1917, when the President issued his proclamation fixing the price of wheat at $2.20 a bushel, farming machinery was 31 per cent above the pre-war price; in 1918 it was 78 per cent above the pre-war price; and in 1920 it was 96 per cent above the pre-war price.

Mr. President, the increase in the price of farming machinery and other commodities the farmer must buy is again reflected in the purchasing power of farm products. In 1909 3 bushels of wheat would buy 100 pounds of barbed wire; in 1923 it required 5.6 bushels of wheat to buy 100 pounds of barbed wire. In 1909 it required 13.7 bushels of wheat to buy a single harness; in 1923 it required 28.3 bushels of wheat to buy a single harness. In 1909 it required 11.7 bushels of wheat to buy a plow; in 1923 it required 29.2 bushels of wheat to buy a plow. In 1909 it required 66.8 bushels of wheat to buy a double wagon; in 1923 it required 143.3 bushels of wheat to buy a double wagon. In 1909 it required 855 pounds of pork to buy a double wagon; in 1923 it required 2,069 pounds of pork to buy a double wagon. I am giving only a few examples of the purchasing power of farm products for those things it is necessary to buy for the farm.

Up to the 1st of January, 1924, there had been some reduction in the price of labor, freight rates, and farming machinery, but I understand that a 10 per cent increase in the wholesale price of farm machinery for 1924 has been agreed upon by the manufacturers. Only a few days ago the New York Central, the Pennsylvania, and Southern Railroads gave notice of an increase of wages upon their roads of from 5 to 6½ per cent. The Pullman Co., it is said, has also increased the wages of their employees 8 per cent. Last month the coal operators gave notice they had entered into a contract with their miners to continue the present scale of wages with the coal miners for the next three years, which is the highest scale ever paid in the coal mines in this country.

Mr. President, on March 24, in the Washington Post, there was a story from Chicago telling of the earnings of the United States Steel Corporation for 1923. The article shows an increased revenue for the Steel Corporation of nearly half a billion dollars. The net profit for the year, after all charges and taxes were met, was $108,707,064, and after paying dividends of 6 per cent there was a surplus of $54,259,993 left in the treasury. The article says that the employees shared in the corporation's prosperity.

MORE PAY FOR EMPLOYEES

Employees shared in the corporation's prosperity, both by obtaining the eight-hour day and also higher pay per day. The average earning per day per man was $5.83, compared with $4.91 in 1922. Total salaries and wages were $469,502,634, compared with $322,578,130 for 1922. The average number of employees was 260,786, compared with 214,931 the year before. The number of additional employees required because of the shorter day was 17,117, and to that change was attributed 60 per cent increase in total pay rolls.

Mr. President, the United States Steel Corporation increased the price of steel in 1923, 20 per cent over the price of steel in 1922. This gave the United States Steel Corporation an increased earning of $262,000,000. Out of this increase they paid labor an increase of $146,824,504, which left a net increased revenue for the Steel Corporation, through the increase of 20 per cent in the price of steel, of $115,077,910. So that it is not strange the manufacturers of farm machinery find it necessary to increase the price of farm machinery by 10 per cent. So from these increases it is quite evident that the farmers are facing an increased cost of production in the future instead of the country returning to normalcy or pre-war conditions that we have heard so much about in the last few years.

So, Mr. President, it is not strange that the manufacturers of farm machinery find that it is necessary to increase the price of steel. The farmer of this country is the greatest single purchaser of steel in the country, or one of the greatest purchasers, at least; and, of course, part of the increased earnings of the steel companies of $115,077,910 has come out of the farmers and increases the cost of production. As I said, this country is not returning to normalcy very fast.

Mr. President, as I see it, the farmers of this country are facing an impossible condition. With organized industry able to pass their increased cost of production on to the farmers as well as the rest of the people, and organized labor able to maintain the increase in the price of labor that has been given them by their own Government, and to increase the price of labor in many lines of industry, unless this Government lends itself to an organization that will bring about an increase in the price of farm products by the farmers, then agriculture must face a hopeless condition in this country, and some lines of it will be broken down and destroyed.

Mr. President, in the early summer of 1920 the farmers of this country were looking forward to a prosperous year. The food control act expired on May 31, 1920, under which the President had fixed the maximum price of a bushel of wheat. The next day, June 1, 1920, the farmers were able to sell their wheat in Minneapolis for $3.09 per bushel, and with the demoralized condition which existed in Europe, the farmer had every right to expect to sell his wheat crop of 1920 around $3 per bushel; but he was doomed to disappointment, for Governor Harding of the Federal Reserve Board seemed to believe that board was created for the purpose of bringing about a deflation in the country at any time they thought it advisable to do so.

On May 18, 1920, Governor Harding called a meeting of the Federal Reserve Board, and the Federal Advisory Council and class A directors of the Federal reserve banks. The meeting was a secret one, and very little was known outside of banking circles of what transpired at that meeting until February 22, 1923, when the Manufacturers' Record, of Baltimore, published a stenographic report of the proceedings of that meeting which I placed in the CONGRESSIONAL RECORD a few days after it appeared in that magazine. At that secret meeting of May 18, 1920, the question of restriction of credits, breaking down of prices, and increasing of freight rates was generally discussed and agreed to.

Mr. President, I offer at this time the names of all those in attendance at that meeting of the Federal Reserve Board, May 18, 1920, and ask that they be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. LADD in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Hon. Adolph C. Miller, member of the Federal Reserve Board.
Hon. Henry A. Mohlenpah, member of the Federal Reserve Board.
Hon. John Skelton Williams, Comptroller of the Currency and member ex officio of the Federal Reserve Board.
Hon. David F. Houston, Secretary of the Treasury and member ex officio of the Federal Reserve Board.
George L. Harrison, counsel, Federal Reserve Board.
Also members of the Federal Advisory Council: Philip Stockton, Federal reserve district No. 1; A. B. Hepburn, Federal reserve district No. 2; L. L. Rue, Federal reserve district No. 3; W. S. Rowe, Federal reserve district No. 4; J. G. Brown, Federal reserve district No. 5; Oscar Wells, Federal reserve district No. 6; James B. Forgan, Federal reserve district No. 7; F. O. Watts, Federal reserve district No. 8; E. F. Swinney, Federal reserve district No. 10; R. L. Ball, Federal reserve district No. 11; A. L. Mills, Federal reserve district No. 12; J. H. Puelicher, Marshall & Ilsley Bank, Milwaukee, Wis.; John Perrin, chairman of the board and Federal reserve agent, Federal reserve bank, San Francisco; Hon. Edmund Platt, chairman of the Banking and Currency Committee, House of Representatives.
Boston: Thomas Beal, Edward S. Kennard, and Frederick S. Chamberlain.
New York: James A. Alexander, R. H. Treman, Charles Smith, and J. H. Sisson.
Philadelphia: Joseph Wayne, jr., M. J. Murphy, and Francis Douglas.
Cleveland: O. N. Sams, Robert Wardrop, and Chess Lamberton.
Richmond: John F. Bruton, Charles E. Rieman, and Edwin Mann.
Atlanta: J. K. Ottley, Oscar Newton, P. R. Kittles, and W. H. Kettig.
Chicago: George M. Reynolds, Charles H. McNider, and E. L. Johnson.
St. Louis: J. C. Utterback and Sam A. Ziegler.
Minneapolis: Wesley C. McDowell and E. W. Decker.
Kansas City: J. C. Mitchell, E. E. Burham, and W. J. Bailey.
Dallas: John T. Scott, E. K. Smith, and B. A. McKinney.
San Francisco: C. K. McIntosh, J. E. Fishburn, and M. A. Buchan.

Mr. GOODING. At this time I will only discuss and review a few of the statements made by some of the representatives of the great banks who attended that meeting.

Mr. Robert Wardrop, of the Cleveland reserve bank, said at that meeting:

I think a reasonable depression of business would be a good thing for the country.

He added:

I really think we would do better if we could get down to a lower basis, a different basis, and from that we could work up again.

Mr. President, at that meeting of the Federal Reserve Board an organization was perfected in this country to restrict credits and increase the rate of discount and to bring about the depression of business that Mr. Robert Wardrop thought would be a good thing for the country; and while they were trying to deflate the country and reduce prices, these bankers—and they were the great bankers of the country, with power given them by this Government to control the financial destiny of the American people—passed a resolution and appointed a committee of five to present their resolutions to the Interstate Commerce Commission and the United States Shipping Board asking for an advance in freight rates. That resolution reads as follows:

Resolved, That this conference urge as the most important remedies that the Interstate Commerce Commission and the United States Shipping Board give increased rates and adequate facilities such immediate effect as may be warranted under their authority, and that a committee of five be appointed by the Chair to present these resolutions to the Interstate Commerce Commission and the United States Shipping Board, with such verbal presentation as may seem appropriate to the committee.

Mr. President, at first it was hard for me to understand why these great bankers who had met to restrict credit and deflate prices should pass a resolution asking the Interstate Commerce Commission and the United States Shipping Board to increase freight rates; but I soon found, Mr. President, that the great bankers who met with the Federal Reserve Board on May 18, 1920, in that secret meeting held in this city, represented financial interests that owned and controlled a large majority of the stocks and bonds of the railroads in this country. So it is not strange after all that they should want to protect their railroads from the deflation that they were about to force upon the country.

When Mr. James A. Alexander, one of the class A directors of the Federal reserve bank in New York, was asked about transportation in his district he said:

There is almost no such thing there now—

And added—

There is one thing I think to be feared, and that is if the transportation facilities are improved and commodities moved freely and credits are to be released it may bring a temporary ease in the money market and may encourage people to go ahead and expand; I believe now is the time to put the rates up and keep them up.

Mr. President, it is hard to believe that the great financiers of the country would be guilty of wanting to wreck transportation on our railroads for fear there would be a temporary ease in the money markets; but when we bring back in review the railroad blockade that occurred in 1920, it can properly be asked what part the great financiers of this country who own and control the vast majority of the stocks and bonds of our railroads played in the freight blockade of 1920. I am not quite sure, however, but what in their madness to deflate the country with the pressure forced upon the farmers everywhere to liquidate, but that in their efforts to cripple transportation they served a good purpose; for even with the facilities the railroads offered for the movement of freight in 1920 the farmers were pressed so hard to pay up that farm products were forced upon the market in such great volume that, under pressure to sell, the greatest deflation in the price of farm products ever known in the history of this country was brought about in a few short weeks. Wheat was selling in the primary markets in June as high as $3.09 a bushel. By December, 1920, it sold for $1.60 a bushel, a decline of $1.49 a bushel. It seems to me, Mr. President, that was deflation with a vengeance.

Mr. FLETCHER. Mr. President, will the Senator yield for a question?

Mr. GOODING. Certainly.

Mr. FLETCHER. Is it not a fact that the decline in the price of wheat took place immediately following the emergency tariff imposing high duties on wheat?

Mr. GOODING. I am talking about 1920 and the decline in the price of wheat in that year, when wheat was on the free list and when the Democratic Party was in control. I spoke of the year 1920. I am going to reach the tariff on wheat a little later.

Mr. FLETCHER. The price did, as a matter of fact, decline shortly after the high duty was imposed, did it not?

Mr. GOODING. Yes; but it was not on account of the high tariff. I shall be glad to discuss that question with the Senator when it is before us.

Again quoting from the Manufacturers' Record, Mr. Joseph, of Philadelphia, raised the question of graduated rates on borrowing or rediscounts, and said:

I would like to know whether in the districts that have adopted this procedure there has been eliminated the question of borrowing on Government securities from calculation as to the line of credit granted to a bank?

Governor Harding replied:

In the Kansas City district and the Dallas district in their tentative plans they have eliminated entirely borrowing on Treasury certificates of indebtedness and on Liberty bonds actually owned on the 1st of April, 1920.

Mr. Wayne then asked:

Have they made any reference to collateral notes of customers that have been discounted by the banks as a result of Liberty loan subscriptions?

Mr. Bailey, of Kansas City, replied:

They have to belong to the bank on the 1st day of April. We have made that rule.

Mr. Scott said:

It is the same way in the Atlanta district.

Mr. Wells said:

He wants to know if customers' notes secured by Liberty bonds are exempt from the application of it.

And Mr. Bailey said:

They are not.

Mr. President, speaking of the damnable conspiracy to force Liberty bonds on the markets, the Manufacturers' Record, of Baltimore, has this to say:

When the Federal reserve system undertook to violate every promise made by the Government and by the banks in persuading people to buy Liberty bonds, promising to carry them and then calling loans on them in order to force them out of the banks, breaking them down from 12 to 15 points or more, the honor of the Government and the good faith of the banks trampled in the mire, millions of bonds bought in good faith by patriotic people to help the banks and help the Government were forced to be sold at a loss, and the National Government bought in $2,000,000,000 of its own dishonest promises to pay and the Secretary of the Treasury boasted of the money that had been saved in doing so. And at these low figures hundreds of millions of bonds were bought in by big estates and big institutions, with heavy losses to the innocent original purchasers.

Mr. President, when we think of the sacrifice that was made by a great many people to purchase Liberty bonds and the encouragement they were given by the bankers of this country in this matter, and the cold-blooded way in which these great bankers discussed their method of forcing Liberty bonds on the market at their secret meeting, it is not strange that we have a few anarchists in America, for it is such selfishness and greed as was exhibited by these great bankers in the Federal Reserve Board meeting of May 18, 1920, that creates anarchy, that have destroyed governments as far back as history tells the story of the rise and fall of civilization.

What influence these great bankers, together with the Secretary of the Treasury, who represented this Government at that secret meeting, May 18, 1920, had upon the Interstate Commerce Commission in inducing them to increase freight rates will never be known, but on August 20, 1920, the Interstate Commerce Commission made a horizontal increase in all freight rates of from 25 to 40 per cent, and 33⅓ per cent between the different groups of railroads. Again no attention was paid as to how long the haul or how short the haul, or how high the rate was originally or what the product would bear to carry it to market. The rates on low-priced farm products were increased the same as on high-classed manufactured articles. Every principle that has ever been used in the construction of freight rates was ignored by the Interstate Commerce Commission.

The unfairness of these horizontal increases in freight rates have worked a hardship on agriculture in every State in the Union; these horizontal increases have been especially unfair and unjust to the far western States where the freight rates have always been high and the policy of the railroads has always been to force low-priced farm products over the long railroad haul to the eastern markets, regardless of whether the farm products would properly bear the cost of transportation. By excessively high freight rates westbound, the transcontinental railroads have denied the interior of the far western States the right to use the Pacific Ocean and they have been

denied the right to use the Panama Canal, which they were taxed to help build as well as the rest of the people in this country of ours. At this point in my remarks I wish to offer a table for the RECORD showing the freight rates that farm products pay in Idaho in proportion to their market value.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD as requested.

The table is as follows:

Statement showing percentage relationship that freight rates bear to wholesale price of certain farm products, at markets specified, as of the dates shown, on Idaho products.

SEPTEMBER, 1923, PRICES

	Price per bushel	Freight per 100 pounds	Freight per bushel	Per cent that freight bears to price
At Chicago:				
Wheat, No. 1 northern spring	$1.158	$0.645	$0.387	33.4
Wheat, No. 2 red winter	1.078	645	.387	35.9
Potatoes, good to choice[1]	1.713	805		46.9
Clover seed	20.13	1.82		9
	Ton	*Ton*		
At Kansas City: Hay, No. 1 alfalfa	22.76	12.66		57
	100 pounds	*100 pounds*		
At New York: Beans, dried	6.75	1.05		15.5
At Chicago:	*Box*			
Sept. 26, 1923—	*50 pounds*			
Apples, Jonathan, extra fancy	2.35	1.42		
Refrigeration		.216		
Total		1.636		32.5
Apples, Jonathan, fancy	2.25	1.636		36.3
Apples, Jonathan, choice	1.40	1.636		58.4
Apples, Jonathan, combination fancy and extra fancy	2.28	1.636		35.7
Sept. 27, 1923—				
Prunes, 20-pound suitcases	.51			
Prunes, per 100 pounds	2.55	1.50		
Refrigeration		.288		
Total		1.788		70
Prunes, season's low—				
Suitcase	.30			
Per 100 pounds	1.50	1.788		119
Prunes, season's high, up to Sept. 27—				
Suitcase	.73			
Per 100 pounds	3.75	1.788		47.8

[1] In addition, the shippers in Idaho are very often compelled to pay $25 per car initial icing charge to secure a suitable car in which to ship.

Mr. GOODING. Mr. President, taking 1917 as 100 per cent in freight rates, the year the fair price committee found that $2.20 was a fair price for a bushel of wheat delivered at the primary markets, I find from information furnished me by the Interstate Commerce Commission that the increase in freight rates ordered by the director general, Mr. McAdoo, and the increased freight rates made under the Esch-Cummins Act, brought about an increase in freight rates in 1920 of 78 per cent. In 1922 there were some reductions, but the average above 1917 was 65 per cent, and at the present time, I am advised by the Interstate Commerce Commission, our freight rates are 55 per cent above 1917.

Mr. President, the American people in 1917 paid a freight bill of $2,819,965,215. Through the increases in freight rates the people in 1923 paid a freight bill of $4,624,398,830. Since 1917, up to and including 1923, the American people have paid an increased freight bill, through the increase in freight rates, of $6,934,304,031. In 1922 the Interstate Commerce Commission shows that the farmer paid a freight bill on farm products alone of $914,369,323. For that year the farmer paid on farm products 22⅛ per cent of all the revenue collected by the railroads on freight. On this basis the farmers of this country have paid an increased freight bill since 1917 up to and including 1923 of $1,587,955,623 on farm products alone. This does not take into account the increased freight bill in building material, farming machinery, and everything he had to buy for the farm and the home. So it is safe to say, Mr. President, that since 1917 the farmer's freight bill has been increased by this Government by more than $2,000,000,000, no part of which he can pass on to the people.

I have here a table which I wish to have inserted in the RECORD at this point in my remarks, showing the revenue earned by the railroads from 1916 up to and including 1923, also the ton-miles hauled by the railroads for those years.

The PRESIDING OFFICER. Without objection, the request of the Senator is granted.

The table referred to is as follows:

Freight revenues

	Revenue	Revenue per ton-mile	Freight revenue increase over 1917	Ton-miles
1917	$2,819,965,215	$0.715		394,485,400,000
1918	3,440,741,970	.849	$620,776,755	465,379,234,000
1919	3,543,266,303	.973	723,301,088	364,232,065,000
1920	4,317,440,080	1.052	1,497,474,865	410,306,210,000
1921	3,911,204,509	1.275	1,091,239,294	306,736,765,000
1922	3,992,442,459	1.177	1,172,477,244	339,285,348,000
1923	4,624,398,830	1.116	1,804,433,615	413,562,132,000
Total	26,649,459,366		6,909,702,861	2,634,028,202,000

Average, 396,290,000,000.

Class A railroads for 1923

Total revenue	$6,356,890,737
Total expense	4,943,928,145
Net	1,412,962,592
Total expense	4,943,928,145
Compensation	3,004,659,673
Total	1,939,268,472

Mr. GOODING. Mr. President, I am satisfied from my study of the railroad situation that all of the great railroads have been materially benefited by the increase in the price of labor upon our railroads by the horizontal increases in freight rates that have been made by the Government, which has more than offset the increased cost in the operation of our railroads. If the same careful consideration had been given by this Government when it increased the cost of production of a bushel of wheat as was given by this Government when it increased the operating expenses of our railroads, the friends of agriculture would not now be forced to make a fight for a square deal for that industry.

In 1915 the railroads earned a revenue of 64 cents per man-hour, and paid as compensation for labor 26.9 cents per man-hour. The difference between revenue and compensation was 37.1 cents greater revenue than compensation. In 1923 class A railroads paid for labor 62½ cents per man-hour and received revenue of $1.29½ per man-hour, a net revenue, as far as the cost of labor is concerned, of 67 cents per man-hour. So that the net revenue per man-hour upon the railroads to-day is almost 100 per cent greater than it was in 1915 before the Government increased the price of labor upon our railroads, which, in my judgment, vastly more than offsets other increased costs of operation that the railroads are called upon to meet.

I submit a table showing the revenue earned per man-hour and the compensation paid for labor per man-hour on our railroads from 1915 up to and including 1923, and ask that this table be printed at this point in my remarks.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table is as follows:

Revenue and compensation per man hour, Class I railroads

	Compensation per man hour	Revenue per man hour	Net revenue per man hour
June 30, 1915	0.269	0.64	0.371
Dec. 31, 1916	.283	.70	.417
1917	.32	.758	.438
1918	.438	.68	.422
1919	.565	1.025	.46
1920	.676	1.118	.442
1921	.667	1.33	.663
1922	.613	1.39	.677
1923	.625	1.295	.67

Mr. GOODING. Mr. President, the great losses that the farmers have sustained in this country is reflected in the bank failures that have taken place since 1920. I have before me a letter from the Comptroller of the Currency showing the bank failures in this country as far back as 1870, up to and including 1923. During the panic of 1873, for that year there were 4 national banks and 38 State banks that closed their doors. In 1874, 9 national banks and 40 State banks closed their doors. In 1875, 3 national banks and 14 State banks closed their doors. In the panic of 1893, during that year 45 national banks and 261 State banks closed their doors. In 1894, 21 national banks and

71 State banks closed their doors. In 1895, 36 national banks and 115 State banks closed their doors. From 1870 up to and including 1920, a period of 51 years, 562 national banks and 2,488 State banks closed their doors. In 1921, 28 national banks and 338 State banks closed their doors. In 1922, 33 national banks and 364 State banks closed their doors. In 1923, 37 national banks and 237 State banks closed their doors. I ask that the letter from the comptroller may be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

COMPTROLLER OF THE CURRENCY,
Washington, February 26, 1924.

MY DEAR SENATOR: I have your letter of this date requesting to be advised of the number of bank failures, national and State, for each year as far back as 1870, and take pleasure in furnishing the following information for fiscal years ended June 30, on account of the fact that the only figures at command of this office with respect to banks other than national are for years ended June 30:

Year	Number of national bank failures	Number of State bank failures
1870	1	1
1871	None.	7
1872	5	10
1873	4	33
1874	9	40
1875	3	14
1876	8	37
1877	9	63
1878	11	70
1879	9	20
1880	5	10
1881	None.	9
1882	3	19
1883	1	27
1884	6	54
1885	9	32
1886	6	13
1887	5	19
1888	12	17
1889	4	15
1890	6	30
1891	16	44
1892	17	27
1893	65	261
1894	21	71
1895	36	115
1896	27	78
1897	38	122
1898	7	83
1899	12	26
1900	6	32
1901	11	56
1902	2	43
1903	12	26
1904	20	102
1905	22	57
1906	8	37
1907	7	34
1908	24	132
1909	9	60
1910	6	28
1911	3	56
1912	8	55
1913	6	40
1914	21	96
1915	14	110
1916	13	41
1917	7	35
1918	2	25
1919	1	42
1920	5	44
1921	28	330
1922	33	364
1923	37	237

I trust this information will serve the purpose for which requested.

Very truly yours,

HENRY M. DAWES, *Comptroller.*

Hon. F. R. GOODING,
United States Senate, Washington, D. C.

Mr. GOODING. Mr. President, the most serious condition in respect of bank failures in this country has occurred in the last seven months. From July 1, 1923, to May 7, 1924, a period of a little more than 10 months, 122 national banks and 389 State banks have closed their doors. I am advised by the Comptroller of the Currency that not all of the States have reported the failures of their State banks since the 1st of July, 1923, but the record I have shows the number to be 389.

Mr. President, a vast majority of these bank failures have occurred in agricultural States. The increased cost of production that has been forced upon the American farmer has deprived him of the opportunity to meet his obligations, and under the wreck and ruin of agriculture has come the wreck and ruin of more banks in the three and a half years many times over than has occurred in any other similar period of time since the formation of this Republic.

It seems to me, Mr. President, the bank failures which are occurring every day in the agricultural districts should alarm Congress. The banking situation is so serious in some of our agricultural States that unless something is done to relieve it very quickly the financial structure in some of our agricultural States will grow very much worse and become dangerous to the whole country. I am satisfied, however, if the McNary export bill is passed that it will restore confidence and we would soon see the last of our bank failures. As I see it, a great emergency exists, and the McNary bill should be given consideration by the Senate at the earliest possible moment.

Mr. FLETCHER. Mr. President, may I interrupt the Senator from Idaho?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Florida?

Mr. GOODING. Yes.

Mr. FLETCHER. My information is that last year there were 530 failures of banks in the United States. Nearly all of them were in the northwestern wheat area and in Oklahoma and New Mexico. There were a few in the Middle West and a few in the South. Since January 1 to April 1 there have been 322 failures, and the failures are still occurring at the rate of two or three a day.

Mr. GOODING. Yes; I am sure that information is correct. It is more complete than the information which I have, and I am glad that the Senator has furnished it.

Mr. FLETCHER. Bank failures are occurring now largely in Iowa and Nebraska; and recently in St. Paul, Minn., a $5,000,000 bank was forced to close and to foreclose loans, and so on. That is a bank of very considerable size. These bank failures have also locked up from eighty to eighty-five million dollars of money which is on deposit in those banks.

Mr. GOODING. Yes; and bank failures are going to occur farther east than the Middle West. The country can not continue with the farmers having to fight in order to keep the wolf from the door. Ever since we have had manufacturing institutions the American farmer has been the manufacturers' best customer. The unhappy plight of the farmer is what affects the cotton industry. It is not strange that the cotton spindles are ceasing to operate.

Mr. President, if the fair-price committee was right in 1917 when they found from information furnished them by the Agricultural Department and their own investigation that the cost of production of a bushel of wheat, together with a reasonable profit that had been guaranteed by Congress in the food control act, was $2.20 a bushel, then the increase of only 6 cents for the crops of 1918 and 1919 was not a fair price for a bushel of wheat after the Government had increased the cost of everything the farmer had to buy for the production of a bushel of wheat by more than 100 per cent. If there is any proof lacking that $2.26 a bushel was not a fair price for a bushel of wheat, I want to call the attention of Senators to the fact that the Department of Agriculture in 1919 made a survey as to the cost of production of wheat in six of the principal wheat-producing States in the Union—Missouri, Kansas, Nebraska, North Dakota, South Dakota, and Minnesota.

In that survey the Agricultural Department found that the actual cost of production of a bushel of wheat, on an average in those six States for 1919, was $2.11.

That computation was based on 6 per cent money, a rate which no farmer west of the Missouri River and few farmers some distance east of that river, in my judgment, ever enjoyed. Out of the $2.26 a bushel, the price guaranteed by the Government for the crop of 1919, the farmer had 15 cents a bushel left to pay for hauling his wheat to the elevator, elevator charges, and freight rates to the primary markets, the net result, as I figure it, being an actual loss to the wheat grower of millions of dollars, without a penny for the reasonable profit guaranteed to him by Congress in the food control act.

Mr. President, the sad part of this story, as I see it, is the fact that this Government during all of these increases in the price of labor and freight rates gave no thought or consideration to their effect upon agriculture, and when we reached the peak in the cost of production in 1920, after all of the increases which I have mentioned in labor, freight rates, and farming machinery, and everything the farmer had to buy for the home and the farm had been forced up on him, the Federal Reserve Board, a branch of this Government, at a secret meet-

ing in this city on May 18, 1920, in which sat David B. Houston, Secretary of the Treasury, entered into a conspiracy to deflate the country and brought about the greatest crisis agriculture has known since the foundation of this Republic.

Mr. President, it is only fair to say of John Skelton Williams, who at that time was Comptroller of the Currency and was present at that meeting of the Federal Reserve Board, that he made a vigorous protest against the deflation policy adopted at that meeting, and it is only fair to say that not all of the great bankers at that meeting agreed with Governor Harding; but the deflation policy of Governor Harding was carried out. That secret meeting of the Federal Reserve Board was a complete success so far as deflating the farmer was concerned, for it restricted his credit, increased his rate of interest, increased his freight rates, and brought about the greatest depreciation in the price of farm products that this country has ever known. In 1920, the value of farm products was 131 per cent above the value of farm products in 1913; in 1922, it was only 24 per cent above the pre-war value. In two short years the value of farm products in this country was deflated 107 per cent.

Mr. President, the Federal Reserve Board did not succeed in deflating the price of labor or anything else that the farmer has to buy for the home and the farm. It did succeed, however, in deflating the price of farm products down very closely to the pre-war basis; but war costs of production of farm products still exist and that is what is destroying the American farmer to-day, and it might be said that is the farmer's story. With pre-war prices for farm products and war cost of production every year the load becomes harder to bear. Even in the case of those farm products that are considerably above pre-war prices, the increased cost of production of more than 100 per cent is a millstone around the farmers' neck that in time, if it is not relieved, must destroy some lines of agriculture in this country.

Mr. President, it is said that we have, in round numbers, 34,000,000 men, women, and children living upon the farms to-day; and there are 19,000,000 people who live out of trafficking in farm products. It is estimated that the consumers pay $21,000,000,000 annually for the products of the soil, and it is said that the 19,000,000 who are trafficking in farm products take $14,000,000,000 and give the farmers $7,000,000,000.

Every effort of this Government should be directed toward economic and intelligent distribution of farm products, but this will take years to bring about. What we need at the present time is some legislation to reach the emergency which exists, and I am sure that the McNary-Haugen export bill will come nearer meeting that emergency than any other measure before Congress at the present time.

Mr. President, there is no doubt but that the fair price committee, when they fixed the price of a bushel of wheat at $2.20 a bushel, believed and expected that the Grain Corporation would carry out their pledge to regulate the profit of the flour mills; but the Grain Corporation utterly failed in this matter, as is shown in the Federal Trade Commission's report on commercial wheat flour milling.

Mr. President, I ask leave to print at this point in my remarks a table showing the profits made during the five-year period of the war by 37 of the large flour-milling companies located in the Northwest, the Southwest, and Eastern part of the country.

The PRESIDING OFFICER. Without objection, the table will be ordered printed in the RECORD.

The table is as follows:

Table showing profits during five-year period of the war by 37 flour-milling companies in certain parts of country

Year	37 companies		Northwestern group		Southwestern group		Eastern group	
	Investment	Per cent of profit	Investment	Per cent of profit	Investment	Per cent of profit	Investment	Per cent of profit
1913–14	$43,687,911.12	12.6	$26,671,525.22	13.8	$6,203,539.56	11.3	$10,722,846.34	10.5
1914–15	45,830,752.49	17.2	27,843,276.69	19.4	5,954,412.73	20.9	11,033,053.07	9.1
1915–16	48,248,643.87	13.1	29,520,302.40	15.7	7,807,301.72	12.5	10,930,949.75	6.5
1916–17	55,382,957.48	38.4	34,673,062.86	44.7	9,293,918.23	36.3	11,415,976.39	22.8
1917–18	65,771,847.23	34.1	41,321,145.44	32.7	11,794,511.56	42.6	12,656,190.33	20.8

Mr. GOODING. This table shows that these 37 companies, with an investment of something over $43,000,000, in 1914 made 12.6 per cent; in 1915, 17.2 per cent; in 1916, 13.1 per cent; in 1917, when regulated by the Grain Corporation, they made 38.2 per cent. By 1918 these 37 companies had increased their investment from $43,000,000 to $65,000,000, and were permitted by the Grain Corporation to earn, in 1918, 34.1 per cent. This table shows that the northwestern group of flour mills, for 1917, with an investment of something over $34,000,000, made a profit of 44.7 per cent, and for 1918 of 32.7 per cent.

Mr. President, when the Grain Corporation permitted the flour mills of this country to increase their profits by 175 per cent, the pledge made to the farmers of this country that there should be no speculation in wheat or in flour was trampled into the mire in a manner that should receive the censure of every honest man in America.

Mr. President, for more than three years now I have been a member of the Agricultural Committee of the Senate. During that time the committee has had several measures before it for the relief of agriculture. Extended hearings have been given on some of these measures that have required weeks and months of the time of the committee. Some of the stories I have listened to are the saddest stories I have ever heard, and can never be forgotten. Witnesses came before the committee from great agricultural States like Iowa and told the story of how the farmers in that State were going backward financially. It was said that in most cases the farmers had used up their reserve capital and were operating their farms to-day on borrowed capital, when they could get credit.

The men who came before the Agricultural Committee were of such a high character that I am quite sure the committee accepted their statements as true. Witnesses appeared before the committee from as far east as Michigan. I think it is safe to say that the committee had witnesses before it from most of the States west of the Mississippi; and from every one of these States came the story of great losses, hardships, and privations.

Mr. President, the saddest thing I know is to see a man who has passed the meridian of life, who has made a good fight and has been successful in providing a home for his declining years, who finds the earnings of a lifetime swept away without any fault of his own; and, Mr. President, it is made especially hard to bear when he knows that these conditions have been forced upon him by his own Government.

Mr. John F. Sinclair, a banker of Minneapolis, told the committee the distressing story of 168 suicides upon the farms in Minnesota, North Dakota, South Dakota, and Montana in 1922. I sometimes wonder what the condition in the home must be when men break down over their losses and weep like a beaten child, and then commit suicide.

The story was told of farmers being so poor in some of those States that when death entered the home some one was forced to build a rough wooden box for burial, as there was no money in the family to pay funeral expenses. The story was told of how children had to be kept out of school, as their parents were too poor to buy shoes and clothing to keep them warm.

Mr. President, what a terrible condition that is to exist in a great country like this, where there is so much prosperity and so much wealth; in a country that now boasts of more than half of all the gold in the world; in a country where men are fast becoming billionaires; and in a country, I am sorry to say, where there seems to be millions for corruption.

The Secretary of Agriculture, in his annual report, speaking of the bad wheat situation, said:

> The discouraging wheat situation is due in part to increased acreage in response to patriotic demands and the extraordinary demands for wheat by the war administration. By similar appeals the war administration reduced bread consumption in the homes and took it off the restaurant tables.

And in his special report on the wheat situation to the President, the Secretary of Agriculture says:

> When the price deflation came in 1920 the farmers who had accumulated large debts were seriously embarrassed. While the majority of

them have been successful in tiding over their financial difficulties, a substantial number have not. This situation is brought out in a special inquiry made by the Department of Agriculture in the spring of 1923. Reports were secured from 15 States, covering the period January, 1920, to March, 1923.

Out of over 68,000 farm owners included in this survey, 4 per cent lost their farms through foreclosure or bankruptcy, 4½ per cent lost their farms without legal proceedings, and a little over 15 per cent had been spared such loss up to March, 1923, only because of the leniency of their creditors.

Out of almost 26,000 tenant farmers, 7.2 per cent lost property through foreclosure or bankruptcy, 7.8 per cent lost property without legal proceedings, and 21.3 per cent retained their property merely as a result of the leniency of creditors.

The seriousness of the situation is further reflected in the records of the bankruptcy courts. While the total number of bankrupt cases among farmers is not large, it must be remembered that the farmers as a rule do not resort to the bankruptcy courts when forced to give up property to creditors. The significance of the record lies, therefore, in the increase and distribution of such cases rather than in their absolute number. The records of the Department of Justice show that during the pre-war years 1912–1914 an average of 5.5 per cent of all bankruptcy cases were farmers, while in 1922 the percentage was 14.4. The resort by farmers to bankruptcy courts was especially pronounced in the more specialized wheat regions.

In the western winter-wheat region farmer bankruptcy cases in the pre-war years averaged 8 per cent of all cases; in 1922 this percentage had increased to 25. In the spring-wheat region the percentage increased from almost 22 per cent of all cases in the pre-war years to 48.9 per cent in 1922. The increase in bankruptcy cases among farmers in the Pacific Northwest States is also marked, particularly in Idaho, where almost 47 per cent of all cases put through the bankruptcy courts in 1922 involved farmers. The percentage of bankruptcies among farmers in 1922 was especially high in Iowa, Kansas, Nebraska, Colorado, North Dakota, South Dakota, Montana, and Idaho, ranging from 32.6 per cent of all cases in Nebraska to 78.5 per cent in North Dakota. Preliminary reports indicate that bankruptcies of farmers for the fiscal year ending June 30, 1923, will materially exceed those of 1922.

This report shows that the movement from the farm in 1922 was 1,120,000, or 3.6 per cent of the rural population from the beginning of the year. This report also shows that 7.3 per cent of the farmhouses in this country are vacant. Further illustrations of the financial distress of farmers in various parts of the West are found in the accumulation of delinquent taxes. Tax payments in some sections are in arrears from one to four years. In some of the wheat-growing areas of Kansas, for example, delinquent taxes since 1917 have increased in volume several hundred per cent.

Mr. President, the report of the Secretary of Agriculture on the conditions of agriculture, the movement from the farm, and the empty homes upon the farm should alarm every Senator and every man in public life who has accepted a responsibility for the future welfare of this Government. That the best interest of our Government lies in a proper distribution of its people all will agree. To me the wholesale abandonment that has taken place upon the farm is alarming, for a congested population in great cities always brings increased problems of government.

Mr. President, strange as it may seem, there are those who believe this country should follow the policy that England adopted a hundred years ago, and develop industries at the expense of agriculture. If we were not the greatest agricultural country in the world without any exception, or if we occupied the same position as England, with a territory no greater than some of the States in this Union, there might be many followers of England's policy in this country; but if this country is going to reach its fullest greatness as a Nation we must have a well-balanced population, and agriculture must receive the same careful consideration and the same protection as labor and industry.

Mr. President, during the war we were the only Government that fixed a maximum price for a bushel of wheat. The Canadian Government permitted her wheat growers to receive the full market price for wheat during the war. The English Government not only permitted her farmers to sell their wheat at its full market price but paid a bonus to her wheat growers of something between fifty and sixty million dollars during the war. The English Government continued her aid to her grain growers for three years after the war, and paid in bonuses altogether something more than $100,000,000. The Australian Government permitted her grain growers to receive the full market price for wheat, and gave a bonus equal to $4,000,000, and continued her aid to her wheat growers for three years after the war. The English and Australian Governments seemed to understand that after the war there would be a dangerous period for their grain growers, whom they had encouraged in the production of wheat.

Mr. President, in the hearings on House bill 2365—by Mr. TINCHER, June 7, 1921—on page 22, is a statement made by the chairman of the Agricultural Committee of the House in which he says that when this Government guaranteed to its farmers $2.20 a bushel for wheat, Italy guaranteed $4.80, France $3.84, Holland $3.70, Switzerland $3.18, and Norway $4.09 a bushel; and it is my understanding that if wheat went any higher in those countries than the guaranteed price, the farmers were permitted to enjoy the full market price.

Mr. President, the tragedy of this whole matter, as I see it, is the fact that our Grain Corporation became the agent of our allies in the purchase of wheat for those countries during the war. They bought wheat in this country at a maximum price of $2.20 and $2.26 a bushel and sold it to our allies, making a charge for the transaction, no part of which the farmers received; and while Italy paid her farmers $4.80 a bushel for wheat, this country sold wheat to Italy that it bought from its farmers at $2.20 and $2.26 a bushel, freight paid to the primary markets. While France paid her farmers $3.84 a bushel, this Government sold wheat to France at $2.20 and $2.26 a bushel; and it is safe to say, Mr. President, that with the bonus England paid to her farmers, together with permitting them to receive the full market price, the farmers of England received from $1.50 to $2 a bushel more for wheat than the American farmer. So our Government not only forced the farmer to feed our own people with wheat produced below the cost of production, but they forced the American farmer to feed the whole world with wheat that was produced below the cost of production.

Mr. President, the action of this Government in forcing the American farmer to furnish the people of Europe with wheat for from $1.25 to $2.20 less per bushel than our allies paid to their own farmers during the war, the increase in the cost of everything the farmer had to buy to produce a bushel of wheat by more than 100 per cent without a corresponding increase in the price of wheat, the horizontal increase in freight rates, together with the deflation forced upon the country by the Federal Reserve Board, are tragedies—tragedies that will leave wounds and scars in the hearts of a great body of American citizens and will never, never be forgotten.

Mr. President, Senators need not have so much prejudice against stabilizing the price of farm products, for we have already stabilized and subsidized many lines of industry in this country. On April 28, 1918, Congress passed the Pittman Act, stabilizing the price of silver at a dollar an ounce. A dollar an ounce was made the minimum price and not the maximum price, as was done with the wheat growers; whenever silver was worth more than a dollar an ounce the silver producers in this country were permitted to sell their silver on the highest market. At times during the life of the Pittman Act silver sold as high as $1.37½ an ounce. The Government continued to stabilize the price of silver at a dollar an ounce until some time in June, 1923, almost five years after the war.

Mr. President, there is not a question of doubt but what the Pittman Act saved the great silver industry in this country, and if the Government had fixed a minimum price instead of a maximum price on wheat, as every other country on earth did during the war, there would be a different story to tell of the misery, suffering, and hardships that a great body of our citizens have suffered in the last few years.

Mr. President, this Government is not only stabilizing the price of labor upon our railroads but through the Esch-Cummins Act this Government is stabilizing freight rates on our railroads, which, as I see it, is nothing less than a guaranty by the Government for the railroads to earn 5½ per cent over and above all expenses, based on their own bookkeeping and on their own reports. Through the Federal Reserve Board we are subsidizing our national banks and our State banks that are members of the Federal reserve system by rediscounting the paper of their customers at 4½ per cent, upon which they are receiving interest anywhere from 6 to 10 per cent. But even this great assistance that has been given by the Government to the banks has not saved them from destruction in the agricultural districts of this Union, nor can it save them.

Mr. President, some of the great newspapers of the country, not all of them, I am glad to say, are branding the Gooding bill and the McNary-Haugen bill as socialistic. I understand the Government is losing anywhere from fifty-five to seventy million dollars a year in carrying second-class mail to the

people. In the past some of the great dailies have gone so far as to threaten Senators and Congressmen with defeat at the polls if our postal laws were changed in that respect. As far as I am concerned, I want to say to the great newspapers that feel that way about it, come on with their hounds. With some of the great newspapers it is all right to give Government aid to the newspapers, but when you do anything for the farmers they see the horns of socialism.

Mr. DALE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Vermont?

Mr. GOODING. I yield.

Mr. DALE. Does the Senator realize how much the Government is losing in the parcel-post element?

Mr. GOODING. I have just stated that it is my understanding that on second-class mail the Government at this time is losing from $55,000,000 to $70,000,000 a year.

Mr. DALE. I did not get those figures from the Senator. I think he is understating the amount, if anything.

Mr. GOODING. I am understating it; I am glad to be conservative in the matter.

In the last session President Harding urged a ship subsidy bill. I was for that bill, for I do not believe that we can build up a merchant marine in this country without Government aid. But if there is any difference in stabilizing the price of labor upon the railroads, the price of labor in our shipyards, and freight rates upon our railroads and freight rates upon the ocean, and subsidizing our banks and subsidizing the publishers of second-class mail than there is in stabilizing the price of farm products, I am unable to see that distinction.

Mr. DALE. I am sorry to interrupt the Senator again, but I do not think he quite caught my question. I asked him if he realizes what the department is losing in the parcel-post element?

Mr. GOODING. I am only speaking of the second-class mail. I have not the other figures.

Mr. DALE. I am not so familiar with that part of it, but the loss on the parcel post is much greater than the loss on any other class.

Mr. GOODING. If the Senator has the figures I should be glad to have him put them into the RECORD. I will be glad to yield to the Senator for that purpose.

Mr. DALE. Very well; I will do that later.

Mr. GOODING. I know that many of the great papers of this country are advocating a square deal for agriculture. There are those who believe if you let the farmer alone, everything will work out all right and in a short time farm products will have the same purchasing power they did before the war. With this I do not agree. I can remember something of the panic of 1873, and I can remember a great deal about the panic of 1893, and in those two great panics agricultural industries and labor went down together in one great crash.

During the panic of 1893 railroads with enough mileage to reach twice around the world could not meet their obligations and were forced into the hands of the receivers; during that panic the country witnessed 60,000 commercial failures with liabilities amounting to nearly a billion dollars. More than 3,000,000 men were thrown out of employment and free soup houses had to be established in all the great cities of our country to prevent death from starvation.

But what a different story it is to-day; never in the history of this country were the railroads as prosperous as they are at the present time; practically all of the great industries are prosperous, and never at any time in the history of this country has labor been so fully employed at so high a wage as it is at the present time, yet from one end of this country to the other, in every State in the Union, most of the lines of agriculture are depressed, and in a most deplorable condition.

Mr. President, as a farmer, it is not hard for me to understand what is the matter with agriculture. You may analyze this question as much as you please, and if you are fair, you can come only to one conclusion, and that is that our Government is responsible for the increased cost of production on the American farm, an increase that in exchange for other commodities makes farm products worth about 70 cents on the dollar as compared with the purchasing power of farm products before the war.

If the farmer were in any way to blame for this unbalanced condition, the situation would be entirely different, but through his loyalty to serve his country when it was at war he answered his country's call without complaint, although he knew and understood that the increased cost of production that had been forced upon him by his own Government would mean great losses and in the end bring about his destruction. But he did not go on a strike; he answered his country's call by increasing the production of wheat in 1918 and 1919 something over 600,000,000 bushels, which gave us an ample supply of bread, not only for our own armies in Europe but for the armies of our allies which made possible the winning of the war.

But, Mr. President, it was vastly different with organized labor. While the farmers were working overtime to produce more wheat to feed our armies in Europe, and our boys fighting and dying upon the battle fields of Europe to save this civilization, organized labor in 1917 in this country inaugurated 4,450 strikes; in 1918 organized labor inaugurated 3,337 strikes, and in 1919 organized labor inaugurated 3,374 strikes. A vast majority of these strikes brought about an increase in wages, all of which was a factor in increasing the cost of production of a bushel of wheat to the American farmer.

Let us hope the American farmer will never go on a strike, but if he is going to remain on the farm, he must be given a square deal by his own Government.

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. GOODING. I yield.

Mr. BROOKHART. I would like to call the Senator's attention to the fact that as a result of all that organization and all of those strikes in 1919 labor increased its wages only to $1,100 a year, the highest year of the highest wages; so there has probably never been a time when labor as a whole got more than its share in this situation. And while that is true, forty-four billion of capital had about fifteen billion of profits.

Mr. GOODING. In all of that I agree with the Senator. And let me say here, I hope we will be able to maintain the present scale of labor in this country generally. There is no doubt in my mind that labor is entirely too high in the building trades, and in that line there should be some reduction, and I hope we will be able to step agriculture up with labor and industry and go on. It can not be done, however, unless the farmer's dollar is given the same purchasing power it had before the war.

Mr. President, as I see it, we are facing an impossible condition in this country, and one of two things must happen; either the farmer must be moved up on the same plane that the Government has placed labor, railroads, and all other industries, or else labor and the great industries of the country will be forced down to the same level as agriculture, for it is an unnatural condition to exist with labor, railroads, and all lines of industry in a prosperous condition and at the same time the basic industry of our country—agriculture—in a bankrupt condition.

This is the first time in the history of this country that for any length of time labor and the great industries have remained prosperous while agriculture was depressed and paralyzed. Since the very foundation of this Government there has been some reasonable balance as between agriculture and the great industries of the country, but this Government upset that balance during the war, and organized labor and organized capital up to the present time have been able to hold the advantage given to them by this Government.

Mr. President, the farmers of this country, with their depreciated dollar, receive for farm products averaging at the present time about 70 cents in purchasing power as compared with the purchasing price of their commodities before the war, and they are in the same position as labor in those countries that have a depreciated currency.

The unbalanced condition of the world has been a mighty factor in aiding organized labor and organized capital in continuation of their exploitation of the American farmer; but, Mr. President, the world is gradually working back to normalcy—that is, as far as the trade balance of the world is concerned—and if we are to save the great industries and labor in this country from a general crash, then something must be done to give back to the farmer's dollar the same purchasing power it had before the war. In other words, there must be a reasonable relationship in the purchasing power of the farmer's dollar with everybody else's dollar if we are to have any permanent prosperity in this country.

Mr. President, it will be very much easier to step the farmer up in line with labor and the great industries of the country and much safer, I am sure, than to try to force labor and industry down to the condition that existed before the war. I am satisfied the McNary bill will bring about very quickly a parity between agriculture, labor, and industry, for it will give the farmer's dollar the same relative purchasing

power, based on the pre-war value of commodities, as everybody else's dollar; but I am sure the unbalanced condition which exists at the present time can not continue much longer unless the farmer can become the mighty factor he was before the war as a buyer of the products of industry; but with his products only worth a little more than 70 cents on the dollar, he is no longer a good customer, for he must practice rigid economy to keep the wolf from the door.

Mr. President, the balance of trade with the world tells the story of how it has been possible for organized capital and organized labor to remain in a prosperous condition while agriculture is sorely depressed. For the information of the Senate I wish to read into the RECORD a few figures on exports and imports showing the balance of trade in our favor from 1790 to 1914. For that period of 123 years the records show that our exports exceeded our imports by $8,350,079,340. For the 10 years following 1913, up to and including 1923, the balance of trade in our favor with the world was $21,033,487,796. In other words, the balance of trade in the last 10 years is almost 300 per cent more in our favor than it was for 123 years.

I ask to have inserted in the RECORD as a part of my remarks a table relating to exports and imports.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Exports and imports

For the fiscal years 1790 to 1913, inclusive, the exports exceed the imports by $8,350,179,340.

Calendar years	Imports	Exports	Excess exports over imports
1914	$1,789,000,000	$2,114,000,000	$325,000,000
1915	1,779,000,000	2,555,000,000	1,776,000,000
1916	2,392,000,000	5,483,000,000	3,091,000,000
1917	2,952,000,000	6,234,000,000	3,282,000,000
1918	3,031,000,000	6,149,000,000	3,118,000,000
1919	3,904,000,000	7,920,000,000	4,046,000,000
1920	5,278,000,000	8,228,000,000	2,950,000,000
1921	2,509,000,000	4,485,000,000	1,976,000,000
1922	3,113,000,000	3,832,000,000	719,000,000
1923	3,792,000,000	4,168,000,000	376,000,000
Total	30,539,000,000	52,168,000,000	21,629,000,000

Mr. GOODING. Mr. President, let me say to my Democratic friends on the other side of the aisle that they will have a hard time persuading the farmer that he is forced to sell his farm products in a free-trade market and buy those things he needs for the farm in a protected market. That statement, however, is often made by the farmer himself, but I am sure it has been made without any knowledge or study of the facts in the case. The facts are, Mr. President, that practically everything the farmer buys for the farm is on the free list, while everything he produces upon the farm, with one or two exceptions—cotton and hides—is protected by the highest duty ever given to agriculture in the existence of this Government.

Mr. President, here are a few commodities that the farmer must buy for the home and the farm that are on the free list:

Lumber is on the free list; shingles are on the free list; fence posts are on the free list; barbed wire and netting wire are on the free list; farming machinery of all kinds, including wagons and carts, are on the free list. The only exception to this is cream separators, and they are free when entered upon a valuation under $50. Binding twine is on the free list; leather is on the free list; harness is on the free list—that is, all harness that the farmers use. The tariff act provides that harness entered at a valuation below $70 a set shall be free of duty. I want to say there is no harness used on the farm where the wholesale foreign price is $70 a set. Saddles are on the free list when entered at a valuation below $40, and what is true of harness is also true of saddles. Boots and shoes are on the free list; pads for horses are on the free list; gasoline is on the free list; coal oil is on the free list. Brick is also on the free list as far as the interior of the country is concerned, for, like cement, with the low valuation it will not stand a high freight rate charge into the interior of our country. And then, Mr. President, it does not seem to make much difference in this country with organized industry in the price of a commodity whether it is on the free list or on the protected list.

I ask permission to insert in the RECORD, without reading, a table showing the approximate production values of certain commodities.

The PRESIDING OFFICER. Without objection, permission is granted.

The table is as follows:

Production values (approximate) of commodities

	1914	1919	1923 (estimated)
Anthracite coal	$188,181,000	$364,927,000	$488,000,000
Bituminous coal and lignite	493,300,000	1,160,646,000	1,457,734,000
Bread and bakery products	491,893,000	1,151,896,000	1,045,922,000
Leather	348,957,000	849,386,000	457,803,000
Boots and shoes	455,398,000	1,070,322,000	789,255,000
Lumber and timber products	715,310,000	1,367,471,000	1,362,080,000
Barbed wire	13,764,000	30,896,000	27,961,000
Carpets and rugs	64,683,000	110,116,000	105,689,000
Portland cement	80,118,000	138,714,000	147,592,000

NOTE.—The above figures for 1914 and 1919 are from Geological Survey reports in the case of anthracite and bituminous coal and Portland cement, and from census reports in the case of the other commodities. For 1923 the estimated values here shown have been computed from price ratios for 1919 and 1923 worked out by the Bureau of Labor Statistics. In the absence of more definite information these estimates are based on the assumption that quantities of commodities produced in 1923 were identical with quantities produced in 1919.

Mr. GOODING. Cement so far as the farmer is concerned is on the free list, but no commodity like cement that has to pay a high freight rate can be shipped into the interior of the country. So far as cement is concerned if it is 200 miles away from the border it is on the free list.

Common bricks are on the free list. Under the Democratic administration they had a 10 per cent ad valorem duty, but common bricks under the present law are on the free list.

It does not make much difference in the price of commodities in this country any longer whether they are on the free list or whether they are protected. So far as the farmer is concerned the increased cost of production practically destroys his protection to a great extent and nullifies it. It so increased the cost of production, because of the difference in the cost of production between this and foreign countries, that he gets but very little benefit out of the tariff. There is not any question about that. The duties must be higher. God only knows what would have happened to agriculture if our ports had been wide open with the cost of production in foreign countries very much less than it was before the war and our cost of production in this country increased by more than 100 per cent. If you want to destroy the American farmer, put farm products on the free list and you will have completed his destruction.

For the information of my Democratic friends on the other side of the Chamber I want to read into the RECORD the increase in the price of a few of the commodities that are on the free list.

Here are a few things on the free list. I call Senators' attention to the increase in prices over and above 1914 as compared with 1923:

Wholesale price of commodities, 1914 and 1923

[Furnished by the Bureau of Labor Statistics]

Commodities on the free list	Average, 1914	Price, 1923	Per cent of increase
Coal, bituminous, Kanawha, mine run, per ton f. o. b. Cincinnati	$2.20	$4.307	95.8
Bread, per pound, Chicago	.043	.076	76.7
Shoes, boys', gun metal, per pair	.970	1.615	66.5
Shoes, men's, black, dress, Goodyear welt, per pair	2.275	3.150	38.5
Shoes, women's, black, kid, Goodyear welt, per pair	3.00	4.25	41.7
Lumber, Douglas fir, No. 1, common boards, per 1,000 feet, f. o. b. mill	7.917	19.447	145.3
Lumber, southern yellow pine, No. 2, common boards, per 1,000 feet, f. o. b. mill	11.279	23.619	110.5
Shingles, red cedar, per 1,000, f. o. b. mill	1.713	2.903	69.5
Barbed wire, galvanized, per 100 pounds, Chicago	2.152	4.042	87.8
Carpets, Brussels, per yard	1.268	2.988	135.6
Portland cement, per barrel, f. o. b. Buffington, Ind.	.922	1.723	86.9

We hear much about the high duty on sugar, but it has not increased as much as some of the commodities that are on the free list. Ah, Mr. President, there is something that goes beyond the tariff in this country to-day. In some cases there is a combination of capital and labor, a combination of capital that is able to force the increased cost of production onto the people and add something besides to the actual increased cost of production.

Cotton is on the free list. The manufactured article, however, is protected. A resolution of inquiry has been introduced asking the Tariff Commission to investigate and find out what is injuring the manufacture of cotton goods. If they would go to the American farmer and find his condition they would have no difficulty in knowing what is the matter. Of course, the country can not go on with the farmers fighting to keep the wolf from the door.

I ask to insert in the RECORD at this point, without reading, a table showing the average annual wholesale prices in 1914 and 1923 and the percentage of increase.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Average annual wholesale prices

	1914	1923	Increase
			Per cent
Granulated sugar, per pound	$0.047	$0.084	78
Cotton goods, viz:			
Print cloths, per yard	.030	.075	150
Calico standard, per yard	.049	.10	104
Percale, S, per yard	.068	.148	118
Drillings, brown, peperell, per yard	.079	.178	116
Flannels, colored, per yard	.102	.215	110
Ginghams, Amoskeag, per yard	.063	.143	128
Muslin, bleached, fruit of the loom, per yard	.091	.185	110
Sheeting, brown, peperell, per yard	.069	.152	120
Sheeting, bleached, peperell, per yard	.253	.505	100
Ticking, A. C. A., per yard	.133	.291	119
Blankets, 2 pounds to pair, per pair	.640	1.468	131
Woolen goods, viz:			
Flannels, Ballard Vale, per yard	.455	1.017	122
Suiting, clay worsted, 16-ounce, per yard	1.283	3.240	154
Suiting, Middlesex, per yard	1.459	3.623	148
Suiting, serge, 11-ounce, per yard	1.078	2.604	140
Dress goods, French serge, per yard	.305	.753	149
Dress goods, storm serge, per yard	.500	1.024	104
Dress goods, poplar cloth, per yard	.190	.363	91
Dress goods, Sicilian cloth, per yard	.281	.633	124

Mr. GOODING. I ask permission also to insert as a part of my remarks at this point a table with reference to the various wool prices.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Wool prices

	Price	Per cent
Fine terr. staples:		
July, 1914, Boston	$0.63	100
July, 1923, Boston	1.425	226
Increase	.795	126
Half-blood terr. combings:		
July, 1914, Boston	.59	100
July, 1923, Boston	1.275	216
Increase	.685	116
Three-eighths-blood terr. combings:		
July, 1914, Boston	.5250	100
July, 1923, Boston	1.0750	204
Increase	.5500	104
Quarter-blood terr. combings:		
July, 1914, Boston	.4550	100
July, 1923, Boston	.8750	192
Increase	.4200	92

Mr. GOODING. Mr. President, I realize that I have taken up a great deal of the time of the Senate. In conclusion, I want to say to my friends on the other side of the Chamber, do not forget that your party was in power when you fixed the price on wheat below the cost of production. Do not forget that your party was in power when you increased the price of labor on the railroads 146 per cent and in the shipyards 122 per cent. Your party was in power when you increased the freight rates 78 per cent. Your party was in power when the Federal Reserve Board forced a deflation upon the country that destroyed agriculture. Do not forget that your Secretary of the Treasury sat in that meeting in which the blackest conspiracy ever enacted in this country was perpetrated upon the American people.

To Senators on this side of the Chamber, let me say that you have had three years now to give agriculture some permanent relief. You did give them the best tariff bill that has ever been enacted so far as agriculture is concerned; but let me say again that agriculture in this country must be saved from complete ruin. Do not make any mistake about that. If you adjourn this session of Congress before doing something for agriculture, I do not believe either one of the old political parties will carry more than one or two States west of the Mississippi, and I say to you that you would not be entitled to carry them under those circumstances. So far as I am concerned, I am going to fight here until some action is taken at least not only to save agriculture but to save industry and to save the country from the most deplorable condition that any civilized government ever saw in recent times.

Mr. FLETCHER. Mr. President, I wish to refer to just one or two points submitted by the Senator from Idaho. First, with regard to the crime of deflation to which he has referred, he mentioned that the Democratic Party was in power when that course was adopted, and he charged that party with the blame for it. I think he said it was in May, 1920, when the conference of the Federal Reserve Board was had and Governor Harding investigated the policy of deflation. I desire to call the Senator's attention especially to the provision of the platform of the Republican Party which was adopted in convention of June 8–12, 1920, on that particular subject, and he may then see to what the Republican Party committed itself and the declaration it solemnly placed in its platform as the policy of the party.

Mr. GOODING. If the Senator will permit me, I desire to say that I am not defending my party in some respects. I desire that that be understood.

Mr. FLETCHER. I concede that; but I merely wish to insert this plank in the RECORD in order that the truth may be preserved and that the RECORD may be kept clear. I quote from the platform of the Republican Party, as follows:

> We condemn the unsound fiscal policies of the Democratic administration which have brought these things to pass and their attempts to impute the consequences to minor and secondary causes. Much of the injury wrought is irreparable. There is no short way out, and we decline to deceive the people with vain promises or quack remedies. But as the political party that throughout its history has stood for honest money and sound finance, we pledge ourselves to earnest and consistent attack upon the high cost of living by rigorous avoidance of further inflation in our Government borrowing, by courageous and intelligent deflation of overexpanded credit and currency, by encouragement of heightened production of goods and services, by prevention of unreasonable profits, by exercise of public economy and stimulation of private thrift, and by revision of war-imposed taxes unsuited to peace-time economy.

I merely wish to put that into the RECORD as showing the plan, policy, and program of the Republican Party pledging itself to "courageous and intelligent deflation of overexpanded credit and currency."

The Senator from Idaho also referred to freight rates as having had a very deleterious effect upon agriculture. I quite agree with that; I think freight rates are too high and that they ought to come down. They are not entirely due to the increase of wages on railroads, although the Senator sought to fasten the blame upon the Democratic administration for that increase.

Mr. GOODING. If the Senator will permit me to interrupt him, I desire to say what I am finding fault with is that his party was responsible for those increases, and yet no thought or consideration was given the American farmer. That is what I am now pleading for.

Mr. FLETCHER. I understand.

Mr. GOODING. It was a great and fatal mistake. Possibly it was not intentional, as I said early in my remarks, but the fact, nevertheless, remains that it was a great injustice. What I am now pleading for is the American farmer. Both parties now have their opportunity and chance to make the wrong right, and I hope they will do it.

Mr. FLETCHER. I understand the Senator's position. The Senator, however, stated that the increases in freight rates were very largely due to the increase of wages, which he blamed on the Democratic administration. As a matter of fact, wages on the railroads have been increased at least once, and, I think, twice, since the Democratic administration was succeeded by the Republican administration. I admit that the rates are too high.

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Florida yield to the Senator from Iowa?

Mr. FLETCHER. I yield to the Senator.

Mr. BROOKHART. Before the Senator from Florida leaves the question of the policy of the Federal Reserve Board, I desire to ask, did not the Democratic platform also indorse the policy of the Federal Reserve Board?

Mr. FLETCHER. It may in a general way have indorsed the policy of the Federal Reserve Board; I have not anything of that sort before me, and I am not sure as to that. The Democratic convention probably indorsed all of the policies of the Democratic administration.

Mr. BROOKHART. At the time the secret meeting was held on the 18th of May, 1920, while it is true that every member of the Federal Reserve Board was a Democrat, still there were

representatives of all the branch banks there; there were two representatives from each branch bank present, and a majority of those representatives were Republicans, and there was no disagreement. The two crowds got together perfectly, and apparently when the party conventions wrote the platforms of the two parties they did about the same thing.

Mr. FLETCHER. I do not think the Democratic platform contained such language as did the Republican platform, vigorously and strongly pledging the party to deflation. It is one thing to come from a third story to the ground, as I think some one has stated by way of illustration, by way of the stairs and on down gradually. As a policy it may have been wise gradually to deflate the currency, but it is quite another thing to jump out of the window of a third-story building to the pavement below. That was the trouble with the deflation that actually took place, and that deflation took place under the Republican administration.

Mr. BROOKHART. If the Senator will permit me, I should like to ask him a question or two and to challenge the conclusion that deflation can ever be justified. Is it not true that the loans from the banks at that time were made in the usual course of business to the people who went to the banks and represented their situation and asked for credit in order to see them through? The banks say, "Yes; we will see you through." The credit is given to them; and, when it is done, I maintain that no right exists ever to deflate those loans. To do so might be said to be a violation of the original agreement. The policy of deflation is always wrong; and when it is general, compared to particular instances, it is much more wrong.

Mr. FLETCHER. Of course we have not now the time to thresh over these economic theories and financial questions; we can postpone them to later discussion; but I do not think there is very much difference between the Senator and myself. Perhaps, there is a little confusion of terms. Instead of alluding to the policy as one of deflation, I might more correctly say that I would favor a cessation of inflation. That I think was really the Democratic position, that inflation had gone far enough and ought to be stopped.

But I was proceeding to discuss the question of railroad rates to the extent only of their effect upon agriculture. I agree that the rates are too high. I think that they ought to be reduced, especially express rates on fruits and vegetables. They are almost intolerable; the producer of such commodities is almost deprived of any market; but it is not only the railroad charges that interfere with the proper prices that the farmer should receive for his products. Mr. Yoakum rather indicates that in a statement which he made recently, in which he gave the figures. He says:

> Farm commodities aggregating $7,500,000,000 farm value are sold by others to the consumers for $22,500,000,000.

And then he says:

> The railroads distribute annually as dividends and interest $1,200,000,000.

So that all of the enormous difference between what the consumer pays and what the producer receives is not covered by railroad rates or railroad dividends or interest; practically a comparatively small portion of it is so covered. The truth is that somewhere between the $7,500,000,000 farm value of form products and the $22,500,000,000 which the consumers pay we ought to stop leakage and waste.

There are too many people handling agricultural products. There are associations and agencies, and then the jobber, then the wholesaler, and then the retailer before the consumer is reached, each taking his toll as the product passes from the farm to the breakfast table, and all costing the consumers far more than they ought to pay and not yielding to the producer what he is properly, fairly, and justly entitled to receive. The problem of distribution is the problem with which we ought to deal very seriously, and it has to do very largely with the causes of the difficulties of agriculture.

I will not dwell on the tariff and its effect on agriculture. The Senator from Idaho alluded to that. I merely say in a general way that I believe the farmers of this country have about arrived at the conclusion, which is the only one they can properly arrive at, that the tariff does not help them, does not add to their prices, but that it does interfere with their markets abroad and does increase the cost of all they have to buy. I am merely going to ask to have a short editorial from the Florida Times-Union of May 4 on the subject of "Farmers and the tariff" inserted in the RECORD, and I will leave the subject.

The PRESIDING OFFICER. Without objection, the editorial will be printed in the RECORD.

The editorial is as follows:

FARMERS AND THE TARIFF

Republican national committeemen have of late strenuously attempted to show the farmers how greatly the Republican Party looks after their interests. Special tariffs and protection for farm products have been offered as indicating the particular care and responsibility felt for the rural population and those who grow the crops. The Statistical Bureau of the Department of Agriculture, however, confined to facts, does not support the claims of the politicians. Under the jealous "protection" of the Fordney-McCumber tariff many and various of the farm products have shrunk. A few details would perhaps be interesting:

One of the biggest shrinkages is shown in the wool crop, which was valued at $128,000,000 in 1919 and $87,000,000 in 1923. Other crops and products of the farm which were on the free list in 1919 and highly protected in 1923 included wheat, $2,080,000,000 in 1919 and $726,000,000 in 1923; corn, $3,781,000,000 in 1919 and $2,222,000,000 in 1923; poultry and poultry products, $1,100,000,000 in 1919 and $1,047,000,000 in 1923; cattle, $1,578,000,000 in 1919 and $924,000,000 in 1923; swine, $2,230,000,000 in 1919 and $1,145,000,000 in 1923; and fruits, $755,000,000 in 1919 and $681,000,000 in 1923.

Very recent demonstrations of the effect of changes in the tariff, under the adjustable schedules provided in the present law, have shown that advancing the tariff causes a decline in the price of the commodity. The story of wheat would be amusing if it was not so serious. For the price to fall the full amount of the added duty in a month suggests bungling inexcusable and must discredit a system that was exploited as a great help to the farmers.

Frequently it is heard now among the farmers that they want no special privileges. They demand a square deal, and that means the chance to buy what they need at a fair price. They can raise some things and others they must purchase. With the Fordney-McCumber tariff the things they are forced to buy cost more than it is possible for them to gain on the things they have to sell. The American people are entitled to a chance in the markets of the world, buying and selling, and protection is the bar to this exercise of judgment and inclination.

Mr. BROOKHART. Mr. President, I do not care to occupy any great amount of time, but I wish to say that the Senator from Idaho [Mr. GOODING] has presented the situation of agriculture in a very timely way. We have spent an enormous amount of time on a tax bill in which the ordinary people have but little interest. The question of whether we will relieve the millionaires or make the smaller fellows pay the taxes, or the reverse, we have debated back and forth, as well as other questions of even less importance, while the great questions affecting agriculture, in which 51,000,000 people are directly interested and all of the people are indirectly interested, have received practically no consideration, and there is no prospect from any direction that we will be able actually to pass a bill that will relieve agriculture. Neither party has brought forth a measure in any way with united support that will meet the conditions. The President has suggested nothing, except to say in his message that the farmers perhaps can look out for themselves and by and by everything will come out all right. In view of that situation, I am glad the Senator from Idaho took the time of the Senate, and I am glad he closed his remarks with the emphatic declaration which he made, for it is literally true in every respect.

SENATOR BURTON K. WHEELER

Mr. BORAH. Mr. President, I am not going to detain the Senate more than a few moments and I trust the Senator from Utah will indulge me briefly while I make a statement which I think ought not to go unmade under the circumstances. In this morning's Washington Post the following appears:

> George B. Lockwood, secretary of the Republican National Committee, issued the following statement last night:
>
> "I notice the assertion of Senator BORAH to-day that his committee had examined every witness mentioned by 'Lockwood's agents.' When I said that the committee had not looked into the most important evidence I referred to the documentary evidence in the possession of the Department of Justice.
>
> "I repeat the assertion that the committee investigating the courts for indicting Senator WHEELER has not given consideration to the most important evidence, namely, the documentary evidence in the possession of the Department of Justice, which constitutes the most essential part of the case, and which contradicts flatly a number of witnesses who have been heard in Senator WHEELER'S defense. Although this material has been at all times available to the committee after three weeks of deliberation, it was not called for until yesterday, and then only upon the demand of Mr. Coan while on the witness stand. Yet statements have been issuing from the committee from the day of its first session that the case against Senator WHEELER was 'flimsy.'"

It will be observed, Mr. President, that Mr. Lockwood states that the committee did not call for the documentary evidence until the demand was made by Mr. Coan. This resolution was passed about the 9th or 10th of April. The very first thing the committee did was to call for the documentary evidence. I sent the following telegram to Judge Pray under date of April 10, 1924:

Hon. CHARLES PRAY,
United States Judge, Great Falls, Mont.:

The committee charged with the duty of investigating the charges against Senator WHEELER, growing out of an indictment in your court, desires to secure, as soon as convenient, copy of the indictment and the list of witnesses appearing before the grand jury; and also desires, if no objection appears to you, to have a copy of the minutes of the grand jury. Also a copy of the documentary evidence relating to this matter. May we ask that such copies be forwarded as soon as convenient?

WILLIAM E. BORAH.

On the 11th day of April, 1924, I received the following telegram:

GREAT FALLS, MONT., *April 11, 1924.*

Hon. WILLIAM E. BORAH,
Chairman Special Committee, United States Senate,
Washington, D. C.:

Your telegram received. Copies of indictment and list of witnesses will be mailed to you not later than to-morrow. The clerk of the court has no minutes or record of the proceedings of the grand jury except the report, a copy of which will be mailed. The documentary evidence referred to has been impounded in custody of United States attorney by court order. This seems to be as far as the court can go in complying with your request.

CHARLES N. PRAY, *Judge.*

In my telegram I called for a copy of the documentary evidence. It did not appear to me to be in any way in conflict with the order impounding the evidence to send a copy of the documentary evidence, the original of which was impounded. I do not know of any reason why the judge could not have ordered a copy of the documentary evidence then. We did not call for the original documents; but, for some reason which was satisfactory to the judge, neither the original nor copies of the documentary evidence were sent; but I concluded that I would be able to get it in another way and proceeded with the hearings.

Later, Mr. Coan appeared upon the witness stand. Mr. Coan was the party employed by Mr. Lockwood to go to Montana to run down the record of Mr. WHEELER and others. While Mr. Coan was upon the witness stand this question was asked:

The CHAIRMAN. You do not know anything, then——

Mr. COAN. I do not know anything about his employment. It would be impossible.

The CHAIRMAN. Now, have you the names of any witnesses that you would like to have supœnaed before this investigating committee?

Mr. COAN. I gave you the names of witnesses when you took me over to your office the other day.

The CHAIRMAN. That was Mr. J. D. Watson——

Mr. COAN. Yes, sir.

The CHAIRMAN. Mr. Glosser?

Mr. COAN. Yes, sir.

The CHAIRMAN. And Mr. Rhea?

Mr. COAN. Yes, sir; and Mr. Bingaman that you just heard.

The CHAIRMAN. Who?

Mr. COAN. The one you just heard. I also suggested that the Department of Justice, I understood, has a lot of documents in this case that might be of interest to this committee, if they want to look at them.

The CHAIRMAN. What?

Mr. COAN. Particularly in the case of Mr. Harvey, who testified here the other day. I understand there is an affidavit in which he made a different statement, if you want to hear it.

The CHAIRMAN. You need not state what you heard. We will call on the Department of Justice for whatever it has got.

Mr. COAN. All right, Senator.

The CHAIRMAN. Now, have you the name of any other witness than those four that you want subpœnaed?

Mr. COAN. I do not want anybody subpœnaed. I did not start this.

The CHAIRMAN. Do you know of any witness who has any knowledge of this matter, other than those four?

Mr. COAN. No; not of this particular matter.

The CHAIRMAN. Have you any telegrams or any documents in your possession bearing upon this matter?

Mr. COAN. No; I have not had any.

Later the Senator from Virginia [Mr. SWANSON] made the following motion before the committee:

Mr. Chairman, I suggest that as the witness has stated there are some documents in the Attorney General's office with reference to this matter, you be directed to request him to send to the committee all documents he has there relating to this matter that is before this committee for investigation.

The CHAIRMAN. Is there any objection to that?

Senator STERLING. Do you mean to send them here immediately?

Senator SWANSON. Yes.

Senator STERLING. In order that we may go on here to-day?

Senator SWANSON. No; not to-day; but he to call a meeting of the committee when it suits him.

Senator STERLING. I guess that will be all right.

The CHAIRMAN. Very well; the committee will stand adjourned, subject to call.

Under the instructions of the committee, I addressed a letter to the Attorney General, asking that he might send us such documentary evidence as he had in his possession and was willing to submit to the committee. The Attorney General did us the courtesy to call upon the chairman of the committee and advise us that he had no original documentary evidence; that he had photostatic copies; and that while ordinarily he was opposed to exhibiting evidence in a criminal case he felt, under the circumstances, that in this instance he would be willing to furnish us the photostatic copies. So, Mr. President, the matter has been pursued to the point where we now have the assurance that we will have these photostatic copies.

I repeat that there is no witness whose name has been suggested to the committee as knowing anything about this matter and no documentary evidence of which we had any knowledge but that we have undertaken to get, beginning our effort both with reference to the witnesses and with reference to the documentary evidence the day after the committee was authorized to act. I repeat that if there is anyone who will send to the committee the name of a witness with a statement as to what he will testify to, so that we may know the possible relevancy of it before subpœnaing him, or will notify us of any documentary evidence that is within our reach, the committee undoubtedly will act to secure all witnesses and all evidence.

I only want to say this in conclusion, in order that I may not have to speak about this matter again until the report comes in:

Those who might feel, consciously or unconsciously, out of sympathy with the Senator from Montana [Mr. WHEELER], and those who might feel in sympathy with him, have precisely the same object and end in this matter. We desire all the evidence. Those who are in sympathy with him claim that the more thorough the investigation the more complete will be the vindication; those not in sympathy claim the more thorough the investigation the more damaging it will be; so there is no occasion for anyone to withhold facts or to conceal evidence.

ADDRESS BY SENATOR PHIPPS ON ROADS IN NATIONAL PARKS

Mr. ERNST. Mr. President, on April 24 a most interesting address was delivered over the radio by the senior Senator from Colorado [Mr. PHIPPS] on the subject of roads in national parks. I ask to have it inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ROADS IN NATIONAL PARKS

(By Senator LAWRENCE C. PHIPPS, of Colorado)

The newspapers of Washington have been kind in telling their readers of my interest in the city of Washington and its surrounding country. I am deeply interested in the welfare of the Nation's Capital, and shall always favor projects that have for their purpose the beautification of the city, the preservation of her historic landmarks, and the development of her public parks.

I am particularly devoted to the cause of parks, and this interest of mine is national in its scope. I come from Colorado, in the heart of the Rockies, where two of our great national parks are located. These are the Rocky Mountain National Park, established in 1915, and embracing an area of 397 square miles, or 254,327 acres, with mountains reaching an altitude of over 14,000 feet, deep-set lakes of supreme beauty, glaciers, waterfalls, and extensive forests; the other is Mesa Verde National Park, which was established to preserve the wonderful cliff dwellings of a race that has disappeared from the earth.

We have 19 national parks and 29 national monuments, comprising over 13,000 square miles of area, or about 8,400,000 acres. The estimated value is about $42,000,000, and this is an ultraconservative figure.

The Yosemite Park and a few others were opened to automobiles in 1913 and the Yellowstone in 1915. During 1914 about 10,000

automobiles were registered in the parks and in 1923 about 300,000. The admissions to parks and monuments last season totaled nearly one and one-half million visitors. The total mileage of roadways is 1,060, on which the Federal Government has spent $3,504,100 in all since 1872, when the first park was opened.

Federal appropriations in aid of States and for forest roads since 1916 amount to five hundred and ninety-two millions. During the same period only $1,443,600 was expended for park roads, while the Government has collected $1,511,233 as fees from automobiles using the parks, of which $385,687 was collected during 1923. During the above period the States with Federal aid have expended $23,828,800 in building approach roads to the national parks.

As a rule, the parks may be reached during the tourist season over well-constructed surfaced roads, but the roads within the park borders are inadequate in every way and not at all in keeping with the approach roads.

Others have told you by radio, or you have read of the varied attractions of our national parks, so I will not describe them in detail. It is sufficient to say that everyone should plan to see, some day, a number of these national parks, going either by rail or by automobile. Tens of thousands of people are going west in their own cars each year, many of them camping out along the way.

Some time ago Thomas A. Edison was asked what first came to his mind 25 years ago when the automobile was demonstrated to be a practical vehicle for business and pleasure. He said he at once thought of the possibility of its becoming the means of getting our people to go camping in the outdoors. After other questions were propounded to Mr. Edison, he was finally asked what future use of the automobile he believed would be most important. He replied that its use for camping trips would be its highest and greatest utility.

The finest and most beautiful camping spots are in the mountains of the West, especially in the national parks. Unfortunately, these great parks have not been well provided with automobile roads, even in the case of the Yellowstone, the largest park we have and the first to be established. The roads in the parks were in most cases built by private enterprise and were, of course, constructed for wagon traffic.

To-day the roads in most parks are in need of much improvement as a result of tremendous increase in automobile traffic, and new sections of several parks should be opened to the motorist.

For instance, it is not possible now to drive your car across the Glacier National Park. It must be shipped on the train from one side of the Rockies to the other or be driven south several hundred miles to a pass through which the State has built a road; or one must drive around north to the Canadian National Park at Banff in the Canadian Rockies. A road should be built at once across the Glacier Park.

In the case of Mount Rainier there are only 30 miles of highway available for motor travel. This is not enough mileage to offer a motorist after he has driven all the way to Puget Sound to see the great mountain, with its wild flower gardens, its forest, and its glaciers.

In Rocky Mountain Park, where a road ascends to the crest of the Rockies at an altitude of over 11,000 feet, the highway is located in a place where snow drifts early in the fall and where it lies in the spring until blasted out with T. N. T. This road should be relocated.

In Grand Canyon National Park, in Arizona, the winter visitor can not go as far along the rim of the canyon as he often wishes to go, nor can he go from the end of the railroad at the Grand Canyon toward the interesting Hopi and Navajo Indian country in winter, because of lack of adequate roads. New roads would greatly enlarge the opportunity of the visitor to see the canyon country.

In his message to Congress on December 6, 1923, the President said:

> "No expenditure of public money contributes so much to the national wealth as for building good roads."

The time has come when the national parks should be treated more liberally, and we are glad to know that a bill has recently become a law authorizing appropriations of $7,500,000 for road improvement in the parks. This bill, the President states, is not in conflict with the administration's financial program, and it has his and the Budget Director's approval. Therefore annual appropriations extending over the next three years will undoubtedly be available.

None of us want the parks overdeveloped with roads. Parts of these great wilderness regions should never have roads, because they should be held absolutely in their natural state as examples of what our country was a century ago, and in order that wild life may not be too much disturbed by the automobile and the accompaniments of advanced civilization. But we do want enough roads to make the national parks reasonably accessible and to develop to a considerable extent the unparalleled opportunities for camping.

This matter of adequate roads for the parks is not a selfish, a local, or a solely western issue. The parks are widely scattered and the number of visitors affects travel in every State of the Nation. President Harding, while in Yellowstone Park last summer, remarked many times that he was meeting there a cross-section of America.

Congress, representing the will of the Nation, has established the parks for the use, enjoyment, and benefit of all its people. This was extremely wise, as no investment could yield better returns in improving the health and quality of our citizenship, in promoting that unity of national feeling, that love of country called patriotism. Having already taken this step, Congress will not deny the means whereby the national parks may be used and enjoyed, nor will it permit their natural beauty to be destroyed or detracted from in any measure whatever by commercial enterprise.

As the national parks, belonging to all Americans, contain the most sublime scenery in the world; as they, our greatest playgrounds, inspire patriotism and develop mind and body, so also does Washington, the Nation's Capital, the seat of government of the greatest Nation of them all, belong to each and every one of us, and it inspires patriotism, love of the artistic and beautiful, and pride in our history and traditions.

The Nation owes it to its citizens and to generations yet to come to protect jealously the beauty of its Capital City, to develop it by parkways, boulevards, and public buildings, and to preserve its objects of historic sentiment, and likewise its duty is equally plain to protect just as carefully its system of national parks and develop them along lines that will yield in good measure health, pleasure, and pride in our country.

We of the West want you all to come and enjoy the benefits of your own national parks.

ADDRESS BY REV. DR. ABRAM SIMON

Mr. COPELAND. Mr. President, I ask consent to have printed in the RECORD an address by Rev. Dr. Abram Simon, delivered before the Washington Hebrew Congregation, Friday, March 7, 1924, entitled "Let Us Understand Each Other."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LET US UNDERSTAND EACH OTHER

[An address by Rev. Dr. Abram Simon delivered before the Washington Hebrew Congregation. Broadcast through courtesy of station WCAP, of the Bell system, Friday, March 7, 1924. Washington, D. C.]

Ladies and gentlemen, in the phrase of Mark Antony, radio to-day says, "Lend me your ears!" In this spirit do I ask for your listening ears and your understanding hearts. I am to speak to you to-night on the opportunities and necessities for good will that ought to obtain between varying groups of men and women of religious, national, and racial units. I am particularly anxious that all that I say shall bear with utmost kindliness upon a better understanding that ought to exist between Jews and Christians. A flood of venom and misunderstanding has been released since the war. There never was such a rebirth of cave-man ethics and racial animalisms as have cropped out in the last few years. The recovery of civilization has been very slow because of the malignant hatred bequeathed to us by the world tragedy.

It is unfortunate that the brunt of this resurgent ill will has had to be borne by the people of Israel. The angles of misunderstanding have been sharpened to an unhappy acuteness. In places where never before the ghost of prejudice could be suspected has his spectral form been witnessed, exhaling from mysterious haunts and unknown sources streams of poison and of distrust.

I would not have you believe that the ungracious attitude of the Christian people toward the Jews is a new experience. I am only referring to its recentness because of its intensity and virulence. I do not understand why we Jews should continue to be the victims of this form of hatred expressed in legislation, in literature, and in social practice. Why should people dislike one another? Why have people just enough religion to hate one another? Why is it that the profession of love in the name of God does not get deep enough under one's skin as to direct the emotions and the will power into channels of inevitable amity? How comes it that an increase of fraternities does not promise an increase of fraternity? How comes it that the increase of churches spreading over a larger territory means only a thinner veneer of kindness? Without trying to discover the psychology of prejudice, without spending the time to indicate the methods of its operation or of its danger, let me at least admit the fact of its existence. I can not hide from myself the deep regret that despite the multiplication of schools and colleges, despite the enlargement and the joy of democracy, despite the progress of organized religion, despite the increase of charities and the philanthropic endeavors of men, there is apparently less general honest-to-goodness good will, mutual forbearance, and the milk of human kindness in the world to-day than there ever was before.

My purpose is to indicate the way and the need of a better understanding between the Jew and the non-Jew. I can reach this problem in no better way than by an ancient door to the temple of that literature which both Jew and Christian hold in common and in uncommon reverence. If the Bible should by chance be lost to the world and

only the two tiny Books of Ruth and Jonah miraculously saved I should feel that the great truths conveyed in the rest of the sacred literature were fortunately preserved in these two booklets. I consider that the Books of Ruth and Jonah touched by all odds the high-water mark of religious and prophetic teaching. They are the products of the latest preachings of the greatest masters of religion which the world has ever known. The Book of Ruth was written to teach the love of God for Moab, a second or third cousin of the people of Israel, which was considered as of no concern to the embracing goodness of God. That book was written not so much to disclose the classic devotion of Ruth for her mother-in-law Naomi but rather to prove that the God of Israel dwells also in Moab, and holds the so-called heathens in the widening arms of His Providence. The Book of Jonah was written to express the same universal affection of God for the people of Nineveh, those helpless, ignorant heathen people whose sincerity and contrition merited the forgiving grace of God. Be it understood that these two books were written as protests against the narrow and restrictive policy of Ezra to teach the people of that day and of all time that God's chosen people dwell everywhere, that God's Palestine is on every inch of this inhabited earth, and that every city where men and women in sorrow or in suffering, in sin or in longing, seek the better things of life and the mercy and the joy of God's presence is a holy Jerusalem. These two books, whose message is as modern as any the world has, are 2,500 years old. They refer to Moab and Nineveh, nations proud and mighty in their day, but at present extinct. It is easy enough to preach forgiveness to the nations which are gone. Would it not be a greater achievement to apply the message of Ruth and Jonah and the universal love of God to peoples that are alive to-day? How easy it is to live in peace and harmony with our brothers who are dead and who can not compete with us, but how much greater an ethical task to live in cordial relations with those people who are ambitious to realize their best selves and who seek the joys and fruits of civilization. In other words, it is easier for brethren to dwell together with those of Moab and Nineveh than with those of Israel in the United States, in England, Germany, or Palestine. What the world needs is some third book, comparable with these two, that will reveal the psychology and the philosophy of good will, and the methods whereby Jews and Christians in the same country, French and Germans in the same age, white and brown in the same civilization may cooperate together for the peace of society and the spreading of the Kingdom of God on earth.

This leads me to invite your attention to a book that has just come from the press. I do not call it a great piece of literature, but I call it great in purpose, great in idealism, and great in the desire to harmonize the conflicting interests of people. Miss Ada Sterling, a Christian and estimable author in England, has written a book called "The Jew and Civilization," wherein she bases the duty of the Christian attitude of kindness and good will on the debt under which Israel has laid the world. She reviews the contributions of the Jewish people throughout the world to the treasure house of civilization. When these are examined thoughtfully they reveal the indissoluble and intimate relationship of the ideals and gifts of the Jew to the very fabric of modern society. She convinces us that one's entire mental attitude toward life, one's spiritual and ethical ideals, even those that are reverently associated with the name and personality of Jesus, are undyingly and undeniably Jewish. Her appeal is for a better understanding between Jew and Christian for the sake of the larger cause that they hold in common, and for the sake of the civilizing work that they can the better do cooperatively. If the Christian world will only make an honest effort to understand what the Jewish people have contributed to the civilization of to-day they will be the better prepared to enter with them into their hopes and ideals for to-morrow. May it not be that what we need is some book that, having the message of Ruth and Jonah, will so deeply touch our emotions, so superbly capture our imagination, so artistically dramatize our desire for good will, as to be the third in the line of world-wide literature to bring home to us not only the love of God for all His children, but also the duty of men and women who worship the same God to meet each other with an open palm and not with a clenched fist or a suspicious spirit? I like the further suggestion with which Miss Sterling closes her book. We have mother's day, child-labor day, tuberculosis day, and a dozen and one days suggestive of high social ideals; why not a "better understanding day," a day on which leaders on platform and pulpit, writers in the press, men and women in every walk of life, will devote that day to an expression of amity and kindness toward their fellow men, or pledging themselves to tear out of their hearts every vestige of rancor and hatred, of venom and of ill will, of driving out of their minds what has come to them through reading or teaching of mistrust, of superstition and of prejudice? May such a day, to be celebrated by the world, not be far off.

My own purpose, even in this modest effort, is to hasten this day. Why should not a beginning be made now? Christians and Jews need to understand three fundamental duties. First, let them learn the art of self-criticism. It will make them humble. Second, let them learn to appreciate excellence wherever found. It will inspire them. Third, let them grant to each other the equal right to differ honestly. It will equalize them.

It is the task of the Jew to see to it that nothing in his personal or social life and nothing in his attitude toward his country or his fellow man may tend to lessen the appreciation of his neighbor toward him. It should be the task of the Jew to see that the purity of his motives, the probity of his character, the sweetness of his domestic life form the shield against which every arrow will fall blunted. It is his task to do nothing that may encourage prejudice or widen the breach between him and his Christian fellow man. And yet, is it likely that if the Jewish people were paragons of virtue there would be no prejudice against them in the world? If the world asks of us so much of moral excellence, who in turn makes the same moral demand on the non-Jew? Why ask of Israel to be better than his neighbor? Surely the non-Jew has no battle against prejudice to fight—no social good will to earn. No one asks him to excel in virtue in order to be admitted into the fraternity of peoples. Being in the majority, holding the balance of power, or, as we say in common parlance, the whip hand, the Christian does not hold himself up to the same praise or scorn that he has in reserve for the people of Israel. There is not a weakness, large or small, in Jewish behavior and spread over many pages of Christian writings and preachings that can not be duplicated in the lives and behaviors of the authors themselves. I do not hesitate to say that the weaknesses of the Jews are human everywhere. The difference between the mote in my eye and the beam in yours is a matter of weak vision, not of Judaism or of Christianity. I am inclined to believe that prejudice is simply due to defective lenses, lenses whose glass may have been ground by opticians centuries ago, or lenses that carry some of the smirk and dirt of the outer world.

Let me repeat the story of an old man, whose eyes were none too strong but whose grumbling exceeded the merit of his circumstances. A good neighbor entered the room and, without paying attention to his complaints, busied herself with a dusting rag and cleansed the windows. Suddenly said old Mr. Grumbles, "Dear me, my eyes are getting worse; what a terrible glare is coming from the window; pull down the blinds." No, dear people, if Jews and Christians are to live together, they are to pull up the blinds; they are to let in the light; they are to clean their windows and also their spectacles. If Jew and Christian are to cooperate, they must try to understand one another. They may at first be startled by the glare which the blazing truth flashes before their mental vision, but they will eventually grow accustomed to the new light, and greet it with a cheer. They will then rejoice in knowing how much they have in common, either of virtue or of vice, of aspiration or of weakness, of God and of godliness.

Zangwill once said that prejudice was the dislike of the unlike. As a matter of fact, we are alike in our moral ideals, in our appreciation of the refinements of life, in our sensitiveness to the chivalries of sex, in our scientific acceptance of truth, in our keenness of sacrifice and joy of philanthropic impulse, in our hatred of war and love of peace; in all things that represent the excellencies and the grandeurs and the divinities of life Jews and Christians are not a fraction apart. We are all alike in the love of wife and children. The Christian has not preempted the beauties of the stars and the Jew has not monopolized the harmonies of nature. Both together own the wealth of sunsets and the magnificent basso roar of the ocean. Both Jew and Christian have the same mysteries to solve, the same open grave, the same palsied hand, and the same sinful spirit. Let Jews and Christians rival one another in discovering the new secrets of health, in spreading the gospel of sunshine, in organizing for the alleviation of pain, in marching together to battle for justice, in cleaning the Augean stables of corruption and pollution, in joining one grand crusade in the name of the Fatherhood of God for a festive day of mutual understanding. Our differences are minor; our agreements are not only fundamental but also are modern, and reside in the very nature of our mentality and spiritual outlook.

Do you tell me that we can not understand each other because we are of a different race? Shall Christian people to-day repeat the old nonsense which is unfortunately the obsession of a few theorists; shall American men and women transplant to our shores the apotheosis of race "made in Germany" to set the Teuton as head and shoulders over the Anglo-Saxons, over the Celts and Semites; shall Catholics and Protestants sublimate this arrant nonsense of a cheap and tawdry ethnology to satisfy a Chauvinism which they now call the Nordic race? Pray, was not the foundation of the Christian religion born of the blood that runs to-day in Israel's veins? After you have finished reading the half-baked scientific theories of Madison Grant and Stoddard and Miss Atherton, and are surfeited with the intellectual and racial superiority of this new fictitious race that never was on land or sea, please read a calmly written but scientifically accurate book entitled "The Racial History of Man," by Roland B. Nixon, of Harvard University. I do not know how inferior this race of Israel is, but I have a feeling that if it can produce in one decade men like Einstein, Freud, Michelson, Bergson, Ehrlich, it can not be so sterile and uncreative. I consider that a race that is intellectually creative is spiritually not inferior.

Nor do I feel that there is any difference between us in national aspiration. It is too late in the day to waste time arguing about the loyalties and the patriotism of the Jewish people as different from that of the non-Jewish or the Moslem.

It may be—it doubtless is—that it is not in matters of blood or in matters of political ideals, not in matters of ethical and social endeavors that we differ, but that it is religion that separates us in two warlike camps. That religion, alas, separates us instead of uniting us is pathetic. But that the separation should be construed as war-like, as hostile, as of bad blood, is the last word in the tragedy of faith in God. After all, do I as a Jew and you as a Christian differ so materially in our religion? When we come to catalogue our religious thoughts and sentiments, is there really any gaping difference in our faith and belief in God; in our ideals of the destiny and dignity and divinity of the soul; in our longing for the sweetness and progress of the immortal life; in our appreciation of the moral value of the Ten Commandments; in our hope for the coming of the Messianic ideal of peace, justice, and brotherhood; in our longing for the revelation of God and the spread of His kingdom among men; in our sense of remorse for wrong; our yearning for forgiveness; and our hope through prayer and righteousness to enjoy the favor and the pardon of the Almighty Father?

Do I differ from my Christian brother as much as the Protestant differs from the Catholic in religion; do I differ from the Christian as much as the fundamentalists differ from the modernists? And so I put to myself, as I do to you, this question. Even if there be one great outstanding ideal, namely the divinity of Jesus, wherein the Jews and many Christians still differ, surely such an honest intellectual or religious difference in theology should not widen the social chasm between men and women of average intelligence, of average morality, and average pretensions! Is any one's religion to-day any better for me and for my own way of thinking and bringing up than my own? Or shall I be made to feel that the Christian religion, to whose acceptance I am invited, is more modern than mine, and more expressive of the ideals of the twentieth century? When I honestly look into my own beliefs as to their ability to meet the intellectual and ethical ideals of to-day, I can not but be surprised to find the Protestant Church very much disturbed over what it and its adherents call "modern or fundamental." I therefore arrogate to myself as a Jew the privilege of waiting until this discussion in the Christian Church between fundamentalism and modernism is satisfactorily settled before I can see my way clear to a discontinuance of my own treasured religion as unfitted to meet in competition the spirit of the twentieth century. I have no doubt as to the modernity of the Jewish spirit and of the Jewish religion—I have no doubt as to its justifiable function in the spiritual and social life of Europe and of America. If Turkey, over night as it were, can tear itself loose from the orientalism of a united church and state, and can turn its light and political idealism toward Europe for European domestication, shall it be said that the people of Israel, progressive at all times, can not be part of Europe and of an Occidental civilization after 2,000 years of living in the West?

Yes, after 2,000 years; and in this lies the crux of the matter. The Lenten season in the Christian world is upon us. The minor strain of the oncoming tragedy on the Cross is in the air. The agony of the crucifixion casts its deepening shadows far ahead. I know only too well with what tenderness, with what compassion, with what spiritual triumph the Christian world views Good Friday, and what a charm the idea of the voluntary sacrifice of Jesus holds for the conscience of the world. Yet the same crucifixion has registered the depths of suffering for the people of Israel. Since then the Jew has been on the cross. I opened a book used in one of the religious schools, and I find sentences like these, "The Jews are under a curse—they did not accept the Savior; they are condemned and hated." The Christian world still believes that it closed the career and destiny of the Jewish religion 2,000 years ago. Now, it is a pity that, despite the theology of the Christian religion, the Jew and his religious teachings persist. By all the teachings of this theology, the Jewish religion should long since have been buried with the Jewish nation. By all the laws of scientific materialism, the Jewish people should have joined the remnants of Moab and Nineveh; and yet the Jew and Judaism are here, and it may be best to consult Almighty God for an adequate understanding of this unspeakable mystery and stupendous miracle. It is easy to conclude that the continuance of the Jew carries with it the curse of immortality to await the second coming of the Lord. But isn't it a pathetic thing to put into the soul of Almighty God a deathless curse, and to believe that the love of God has been poisoned into the rejection of any of His children, be they of Moab or Nineveh or Palestine?

Christian theology may teach that God rejected Israel. By all the gods, Israel has not, and will not, reject God! Because the United States triumphed over English monarchy, shall England surrender her political ideals to our new political dispensation? Shall Judaism yield up her identity because Christianity and Mohammedanism developed other dispensations? I hope with all my heart that other great religious movements may blossom out of the Jewish soul. Judaism is in the world as the generatrix of religious ideals, and who shall say that she is to-day sterile? Judaism never accepted religious birth control. In the meantime, then, if Jew and Christian are to differ in the details of religious thinking, is it not best for the daughter religion not to hang crêpe on the doors of the mother synagogue? Surely the Almighty God must have some greater purpose for holding on to a miserable scrub of a few million Jews than merely the divine opportunity of venting His spleen upon them for the failure to accept the divinity of Christ.

We can understand one another if we admit that every man's religion has a right to life, liberty, and the pursuit of happiness. We will understand each other if we will admit that the Jew, as an individual and as belonging to a people of 3,300 years of world experience, of the same blood and heredity as you, has the same inherent rights to life and liberty and the pursuit of happiness. The truer he is to his ideals, the more will he win the respect and the consideration of his fellow men.

We ought to understand that prejudice and persecution will not, and can not, sound the death knell of the Jew and his religion. Christianity can not enlarge its stature nor heighten its mission by standing triumphantly over the prostrate form of a humiliated Israel.

I have tried not in an apologetic or polemic tone to indicate the basis upon which Jews and Christians should come to a happier understanding of each other. I covet the hope that I have succeeded in driving home the conviction that, despite the tenacity with which Jews and Christians will cling to their own differing points of view, there are, nevertheless, more things which they hold in common than they half dream of.

I know, my dear people, that even while I speak, not so much you, as our Christian brothers will say, our failure to accept the Divinity of Jesus is really the stumbling block in the path of a better understanding. Permit me to call your attention to a very significant article in a metropolitan eastern journal by no less a literary man and thinker than Mr. Glenn Frank on what he calls the 14 points of the new church. He says that the religion of Jesus is not the Christian religion. Whatever else there appears in these 14 points is to be related to this sentiment. As a matter of fact the Jewish people for centuries with becoming respect have agreed that the religion of Jesus is not and can not be what is to-day known as the Christian religion. Surely no one will credit Jesus with a knowledge of the doctrines that have arisen since His death, with the pagan conceptions, with the ideal of the Virgin Birth, or teaching of transubstantiation, or infallibility, or a thousand and one doctrines which divide the churches of to-day. However strongly Jesus may have criticized the leaders and priests of his day, even as did Jeremiah and Isaiah before him, and however beautifully Jesus may have envisaged the Father, and have brought together the exquisite spiritual gems in the Sermon on the Mount and the Lord's Prayer, he never for one second abandoned the Jewish ground, Jewish teachings, and the Jewish religion. The religion of Jesus was, and must have been, the Jewish religion of his day, with whatever of exquisite refinement of doctrines his genius permitted him to express.

Surely, then, if a man like Mr. Glenn Frank can openly accept the above statement, and if the modernists and fundamentalists can disagree in their discussions on the belief in the physical and bodily resurrection of Jesus and in the Virgin Birth, why hold the modern Jew to criticism if he follows in the wake of Christian thinking of to-day? I can no better illustrate the situation in which we now find ourselves than by reading this charming poem of Mr. Israel Zangwill. It carries in its heart the pathos of the centuries. The poem is entitled, "Moses and Jesus":

MOSES AND JESUS

In dream I saw two Jews that met by chance,
One old, stern-eyed, deep-browed, yet garlanded
With living light of love around his head,
The other young, with sweet seraphic glance.
Around went on the town's satanic dance,
Hunger a-piping while at heart he bled.
Shalom Aleichem mournfully each said,
Nor eyed the other straight but looked askance.

Sudden from church out rolled an organ hymn,
From synagogue a loudly chaunted air,
Each with it prophet's high acclaim instinct.
Then for the first time met their eyes, swift-linked
In one strange, silent, piteous gaze, and dim
With bitter tears of agonized despair.

So stand we to-day. Between Moses and Jesus 13 centuries intervene, yet both stood on the same eternal rock of spiritual truth. Between Jesus and us 19 centuries intervene. Stand we not, after all, with Him and with Moses on the same religious basis with the same God to guide us and the same brotherhood ideals to cheer us? Why, then, should brother deal treacherously against brother by profaning the covenant of our Father?

Calling your attention once more to that exquisite Book of Ruth, I point to the fourth verse of the second chapter: Boaz the rich farmer approaches his field, and in a spirit of radiant good will he

says to his humble reapers: "The Lord be with you." The reapers, in turn, reply to their chief, "The Lord bless you." What a happy relationship that presumes! When the men who own can greet the men who work for them with "Peace be with you"; and when those who toil can say to those who furnish the pay envelopes, "May God bless you," we reach a stage of such social and economic good will as to call it ideal. Can you conceive of France saying across the Rhine to Germany "God bless you," and the people responding "Peace be with you?" Can you conceive of capital and labor reciprocating each other's greetings of "Peace on earth and good will to men" by such an invocation of felicitation and divine benediction? Can you conceive of Christian saying to the Turk and Moslem "Peace be with you," and hearing in turn from Moslem lips and Turkish heart the reciprocal "God bless you?" For I recall that only a year ago the Good Friday prayer of the Episcopal ritual which petitions God for the Jew, the Turk and the infidal, was under discussion for a possible emendation.

And so I come to that which is the climax of my thinking and the most ardent hope of my heart. Can I not in the name of all the Jewish people say to the Christian world, "God bless you; God bless you in your work for peace, for civilization! God bless you in proportion as you reveal the life of Jesus in your own beauty and ethical sweetness. The more you spread of true religion, the prouder we are of you. The more peace you cultivate, the more freedom you grant, the more gospel of good will you generate, the more rings out from our hearts, God bless you!" I wonder if despite the lenten season, nay, because of the pleading figure on the cross, the Christian world can say to the Jew, "Peace be with you, O House of Israel; continue the development of your religious ideals; let your lives express the sturdiness and the pieties of the faith; having given the Ten Commandments in the past, so rise in religious creativeness as to add another to these and to the commandment of love which were given by Him whom we call our Savior. The world is big enough for hundreds and thousands working for righteousness in the name of our Heavenly Father. Let there be no strife between us, no prejudice, and no attack; but in mutual good will, in mutual understanding of each other's high endeavors, let us go forward, revealing the godhead in our lives, giving constantly by our mutual understandings a sweeter and more gracious revelation of Him. The higher the altitudes you scale the more expansive is our pride. We envy not your wealth nor your poverty; we weep for those who sin; we rejoice with those who triumph. Let us move on together in newer endeavors of peace, in relieving distress, in mastering the laws of nature, in seeking cures for the ailments of the race, in federating the peoples for righteousness, in warring on error, superstition, and bigotry, and in bringing closer to earth the glory and the majesty of Heaven."

Forward, together, in the name of God and for the happiness of the human race!

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. JONES of New Mexico obtained the floor.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Adams	Ferris	King	Simmons
Ball	Fess	Ladd	Smith
Bayard	Fletcher	McKellar	Smoot
Borah	Frazier	McKinley	Stephens
Brandegee	George	McLean	Sterling
Brookhart	Gerry	McNary	Swanson
Bruce	Glass	Neely	Trammell
Cameron	Gooding	Norris	Underwood
Capper	Hale	Oddie	Wadsworth
Caraway	Harreld	Overman	Walsh, Mass.
Copeland	Harris	Pittman	Walsh, Mont.
Cummins	Harrison	Ralston	Warren
Curtis	Johnson, Calif.	Ransdell	Watson
Dale	Johnson, Minn.	Reed, Mo.	Weller
Dial	Jones, N. Mex.	Reed, Pa.	Wheeler
Dill	Jones, Wash.	Robinson	Willis
Edge	Kendrick	Sheppard	
Ernst	Keyes	Shortridge	

Mr. UNDERWOOD. I wish to announce that my colleague [Mr. HEFLIN] is absent from the Senate on account of serious illness. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Seventy Senators having answered to their names, there is a quorum present.

Mr. JONES of New Mexico. Mr. President, I desire to make some observations on one of the very important features of the pending bill. I regret very much that there is not a larger attendance of Senators on the other side of the Chamber, because I had hoped to get the attention of the Senators without reference to any party affiliation. The subject which I desire to discuss was not discussed in the Finance Committee. The majority of the Finance Committee decided to accept the Mellon plan, and that plan did not contain any reference to the subject which I propose to discuss now. I say this notwithstanding the fact that it is one of the most important subjects which can be considered in connection with the revenue bill.

Under the present law there is a flat tax of 12½ per cent on the net incomes of corporations. In addition to that there is a tax of $1 per thousand upon the value of the capital stock. Already the Senate has adopted the proposal of the majority of the committee, abolished the corporation stock tax, and increased the flat or normal tax upon the net incomes of corporations to 14 per cent. So that is the problem which presents itself now, shall we levy just one tax upon all corporations to the amount of 14 per cent upon the total net incomes, regardless of the amount of that income, and regardless of the relative prosperity or depression of the corporation?

I do not purpose to discuss this question any longer than is absolutely essential, and I hope to confine myself to a mere statement of the principal objections, as I see them, to this proposal to have just one tax of 14 per cent upon net incomes of corporations, and after having pointed out those difficulties, I then propose to suggest a remedy, which is a simple one, can be easily understood, and can be easily applied, by those who once get the thought, to the actual facts pertaining to corporations within their own knowledge.

That a flat tax is inequitable is admitted by every Member of this body. We have a graduated tax upon the incomes of individuals and members of partnerships. No one has proposed to repeal the system of graduated taxes upon individual incomes. It is recognized by every one of us that a single rate applied to incomes is inequitable. An individual with an income of a few thousand dollars a year makes very much more sacrifice in paying a percentage of his income than does the man with a much larger income if he paid only the same percentage. That has been recognized. When we reach the question of tax upon the incomes of corporations, however, it is proposed that there shall be just one tax.

During the war we imposed what was known as the excess-profits tax upon corporations. That was designed to remove, as far as such a system could, the inequities of the situation. It was recognized that the corporation earning a large percentage upon invested capital should be taxed at a higher rate than the corporation earning but a modest return upon its invested capital. But through the action of the Congress in 1921 the excess-profits tax was repealed and there was no attempt made to put anything in its place. The normal tax, which at that time was 10 per cent, was raised to 12½ per cent, and in that way an effort was made to raise the revenue, but no attempt was made to meet the injustice and the inequality and the inequity of a flat single tax upon corporation net incomes.

Of course, it will be recognized that corporations are nothing but legal associations which belong to the shareholders. The corporation itself does not have a dollar in assets or a dollar of income but what belongs to the shareholders in proportion to the number of shares of stock held by them respectively.

The tax itself is ultimately paid by the individual shareholder. It affects the shareholders, and we must consider that this legal entity called the corporation is a mere agency in which these various shareholders employ their capital. In the last analysis, any tax upon the corporation is a tax upon the shareholders respectively.

If corporations were to distribute all of their net earnings in dividends, I submit there could be no scientific or just reason given for taxing the corporations at all, because if all of the net earnings of a corporation were distributed to the shareholders annually in proportion to the number of shares held by each, and that share of the net earnings taxed to the individual, then there would be no excuse for taxing the corporation as such.

Mr. BROOKHART. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Iowa?

Mr. JONES of New Mexico. I yield.

Mr. BROOKHART. Will the Senator point out the difference, if any, between what the stockholders of corporations would pay under his rates, and what they would pay in taxes under the excess-profits rates?

Mr. JONES of New Mexico. Mr. President, if the Senator will pardon me, I would like first to make a statement of the points which I have in mind, and will then gladly discuss with the Senator any point about which he may wish to interrogate me.

Mr. BROOKHART. At the Senator's convenience.

Mr. JONES of New Mexico. I believe there can be no doubt about the principle to which I have just alluded. That would be fair. That is what we do with partnerships now. If an individual is engaged in business, he is taxed according to the actual earnings of the business, and added to that is income from any other source.

Likewise the partnerships—and I might interpolate that there are partnerships of the country which do an enormous business and have enormous incomes—are taxed according to their respective shares of partnership earnings. That is fair. That puts all of the individuals, in business or out of business, those who are doing business through a partnership, precisely upon an equal basis.

But when we come to the corporations we find that under the present law an entirely different system prevails. It is impossible in all cases to assess the corporate earnings as the earnings of the individual shareholder. I might point out several reasons for it. In the case of a corporation with a vast number of stockholders, and there are many such, it is impracticable to ascertain the undivided part of the income of the corporation and have it assessed to the individual. The Supreme Court has held that we can not assess the individual on account of the income of a corporation unless that income be distributed to the shareholders, for the simple reason that it is not income to the shareholder unless the shareholder has dominion over it. So long as it is an asset of the corporation it is under the control of the board of directors as to whether they shall distribute it in dividends or retain it in the corporation.

Moreover, there are other difficulties in the way. On the stock exchange these shares of stock are being dealt in largely, and the question at once arises who would be the individuals to accept ownership of the stock for purposes of taxation if we are going to assess the individual shareholder upon a given date. After much thought, not only upon my own part, but upon the part of a large number of other people who have been studying the problem, we found that it is not only illegal, but impracticable, to go about it in that way. So there must be an assessment levied upon corporations in some form which shall be as nearly equitable as it can be.

The proposed flat tax upon the corporation may be a discrimination either for or against individuals or members of a partnership. If the individual has a large income through its business, and there are many such, or if the members doing business as a partnership have a large income through the business they are taxed at the high maximum surtax rate upon individual incomes which, under the proposal adopted recently in the Senate, would reach a maximum tax of 46 per cent; whereas if the same members of the partnership were doing business through the corporate organization the only tax would be the flat 14 per cent. Of course, if, after the payment of that flat tax of 14 per cent, which is called the normal tax, there are distributions of earnings, the individuals again pay surtaxes upon them.

In the first place, I may say there is no requirement that the net incomes thus taxed to the corporation shall ever be distributed, and it is quite possible; moreover, we have reason to know that the corporate plan is being availed of for the purpose of evading taxation beyond the one tax levied upon the corporate net income. There is no reason why an individual owning the corporation should withdraw the income from that corporation beyond the amounts necessary to pay his actual living expenses. It is much easier for an individual at the time of his death to distribute to his heirs shares of stock in a corporation which he owns than it is to divide the real estate and the personal property into shares among the members of his family. So there is no reason why an individual, who, himself, is doing business through his own corporation should ever declare any dividend beyond his actual necessities.

Those actual necessities indeed may be covered by salaries which he might vote to himself, and in such case there would be no necessity for declaring any dividend. It furnishes a means to use the corporate organization for the purpose of evading taxation.

This also brings about a situation which is unfair to a great many shareholders of corporations. As I said, there are a number of corporations that pay no dividends. Just the other evening as a matter of curiosity I picked up a paper and counted the number of stocks dealt in upon the New York Stock Exchange that day. There were 480 different stocks dealt in. There were one hundred and fifty-odd which were quoted as paying no dividends whatever. On Sunday I picked up another paper and I found that 43 per cent of the stocks dealt in actively on the New York Stock Exchange last week pay no dividends whatever. Unless the dividends are distributed there is no reason why an individual should not only organize a corporation to serve his individual purposes, but as to the 43 per cent of the corporations whose stock is dealt in actively on the stock exchange, he can buy their stocks and simply allow his wealth to accumulate by failing to distribute any income which the corporation may earn. These stocks are all selling for money, some of them a few dollars a share, some of them many dollars a share, but they pay no dividends, and the owner of such stock is simply getting his benefits through the accumulation from month to month and from year to year and paying absolutely no tax upon the increase in value of the stock which he buys.

A moment ago I believe I said that this is unjust to many of the shareholders. Common experience tells us that most of the corporations which are owned by a large number of shareholders are corporations which were organized, if in the industrial field, with relatively small capital, but after building up the business and making it a large business then the public has been taken into the confidence of the organizers and the operators of such corporations, and they have distributed the stock by sale in the general market. Those shareholders depend upon the dividends which they get, and they are numerous in such corporations. I might instance any one of the great railroad systems, the American Telephone & Telegraph Co., and to a large extent in the same class would be the United States Steel Corporation. They have passed the stock out to the public and a great many of those corporations pay out in dividends very large percentages of all their net earnings.

I wish to call to the attention of the Senate some information which we obtained from the Treasury Department in response to a resolution which I introduced in the Senate, and which was passed in January last, regarding the returns of distributed and undistributed incomes of corporations for the year 1922. That was the first time that such information had been collected. It has now been tabulated and I am sure it will be worth the while of any Senator to read the document.

For the year 1922 there were 48,875 corporations making complete returns which showed the amount of their taxable net income and the amount of their cash dividends. The remarkable fact is that of those corporations 39,294 paid out in cash dividends 30 per cent or more of their net income, leaving 9,581 which paid out less than 30 per cent.

As to the corporations paying out those dividends, the 12½ per cent flat tax became simply a normal tax upon those which were paying 30 per cent or more, or a large proportion, because notwithstanding the corporation had paid the 12½ per cent—and if the present proposal had been in operation would have paid 14 per cent upon it before it was distributed—those distributions after reaching the individual stockholder must pay the surtax. As to a corporation distributing substantially all of their net income to their stockholders, the individual stockholder would pay a normal tax of 14 per cent and then surtaxes, just the same as all individuals would pay upon their net income. As to those corporations, I say that the system is absolutely unsound, is unfair, and can not be justified simply because those people are doing business through corporate organizations to make them pay a normal tax of 14 per cent and pay their surtaxes in addition. It can not be justified.

There are others, however. As I said, of all the corporations there were over 9,000 which distributed less than 30 per cent of the net income of the corporation. They, of course, are the people who are retaining their investment and their incomes in the corporations and evading their just share of taxation.

I may say that the 9,000 corporations which I mentioned as paying out less than 30 per cent in practical effect, whether that be the purpose or not, are evading the surtaxes levied upon individual incomes.

I now call attention to another class of corporations in this same tabulation. There were 30,048 corporations paying no cash dividends, and making complete returns, notwithstanding the fact that their net income for that year was over $1,196,000,000, and they had an accumulated surplus of nearly $4,000,000,000. The shareholders of those 30,048 corporations paid no surtax upon the net income which they owned as shareholders, but which was retained in the treasury of the corporations.

There is another class of corporations reported for that year. There were 29,688 other corporations which did not make complete returns, and therefore they are not classified with respect to percentages of cash dividends; but they had net incomes for that year of $1,197,000,000, and they paid out in cash dividends only $249,000,000. It is quite evident that at least the larger

share of such corporations paid little in dividends; others paid none; and we may assume that still others of them paid a large percentage of their earnings.

I have had prepared a list going back over the last few years since the question of an income tax upon corporations has been of great and vital interest to the Federal Government, which I think discloses some interesting facts. I find, for instance, that for the years from 1916 to 1922, inclusive, the entire net taxable income of corporations amounted to $56,094,000,000 for those seven years.

The total amount of taxes, including the income tax and the excess-profit tax, when that was in force, amounted to $10,798,000,000. Of course, for the year 1922, included in the tabulation, there was no excess-profit tax, and the total tax paid by those corporations for that year was $823,000,000. After deducting all of those taxes there remained for distribution $45,296,000,000. The corporations distributed in dividends only $18,151,000,000 and retained as undistributed income, which was used further to extend the plant or to be added to capital or surplus, $27,144,000,000.

We have removed every tax upon corporations except the one flat tax. There is no excess-profit tax. The corporation are not required to distribute any of their net income in dividends, and judging from the history of the past we may assume that they are retaining these vast sums in their treasury as surplus or are adding it to capital and thus escaping any surtax.

As further evidence of that, for the same year, 1922, referring to the same document which came from the Treasury Department, I find that while all those corporations making distribution of any cash dividends, as shown by their complete returns, paid out in cash dividends $2,763,000,000, they paid out in stock dividends $2,547,000,000, showing clearly that they have been retaining their corporate net income without distribution, and subsequently issuing stock certificates which can not be taxed against the shareholders under the decision of the Supreme Court.

Another very grave problem which arises relates to the securities which are issued by the Federal Government. All of the first Liberty loan bonds were made wholly tax exempt. The amount of those outstanding now is only between one and a half billion and two billion dollars. All of the other securities issued by the Federal Government were exempt only from the normal tax except in certain specified limited amounts. The same thing is true of all of the Treasury certificates which the Secretary of the Treasury is issuing every three months. In accordance with the law under which they are issued they are exempt only from the normal tax. The result is, if we shall impose upon the corporation only a normal tax, such Government securities when owned by corporations are exempt from all tax. I should like to know if anyone can justify or will attempt to justify any such situation as that.

The total indebtedness of the United States to-day is about twenty-one billion six hundred and odd million dollars, of which $20,000,000,000 is subject to surtaxes if owned by individuals but is absolutely tax exempt if owned by corporations. The majority of the Finance Committee has made no suggestion as to how that problem should be dealt with; the Secretary of the Treasury has made no suggestion as to how it should be dealt with.

Mr. NORRIS. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. NORRIS. The bonds of which the Senator is now speaking, if owned by corporations, are subject to the normal tax prescribed by law.

Mr. JONES of New Mexico. Yes.

Mr. NORRIS. Under the existing law that is 12½ per cent.

Mr. JONES of New Mexico. The Senator is quite right.

Mr. NORRIS. If this bill should be passed as it stands now the rate would be 14 per cent.

Mr. JONES of New Mexico. That is true.

Mr. WALSH of Massachusetts. But the capital stock tax has been removed.

Mr. JONES of New Mexico. The Senator from Nebraska understands that. I stated in the opening of my remarks that the 14 per cent tax is all the tax now imposed upon corporations. So if corporations own those bonds they pay no tax except the one flat tax levied upon corporations, but if owned by individuals the income from them is subject to all the surtaxes which are imposed upon individuals.

There is no attempt made to rectify that very grave injustice and inequality as it seems to me, and I might add that the Secretary of the Treasury and the majority of the Finance Committee have no right to inveigh against tax-exempt securities so long as by their own act they are rendering wholly exempt from taxation $20,000,000,000 of Federal securities which were made subject to surtaxes by the law under which they were issued.

Not only that, Mr. President, but we know there are such corporations as holding companies, which own the stock of other corporations; and when such holding companies receive any dividends those dividends are free from all tax in their hands. That such corporations are being organized is undisputed, because we find in the Statistics of Income for 1921 that there were paid in dividends to corporations by corporations over $500,000,000. The holding company pays not a cent of tax upon that $500,000,000, and there is no suggestion by the majority to relieve that situation.

Mr. REED of Missouri. Do not the subsidiary corporations pay their tax?

Mr. JONES of New Mexico. They pay the normal tax, but I was using that to fortify the statement which I had made that corporations were being availed of for the purpose of preventing the payment of just taxes, because here we have the statistical evidence that over $500,000,000 in dividends were paid by certain corporations to other corporations.

Mr. EDGE. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from New Jersey.

Mr. EDGE. I have been following the Senator's argument and, as I understand, he proposes to encourage, in fact almost to compel, through the imposition of higher surtaxes on earnings, the payment of very large dividends by corporations. Has he considered the possible effect of such a policy, which it occurs to me offhand might be to force the payment of unwise dividends? In other words, would it not weaken the corporations by causing them to pay in dividends very close up to their surplus in order to evade the very high surtaxes on the earnings retained?

Mr. JONES of New Mexico. If the Senator will pardon me, I will reach that in a more logical way a little later on.

Mr. EDGE. Very well.

Mr. JONES of New Mexico. Those are what I conceive to be the principal difficulties with the present system. I think all of us must agree that that system is wrong, and that it should be remedied if there is any reasonable way in which to do it.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. JONES of New Mexico. I yield.

Mr. NORRIS. Does the bill as reported here attempt to apply any remedy to the situation the Senator has just described?

Mr. JONES of New Mexico. None whatever. There is no attempt whatever to change it.

Mr. SMOOT. Mr. President, the Senator must know that in this bill there is a provision that a holding company can not make a consolidated return unless the holding company has 95 per cent of all the stock, and that applies to all of the companies in all parts of the United States.

Mr. NORRIS. Mr. President, my question went much further than that. I intended it to.

Mr. JONES of New Mexico. I am sure it did. I think we will all perceive at once that the provision suggested by the Senator from Utah which is in the bill does not meet the problem. Under existing law I believe it is 80 per cent, and that has simply been increased to 95 per cent.

Mr. NORRIS. That applies only to holding companies.

Mr. JONES of New Mexico. That applies only to holding companies, anyway.

Mr. SMOOT. I thought the Senator was speaking of holding companies.

Mr. JONES of New Mexico. And as I take it, it does not at all meet the situation. It simply requires that they must hold it a little tighter; that is all.

Mr. SMOOT. If it does not apply to holding companies, as far as other corporations are concerned, where there is a failure to distribute earnings to evade taxes, there is a provision in this bill that there shall be a penalty of 50 per cent in every such case.

Mr. JONES of New Mexico. Mr. President, that has been offered as the excuse for not trying to deal with this situation ever since the war. Of course, during the war we were after the money.

Mr. SIMMONS. Mr. President, I will ask the Senator if they did not admit in the committee that the 25 per cent provision was a dead letter, and that probably the 50 per cent provision would be likewise a dead letter?

Mr. JONES of New Mexico. It is admitted by everybody, and the Secretary of the Treasury in his testimony stated that he had not found a single corporation which had violated that provision of the law. So the proposed remedy is no remedy. It is an admitted nullity, and we still have the problem which I have presented.

How shall we meet that problem? I have tried to meet it in a way which would produce the same amount of revenue which the majority of the committee proposes to raise from corporations. Through the kindness and skill of the actuary of the Treasury Department the plan which I propose is estimated to raise substantially the same amount of revenue. Therefore, there is no criticism of it upon that ground.

After all, the remedy is a simple one, both as to its administration and as to its presumed effect upon corporations.

The proposal is first to meet certain situations—and, by the way, I have not dwelt at any length upon that, but there are a great many small corporations with a few stockholders, doing a modest business, earning moderate amounts upon their invested capital. Under the bill as presented by the majority they are taxed 14 per cent upon all their net earnings. They are taxed at the same rate as individuals with individual incomes of $54,000 a year.

Just the other day I received a letter from a constituent of the Senator from New York complaining very much about this 14 per cent tax upon him. He says he has a corporation organized with a capital stock of $10,000 only. He, himself, owns 98 per cent of it. Other members of his family own the other 2 per cent. They are in the contracting business. Their net earnings are small. He did not specify the amount, but, judging from the way he wrote, the total income of the company was only $15,000 or $20,000 a year. Under the proposal of the majority of the committee that corporation will have to pay a flat tax of 14 per cent, on the same basis as if those few incorporators each had an income of $54,000 a year.

I say that it is unjust. Moreover, I say that the citizens of this country ought to be permitted to use corporate organization for their convenience. None of us, I hope, has any grudge against corporations. They perform a very useful function in life. I have organized many of them to incorporate partnerships, so that the partnership would not have to be dissolved upon the death of one of his partners. Moreover, as I have said, it is very convenient for any individual owning properties of various kinds to incorporate the business and pass it on in shares of stock to his heirs, rather than have all of the pieces of real estate divided and the personal property sold and the estate wound up, as it is called. Therefore I say we do not want to deprive the citizens of this country of the right to operate through corporations.

We do not want to penalize the people who are doing that for a laudable purpose; but in the case of all these corporations of small earnings every shareholder is paying a tax upon that net income at the same rate as an individual with an individual income of $54,000 a year. On the other hand, when the stockholders themselves are men of great wealth and use the corporation for the purpose of evading taxes—I mean, avail themselves of it so as to avoid the payment of taxes—the man who otherwise would pay the highest surtax and the ordinary normal tax, amounting under the bill as passed by the Senate to 46 per cent, will have to pay only 14 per cent.

That is not mere speculation. We know that it is being done. Before the Committee on Public Lands and Surveys a rather prominent lawyer from the city of New York testified about the organization of certain corporations for the purpose of reducing taxes from the high brackets to the flat tax of a corporation. Moreover, he said it was being generally done. We all have in mind one instance which is a glaring one, a certain corporation up in the State of Michigan whose net earnings last year were $110,000,000, and which has in cash $271,000,000, according to a report made in an official way in the State of Massachusetts, and that cash on hand has been increased during the last year by over $100,000,000. That corporation has a capital stock of $2,000,000. It never has paid, as I am advised, over 60 per cent upon that capital stock, which would be $1,200,000 in a year. That is the only distribution, thus leaving in the corporation, which belongs to one or two stockholders, over $100,000,000, which under the proposal of the majority of the committee will pay a tax of only 14 per cent, whereas if it were distributed it would pay 46 per cent, making a difference to the Treasury of the United States in the case of that one concern of $35,000,000 a year.

Mr. WALSH of Montana. Mr. President, what concern is this?

Mr. JONES of New Mexico. I did not mention the name of it, but it is the well-known automobile manufacturing concern of Detroit.

Mr. NORRIS. I suppose there is no doubt now who it is, is there?

Mr. JONES of New Mexico. No.

Mr. SMOOT. There is just that one case in the United States.

Mr. JONES of New Mexico. Mr. President, I do not know how many other concerns are doing the same thing, but I do know this: According to the record of Moody's Manual, there is a certain trust company over in Pittsburgh with a capital stock of a million and a half dollars and a surplus of $36,500,000, and the man who owns that corporation is the same man who has advanced the policy which is being followed by the majority of the Finance Committee of the Senate.

Mr. SIMMONS. Mr. President, has that $36,500,000 ever paid any surtax?

Mr. JONES of New Mexico. It certainly has not, because there has been no law under which it would be required to pay a surtax, and it is not proposed now to make it pay any surtax.

Mr. President, in order to reach these net incomes in the fairest possible way, my first proposal is that the shareholders of these corporations may make returns as partnerships. You will realize at once just what that means. If a small corporation is doing business in a modest way we do not want to penalize that concern, and if we permit those shareholders to make returns as members of a partnership we are putting them on exactly the same plane as the individual, whether doing business as an individual or through a partnership. That is an absolutely fair thing to do.

As to the other corporations, we have to raise the necessary amount of revenue. We hope to reach the evils to which I have referred, and therefore it is proposed that if they do not make returns as partnerships there shall be levied upon the net income a normal tax not of 14 per cent but of 9 per cent. Personally, I wish I might reduce that normal tax to a lower amount than 9 per cent, but the actuary says we will have to leave it at 9 per cent in order to raise the necessary amount of revenue. That will be an inequity as between the shareholders of corporations and individuals, because the individual pays a normal tax of only 6 per cent, but if he is a shareholder, even under the proposal which I submit, he will pay a normal tax of 9 per cent. But a normal tax of 9 per cent is much easier upon certain shareholders than the normal tax of 14 per cent, a difference, I believe, of about 36 per cent.

Mr. UNDERWOOD. Will the Senator allow me to ask him a question?

Mr. JONES of New Mexico. I will be delighted to yield.

Mr. UNDERWOOD. I am very much interested in the line of argument the Senator is making. I wanted to ask him if he does not think the 9 per cent at the place he applies it is too high?

Mr. JONES of New Mexico. I do, if I may say so.

Mr. UNDERWOOD. I would very much rather vote for a proposal which would make it even lower than 9 per cent.

Mr. JONES of New Mexico. If it could be done without a disarrangement of other parts of the bill, and thus affect the revenue, I should like to see it reduced to 6 per cent, just the same as the normal tax imposed upon individuals. But this 3 per cent additional may be considered in some wise as a franchise tax, or simply an addition in order to get the money.

Mr. GERRY. How much revenue does the Senator estimate the 9 per cent will yield to the Government?

Mr. JONES of New Mexico. The estimated net tax upon incomes next year is $7,800,000,000, and the 9 per cent is estimated to yield $702,000,000.

Let us see what is going to be the effect of this arrangement upon the stockholders: Of these concerns which in 1922 made complete reports of their business, as to cash dividends and taxable incomes undistributed, I find this statement, that, out of 48,875 concerns, 39,394 will pay less tax under the proposal which I make than under the proposal of the majority of the Finance Committee. But the other 9,581 would pay more, unless it happened to be some small corporation which would take advantage of the provisions to make returns as partnerships. In addition to that, these 29,688 other corporations, which had earnings of $1,197,000,000 and paid out in dividends only $249,000,000, would either have to pay out more cash dividends or else pay more taxes. But any corporation which pays out in cash dividends more than 30 per cent of its net

income will pay less under the proposal which I present than under that of the majority of the Finance Committee.

Mr. NORRIS. Mr. President——

Mr. JONES of New Mexico. I yield.

Mr. NORRIS. The Senator does not stop with that 9 per cent normal tax in his proposition, does he?

Mr. JONES of New Mexico. I am afraid I assumed too much, and that I did not state about the graduated taxes imposed upon the undistributed part.

First it is proposed to add to the taxable net income the interest received from Federal bonds which are not exempt from surtaxes. That is added to the taxable net income under existing law. We also add to that the incomes from other corporations, and those combined we have what is called the surtax income. Of that the corporation is permitted to retain 10 per cent without any further tax upon it or any surtax.

If they retain more than 10 per cent and not more than 11 per cent, then on the total undistributed income they pay one-fourth of 1 per cent, and increasing a fourth of 1 per cent by each percentage of the surtax income retained until you reach 30 per cent. At that point the surtax amounts to 5 per cent of the undistributed net income, and that net income has already paid 9 per cent normal tax, so at that point, by the system thus presented, the shareholder will pay precisely the rate which is proposed by the majority of the committee to be imposed upon all corporations.

Mr. GERRY. Can the Senator tell us how much the graduated tax would amount to if the corporation retained 50 per cent?

Mr. JONES of New Mexico. I may add further that between 30 and 40 per cent it is graduated at the rate of a half per cent for each additional percentage retained, and between 40 and 50 per cent there is a further graduation of 1 per cent for each percentage of surtax retained.

Mr. GERRY. What I wanted to know is the percentage on the total amount if a corporation retained 50 per cent of the surplus.

Mr. JONES of New Mexico. I may state that the graduation is intended to reach the same point of surtax as the surtax upon individual incomes, and that that point is reached where the corporation retains 60 per cent of its net income. At that point the corporation will be paying a surtax of 40 per cent.

Mr. UNDERWOOD. If it retained 50 per cent of its capitalization, answering the inquiry of the Senator from Rhode Island, the 50 per cent surtax and normal tax would amount to 29 per cent.

Mr. JONES of New Mexico. The figures are all given.

Mr. UNDERWOOD. That is the way I figure it in my head.

Mr. GERRY. I did not want to interrupt the Senator's argument.

Mr. JONES of New Mexico. I am very glad to have the information put into the RECORD at this point. I do not mind the interruption.

The graduations are made in such a way as to make calculations very simple indeed. Of course, you must determine the amount of surtax net income. You have to do that in any event, in order to know what your net income is, and on each percentage of net income retained there is a definite percentage imposed as a surtax. When you retain as much as 20 per cent the surtax is only 2½ per cent. When you reach 30 per cent retained, it is 5 per cent upon the incomes between 29 and 30 per cent. When you reach the 40 per cent retained, between 39 and 40 it amounts to 10 per cent, which, with a normal tax, would make 19 per cent. When you reach 50 per cent, from 49 to 50 per cent the surtax is 20 per cent, which would make a total of 29 per cent.

Mr. GERRY. In other words, on the total 50 per cent of income retained the tax would figure 29 per cent.

Mr. JONES of New Mexico. At that point.

Mr. GERRY. At that point. It would be 29 per cent at that bracket.

Mr. JONES of New Mexico. The Senator is quite right. All of these percentages are based upon that. They are percentages upon the total amount retained in the corporate treasury. These percentages must reach the same height as the surtax upon individual incomes, in order to remove the inducement which now exists for people having large incomes to organize corporations and evade the individual surtax.

Mr. SIMMONS. I understand the Senator as saying, then, that all corporations that do not retain more than 30 per cent of their net income undistributed will pay no greater tax than under the bill as proposed by the majority?

Mr. JONES of New Mexico. They will pay either no greater tax or less than under the majority proposal.

In addition to that, it is also provided that the corporation may issue interest-bearing certificates in lieu of making distributions in cash dividends, and not be subject to the surtax upon the corporation. Those interest-bearing certificates, of course, become income to the individual shareholder, and he pays his surtax upon them.

Mr. SIMMONS. But if the corporation has retained 30 per cent, it would then have to pay no greater tax than it would pay under the majority proposal. If it wants to escape the higher rate of tax, it can do that by distributing all in excess of 30 per cent?

Mr. JONES of New Mexico. By this system the corporation can control the amount of taxes which it pays beyond the normal tax of 9 per cent. It can itself fix the rate of tax which it will pay; and, of course, the board of directors will fix that according to all the circumstances of the business of the corporation.

I have undertaken to state the problem in as concise a way as seems to have been possible, and I shall very gladly respond to any inquiries regarding it.

Mr. SIMMONS. Did I understand the Senator to say early in his argument that the total incomes of corporations that had not been distributed and which therefore had never paid any surtax would amount to about $20,000,000,000?

Mr. JONES of New Mexico. For the seven years from 1916 to 1922, inclusive, it amounted to over $27,000,000,000.

Mr. SIMMONS. All of which has escaped the payment of a surtax?

Mr. JONES of New Mexico. All of which has escaped any surtaxes.

Mr. SIMMONS. Has the Senator any data from which he could determine what percentage that $27,000,000,000 was of the incomes of those corporations?

Mr. JONES of New Mexico. The total amount of the income subject to distribution in dividends was over $45,000,000,000. They paid out in dividends something over $18,000,000,000 and held back over $27,000,000,000 undistributed, so that the eighteen which they paid in cash dividends is just about two-thirds of that which they retained undistributed and without being subject to any surtax.

Mr. SIMMONS. They have retained, though, practically 66⅔ per cent of their earnings.

Mr. JONES of New Mexico. It was just the other way. They retained three-fifths of it and distributed two-fifths.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER (Mr. WALSH of Massachusetts in the chair). Does the Senator from New Mexico yield to the Senator from Georgia?

Mr. JONES of New Mexico. I yield.

Mr. GEORGE. I wish to make an inquiry of the Senator to see if I quite understand the situation. If 30 per cent of the net income is retained, then I understand that the undistributed 30 per cent is taxed 5 per cent?

Mr. JONES of New Mexico. Yes.

Mr. GEORGE. And, of course, the whole net income is taxed 9 per cent?

Mr. JONES of New Mexico. Yes.

Mr. GEORGE. So under the Senator's amendment, even where 30 per cent of the net income is retained, the tax is not as high as the 14 per cent tax, because we would have 9 per cent on the whole and 5 per cent only on 30 per cent. Is not that correct?

Mr. JONES of New Mexico. But added together that would make the 14 per cent just at that point.

Mr. GEORGE. But the 5 per cent is on only the undistributed income retained.

Mr. JONES of New Mexico. Yes; it is only upon that part that is undistributed.

Mr. GEORGE. Only upon 30 per cent of the net income.

Mr. JONES of New Mexico. That is all. It is not 5 per cent of whole income. I am glad the Senator raised the point so I may make it clear.

Mr. GEORGE. That was my understanding of the proposition.

Mr. JONES of New Mexico. The normal tax of 9 per cent is applied to the whole net income, but the surtax is only paid upon that part of the income which is retained in the corporation and not distributed.

Mr. ADAMS. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Colorado.

Mr. ADAMS. I was discussing the matter with the Senator from Montana a moment ago, and our practical problem was this: A corporation having earnings of $3,000 would pay, of course, 9 per cent on that as the normal tax. Suppose the corporation, by reason of its business necessities, should feel compelled to keep the whole $3,000 and add it to its capital, assum-

ing it was a $10,000 bank in a wheat country and had reached the place where it needed the accumulated earnings. What would it pay under the Senator's provision by way of a surtax upon the $3,000 of earnings if it retained it all?

Mr. JONES of New Mexico. In the first place, under the bill $2,000 would be exempt from any tax. The other $1,000 could be retained by the corporation if the stock owners were willing to make a return as a partnership.

Mr. ADAMS. I am assuming that one stockholder in the high bracket would be unwilling to consent to it.

Mr. JONES of New Mexico. I may say that that might be attributed to the misfortune of the people who got in bad company, but that does not answer the Senator's point at all. They could retain 30 per cent of that in the corporation and pay no tax more than the rate of 14 per cent.

Mr. NORRIS. I hope the Senator will speak a little louder. I want to hear his explanation.

Mr. JONES of New Mexico. Under the bill as reported by the Finance Committee they would have to pay $140 on the $1,000. That would be the tax paid. Under the proposal which I make they can make the return as a partnership or they can issue interest-bearing certificates for it to the stockholders, whether the one obstreperous stockholder wanted to do so or not, and retain the whole $1,000 in the business; or they could as I said, distribute it in dividends up to the point of 30 per cent, retain $300 of the $1,000 in the corporation without the payment of any more tax, and distribute the other $700.

Mr. ADAMS. My question is: What would they have to pay if they decided to keep the whole $3,000?

Mr. JONES of New Mexico. Of course it would be out of all proportion to the transaction, and they would not do it.

Mr. ADAMS. I am really asking to know what would be the actual amount it would result in their paying.

Mr. JONES of New Mexico. They would have to pay 40 per cent surtax on it.

Mr. ADAMS. That is, the surtax is based not on amount but on per cent?

Mr. JONES of New Mexico. It is based on per cent of the income retained, and it is the only possible way that I know of to levy surtaxes that will at all meet the situation.

Mr. GERRY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Rhode Island?

Mr. JONES of New Mexico. I yield.

Mr. GERRY. As I understand the amendment proposed by the Senator, they would pay 14 per cent if they retained not more than 30 per cent of their surplus?

Mr. JONES of New Mexico. That is correct.

Mr. GERRY. And 29 per cent if they retained not more than 50 per cent of their surplus?

Mr. JONES of New Mexico. That is right.

Mr. GERRY. But that tax is only on the amount of the surplus of that year and does not touch the surplus that has accumulated in the past. I am sure the Senator has made that clear, but I was not here when he began his explanation.

Mr. JONES of New Mexico. I do not think I referred to that point, and I am glad the Senator suggested it, so we may emphasize it. The whole scheme has no reference whatever to any part of the earnings of the corporation except the current earnings for the year. They may have had the $36,500,000 of accumulated surplus, but this has no reference to that. It has no reference to the $2,000,000 corporation which has now become worth $500,000,000, but simply applies to its future operations.

Mr. CARAWAY. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Arkansas.

Mr. CARAWAY. I am sure the Senator has discussed it or it has no application, but under the Senator's amendment there will be no possibility of having stock dividends and escaping taxes, will there?

Mr. JONES of New Mexico. There would be no inducement for it.

Mr. CARAWAY. There would be no way to escape the tax?

Mr. JONES of New Mexico. No.

Mr. CARAWAY. In other words, the $2,000,000 corporation the Senator spoke of, that has become worth $500,000,000, could not distribute their undistributed earnings of millions and escape tax under the stock dividend plan?

Mr. JONES of New Mexico. The plan relates only to the current annual net income.

Mr. CARAWAY. I am sure I do not make myself clear. A favorite way of escaping taxes was to issue stock dividends.

Mr. JONES of New Mexico. Yes.

Mr. CARAWAY. Now, if the corporation has a capital stock of $2,000,000 and by reason of the fact of accumulated undistributed earnings it is now worth $500,000,000, under the Senator's amendment could they distribute as stock dividends the amount they have in their earnings as surplus?

Mr. JONES of New Mexico. Yes.

Mr. CARAWAY. And escape taxation?

Mr. JONES of New Mexico. The certificates of stock representing the previously accumulated surplus would simply represent that surplus, and there is nothing in my proposal which would prevent their doing it.

Mr. CARAWAY. They could still pay stock dividends?

Mr. JONES of New Mexico. They could still pay stock dividends and evade the tax upon previously accumulated surplus, but it is a step toward reaching that situation in the future, and the plan is proposed on that theory.

Mr. CARAWAY. What is the reason for permitting a continuation of an evil that was so obvious in the past, so that instead of distributing their earnings in the way of a dividend they distributed them in the way of stock dividends and escaped the tax? What is the reason why we should not reach that situation? In other words, if a man pays himself a stock dividend, why not treat it as a dividend and tax him? I am just asking for the theory.

Mr. JONES of New Mexico. The Senator perhaps has overlooked the decision of the Supreme Court, which held that it would be unconstitutional to tax the stock dividends. The reason for it is this: If a corporation has so much of value in its assets, it makes no difference to the shareholders whether it is represented by 1 certificate of stock or 10 certificates of stock. The additional piece of paper is of no special value in itself.

Mr. CARAWAY. The only difference is that he could distribute his whole estate in that way and escape taxation and get it into the hands of the other fellow.

Mr. JONES of New Mexico. Yes; he would have that advantage.

Mr. CARAWAY. That is obviously as good a way as to pay the cash, because if he managed to distribute the stock, he would sell the value of the corporation. In the case the Senator mentioned he could sell three-fifths of the valuation of the corporations and pay nothing on it, and the man who received it would pay nothing. In the case the Senator mentioned of the million-dollar stock corporation that became worth $3,000,000 or $5,000,000 he could distribute $3,000,000 of it. The other people would not owe anything and he would not owe anything as taxes on that distribution.

Mr. JONES of New Mexico. The purpose of the amendment is to make the corporation pay taxes upon that somewhat in proportion to what individuals would pay on it, and then it makes no difference so far as the Federal Treasury is concerned whether he issues stock dividends or not. That would not affect the proposition.

Mr. CARAWAY. Evidently I do not make myself clear or else I do not follow the Senator.

Mr. NORRIS. Mr. President, I am interested in the question of the Senator from Arkansas, and I am not at all sure of the reply the Senator from New Mexico made. I think the Senator from New Mexico does not understand the Senator from Arkansas, or else I am unable to understand the Senator from New Mexico.

Mr. JONES of New Mexico. It is possible that I have not made myself clear.

Mr. NORRIS. The Senator said that one way the corporations have of evading the payment of taxes is by the issuance of stock dividends. Laying aside all past accumulations and just taking the particular income for one year, and assuming the Senator's amendment becomes the law, would they be able to do it?

Mr. JONES of New Mexico. They would be able to do it if they paid the taxes on the accumulated income annually.

Mr. NORRIS. I do not think the Senator understands. I am not referring to what the Senator from Arkansas referred to. He referred to accumulation of the past years. Suppose the Senator and myself owned a corporation and the amendment which he has proposed were on the statute books as the law. We come to pay our tax. Could we avoid paying this year's tax by issuing a stock dividend to ourselves?

Mr. JONES of New Mexico. Oh, not at all.

Mr. NORRIS. That is what I thought.

Mr. JONES of New Mexico. Not at all. The Senator is quite right about that and I am sorry I did not better understand the Senator from Arkansas.

Mr. CARAWAY. I thank the Senator. I have obtained the information I wanted.

Mr. BROOKHART. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Iowa.

Mr. BROOKHART. The Senator's proposal does not reach the accumulations that have avoided taxes by stock dividends in the past, as I understand.

Mr. JONES of New Mexico. It does not.

Mr. BROOKHART. Is there any way to reach them?

Mr. JONES of New Mexico. There is no way by which it can be done that I know of.

Mr. BROOKHART. Is that prohibited under the constitutional provision?

Mr. JONES of New Mexico. It would be a retroactive proposal. I am not sure just how far the court would permit us to go back and levy other taxes upon incomes upon which taxes have already been paid under the law existing at the time the incomes accrued. I doubt if we could do it, because the incomes which have been retained as surplus and added to capital in the past since 1913, more than 10 years, have been taxed once under the law. Of course we may have our own opinions as to whether they have been adequately or properly taxed, but nevertheless they have paid such taxes as the law imposed at the time.

Mr. BROOKHART. The retroactive proposition of the Constitution does not apply to the future, but it is simply a matter of the past.

Mr. JONES of New Mexico. The Senator may be right about that. At the same time I should hesitate a good while before I would feel like taxing again incomes which had been taxed once and retained in the corporation undistributed.

Mr. BROOKHART. I think there has been no more unjust scheme of tax dodging in the world than the stock-dividend scheme.

Mr. JONES of New Mexico. I agree with the Senator. I do not think it is so much in the issuance of stock dividends as it is in retaining the income in the corporation and evading the just tax which would be paid if it had been distributed. Of course the stockholder finally gets the evidence of his ownership of the undistributed income through the new shares of stock which are issued to him. I say that the system adopted in the past is just as vicious as can be. I believe that every dollar of income in the country should pay a tax according to the same rate as every other dollar falling in the same class, and that has not been done in the past. That is the thing against which I inveigh. That is the reason why I have devoted so much time to the study of the problem and now have the privilege of presenting it to the Senate.

Mr. GERRY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Rhode Island?

Mr. JONES of New Mexico. I yield.

Mr. GERRY. Is it not true, in answer to the question of the Senator from Arkansas, that if the owner of the stock dividend sold that stock and realized from it, he would then have to pay a 12½ per cent tax? He would have to pay the regular rate then, would he not?

Mr. JONES of New Mexico. The stock-dividend proposition is rather peculiar in its workings. Stock paid as a dividend is not considered as income in the hands of the original stockholder until he sells it. He has two shares of stock instead of one; but his two shares of stock represent the same interest in the corporation as did the one share. When he gets his two shares, if he sells one of them it is just the same as if he had sold half of the original share which he had, and if he made a profit on it in the meantime he would have to account for the profit.

Mr. CARAWAY. A stock dividend, as a whole, is all profit.

Mr. JONES of New Mexico. I may not have made myself clear to the Senator from Arkansas, and I am very anxious to do so. I do not think that a stock dividend has any actual value. I think if a man has one share of stock in a corporation, and a stock dividend of 100 per cent is declared, the stockholder will then have two shares of stock instead of one, but it will represent precisely the same interest in the corporation as the one share represented.

Mr. CARAWAY. There never was a question about that; but the question is this: If the stockholder starts out, we will say, with 10 per cent of the stock of a $2,000,000 corporation, he has $200,000 worth of property. If the corporation accumulates undistributed earnings until the corporation is worth $5,000,000, then he has an interest worth two and a half times as much as he started with. If he pays himself then with a stock dividend and parts with the value of it, he still has $2,000,000 worth left, and he has sold his interest in the $3,000,000.

Mr. JONES of New Mexico. The Senator from Arkansas is quite right about that, and I now get his thought. In such a case the share that the stockholder sold would be considered as value pertaining to his original purchase, and he would be taxed upon the profit he made in the sale of that individual additional share.

Mr. CARAWAY. That would be all profit.

Mr. JONES of New Mexico. I think it would be.

Mr. CARAWAY. His share is worth as much as it was when he started, and when he sold his stock dividend every penny of it would represent profit.

Mr. JONES of New Mexico. In the case mentioned by the Senator from Arkansas it would operate in just the way he has stated it would; the stockholder would have sold in the one share a portion of his assets, but would still have as much value in assets as he before had. Therefore the proceeds from the sale of one share would all be considered as profit, and would be taxed as such.

Mr. GERRY. And he would have to pay the regular rate of tax on his income according to the bracket in which it fell.

Mr. JONES of New Mexico. He would have to pay the rate of tax prescribed for gains from investments as a capital gain if he had held it for over two years, and his actual profit if he had held it for less than two years.

Mr. KING. Mr. President, I understood the Senator to state that the undistributed profits for the year 1922—and possibly that would extend over to June, 1923, covering the fiscal year 1922—amounted to $27,000,000,000. My recollection is that it is $19,000,000,000 plus; and I wanted to be sure whether I correctly understood the Senator that the undistributed profits for the year 1922 amounted to $27,000,000,000. My recollection is that they amounted only to $19,000,000,000 plus.

Mr. JONES of New Mexico. The Senator has in mind another report entirely. The $27,000,000,000 represents——

Mr. KING. I heard the Senator say that as I came in a few moments ago.

Mr. JONES of New Mexico. I may have used a wrong expression, but what I intended to say was that for the seven years from 1916 to 1922, inclusive, the total undistributed earnings were over $27,000,000,000.

Mr. KING. The Senator is correct; and I did not know the antecedent subject to which he referred.

Mr. JONES of New Mexico. Mr. President, I do not care to anticipate——

Mr. SIMMONS. If the Senator will pardon me the $27,000,000,000 of undistributed earnings are not covered by any stock dividends.

Mr. JONES of New Mexico. They were simply retained earnings, a surplus, during six years, and no tax was paid on them except the same tax that was paid on the distributed part of the earnings.

Mr. SIMMONS. And they do not represent any stock tax at all?

Mr. JONES of New Mexico. Not at all.

Mr. KING. I think, if I may be permitted to interrupt, that some of those corporations which are included within the number of those with undistributed earnings of $27,000,000,000 have since that period doubtless been using those undistributed profits as a basis for their issues of stock dividends.

Mr. SIMMONS. The minute they issue the stock dividends it amounts to a legal distribution, does it not?

Mr. JONES of New Mexico. No; I think the Senator is in error about that. At any rate, there is no such distribution of dividends as can be taxed.

Mr. SIMMONS. That is what I meant.

Mr. JONES of New Mexico. Mr. President, I do not care to anticipate the Senator from Utah [Mr. SMOOT] in his reply, but I shall desire to make some observations in response to what he may say. The only argument against this proposal that I have ever heard which carries with it any force is that involved in the illustration presented by the Senator from Colorado [Mr. ADAMS] a while ago, that situation may arise where corporations would like to retain all of their net income in the business. In such cases, in some circumstances, there will probably be involved something of a hardship; but what I ask is that in considering that question we put on the other side of the scale the enormities to which I have referred under the system proposed by the majority, which will weigh against it.

Mr. ROBINSON. Mr. President, may I ask the Senator a question?

Mr. JONES of New Mexico. I yield.

Mr. ROBINSON. What is the difference in the aggregate amount of revenue which will be derived from the corporation tax under the provision of the bill and under the amendment which the Senator from New Mexico proposes?

Mr. JONES of New Mexico. The actuary fixes the amount of the normal tax at 9 per cent, because at that point this proposal would produce the same amount of revenue substantially as the majority wish to derive from corporations. So it is not intended to affect the revenues of the Government one way or the other.

Mr. ROBINSON. So that it merely becomes an issue as to which is the fairest and most equitable plan, considered as a whole?

Mr. JONES of New Mexico. Precisely; that is the question before the Senate.

Mr. KING. Mr. President, before the Senator takes his seat, will he permit me to call attention to a statement made by Doctor Adams, whom we regard with considerable respect?

Mr. JONES of New Mexico. Certainly.

Mr. KING. In discussing the question of Federal income taxation he adverts to the subject which the Senator has been considering, and, speaking of the evil of the accumulation of large undistributed profits, he points out some of the solutions that may be suggested, among them:

> 4. Various forms of graduated taxes on undistributed profits, the rates progressing in some plans in accordance with the ratio of the undistributed profits to the total income, and in other plans with the amount of undistributed profit and its relation to the invested capital of the corporation.

He recognizes the fact that there is an evil in corporations withholding from distribution—and, of course, if they did make distribution it would be subject to the surtax—enormous earnings as a result of which great accumulations are held in the treasury, and he suggests that one of the ways to reach that evil is by a graduated tax upon undistributed profits.

Mr. JONES of New Mexico. I am very glad to know that Doctor Adams recognizes that, and I may say that it has been recognized in other authoritative sources. In the early part of the war the National Association of Credit Men entered upon an exhaustive study of taxation with respect to taxes upon net incomes. That association of credit men continued to work on the problem, until finally in 1921 they made a report, which specifically indorses a graduated tax upon undistributed net earnings of corporations and suggests that the graduation should in some fashion operate in a similar way to the surtax imposed upon individual net incomes, or, in other words, precisely the plan presented by me here to-day was indorsed in principle by the National Credit Men's Association. I wish to read the foreword of the little booklet which was sent to me by them in 1921. It is as follows:

FOREWORD

Organized soon after the passage of the first excess profits tax law in October, 1917, the committee on Federal taxation of the National Association of Credit Men has continued without change in personnel.

In its brief filed on June 28, 1918, with the Ways and Means Committee of the House of Representatives (then holding hearings on the revenue act of 1918) and in a hearing before the Finance Committee of the United States Senate on September 12, 1918, the repeal of the 1917 excess profits tax law was urged. Objections to the excess-profits tax provisions of the revenue act of 1918 were also urged in a brief filed with the conference committee of the House and Senate in January, 1919. In August, 1919, in a "statement of position" embodying the principles set forth in resolutions adopted by the association at its annual convention at Detroit in June, 1919, the immediate repeal of the excess-profits tax law was demanded, and it was recommended that the revenue to be raised from income taxes be obtained from a tax on the income of the individual.

Appreciating the necessity of establishing a plan of taxation which would equitably distribute the burden of the tax on the earnings of industry, the conventions at Chicago and Detroit in 1918 and 1919 had instructed the committee to continue its work. Carrying out these instructions the committee issued in January, 1920, a "Message on Federal taxation," setting forth the principles of the undistributed earnings tax.

This booklet, together with another issued in March, 1920, entitled "Income taxation," which developed this principle more clearly and more in detail, was submitted to the entire membership of the National Association of Credit Men—33,000 manufacturers, wholesalers, banks, and financial institutions. At the annual convention in Atlantic City in June, 1920, at which were present delegates from all parts of the country, the recommendations of the committee were discussed at length and approved. Since that time there has been much study and discussion of the subject, and, in addition to restating the principles of this tax, the committee now sets forth the reasons for the disapproval of a general sales tax—a resolution condemning a general sales tax as a method of raising governmental revenue having been passed by the 1920 convention.

The article then in a very scientific and logical way proceeds to discuss the operation of the excess-profits tax and argues for a repeal of that tax and the substitution for it of this tax upon undistributed net earnings. It also contains an argument against a sales tax and recommends a graduated tax approaching the surtax imposed upon individual net incomes upon the undistributed profits of corporations, in lieu of the excess-profits tax or a sales tax. This document was printed in the RECORD in 1921 at the conclusion of a speech which I made on October 27 of that year.

Mr. SMOOT obtained the floor.

Mr. McLEAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WALSH of Massachusetts in the chair). The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Adams	Edge	McKinley	Simmons
Ashurst	Ferris	McLean	Smith
Ball	Fess	McNary	Smoot
Bayard	Fletcher	Neely	Stanfield
Brandegee	Frazier	Norbeck	Stephens
Brookhart	George	Norris	Sterling
Broussard	Gerry	Oddie	Swanson
Bruce	Glass	Overman	Trammell
Bursum	Harris	Pepper	Underwood
Cameron	Harrison	Phipps	Wadsworth
Capper	Johnson, Minn.	Pittman	Walsh, Mass.
Caraway	Jones, N. Mex.	Ralston	Walsh, Mont.
Colt	Jones, Wash.	Ransdell	Warren
Copeland	Kendrick	Reed, Mo.	Watson
Cummins	Keyes	Reed, Pa.	Wheeler
Curtis	King	Robinson	Willis
Dale	Ladd	Sheppard	
Dial	Lodge	Shields	
Dill	McKellar	Shortridge	

The PRESIDING OFFICER. Seventy-three Senators have answered to the roll call. There is a quorum present.

Mr. SMOOT. Mr. President, the pending amendment, offered by the Senator from New Mexico [Mr. JONES], presents a very important question for this body to solve. The Senator says that it is a simple plan. I want to say that it is a very complicated plan. I know of no country in the world that has ever accepted it, and if it is ever enacted into law I am quite sure that nothing but trouble will follow.

On May 2 the Senator from New Mexico [Mr. JONES] introduced an amendment to the revenue bill in the nature of a complete substitute for the provisions of the bill which provide for a tax upon the income of corporations. This amendment would levy a flat tax of 9 per cent upon all of the income of corporations and an additional tax ranging from one-fourth of 1 per cent to 40 per cent upon the undistributed profits of the corporation. It provides, in addition, that the income subject to this undistributed-profits tax shall include both the dividends received by the corporation on the stock owned by it and the interest received by the corporation on all Federal securities except those wholly exempt from taxation.

Before considering the disastrous effects which would result from the adoption of such a proposal the necessity or reasons for such a tax should be examined.

It is usually argued, in support of a proposal for an undistributed-profits tax, that such a tax is necessary in order to prevent the use of corporate form and the retention of earnings by corporations to avoid the imposition of the surtaxes upon the stockholders.

With reference to the family corporation, the holding corporation, and other similar corporations designed or used to prevent the imposition of tax upon the stockholders, an adequate penalty is provided for in section 220 of the pending bill, which imposes a penalty upon such corporations of 50 per cent of their earnings, including the dividends received upon stock of other corporations.

With reference to the operating companies, those engaged in productive business, there appears to be no support for the argument that these corporations are retaining their earnings to prevent the imposition of the surtaxes upon the stockholders.

For the years from 1910 to 1916, the years prior to the imposition of the high surtax rates, dividends, according to figures prepared by the National Bureau of Economic Research, averaged 53½ per cent of the profits available for distribution. From 1917 to 1922, the years in which the high surtaxes were in effect, complete figures are not available; but in the case of the 141 largest industrial corporations in the United States dividends averaged 65 per cent of the profits available for distribution; and for the year 1922, according to data furnished by the Secretary of the Treasury and published in Senate Document No. 85, the cash dividends of all corporations constituted more than 53 per cent of the profits available for distribution.

These figures show clearly that the supposed necessity for the adoption of an undistributed-profits tax does not exist, and that the industrial companies, the ones which would be most seriously crippled by such a tax, are not guilty of the acts which the tax is designed to penalize.

This was brought out very strikingly by the question that was asked by the Senator from Colorado [Mr. ADAMS] of the Senator from New Mexico; and let me pause here to say that if this plan is put into operation, the small corporations of this country, struggling to advance their business and build up and increase their activities, will receive a death blow.

The Senator complains of the charge of 1½ per cent on capital stock and adding to it the tax upon net earnings of the corporation. The figures from the corporation cited by the Senator showed that the corporation had only $10,000 capital, and was making $20,000 profit. I stated that under the plan proposed a larger tax would be imposed upon such corporations. Is there anyone who is any more able to pay it than they?

Mr. RALSTON. Mr. President, just what does the Senator mean when he refers to small corporations?

Mr. SMOOT. I would say a corporation with a capital of $100,000 or less. Speaking generally, a corporation with a capital of $200,000 to-day is considered a small corporation.

Mr. GLASS. If I may ask, has the Senator any trustworthy statistics which would show how many corporations of that description retain more than 30 per cent of their net profits currently, from year to year passing more than that amount to surplus account?

Mr. SMOOT. The only information I have is the average amount of dividends distributed, as I have already stated.

Mr. GLASS. It is very important to know just how many corporations would be affected by a proposition of that sort. The Senator says it would be disastrous. How does he know it would be disastrous if he does not know how many corporations it would affect?

Mr. SMOOT. I will say to the Senator that from reports made public by the larger corporations of this country we know the percentage of their earnings.

Mr. GLASS. But the Senator says that it will not affect these larger corporations at all, because they distribute their net earnings. That being so, they are not interested in it. What the Senator denominates as the "smaller corporations" are interested in it; and it is very desirable, therefore, to know just how many of them would be affected by it.

Mr. SMOOT. I will say to the Senator that more than a majority of the small corporations in this country would be affected by it. In 1918, when the question as to the tax to be imposed upon capital stock and also upon the net earnings was raised, the Treasury Department stated without hesitation that it would affect more of the smaller corporations than of the larger corporations.

Mr. GLASS. Did they give any statistics to verify that conjecture?

Mr. SMOOT. I have not any before me at this time. I do know that the large corporations pay the larger part of the dividends paid in the United States. Everyone knows that. They pay dividends into the hundreds of millions. Of course, there are very many more small corporations, and they pay but a small proportion of the dividends paid in the United States.

Mr. GLASS. I should be very much surprised to find that a very great proportion of the small corporations, meaning corporations with a capital of a hundred thousand dollars or less, retain currently more than 30 per cent of their net earnings in their surplus account.

Mr. SMOOT. I think many of them do. One reason why we are having so many failures, particularly in the West, is the very fact that all of their earnings have been paid out in dividends. Personally, I think every corporation, no matter what kind of a corporation it is, should keep a certain percentage of its earnings every year. They ought to do it whether they want to increase or not, because of the fact that no one knows when reverses may come. Bad times reach us unexpectedly, and the corporation or the business man who fails is generally the one who does not keep a reserve in order to strengthen his business and his financial standing.

Mr. GLASS. I quite agree with that, but here is a percentage amounting to almost one-third of the net earnings of the corporation, and it may be cumulative without taxation. It just means a tax upon corporations which retain not more than 30 per cent each year.

Mr. SMOOT. I will reach that further on, and give the Senator all the statistics I have been able to collect.

Mr. SIMMONS. Let me understand the Senator. Do I understand the Senator to say that the small corporations are distributing a smaller percentage of their earnings than the larger corporations?

Mr. SMOOT. I have no doubt about it; none whatever. But I will reach that later in my remarks.

Mr. NORRIS. Before the Senator goes further, I would like to inquire if the Senator's position is that a corporation ought to be allowed to retain as much of its income as it wants to, not pay it out in dividends, and not pay a tax on that income?

Mr. SMOOT. They pay the normal tax.

Mr. NORRIS. I understand they pay the normal tax, but why should a corporation be able to escape what is conceded by everybody the individual has to meet? If the individual makes more than that upon which he has to pay the normal tax, his tax goes up according to the surtax rate. Why does not the same doctrine apply to a corporation?

Mr. SMOOT. We specifically provide that where their earnings are held to evade taxation, they shall be penalized.

Mr. NORRIS. I understand; but does that really mean anything?

Mr. SMOOT. It certainly will mean something if it is enforced.

Mr. NORRIS. Suppose the corporation does not distribute the earnings; they would be doing what the Senator says they ought to do, and what other Senators say they ought to do, and what I do not object to. Let them keep it. Probably that is good business. So they are trying to avoid no law, that is good business. But the fact remains that they have made this money and paid no tax on it, when, if an individual made the money, he would be paying taxes up as high as 40 per cent, under this bill.

Mr. SMOOT. The Senator must remember that not only is the corporation taxed 12½ per cent, but as soon as the profits are distributed, then every stockholder is taxed upon the earnings so distributed.

Mr. NORRIS. That is fair, and I would not want to interfere with that. If the earnings are distributed to the stockholder, let him pay a tax on them. That is all right. But we are trying to reach the case where the earnings are not distributed, and it is generally understood by all of us that that is a great big loophole in the law which we want to shut up if we can.

Mr. SMOOT. I think we have accomplished that by this bill, so that it will be closed.

Mr. NORRIS. I would like to have that in the law, anyway.

Mr. GLASS. If I may interrupt a moment, the Senator at once perceives the difference between the administrative provisions of the law and the automatic operation of the law. Before the Government can get at the man who organizes a fictitious corporation or a corporation formed for the purpose of escaping taxes the Government has to institute some process to determine that matter.

Mr. SMOOT. Certainly.

Mr. GLASS. It has to prove the thing, which is very difficult to do when the corporation employs adept attorneys to conceal the facts. But in this other matter it is automatic; it proves itself.

Mr. SMOOT. In the act itself we create a presumption that that is what it is for.

Mr. GLASS. But you have to establish the presumption.

Mr. SMOOT. Of course; there is no doubt about that.

Mr. GERRY. Can the Senator tell me how many cases there have been where the authorities have been able to establish the presumption?

Mr. SMOOT. Everybody admits that the provision in the law of 1918 and in the law of 1921 is defective. The Treasury Department admits it, and therefore we have made this change. That matter has been corrected in this bill and will be corrected in the law, if this ever becomes a law.

Mr. GERRY. The Senator thinks it has been corrected?

Mr. SMOOT. Not only do I think so, but the officials who administer the law think so.

Mr. GERRY. But, of course, we have not had any opportunity to try it out.

Mr. SMOOT. We certainly have not had any opportunity to try out the proposition of the Senator from New Mexico.

The harmful effect of such a tax upon the business development of the country can not be exaggerated. It should be noted that the tax is one-fourth of 1 per cent of all of the undistributed profits of the corporation if the corporation retains between 10 and 11 per cent of its earnings; if it retains 30 per cent of its earnings, the tax upon its entire undistributed profits is 5 per

cent: if it retains 50 per cent of its earnings, the tax is 20 per cent of its entire undistributed profits; and if it retains 60 per cent of its earnings, the tax is 40 per cent of its entire undistributed profits.

That such a high rate of tax upon the undistributed profits of corporations would force distribution of all the earnings and profits available for distribution is obvious and it is conclusively shown by the estimated revenue yield of the proposal submitted by its author, Senator JONES.

Mr. REED of Missouri. May I interrupt the Senator just to ask a question?

Mr. SMOOT. I will be glad to answer any question after I complete my remarks, but interjecting questions breaks up the explanation to such an extent that nobody can get the effect of what I want to say.

Mr. REED of Missouri. I will withhold the question.

Mr. SMOOT. The estimates of the effect of the plan upon the revenues are that the undistributed-profits tax would itself raise only $6,000,000 a year, but that it would increase the yield of the surtaxes by $300,000,000. That is the estimate furnished not only to the Senator from New Mexico by the actuary, Mr. McCoy, but to myself as well.

In other words, the estimates submitted show that it would force the distribution by corporations of $3,000,000,000 which otherwise would be retained in the business and would interfere to this extent with the business expansion and development of the country through corporate business.

Sound business policy demands that the industrial concerns retain in the business a large part of their earnings in order to take care of future expansion and at the same time protect the corporation against future losses. Can any corporation engage in new enterprises, expand or enlarge its activities, or even take necessary precautions against possible reverses of the future if for such action it is to be subjected to a penalty of 40 per cent? If the proposal is adopted, the business development through corporations must cease.

The purpose of the amendment is by penalty to compel the distribution of practically all of each year's profits, irrespective of what may be sound policy for the future.

Mr. GLASS. The Senator would not say "all." He would not say a retention of 30 per cent of the net revenues of a corporation is penalizing all of it. The Senator understands that to me this is a unique proposition, and I think it is to all of us, and I want to get the truth of it. I do not want to rely upon the assumptions even of the proponents or the opponents of the proposition. It certainly is not accurate to say that you are penalizing all of the income of a corporation when we do not do that.

Mr. SMOOT. The Senator knows that when men have sufficient credit so that they can go and borrow money at 6 per cent, they are going to borrow that money and pay the interest on it rather than be penalized under the provisions of this amendment. That is where the difficulty comes.

Mr. NORRIS. If the Senator will permit me, I think the Senator from Virginia had reference to something the Senator has not referred to in his reply. The Senator from Utah is referring to taking all of the reserves. The Senator from Virginia is calling attention to the fact that if you take 30 per cent of it, there would be a lot of it left, and you would not take it all.

Mr. SMOOT. No; you would not take it all, but the question is this, as to whether they would go and borrow the money and keep that in the company; and whichever is cheapest they would do.

Mr. NORRIS. To me the Senator has not made plain what follows. Like the Senator from Virginia, I am seeking to get a remedy for what seems to me to be a loophole by which people escape taxation, and I want to have it closed up, if we can do it. It may be necessary for the corporation to keep its money, and perhaps it ought to keep it in its business. I can take the speech he is reading and strike out "corporation" and insert "person," and if the argument is good, it will be a sufficient reason why we can not levy any surtax against any individual's income.

Mr. SMOOT. A corporation is quite different from an individual. The corporation pays a flat tax and the individual who receives the dividends pays where it is distributed.

Mr. NORRIS. But there is no dividend. That is all right where the dividend is distributed, but here we are trying to reach the case where there is no dividend. The Senator can not get away from it in that way. We are trying to levy an income tax. We go to the individual for it. He may invest it in his business and have to borrow money to pay the taxes, or he may be bankrupt when the time comes and unable to pay them. That is no defense to the Government. But here is a corporation, and the Senator says we should let them keep the money because they may need it in their business. If that argument is good, we must not assess any tax against the individual.

Mr. SMITH. Mr. President, may I ask the Senator a question?

Mr. SMOOT. In just a moment.

Mr. SMITH. In order to understand the argument the Senator is making I want to ask the question.

Mr. SMOOT. In just a moment I will yield to the Senator. It is not a question of evading taxes. What they want is to keep the capital. If they pay the tax of 14 per cent for the corporation, that goes to everybody, no matter whether the small stockholder or the large stockholder, as the Senator from New Mexico said. But we will see what it means by way of discrimination before I get through.

Mr. EDGE. How can we ever have any expansion or extension of any business enterprise of any kind if all the profit at the end of a year, when the trial balance is struck, is paid out in dividends in order to escape a 30 or 40 per cent surtax?

Mr. NORRIS. But the amendment does not undertake to levy any higher tax on the corporation than it does on the individual. That is what I maintain.

Mr. SMITH. What I want to ask the Senator is this: We have graduated taxes under the Jones proposition up to 30 per cent.

Mr. SMOOT. Oh, higher than that.

Mr. SMITH. No; I mean that when we get up to 30 per cent there is a reserve of 30 per cent and a tax that is not as great as the Senator's proposed tax on the corporation.

Mr. SMOOT. It is just the same.

Mr. SMITH. It is just the same no matter what the earnings are. From there on he proposes that there shall be a distribution, but that leaves the corporation in as good condition except for distribution, perhaps a better one, than the proposition the Senator from Utah makes, because under his proposed amendment they pay a flat 14 per cent.

Mr. SMOOT. If they get that, they have to distribute or else pay the 5 per cent.

Mr. SMITH. But up to 30 per cent under the Jones proposition——

Mr. SMOOT. They can save 5 per cent by distributing, and that is what they will all do, and you force them to do it.

Mr. SMITH. The Senator maintains that they ought to be allowed a reserve. They can be allowed a reserve of 30 per cent and only pay 9 per cent on the 30 per cent, and above that we insist that it should be distributed. The Senator lays 40 per cent regardless of what they make, with no distribution.

Mr. SMOOT. The only trouble is that they are going to distribute. They are not going to be penalized 5 per cent. That will be the effect of it. It gives that escape and that is what they will do.

Mr. NORRIS. Suppose they do distribute it, the individual pays the tax on it. That would be fair.

Mr. BAYARD. Mr. President——

Mr. SMOOT. I will yield in just a moment. I think the Senator from New Mexico has the estimate of Mr. McCoy, and his estimate shows that very thing. The Senator from New Mexico will admit that Mr. McCoy's estimate shows that the undistributed tax will only raise $6,000,000. That is what his estimate is and that is what the Senator will find, that under his amendment it will only raise $6,000,000.

Mr. JONES of New Mexico. Oh, Mr. President——

Mr. SMOOT. But it will increase the surtax up to $30,000,000, as I have said.

Mr. JONES of New Mexico. The Senator is very much in error.

Mr. SMOOT. I have Mr. McCoy's letter and his statement, and I will leave it to Mr. McCoy.

Mr. JONES of New Mexico. I have that, too, but the basis of his estimate is also furnished by Mr. McCoy. It is a very simple calculation. It makes no difference, so far as principle is concerned, what the people do under it. We have a right to assume that they will do the same thing. If the corporations are not willing to pay the additional tax of 5 per cent on what they retain, they will distribute it.

Mr. SMOOT. That is just what I said.

Mr. JONES of New Mexico. Unless they retain less than 30 per cent, but it is within the control of the board of directors as to how much they shall retain. So far as the revenue is concerned, it makes no difference what the board does about it.

Mr. SMOOT. It makes this difference, that if they make the 30 per cent they have to distribute it, or else they are penalized 5 per cent. They are not going to be penalized 5 per

cent upon 30 per cent of their capital. The actuary, Mr. McCoy, states that all we would receive would be $6,000,000.

Mr. BAYARD. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Delaware?

Mr. SMOOT. I yield.

Mr. BAYARD. The Senator said if beyond the 9 per cent and until they get up to 30 per cent the corporation distributes the tax is avoided; but do not the distributees pay the tax? In other words, is not the Government reimbursed in some way, directly or indirectly, in the tax? That is to say, the tax is not avoided, so far as the Government is concerned.

Mr. SMOOT. But the corporation has not any kind of reserve to finance its business or extend in any way, shape, or form.

Mr. BAYARD. But it keeps it all.

Mr. SMOOT. It can, but——

Mr. BAYARD. But it does not.

Mr. SMOOT. It is penalized 5 per cent up to 30 per cent, and if they go above that no one will stop them. As to the corporation referred to making 200 per cent, does anyone think they would pay the high brackets in those taxes? Never in the world.

Mr. NORRIS. Suppose we admit all that; what difference does it make? After all, the corporation is owned by the stockholders. If we distribute everything, the stockholder would pay the tax on his individual income, and that would be fair. There would not be anything unfair about that if all the dividends were distributed.

Mr. SMOOT. That is not the policy of the amendment.

Mr. NORRIS I know it is not the policy of the bill.

Mr. SMOOT. I mean the Jones amendment.

Mr. NORRIS. No; he gives them a choice.

Mr. SMOOT. Paragraph 3, on page 9, provides that the term "cash dividends" includes dividends paid in interest-bearing scrip. What does that mean? It means this and nothing more nor less than this, that they can issue interest-bearing scrip and they will pay interest upon that scrip. It becomes immediately an obligation against a corporation, and in every report they make they will have to hold that as an obligation just the same as if they had borrowed the money from a bank or owed it for goods purchased, or any other obligation. Suppose a crash should come, what good would it do toward paying the obligations of the corporation? It is held as a liability. It is issued as interest-bearing scrip. The stockholder receives it in place of a dividend and then when the year goes round the company which the stockholders own will have to pay the interest upon the interest-bearing scrip.

Mr. NORRIS. I presume that is put in for the purpose of giving a privilege to the corporation. Personally, I do not see why it should be there, but I presume it is put in there for the purpose of giving the corporation a privilege that the individual taxpayer does not have. I do not see why it should be there. It seems to me, though, the fact is it is there for the benefit of the corporation.

When the Senator from New Mexico was talking about his amendment he did not convince me that the provision ought to be in the amendment at all. It may be necessary, but thus far I have never been convinced. It seems to me we are giving to the corporation a privilege that the law does not pretend to give to the individual, and in levying an income tax we ought to tax everybody alike. If the corporation is making a great big income it ought to go up in the higher brackets like an individual.

I would like to have the Senator from Utah or the Senator from New Mexico discuss the Ford Corporation that was referred to with its big profit and the small amount of dividends, shown in the statistics to be just a few million dollars when, as the Senator said, the net profits were something over $120,000,000.

If the Senator's amendment were the law, I would like to have one of the Senators tell us how much tax would have been paid by Mr. Ford, for instance, or by Mr. Mellon, in the other corporations referred to.

Mr. JONES of New Mexico. If the Senator from Utah will permit me——

Mr. SMOOT. I yield.

Mr. JONES of New Mexico. I just want to refer to that scrip provision. That was put into the amendment because a number of corporations have been issuing scrip certificates in lieu of cash as a business policy, and I did not want to disturb that policy for those corporations, so that if they choose—and the Senator from Nebraska was quite right in designating it as a privilege—to issue interest-bearing scrip certificates instead of cash dividends, they are not charged the surtax because of the retention in the business of the cash represented by the interest-bearing certificate issued to their stockholders. In other words, it is a provision not to interfere with the business policy of some corporations. Those concerns under the present law would pay the surtax. The individual would pay the surtax, and the corporation, of course, has only the normal tax to pay under the present law. This would prevent what we might call double taxation.

Mr. KING. The scrip would be regarded as a cash dividend and the surtax paid upon it?

Mr. JONES of New Mexico. Yes. In regard to the Ford corporation, I figured on the basis of $110,000,000. We all know what the distribution would amount to. Under the present law or under the proposed change he would pay the 14 per cent on the $110,000,000, which would be about fifteen or sixteen million dollars. If it were distributed, his tax would be, at the higher surtax rate, $46,000,000 out of the $110,000,000. If we figure it out, we find it would make a difference of $35,000,000 in revenue to the Government.

Mr. SMOOT. I was referring to the amendment offered by the Senator from New Mexico, and so I will proceed now where I left off.

The purpose of the amendment is by penalty to compel the distribution of practically all of each year's profits, irrespective of what may be sound policy for the future. It was the universal experience of the banks during the 1920–21 period of industrial deflation that those companies which in good years had accumulated a reasonable surplus got through the depression without bankruptcy, but that the companies which had used the greater part of their earnings in the past in distribution to their stockholders failed.

Mr. GLASS. Mr. President, will the Senator from Utah indicate what he regards as a reasonable surplus for a corporation to retain?

Mr. SMOOT. Mr. President, all I can say is that in business generally throughout the United States the average distribution has been 53 per cent.

Mr. GLASS. Then the corporations retain 47 per cent?

Mr. SMOOT. Yes; on the average.

Mr. GLASS. That is, as against the 30 per cent which is here provided for?

Mr. SMOOT. I am speaking of the average; that is the average.

Mr. GLASS. It is not a sufficient difference to justify the Senator in saying that they will have to distribute practically all of their net earnings when they will be allowed to retain 30 per cent.

Mr. SMOOT. It is evident that under this proposal they are not going to retain 30 per cent, because if they do they will be penalized 5 per cent; there is not any doubt about that at all.

Mr. President, it is to be noticed that the amendment applies to each 12-month period. Industrial conditions have long swings of prosperity and depression covering several years. If the law does not permit the accumulation of fat in the shape of undistributed surplus in the prosperous years, corporations will not live through the lean years, and recurring periods of industrial depression, with the accompanying unemployment and distress, would be greatly accentuated. In order to reach the few who may save in taxes through corporation organizations the amendment proposes to penalize the many who personally or through savings banks are interested in corporate securities or who receive their employment through corporations.

The effect of this proposal upon two types of corporations would be especially disastrous. The corporation recently organized and planning future extension and growth, if the proposal were adopted, could face only bankruptcy and dissolution. The railroads of the country, if forced to distribute their entire earnings, would be incapable of expansion, and if thus throttled in their development would face failure for the future. The tax is a direct penalty upon energy and initiative, the very attributes which are responsible for the business development of this country.

It has been charged that the large corporations over a period of years accumulate enormous surpluses which, although they have paid the corporate tax, should be distributed and be again taxed in full in the hands of the individual stockholders. This assumes that all of the earnings of a corporation can be distributed and the effect of not taxing again the undistributed surplus permits the stockholder to obtain an additional untaxable profit on the increase in value of his stock. Upon this assumption the market price of stocks would reflect fully the increase from year to year of the surplus and we would have the market price of all representative stocks at least in excess of the book value of the stock. Such is not at all the case. A comparison of the book value and the

market price of the outstanding common stock of 24 representative corporations on December 31, 1922—the last date at which their annual reports were available for the ascertainment of book value—shows that the market price is only 78 per cent of the book value. This list includes all types of corporations. It is an excellent cross section of the American industrial situation. At this point I want to insert in the RECORD a table showing this comparison.

The PRESIDENT pro tempore. In the absence of objection, it will be so ordered.

The table is as follows:

Comparison of book value with the market price of the outstanding common stock of 24 representative corporations on December 31, 1922

Corporation	Total book value of the outstanding common stock	Number of shares outstanding	Market price of common stock per share	Total market value of outstanding shares	Per cent of market price to book value
Allied Chemical	$137,317,551	$2,177,843	$78½	$170,960,676	124.50
American Can	73,181,316	412,333	77	31,749,641	43.39
American Locomotive	48,398,635	290,000	127¾	37,057,500	66.07
American Sugar	53,201,132	450,000	79½	35,946,000	68.86
American Telephone & Telegraph	786,788,077	6,993,474	122¾	859,358,085	109.22
American Radiator	28,471,234	828,374	81½	67,512,481	237.13
American Tobacco	100,250,400	895,830	164	137,007,000	136.27
American Woolen	72,606,355	400,000	95	38,000,000	52.34
Anaconda Copper	221,284,784	3,000,000	49¾	149,640,000	67.62
Atchison, Topeka & Santa Fe R. R	457,436,669	2,270,525	102	231,593,550	50.63
Baldwin Locomotive	38,930,778	200,000	138¾	27,750,000	71.28
Bethlehem Steel	186,521,174	824,705	61¼	50,526,569	27.25
Corn Products	79,105,255	497,840	128	63,726,520	80.55
Erie R. R	172,578,843	1,124,819	11	12,373,009	7.17
General Electric	248,761,806	1,755,948	182½	320,460,510	128.80
General Motors	295,515,063	20,557,750	14¾	303,226,813	102.64
National Biscuit	58,438,608	2,046,520	38½	78,791,020	134.82
New York Central R. R	360,501,836	2,679,819	94½	253,242,886	68.54
Pennsylvania R. R	708,985,753	9,983,468	46½	464,231,262	58.10
Sinclair Oil	234,956,619	4,491,502	34½	154,970,274	65.96
Standard Oil of New Jersey	704,756,120	10,943,485	40	707,730,400	113.19
Studebaker	85,237,190	750,000	116½	87,187,500	102.29
United States Rubber	113,097,822	810,000	55¼	45,262,800	40.02
United States Steel	1,148,340,829	5,083,025	107½	545,154,481	47.47
Total	6,321,592,785	88,427,710	56.00	4,959,604,997	78.45

Mr. SMOOT. Under the proposal the undistributed profits tax would apply to Treasury certificates of indebtedness, Treasury notes, Treasury (war) savings certificates, the Liberty bond issue—except the first Liberty loan 3½ per cent bonds and Victory Liberty loan 3¾ per cent convertible notes—and Victory Liberty loan 4¼ per cent convertible notes. All of these securities were issued under a statute which provides that such bonds and certificates should be exempt from all taxation "except (a) estate or inheritance taxes and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes." The tax here under discussion is clearly an undistributed-profits tax and is not such a tax as is excepted from the exemption granted by the act authorizing the issuance of these securities. If this tax, by being denominated a "surtax," which it is not, is made to apply to the income from these securities, it is a direct breach of faith by the Government with its bondholders.

Mr. GLASS. Mr. President——

Mr. SMOOT. I yield.

Mr. GLASS. I confess myself a little amazed at the tenor of the Senator's argument, which I assume was suggested by the Treasury itself.

Mr. SMOOT. Yes.

Mr. GLASS. The Treasury has proposed to do that very thing, to adopt some scheme to tax tax-exempt securities.

Mr. SMOOT. In that case the proposal was to limit deductions, while this is a direct tax.

Mr. GLASS. I am not talking about that particular provision of the bill imposing a limitation upon deductions.

Mr. SMOOT. That is the only such thing that I know of.

Mr. GLASS. The Treasury has in the broadest terms proposed a constitutional amendment——

Mr. SMOOT. Oh, certainly.

Mr. GLASS. To prohibit the issuance hereafter of any tax-exempt securities, either State or National; and I have understood that the junior Senator from Pennsylvania [Mr. REED] has a measure in readiness that will practically do the very thing which the Senator and the Treasury now are deploring.

Mr. SMOOT. The Finance Committee did not accept the suggestion. This is the first proposal to interfere with the provisions of the Liberty loan acts. The Treasury Department never recommended that securities already issued should be taxed, even under a constitutional amendment, but they recommended that issues hereafter should be taxed.

Mr. NORRIS. Mr. President, of course, the Treasury Department does not want to tax them if held by corporations, but if held by individuals they should be taxed.

Mr. SMOOT. No; that is not correct.

Mr. NORRIS. If I put a proposition to the Senator, suppose he incorporates himself, which he has a right to do, as "Reed Smoot, Incorporated," and that incorporation should buy $200,000 of Liberty bonds of any issue except the first—because that is completely exempt from taxation—and I as an individual buy $200,000 of Liberty bonds, I pay taxes on the income that I get from the bonds, but the Senator from Utah, if he had his way, would not pay any taxes.

Mr. SMOOT. That is, if the bonds belong to a corporation.

Mr. NORRIS. Of course, if they belong to a corporation.

Mr. SMOOT. But that question is not involved here.

Mr. NORRIS. Perhaps it is not involved, but that is what would result.

Mr. SMOOT. That is exactly what happened when Congress passed a law providing for those bonds and exempting them from all taxation with the exception of the normal tax.

Mr. NORRIS. But the Congress did not say that they should be partially exempt in the hands of an individual, but if held by a corporation they should be entirely exempt. That is not in the law. I do not understand that the amendment of the Senator from New Mexico or any other amendment along the same line proposes to do anything that conflicts with any of the Liberty loan acts. If a corporation held a Liberty bond, it would be exempt on the income as to the normal tax and would only be charged as to the surtax, which the law specifically says is allowable.

Mr. SMOOT. The statute provides that such bonds and securities shall be exempt from all taxation except—

(a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits taxes and war-profits taxes.

Mr. NORRIS. Yes.

Mr. SMOOT. If the amendment of the Senator from New Mexico should be agreed to, it would virtually be breaking faith with the purchaser of the bonds.

Mr. NORRIS. The law says the bonds referred to shall be exempt from taxes except as to surtaxes. What is proposed in the amendment is a surtax, and they are not exempt according to the law under which the bonds were issued.

Mr. SMOOT. The amendment of the Senator from New Mexico applies to undistributed earnings, no matter from what source they come.

Mr. REED of Missouri. But undistributed earnings are earnings, and they can be made liable to a tax. Unquestionably we could tax them when they are earned, whether they are distributed or not, if we wanted to do it.

Mr. SMOOT. The Senator argued the other day against it. The Senator spoke here against the proposition of limiting deductions, and said it was a violation of faith.

Mr. REED of Missouri. I am not talking about that; I am talking about undistributed earnings; and I was going to ask the Senator, as he reported the bill, if it was proper not to allow deductions——

Mr. SMOOT. A limitation on deductions.

Mr. REED of Missouri. Very well, a limitation on deductions.

Mr. SMOOT. That is all that amendment provided for.

Mr. REED of Missouri. Why is not this amendment at least as virtuous as that? Why is not exactly the same principle involved? It seems to me that the worst that can be said is that they fall in the same class, although I am not certain.

Mr. SMOOT. No; one is designed to stop evasion, and this is a direct tax, an absolute direct tax upon Government bonds.

Mr. REED of Missouri. Whether the Senator says it is to stop evasion or not, the fact it was proposed did not give the allowance in the other case. I am not sure that this is parallel, but I am sure that at least it is as virtuous as the other, and that it is as little of an invasion as the other would have been. If I find after studying it that it is an invasion, I am going to stand where I did before; but the Senator reported the bill with the proposition in it that allowance should not be made for the income from bonds under certain circumstances, and if he objected to deductions being made in that case, I do not see how he can now be heard to make the argument that this is an invasion of the contract we made with the bondholders.

Mr. SMOOT. One is a direct tax and the other was a limitation on deductions, I will say to the Senator, and there is a difference.

Mr. REED of Missouri. No; they are both of them, in a sense, indirect taxes. It is a tax that can be avoided by distributing your earnings.

While I am on my feet, will the Senator permit me to ask him one further question?

The Senator has constantly referred to the necessity of building up corporations so that they can be strong and can withstand the bad years that come along with the good ones. Let us grant that that is sound; but when you allow them to retain 30 per cent under this plan, in three and one-third years of time they can amass a reserve equal to 100 per cent.

Mr. GLASS. Which will be free from taxation.

Mr. REED of Missouri. And it will be free from taxation.

Mr. GLASS. Except the normal tax.

Mr. REED of Missouri. Except the ordinary taxes; and then you can continue that on for six years, and you can have 200 per cent. It seems to me that is a factor of safety that ought to be large enough to satisfy almost anybody. I wish our farmers and our folks of that kind could be fixed up so that they did not have to pay any taxes until they accumulated 30 per cent each year and laid it aside.

Mr. SMOOT. If their gains were just the same every year, if they would pay the penalty, perhaps it would result just as the Senator says. In the first place, however, they will not pay the penalty; and in the next place corporations, particularly small corporations, have one successful year and then perhaps two that are not successful, so that they would not have the money to put aside.

Mr. REED of Missouri. Oh, well, that might happen——

Mr. SMOOT. I know that to be the case. There is not any question at all about it.

Mr. REED of Missouri. But they can lay aside 30 per cent this year, and they have it to draw on next year. A corporation that is going to lose more than 30 per cent for three years in succession, and wipe out its capital, is in a pretty bad way; and if it is going to lay aside more than 30 per cent in any year it means that it must be making unconscionable profits during that year.

Mr. SMOOT. Mr. President, that may happen in one year out of ten, and it may never happen again.

Mr. REED of Missouri. Of course, we can all get imaginary cases; but taking the matter by and large, when you say to a corporation, "You can lay aside 30 per cent a year without being penalized at all under this statute"—when you allow them to do that and to keep it tax free, whereas the ordinary individual must pay the minute he earns, it seems to me you have given the corporation enough advantage. If I make money this year, I have to pay upon the whole of it. If the Senator makes money this year, he has to pay upon the whole of it.

Mr. SMOOT. And next year——

Mr. REED of Missouri. Next year he may lose money, and he does not pay.

Mr. SMOOT. And the Government does not pay me back what I lose.

Mr. REED of Missouri. It does not pay the Senator back.

Mr. SMOOT. No.

Mr. REED of Missouri. Now, then, why should an artificial being, a creature of the law, have an advantage that the ordinary individual does not have?

To take the illustration of the Senator from Nebraska—and not to be personal at all, as it was not meant to be personal—REED SMOOT the citizen must pay on whatever he makes. If he has a fortunate year and makes $100,000, he must pay on all of it, and pay his surtaxes. REED SMOOT (Inc.) under this law would have the right to lay aside 30 per cent and pay no surtaxes upon it. It is true that REED SMOOT (Inc.) may lose money next year, and he then can draw upon his 30 per cent, or he may not lose money, and he may keep on for two or three years and may have doubled his capital and escaped any surtaxes, whereas REED SMOOT the individual does not have those advantages. Now, when we give the corporation that 30 per cent advantage over the individual, is not that quite as much advantage as we ought to be asked to give it?

Mr. SMOOT. This is the trouble: REED SMOOT the individual would pay the tax, as the Senator says. REED SMOOT (Inc.), as the Senator says, would not only be compelled to pay the corporation tax, but just as soon as REED SMOOT the individual got the money, which he would have to have, he would pay the tax again upon the amount of dividends distributed by REED SMOOT (Inc.).

Mr. WADSWORTH. To himself.

Mr. SMOOT. To himself.

Mr. GERRY. That is the normal tax, though.

Mr. SMOOT. No; not only the normal tax, but all taxes, the normal tax and the surtax as well, after paying the corporation tax.

Mr. NORRIS. If REED SMOOT (Inc.), distributed the tax, then REED SMOOT (Inc.), would not pay any surtax. It would be REED SMOOT the individual that would pay the surtax. There would not be double taxation. It would be paid only once.

Mr. SMOOT. If I distributed it to myself it would, and that is the case to which the Senator was pointing.

Mr. NORRIS. All right. If the distribution takes place the individual pays a tax on it under the law, no matter what it is. If the corporation does not distribute it, it does not pay anything except a normal tax.

Mr. SMOOT. The best financial thought that I know of—it was the case with the last administration; I do not know whether any revenue act was passed during the administration of the Senator from Virginia [Mr. GLASS] as Secretary of the Treasury or not—but in the bill of 1917, the bill of 1918, and the bill of 1921, the difference between the normal tax to the individual and the normal tax to the corporation was considered by every Secretary of the Treasury to be 4½ per cent. The corporations of this country have $85,000,000,000 of capital stock, and they have all agreed that the difference would be 4½ per cent. In every bill that we have had up to the present time that has been the difference.

Mr. NORRIS. And the loophole has been there all the time.

Mr. SMOOT. Yes.

Mr. NORRIS. And a four-horse team can be driven right through it, and we want to close it up

Mr. SMOOT. And the loophole is closed in this bill. They can not evade taxes unless they are penalized for it.

Mr. WADSWORTH. Mr. President, will the Senator yield?

Mr. SMOOT. Yes; I yield.

Mr. WADSWORTH. May I be permitted to interject an observation? I may not have this thing right, but I am going to take a chance at it.

It seems to me there must be some confusion in likening an individual and a corporation in this manner. An individual, it is true, is taxed upon his entire income, but he does not have to spend that income. He may put a portion of it in the savings bank and hold it there to meet a rainy day in the future, or for future investment in the enlargement of his individual business; but when you assess a penalty against the savings account of a corporation you compel the corporation to spend its money, to get rid of it in the form of dividends, and it gets no return from that. It seems to me that it would be just as sound to tax savings accounts as it would to tax a surplus.

Mr. GLASS. Mr. President, right there we get at a proposition that I originally raised. I should like to know how many corporations there are in this country which pass as much as 30 per cent to surplus account every year. We allow the corporation to save as much as 30 per cent of its net earnings without subjecting it to any penalty whatsoever.

Mr. WADSWORTH. I do not see why there should be any penalty at all, no matter what amount is passed to surplus.

Mr. GLASS. The penalty applies in order to keep the corporation from preserving a surplus to escape taxation, and for no other reason in the world.

Mr. WADSWORTH. But, Mr. President, that surplus eventually becomes taxable property.

Mr. GLASS. It becomes taxable property as soon as it is distributed, and the individual pays on it.

Mr. WADSWORTH. It may be reinvested in the enlargement of the plant.

Mr. GLASS. That is what I want to know—how much of it, as an average proposition, is reinvested for extension purposes.

Mr. WADSWORTH. I do not suppose anyone here can tell.

Mr. GLASS. More than 30 per cent? If so, why does not somebody tell us so?

Mr. SMOOT. I have stated the average, and I can not say anything more than that, because I do not know.

Mr. GLASS. That is a conjecture.

Mr. SMOOT. No; Mr. President——

Mr. McLEAN. Mr. President, will the Senator yield to me?

Mr. SMOOT. Just a moment.

Mr. REED of Pennsylvania. We can answer that. The Bureau of Economic Research shows 53 per cent.

Mr. SMOOT. I have made that statement.

Mr. GLASS. And I have said, in response to that, that that means a difference of 17 per cent, and yet we are told that that difference of 17 per cent is to wreck the business of the country.

Mr. SMOOT. Does the Senator from Virginia think they are going to be penalized that 17 per cent and hold that money?

Mr. GLASS. I think a 30 per cent reservation by the average corporation is a very reasonable amount to be permitted to carry to reserve account. That is what I think.

Mr. SMOOT. The trouble is that they will not hold the 30 per cent.

Mr. GLASS. And I think that over and above that 30 per cent it is a reasonable requirement that they distribute their net earnings to the individual stockholders who thereupon pay a tax upon them.

Mr. SMOOT. I do not know how to make myself better understood than I have been trying to do in the past and seem to have been unable to do, but they will not keep the 30 per cent if they are penalized the 5 per cent.

Mr. JONES of New Mexico. Mr. President——

Mr. SMOOT. They are penalized 5 per cent if they keep it, and if they do not keep it they escape that penalty.

Mr. JONES of New Mexico. Mr. President——

Mr. SMOOT. I will yield to the Senator from New Mexico in just a minute. I yield now to the Senator from Connecticut, who has been on his feet for some time.

Mr. JONES of New Mexico. Very well.

Mr. McLEAN. Mr. President, the suggestion of the Senator from Virginia and the Senator from Nebraska is worthy of consideration. The question is, Why should a corporation receive any different consideration from an individual? The Senator from New York [Mr. WADSWORTH], as it seems to me has just brought to the attention of the Senate the policy which is involved, and it is a very important policy.

We all know—we do not need to go into statistics to realize—that a great many of our large industrial corporations in this country, the producers of the necessaries of life, started in a small way, and a great many banks and all other institutions that are of any benefit to the public start in a small way, and for the first few years it is good judgment and sometimes necessary, if they intend to grow and amount to anything, to plow in or retain their surplus. It is legitimate and proper.

Take, for instance, the Ford concern, which has been mentioned here as one which has made immense amounts of money. A few years ago Mr. Ford employed 1,000 men. To-day he employs 100,000, if my information is correct, and pays as high wages as anybody in this country. I do not conceive that his industry is an injury to the American people. In the end, it all means an increase in our industries, the owners of which in turn must pay their taxes. Now, if Mr. Ford had been compelled to pay a surtax of 40 per cent upon his large profits, I fancy the Ford machines would cost more than they do to-day.

We had a discussion here the other day over the radio, and the Senate voted against putting a 10 per cent tax on radio apparatus because it was said to be necessary to have it in every home in the country. That is a monopoly. It was conceded that it was a monopoly, and very likely it is making very large profits; but the Senate would not put a tax of 10 per cent on the manufacturer of that product because it was a necessity, and they wanted the American people to have it; and other things of great benefit may come along in the future. We hope so.

Mr. GLASS. Mr. President, does the Senator think we should take an exclusive case as guidance for a legislative body in dealing with the general business of the country?

Mr. McLEAN. That case was used here. I would not take it, but I would call attention to the instance cited by the Senator from Colorado [Mr. ADAMS]. A bank starts with $10,000 capital. If it is permitted to conserve its profits, in a few years it may have $20,000 or $30,000 surplus.

Mr. GLASS. Yes; and a bank which from year to year passes as much as 30 per cent of its net earnings to its surplus account will eventually become a very strong institution, and very quickly become a strong institution.

Mr. McLEAN. There is no harm in retaining more than 30 per cent.

Mr. GLASS. That the bill allows without any surtax.

Mr. McLEAN. Oh, well, there is a tax of 5 per cent.

Mr. SMOOT. There is 5 per cent penalty.

Mr. McLEAN. There is 5 per cent penalty?

Mr. SMOOT. Yes; but they will not allow it. They are not going to pay the penalty.

Mr. KING. Mr. President, I would like to ask the Senator from Utah and the Senator from Connecticut why they keep insisting that that is a penalty, because with the 5 per cent plus the 9 per cent normal provided by the revenue law it is only 14 per cent, and that is the aggregate normal tax proposed by the committee?

Mr. REED of Missouri. Is it not perfectly plain that this is the point of difference, that Senators think that in order for this country to prosper, for business to go on, and for the world to move it is necessary that we should be very careful to conserve corporations and give them some advantage over individuals?

Mr. GLASS. In other words, they will not have any sense at all; they will not take any precautions whatsoever, because their aggregate tax, under the amendment proposed by the Senator from New Mexico, will be equal to the single flat tax proposed by the Senator from Utah.

Mr. McLEAN. Mr. President, if the Senator will pardon me, the purpose of this bill is to reduce taxes, rather than raise them, if possible.

Mr. McKELLAR. The bill does not do that.

Mr. McLEAN. It would do that.

Mr. McKELLAR. No; it increases the tax on corporations by $19,000,000, confessedly.

Mr. GLASS. It is increased from 12½ to 14 per cent.

Mr. McLEAN. There is a good reason for that change.

Mr. McKELLAR. But it raises the tax.

Mr. McLEAN. It saves the corporation in clerical hire probably about as much as the additional tax amounts to. The corporations were very much opposed to having to make the duplicate returns—the capital-stock tax and the income tax. It seems to me that the pending question is a question of policy for the Senate to decide.

It would be a reversal of the policy which this country has followed up to date, and we are attempting to raise the tax on the great producing industries of the country, whereas we will hit the new and smaller corporations which will start up and desire to grow and add to their activities. So in time we shall have larger incomes for the towns and States and the Federal Government to tax. It seems to me it would be discouraging and unwise to add a surtax to corporate incomes, when in the long run the benefit of the increase must be felt by the Federal Treasury.

Mr. GLASS. But the surtax does not hit the small corporations.

Mr. McLEAN. If the corporation has a capital of a thousand dollars it hits it, if they make more than 30 per cent.

Mr. GLASS. If they save more than 30 per cent; but, as a matter of practice, they do not save more than 30 per cent. The flat rate hits the small corporation.

Mr. McLEAN. Take the matter of patents. It may nullify the value of the patent right to a great extent. We all know that profits expected from patents are unusual, and that is why we give the protection, because men are constantly endeavoring to discover new ways and means to economize production. Yet the profits are very large for a few years.

Mr. REED of Missouri. Would not that be true of an individual? Suppose an individual patented an article——

Mr. McLEAN. But he may not have the capital, he may have to go out and get the capital. The individual has made the invention, but he may not have a dollar, and he has to go out and get men to put up capital to manufacture his patented article.

Mr. REED of Missouri. That might be true; but the Senator thinks they ought to have enormous profits out of it?

Mr. McLEAN. Unusual profits for a few years, in order that people may have the benefit of inventions. You want to put a surtax upon the income of the corporation which is a new corporation, and as a result it will not be able to expand as it would if you let it alone. It seems to me that the flat 12½ per cent tax is sufficient. When the profits are distributed to the individual, he has to pay a surtax under the law.

Mr. SMOOT. Now, I will hasten on. This proposed undistributed profits tax shows in its details that it is neither carefully nor scientifically worked out. For example, a corporation with a net income of $100,000, which retains in the business only $10,000, would pay no undistributed profits tax, but if it retains in the business $10,001 the undistributed profits tax is $25. Likewise, a corporation with a net income of $2,000,000, which retains in its business $1,180,000, would pay an undistributed profits tax of $448,400, while if it retained in its business $1,180,001 its tax would be approximately $472,000. In the latter case, a difference of $1 in the amount of earnings and profits retained by the corporation would make a difference

of $23,600 in the amount of tax to be paid by the corporation. Furthermore, the proposal, although levying an undistributed profits tax as high as the surtaxes proposed by the same parties, makes no provision for a refund if these earnings or profits are subsequently distributed to the shareholder and the tax paid thereon. A small stockholder whose share of the corporate earnings may have been subjected to a 30 or 40 per cent undistributed profits tax may, nevertheless, be forced to pay upon the distribution of what remains of his share of the earnings a further tax of 4 or 5 per cent.

In conclusion, the proposal would be stifling to business development, would discriminate in favor of the wealthy taxpayer and against the taxpayer of moderate means, and in addition would be most arbitrary and inequitable in its application. The proposal is indefensible. Under the proposal the undistributed profits tax would apply to Treasury certificates of indebtedness, as I have already said.

I sincerely hope that we are not going to enter upon this sea of unknown results, and never know where we are going or where we will end. It seems to me that if this is introduced into our revenue laws we will have another era of employing men to assist in making out tax returns and more trouble for the taxpayer.

Mr. REED of Pennsylvania. Mr. President, I am not going to take over five minutes in what I have to say about this, but I can not resist the impulse to say it.

It seems to me that the fundamental vice in this proposition is the same difficulty that underlies the present system of taxation of individuals. We talk a lot here in the Senate about taxing wealth, just as we have been talking here to-day about taxing wealthy corporations. Maybe we fool ourselves into thinking that is what we are doing, but I for one want to say to the country that that is sheer hypocrisy. We are not taxing wealthy individuals, and this will not tax wealthy corporations. But both your individual taxation and your corporate taxation, if you adopt this plan, will tax the young, the vigilant, the industrious individual, and the corporation that is growing. In other words, you tax the creators of wealth and not the possessors of wealth.

Just as to-day your wealthy man sits back, as Rockefeller did, with his tax frees, his deductions, his registering off of losses, and his depreciation allowance, while we, pretending to tax the rich, are actually taxing the creators of wealth, who have not got it, who are in the process of making it, so here, by your corporation tax, you are not going to reach the big fellows, you are not going to touch the Henry Fords and the steel corporations, those that have arrived, but all over this broad land you are going to tax the young men starting in business and starting to build up, and the result of it is going to be that you are going to create among corporations what you have already created among individuals—that is, a monopoly of wealth.

You talk about trying to help the little man. What you are doing is making it impossible for him to get into the big man's class, and now you are proposing to do that with corporations. You are making an aristocracy of wealth. You have done it already with your surtaxes. The rich families are not being cut down, but nobody else can ever become the founder of a rich family with the system of taxation you have in the United States.

So now you are trying to do it with corporations. The little man who is starting business, and is in the place Andrew Carnegie was in back in 1860, could not ever rise to the success Carnegie attained by 1900 with such a system of taxation as you are now proposing; he could not possibly rise, because Carnegie denied himself and he denied his stockholders in order that the business might be built up and be to the greater glory of the United States. It created property, it created wealth, but you are putting a penalty on that.

I have one suggestion, in conclusion: Either your tax plan is going to have the effect of forcing corporations to distribute practically all of their earnings, or it is not. If it does—and I think it will force them to distribute—growth can not go on, and you are going to find that your great public utilities, like the railroads, will not be able to put back into the improvement of their properties their accumulated earnings, because you penalize them. Consequently, if they want to improve, if the railroad wants to add another track, or improve its facilities, or put in a new station at this town or that, things that in sound business are always done by reinvesting earnings, what they will do will be to issue new securities. Of course they will. It is the only way they can do it without paying a big tax, and you who decry overcapitalization are forcing overcapitalization by this very proposal you are offering.

Let me give an illustration. For decades past the Pennsylvania Railroad has maintained a policy of giving half its earnings to its stockholders, and putting the other half back into the property. The stockholders never got the half which went into the property. The people who used railroads were the only people who benefited by it. They built new stations, they added extra tracks, and they increased their facilities, not to the benefit of the stockholders, except remotely, but very much to the benefit of the community.

For decades they followed that policy, and 50 per cent of their earnings year after year went into the improvement of the railroad. Overcapitalization was kept down, because they did not issue new stocks or bonds to get that money; they did not have to. What you are doing is making them distribute practically all and raise that new money by floating new stock and new bonds. You are driving them to overcapitalize themselves. That is one alternative. Or else they will not distribute their earnings. I think they will; but if they do not, then you clap on the surtax, and what do you reach? You do it to the Steel Corporation, the biggest corporation we have, I suppose, in America to-day. You are not taxing some great big entity that has no susceptibility, some big corporation that can be soaked without paying, but human beings.

What you are doing is putting a surtax of 40 per cent on hundreds and thousands of small stockholders who perhaps have a couple of shares of that stock to represent all they have been able to accumulate from years of labor. You are putting a 40 per cent surtax on the little fellow. Do you catch my point, my friends, because it is true. You are not hurting the rich man as you are hurting the poor man, because on his one share of stock or his two shares or his five shares you are putting a 40 per cent surtax. It will not take many years for them to appreciate what you have done to them if you do this.

Mr. BROOKHART obtained the floor.

Mr. SMITH. Will the Senator from Iowa allow me to ask the Senator from Pennsylvania a question about the railroad proposition?

Mr. BROOKHART. Certainly.

Mr. SMITH. The Senator said the system put its earnings into extensions and betterments and enlarged its plant. Of course they did not give the public any cheaper service. They may have served more, but they did not have to borrow the money. They charged the public identically the same for the service rendered as if they had gone into the market and borrowed the money.

Mr. REED of Pennsylvania. On the contrary, the rate per ton-mile of freight carried went down every year for 40 successive years.

Mr. SMITH. That may have been on account of general conditions. It did not go down on that particular road except as it went down in the same percentage that it went down on other railroads.

Mr. REED of Pennsylvania. It went down, and what is more, that was the accepted policy of practically all the roads of the United States. Does not the Senator remember how Mr. Harriman was condemned when he recapitalized the earnings of the Chicago & Northern? People talked about sending him to jail because he did in that case just what the Senator would force everybody to do here. All the well-managed roads generally did not do that. They kept putting their earnings back in the roads.

Mr. SMITH. The Senator has called attention to the fact that we have made it unlawful for them to capitalize a certain part of their earnings.

Mr. EDGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from New Jersey?

Mr. BROOKHART. I yield to the Senator.

Mr. EDGE. I wish to make an observation in connection with the remarks of the Senator from Pennsylvania. Are we not going to do even more than the two or three very well-developed points the Senator made? Are we not going to discourage a fundamental policy in the country, a recognized policy which has been applied in the development of all corporations—the necessity of first accumulating a surplus before any efforts or thoughts of declaring dividends were exhibited? In other words, the fundamental principle, as I recognize a successful business in this country, has been after organizing or incorporating a business and placing it upon a profitable basis, before the stockholders expected to participate in the benefits or profits of the business, to recognize the necessity of securing a real surplus, and in the passage of any legislation which means in effect that the surplus is being penalized by high surtaxes the whole fundamental principle of putting business upon a sound basis will be shaken. Is not that true?

Mr. REED of Pennsylvania. I think it is.

Mr. BROOKHART. Mr. President, some of the propositions just made are fundamental to the economic situation in our whole country. So far as I am concerned, I have seen enough of the development of Henry Ford and Rockefeller and Gary and all of that crowd. I am ready to enter upon an economic system that will prevent the development of such things in the future. If the tax system outlined here by the Senator from Pennsylvania will accomplish that purpose, it ought to be voted for by every Senator representing the people of the United States.

Yes; we want a surplus for corporations, but I want a surplus for individuals. I think the farmer and the laboring man and the common man are just as much entitled to a surplus and to have their affairs upon a sound basis as anybody else. The amendment proposes to give the corporation an extra advantage over the individual, and that is conceded. I think the corporation, if it is going to be an individual in the law, ought to be brought to exactly the same basis as the individual. Why should we outline and provide in the law privileges that would prevent a corporation from accumulating surpluses that are denied to individual citizens?

I have a bulletin issued recently by the Secretary of Commerce. That bulletin showed that from 1912 to 1922 all the work of all the people in all the United States added to all the earnings of all the capital in all the United States, added to all the unearned increment or increase in property values in all the United States, has increased the national wealth only 5 per cent a year. That 5 per cent is measured in money or in dollars that cheapened in the same 10 years. The dollar value is not as great as it was 10 years ago. It is probable that 3 per cent or 3½ per cent would measure the actual wealth increase as the result of all the brains and all the muscle and all the capital and everything else in the United States, and yet we hear defenses of the profits of hundreds and thousands of per cent by Henry Ford and by the other great corporations in the country.

Mr. McLEAN. Mr. President——

Mr. BROOKHART. I say to you they are not justified and the system of taxation that neglects that theory is wrong. I yield to the Senator from Connecticut.

Mr. McLEAN. If I understand the Senator from Iowa correctly, he thinks that an annual increase of 5 per cent in the value of capital is a small increase. Do I understand him correctly?

Mr. BROOKHART. It is a 5 per cent increase. That is all it is.

Mr. McLEAN. Does the Senator bear in mind that we consume every year a very large percentage of that capital and of the product of that capital? Suppose the Senator owned a corner store in Washington. He is doing business and making a good thing out of it. He spends his profits, but his store increases in value 5 per cent a year; that is, it doubles in value every 20 years. Would he not be satisfied with that?

Mr. BROOKHART. But his store and his profits, if he saves them, altogether only amount to 5 per cent a year.

Mr. McLEAN. Oh, no; the Senator does not know how much he has been spending. He may spend more than he force everybody to do here. All the well-managed roads genearns.

Mr. BROOKHART. If he spends it, somebody else makes a profit out of it and it is added in the property total in the end. The whole total is $186,000,000,000 for 1912 and it is $320,000,000,000 for 1922. Figure it out yourself. It is only a slight fraction over 5 per cent per year.

Mr. McLEAN. The Senator does not take into consideration the value of the wealth consumed. If the Senator is a farmer——

Mr. BROOKHART. What do we consume in this country?

Mr. McLEAN. If the Senator will wait until I finish my sentence I will not interrupt again. The Senator is a farmer and makes a good living on his farm——

Mr. BROOKHART. No; he does not. I have not done that for four years.

Mr. McLEAN. We will assume he puts four or five thousand dollars in the bank.

Mr. BROOKHART. I just lost $5,000 in a bank that failed.

Mr. McLEAN. We will assume he spends it. He has the right to do that. At the end of 20 years he finds his farm has doubled in value. I think he ought to be satisfied with that situation.

Mr. BROOKHART. In the last four years his farm has decreased 50 per cent in value.

Mr. McLEAN. But the Senator's statement was that the wealth of the country had increased 5 per cent each year.

Mr. BROOKHART. That is true, but who got the increase? That is what I am complaining about. Henry Ford got it. The Steel Trust got it. The Sugar Trust got it. The Tobacco Trust got it. The farmers did not get it. Labor did not get it.

Mr. SIMMONS. The men who do not want to pay the taxes got it.

Mr. BROOKHART. The men who are trying to avoid surtaxes got it.

Mr. FESS. Mr. President——

Mr. BROOKHART. I yield to the Senator from Ohio.

Mr. FESS. The Senator just expressed his displeasure with the system that permits Henry Ford to make such large profit.

Mr. BROOKHART. Yes, I did.

Mr. FESS. This method of taxation would prevent it.

Mr. BROOKHART. It will help a little, but not much.

Mr. WADSWORTH. May I ask the Senator how it would help?

Mr. FESS. I think the Senate ought to be grateful to the Senator from Iowa for being so frank. It is the purpose of the amendment to prevent the accumulation of reserves so as to insure growth of business.

Mr. BROOKHART. I do not want any more growth of business on that kind of profits.

Mr. FESS. How would the Senator discriminate?

Mr. BROOKHART. I belong to that economic theory that never makes a millionaire and never makes a pauper.

Mr. McLEAN. The Senator surely wants somebody employed besides the farmers. Ford employs 100,000 men, as I understand it, and pays high wages. That is not any injury to the farmer. These men eat bread and drink milk. The crying need of the farmer now is a market.

Mr. BROOKHART. And Ford has never paid more wages than the men earned. There is not a man working for Ford who has received any more wages than he has earned or than he should have received at any time, and probably not as much as he should have received.

Mr. REED of Pennsylvania. Does the Senator think the growth of the Ford business has been an advantage to the Nation?

Mr. BROOKHART. No; I do not think the growth of anything that takes the sweat and work of other people, takes it away from one man and accumulates it for another in that way, is good for the country.

Mr. EDGE. Does not the Senator think the development of the Ford business has probably reduced the price of motors to hundreds of thousands of people away beyond any point that they could have been reduced to by any other method of organization?

Mr. BROOKHART. The motors are all so high priced that I have never been able to own one; so I can not answer the Senator's question.

Mr. EDGE. Does the Senator think a manufacturing industry employing 100 hands could develop a popular article in general use at a price as low as a factory employing 5,000 hands?

Mr. BROOKHART. Probably not; but they would do it at a lower cost. Ford does not sell his stuff at a low price. He never did. He has always sold it at too high a price. He has always taken profits that he was not entitled to. He has always taken a share that is greater than is possible for the people of the country to produce. There is not one of them in the whole list that has not done the same thing.

Mr. McLEAN. If Ford had been compelled to pay a surtax of 40 per cent, could he have sold his machines at less money?

Mr. BROOKHART. He could, and still have made millions that he is not entitled to make.

Mr. REED of Pennsylvania. Will the Senator from Iowa join with me in perfecting an amendment that will prevent Ford from escaping taxation on his millions after he makes them?

Mr. BROOKHART. I certainly would want to consider the Senator's amendment from all standpoints. I am afraid it might hit Ford, but it might help Mellon.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Iowa yield to the Senator from Arkansas?

Mr. BROOKHART. I yield.

Mr. CARAWAY. If the proposal of the Jones amendment does not touch rich people, why do they howl?

Mr. REED of Pennsylvania. May I answer the Senator's question?

Mr. CARAWAY. I know the Senator from Pennsylvania can answer it, but I would like to have the Senator from Iowa answer it.

Mr. BROOKHART. They howl because it does touch them.

Mr. CARAWAY. No. According to the Senator from Pennsylvania they are only taxing the poor folks, and the rich men are doing the howling. I would like to know why they do. Is it from sympathy that they have for the poor that they are now complaining about the system of taxation, which they would like to have relieve them entirely and put it all on the poor folks?

Mr. BROOKHART. I am afraid I am unable to fathom some of that without violating some of the rules of the Senate.

Mr. CARAWAY. I think the Senator could come as near as anybody else in doing it.

Mr. REED of Pennsylvania. If the Senator thinks only the rich people howl about the taxes, the Senator's correspondence has been very different from mine. I do not know of any rich men who are worrying their heads about this.

Mr. NORRIS. That is because they do not pay it.

Mr. REED of Pennsylvania. That is exactly what I said.

Mr. McKELLAR. They escape it.

Mr. REED of Pennsylvania. And the reason why they escape it is that the Senate year after year votes to preserve for them the privilege of escaping.

Mr. McKELLAR. I think we will fix it a little better this time.

Mr. BROOKHART. That argument sounds like this: That as soon as we put the surtax on the rich man he becomes a criminal and dodges his tax and avoids it some way or other.

Mr. REED of Pennsylvania. No; he is not a criminal. He merely invests in tax-free bonds that you are not putting a hand on.

Mr. BROOKHART. The tax-free bond is one of the most ridiculous propositions ever presented by anybody. Here is about $12,000,000,000, the whole sum total of tax-free bonds, and yet he insists we can go out and tax two or three hundred billions of dollars of property that is not tax free by shifting $12,000,000,000 of tax-free bonds. The total property value of the United States was $320,000,000,000. I just quoted that from Mr. Hoover's figures issued during the last month. That is on the basis of a dollar that probably ought not to be worth that much compared to 10 years before.

Mr. President, I myself have proposed an excess-profits tax amendment. I have been trying to figure out whether the amendment of the Senator from New Mexico [Mr. JONES], if adopted, would accomplish the same purpose. I think probably it would. I am going to vote for his amendment in the first instance, and if it shall be defeated I shall then try to have my amendment adopted.

I think the most just of all taxes is the excess-profits tax. Excess profits are themselves a tax upon the people. They are a tax levied not by the Government but by private institutions; and in the United States they are levied mainly by the power and authority of monopoly.

We have just touched upon these trade associations that have been organized in the United States. Evidence of the highest character has been produced before us by the Federal Trade Commission itself. Nearly everyone of those institutions is a criminal institution, and its purpose is to increase its profits. I want to tax those profits. This amendment, if agreed to, will do it in a very effectual way. For that reason I am for it.

Mr. JOHNSON of Minnesota. Mr. President, I agree with what the Senator from Iowa has said. I can not see why big corporations object to paying taxes. Take, for instance, the concerns which the Senator from Pennsylvania [Mr. REED] represents. I know he represents them, and that the senior Senator from Pennsylvania [Mr. PEPPER] represents the same crowd in Pennsylvania. I found that out when I made a speech in Philadelphia about two or three months ago.

If we put too great a tax on corporations they have, as the Senator has said, an opportunity to get it back from the people to whom they sell the things which they manufacture in their different factories and industries. I have often wondered why, with all the learned men who have sat in the United States Congress for over 100 years, they could not devise some kind of a tax scheme so that they could get at the great corporations.

In the State of Minnesota we have been fighting for nearly 20 years to put a tonnage tax on the Steel Trust. That is a corporation which has its headquarters in the State of Pennsylvania. In our efforts we were fought from every side. According to the tax commissioners' office in the State of Minnesota, the books of that corporation show that they make enormous profits. We tried to put a gross-earnings tax on them, but it did not work; we made a mistake. Then we attempted to devise another scheme to get at them. We were willing to let them deduct the cost of mining and also, on top of that, the cost of transportation to the place of sale at Cleveland, Ohio, and then, if there was a net profit left, the State of Minnesota asked for the measly little sum of 6 per cent. What happened? In two years' time the books showed that we had over $5,000,000 coming to us as the result of the 6 per cent tax on net profits. Then, of course, the friends of the Steel Trust got together and, for various reasons that I can not remember now, they figured out nearly a million and a half dollars for deductions, but the State received nearly $4,000,000 anyway.

Of course, that did not do any good to the people of the United States, for it went directly to the State of Minnesota, and indirectly it may hurt all the people in the United States, for when I buy binders and mowers for my farm or anything else that is manufactured out of steel and the housewife buys the things which she uses in the kitchen which are manufactured of iron and steel by the Steel Trust, that organization is in a position where they can collect tribute every time anything is bought which they manufacture. This body was created to provide against such things, and that is what the Federal Trade Commission was created for.

I am willing to stand for an excess-profits tax. In the State of Minnesota, as I have said, when we levied a tonnage tax the Steel Trust fought it to a finish, but, of course, we licked them. After the bill was passed they threw it into two courts, but the courts sustained the position of the State. Of course, when our farmers and laboring people got together we had to hire a pretty smart man to draw the bill; we could not draw it ourselves. So we hired a professor from Utah, a mining expert, who drew the bill. We did not, however, get the honor and credit of putting the bill through, for the Republican Party in Minnesota took it out of our hands and put it through. But we do not care for that. The law is there and it is going to stay there.

I have been waiting for the last three years to ascertain if the Steel Trust could find a loophole through which to crawl. Colonel Wilkinson, of Minnesota, was in Washington last week in the interest of legislation for the farmers of the Northwest. I spent two hours with the old gentleman, who is over 81 years old, and I tell you he knows something. He was the chief counsel for James J. Hill, the empire builder, for over 28 years; and we all know that James J. Hill did not hire anybody who was not able to do something in the interest of his great railway system. Colonel Wilkinson said that the price placed on steel was not set by the Steel Trust on their own iron ore but it was set upon the iron ore sold by the independent mines in the State of Minnesota.

They decided to cut down the price 90 cents for 1924 as I recall; they were going to try to skin the State of Minnesota in that way, and when they are in a position to hire the best lawyers that money can hire in this country to fight their battles, it is no wonder that they are trying to get away and have been trying to get away for all these years without being touched. They see to it also that able men like the senior Senator from Pennsylvania [Mr. PEPPER] and the junior Senator from Pennsylvania [Mr. REED] are elected to this body, so that they can defend them when it comes to tax legislation. If I were in the place of Ford, of course, I would do the same thing, although Ford is slipping on the Muscle Shoals proposition now.

Mr. President, there are many, many things we might talk about in connection with taxes. We farmers have not made any profits; we have been running behind right along; so when I finished up my income-tax statement the other day it developed that Uncle Sam will only get a few measly dollars from me; and there will not be much need to scrutinize my return.

So there you are, Mr. President. It is up to us before we leave here to try to "soak" it to the big business as much as we possibly can, but it does not help us if they "soak" us back; and that I will not stand for at all. We want to have an equal tax. If I had a business, instead of being a farmer, nobody would need to come around me and make me pay my taxes; I would pay them freely and honestly and the more I made the more I would like to pay.

When I made my speech in Philadelphia—and pardon me for going back to that—the great Chief Justice of the Supreme Court said, "Oh, well, the quarter of a million dollars that a company saves under the Mellon plan, on a million-dollar profit, will go back into the industry and the wheels of business will go around." I had a good notion to ask the able Senator from Pittsburgh, Pa., [Mr. REED], "What is the use to tax them at all? Just let them put everything they earn back into their business."

So far as the railways are concerned, I believe I travel around the country as much as anybody when I am not in Congress. I have noticed what the railroads have been spending. I have been talking in my State for eight years in the legislative committees with the common people, with those who are there representing them, and I have talked with the section bosses, I have talked with superintendents, I have talked with all kinds of people, even with lawyers and attorneys for the railroad companies, and I have a whole lot of information from them.

They are putting up a great big depot in St. Paul. Of course they needed one; it was only a shell they had there, and that town ought to have just as good a depot as the city of Minneapolis has. But who pays for it? Of course, we all pay for it; I know that; but at the same time if I should want to build anything on the farm at the present time where am I going to get the money?

Talk about tax-exempt securities. There are two sides to that question, I know; but the Senator from Pennsylvania [Mr. REED] knows that we have taken one thing away from big business that they would like to get back, and that is the farm-loan business. In the State of Minnesota the same Colonel Wilkinson was the author of the bill, and, thank God, he is working more for the farmers to-day than he ever worked in his life before, and before he dies and quits I hope that he can do more for the farmers than he has done during the last two years. He was once on the side of big business, but he was the author of the State rural credit measure which is similar to the bill passed in the State of South Dakota, which my friend the Senator from that State [Mr. NORBECK] so ably represents to-day. The Senator was governor of the State, I believe, at the time when the rural credit bill was enacted into law in his State. Under that measure $3,000,000 a month are being loaned out to the farmers at a cheaper rate of interest than ever before. It is no wonder the bankers are kicking and trying to go back to the old system.

I wish I were able to explain these things, but it is very, very easy for me to go into the country and talk about these things to the farmers who are down and out, because they understand them. Some days ago I went to one of these business institutions when I was in McKeesport, Pa., where I made a speech. Representative KELLY invited me there, and I had a pretty good time. I was escorted by about 150 people through the National Tube Co.'s mill and I saw the iron ore from Minnesota where it was put into the furnace and manufactured into various kinds of pipe, including sewer pipe and gas pipe and all that sort of thing. When I walked through there I happened to think of conditions up in Minnesota in the mines where they dig up this ore which is made into useful things for society. I happened to think about these hell holes, where those people are working; and still some people talk about labor and say it is getting so much. A whole lake went into a mine up there the other day, and you have seen in West Virginia the same picture. Who is going there? Oh, the people that go there have not so much education, but they probably have wives and children that are just as dear to them as the wives and children of the Senators from Pennsylvania; I want to tell them that.

When I walked through that great institution, I could not help but think about these things, and think about the enormous profits that Carnegie and a good many of his associates made. I have read all about it. I read, over across the sea, about how he sold steel plates for enormous profits. It did not take a very smart man to make money when he went into that business. He probably had good luck. Probably we have had good luck in politics, too, just the same.

I am going to close with this remark: Something should be done, and it is up to us to do it, and we ought to do it as soon as we possibly can. The farmers are down and out now. We are almost bankrupt. Look at the big bank in St. Paul that went up the other day, and another one, a still bigger bank, consolidated with the Merchants' National Bank, this second bank, next to the First National the largest bank in that city. That shows what the two old parties have done for the farmers of the Northwest.

I certainly enjoyed listening for two hours to my friend the Senator from Idaho [Mr. GOODING]. The only thing I criticize him for is that he got cold feet on his own bill. It is a great deal better bill than the McNary-Haugen bill. There is no question about that, because under his bill he sets a price, so it is said, on the farmer's wheat for two years, and guarantees him something; and if there is a loss on what is exported, what happens? All citizens of the United States will pay for it. I am going to vote for the other bill. Of course I am. I will vote for anything that I think will help the farmer; but I am not afraid to say that the Gooding bill is a better bill than the McNary-Haugen. Why? For this reason: Suppose we get $1.50 a bushel for No. 1 wheat under the McNary-Haugen bill. There is probably a loss on the exports, and that loss will be charged up to whom? To the farmers themselves, and the farmer will be mighty lucky if he receives, under the McNary-Haugen bill, $1.25 a bushel.

The Senator from Idaho, however, seems to be afraid that there is no show for his bill. Well, I honestly have to confess that I believe there is not much show for the other bill, either; but we are going to make speeches in the farm-bloc corner over there every day from now on, and if I get started I may talk for a whole week. [Laughter.] We are here asking for something. We have only three weeks left before we adjourn, and I want to serve notice on both you Democrats and you Republicans, do not dare to adjourn before you do something for the farmers of this country.

When the basic industry suffers, the whole country will suffer. Seven banks went up in my State recently, and many in other States, and it is beginning to be felt in the East.

When we can not buy cotton goods on the farm, is it any wonder that the Senator from Massachusetts [Mr. WALSH] put in his resolution yesterday, or day before yesterday, to have the Tariff Commission investigate what is the matter? I have a speech prepared, which I probably will deliver to-morrow—of course, it is a written speech—in which I call attention to the fact that we farmers have begun to quit buying farm machinery even. You will find a great percentage of falling off in even the plows that we can buy. Why? Because we have not anything to buy with; but when we can buy, when we feel prosperous, when we have a buying power, the banker, the business man, the professional man will all be paid, so that they can buy, and so that they can patronize even Mr. Ford.

The way it looks to me now, we can not buy Fords any more unless he puts down the price to $100, and I think he will do it. He has kept reducing the price on Fords right along, so that he can sell more. That is the only thing that will enable him to keep on with his business. There is no question at all about that. I admire Ford, but I do not think we should let him have Muscle Shoals at the offer that he has made.

That has not anything to do with the tax problem, I know; but I wanted to say to you, Mr. President, that I have studied the history of my own great State, and the lumber forests and the iron ore and some of the streams are gone. Are we not going to preserve what we have left? Let us put our heads together, and if you Republicans want to be reelected, if you want to avoid having the farmer-laborites sweep the whole country, you had better be honest, you had better be fair when it comes to legislation for the people of this country.

Mr. WALSH of Massachusetts. Mr. President, what I have to say on this amendment relating to corporation taxes will be very brief. I want to call attention to the fact that we have since the war had two bills to reduce and equalize the taxes of the taxpayers of the country. In both bills, one a law, we have reduced the normal tax of the individual; we have reduced the surtaxes of the individual; we have reduced the excess-profits taxes on corporations; we have reduced many of the nuisance taxes. One class alone, though we have passed two bills to reduce taxes, have not had their taxes reduced one iota since the war, and that is the class of corporations carrying on manufacturing, industrial, and commercial business in this country without earning large profits.

Let us review the history of our tax legislation since the war and see if this is not so.

During the war we imposed three taxes upon corporations—a tax upon the net income, a capital-stock tax, and an excess-profits tax. That was done during the war when there was less partisanship in the Congress, perhaps, than at any other period in its history; when money had to be raised to help win the war; when it was important and essential that the burdens of taxation should be equitably distributed, and the necessary money should be raised from those best able to pay.

After the war was over we revised our taxes in 1921, and what was the first thing we did? The first thing we did was to remove the war-tax burden upon those individuals paying the largest income taxes in this country. The first thing we did was to remove the high surtax rates upon the rich. The second thing we did—we did it at the same time—was to remove all taxes from those corporations that had been profiteering and that were making excess profits. That was the conception of tax reduction that the majority party had when it passed its revenue bill in 1921.

The removal of the excess-profits tax took out of the Public Treasury $450,000,000. It had to be made up in some way. It would not be fair and just to shift all that burden of $450,-

000,000 upon the individual income-tax payers of this country. Yet, somebody had to pay it. Somebody had to accept the burden; so what was done?

The normal tax upon corporations at that time, in 1921, was 10 per cent. No corporation paid more than 10 per cent on its net income, unless it reached such a percentage of profits that it came under the excess-profits tax provisions of the law. To meet in part the $450,000,000 loss, the basic tax upon the incomes of all corporations was increased from 10 per cent to 12½ per cent. In fact, the Senate tried to make it 15 per cent.

That was made the law of the land, and we ended that session by reducing the taxes upon every corporation and every individual in this country except the nonprofit-making corporations of this country. Upon these we increased the taxes 25 per cent. This was the way we pretended to reduce their taxes.

This increased tax has been levied until the present hour. That is what has been done by the party that claims to be the friend of the business man, that claims to be interested in the promotion of business in this country. It is a misnomer. The real facts show that it never has lost an opportunity to be the friend and protector and defender of big business and bad business, and not small business and struggling business.

I say it is an outrage to pretend to the American people that we are reducing taxes, and to make the small corporation, the competitive corporation, the nontrust corporation, the corporation of the class that is not dealing in monopolies, pay increased taxes, as the business men and manufacturers of that class have had to do since the war. Four hundred and fifty million dollars have been deducted from the taxes of corporations making 8 per cent profit or more, and 25 per cent increase has been made in the taxes upon the corporations that made less than 8 per cent. What a record of fanaticism—fanaticism in favor of the profiteers!

What is proposed under the present bill? The amendment offered by the Senator from Pennsylvania [Mr. REED] and adopted by the Finance Committee is an improvement over the present law; for this amendment offered, removing the capital-stock tax and increasing the basic tax from 12½ to 14 per cent, results in this, that those corporations that earn over 6⅝ per cent will have their taxes slightly increased over the tax of 1921, and those corporations earning less than that will have them slightly decreased, but the wrong that was done in 1921 has not been remedied.

The class of small corporations to which I have referred—the competitive class, the storekeeper who is incorporated, the small manufacturer who has to fight and struggle and compete to earn small profits—is still penalized under this bill.

Several attempts were made in 1921 to correct this unfair discrimination or evil, if I may call it that. Let me say in this connection, to show how many corporations have been affected by these changes in laws, that there were 300,000 corporations making returns in 1920. One hundred thousand of them were in the excess-profits class, 100,000 of them were of the non-excess-profit class, and 100,000 of them showed no net earnings. I agree that the excess-profits tax was a burdensome tax. It was perhaps a tax on thrift and success, but it was based upon the theory of ability to pay.

It was based upon the theory that a corporation which made large earnings could pay more, proportionately, than a corporation that did not make excess profits. The result was that we discriminated to the extent of lessening the tax on 100,000 corporations, and increased the tax upon the other 100,000 that were not making large profits.

At that time, to meet this situation, an amendment was proposed by me and was lost by a vote of 36 to 30. I want to read that amendment. It was as follows:

> For each calendar year thereafter, 10 per cent of such excess amount by which the net income does not exceed $100,000, 15 per cent of such excess amount by which the net income exceeds $100,000 and does not exceed $300,000, and 20 per cent of such excess amount by which the net income exceeds $300,000: *Provided*, That a corporation which did not make a net taxabe income of more than 8 per cent on its invested capital for the taxable year shall not be taxed on its net income more than 10 per cent.

The purpose of that amendment was to keep the basic tax 10 per cent on those corporations which did not earn more than 8 per cent and to increase the tax upon those corporations which earned more than 8 per cent. It sought also to compel those corporations that were making large sums of money on their investment to pay more than those that were making small incomes. The Senator from Wisconsin [Mr. LENROOT] offered a somewhat similar amendment, which was defeated by a vote of 39 to 23.

The point I desire to make is this: That a very serious attempt was made then to apply the same principle to corporations that is applied to individuals, namely, ability to pay. The man who is making little money upon his investment should not be burdened with the same flat tax that is imposed upon a man who is making excess profits, and these amendments were proposed for that purpose. The very same arguments made in this Chamber to-day were then made against those amendments, namely, that the only fair tax, the only just tax, for corporations is a basic flat tax on all corporations, whether they are making large profits or whether they are not making any profits. It is unsound. It can not be defended successfully. It repudiates the principle of ability to pay.

The Senator from New Mexico suggests to meet the situation an amendment which does this one thing, if nothing else; it lowers the flat tax for the first time since the war upon the corporation making reasonably small profits. It lowers the basic tax from 14 per cent to 9 per cent. For the first time it gives hope to the struggling competitive business corporations, that they also are to enjoy the benefits of the after-war tax reductions. I would vote for it on that ground alone.

It does more than that. It seeks to apply the principle of ability to pay, and it applies that principle by recognizing the fact that one of the best ways to determine whether a corporation is able to pay a surtax is dependent upon the amount of surplus earnings of that corporation.

Therefore it demands, "When you begin to have surplus earnings, which is commendable, which is to be encouraged, and which is evidence of prosperity, of increased profits, of increased earnings, we propose to levy a tax upon you, and graduate that tax with reasonable exemptions, according to your surplus earnings."

It first of all has the merit of reducing the taxes upon the class of corporations that have not yet had any tax reduction since the war. Secondly, it seeks to apply to corporations the principle that we have applied, that we are applying, that we all insist should be applied—namely, ability to pay—to individuals.

That is why I propose, in the absence of some other suggestion to meet this discriminatory situation that exists in this country to-day, to vote for this amendment, because not to apply to corporations somewhat of the same principle we apply to individuals can not be justified.

If it is right to tax all corporations, those making 75 and 100 per cent profit on the same basis as those are taxed which make 2 per cent profit, then I think the same principle ought to be applied to individuals, and the multimillionaire should not pay a higher tax than the man who has a very simple income. But we are beyond that. We have accepted the graduated-tax principle. We have accepted the ability-to-pay principle, and if it is good for the individual doing business, if it is good for the merchant who does not incorporate and the manufacturer who does not incorporate, it is good for the merchants and manufacturers who do incorporate, and that is why I shall support this amendment, not that it is perfect, not that it removes all the difficulties that can be advanced against any amendment seeking to graduate a tax upon corporations. I appreciate its limitations and imperfections. They are numerous and many, but it is an honest attempt to apply the principle of ability to pay, and will result in reducing the taxes upon the corporations that have a right to have their taxes reduced and that we have refused to help heretofore by tax reductions.

Mr. ADAMS. Mr. President, I find myself considerably embarrassed in this matter, finding that I am compelled, in considerable part, at least, to differ with both of the distinguished Senators who are on the opposite sides of these two amendments. I regard the Mellon corporation-tax plan as intolerable. I think in all taxes the first and essential principle should be equality, and the flat 14 per cent or the flat 12½ per cent violates that essential principle.

More than that, it discriminates in favor of those with large incomes and against those with small incomes. The man having stock in a corporation small in amount is compelled to pay a far larger tax than he would pay if the enterprise were an individual enterprise. So that, so far as the small individual is concerned, the Mellon corporate-tax provision penalizes the individual to the advantage of the corporation, and, so far as those with large incomes are concerned, it gives the benefit to the corporation because it pays less than the individual would. So there is a fundamental destruction of tax equality.

I think the argument presented by the Senator from New Mexico is entirely sound as it progresses along the line on which he developed it. We differ only when he reaches the point of saying that it is not possible to accomplish that which he claims to be the desirable result. He asserts, and in the

assertion I am in entire accord with him, that there should be no distinction between the tax application in regard to an individual and in regard to a corporation. There is no reason why $1,000 placed into the channels of business by an individual should pay more or less than $1,000 placed in the channels of business through the use of corporate organization. Yet in each of these plans that condition exists. There is no equality.

The amendment offered by the Senator from New Mexico does afford an opportunity to obviate that if all of the stockholders will agree. He does permit the making of returns by corporations as partnerships. If that should be accomplished, then you would reach equality. But the Senator from New Mexico says that that can not be compelled. In that I am not entirely in accord with him.

I concede that the stock-dividend cases in the Supreme Court have held that it is impossible to impose upon the stockholder directly a tax based on the earnings of the corporation, but the thing which is desirable is that each stockholder shall pay a fair tax upon his proportionate share of the earnings of the corporation in accordance with the rate which he pays upon his other income. In other words, there is no reason why a man should pay a 20 per cent tax upon $10,000 which he earned as an individual and then pay 12½ per cent upon his share of the earnings of a corporation, any more than a man who pays 4 per cent or 8 per cent upon his private earnings should be made to pay 12½ per cent upon his share of the earnings of a corporation. Yet that is what the provision in the present bill does.

There is no point at which equality is reached, and the desirable thing is to reach the point where the corporate income is regarded in substance, for tax purposes, as income of the respective stockholders, is added to their individual income-tax returns, and the tax is paid by them upon the rate which would result by reason of that application. In other words, each corporation is now required to determine its net income; that is part of the present machinery. There is no difficulty in apportioning that net income among the stockholders of the company, whether the stockholders be three in number or 200,000 in number. It is a mere matter of mathematics. The only problem is as to whether or not there is some legal or feasible way in which such application of the tax rate can be in effect required.

In my judgment, it is possible to accomplish that result. I hesitate to make that statement in the face of the positive declarations made on the floor by experts on the subject that it can not be done, but if you can make it profitable for a man to make his return in a particular way, I think you will have little difficulty in securing the making of the return in that way. In other words, a man with an investment follows his financial interest, just as we are finding to-day that men are studying the tax statutes and are finding legal ways of evading the payment of taxes. If we can open to them a way by which some reduction of taxes will come to them by way of a partnership return, or a corporate return, you will find these stockholders willing to follow that channel. I merely suggest, as something to think about, that each corporation, from the standpoint of tax returns, be regarded as an individual; that we cease to discriminate between corporations and individuals, and that we fix the rate upon the total net income of the corporation identically as we fix it upon the income of the individual, and as the amount goes up, let the rate go up. That will of course reach, with certain large corporations, into the high brackets. This is the suggestion I have to make to reduce the situation to a partnership basis.

If you give the option, then, to the stockholders to have the returns made on a partnership basis, they are confronted with the option of either having the corporation pay as a single solidified entity at the high rate that it will reach upon that basis, or else to accept the corporation as an association of individuals and distribute its income taxes upon that basis, which will necessarily result in a lower tax rate. Personally, I have little doubt that that very thing would result, in the vast majority of cases, in producing equality among taxpayers, including corporations.

Take, as an example, a corporation with three stockholders—one stockholder whose rate might be 35 per cent, one whose rate might be 10 per cent, and one whose small earnings were exempt. The corporate rate upon its income might be such under such a plan as to run up into the higher brackets. We would find that a distribution of the tax would lower the rate to two and perhaps to all the stockholders, and could not in any possible way increase the rate of any individual stockholder. Consequently, we would find individuals willing to acquiesce in that method.

I would go a step further than that. The amendment of the Senator from New Mexico [Mr. JONES] accomplishes the result up to that point so far as consent can be obtained, but the compelling power is not there, because the rate is comparatively low. It is a 9 per cent rate. But if you follow the suggestion which I am seeking to make and allow the individual rate to apply to corporations, we have a compelling power to induce the stockholder to agree. I see no objection to doing this. Allow the individual stockholders, who can be advised readily of their relative shares of the corporate income, to say to the corporation in a proper way, "I choose to return my share of the net corporate earnings upon my tax return." To that extent, so far as stockholders see fit to avail themselves of that privilege, it would reduce the corporate net income and leave the remainder carrying the original rate.

I am merely suggesting that as being possibly worth thinking over. I recognize that perhaps it is impossible to work out a suggestion of that kind at the present time, but I am unwilling to say that we must enact a tax law which we admit is unjust and inequitable whichever way we go, and that is where we are standing to-day. Every man on the floor of the Senate is conceding the injustice of the flat 14 per cent rate. We are also forced to concede the injustice of the Jones amendment as it stands.

I have this to suggest in reference to the amendment of the Senator from New Mexico. An income tax should depend on earnings, not on distribution of income. In other words, the basis of the rate is the earnings and not the distribution. The tax should not be evaded by a failure to distribute. Neither should distribution be forced in order to collect taxes. That is the situation reduced to what I think are the real essentials of it—that an income tax should depend on earnings, not on distribution, and that the tax should not be evaded by a failure to distribute, nor should distribution be forced in order to collect taxes.

The situation as it is here presented is that those who insist upon the amendment of the Senator from New Mexico are having in mind men such as Henry Ford. They are thinking of the tax evader. They are endeavoring to reach him and are overlooking what is being done in the pursuit of the evader of taxes. I sympathize fully with them in endeavoring to prevent evasion, but here is what is happening. Let me illustrate it to you from my own community.

I happen to come from a community through which a flood swept two or three years ago. The capital of all the merchants and all the manufacturers was largely wiped out. Ninty-five per cent of the business community was flooded. We think a $100,000 corporation is a big one in our community rather than a small one. A large part of the property of probably 500 corporations of one size and another was destroyed. Their capital was destroyed. Based on book returns, I imagine half of the corporations in my community would show an impaired capital. They are putting in 100 per cent of their earnings to build up their business. If the Jones amendment goes through as it stands, those men can not build up their little enterprises, and can not build up their industries. I have in mind one particular case which will illustrate it, a little company with a capital of $25,000, $10,000 of it destroyed and now carrying a deficit of $10,000 on its books. Last year it made $5,000. It borrowed on the notes of its officers and stockholders, not upon its own credit, money with which to do business. It wishes to put money into its capital to work with. Under the amendment of the Senator from New Mexico those men have either got to distribute the $5,000 or they are going to have to pay a 40 per cent tax upon $3,000 of it; in other words, $1,200. They will have to pay a tax as big as the surtax rates the Simmons schedule imposes on a man with a $35,000 income.

Many of the men in my community do not have cash to distribute. Their earnings for the year are in book accounts, in merchandise, in machinery, or equipment. They can not distribute it if they would. All they could do would be to put a mortgage on their plant, if it was acceptable for that purpose, and then distribute borrowed money. Under our State laws, more than that, the corporation whose capital is impaired is forbidden under some conditions from declaring dividends. We are confronted with the proposition of violating the law or suffering extreme tax penalties.

In my State hundreds of banks have been embarrassed, many of them have been closed. The cause of the closing in many instances was shortage of capital. I come from a country where we do not have great financial resources. We need above all else an accumulation of capital in our community to develop it. We are not a lending community. We are a borrowing community. We are glad to have our people get ahead. They need to do so.

The banks are glad. The bank with a surplus is a better bank than the bank that is kept down and held close because of distribution of its earnings. I like to go to a bank that does not pay too large dividends. I like to see the statement of a bank pile up with surplus and undivided profits standing off against my deposit account.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. EDGE. As I followed the Senator with a great deal of interest, he recognizes a distinction between the corporation, speaking particularly of small corporations or small banks, and the individual, did he not? That is, the corporation has a certain responsibility to a number of stockholders to maintain a surplus in order to be prepared to meet eventualities such as he has discussed, where an individual has no responsibility except to himself, and the surtax on the individual therefore in the average way is much less apt to be distressing than it might be to a corporation or through the corporation to its stockholders.

Mr. ADAMS. That is true. Of course, in the bank you have a peculiar responsibility, which runs through your bank to the stockholders and to the depositors as well. We have heard on this floor day after day of hundreds of banks in different sections of the country that have closed, and many of them have been closed because of excessive dividends paid during flush periods. Personally, I would want to see banks prohibited from declaring dividends beyond a certain amount until their surplus had reached a certain amount, rather than to compel them to declare dividends to avoid high taxes.

Mr. EDGE. The same principle to a lesser extent exists with reference to corporations serving the public. Of course the difference is distinct, as the Senator has stated.

Mr. ADAMS. I have really a very deep feeling in reference to the situation. The Mellon amendment, if I may so speak of it, I think is intolerable. I think the Senate of the United States and the Congress ought not to sit down supinely and say, "We can not enact a just statute, but we must enact an unjust one, and in order to reach the big evader of taxes we must trample upon the rights of the small man." My own theory is the theory often taught in the English criminal law—better ten guilty men escape than one innocent man be punished. Here the reverse is true. This amendment standing alone would injure ten men who are not tax evaders in order to catch one who is. I think the Jones amendment is susceptible of amendment so it can be made to serve its purpose, to reach the tax evader, and at the same time to avoid preventing the possibility of development of the small corporations.

The Senator from Virginia [Mr. GLASS] commented upon the 30 per cent leeway before the rate exceeded the rates of the present schedule. The 30 per cent is not 30 per cent upon the capital. It is 30 per cent of the earnings of the corporation. Take a bank with $100,000 capital that has made $10,000 net income. That is a pretty good return in these days. They would be allowed to retain $3,000, and up to that point they would pay the 14 per cent and beyond that reach immediately out into the higher rates. In other words, $3,000 does not build up a bank against the day of adversity, against bad loans, against bad crops and business conditions. I do not think 30 per cent of the net earnings is as much as it sounds when reduced to the figures.

Again, the actual rate ought to be considered. The rate which is proposed to be applied by the Jones amendment is in excess of the maximum rate in the Simmons amendment. In other words, the 40 per cent applied by this amendment applies to the whole amount which is reserved; while the surtax rate, evasion of which it is sought to avoid, only applies 40 per cent upon the excess of a certain amount, and then 39 and 38, and so on down the scale; and I understand the actual average is perhaps in the twenties.

I think the penalty is excessive. I think the Senator from New Mexico is one of the most earnest students of financial matters in the United States. He has given to this endless time and endless study and knows infinitely more about it than I do. I merely feel that in the effort which he has made to reach a certain evil he has applied a remedy which is going to produce other evils. Doctors do that at times—that is, in their effort to eradicate one trouble they create another.

Mr. GLASS. Mr. President will the Senator yield?

Mr. ADAMS. Certainly.

Mr. GLASS. The Senator's argument up to this time does not touch the validity of the principle of the proposal submitted by the Senator from New Mexico. It seems to me, as I indicated at first, that the difficulty he points out may be amended by readjustment of the rates and by moderation of the gradations of the penalties proposed. I have not appeared as one of the proponents or zealous advocates of the proposition. I want to learn what it all means.

Mr. ADAMS. Mr. President, the Senator from Virginia is entirely correct. I am not attacking the principle. I think that the purpose of the Jones amendment is commendable, and I am seeking to point out what seem to me to be errors in its construction and in its application. I am doing so in the hope, in a modest way, at least, that amendments to it will be acceptable, so as to avoid these difficulties.

I think, for instance, that we are not reaching tax evaders when we are applying penalties to corporations which have earned two, three, five, or ten thousand dollars. They are not tax evaders; they need encouragement; and yet remember this amendment applies to a corporation that makes but a hundred dollars, and does not distribute that $100 or at least distributes less than 70 per cent of it. They have to pay back 40 per cent, for there is a $40 penalty on the corporation that makes only $100 if it does not divide it.

There should be some minimum; I think there should be some revision of the applicable rates. I think the penalties are really excessive. As I have stated, I think the Jones amendment applies higher rates than the Simmons surtax rates and applies those rates to smaller amounts. The Jones amendment applies maximum rates to the entire amount, while the Simmons rates apply only to amounts in excess of the next lower amount. So I am hoping that my feeling of apprehension as to the operation of the amendment, if adopted, may be met by reasonable amendments.

I am willing to go a long way to reach the tax evader. I am willing that my people shall stand some part of the penalty, just as when the fire engine goes to the fire I am willing to take the chance of having a wheel taken off my automobile, when an earnest effort is made to reach and put out a fire. The amendment as it stands goes too far; there is too little thought given the small corporation, too great a penalty imposed, and too much disposition to compel distribution of surpluses which ought to be kept. What we are trying to do is to reach the surplus which ought to be distributed and which is retained in order to evade taxes, not to compel the distribution of a surplus which had better be retained in the business.

I will only add that I wish those Senators who have followed what I have had to say would give some thought to the suggestions which I made earlier as to the possibility of a plan being put into operation which would obviate the inequalities of any method which recognizes a distinction between the corporation and the individual for the purpose of applying the rates. As we all know, the corporation has been the shield behind which the tax evader has hidden; and my suggestion, in substance, is that for tax purposes we shall take down the shield.

Mr. FERRIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Fletcher	McKellar	Sheppard
Ashurst	Frazier	McKinley	Shields
Ball	George	McLean	Shipstead
Brandegee	Gerry	McNary	Simmons
Brookhart	Glass	Mayfield	Smoot
Bursum	Gooding	Moses	Stanfield
Cameron	Hale	Neely	Stephens
Capper	Harreld	Norbeck	Trammell
Caraway	Harris	Norris	Wadsworth
Colt	Harrison	Oddie	Walsh, Mass.
Copeland	Howell	Overman	Walsh, Mont.
Curtis	Johnson, Minn.	Pepper	Warren
Dale	Jones, N. Mex.	Phipps	Watson
Dial	Jones, Wash.	Pittman	Weller
Dill	Kendrick	Ralston	Wheeler
Edge	Keyes	Ransdell	Willis
Fernald	King	Reed, Mo.	
Ferris	Ladd	Reed, Pa.	
Fess	Lodge	Robinson	

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum of the Senate is present.

Mr. JONES of New Mexico. Mr. President, I wish to make a remark or two.

Mr. ADAMS. Mr. President, may I suggest that the Senator advise the Senate as to the conference we have had with reference to possible amendments? That would save me the necessity of troubling the Senate further.

Mr. JONES of New Mexico. Yes; I think there is much force in the statement of the Senator from Colorado in regard to the very small corporations and in regard to corporations which have sustained capital losses, and I am perfectly will-

ing to exempt from this surtax incomes of corporations which are not in excess of $10,000 or $15,000 or even $18,000. I do not think it would make any material difference in the proposal, and I am perfectly willing to accept amendments of that kind. We have not time just now to work them out, but if my amendment should be adopted when the bill goes into the Senate I am perfectly willing to support amendments covering those points.

Mr. WALSH of Massachusetts. There is no exemption in the present law.

Mr. JONES of New Mexico. There is no exemption in the present law; all corporations bear the flat tax.

Mr. WALSH of Massachusetts. Nor is there in the proposed law; so that the amendment of the Senator from New Mexico as it now stands is no different in its exemptions to the small corporations than the amendment proposed by the committee.

Mr. JONES of New Mexico. The amendment as printed does not deal with the subject of exemptions at all. That is dealt with in another provision of the bill.

Mr. WALSH of Massachusetts. So the objections made by the Senator from Colorado would apply to the bill as reported as well as to the amendment of the Senator from New Mexico.

Mr. JONES of New Mexico. Absolutely; because, under the proposal of the majority of the committee, all the earnings would be subject to the entire 14 per cent flat tax; but if we should have the normal tax of 9 per cent, I would be perfectly willing to exempt from the surtax provisions the earnings of corporations where the corporation does not earn in excess of $10,000 or $15,000 or even $20,000, or whatever is a reasonable amount to cover the small corporations.

Mr. SIMMONS. That is an exemption from the surtax?

Mr. JONES of New Mexico. Yes; from the surtax. We exempt from surtax individual incomes up to $10,000, and I see no reason why there should not be an exemption from this surtax.

Mr. SIMMONS. By analogy, there ought to be.

Mr. JONES of New Mexico. I am inclined to think so; and where the corporation has sustained capital losses I can not see why it should distribute its income, unless it wishes to do so, in order to restore capital losses—I mean exempt them from the surtax, not from the normal tax—and to that extent they would be benefited by the general principle. I think the general principle is right, and I am sure we shall be able to work out something of that kind when the bill gets into the Senate.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Florida?

Mr. JONES of New Mexico. I do.

Mr. FLETCHER. I think the Senator is acting very wisely in doing that. I think that will very greatly improve the plan he has suggested.

Mr. JONES of New Mexico. I think it is fair to make some adjustments of that kind.

Mr. FLETCHER. It is entirely just and it ought to be done by all means.

Mr. JONES of New Mexico. I am willing to support any reasonable modification of that sort when the bill gets into the Senate.

Mr. McKELLAR. The Senator prefers that the amendment be voted on just as it is, and make that arrangement later?

Mr. JONES of New Mexico. I think so, because so many Senators want to vote on the proposal, and I am willing to give the assurance that I will support such amendments as have been indicated.

I do not think it is necessary for me to refer further to the arguments of Senators. The Senator from Pennsylvania [Mr. REED] has simply repeated in principle the argument against any high surtaxes, and I think most of the argument of the Senator from Utah [Mr. SMOOT] is upon the same basis and goes to the same point in principle. We have discussed that time after time, and, of course, I do not agree that that is a matter that is going to interfere with the business development of the country.

As to the proposal about $1 above a bracket bringing on a larger percentage, I remind the Senate that the amount of net income retained is in the control of the board of directors, and they can retain that $1 if they want to or pay it out if they want to, and adjust their rate of taxes to suit themselves and the business of the corporation.

I do not believe that I care to discuss the matter any further, and I am willing simply to call for the yeas and nays.

Mr. McKELLAR. Let us have the yeas and nays.

Mr. SMOOT. Mr. President, I want to say to the Senator that I am very glad he is willing to let this matter go over until the bill gets into the Senate, because I am quite sure that when the attention of the Senate is called to the amount of revenue that will be lost by the amendment it will give us serious concern as to where we are going to raise it.

Mr. JONES of New Mexico. We will look into that matter.

Mr. SMOOT. I am very glad that the Senator says he will consider it when the bill gets into the Senate.

Mr. JONES of New Mexico. I do not think it will materially affect the revenue.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico. On that question the yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were ordered.

Mr. JONES of New Mexico. Mr. President, the amendment has not yet been stated. I wish to call attention to the amendment which we have been discussing, which I am sure will be desired.

The amendment appears on page 2 of the list of amendments. The first one to be voted on is the one beginning on line 16 of page 2 with the words "Section 230," down to and including line 22, on page 9 of the printed amendment, which involves the whole matter of corporation taxes which we have been discussing.

The amendment was, on page 82, to strike out lines 3 to 8, inclusive, and to insert:

SEC. 230. (a) In lieu of the tax imposed by section 230 of the revenue act of 1921 there shall be levied, collected, and paid for each taxable year upon the net income of every corporation a normal tax of 9 per cent of the amount of the net income in excess of the credits provided in sections 236 and 263.

(b) In addition to the normal tax imposed by subdivision (a) of this section, there shall be levied, collected, and paid upon the surtax net income (as defined in subdivison (c) of this section) of every corporation a surtax equal to the following percentage of the undistributed net income as defined in subdivision (c) of this section:

One-fourth of 1 per cent if the undistributed net income is more than 10 per cent but not more than 11 per cent of the surtax net income;

One-half of 1 per cent if the undistributed net income is more than 11 per cent but not more than 12 per cent of the surtax net income;

Three-fourths of 1 per cent if the undistributed net income is more than 12 per cent but not more than 13 per cent of the surtax net income;

One per cent if the undistributed net income is more than 13 per cent but not more than 14 per cent of the surtax net income;

One and one-fourth per cent if the undistributed net income is more than 14 per cent but not more than 15 per cent of the surtax net income;

One and one-half per cent if the undistributed net income is more than 15 per cent but not more than 16 per cent of the surtax net income;

One and three-fourths per cent if the undistributed net income is more than 16 per cent but not more than 17 per cent of the surtax net income;

Two per cent if the undistributed net income is more than 17 per cent but not more than 18 per cent of the surtax net income;

Two and one-fourth per cent if the undistributed net income is more than 18 per cent but not more than 19 per cent of the surtax net income;

Two and one-half per cent if the undistributed net income is more than 19 per cent but not more than 20 per cent of the surtax net income;

Two and three-fourths per cent if the undistributed net income is more than 20 per cent but not more than 21 per cent of the surtax net income;

Three per cent if the undistributed net income is more than 21 per cent but not more than 22 per cent of the surtax net income;

Three and one-fourth per cent if the undistributed net income is more than 22 per cent but not more than 23 per cent of the surtax net income;

Three and one-half per cent if the undistributed net income is more than 23 per cent but not more than 24 per cent of the surtax net income;

Three and three-fourths per cent if the undistributed net income is more than 24 per cent but not more than 25 per cent of the surtax net income;

Four per cent if the undistributed net income is more than 25 per cent but not more than 26 per cent of the surtax net income;

Four and one-fourth per cent if the undistributed net income is more than 26 per cent but not more than 27 per cent of the surtax net income;

Four and one-half per cent if the undistributed net income is more than 27 per cent but not more than 28 per cent of the surtax net income;

Four and three-fourths per cent if the undistributed net income is more than 28 per cent but not more than 29 per cent of the surtax net income;

Five per cent if the undistributed net income is more than 20 per cent but not more than 30 per cent of the surtax net income;

Five and one-half per cent if the undistributed net income is more than 30 per cent but not more than 31 per cent of the surtax net income.

Six per cent if the undistributed net income is more than 31 per cent but not more than 32 per cent of the surtax net income;

Six and one-half per cent if the undistributed net income is more than 32 per cent but not more than 33 per cent of the surtax net income;

Seven per cent if the undistributed net income is more than 33 per cent but not more than 34 per cent of the surtax net income;

Seven and one-half per cent, if the undistributed net income is more than 34 per cent, but not more than 35 per cent, of the surtax net income;

Eight per cent, if the undistributed net income is more than 35 per cent, but not more than 36 per cent, of the surtax net income;

Eight and one-half per cent, if the undistributed net income is more than 36 per cent, but not more than 37 per cent, of the surtax net income;

Nine per cent, if the undistributed net income is more than 37 per cent, but not more than 38 per cent, of the surtax net income;

Nine and one-half per cent, if the undistributed net income is more than 38 per cent, but not more than 39 per cent, of the surtax net income;

Ten per cent, if the undistributed net income is more than 39 per cent, but not more than 40 per cent, of the surtax net income;

Eleven per cent, if the undistributed net income is more than 40 per cent, but not more than 41 per cent, of the surtax net income;

Twelve per cent, if the undistributed net income is more than 41 per cent, but not more than 42 per cent, of the surtax net income;

Thirteen per cent, if the undistributed net income is more than 42 per cent, but not more than 43 per cent, of the surtax net income;

Fourteen per cent, if the undistributed net income is more than 43 per cent, but not more than 44 per cent, of the surtax net income;

Fifteen per cent, if the undistributed net income is more than 44 per cent, but not more than 45 per cent, of the surtax net income;

Sixteen per cent, if the undistributed net income is more than 45 per cent, but not more than 46 per cent, of the surtax net income;

Seventeen per cent, if the undistributed net income is more than 46 per cent, but not more than 47 per cent, of the surtax net income;

Eighteen per cent, if the undistributed net income is more than 47 per cent, but not more than 48 per cent, of the surtax net income;

Nineteen per cent, if the undistributed net income is more than 48 per cent, but not more than 49 per cent, of the surtax net income;

Twenty per cent, if the undistributed net income is more than 49 per cent, but not more than 50 per cent, of the surtax net income;

Twenty-two per cent, if the undistributed net income is more than 50 per cent, but not more than 51 per cent, of the surtax net income;

Twenty-four per cent, if the undistributed net income is more than 51 per cent, but not more than 52 per cent, of the surtax net income;

Twenty-six per cent, if the undistributed net income is more than 52 per cent, but not more than 53 per cent, of the surtax net income;

Twenty-eight per cent, if the undistributed net income is more than 53 per cent, but not more than 54 per cent of the surtax net income;

Thirty per cent, if the undistributed net income is more than 54 per cent, but not more than 55 per cent, of the surtax net income;

Thirty-two per cent, if the undistributed net income is more than 55 per cent, but not more than 56 per cent, of the surtax net income;

Thirty-four per cent, if the undistributed net income is more than 56 per cent, but not more than 57 per cent, of the surtax net income;

Thirty-six per cent, if the undistributed net income is more than 57 per cent, but not more than 58 per cent, of the surtax net income;

Thirty-eight per cent, if the undistributed net income is more than 58 per cent, but not more than 59 per cent, of the surtax net income;

Forty per cent, if the undistributed net income is more than 59 per cent of the surtax net income.

(c) For the purposes of subdivision (b) of this section—

(1) The term "surtax net income" means the net income as defined in section 232, increased by the amount of the deduction allowed under paragraph (6) of subdivision (a) of section 234;

(2) The term "undistributed net income" means the amount by which the surtax net income exceeds the sum of (1) the amount of the tax imposed by subdivision (a) of this section for the taxable year, plus (2) the amount of cash dividends paid during the twelve months preceding the 15th day of the third month following the close of the taxable year;

(3) The term "cash dividends" includes dividends paid in interest-bearing scrip, if subject to tax in the hands of the distributees to the same extent as a dividend paid in cash.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the Secretary will call the roll on agreeing to the amendment of the Senator from New Mexico [Mr. JONES].

The reading clerk proceeded to call the roll.

Mr. JONES of Washington (when his name was called). The Senator from Virginia [Mr. SWANSON] is necessarily absent, and I have agreed to take care of him with a pair. I therefore withhold my vote.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senator from Vermont [Mr. GREENE] and will vote. I vote "nay."

The roll call was concluded.

Mr. McKELLAR (after having voted in the affirmative). I have a pair for the day with the junior Senator from Missouri [Mr. SPENCER]. I transfer that pair to the junior Senator from Alabama [Mr. HEFLIN] and allow my vote to stand.

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from West Virginia [Mr. ELKINS] and will vote. I vote "nay."

Mr. GERRY. I desire to announce that the senior Senator from Alabama [Mr. UNDERWOOD], who is paired with the senior Senator from Massachusetts [Mr. LODGE], would, if present, vote "yea."

I wish also to announce that the Senator from South Carolina [Mr. SMITH] is paired with the Senator from South Dakota [Mr. STERLING], and that if present the Senator from South Carolina would vote "yea."

The result was announced—yeas 43, nays 32, as follows:

YEAS—43

Adams	Frazier	Ladd	Robinson
Ashurst	George	McKellar	Sheppard
Bayard	Gerry	Mayfield	Shields
Brookhart	Glass	Neely	Shipstead
Broussard	Harris	Norbeck	Simmons
Caraway	Harrison	Norris	Stephens
Copeland	Howell	Overman	Trammell
Dial	Johnson, Minn.	Pittman	Walsh, Mass.
Dill	Jones, N. Mex.	Ralston	Walsh, Mont.
Ferris	Kendrick	Ransdell	Wheeler
Fletcher	King	Reed, Mo.	

NAYS—32

Ball	Edge	Lodge	Reed, Pa.
Brandegee	Ernst	McKinley	Smoot
Cameron	Fernald	McLean	Stanfield
Capper	Fess	McNary	Wadsworth
Colt	Gooding	Moses	Warren
Cummins	Hale	Oddie	Watson
Curtis	Harreld	Pepper	Weller
Dale	Keyes	Phipps	Willis

NOT VOTING—21

Borah	Greene	McCormick	Sterling
Bruce	Heflin	Owen	Swanson
Bursum	Johnson, Calif.	Shortridge	Underwood
Couzens	Jones, Wash.	Smith	
Edwards	La Follette	Spencer	
Elkins	Lenroot	Stanley	

So the amendment of Mr. JONES of New Mexico was agreed to.

Mr. JONES of New Mexico. Mr. President, I think we might as well act upon the other separate amendments, which give the corporate shareholders the right to make returns as partners. That is a separate amendment. It goes into the bill at a separate place, at page 81, after line 24, and I now offer that amendment.

Mr. SIMMONS. It is a part of the general scheme.

Mr. JONES of New Mexico. It is a part of the plan which has been discussed, but it is a separate amendment.

The PRESIDENT pro tempore. The Senator from New Mexico offers an amendment which the Secretary will report.

The READING CLERK. At the top of page 82, the Senator from New Mexico proposes to insert:

SHAREHOLDERS TAXED AS PARTNERS

SEC. 228. (a) The shareholders of any corporation which is subject to the tax imposed by subdivision (a) or (b) of section 230 shall, if they all agree thereto in respect of any taxable year of the corporation, be taxed in the same manner as the members of a partnership. All the provisions of this title relating to partnerships and the members thereof shall so far as practicable apply to such corporation and the shareholders thereof. If all the shareholders are so taxed, the corporation shall be exempt from tax under section 230 for such taxable year.

(b) For the purposes of this section amounts distributed by such corporation during its taxable year shall be accounted for by distributees; and any portion of the surtax net income (as defined in subdivision (c) of section 230) remaining undistributed at the close of its taxable year shall be accounted for by the shareholders of such corporation at the close of its taxable year in proportion to their respective shares.

(c) Any undistributed portion of the surtax net income (as defined in subdivision (c) of section 230) which is taxed to the shareholders under this section shall, when distributed, be exempt from tax to the distributees.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. SMOOT. I have no idea what effect that will have upon the revenues of the Government. It is impossible to say; but I think it makes very little difference now. I do not think there is any need of having a vote upon it. Senators may vote any way they want to. I do not know and nobody in this body knows what the effect will be.

The amendment was agreed to.

Mr. JONES of New Mexico. Another amendment suggested by the draftsman is to be inserted on page 91, line 16, after the word "by," to insert the words "subdivision (a) of." It is merely a verbal amendment.

The amendment was agreed to.

Mr. JONES of New Mexico. I will ask that the next amendment be reported.

The PRESIDENT pro tempore. The Secretary will report the next amendment.

The READING CLERK. On page 91, line 22, after the word "by," insert "subdivision (a) of."

The amendment was agreed to.

The READING CLERK. On page 92, line 7, strike out "12½" and insert "9."

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will report the next amendment passed over.

Mr. SMOOT. The next amendment passed over will be found on page 139, Title III, the estate tax.

Mr. REED of Missouri. I assume that that will take some time.

Mr. SIMMONS. I do not think it will take over 30 minutes.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. On page 139, Title III, estate tax, in line 24, the committee proposes to strike out the word "administrator" and the comma and to insert the words "administrator appointed, qualified, and acting within the United States, then."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. WALSH of Massachusetts. Mr. President, in behalf of the minority I offer an amendment presented by me on May 5.

The PRESIDENT pro tempore. There is an amendment already pending.

Mr. WALSH of Massachusetts. I offer this amendment to the committee amendment, in the nature of a substitute.

Mr. SMOOT. May I ask the Senator whether it is a complete substitute?

Mr. WALSH of Massachusetts. It is a complete substitute for Title III.

Mr. SMOOT. That is as I understood it.

Mr. WALSH of Massachusetts. It need not be read. I ask unanimous consent that the amendment may not be read, because I will explain it in my address to the Senate. It is long, and it would take some time to read it.

Mr. SMOOT. I would like to have it go into the RECORD.

Mr. WALSH of Massachusetts. I ask that it be printed in the RECORD without reading.

The PRESIDENT pro tempore. Unless the reading is demanded, the amendment will be printed in the RECORD without being read.

The amendment submitted by Mr. WALSH of Massachusetts was, on page 139, beginning with line 21, to strike out through line 5, page 154, and insert in lieu thereof the following:

TITLE III.—INHERITANCE TAX

SEC. 300. When used in this title—

(a) The term "executor" means the executor or administrator of the decedent, or if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent;

(b) The term "net estate" means the net estate as determined under the provisions of section 307;

(c) The term "month" means calendar month; and

(d) The term "collector" means the collector of internal revenue of the district in which was the domicile of the decedent at the time of his death, or if there was no such domicile in the United States, then the collector of the district in which is situated the part of the gross estate of the decedent in the United States, or if such part of the gross estate is situated in more than one district, then the collector of internal revenue of such district as may be designated by the commissioner.

SEC. 301. In lieu of the tax imposed by Title IV of the revenue act of 1921, a tax is hereby imposed upon the transfer by reason of death of a resident of the United States dying after the enactment of this act of any tangible or intangible property wherever situated, or any interest therein or income therefrom, and upon the transfer, by reason of the death of a nonresident of the United States dying after the enactment of this act, of any property within the United States, or any interest therein or income therefrom, to any person in trust or otherwise, equal to the sum of the following percentages of the total value of the beneficial interests transferred to such person in any manner by reason of the death of the decedent, in excess of the exemptions provided in subdivision (a) of section 304:

(a) Upon a transfer to a husband, wife, child, adopted child, parent, or grandchild of the decedent:

One per cent of the amount of the beneficial interests passing to such person not in excess of $25,000;

Two per cent of the amount by which such beneficial interests exceed $25,000 and do not exceed $50,000;

Three per cent of the amount by which such beneficial interests exceed $50,000 and do not exceed $75,000;

Four per cent of the amount by which such beneficial interests exceed $75,000 and do not exceed $100,000;

Six per cent of the amount by which such beneficial interests exceed $100,000 and do not exceed $200,000;

Nine per cent of the amount by which such beneficial interests exceed $200,000 and do not exceed $500,000;

Twelve per cent of the amount by which such beneficial interests exceed $500,000 and do not exceed $1,000,000;

Eighteen per cent of the amount by which such beneficial interests exceed $1,000,000 and do not exceed $2,000,000;

Twenty-four per cent of the amount by which such beneficial interests exceed $2,000,000 and do not exceed $3,000,000;

Thirty per cent of the amount by which such beneficial interests exceed $3,000,000 and do not exceed $5,000,000;

Thirty-six per cent of the amount by which such beneficial interests ceed $5,000,000.

(b) Upon a transfer to a brother, sister, nephew, or niece of the decedent the rates of tax shall be the sum of the percentages provided in subdivision (a) of this section increased by 25 per cent.

(c) Upon a transfer to any other person the rates of tax shall be the sum of the percentages provided in subdivision (a) of this section increased by 50 per cent.

SEC. 302. The following shall be deemed to be taxable transfers under the provisions of this title:

(a) Transfers by the laws of intestate succession, or by will, including the creation by will of powers of appointment and the exercise by will of general powers of appointment;

(b) Transfers by deed, grant, or gift, including the exercise by deed of general powers of appointment, and including transfers in trust, in contemplation of or intended to take effect in possession or enjoyment at or after the death of the vendor, grantor, or donor, except in the case of a bona fide sale for a fair consideration in money or money's worth. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within two years prior to his death, without such consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title;

(c) Transfers, including transfers in trust, made by the decedent, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power, either by the decedent alone or in conjunction with any person, to alter, amend, or revoke, or where the decedent relinquished any such power in contemplation of his death, except in case of a bona fide sale for a fair consideration in money or money's worth;

(d) Other transfers by reason of the death of the decedent, including the following:

(1) The consummation in a surviving spouse of dower, curtesy, or statutory rights, powers, or privileges in lieu of dower or curtesy;

(2) The accrual, through survivorship, to a surviving tenant or depositor of complete title to property held as joint tenants by the decedent and any other person, or as tenants by the entirety by the decedent and spouse, or deposited with any person carrying on a banking business in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have been received or acquired by the latter from the decedent for less than a fair consideration in money or money's worth. Where such property or any part thereof or part of the consideration with which such property was acquired is shown to have been at any time acquired by such other person from the decedent for less than a fair consideration in money or money's worth, there shall be excepted only such part of the value of such property as is proportionate to the consideration furnished by such other person. Where any property has been acquired by gift, bequest, devise, or inheritance, as a tenancy by the entirety by the decedent and spouse, then it shall be deemed to have accrued to the survivor to the extent of one-half of the value thereof, or, where so acquired by the decedent and any other person as joint tenants and their interests are not otherwise specified or fixed by law, then

to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants; and

(3) The receipt by any beneficiary of insurance under policies taken out by the decedent upon his own life.

(c) Subdivisions (b), (c), and (d) of this section shall apply to the transfers, trusts, estates, interests, rights, powers, and relinquishment of powers, as severally enumerated and described therein, whether made, created, arising, existing, exercised, or relinquished before or after the enactment of this act.

SEC. 303. Taxes upon transfers shall be computed upon the total value of all the beneficial interests transferred to the same person in any manner by reason of the death of a decedent. Whenever at the time a tax becomes due the persons to whom beneficial interests are transferred by reason of the death of a decedent are not in being or can not be ascertained, or the extent of the beneficial interests transferred can not be ascertained, for the reasons that the transfers are conditioned upon the happening of a contingency or of the exercise of a discretion or a power of appointment, all the property so conditionally transferred shall for the purpose of the computation and collection of the tax be deemed to be transferred to the estate of said decedent, and as to such transfers such estate shall be treated under the provisions of this title as a person and, except in the case of the exercise of a general power of appointment, no further tax under this title shall be collected on transfers of such beneficial interests at the time the persons to whom they are transferred or the extent of the interests transferred to such persons as ascertained.

SEC. 304. The following transfers shall be exempt from taxation under this title:

(a) (1) Transfers to the husband or wife of a decedent, to the extent that the total value of the beneficial interests transferred to such person does not exceed $25,000.

(2) Transfers to a parent, child, adopted child, or grandchild of a decedent, to the extent that the total value of the beneficial interests transferred to such person does not exceed $10,000.

(3) Transfers to any other person, to the extent that the total value of the beneficial interests transferred to such person does not exceed $5,000.

(b) Transfers to or for the use of the United States, any State, Territory, political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, but only if no part of the net earnings inures to the benefit of any private shareholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount exempt under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes. In the case of a nonresident, such transfers shall be exempt only if (1) they are made to or for the use of a domestic corporation organized and operated exclusively for the purposes herein specified, or (2) such contributions or gifts are to be used within the United States by such trustee or trustees, or by such fraternal society, order, or association exclusively for the purposes herein specified.

SEC. 305. The value of the beneficial interests, transfers of which are taxable under this title, shall be determined as follows:

(a) In the case of a resident decedent, the value of such beneficial interests shall be determined by apportioning the amount of the net estate (determined as provided in subdivision (a) of section 307) among the transferees of such beneficial interests in accordance with the provisions of law governing the distribution of such net estate.

(b) In the case of a nonresident decedent, the value of such beneficial interests shall be determined by apportioning the amount of the net estate (determined as provided in subdivision (b) of section 307) among the transferees of such beneficial interests in accordance with the provisions of law governing the distribution of such net estate: *Provided, however,* That whenever a beneficial interest transferred to any person by reason of the death of a decedent is not an interest in specific property, the value of the beneficial interest the transfer of which is subject to taxation under this title shall be such proportion of the value of the total beneficial interest so transferred as the value of that part of the gross estate which at the time of the death of the decedent is situated in the United States bears to the value of his entire gross estate, wherever situated. If an executor does not include in the return required to be filed under section 308 the value at the time of the death of the nonresident decedent of that part of his gross estate not situated in the United States, the amount of the net estate shall be apportioned among the transferees of the beneficial interests in the manner which will result in the greatest possible amount of tax upon the transfer of such net estate.

(c) In the case of resident and nonresident decedents the following rules of valuation shall apply: (1) The value of an annuity, life estate, term of years, or other interest terminating on the expiration of a certain period shall be determined by the American Experience Table of Mortality at 5 per cent compound interest or by such other tables of mortality at that rate of interest as may be prescribed by the commissioner, with the approval of the Secretary; (2) the value of the remainder in any property after an annuity, life estate, term of years, or other interest terminating on the expiration of a certain period shall be ascertained by deducting the value of such annuity, life estate, term of years, or other interest terminating on the expiration of a certain period from the value of such property; (3) there shall not be included in the value of a beneficial interest the value at the time of the decedent's death of any property which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if an estate tax under prior act of Congress was paid by or on behalf of the estate of such prior decedent, or an inheritance tax under this act was paid on account of the transfer of such property, but in either case only in the amount of the value placed by the commissioner on such property in determining the value of the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate and not deducted under subdivision (a) or (b) of section 307; and (4) there shall not be included in the value of a beneficial interest the amounts actually paid therefrom as estate, succession, legacy, or inheritance taxes to any State, Territory, or the District of Columbia.

SEC. 306. The value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—

(a) To the extent of the interest therein of the decedent at the time of his death which after his death is subject to the payment of the charges against his estate and the expenses of its administration and is subject to distribution as part of his estate;

(b) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, curtesy, or by virtue of a statute creating an estate in lieu of dower or curtesy;

(c) To the extent of any interest therein of which the decedent has at any time made a transfer, or with respect to which he has at any time created a trust, in contemplation of or intended to take effect in possession or enjoyment at or after his death, except in case of a bona fide sale for a fair consideration in money or money's worth. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within two years prior to his death without such a consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title;

(d) To the extent of any interest therein of which the decedent has at any time made a transfer, or with respect to which he has at any time created a trust, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power, either by the decedent alone or in conjunction with any person, to alter, amend, or revoke, or where the decedent relinquished any such power in contemplation of his death, except in case of a bona fide sale for a fair consideration in money or money's worth;

(e) To the extent of the interest therein held as joint tenants by the decedent and any other person, or as tenants by the entirety by the decedent and spouse, or deposited, with any person carrying on the banking business, in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have been received or acquired by the latter from the decedent for less than a fair consideration in money or money's worth: *Provided,* That where such property or any part thereof, or part of the consideration with which such property was acquired, is shown to have been at any time acquired by such other person from the decedent for less than a fair consideration in money or money's worth, there shall be excepted only such part of the value of such property as is proportionate to the consideration furnished by such other person: *Provided further,* That where any property has been acquired by gift, bequest, devise, or inheritance, as a tenancy by the entirety by the decedent and spouse, then to the extent of one-half of the value thereof, or, where so acquired by the decedent and any other person as joint tenants and their interests are not otherwise specified or fixed by law, then to the extent of the value of a fractional part

to be determined by dividing the value of the property by the number of joint tenants;

(f) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after, his death, except in case of a bona fide sale for a fair consideration in money or money's worth; and

(g) To the extent of the amount receivable by any beneficiary as insurance under policies taken out by the decedent upon his own life.

(h) Subdivisions (b), (c), (d), (e), (f), and (g) of this section shall apply to the transfers, trusts, estates, interests, rights, powers, and relinquishment of powers, as severally enumerated and described therein, whether made, created, arising, existing, exercised, or relinquished before or after the enactment of this act.

SEC. 307. The value of the net estate shall be determined—

(a) In the case of a resident decedent, by deducting from the value of the gross estate—

(1) Such amounts for funeral expenses, administration expenses, estate and inheritance taxes actually paid to any State, Territory, or the District of Columbia, claims against the estate, unpaid mortgages upon or any indebtedness in respect to property (except in the case of a resident decedent, where such property is not situated in the United States), to the extent that such claims, mortgages, or indebtedness were incurred or contracted, bona fide and for a fair consideration in money or money's worth; losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered, but not including any income taxes upon income received after the death of the decedent or any inheritance taxes imposed by this title. If a decedent gives, bequeaths, or devises to his executor any property in lieu of compensation, the value thereof in excess of reasonable compensation shall not be deducted from the value of the gross estate;

(2) An amount equal to the value of any property forming a part of the gross estate situated in the United States of any person who died within five years prior to the death of the decedent where such property can be identified as having been received by the decedent from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where an estate tax under any prior act of Congress was paid by or on behalf of the estate of such prior decedent or an inheritance tax under this act was paid on account of the transfer of such property, and in either case only in the amount of the value placed by the commissioner on such property in determining the value of the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate and not deducted under paragraph (1) or (3) of this subdivision; and

(3) The amount of all bequests, legacies, devises, or transfers, except bona fide sales for a fair consideration in money or money's worth, in contemplation of or intended to take effect in possession or enjoyment at or after the decedent's death, to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes.

(b) In the case of a nonresident decedent, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States—

(1) That proportion of the deduction specified in subdivision (a) of this section which the value of such part bears to the value of his entire gross estate, wherever situated, but in no case shall the amount so deducted exceed 10 per cent of the value of that part of his gross estate which at the time of his death is situated in the United States;

(2) An amount equal to the value of any property forming a part of the gross estate situated in the United States of any person who died within five years prior to the death of the decedent, where such property can be identified as having been received by the decedent from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where an estate tax under any prior act of Congress was paid by or on behalf of the estate of such prior decedent, or an inheritance tax under this act was paid on account of the transfer of such property, and only in the amount of the value placed by the commissioner on such property in determining the value of the gross estate of such prior decedent, and only to the extent that the value of such property is included in that part of the decedent's gross estate which at the time of his death is situated in the United States and not deducted under paragraph (1) or (3) of this subdivision; and

(3) The amount of all bequests, legacies, devises, or transfers, except bona fide sales for a fair consideration, in money or money's worth, in contemplation of or intended to take effect in possession or enjoyment at or after the decedent's death, to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any domestic corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inure to the benefit of any private shareholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used within the United States by such trustee or trustees, or by such fraternal society, order, or association exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes.

(c) No deduction shall be allowed in the case of a nonresident decedent unless the executor includes in the return required to be filed under section 308 the value at the time of his death of that part of the gross estate of the nonresident decedent not situated in the United States.

(d) For the purpose of this title, stock in a domestic corporation owned and held by a nonresident decedent shall be deemed property within the United States, and any property of which the decedent has made a transfer or with respect to which he has created a trust within the meaning of subdivision (b) or (c) of section 302 shall be deemed to be situated in the United States, if so situated either at the time of the transfer or of the creation of the trust, or at the time of the decedent's death.

(e) The amount receivable as insurance upon the life of a nonresident decedent, and any moneys deposited with any person carrying on the banking business, by or for a nonresident decedent who is not engaged in business in the United States at the time of his death, shall not, for the purpose of this title, be deemed property within the United States.

(f) Missionaries duly commissioned and serving under boards of foreign missions of the various religious denominations in the United States, dying while in the foreign missionary service of such boards, shall not, by reason merely of their intention to remain permanently in such foreign mission service, be deemed nonresidents of the United States, but shall be presumed to be residents of the State, the District of Columbia, or the Territories of Alaska or Hawaii wherein they respectively resided at the time of their commission and their departure for such foreign service.

SEC. 308. (a) The executor, within two months after the decedent's death, or within a like period after qualifying as such, shall give written notice thereof to the collector. The executor shall also, at such times and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath in duplicate, setting forth (1) the value of the gross estate of the decedent at the time of his death or, in case of a nonresident, of that part of his gross estate situated in the United States; (2) the deductions allowed under section 307; (3) the value of the net estate of the decedent as defined in section 307; (4) the names of the persons to whom beneficial interests are transferred in any manner by reason of the death of the decedent and descriptions of the beneficial interests so transferred; and (5) the

tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

(b) Return shall be made in all cases where the gross estate at the death of the decedent exceeds $25,000, in the case of any gross estate which includes property the transfer of which is taxable under this title, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall, in like manner, make a return as to such part of the gross estate.

Page 154, after line 25, insert a new section to read as follows:

"SEC. 310. (a) Each person shall be liable to the executor for the tax upon transfers to such person and the executor shall collect from such person the tax upon all transfers to such person, or shall deduct it from any property in his possession or control transfered to such person. The executor shall not pay or deliver any property the transfer of which is subject to taxes to any transferee unless the tax upon such transfer has been so collected or deducted. Whenever there is a transfer of property taxable under this title of which the executor has no possession or control, the person having possession or control thereof, or under liability to make any payment to the transferee, shall be liable to the executor for the tax upon such transfer, and unless the tax has been paid by the transferee to the executor shall collect or deduct it from such property or such payment and pay it to the executor: *Provided, however,* That the commissioner may, with the approval of the Secretary, by regulations authorize the payment of such tax directly to the collector and relieve the executor from liability therefor. All taxes, including taxes on the transfer of annuities, life estates, terms for years, and other interests terminating on the expiration of a certain period, shall be paid out of and chargeable to capital and not to income. Nothing in this title shall prevent an executor from paying taxes out of such property as the will or other instrument under which the transfer is made shall direct, but such directions shall not affect any right of the United States or of the collector to collect the tax or to a lien therefor.

"(b) If the amount of tax paid or collected out of property transferred to any person exceeds the amount of tax for which such person is liable, such person shall be entitled to reimbursement to the extent of such excess out of any part of the estate still undistributed, or to a just and equitable contribution by the persons liable for the tax so paid or collected under this title."

Mr. WALSH of Massachusetts. Mr. President, I think a good deal of time can be saved in the discussion of this question if I may be permitted to develop my argument without interruption.

Briefly, it is proposed by the minority to substitute an inheritance for the estate tax reported by the committee. The history of the legislation leading up to the adoption of an estate tax is very interesting, and if the Senate will be patient with me, I will very briefly describe the differences between these two amendments, and particularly the differences between the estate tax and the inheritance tax. As the Senate will remember, the House passed an estate-tax provision in this bill fixing the maximum rate at 40 per cent. The Senate committee has reported an amendment to that estate-tax provision fixing the rate at 25 per cent. The minority propose to strike out of the bill all the provisions relating to an estate tax and to substitute the inheritance tax in place thereof.

Very little attention has been given to this feature of the pending bill. The Secretary of the Treasury made no recommendation in reference to it when he communicated with the Congress in regard to the present tax reduction bill.

Mr. President, while the attention of the public has been focused upon the prospective reduction of the rates of the income tax for the obvious reason that it is a tax which reaches nearly all, directly or indirectly, insufficient consideration has been given to the revision of the estate tax. Thus, in the recommendations of the Treasury Department addressed to the chairman of the Ways and Means Committee, no changes in the estate tax of the existing law are suggested. In the so-called Mellon bill the estate-tax title is substantially the same as in the existing law, except for improvements in the administrative sections. Yet, if the history of the estate tax is reviewed, if its theory is analyzed, if its practical operation is tested by examples, it becomes evident that very substantial amendment of this title should be made, which I believe necessitates the substitution of a tax upon inheritances for the present tax on estates. It is my purpose to call to the attention of the Senate some of the instances of hardship and injustice in the operation of the present estate tax and to point out the advantages, as I see them, of the inheritance-tax amendment which I have offered to this title.

The estate tax is graduated, as we all know, with reference to the size of the total estate of the decedent. The amount of the tax has no reference to the number or relationship of the beneficiaries. The tax is simply and exclusively based upon the amount of the net estate the decedent leaves, after the statutory deductions are taken out. It is apparent that this form of taxation results in a certain injustice to the large family. Suppose Jones dies, leaving an estate of $100,000 to his only child: The tax under the present law will be $500; thus the child will receive $99,500 from the estate. Smith leaves an estate of $500,000, which he directs shall be distributed equally among his wife and four children. The tax will be approximately $13,500; thus one of Smith's children will receive only $97,300. Granted that Smith's estate was the larger, the interest transmitted to any of his children on account of his death was exactly the same as that transmitted to the Jones child.

There seems to be no reason in the nature of things why one of the Smith children should be penalized $2,200 because he happened to belong to a family of five; why the tax should be so drawn that the Government takes more than five times as much out of a $100,000 legacy to him than it took out of a $100,000 legacy to an only child. Again, substituting for Jones's estate $1,000,000 and for Smith's $5,000,000, Jones's child receives after estate tax is paid $952,500 and Smith's $873,500. The estate tax is $47,500 for Jones's and $632,500 for Smith's. The only child gets $79,000 more than any one of the five children out of the Smith estate.

Accepting the principle of taxing transfers of property by death, which is the fairer method, an estate or an inheritance tax? Should the tax be imposed upon the privilege of transmitting property or upon the right to receive or succeed to it? Out of the 48 States, 46 levy some sort of taxes on transfers of property by reason of death; of these 46 all but 2 or 3 are inheritance taxes. In other words, the tax is based by the States upon the amount of property received by the particular beneficiary by reason of the death, not upon the total amount of the property left by the decedent. In the illustration I have just given the Smith legacy of $100,000, if an inheritance tax were adopted, would be taxed just the same as the Jones legacy of $100,000.

A close examination of the two forms of taxation as applied to conditions in this country will show why the overwhelming number of the States have adopted an inheritance tax in preference to an estate tax. The system of primogeniture wisely has not been implanted in this country whereby the eldest son alone inherited and kept the estate intact. It is customary for estates to be divided equally among the children. This is eminently fair, for frequently the wife and the children have been mainly responsible for building up the family estate. We are all familiar with the typical American families which settled upon farms the country over in the past 50 years. The father and his children, of whom, perhaps, several were sons, acquired and cultivated the land. The children commonly remained on their father's farm until they married and found homes of their own. No small part of the accumulations of the father were due to the energy and unfailing assistance of his wife and their children. The father customarily recognized this fact in disposing of his property equally among those who had helped him acquire it. In such a case the amounts received from the estate largely reflect the efforts of the recipient. It is apparent that any transfer tax should be based not upon the total amount of the estate but upon the size of the legacy received. The total size of the estate is quite irrelevant.

The fact that a father with the aid of several children was able to accumulate several times as much property as a father with a single child surely should not operate to increase the tax and thus decrease the child's share when the property is divided equally among them and when no one receives more than the only child. It is so obvious that it does not need argument to demonstrate it. A rate of tax based upon the size of the individual's share of the estate is fairer and more equitable in its operation than a rate based simply upon the size of the estate regardless of the number of beneficiaries. The fact that nearly all of the States have adopted this system is but further proof of its fairness and of its equitable operation. It is this system of taxation of transfers by reason of death which I propose.

A brief review of the history of the estate tax in this country will indicate further reasons for adopting an inheritance tax at this time. Such taxes have been levied during four different periods by the Federal Government. The first was a Revolu-

tionary War tax, enacted in 1797 and repealed in 1802. It was followed by a Civil War tax, enacted in 1862 and repealed in 1870; a Spanish War tax, in force from 1898 to 1902; and the present estate tax, enacted in 1916 and subsequently amended (see Mellon, Taxation, the People's Business, pp. 111–112). The reports of the Committees on Ways and Means and Finance in 1916 indicate that the estate tax was evidently adopted in that year because of the haste and necessity of raising additional revenue by reason of the agitation and demand for a war-preparedness program; that an estate tax was chosen, rather than such an inheritance tax as was then in force in 30 States, because it was thought to be simpler and more easily framed and administered. The question of which was the fairer tax to the taxpayer was apparently not debated. The entire estate-tax provisions cover only four pages, while in the existing law the length has doubled and in the proposed revenue bill the length will probably be trebled. Hence the initial argument of simplicity has not been entirely borne out by the subsequent course of the law. The estate-tax title was adopted without much discussion in 1916, except as to the desirability of the Federal Government levying any such tax whatsoever, a matter to which I shall later refer.

In 1918–19, when the revenue act was completely overhauled, the House passed an estate tax, with rates running up to 40 per cent, the figure which the House has incorporated in the present bill. The Senate Committee on Finance reported out instead an inheritance tax graduated according to the amount received by any beneficiary. The skeleton of this inheritance-tax title was much the same as that which I propose at this time. The Members of the Senate, both Republican and Democratic, seem to have been in substantial agreement that an inheritance tax was fairer and sounder than an estate tax. Thus, the chairman of the committee, the Senator from North Carolina [Mr. SIMMONS], in discussing this part of the bill (CONGRESSIONAL RECORD, vol. 57, pt. 1, p. 255):

Mr. President, I shall not discuss the changes which we have made in the section of the bill relating to estate taxes, although they are very substantial. In brief, I may say that the difference is that the House provided for an estate tax, while the Senate amendment provides for an inheritance tax. The House bill taxed directly the gross estate. The Senate amendment taxes the part coming to each beneficiary under the law or the will of the decedent. The rates prescribed are very much less than those of the House bill. Your committee did not and does not feel that the Federal Government ought to impose upon inheritances or estates such a heavy tax as would make it practically impossible for the States to avail themselves of this source of taxation without making the joint taxes of the Federal and the State Governments oppressive if not largely confiscatory.

The late Senator from Pennsylvania, Mr. Penrose, in a carefully prepared speech indorsed the Senate amendment in strong language (CONGRESSIONAL RECORD, vol. 57, pt. 1, p. 559):

I do maintain, however, that if there is to be any tax, the rate should depend not on the size of the estate as a whole, as it does under the present law and in the House bill, but so far as possible on the amount of the individual share of each person participating in the division of the estate. The new inheritance tax plan which the committee has worked out is much fairer and sounder than the estate tax plan in the House bill. The rates adopted in the House bill mean nothing short of confiscation and destruction. To pay to the Government 40 per cent of the amount of an estate would often mean that to raise this amount of money the other 60 per cent of the estate would have to be sacrificed and lost altogether. In any case the difficulty of settling an estate within a reasonable time after the death of the decedent frequently is very great and, in some instances, nearly insurmountable. Undeveloped enterprise, largely dependent upon the genius of the promoter, and forming a considerable part of a large estate, not to mention real estate and many other assets which can not be immediately disposed of without a very great loss, illustrate in a general way the difficulties encountered in bringing about any settlement in order to adjust taxes within any reasonable period. The rates adopted in the committee amendment are more of an approach to reason, and provision has been made for more liberality in the time of paying these taxes.

These remarks are quite as aptly applied to the amendment I have proposed.

Although, as I have said, the inheritance tax proposed by the Committee on Finance in 1918 was adopted by the Senate without substantial dissent, in conference committee the House conferees insisted upon an estate tax. Such a tax was left in the bill, with the rates decreased to a maximum of 25 per cent. The leaders in the Senate deprecated the change. The Senator from North Carolina [Mr. SIMMONS] explained that the Senate conferees were compelled to yield to the House conferees on the form of the tax, though with reduced rates. Senator Penrose was even more outspoken (CONGRESSIONAL RECORD, vol. 57, pt. 4, p. 3182):

Some of the best features of the Senate bill had to be sacrificed in the inevitable compromises which accompany a mixed settlement of this kind. The Senate changed the estate tax to an inheritance tax, thus making the tax dependent upon the size of the legacy or inheritance and not upon the size of the entire estate. This real reform has been lost, and the bill returns to the existing estate tax, with some reduction in the rates. There is a little comfort in the thought that the worse the form of the Federal tax, the sooner, in all probability, will this source of revenue be given back to the States, to which it properly belongs.

Likewise, the distinguished Senator from Utah [Mr. SMOOT], who is now chairman of the Committee on Finance, said (CONGRESSIONAL RECORD, vol. 57, pt. 4, p. 3269):

In the case of estate taxes I really thought that the plan adopted by the Senate could receive no objection from the House, unless perchance it was as to the rates imposed. The House provision penalizes a man who has a large family. The Senate provision provided that the tax should be imposed upon the amount received by each beneficiary. Suppose a man dies leaving his estate to five children, and his estate is valued at $500,000, or $100,000 to each of the heirs. Under the House provision the whole amount is taxed at the highest possible rate, yet it is to be divided among the five children. Why should those five children be taxed upon a combined estate, when each of them has only one-fifth of the estate? All that they ought to be taxed upon is the amount that they receive from the estate. In other words, the provision as it stands is penalizing the man who has a family. It is penalizing the children. It never ought to be. Some time or other it will be changed, notwithstanding it failed in conference.

I heartily agree with both of these utterances, and for that reason I am anxious that the Senate should have the opportunity to correct the mistakes in the present law and substitute this sound and equitable form of taxation for the unfair and unsound scheme proposed by the House.

Although in 1921 the inheritance tax appears not to have been given much consideration as a substitute for the estate tax, I find the following comment by the distinguished Senator from Mississippi, Mr. Williams (CONGRESSIONAL RECORD, vol. 61, pt. 6, p. 5839):

The entire theory of the present Federal inheritance tax is upon a wrong basis. It taxes the estate instead of taxing the distributive share of the estate that goes to the legatee or distributee. This question was up before the Finance Committee of the Senate at one time, and I announced that view and got the permission of the committee to let the matter go over until an amendment could be drawn to change the basis which had been fixed by the Ways and Means Committee and by the House of Representatives. After that I learned that the State of Rhode Island had an almost perfect inheritance tax, based upon the distributive share of each legatee or distributee; and I left the Senator from Rhode Island [Mr. GERRY] to draw an amendment after the lines of the Rhode Island law. That amendment was adopted by the committee and later on was included in the Senate bill; but when we came into conference with the House one day the conferees surrendered the principle involved.

Mr. President, I want the Senators who are present to understand precisely what the point at issue is.

A dies and leaves, say, $110,000. He has no wife and he has no children. Now, remember, this is a graded tax. Then B lies down and dies and leaves a wife with one child. Under the distributive statute of the State of Mississippi and under the statutes of most of the States that $110,000 would be divided into three equal parts, the wife receiving a distributive share. Along comes Q pretty nearly down at the end of the alphabet, and he leaves nine children and a wife. Now, this tax is so graded that it is graded according to the estate and not according to the distributive share received by each beneficiary under the will, or, if there be no will, under the statute of distribution of the State.

It is obviously plainly unfair that there should be the same deduction from a $10,000 inheritance, to be paid ultimately by the beneficiary, though, of course primarily by the administrator or executor, as from an inheritance of $110,000. It is bad enough, anyhow, to have the tax collector enter the back door as the corpse goes out of the front door when men are trying to take care of their children.

It is bad enough when one remembers that the white race is perhaps the only race in the world that ever thought more about its children than it thought about itself; but to grade a tax not according to the amount received by the beneficiary but according to the amount left by the dead man, and thereby continue the wrong of letting dead men's hands creep out of their graves and control the destinies of the living, and to emphasize that wrong by making it a part of legislation, is thoroughly wrong. I have always hoped that the day would come some-

time when we might correct the fundamental iniquities contained in this tax, and when we might base exemption and taxation, by gradation or otherwise, upon the amount received by the beneficiary instead of upon the amount left by the dead man, who no longer belongs to the world and ought not to be considered economically a part of it at all in any way.

To review the history of the two forms of taxation, we find that the estate tax has been adopted by virtually no States, and by the Federal Government in only one of the four periods during which such taxes have been in force. The overwhelming number of the States find the inheritance tax fairer in operation and adequate in revenue-producing qualities. The distinguished students of taxation in this body who have studied the two taxes are quite in agreement that the inheritance tax is by all odds the better tax. The time is ripe for a change.

I wish to discuss briefly the changes which my amendment will make in this title of the bill. As I have already said, the chief argument for the estate tax has been its supposedly greater simplicity than the inheritance tax. Although I believe that tax questions should not be settled on the basis of what is simplest for the Government but rather what is fairest to the taxpayer, I seriously question whether even this is true. The experts from the Treasury with whom I have advised inform me that the administrative provisions of the estate-tax title, which have been carefully worked out through the years, can be adopted for the inheritance tax without any substantial change whatever. Accordingly, I have made no change of importance in the administrative provisions contained in sections 305 to 318 of the bill now pending.

It is asserted that it will be much more difficult to collect a tax levied on numerous beneficiaries than on a single estate. I have met this objection by providing that the return shall be filed and the tax paid by the executor on behalf of the beneficiaries, just as the return is made and tax paid on behalf of the estate at present. There will be only one person to whom the Government will look for payment of the tax in the first instance—the executor. Of course, if he fails to pay, recourse may be had against the several beneficiaries in respect of the tax on their shares, just as is done at present. But the Government will have to inspect only one return for each estate, as it does now; the tax will be paid by the executor, who pays it now. To be sure, the tax is imposed with reference to the shares received by the different beneficiaries. But it must be remembered that the States are collecting just this sort of tax at present. One of the advantages of my amendment lies there. Instead of being compelled to make two entirely different sorts of returns, the executor will calculate the shares of each beneficiary and make both returns on the same basis. The Federal revenue agents can cooperate with the State officials in checking the appraisal of the various interests. Instead of working at cross purposes, the administrative officials of the States and the United States can work together. Thus my amendment will simplify the taxpayers' returns to the National and State Governments.

Mr. BROUSSARD. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Louisiana.

Mr. BROUSSARD. I have received several requests for information in connection with the collection of inheritance taxes in cases in my State. The attorney having in charge the collection of State taxes on such estates has complained to me that it has been impossible for him to obtain from the Treasury Department information about the return showing the total estate taxable by the Federal Government. But the suspicion on his part is that a greater amount is returned to the Federal Government than is returned to the State. Does the Senator's amendment provide for the publicity of that, or is it the Senator's opinion that the other amendment which we adopted with reference to the income tax should be applicable to this situation?

Mr. WALSH of Massachusetts. It is an administrative matter which the commission may regulate. There is no difference in the administrative provisions of the amendment proposed by me and those of the committee amendment.

Mr. REED of Missouri. The general publicity amendment would probably cover it, anyway.

Mr. WALSH of Massachusetts. The Senator from Missouri suggests that the general publicity amendment would cover it anyway.

Mr. BROUSSARD. I was of that opinion.

Mr. WALSH of Massachusetts. I do not believe that the rates of this form of tax should be so high as to prevent its use by the several States, which raise a considerable part of their revenue by its use. But we are under the necessity, it seems, of raising in the neighborhood of $100,000,000 by this tax. I should be pleased if the rates could be kept very low, except on the very large estates. But in order to avoid any charge of disarrangement of the fiscal program already announced by the majority I have endeavored to arrange the rates of tax and exemptions so as to raise the $110,000,000 needed from this form of tax. In 1918 Treasury experts estimated the yield of the inheritance tax adopted by the Senate as $100,000,000. I have slightly raised in the higher brackets the rates then adopted, but have increased the exemption for a surviving widow or husband. Under this amendment a surviving spouse receives an exemption of $25,000 of any beneficial interest transferred to him or her. A parent, child, or grandchild receives an exemption of $10,000, and all other persons an exemption of $5,000. Since this tax is based upon the amounts received by a beneficiary, it has seemed to me desirable that the rates should be lower on transfers to a decedent's immediate family than to strangers. Accordingly I have arranged a schedule of basic rates, ranging from 1 per cent to 36 per cent of the amount of beneficial interests transferred in excess of the exemptions to husband, wife, child, parent, or grandchild of the decedent.

If the transfer is to a collateral relative—the brother, sister, nephew, or niece of the decedent—these basic rates will be increased by 25 per cent. If the transfer is to any other person, a stranger, the rates will be increased by 50 per cent. In other words, the lowest rates apply to transfers to the members of the decedent's family, who have helped him build up his estate. Transfers to his relatives outside his immediate family are taxed at somewhat higher rates; transfers to strangers at still higher rates.

I have provided that estate and inheritance taxes paid to the States shall be deducted from the amount of each beneficiary's interest in determining the amount subject to the Federal tax. It is evident that the legacy any beneficiary receives is the legacy by the will less the State tax. Finally, transfers to charities and benevolent organizations are exempt.

I want to emphasize here that the rates in this amendment are not of my choosing. I should like to make them much lower, but I can not do so without immediately becoming subject to the charge that I am working to produce a Treasury deficit. If I had my way, I should leave this field of taxation wholly to the States where it properly belongs.

The rates in my amendment are not, however, oppressive. Suppose a decedent leaves an estate of $150,000 equally to his wife and four children. Under the existing law, the tax would be $1,500; under my bill, the total tax, after allowing for the State taxes, would be about $850, of which about $50 would be taken from the wife's legacy of $30,000, and about $200 from each child's share of $30,000. If the decedent left a net estate of $1,000,000 to a single beneficiary, a child, the present law taxes the estate $47,500, and my amendment would tax the beneficiary $94,300. On the other hand, if the estate was distributed equally to a wife and four children, for example, the total taxes under my amendment would be $38,600. Thus, the tax rates proposed by my amendment are reasonable in the typical case of the distribution of an estate in this country to several beneficiaries.

The estate tax is not a fair tax. Being imposed on the total amount of the estate, it ordinarily is paid out of the residuary estate, not out of any particular legacy. The residuary legatee rather than the estate is the real taxpayer. All other beneficiaries ordinarily escape. This frequently works great hardship, and usually is contrary to the decedent's wish. The residue is frequently the bulk of the estate, passing to the nearest and most beloved of the testator. It usually consists of a business, lands, stocks, timber, and so on, which, in the case of a large estate, must be sold at a forced sale to pay the transfer taxes. The tax is a heavy drain upon capital, and is highly injurious to credit. The inheritance tax I propose is broken up among the various beneficiaries, as it should be, and no one beneficiary of the estate is forced to pay for the transfer to all the beneficiaries. There need be no forced sales of property in the estate, for each beneficiary has the privilege of paying the tax on his share outright.

Again, the estate tax results in situations the decedent could not have intended. Thus, in Y. M. C. A. against Davis, decided February 18, 1924, by the Supreme Court, a testator left her residuary estate to the Y. M. C. A. and certain other benevolent organizations. The executor brought an action to determine whether the tax should be paid out of the residue which was given to these benevolent organizations or out of the various specific legacies. The court properly held under the law that the tax would be payable out of the residue, thereby greatly reducing the amount received by these charitable, educational, and religious organizations. Obviously, we should avoid this result if we can, and it can be avoided. Each bene-

ficiary should pay his own transfer tax. It is wrong for the residuary legatee, often a charity, or the chief object of the decedent's bounty, to have to pay the taxes for the whole estate.

Finally, we have adopted the theory in the income tax that the tax should be graduated with reference to the amount of income received by each taxpayer—that is, that it should be graduated with reference to ability to pay. Should not the same theory apply to a transfer tax? Should it not also be graduated with reference to the ability of the recipient to pay the tax out of what he receives? There is surely no logic in reducing his share merely because a large estate was given other persons.

In conclusion I want to say again that I believe that the Federal Government should not lay heavy taxes upon the transmission of an estate. The heir of the decedent finds his only title to the possession of the estate in the laws of the State, and he only secures transmission of it through the courts and other officials of the State. This tax, then, technically and preeminently belongs to the States. It is a material source of revenue to them; it is a relatively small source of revenue, only about 3 per cent, to the Federal Government. But if we are to have a program involving some sort of legacy taxes, we should surely adopt an inheritance tax, which from every practical and theoretical point of view is a sounder tax than an estate tax. I should favor a material reduction of the rates of this tax.

But the majority of the House has adopted an estate tax with rates reaching a climax of 40 per cent.

The Committee on Finance has decreased the maximum rate to 25 per cent, but it is apparent that the fiscal program worked out by the majority requires at least $100,000,000 of revenue from this source. If we are to raise this amount of revenue by taxing transfers by death, let us by all means adopt the method which is most equitable to the taxpayer; let us not further increase his burdens by an unsound and unfair levy. Once the inheritance tax is substituted for the estate tax, we have made a good start on the problem. We will then have the basis of a sound system of taxation, and at a later date, we can lower the rates, in order that this tax may mainly be used by the States, as it properly should be. Let us not be deceived by false arguments of administrative simplicity into continuing any longer an unfair form of tax, which authorities, State and National, agree in condemning.

APPENDIX

EXPLANATION OF THE WALSH INHERITANCE TAX AMENDMENT, SECTION BY SECTION

SECTION 300

This section contains definitions of the terms "executor," "net estate," "month," and "collector." It is identical with section 300 of H. R. 6715.

SECTION 301

This section provides for the rates of tax upon transfers by reason of death. The tax is imposed upon the value of the beneficial interests so transferred, in excess of the exemptions provided for in section 304. The rates are graduated with reference to the amount of the beneficial interests transferred to any one person. In the case of transfers to a surviving spouse or child of the decedent, the rates range from 1 per cent of the amount of the taxable beneficial interest transferred, not in excess of $25,000, to 36 per cent of the amount by which the taxable beneficial interest transferred exceeds $5,000,000. Transfers to a brother, sister, nephew, or niece of the decedent are taxable at these rates, increased by 25 per cent, and transfers to all other persons at these rates increased by 50 per cent.

SECTION 302

This section defines the transfers which are taxable under this title. In general, transfers of property, at present included within the gross estate for the purpose of the estate tax, are so taxable. These transfers are specifically—

(a) Transfers by the laws of intestate succession, or by will, including the creation by will of powers of appointment and the exercise by will of general powers of appointment. Somewhat similar provisions, as to the estate tax, are contained in subdivisions (a) and (f) of section 302 of H. R. 6715.

(b) Transfers in contemplation of death, except bona fide sales for a fair consideration in money or money's worth. Similar provisions as to the estate tax are contained in subdivision (c) of section 302 of H. R. 6715.

(c) Transfers by the decedent, where the decedent had at the time of his death the power to change the enjoyment of the property interest which he had transferred, or with respect to which he had created a trust. Such transfers are likewise taxable, if the decedent relinquished such a power in contemplation of death except by a sale for a fair consideration. A similar provision occurs in subdivision (d) of section 302 of H. R. 6715.

(d) Other transfers by reason of the death of the decedent, including—

(1) The consummation in a surviving spouse of dower, curtesy, or statutory rights in lieu thereof. A similar provision is contained in subdivision (b) of section 302 of H. R. 6715.

(2) The accrual to the survivor of complete title to property held in joint tenancy or in tenancy by the entirety. This provision is similar to subdivision (e) of section 302 of H. R. 6715.

(3) The receipt by any beneficiary of insurance under policies taken out by the decedent on his own life. A somewhat similar provision occurs in subdivision (g) of section 302 of H. R. 6715.

(e) This subdivision, which provides that the transfers which are taxable are those enumerated in this section, whether the property interests referred to were created or arose or were relinquished before or after the enactment of this act, is similar to subdivision (h) of section 302 of H. R. 6715.

SECTION 303

This section provides that taxes upon transfers shall be computed upon the total value of all the beneficial interests transferred to the same person in any manner by the death of the decedent. It further provides that transfers to persons not in being, or transfers subject to contingencies, shall be deemed to have been transferred to the estate and so taxed. No further tax is to be collected at the time the interests or persons are ascertained except in the case of the exercise of a general power of appointment.

SECTION 304

This section exempts from the tax imposed by this title an amount not in excess of $25,000 transferred to a surviving spouse, $10,000 to a child, and, in the case of a transfer to any other person, an amount not in excess of $5,000 of the total value of beneficial interests transferred to such person.

Transfers to the benevolent organizations specified in paragraph (3) of subdivisions (a) and (b) of section 303 of H. R. 6715 are likewise exempted.

SECTION 305

This section provides for the method of valuing the beneficial interests transferred to any person by a resident or nonresident decedent. In calculating the value of a terminable right to receive income, such as an annuity, or a remainder after the termination of such an interest, the American Experience Tables of Mortality are to be used. There will not be included in the value of a beneficial interest the value of property which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the decedent's death—or in exchange for property so received—where a Federal estate or inheritance tax was paid by the prior decedent on account of the transfer of such property. This provision corresponds to paragraph (2) of subdivisions (a) and (b) of section 303 of H. R. 6715.

Finally, amounts actually paid from any beneficial interest on account of estate, succession, legacy, or inheritance taxes to any State, Territory, or the District of Columbia are to be deducted therefrom in determining the amount of the transfer subject to the Federal tax. Although there is no similar provision in H. R. 6715, as reported by the Committee on Finance, it is clear that the amount of the legacy received by any person is the amount given by the decedent less the amount of the taxes upon its transfer. It is therefore equitable to deduct the State inheritance taxes in determining the amount of the transfer subject to the Federal tax.

SECTION 306

The gross estate is here defined in terms exactly similar to those of section 302 of H. R. 6715.

SECTION 307

The deductions from the gross estate here provided for in determining the value of the net estate are exactly similar to those set forth in section 303 of the existing law.

SECTION 308

This section with the changes made necessary by the adoption of an inheritance tax instead of an estate tax corresponds to section 304 of H. R. 6715.

SECTION 309

This section is section 305 in H. R. 6715.

SECTION 310

In order that the tax may be paid by each beneficiary in respect of the property transferred to him, it is here provided that each such person shall be liable to the executor for the amount of the tax on such transfer. Likewise, in order to avoid the hardship of a forced sale, in order to pay the tax on any property included in the gross estate, it is provided that each beneficiary may at his option pay the tax outright, instead of having it deducted from the property transferred to him.

If the will or other instrument of transfer provides for the payment of the tax out of specific property, the executor may so pay it without affecting the rights of the United States.

If the tax paid by or out of property transferred to any person exceeds that for which he is liable, he is entitled to reimbursement or contribution from the estate or other beneficiaries.

SECTIONS 311 TO 323

The administrative provisions of the estate tax are adaptable to the administration of the inheritance tax without substantial change. The sections of the estate tax title so retained—and renumbered—are sections 306 to 318, inclusive.

Subdivision (b) of section 314 of the estate-tax title, which provided for reimbursement of any beneficiary of any portion of the tax paid out of his share of the estate in certain cases, has been stricken out as unnecessary, in view of the provisions of section 310 (b) above discussed.

TABLE 1.—*Table comparing estate tax with inheritance tax under Walsh amendment*

Total estate	Estate tax present law (exemption $50,000)	Inheritance tax on beneficiary's share if estate divided equally among—							
		Spouse and 1 child			2 children	4 children	Spouse and 4 children		
		Tax on spouse's share	Tax on child's share	Total tax	Total tax	Total tax	Tax on spouse's share	Tax on each child's share	Total tax
$100,000	$500	$250	$550	$800	$1,100	$600	$0	$100	$400
150,000	1,500	750	1,200	1,950	2,400	1,200	50	200	850
200,000	2,500	1,500	2,100	3,600	4,200	2,200	150	350	1,550
500,000	13,500	10,750	12,100	22,850	24,200	13,600	1,500	2,100	9,900
1,000,000	47,000	33,250	34,000	67,850	68,200	48,400	7,000	7,900	38,600
5,000,000	632,500	389,500	393,100	782,600	786,200	564,800	92,500	98,300	469,700

NOTE.—1. The rates of tax under the Walsh amendment on transfers to certain collaterals are 25 per cent greater than the rates upon transfers to a surviving spouse, child, parent, or grandchild; upon transfers to strangers, 50 per cent greater.

2. No allowance is made in this table for the deduction of State estate and inheritance taxes, which is provided in the Walsh amendment, since the taxes vary in the different States.

TABLE 2.—*Estate tax returns from January 16, 1921, to December 31, 1922*

Returns are required if gross estate exceeds $50,000. "Net estate" is "gross estate" less statutory deductions, one of which is an exemption of $50,000

Number of estates making returns	12,203
No net estate whatever	2,649
Total net estate:	
Under $50,000	5,080
$50,000 to $150,000	2,535
$150,000 to $250,000	727
$250,000 to $450,000	550
$450,000 to $750,000	301
$750,000 to $1,000,000	110
$1,000,000 to $1,500,000	111
$1,500,000 to $2,000,000	45
$2,000,000 to $3,000,000	41
$3,000,000 to $4,000,000	17
$4,000,000 to $5,000,000	10
$5,000,000 to $6,000,000	7
$6,000,000 to $7,000,000	2
$7,000,000 to $8,000,000	2
$8,000,000 to $9,000,000	6
$9,000,000 to $10,000,000	0
Above $10,000,000	10

TABLE 3.—*Amounts of estate taxes collected by the Federal Government*

Fiscal year:	
1919	$82,029,583.13
1920	103,635,563.24
1921	154,043,260.39
1922	139,418,840.04
1923	120,705,206.55

TABLE 4.—*Table showing the States which impose an estate, inheritance, or legacy tax, and the rate of tax imposed*

States	Exemption	Rates (per cent)
Alabama		None.
Alaska	$100–$10,000	1–17½
Arizona	100– 10,000	1–25
Arkansas	500– [1] 3,000	1–40
California	500– 24,000	1–20
Colorado	0– 20,000	0–16
Connecticut	500– 10,000	1–8
Delaware	0– 3,000	1–8
District of Columbia		None.
Florida		None.
Georgia	0– 5,000	1–21
Hawaii	500– 5,000	0–10
Idaho	500– [2] 10,000	1–15
Illinois	100– 20,000	2–30
Indiana	100– 15,000	1–20
Iowa	0– [3] 15,000	0–20
Kansas	0– 75,000	½–15
Kentucky	500– 10,000	1–15
Louisiana	500– 5,000	0–10
Maine	500– 10,000	1–7
Maryland	0– (4)	5
Massachusetts	1,000– 10,000	1–12
Michigan	100– [5] 5,000	½–25
Minnesota	100– 10,000	1–20
Mississippi:		
Estate	5,000	½
Individual beneficiary	500– 7,500	½–8
Missouri	0– [6] 20,000	1–30
Montana	0– 17,500	1–16
Nebraska	0– 10,000	1–6
Nevada	0– 20,000	1–25
New Hampshire	0– 10,000	2–10
New Jersey	0– 5,000	1–8
New Mexico	0– 10,000	1–5
New York	0– 5,000	1–8
North Carolina	0– 10,000	1–9
North Dakota	0– 10,000	1–20
Ohio	0– [7] 5,000	1–10
Oklahoma	500– 15,000	1–10
Oregon:		
Estate	10,000	1–10
Individual beneficiary	0– 1,000	0–25
Pennsylvania	0	2–10
Philippine Islands (pesos)	0– 3,000	1–64
Porto Rico	200– 5,000	1–12
Rhode Island:		
Estate	5,000	½–2½
Individual beneficiary	1,000– 25,000	½–8
South Carolina	200– 10,000	1–14
South Dakota	100– 10,000	1–20
Tennessee	1,000– 10,000	1–10
Texas	500– 25,000	0–20
Utah	10,000	½–5
Vermont	0– 10,000	1–5
Virginia	1,000– 10,000	1–15
Washington	0– 10,000	1–40
West Virginia	0– 15,000	2–35
Wisconsin	100– 15,000	2–40
Wyoming	1,000– 10,000	0–10

[1] Plus $5,000 of value of dower or curtesy.
[2] Plus half the community property.
[3] Plus distributive share of surviving spouse.
[4] Whole estate.
[5] Plus an exemption of real property.
[6] Plus marital rights.
[7] Plus a widow's and children's award.

TABLE 5.—*Inheritance-tax receipts as reported by the State treasurers of the several States for 1920*

Alabama. (No inheritance tax law.)	
Arizona	$17,109.49
Arkansas	85,376.11
California	6,804,732.09
Colorado	409,269.76
Connecticut	1,856,856.34
Delaware	37,249.36
Florida. (No inheritance tax law.)	
Georgia	210,482.21
Idaho	21,220.86
Illinois	3,368,905.16
Indiana	660,000.00
Iowa	657,227.06
Kansas	556,118.18
Kentucky	435,562.32
Louisiana	224,891.77
Maine	594,100.03
Maryland	656,027.93
Massachusetts	4,296,507.62
Michigan	1,391,677.58
Minnesota	1,074,038.82
Mississippi	88,370.18
Missouri	1,472,000.00
Montana	86,680.26
Nebraska. (Inheritance taxes collected by the county probate courts and no report thereof made to the State treasurer.)	
Nevada	14,863.06
New Hampshire (for 10 months prior to June 30, 1921)	251,312.83
New Jersey	4,709,433.74
New Mexico	1,181.35
New York	18,135,506.73
North Carolina	603,977.13
North Dakota	99,340.56

TABLE 5.—*Inheritance-tax receipts as reported by the State treasurers of the several States for 1929*—Continued

Ohio	$1,184,805.64
Oklahoma	155,067.82
Oregon	214,215.34
Pennsylvania	10,198,718.06
Rhode Island	1,403,306.20
South Carolina. (No inheritance tax law.)	
South Dakota	202,271.06
Tennessee	375,878.00
Texas	547,227.30
Utah	525,038.08
Vermont	140,502.99
Virginia	199,538.00
Washington	520,899.75
West Virginia	700,864.76
Wisconsin	1,265,456.73
Wyoming. (Inheritance taxes collected by the county treasurer and no report made to the State treasurer.)	
Total	57,351,592.99

Mr. WALSH of Massachusetts. Mr. President, I apologize for reading this address to the Senate, but it is such an important subject that I thought perhaps I could best present the views of the minority by reading it so that it would be clear in the RECORD and in chronological order; and I went to the trouble to present a history of the manner in which the National Government has attempted since its inception to handle this problem. I do hope the result may be, if the Senate adopts the amendment, that the House will see its way clear to concur in it, and that we will get back to this fair, just tax, and remove the inequalities and the burdens and the hardships and the injustices of the present tax.

Mr. BROUSSARD. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Louisiana.

Mr. BROUSSARD. I am very much interested in the Senator's statement. There is only one point I should like to inquire about.

Under the existing law an estate is not permitted to deduct in its return the amount of taxes paid to the State, which to me seems very unfair, because it never reaches any of the heirs or the beneficiaries at all. Is there any provision in the minority amendment to permit the deduction of the amount paid to the State?

Mr. WALSH of Massachusetts. The amendment proposed by the minority, through me, credits the legacies received by the beneficial interests with the taxes which have been paid to the several States.

Mr. BROUSSARD. That is all right, then.

Mr. WALSH of Massachusetts. The tax then is rated upon the total amount received by the beneficial interests less the State tax paid.

Mr. BROUSSARD. That is very equitable. That is why I was inquiring.

Mr. DIAL. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from South Carolina.

Mr. DIAL. As I understand, under the present law $50,000 is exempted from any tax.

Mr. WALSH of Massachusetts. Yes.

Mr. DIAL. Under the Senator's amendment he starts with $25,000. What is the total amount that is possible to be exempt? Does it depend upon the number of devisees? I do not quite catch that.

Mr. WALSH of Massachusetts. In order to raise revenue it was necessary to begin to levy an inheritance tax upon a small beneficial interest. Had the exemption been made $50,000, as it is made under the present law, in case of an estate tax it would be impossible to get anywhere near this amount of revenue; so it seemed wisest and best to make the exemption less. Thus, the exemption for a spouse and a child is made $25,000, and, as I said a few minutes ago, the exemption for a collateral heir is less.

Mr. DIAL. I do not quite catch that. Assuming that a man with a wife and, say, five children left a will giving the wife $25,000 and the children $10,000 each. That would be an estate of $75,000; but let us take an estate of $50,000: Would they pay any more under the Senator's bill on a $50,000 estate?

Mr. WALSH of Massachusetts. That is a very proper question. If an estate of $50,000 is left, under the estate tax of the present law, the estate would pay no tax at all.

Mr. DIAL. That is what I understand.

Mr. WALSH of Massachusetts. Under the amendment proposed by me the wife, the spouse, would pay no tax. She would have an exemption of $25,000. The son who receives $25,000 has an exemption of $10,000, and he would pay a small tax, 1 per cent tax on $15,000, which would be $150.

Mr. DIAL. Suppose, though, the man left five sons.

Mr. WALSH of Massachusetts. If he left five sons and had an estate of $125,000?

Mr. DIAL. No, no; I want to know what would happen in case he left an estate of $50,000.

Mr. WALSH of Massachusetts. If he left an estate of $50,000, then everybody would be exempt. Nobody would have to pay anything, each son getting $10,000 and the wife $10,000.

Mr. DIAL. Suppose he left 10 sons?

Mr. WALSH of Massachusetts. They would not have to pay anything. Nobody would have to pay anything.

Mr. DIAL. Therefore, under the Senator's amendment it is possible to exempt from any taxes a larger estate than under the present law.

Mr. WALSH of Massachusetts. But when the decedent leaves a large sum to a stranger, the tax is multiplied 50 per cent over the tax that a wife or child would have to pay. Does the Senator understand that?

Mr. DIAL. I gather that from the bill.

Mr. McKELLAR and Mr. FLETCHER addressed the Chair.

Mr. WALSH of Massachusetts. I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I want to know if the Senator will not perfect his amendment by putting in on page 24 of his amendment, after line 12, the following: Make a new subsection, (c), after line 12, and insert:

Returns upon which such inheritance tax has been determined by the commissioner shall constitute public records, and shall be open to examination and inspection as other public records, under the same rules and regulations as may govern the examination of public documents generally.

That is exactly the same amendment that has already been adopted as to income taxes, and it seems to me it ought to go in there. I hope the Senator will accept it.

Mr. WALSH of Massachusetts. I have no objection to it.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. Certainly.

Mr. KING. It seems to me that the same result would be effectuated by including in the amendment already adopted the words "inheritance taxes," or other appropriate words, so as to obviate the use of unnecessary language.

Mr. McKELLAR. It will have to be amended anyway, and I hope the Senator will permit this amendment to be made.

Mr. KING. I have no objection.

Mr. FLETCHER. Mr. President, with reference to this question of exemption that the Senator from South Carolina inquired about, I do not see the amount of exemption specified in the Senator's amendment. He says:

(a) Upon a transfer to a husband, wife, child, adopted child, parent, or grandchild of the decedent:

One per cent of the amount of the beneficial interests passing to such person not in excess of $25,000.

Mr. WALSH of Massachusetts. The Senator is reading from the section that gives the basic rates. If the Senator will turn to page 7, section 304, he will find the exemptions:

The following transfers shall be exempt from taxation under this title.

Mr. FLETCHER. Then, considering that, would there be any conflict between that provision and the other one? Here the Senator provides a 1 per cent tax on all beneficial interests not in excess of $25,000. That would not seem to contemplate any exemption. Oh, yes; there is a provision above that which says:

In excess of the exemptions provided in subdivision (a) of section 304.

Mr. WALSH of Massachusetts. Yes. Reading the two sections together, they interlock.

Mr. FLETCHER. I see.

The Senator referred to the amount of tax imposed by the States as not being as large as he supposed. Upon a little inquiry regarding that, I find that every State in the Union except Alabama and Florida have these inheritances or estate taxes—what are called death taxes by some writers—and some of them amount to quite a good deal.

Professor Belknap, of the University of Louisville, says that—

The Federal Government raises less than 4 per cent of its revenue from the estate tax. New Jersey, on the other hand, estimated that in 1923 death taxes would yield 30 per cent of her revenue, more than she expected to get from any other single source. Of this amount she raised about 60 per cent from nonresident estates. In California, Connecticut, and Pennsylvania death taxes appear to be

the second-largest sources of State revenue. In New York, Massachusetts, and Rhode Island they are the third largest source of revenue, and the recent doubling of rates in Illinois has brought them up to an important place in that State.

So it seems that the States are increasing their rates.

Mr. WALSH of Massachusetts. Yes; but the total inheritance tax raised by all the States in the Union amounts to only $57,000,000, while the total estate tax raised by the National Government in 1923 amounted to $126,000,000. That is more than twice as much as the amount collected by all the States put together.

Mr. FLETCHER. Yes.

Mr. WALSH of Massachusetts. Our rates are already very high.

Mr. WADSWORTH. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. Yes.

Mr. FLETCHER. I have the floor. I am asking the Senator a question. I will yield to the Senator from New York in a minute. All the States, though, have increased these taxes except, I believe, California, and they began along about 1910.

Mr. WALSH of Massachusetts. California is one of the highest States.

Mr. FLETCHER. California has lowered her rates.

Mr. WALSH of Massachusetts. I have here a statement with the rates of all the States, and I find that California's rate runs from 1 per cent to 40 per cent. The Philippine Islands is the highest—1 per cent to 60 per cent.

Mr. FLETCHER. Professor Belknap says:

> According to Professor West, $10,000,000 were collected in that year (1910). In 1921 the total collections amounted to something over $221,000,000, twenty-two times as much as had been collected 11 years before. This increase came from five sources.

And so forth. I quite agree, however, that the plan for an inheritance tax instead of an estate tax is preferable. I think that is a very wise thing.

For instance, under the law as it stands now, Professor Belknap states this further:

> The Federal estates tax rate now runs to 25 per cent of an estate.

That is the present law.

> A bill recently passed the House raising this to 40 per cent and including all gifts. Should this become a law—

Now, this is the peculiar thing that will happen under the estate tax law instead of the inheritance tax—

> Should this become a law the fortune of an American living and dying in Manila, if bequeathed outside of the family and exceeding $10,000,000, would be taxed upon that excess at the top rate of 104 per cent by the Federal and Philippine Governments. Were it partly in a corporation whose property was in Wisconsin, the rate would go to 144 per cent. If this corporation were incorporated in West Virginia, 35 per cent would be added, making 179 per cent. If the certificate were in a Seattle safety vault, we should add 40 per cent more, making 219 per cent. If the transfer office of the corporation were in Denver, we should add 16 per cent, making 235 per cent. If the corporation had also taken out incorporation papers in Idaho, add 15 per cent, making a total of 250 per cent. If the courts of Oregon and Illinois held their own States respectively as the proper States of domicile, we should add 25 to 30 per cent respectively and have a tax rate in the highest brackets of 305 per cent of the estate, and that without leaving the territory under the Stars and Stripes. And yet we laugh at the German edict that death taxes shall not exceed 90 per cent of an estate.

That seems to be a pretty strong argument in favor of the inheritance rather than the estate-tax plan.

Mr. WALSH of Massachusetts. I saw a table recently which attempted to show the extent to which big estates are broken up by taxes. Of course, as the Senator has stated, there are three sources of taxing property that passes through death, the State tax, the national tax, and the transfer tax, but this table included the administration tax, as it was called, meaning the administration expenses, which are very high. When the administration taxes and these three other taxes were added, there was a big shrinkage in these large estates, but one of the chief items, one of the largest items, was the administration expenses.

Mr. SHEPPARD. How much revenue does the Senator's plan raise?

Mr. WALSH of Massachusetts. About $100,000,000.

Mr. FLETCHER. Somewhat less than the revenue now derived under the estate-tax plan.

Mr. WALSH of Massachusetts. Somewhat, although it is possible it may be even more, because of the heavy exemptions. The revenue to the National Government often depends upon how many people of great wealth die in a year. I do not know whether the Senator has observed that the revenue to the National Government for the last four years has decreased each year. In 1920 it was $163,000,000, and this past year it was $126,000,000. There has been a steady decline.

Mr. FLETCHER. There are only about 13,000 estates on the list, and the revenue is approximately $130,000,000.

Mr. SIMMONS. Mr. President, I want to say, before final action upon this amendment, that the Finance Committee, without regard to party differences, has for the last eight years at least been practically a unit in favor of an inheritance as against an estate tax. In 1918 the committee, as I now recall it, unanimously agreed on the substitution of the inheritance-tax principle for the estate-tax principle. I was then chairman of the committee, and a strong advocate of that plan. Senator Penrose, the ranking member of the minority, was also a strong advocate of it, and the present chairman of the Finance Committee, the distinguished Senator from Utah [Mr. SMOOT], was also very much in favor of it.

In dividing up the work among the majority Members at that time the distinguished and brilliant Senator from Mississippi, Mr. John Sharp Williams, was requested to prepare a substitute for the bill as it had passed the House, which carried the estate-tax principle, embodying the inheritance-tax principle. He prepared the amendment with great care, and it was adopted by the committee and afterwards adopted by an overwhelming majority in the Senate; unanimously, as a matter of fact, I believe. The House, however, refused to concur, and after protracted discussion it was found necessary for the Senate to abandon its position.

I have been in favor of the principle ever since, in favor of it because it is inherently fair, and the estate-tax method is inherently unequal and unfair. I am delighted to know that the Senator from Utah, speaking for the majority, is disposed to accept this amendment. I want to say that the amendment as prepared by Senator Williams was not, in my judgment, anything like so good as the amendment which has been worked out by the minority under the leadership of the Senator from Massachusetts [Mr. WALSH]. The Senator from Massachusetts has given a great deal of labor and a great deal of hard, intelligent work to its preparation; and after he had prepared it certain amendments to make it more equal and more just to all interests were suggested, to which he very readily assented. I do not think a piece of legislation since I have been here has been better worked out than has this substitute amendment offered by the Senator from Massachusetts, and I hope there will be no opposition to its adoption.

Mr. WADSWORTH. Mr. President, on each occasion during my service in the Senate when an estate tax or an inheritance tax has been proposed I have taken the liberty of making a very few observations, and I crave the indulgence of the Senate for just a few moments at this time.

If we were a vast centralized government, with none of the characteristics of a federal union, I would make no protest whatsoever against a fairly heavy inheritance tax; but in view of the fact that we are still a Federal Union of States and may remain so for a few years to come—although how long we will remain so I am not prepared to say—I do want to enter my protest against this increasing invasion of the fields of taxation supposedly at the command of the several States.

I think as we sit here in the Capitol at Washington and enact tax laws we are apt to get into a frame of mind which causes us to forget that there are any other taxes but Federal taxes. The fact is that many States of the Union are desperately hard put to it to find means for running the State governments.

This proposal of the Senator from Massachusetts, while it is based, in my judgment, upon a principle infinitely superior to the estate tax itself, proceeds in its upper brackets to take so much money away from the States—and I use that term advisedly—that it is going to make it all the more difficult for our State governments to survive. I think he said in his colloquy with the Senator from Florida a moment ago that the Federal Government is now collecting something like three times as much money under the estate tax as all the States put together are collecting.

Mr. WALSH of Massachusetts. Twice as much.

Mr. WADSWORTH. Twice as much. Of course, there is a good reason for that, the reason being that the Federal Government has stepped in and preempted the field. The States

can not raise their rates any further, for if they did, their rates, combined with the Federal rates, would mean confiscation.

The problem would not be so difficult, either, were it not for the fact that each State has a different law, and in many, many instances one estate is taxed in three different States in the Union in addition to being taxed by the Federal Government, and I have heard it stated that estates, after paying inheritance taxes in three States and paying the Federal taxes, have disappeared entirely, nothing being left of the estates. The Senator from Florida, I think, has referred to that.

To illustrate the desperation of some of the States in the matter of obtaining revenue, let me remind the Senate that many of them have been forced to resort to a State income tax piled upon a Federal income tax. We gayly discuss income taxes here, forgetful that many States are now imposing income taxes that are considerably burdensome.

More than that, I would like to remind the Senate that the Governor of the State of New York only this year, in a public and official utterance, called attention to the desperate situation in which the municipalities of that State are left, not only the State itself as a State government but municipal governments, and actually proposed—tentatively, of course; I am not certain that he committed himself to it—giving the right to the cities of the State to impose a local income tax. I think that proposal must come from a feeling of utter desperation as to how these States are to get money with which to support their governments, and the municipalities in turn to get their money.

If the proceeds of this tax were in part contributed to the several States in which collected, there would be little if any complaint. The trouble is that the long arm of the Federal Government has reached down practically into the State treasuries, and the money is taken out and brought to Washington. The cost of State government is not decreasing; indeed, it tends to increase. The burden of debt of the several States is increasing. The burden of debt in the municipalities all over the country is increasing; and yet it seems that the harder the time the States have to get along the harder we make it for them to get along by legislation passed at Washington.

I know perfectly well that this amendment is to pass. I regret it. It is going to make it more difficult than ever for the people in their communities to support their government. Therefore, if there is not to be a roll call—and I shall not demand it—I merely want to state for the purpose of the RECORD that I am opposed to the program.

Mr. SMOOT obtained the floor.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. SMOOT. I yield.

Mr. WALSH of Massachusetts. I shared with the Senator from New York the impression that large estates were being very much dissipated by the imposition of very heavy taxes, but I had presented to me a table covering 25 of the largest estates in the country, an investigation having been made for the purpose of determining just how much of the estates was confiscated by reason of taxes. Out of those 25 estates only 1 of them lost 30 per cent of the estate by reason of taxes, and in the table were included not only the State tax and the national tax and the transfer tax, but a tax that was not fair to include for the purpose of a taxing standard, namely, the administration expenses. With the administration expenses included with all the other taxes, this special investigation, made by a person who was interested in the subject, showed only one estate where there was a shrinkage of more than 30 per cent. I think that may be helpful to the Senator, in view of the fact that he seems to feel that there has been a disposition to take all the property of the estates.

Mr. KING. Is it the Senator's position that from the investigation made in the aggregate no estate suffered a reduction in excess of 30 per cent for high taxes?

Mr. WALSH of Massachusetts. For all taxes, including administration fees.

Mr. KING. I think that the figures which have been presented to the Senator must have been erroneous, because estates have been brought to my attention in the West, where the property of decedents was located in three States—California, Nevada, and Utah—and the aggregate amount paid to the State and to the Federal Government practically consumed the estates.

Mr. WALSH of Massachusetts. I will say to the Senator that the table which was sent to me was prepared by a person who wanted to show just what the Senator is contending. He was attempting to show and did show that a very large volume of the estate was taken in the payment of taxes when death occurred. But his figures only showed that one estate averaged more than 50 per cent.

I think, and I believe the Senator thinks, that 25 per cent is an enormous levy to put upon an estate. I do not think any such rate should be levied. I agree with the Senator from New York that this field ought to be left to the States. When the National Government goes into the field we ought to keep the rates as low as possible, but it would be better if we kept out of the field. I am not in favor of the high rates.

Mr. SMOOT. Mr. President, the Senate Finance Committee is not satisfied with the House provision. A majority of the committee decided at that time to insert the provisions of existing law instead of the House provision, and so reported to the Senate. The question as to an inheritance tax was discussed in the committee, and I have no doubt that every member of the committee will agree that it was approved almost unanimously by the committee. I knew that there would be an amendment prepared in the way of an inheritance-tax provision to take the place of the estate tax, and that it would be offered as a substitute for the estate-tax provision as reported to the Senate.

I am in favor of leaving the inheritance tax entirely to the States. I think the Government of the United States ought to collect whatever proportion of its revenues it feels compelled to raise from an income tax. I believe an income tax ought to be left entirely to the Government of the United States and an inheritance tax ought to be left entirely to the States. The Government of the United States has nothing whatever to do with the transfer of title of property of decedents. The State gives the title. Therefore I was in hopes that we could arrange a revenue bill to raise whatever revenue might be necessary by income tax through the Federal Government and leave the inheritance tax entirely to the States. I agree with all that has been said by every Senator who has spoken on the matter.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. SMOOT. I yield.

Mr. FLETCHER. Does the Senator feel that the wiser plan would be for the States not to attempt to impose any income tax at all and for the Federal Government not to attempt to impose an inheritance tax or an estate tax?

Mr. SMOOT. That is my belief.

Mr. CARAWAY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. I yield.

Mr. CARAWAY. Of course, it has nothing to do with the pending question; but the Senator from Utah is a great authority on taxation and expenses of government. Does he see no hope for the future that we may finally reduce taxation upon the people and the people may be encouraged with some little hope that they can keep at least a portion of what they earn? Seriously, I think the Government ought to reduce its expenses. It is getting so that it makes everybody feel that the Government is exacting more than its share.

Mr. SMOOT. If I had the time I would like to call the attention of the country and of the Senate to the rate of increase in taxes in every State in the Union. I mean State, county, city, school district, and extra taxes that are imposed by the State legislature and other legislative bodies of the States. It is appalling to consider the figures and see the results. I do not see how the people of the United States are going to continue to pay the taxes that are imposed upon them, particularly by the States. During the war we had high governmental taxes. It was necessary on account of the war. But the taxes as they exist to-day are a mere bagatelle, so far as the Nation is concerned, compared with the amount of tax imposed by the States. To see the percentages of increase in the States in the last 10 years is enough to make a person feel that the tax burdens are more than the people can possibly stand.

Mr. FLETCHER. Mr. President, will the Senator yield just a moment?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. I yield.

Mr. FLETCHER. There is rather a bright outlook, it seems to me, in the situation in Florida, where they have no income and no inheritance tax, and they propose a constitutional amendment that will prohibit the legislature from imposing any.

Mr. CARAWAY. May I suggest that Florida entertains a lot of people who go down there for the winter and the hotel people get a very large return from them.

Mr. SMOOT. Just by way of answer to the Senator from Florida I want to remind him that the Florida State tax col-

lects from the people of Florida nearly three times as much as the national tax collects from the people of Florida. I want to say about that it is about the lowest there is in all the States I find that some of the States have a State tax that is nearly 20 times the amount of the tax paid by those people to the Federal Government. Florida, notwithstanding it is only three times as much, I think is at the foot of the ladder. But I did not intend to discuss that fact. The Senator from Arkansas brought out the discussion.

So far as I am concerned I would like to have the Senate agree to the amendment offered by the Senator from Massachusetts and then the whole question will be in conference. The Senator from North Carolina [Mr. SIMMONS] has given a history of just what happened in 1918. The Senate Finance Committee and the Senate as a body were unanimously against an estate tax and voted an inheritance tax which is similar at least in substance to the tax proposed to be imposed here.

Mr. SIMMONS. That is the basis of it.

Mr. SMOOT. Yes. There is no need for me to mention names, but there was one of the conferees on the part of the House who would not yield and who would not sign a report, who simply said that the whole measure would fail unless the Senate conferees yielded. It was during war times. We had to obtain additional money. We had to have the bill passed to get the money, and we had to have it quickly. For that reason and that only did the conferees of the Senate yield.

I again express the hope that the Senate will agree to the amendment, and then the whole question will be in conference.

Mr. WADSWORTH. Will the Senator state whether any arrangement has been made in the administration of the estate tax or the proposed inheritance tax by which the executors of the estate may finally be relieved from responsibility after payment has been made?

Mr. SMOOT. I will say to the Senator that it has. He will find that covered fully in the bill.

Mr. WADSWORTH. I thank the Senator.

Mr. SMOOT. Before the vote is taken on the amendment of the Senator from Massachusetts, there are certain amendments beginning on page 154 of the bill, which cover the administrative features of the estate tax title. Those amendments ought to be agreed to before the rates are agreed to. I take it for granted that the Senator from Massachusetts will agree that that is the regular order, and I ask that those amendments be agreed to first. They apply to the inheritance tax just as they apply to the estate tax, and every amendment that has been reported by the committee ought to be adopted before we agree to the amendment of the Senator from Massachusetts.

The first amendment is on page 154, line 19. That is only a question of the rate of interest that we have changed throughout all the different paragraphs and sections of the bill. Perhaps we could hasten it if I would make just one statement. The amendments to the estate tax are identical with the amendments that have already been agreed to by the Senate in the corporation and individual tax provisions. Therefore I ask unanimous consent that the amendments beginning on page 154 and down to the close of the estate title on page 170, line 12, be agreed to en bloc.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah? The Chair hears none, and the amendments referred to indicated by the Senator from Utah are agreed to en bloc.

The amendments are as follows:

In section 305 (c), on page 154, line 19, after the words "rate of," strike out "5 per cent" and insert "6 per cent," so as to read:

(c) If the time for the payment is thus extended, there shall be collected as a part of such amount interest thereon at the rate of 6 per cent per annum from the expiration of six months after the due date of the tax to the expiration of the period of the extension.

In section 305, on page 154, after line 21, insert:

(d) The time for which the commissioner may extend the time for payment of the estate tax imposed by Title IV of the revenue act of 1921 is hereby increased from three years to five years.

In section 308 (a), on page 155, line 23, after the word "registered," strike out "mail" and insert "mail, but such deficiency shall be assessed only as hereinafter provided"; and on page 155, line 2, after the word "section," strike out "900" and insert "1000," so as to read:

SEC. 308. (a) If the commissioner determines that there is a deficiency in respect of the tax imposed by this title, the executor, except as provided in subdivision (d), shall be notified of such deficiency by registered mail, but such deficiency shall be assessed only as hereinafter provided. Within 60 days after such notice is mailed the executor may file an appeal with the Board of Tax Appeals established by section 1000.

In section 308 (b), on page 156, line 5, after the word "collector," strike out "A proceeding in court may be begun, without assessment, for any part of the excess of the amount determined as the deficiency by the commissioner over the amount assessed, or for any part of the amount determined by the commissioner if the board determines that there is no deficiency" and insert "No part of the amount determined as a deficiency by the commissioner but disallowed as such by the board shall be assessed, but a proceeding in court may be begun, without assessment, for the collection of any part of the amount so disallowed. The court shall include in its judgment interest upon the amount thereof at the rate of 6 per cent per annum from the date prescribed for the payment of the tax to the date of the judgment," so as to read:

(b) If the board determines that there is a deficiency, the amount so determined shall be assessed and shall be paid upon notice and demand from the collector. No part of the amount determined as a deficiency by the commissioner but disallowed as such by the board shall be assessed, but a proceeding in court may be begun, without assessment, for the collection of any part of the amount so disallowed. The court shall include in its judgment interest upon the amount thereof at the rate of 6 per cent per annum from the date prescribed for the payment of the tax to the date of the judgment. Such proceeding shall be begun within one year after the final decision of the board, and may be begun within such year even though the period of limitation prescribed in section 310 has expired.

In section 308 (e), on page 157, at the beginning of line 22, strike out "5 per cent" and insert "6 per cent," so as to read:

(e) Interest upon the amount determined as a deficiency shall be assessed at the same time as the deficiency, shall be paid upon notice and demand from the collector, and shall be collected as a part of the tax, at the rate of 6 per cent per annum from the due date of the tax to the date the deficiency is assessed.

In section 308 (f), on page 158, line 15, after the words "rate of," strike out "5 per cent" and insert "6 per cent," so as to read:

(f) Where it is shown to the satisfaction of the commissioner that the payment of a deficiency upon the date prescribed for the payment thereof will result in undue hardship to the estate, the commissioner with the approval of the secretary (except where the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax) may grant an extension for the payment of such deficiency or any part thereof for a period not in excess of two years. If an extension is granted, the commissioner may require the executor to furnish a bond in such amount, not exceeding double the amount of the deficiency, and with such sureties, as the commissioner deems necessary, conditioned upon the payment of the deficiency in accordance with the terms of the extension. In such case there shall be collected, as a part of the tax, interest on the part of the deficiency the time for payment of which is so extended, at the rate of 6 per cent per annum for the period of the extension, and no other interest shall be collected on such part of the deficiency for such period. If the part of the deficiency the time for payment of which is so extended is not paid in accordance with the terms of the extension, there shall be collected, as a part of the tax, interest on such unpaid amount at the rate of 1 per cent a month for the period from the time fixed by the terms of the extension for its payment until it is paid, and no other interest shall be collected on such unpaid amount for such period.

In section 310 (b), on page 160, line 22, after the word "section" strike out "309" and insert "308," so as to read:

(b) The period within which an assessment is required to be made by subdivision (a) of this section in respect of any deficiency shall be extended (1) by 60 days if a notice of such deficiency has been mailed to the executor under subdivision (a) of section 308 and no appeal has been filed with the Board of Tax Appeals, or (2) if an appeal has been filed, then by the number of days between the date of the mailing of such notice and the date of the final decision by the board.

In section 311 (a), on page 161, line 5, after the words "may be" strike out "assessed at" and insert "assessed, and a proceeding in court for the collection of such tax may be begun without assessment, at," so as to read:

SEC. 311. (a) In the case of a false or fraudulent return with intent to evade tax or of a failure to file a return the tax may be assessed, and a proceeding in court for the collection of such tax may be begun without assessment, at any time.

In section 311, on page 161, after line 7, strike out: "(b) Where the assessment of the tax is made within the period prescribed in section 310 or in this section, such tax may be collected at any time by distraint or by a proceeding in court, but nothing in this section shall be construed as preventing the beginning, without assessment, of a proceeding in court for the collection of the tax before the expiration of the period prescribed in section 310," and in lieu thereof insert:

(b) Where the assessment of the tax is made within the period prescribed in section 310 or in this section, such tax may be collected by distraint or by a proceeding in court, begun within six years after the assessment of the tax. Nothing in this act shall be construed as preventing the beginning, without assessment, of a proceeding in court for the collection of the tax at any time before the expiration of the period within which an assessment may be made.

In section 311, on page 161, after line 23, insert:

(c) This section shall not (1) authorize the assessment of a tax or the collection thereof by distraint or by a proceeding in court if at the time of the enactment of this act such assessment, distraint, or proceeding was barred by the period of limitation then in existence, or (2) affect any assessment made, or distraint or proceeding in court begun, before the enactment of this act.

In section 312 (c), on page 163, line 16, after the words "rate of," strike out "5 per cent" and insert "6 per cent," so as to read:

(c) If the claim in abatement is denied in whole or in part, there shall be collected, at the same time as the part of the claim denied, and as a part of the tax, interest at the rate of 6 per cent per annum upon the amount of the claim denied, from the date of notice and demand from the collector under subdivision (d) of section 308 to the date of the notice and demand under subdivision (b) of this section. If the amount included in the notice and demand from the collector under subdivision (b) of this section is not paid in full within 30 days after such notice and demand, then there shall be collected, as part of the tax, interest upon the unpaid amount at the rate of 1 per cent a month from the date of such notice and demand until it is paid.

In section 313, on page 164, after line 23, strike out "(c) The provisions of subdivision (b) shall not operate as a release of the gross estate, or any part thereof, from the lien for any deficiency that may thereafter be determined to be due while title to such gross estate, or any part thereof, remains in the heirs, devisees, or distributees; but if the title to any part of the gross estate has passed to a bona fide purchaser for value, that part of the gross estate, the title to which has so passed, shall not be subject to a lien or to any claim or demand for any such tax," and in lieu thereof insert:

(c) The provisions of subdivision (b) shall not operate as a release of any part of the gross estate from the lien for any deficiency that may thereafter be determined to be due, unless the title to such part of the gross estate has passed to a bona fide purchaser for value, in which case such part shall not be subject to a lien or to any claim or demand for any such deficiency, but the lien shall attach to the consideration received from such purchaser by the heirs, legatees, devisees, or distributees.

In section 316, on page 168, line 21, after the word "section," strike out the numerals "1009" and insert "1109," so as to make the section read:

SEC. 316. If after the enactment of this act the commissioner determines that any assessment should be made in respect of any estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, the amount which should be assessed (whether as deficiency or additional tax or as interest, penalty, or other addition to the tax) shall be computed as if this act had not been enacted, but the amount so computed shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including the provisions in case of delinquency in payment after notice and demand) as in the case of the taxes imposed by this title, except that the period of limitation prescribed in section 1109 shall be applied in lieu of the period prescribed in subdivision (a) of section 310.

Mr. WALSH of Massachusetts. I now ask for a vote upon my amendment.

The PRESIDENT pro tempore. The Chair does not want to strain a point, but desires to say that, under the rules of the Senate, the amendments which have been proposed by the Senate committee to the House text must be first disposed of.

Mr. McKELLAR. Those amendments have been agreed to by unanimous consent.

The PRESIDENT pro tempore. The Senate can do anything by unanimous consent; but the first question is upon agreeing to the committee amendment in lines 24 and 25, on page 139, and line 1, on page 140. Without objection, that amendment is agreed to. The Secretary will state the next amendments.

The READING CLERK. On page 140, after line 21, it is proposed to strike out:

One per cent of the amount of the net estate not in excess of $50,000;

Two per cent of the amount by which the net estate exceeds $50,000 and does not exceed $100,000;

Three per cent of the amount by which the net estate exceeds $100,000 and does not exceed $150,000;

Four per cent of the amount by which the net estate exceeds $150,000 and does not exceed $250,000;

Six per cent of the amount by which the net estate exceeds $250,000 and does not exceed $450,000;

Nine per cent of the amount by which the net estate exceeds $450,000 and does not exceed $750,000;

Twelve per cent of the amount by which the net estate exceeds $750,000 and does not exceed $1,000,000;

Fifteen per centum of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

Eighteen per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

Twenty-one per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $3,000,000;

Twenty-four per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $4,000,000;

Twenty-seven per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

Thirty per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $8,000,000;

Thirty-five per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $10,000,000;

Forty per cent of the amount by which the net estate exceeds $10,000,000.

And in lieu thereof to insert:

One per cent of the amount of the net estate not in excess of $50,000;

Two per cent of the amount by which the net estate exceeds $50,000 and does not exceed $150,000;

Three per cent of the amount by which the net estate exceeds $150,000 and does not exceed $250,000;

Four per cent of the amount by which the net estate exceeds $250,000 and does not exceed $450,000;

Six per cent of the amount by which the net estate exceeds $450,000 and does not exceed $750,000;

Eight per cent of the amount by which the net estate exceeds $750,000 and does not exceed $1,000,000;

Ten per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

Twelve per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

Fourteen per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $3,000,000;

Sixteen per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $4,000,000;

Eighteen per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

Twenty per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $8,000,000;

Twenty-two per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $10,000,000; and

Twenty-five per cent of the amount by which the net estate exceeds $10,000,000.

On page 143, after line 6, to strike out:

(b) The tax imposed by this section shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or Territory or the District of Columbia, in respect of any property included in the gross estate. The credit allowed by this subdivision shall not exceed 25 per cent of the tax imposed by this section.

On page 144, line 24, after the word "held," to strike out "jointly or as tenants in the entirety by the decedent and any other persons," and to insert "as joint tenants by the decedent and any other person, or as tenants by the entirety by the decedent and spouse."

On page 145, after line 17, to strike out "in the entirety by the decedent and spouse, or where so acquired by the decedent and any other person as joint tenants and their interests are not otherwise specified or fixed by law, then to the extent of one-half of the value thereof," and to insert:

by the entirety by the decedent and spouse, then to the extent of one-half of the value thereof, or, where so acquired by the decedent and any other person as joint tenants and their interests are not otherwise specified or fixed by law, then to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants.

On page 146, line 19, after the word "interests," to strike out the word "right" and to insert "rights."

On page 148, line 24, after the words "trustee or," to strike out "trustees exclusively for such religious, charitable, scientific, literary, or educational purposes; and" and to insert:

trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes; and

On page 151, at the beginning of line 9, to strike out "trustees exclusively for such religious, charitable, scientific, literary, or educational purposes within the United States" and to insert:

trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used within the United States by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes.

The PRESIDENT pro tempore. Without objection, the amendments just stated will be agreed to en bloc. The Chair hears no objection.

Now, the question is upon the amendment, in the nature of a substitute, offered by the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I think it is time that the Senate should adjourn.

Mr. SMOOT. There is one other amendment relating to the gift tax which I do not think will take any length of time and which I should like to have disposed of.

Mr. McKELLAR. Very well.

Mr. SMOOT. Mr. President, the next amendment passed over is on page 170.

Mr. WALSH of Massachusetts. Mr. President, in order to perfect the amendment offered by me and unanimously agreed to I offer the following amendment: On page 166 I move to strike out lines 5 to 25 inclusive. The Secretary informs me that it will be necessary that that amendment be adopted in order to complete the record.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 166, after line 4, it is proposed to strike out subdivision (b), as follows:

(b) If the tax or any part thereof is paid by, or collected out of that part of the estate passing to or in the possession of, any person other than the executor in his capacity as such, such person shall be entitled to reimbursement out of any part of the estate still undistributed or by a just and equitable contribution by the persons whose interest in the estate of the decedent would have been reduced if the tax had been paid before the distribution of the estate or whose interest is subject to equal or prior liability for the payment of taxes, debts, or other charges against the estate, it being the purpose and intent of this title that so far as is practicable and unless otherwise directed by the will of the decedent the tax shall be paid out of the estate before its distribution. If any part of the gross estate consists of proceeds of policies of insurance upon the life of the decedent receivable by a beneficiary other than the executor, the executor shall be entitled to recover from such beneficiary such portion of the total tax paid as the proceeds, in excess of $40,000, of such policies bear to the net estate. If there is more than one such beneficiary, the executor shall be entitled to recover from such beneficiaries in the same ratio.

Mr. SMOOT. That amendment is all right. It should have been agreed to after we agreed to the committee amendments in order to clean up the title.

The PRESIDENT pro tempore. Without objection, the amendment will be agreed to.

Mr. FLETCHER. Mr. President, let me understand something about this proceeding. Apparently the committee has stricken out all the provisions with reference to the gift tax.

Mr. SMOOT. Only $2,000,000 will be derived from it; it is easily evaded, and the committee thought there was no necessity of imposing the tax.

Mr. FLETCHER. And there is no substitute for it?

Mr. SMOOT. There is no substitute for it. All we ask is that the committee amendment be agreed to.

Mr. KING. That is the amendment striking out the House provision?

Mr. SMOOT. Yes; the provision on page 170.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 170 it is proposed to strike out lines 13 to 25, inclusive, and all of pages 170, 171, 172, 173, down to and including the numerals "301" on line 21, page 174, as follows:

SEC. 319. On and after January 1, 1924, a tax equal to the sum of the following is hereby imposed upon the transfer of property by gift, whether made directly or indirectly, by every person, whether a resident or nonresident of the United States:

One per cent of the amount of gifts not in excess of $50,000;

Two per cent of the amount by which the gifts exceed $50,000 and do not exceed $100,000;

Three per cent of the amount by which the gifts exceed $100,000 and do not exceed $150,000;

Four per cent of the amount by which the gifts exceed $150,000 and do not exceed $250,000;

Six per cent of the amount by which the gifts exceed $250,000 and do not exceed $450,000;

Nine per cent of the amount by which the gifts exceed $450,000 and do not exceed $750,000;

Twelve per cent of the amount by which the gifts exceed $750,000 and do not exceed $1,000,000;

Fifteen per cent of the amount by which the gifts exceed $1,000,000 and do not exceed $1,500,000;

Eighteen per cent of the amount by which the gifts exceed $1,500,000 and do not exceed $2,000,000;

Twenty-one per cent of the amount by which the gifts exceed $2,000,000 and do not exceed $3,000,000;

Twenty-four per cent of the amount by which the gifts exceed $3,000,000 and do not exceed $4,000,000;

Twenty-seven per cent of the amount by which the gifts exceed $4,000,000 and do not exceed $5,000,000;

Thirty per cent of the amount by which the gifts exceed $5,000,000 and do not exceed $8,000,000;

Thirty-five per cent of the amount by which the gifts exceed $8,000,000 and do not exceed $10,000,000;

Forty per cent of the amount by which the gifts exceed $10,000,000.

SEC. 320. The amount of the gifts subject to the tax imposed by section 319, in the case of residents, shall be the sum of all the gifts made by such resident during the calendar year, and in the case of nonresidents the sum of all gifts so made of property situated within the United States. If the gift is made in property the fair market value thereof at the date of the gift shall be considered the amount of the gift subject to the tax.

Where property is sold or exchanged for less than a fair consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the consideration received shall, for the purpose of the tax imposed by section 319, be deemed a gift, and shall be included in computing the amount of gifts made during the calendar year.

SEC. 321. For the purpose of this tax the amount of the gift subject to the tax imposed by section 319 shall be determined—

(a) In the case of a resident, by deducting from the total amount of such gifts—

(1) An exemption of $50,000;

(2) The amount of all gifts or contributions made within the calendar year to or for any donee or purpose specified in paragraph (3) of

subdivision (a) of section 303, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act;

(3) Gifts the aggregate amount of which to any one person does not exceed $500.

(b) In the case of a nonresident, by deducting from the total amount of such gifts—

(1) The amount of all gifts or contributions made within the calendar year to or for any donee or purpose specified in paragraph (3) of subdivision (a) of section 303, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act;

(2) Gifts the aggregate amount of which to any one person does not exceed $500.

SEC. 322. In case a tax has been imposed under section 319 upon any gift, and thereafter upon the death of the donor the amount thereof is required by any provision of this title to be included in the gross estate of the decedent, then there shall be credited against and applied in reduction of the estate tax, which would otherwise be chargeable against the estate of the decedent under the provisions of section 301, an amount equal to the tax paid with respect to such gift; and in the event the donor has in any year paid the tax imposed by section 319 with respect to a gift or gifts which upon the death of the donor must be included in his gross estate, and a gift or gifts not required to be so included, then the amount of the tax which shall be deemed to have been paid with respect to the gift or gifts required to be so included shall be that proportion of the entire tax paid on account of all such gifts which the amount of the gift or gifts required to be so included bears or bear to the total amount of gifts in that year.

SEC. 323. Any person who within the year 1924 or any calendar year thereafter makes any gift or gifts of an aggregate value in excess of $10,000 shall, on or before the 15th day of the third month following the close of the calendar year, file with the collector a return under oath in duplicate, listing and setting forth therein all gifts and contributions by him made during such calendar year, and the fair market value thereof when made, and also all sales and exchanges of property owned by him made within such year for less than a fair consideration in money or money's worth, stating therein the fair market value of the property so sold or exchanged and that of the consideration received by him, both as of the date of such sale or exchange.

SEC. 324. The tax imposed by section 319 shall be paid by the donor on or before the 15th day of the third month following the close of the calendar year, and shall be assessed, collected, and paid in the same manner and subject, in so far as applicable, to the same provisions of law as the tax imposed by section 301.

Mr. WALSH of Massachusetts. Mr. President, I understand that the Senator from Utah is moving to strike out the House provision as to the gift tax.

Mr. SMOOT. Yes; that is a committee amendment.

Mr. WALSH of Massachusetts. I understand that some Senators are opposed to striking out that provision and would like to have the matter go over until to-morrow.

Mr. SMOOT. If there is any objection to it, I am willing to let it go over until to-morrow. I did not know that there was any objection to it.

Mr. WALSH of Massachusetts. In order to make effective the tax levied upon inheritances it is necessary to have a gift tax in the bill, otherwise a man may give away all the money he wants to before he dies and escape the other tax.

Mr. SMOOT. Not under the provision in the bill because it can be evaded.

Mr. WALSH of Massachusetts. There are provisions in the bill to prevent it, but not the provision the House incorporated in the bill.

Mr. SMOOT. If there is any objection at all, let it go over.

Mr. SIMMONS. I think it had better go over.

Mr. FLETCHER. I understand that there are other provisions in the bill which will prevent evasion in that way. For instance, there is a presumption which attaches to a gift within five years of death.

Mr. SMOOT. I will say to the Senator, so that there will be no misunderstanding, the bill takes care of that situation.

Mr. FLETCHER. That is what I understand; that is the reason I make no objection.

INTERNATIONAL EXPOSITION AT SEVILLE, SPAIN (S. DOC. NO. 106)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State, concerning an invitation extended by the Government of Spain to the Government of the United States to participate in an international exposition of the arts, sciences, history, industries, commerce, and resources of Spain, Portugal, and the Republics of America, which is to open at Seville, Spain, on April 17, 1927, and continue throughout that year.

I join with the Secretary of State in recommending legislation by Congress authorizing the acceptance of the invitation and an appropriation of $700,000 to enable the United States suitably to participate in the exposition.

It will be observed from the memorandum accompanying the report of the Secretary of State that the Departments of the Interior, Agriculture, and Commerce are favorable to the acceptance of the invitation and deem that participation in the exposition would be advantageous to the interests of the United States.

An appropriation is not sought at this time, but merely legislation that will enable the acceptance of the invitation and the inclusion of the item of appropriation in the estimates to be submitted by the Director of the Bureau of the Budget for the fiscal year ending June 30, 1926.

CALVIN COOLIDGE.

THE WHITE HOUSE, *May 7, 1924.*

PROPOSAL OF UNION CARBIDE CO. FOR MUSCLE SHOALS PLANT (S. DOC. NO. 105)

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the Secretary of War, which the Secretary will read, and the accompanying report will be printed as a Senate document, if there be no objection.

The reading clerk read the communication, as follows:

WAR DEPARTMENT,
Washington, May 6, 1924.

The PRESIDENT PRO TEMPORE,
United States Senate.

DEAR MR. PRESIDENT: I am transmitting herewith for the consideration of the Senate a proposal submitted by the Union Carbide Co., of New York, for the lease of the power and nitrate plants and other properties, complete, of the Government at Muscle Shoals and Sheffield, Ala., and the Waco Quarry.

Yours very truly,

JOHN W. WEEKS,
Secretary of War.

The PRESIDENT pro tempore. The communication and accompanying report will be referred to the Committee on Agriculture and Forestry and printed.

ADDITIONAL PETITIONS PRESENTED

Mr. LODGE presented the petition of the Massachusetts Society, Sons of the American Revolution, praying an adequate appropriation for the complete restoration and repair of the frigate *Constitution* at the Charlestown Navy Yard, "so that this glorious relic of our historic past may be safely preserved and handed down to future generations of our countrymen as a priceless memorial of the heroism of the United States Navy," which was referred to the Committee on Appropriations.

He also presented the following resolutions of the General Court of Massachusetts, which were referred to the Committee on the Judiciary:

THE COMMONWEALTH OF MASSACHUSETTS, 1924.

Resolutions memorializing Congress in favor of the passage of legislation to prevent the manufacture of shoes in factories owned by the Federal Government

Whereas Congress passed on February 11, 1924, Senate bill 794, known as Public Act No. 12, which provided for the manufacture of shoes, brooms, and brushes by convict labor to supply the requirements of the various departments of the Federal Government; and

Whereas such legislation was passed without its purport having been adequately brought to the knowledge of the shoe and leather manufacturers throughout the United States, and more particularly the shoe manufacturers of this Commonwealth; and

Whereas the manufacture of such articles would greatly affect the shoe industries of this Commonwealth and cause large financial loss to such industries, as well as deprive worthy citizens of the Commonwealth of lawful employment: Therefore be it

Resolved, That the General Court of Massachusetts respectfully and earnestly urges upon Congress the wisdom of so amending the aforesaid Public Act No. 12 of the current year that the United States will not engage in the manufacture of shoes by convict labor; and be it further

Resolved, That copies of these resolutions be sent by the secretary of the Commonwealth to the Senators and Representatives in Congress from Massachusetts.

In house of representatives, adopted April 14, 1924.

In senate, adopted in concurrence April 17, 1924.

A true copy.

Attest:

F. W. COOK,
Secretary of the Commonwealth.

AMENDMENTS TO TAX REDUCTION BILL

Mr. McKELLAR submitted an additional amendment intended to be proposed by him to the tax-reduction bill (H. R. 6715), which was ordered to lie on the table and be printed.

Mr. KING submitted an amendment intended to be proposed by him to House bill 6715, the tax-reduction bill, which was ordered to lie on the table and to be printed.

BENWOOD, W. VA., MINE DISASTER

Mr. WHEELER. Mr. President, I ask leave to have printed in the RECORD an article which appeared in the Wheeling, W. Va., Intelligencer of May 1 relative to the Benwood mine disaster and lack of mine inspection on the morning of the disaster.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wheeling Intelligencer, Wheeling, W. Va., Thursday, May 1, 1924]

TWO MORE BODIES TAKEN FROM MINE—FUNERAL SERVICES TO-DAY FOR MINE VICTIMS—RUMORS BENWOOD MINE WAS NOT INSPECTED—FIRE BOSS SAID TO BE AGENT OF SECRET SERVICE DEPARTMENT—MATTHEW V. HERRON, POSING AS FIRE BOSS, WORKING HERE UNDER NAME OF J. J. BOYLE—BROTHER-IN-LAW, HERE FOR BODY, TELLS STARTLING STORY OF VICTIM'S EMPLOYMENT—CHECK UP INDICATES PROPER INSPECTION WAS NOT MADE AT MINE MONDAY

Information secured yesterday by Intelligencer reporters tends to confirm rumors and statements by competent mine authorities that the Benwood mine explosion, which cost the lives of more than 100 men Monday morning, was caused by incapable or the entire lack of mine inspection on the morning of the disaster.

It is known positively that the supposed J. J. Boyle, fire boss, and one of the victims, who is officially credited with having inspected the mine on last Monday morning and marked it safe for working, was actually Matthew V. Herron, who was employed by the company as fire boss at the Benwood mine without having had any previous experience which would qualify him to pass on such a matter of safety.

His brother-in-law, Matthew L. Craig, 236 Sycamore Street, Pittsburgh, Pa., who claimed the body at the Coney-Bentz morgue last night, is authority as to the identity of Herron alias Boyle.

EMPLOYED BY GOVERNMENT

Craig told Intelligence reporters last night Herron was in the employ of the Department of Justice of the United States Government, and that he had been in the employ of the Government for the past eight years in the capacity of a special investigator.

By a careful check up of the actions of Herron on the morning of the fatal explosion he did not make any inspection of the mine; that he did not leave his rooming house, 723 Main Street, Benwood, operated by Mr. and Mrs. Joseph Galb, until between 6.30 and 7 o'clock, and did not have time to make any inspection of the interior of the mine previous to the time he rode into the mine on the trip with the foreman, George Holliday, sr.

THEORY CONFIRMED

This theory confirms the statement made to the Intelligencer yesterday by Jerome Watson, chief of the Division of Mines of the State of Ohio, and in Benwood at the present time as the official representative of the Ohio governor.

Watson said at that time that no accident of the kind could have happened had a proper inspection of the mine been made prior to the men entering the mine.

Herron left his home, Ninth and Chess, Monongahela, Pa., Sunday, April 20, and came to Benwood, according to Craig and confirmed by his landlady, who stated he engaged a room there Monday, April 21. He was employed as fire boss, as shown by the official list furnished by the company, entering the mine Monday morning.

FURNISHED CREDENTIALS

Credentials furnished the company by Herron were obviously such as to warrant his employment by the company. His brother-in-law, however, claims that he had no qualifications for his job and that he was here on a secret mission for the Federal Secret Service.

"Friday night Matthew received a telephone call from Pittsburgh to meet certain operative of the Secret Service Department on business which was naturally unknown to me," said Mr. Craig.

"He spent Saturday and Sunday in Pittsburgh, but failed to meet his party. Late Sunday afternoon Herron came out to our house and gave me all the information I am now giving to you. The responsibility of his mission in Benwood must have weighed heavily on his mind, as he tried several times to tell me of it, but each time was interrupted by the entrance of members of the family."

DIDN'T WANT TO RETURN

"He left Pittsburgh on the last train Sunday night, after remarking that he did not wish to return," said Craig.

His absence from Benwood over the week end was borne out by Herron's landlady, who said he returned to his room late Sunday night. He had left all jewelry and credentials with his brother-in-law.

Craig showed several of these credentials to Intelligencer reporters.

Herron leaves a wife, one daughter, and four sons, a mother and father and four brothers and five sisters. He was a member of the Kittanning lodge of Elks, K. of C., and the Pittsburgh lodge of Eagles, and 34 years of age.

RECESS

Mr. SMOOT. I ask unanimous consent that the Senate take a recess until 11 o'clock to-morrow.

Mr. HARRISON. Mr. President, reserving the right to object, may I ask the Senator if he will not allow the Senate to meet to-morrow at 12 o'clock, for this reason: The Committee on Agriculture and Forestry has fixed 11 o'clock to-morrow morning to take up a number of bills that have been pending before the committee for some time in an effort to dispose of them in executive session. Of course we can not be there and here at the same time. We have moved so rapidly to-day I thought perhaps the Senator would agree to meet at 12 o'clock.

Mr. SMOOT. We will have no vote on the gift tax before 12 o'clock to-morrow.

Mr. HARRISON. Very well.

Mr. SMOOT. All I care about is to get to the individual amendments which have been presented and of which there are nearly 50.

Mr. NORRIS. I should like to hear what the request is.

Mr. SMOOT. I have requested that the Senate take a recess until to-morrow at 11 o'clock.

Mr. NORRIS. I was to supplement what the Senator from Mississippi has said. I have not been able to be here for some time during the consideration of the pending bill when there was under consideration some item in which I was interested and wanted to be present to discuss.

Mr. SMOOT. Mr. President, I will change my request, and move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 9 o'clock and 25 minutes p. m.) the Senate took a recess until to-morrow, Thursday, May 8, 1924, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *May 7, 1924*

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev, James Shera Montgomery, D. D., offered the following prayer:

O Thou who lovest Thy earthly children with infinite love that extends to all people and realms of every tongue, abide with us. We come to Thee with varied experiences and yet with a common desire, which is, that Thou would'st discern for us. We would have an altar in our breasts, and at that hallowed spot we would confess our sins, renew our vows, and would ask the Father's blessing. O God of the nations, to Thee our country we commend. In great wisdom and in bountiful mercy, be Thou the source of all her strength, happiness, and prosperity, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

FELICITATIONS TO FORMER SPEAKER CANNON

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent for the consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Tennessee asks unanimous consent for the consideration of the resolution which the Clerk will report.

The Clerk read as follows:

Resolved, That the felicitations of the House of Representatives are hereby cordially extended to the former Speaker, Hon. Joseph G. Cannon, on the eighty-eighth anniversary of his birth, and that he is assured of its best wishes for his continued health and happiness; and

Resolved further, That the Clerk of the House be directed to transmit this resolution to Mr. Cannon by telegraph, and to send to him by mail an engrossed copy.

[Applause.]

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

Mr. HOLADAY. Mr. Speaker and gentlemen, Joseph G. Cannon's record as a Member of this House is inseparably interwoven with 50 years of constructive progress of our Nation.

When conversing with him only a few days ago, he asked to be remembered to his friends in Congress and expressed an abiding confidence in the future progress of our country.

Mr. Cannon's refusal to again be a candidate is the only thing that prevents his membership in Congress to-day.

I am glad to join with my colleagues in the House in expressing to Uncle Joe our good wishes; I know our good wishes are joined with those of his host of friends throughout the eighteenth congressional district of Illinois, who appreciate the services he rendered not only to the district that he so long represented but to the entire Nation. [Applause.]

The SPEAKER. The question is on agreeing to the resolution.

The resolution was unanimously agreed to.

TWO ADDITIONAL JUDGES, SOUTHERN DISTRICT OF NEW YORK

Mr. SNELL. Mr. Speaker, I present a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents a privileged report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

Report from the Committee on Rules on the resolution (H. Res. 298) for the consideration of the bill H. R. 3318, entitled "A bill to provide for the appointment of two additional judges of the district court of the United States for the southern district of New York."

AGREEMENTS FOR ARBITRATION OF DISPUTES

Mr. SNELL. Mr. Speaker, I present another report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents another report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

Report from the Committee on Rules on the resolution (H. Res. 299) for the consideration of the bill H. R. 646, entitled "A bill to make valid and enforceable written provisions or agreements for arbitration of disputes arising out of contracts, maritime transactions, or commerce among the States or Territories, or with foreign nations."

Mr. GARRETT of Tennessee. Mr. Speaker, I would like to ask the attention of the gentleman from New York [Mr. SNELL] for a moment. I believe that this makes about eight resolutions from the Committee on Rules now on the calendar?

Mr. SNELL. The gentleman is absolutely correct.

Mr. GARRETT of Tennessee. I would like to ask the gentleman what the plan is to go on to consider them.

Mr. SNELL. We expect to take them up to-morrow and hope to finish them.

Mr. GARRETT of Tennessee. What is the gentleman's program?

Mr. SNELL. As soon as possible we are going to follow out the program and take them up in their order.

Mr. GARRETT of Tennessee. As they appear on the calendar?

Mr. SNELL. Yes; so far as possible. I will say to the gentleman from Tennessee that we have already had a setback on one bill. I understand that the gentleman from New Jersey [Mr. LEHLBACH] will not be here. That was on the program, and we shall have to change it.

RELIEF FOR FARMERS

Mr. EVANS of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of farm relief.

The SPEAKER. The gentleman from Montana asks unanimous consent to extend his remarks on the subject of farm relief. Is there objection?

There was no objection.

Mr. EVANS of Montana. Mr. Speaker, there is no theme more widely discussed in the United States to-day than that of agriculture. Our papers, both farm journals, weekly newspapers, and even the great metropolitan dailies, have carried in their editorials, as well as their news columns, splendid discussions—constructive discussion for the most part—of the many problems that surround this great fundamental business. There is scarcely a platform to-day from which men speak where they do not include in the subjects they present to the public discussions of this great business. The very fact that our great Chautauquas and our great lecture courses find places on their programs for constructive discussions on this great business indicate very clearly the unusual interest that is taken in this great subject, not only by the people who live in the country but also those who live in the cities.

What is the difficulty with agriculture? Hours could be consumed in answering this question and bitter controversy possibly aroused as to the whys and wherefores of it. I shall not weary the committee with a long, drawn-out discussion. The farmer's trouble centers around the lack of an adequate price for his products. Measured by its comparative commodity value his dollar is a 60-cent dollar. In other words, the exchange value of his commodities is upon that basis. He can not survive under such conditions, and the best thought of the country should concentrate on this problem and devise ways and means by which this great disparity may be removed.

What shall be done? How shall the price of farm products be put on a parity with general commodity prices? What sound program can be devised to accomplish this result? Mr. Chairman, in my opinion the answer will not be found in demagogic appeals or in partisan criticism. It will be found in a clear apprehension and a frank acknowledgment of the situation on the part of all of our people, both city and country, and an equally sincere and earnest effort to meet it fairly and justly. It will be found in a careful study of the experience of others who have met and mastered like difficulties as they have developed in recurring cycles through the years.

Emphasis must be placed on reducing farm-production cost by improved methods and management. Wonderful progress has been registered by the American farmers in this regard in recent years. He is the best farmer the world knows, whether judged by his individual production or by production per unit of land. Every help and encouragement should be given him to continue this progress. Not only must his best thought be given to economical production but a method must be found to regulate or handle the surplus of agricultural products. It is surely an unsound national policy to force farmers to restrict production of foodstuffs in order to secure an adequate price; but if another way can not be found to meet the situation, that course will be the only one open to them.

I assert, economically speaking, that in all the history of the world there has never been an overproduction of wheat. There may have been a breaking down of our transportation systems by which these products are carried to hungry humanity; but, as a matter of fact, practically every author of political economy in the last 100 years has argued very strongly that with adequate transportation facilities there can hardly be such a thing as overproduction. The remedy lies, my friends, in improving and building up systems of transportation and distribution by which the so-called surplus of crops and production can be carried to the hungry millions in other lands.

CLASS LEGISLATION

Whenever an effort is made to do something for the farmer it is called class legislation, and candor compels me to admit that it is class legislation, but it is legislation in an effort to put the farmer in the same class with the other people of the country.

I can not overemphasize the evil effect of class legislation so far as the farmer is concerned. I assert that class legislation is more largely responsible for the present economic plight of the American farmers than all other causes combined. It is the fundamental cause of all the causes, and the baneful influence of this cause will continue until the prime cause is removed. And, gentlemen, there can be no permanent rehabilitation of agriculture until there is an abandonment of class legislation and a denial of special privilege, and until we strike from the statute books of the Nation every legislative act whereby one class is taxed for the enrichment of another class or one section given special privilege at the expense of other sections.

Owing to the protective tariff which the Government maintains the farmer has to pay a great deal more for what he buys than he would have to pay if he could purchase in an open market, and at the same time he is compelled to sell his entire crop on the basis of what they will give him for it at Liverpool, and in direct competition with the entire world.

The Congress has by its legislation protected the home market of the manufacturer by the passage of a high protective tariff measure. This measure furnishes no protection to the farmer but penalizes him. I therefore believe it to be the sacred duty of Congress to pass some bill or legislation that will afford relief to the farmer. He is not asking any favors; he is only asking a square deal. In my judgment it is not the low prices the farmer receives for his products, it is more largely the high price he must pay for the things he buys. However, for the time being at least it is manifestly impossible to bring the prices of the things the farmer must buy down to the level of his prices, then the only practical remedy seems to be to raise

the prices of agricultural products to the level of manufacured products, and this we should attempt to do.

It is simply a physical impossibility for the farmers to continue to buy their supplies in a highly protected market and at the same time sell their products for whatever they are offered in a foreign market. The millions of farmers who have already lost their entire holdings prove this to be true beyond question, and the many failures of banks and business men as well as farmers, and the hardship and suffering entailed thereby is most unjust, pitiable, and cruel in the extreme.

The farmers of this country have spoken loud enough and long enough so that the veriest recluse ought to understand they are not looking for the opportunity to borrow money, but are trying to convince the "powers that be" that they must have an improved market for their products or go out of business; that they are entitled to something beyond the cost of production. The farmer, like everyone else in business, in all fairness, is entitled to a fair profit on the things he has to sell; he should also receive a fair return on his invested capital and for his labor. Many farmers to-day are not receiving the cost production, leaving out of the question any return on investment or labor.

It is maintained and with some merit that the farmer's price is a matter of supply and demand. To be sure all the unhappy and unfortunate conditions can not be improved by legislation. Climate, season, soils, location, and management are outside the law. On the other hand, it is foolish to assert that legislation has not affected our economic situation. The echoes have scarcely ceased in this Chamber from the discussion of such a piece of legislation. No laboring man needs anyone to tell him the effects of millions of immigrants on his wage scale and his standard of living. No railroad man needs to be told of the economic effect of the Adamson or the Esch-Cummins laws. Because the farmer is not able to pass on the added costs which increased transportation rates impose on him and what higher wage scale demand of him, much of the new legislation has affected him unfavorably.

The tariff is not effective in raising price levels on his export surplus. He produces a surplus of a number of the basic commodities which must find a market under world conditions. He buys by the American market and sells by the world market. If he is to survive he must be put on an American basis in his selling as well as his buying. To put him on such a basis is not doing him a favor. It is simply putting him on a par with the rest. It is plain justice. The McNary-Haugen bill, now so widely discussed, is directed straight at this price inequality which the farmer suffers under because of his production of a surplus which must be exported. The widespread demand for this legislation is based on our American gospel of the "square deal."

The farmer in supporting it is simply asking that he be put on equal terms with the rest of the country who have been made the beneficiaries of Federal legislation.

Mr. Speaker, a favorable report on this bill has been ordered by the House Committee on Agriculture. Exhaustive hearings were held, extending over several weeks. After the hearings closed the committee took the bill up, considered it paragraph by paragraph, and for more than a month, meeting every day, gave it most thorough consideration. Many amendments were offered; some rejected, but many were adopted. The bill has indeed been completely revised by the committee, so that the measure ordered reported may well be called the revised McNary-Haugen bill. I urge every Member of this body to study carefully the provisions of this new bill before passing judgment upon it.

It is not my intention at this time to make an argument in favor of the bill, but rather to call the attention of the Members of the House as briefly as possible to it. Later on, when the bill is brought up for consideration, I shall seek the opportunity to present my views and arguments and to tell the House why I think the bill should be passed just as speedily as possible.

Millions of farmers are petitioning us to pass the McNary-Haugen bill; they believe that it will help. If this bill is not what you think it should be in all respects, allow it to come on and let amendments be proposed. If necessary change it until a majority in this House can pronounce it good. Let us act promptly. Do not postpone the matter until next month or next year. The necessity has long existed—the emergency confronts us—it is a "condition and not a theory."

Those who object to the provisions of the bill ought, in my opinion, to turn proposers. The objector sometimes stops things—he never moves anything forward. So far as some legislation is concerned regarding this big question, proposals are in order; the time for objections has long since elapsed.

The appeals to Congressmen do not come from the farmers only, but many bankers, merchants, teachers, and men in other lines of business, and club members are likewise manifesting their interest in this legislation in every farming section of this country.

Time waits for no man—the farmer has been waiting for all time. Do not let anyone be heard to say that the farmers of this country, representing as they do the largest single enterprice in the United States, have an equal show with men engaged in any other business.

You men from the Atlantic seaboard, from the great manufacturing districts of this country, I beg of you to hesitate before condemning this legislation. Permit me to quote from an article by the Washington correspondent of the Boston Transcript:

> If New England industries were in the stricken condition that the farms of the Northwest are, there would not be enough halls in Boston to hold the crowds of respectable citizens that would assemble in mass meeting to protest to Washington and demand even higher tariff rates than those which now make New England industries comparatively safe and prosperous behind the protecting walls of the present tariff. This the Northwest knows.

Of course, the Northwest knows this; so does the Middle West, so does every farming section in America, and I venture the suggestion that if heed is not given the situation by you men from this great, prosperous manufacturing section of the country that is now thriving on the results of the special privilege granted you through the laws of this country that the day is not distant when you will learn something of interest from the great agricultural sections of the country which you seem now to forget.

CALENDAR WEDNESDAY

The SPEAKER. To-day is Calendar Wednesday. The Clerk will call the roll of committees.

The Clerk called the Committee on Foreign Affairs.

CHINESE INDEMNITY

Mr. PORTER. Mr. Speaker, I move to take up the resolution (H. J. Res. 248) to provide for the remission of further payments of the annual installments of the Chinese indemnity.

The SPEAKER. The gentleman from Pennsylvania, chairman of the Committee on Foreign Affairs, calls up a resolution, of which the Clerk will report the title.

The Clerk read as follows:

> A resolution (H. J. Res. 248) to provide for the remission of further payments of the annual installments of the Chinese indemnity.

The SPEAKER. This resolution is on the Union Calendar, and the House automatically resolves itself into Committee of the Whole House on the state of the Union to consider it. The gentleman from Connecticut [Mr. TILSON] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the resolution (H. J. Res. 248) to provide for the remission of further payments of the annual installments of the Chinese indemnity, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 248, which the Clerk will report.

The Clerk read the resolution, as follows:

> Joint resolution (H. J. Res. 248) to provide for the remission of further payments of the annual installments of the Chinese indemnity
>
> Whereas by authority of a joint resolution of Congress approved May 25, 1908, the President of the United States was authorized to remit unto China the sum of $11,961,121.76 of the Boxer indemnity fund accredited to the United States, which sum the President on December 28, 1908, duly remitted and which, at the request of China, was specified to be used for educational purposes; and
>
> Whereas it is deemed proper as a further act of friendship to remit the balance of said indemnity fund amounting to $6,137,552.90 in order further to develop the educational and other cultural activities of China: Now, therefore, be it
>
> *Resolved, etc.*, That the President is hereby authorized, in his discretion, to remit to China as an act of friendship any or all further payments of the annual installments of the Chinese indemnity due under the bond received from China pursuant to the protocol of September 7, 1901, as modified by Executive order on the 28th day of December, 1908, pursuant to the authority of the joint resolution of Congress approved May 25, 1908, for indemnity against losses and expenses

incurred by reason of the so-called Boxer disturbances in China during the year 1900, such remission to begin as from October 1, 1917, and to be at such times and in such manner as the President shall deem just.

Mr. ROGERS of New Hampshire. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. ROGERS of New Hampshire. I rise to inquire about the time. I am opposed to the resolution.

The CHAIRMAN. Is the gentleman a member of the committee?

Mr. ROGERS of New Hampshire. Yes.

The CHAIRMAN. Under the rule, on Calendar Wednesday there are two hours of general debate, one hour to be controlled by the gentleman in charge of the resolution and the other by some one in opposition to the measure. The Chair will recognize the gentleman from Pennsylvania [Mr. PORTER] to control the time on behalf of the committee and the gentleman from New Hampshire [Mr. ROGERS] in opposition. The gentleman from Pennsylvania is recognized for one hour.

Mr. PORTER. Mr. Chairman, the resolution before the House (H. J. Res. 248) provides for the remission of further payments of the annual installments of the Chinese indemnity under the bond of December 15, 1906, such remission "to be at such times and in such manner as the President shall deem just."

In the last Congress a similar resolution, which had the active and unqualified support of President Harding and the Secretary of State, passed the Senate by a unanimous vote. It was reported unanimously by your committee but failed to receive consideration by the House before adjournment. On April 29, 1924, your committee again reported the resolution with the recommendation that it pass without amendment. Again it has the approval of the Secretary of State, who says:

I am happy to inform you that I approve of the proposal in its present form and am in full sympathy with the provisions of this resolution terminating further payments by China to the United States upon the Boxer indemnity.

The amount of the bond for $24,440,778.81, dated December 15, 1906, received from China pursuant to the protocol of September 17, 1901, for indemnity against losses and expenses incurred by the United States by reason of the so-called Boxer disturbances in China during the year 1900 was limited by the joint resolution of Congress of May 25, 1908, to the sum of $13,655,492.69, with interest at 4 per cent. The further sum of $1,175,835.64 was remitted subsequently upon the payment in full by China of all the remaining claims of American citizens for damages to person and property, thus making a net liquidated debt of $12,479,657.15 as of date January 1, 1908. China has paid on account of this indebtedness the sum of $12,413,499.79, on account of principal and interest, leaving a balance due of $6,137,552.90, assuming that China anticipated the payments at the present time. If the payments made to date were all credited to principal, China would owe $66,158 of the principal debt and $6,071,394.09 interest.

The claim of the United States against China was composed of the following items:

(1) Compensation to American citizens for damages to person and property, which, as heretofore stated, has been paid in full.

(2) Military operations, $7,186,340.75.

(3) Naval operations, $2,469,181.98.

Statements showing the items for military and naval operations are a part of the hearings and show that the entire cost of maintaining that portion of the Army and Navy which was used in China was charged against that Government.

The joint resolution of Congress of May 25, 1908, recommended by President Roosevelt, placed no restrictions on the use to be made of the sums to be remitted, but it was upon China's request that monthly payments were made to the consul general of the United States at Shanghai and by him indorsed over for the maintenance of the college of Tsing Hua, which is known in China as the "American Indemnity College." Your committee is confident the President will follow this plan of payment, which has proven so satisfactory to both countries, in the event this resolution is adopted. Entrance to this college is by competitive examination. The students are educated so as to enter colleges in the United States, their expenses in this country being paid out of the fund; and, notwithstanding the chaotic conditions in China during part of the last 10 years, she has never failed to make the monthly payments for the support and maintenance of this college. It is now deemed proper as a further act of friendship and good will to remit the balance of said indemnity fund in order further to develop the educational and other cultural activities of China.

The foreign relations of the United States for 1901 show conclusively by the correspondence between the Hon. John Hay, Secretary of State, and the American minister, Mr. Conger, which appears on pages 37 and 38 of the hearings, that the influence of our Government was at all times exercised on the side of justice and moderation toward China in the settlement of the so-called Boxer claims. In fact, the correspondence indicates that the United States would have waived indemnities, except the compensatory damages due citizens of the United States for injuries to their person or property, which amounted to less than $4,000,000, if the other interested powers had agreed to do likewise. The United States contended that the claims of the other powers were exorbitant and threatened at one time in the negotiations to refer the matter to The Hague.

On May 10, 1901, Mr. Hay cabled Mr. Conger:

The aggregate sum mentioned appears exorbitant, and repeats that this Government is willing to reduce by one-half its already reasonable claim if the other powers will make similar reductions. There are grave objections to joint guaranty, but the President would agree to it, subject to the action of Congress, rather than submit China to the necessity of paying so enormous a commission.

On June 15, 1907, the Hon. Elihu Root, Secretary of State, in a letter to the Chinese minister said in part:

It was from the first the intention of this Government at the proper time, when all claims should have been presented and all expenses should have been ascertained as fully as possible, to revise the estimates and account against which these payments were to be made, and as proof of sincere friendship for China to voluntarily release that country from its legal liability for all payments in excess of the sum which should prove to be necessary for actual indemnity of the United States and its citizens.

In reply thereto the Chinese minister said in part:

I take this first opportunity to express to you the grateful thanks of my Government for this signal generosity shown by the United States toward China, which can not fail to bind the two countries into closer and more friendly relations, and which affords another conspicuous proof of the high sense of justice which always actuated the Government of the United States in its intercourse with China.

The remission of the balance of this indemnity is in exact harmony with our traditional policy toward oriental nations.

In July of 1863 hostile vessels occupied the Straits of Shimonoseki, Japan, and the warships of the United States and other countries, at the instance of the Japanese Government, opened the straits to commerce by the destruction of these vessels. It was later agreed between Japan and the nations which had come to her assistance that the former indemnify the latter for the expenses incurred by them in accomplishing this end.

Like China after the Boxer uprising, the Japanese Government issued bonds in a sum sufficient to reimburse the nations for their outlay which had assisted her in restoring peace, but Congress, by act of February 22, 1883, returned to Japan the sum of $785,000.87 in legal coin which had been paid on account of the bonds and directed that all bonds now under control of the Department of State known as the "Japanese indemnity bonds" should be canceled and destroyed.

The action of the United States in 1908 materially reducing the amount of the obligation under the bond from China established a precedent that has been very far-reaching. It is best described in the testimony of Mr. John V. A. MacMurray, Chief, Division of Far Eastern Affairs, Department of State, as follows:

In 1908 we corrected China's bond to us in order to relinquish everything that we felt it had been an actual injustice to take. There nevertheless remains this balance in which we still have, of course, an unquestionably valid legal right, but as to which it may very well be contended that the claim is at any rate a somewhat harsh one. The proposal now is that we shall relinquish this. In the meanwhile we have established by means of the 1908 remission a precedent that has been very far-reaching. The effect that that has had in China, as many of those who have testified have told you, has been altogether inestimable. It has placed the United States, in the minds of the Chinese, in a category entirely different from that of any other nationality.

The positive results from the educational plan to which China devoted the remitted funds are now beginning to accrue. It is only fair to say in passing that there is some ground for criticism that there has been a degree of disappointment in the way the educational scheme has thus far worked out. But, at any rate, I profoundly believe myself, and I think it is the view of all in our department, including the Secretary, who have to deal with these matters, that it is only on a very short view that we could feel disappointed. The educational plan is in its beginning; it has not yet had time to produce results.

In the long run it is bound to produce results of the most hopeful sort for the regeneration of China; but meanwhile there can not be any question of the extraordinary result it has produced upon our relations with China, or perhaps I should put it upon China's relations toward us. That has been so much the case that other nations have regarded our action with a certain degree of what might almost be termed jealousy, a feeling that we had rather stolen a march on them—that our action had been so much more farsighted and so much wiser than theirs. There has been this feeling almost of resentment in the past toward the action that we took in 1908. But that feeling has given way to a desire to emulate the example that we set, and hence the efforts of other powers that I have sketched out to you to try and place themselves in the same position. It would, of course, be a rather anomalous situation if, having initiated the more advanced and enlightened policy with regard to the disposition of these somewhat harsh indemnities, we were now to stop while all the others went on following our example and trying to take advantage of the initiative that we had taken.

For that reason it seems to me that to-day even more than when the first bill was introduced it is a matter of obvious expediency for us to go ahead with this proposal.

During the last year Great Britain, France, Italy, and Belgium have announced their intention to either cancel or remit the balance of the indemnity or contemplate an early remission of a sort similar to that the United States initiated in 1908, and this contemplated action on the part of the other obligees of China, which, according to Mr. MacMurray, with whose opinion I am in entire accord—

creates a situation in which, if not exactly forced to action, we find ourselves confronted with a psychological situation in which it would be more difficult for us to hold back now—in which the failure to go on with the present remission would be more likely to create a misunderstanding than if the same thing had happened when the bill was first introduced. We, as you of course all realize, took the initiative in this matter in the first place. We had attempted throughout the negotiations for the settlement of the Boxer difficulties to protect the just interests of China and to try to bring about a settlement which should involve a little foresighted generosity as well as strict justice. We were, as you know, not altogether successful in that.

May I emphasize by repeating—China has paid compensation in full to American citizens for damages to personal property as the result of the Boxer uprising. The claims of the United States for the cost of her military and naval operations, amounting to $9,655,492.69, contains an item of $3,450,133 for pensions and allows no credit for the usual and ordinary expenses for the maintenance and operation of the units which operated in China. China has reimbursed the United States for this outlay in the operation of our naval and military forces, except $66,158 of the principal debt and $6,071,391.09 interest.

In these circumstances your committee deems it highly desirable as a further act of friendship to remit the balance of the indemnity in order further to develop the educational and other cultural activities of China.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. PORTER. Yes, sir.

Mr. MORTON D. HULL. How much has been paid to American citizens for their losses?

Mr. PORTER. It is less than $4,000,000.

Mr. MORTON D. HULL. And the bulk of the amount remitted by this resolution, if it is adopted, represents interest on the original bond?

Mr. PORTER. If all of China's payments are credited to principal, it represents interest on the original bond, except $66,158 balance of the principal.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. PORTER. Yes, sir.

Mr. WILLIAMSON. Is this entire amount to be used by China for the purpose of educating Chinese in this country?

Mr. PORTER. The resolution states that the amount will be used for educational and other cultural activities of China.

Mr. MORTON D. HULL. But not in this country.

Mr. PORTER. Not necessarily. It is left entirely in the discretion of the President. We are doing a gracious thing, and we should do it in a gracious way.

Mr. WILLIAMSON. Will the gentleman yield further?

Mr. PORTER. Yes, sir.

Mr. WILLIAMSON. Who has the handling of this amount? Will it be handled by Chinese officials or American officials?

Mr. PORTER. I can assure the gentleman that the committee is perfectly confident that our Government will follow the plan which has been followed since the passage of the Roosevelt resolution in 1908. The fund is divided into two parts. On the first of each month the Chinese Government hands two checks to the American consul at Shanghai, China; one check he turns over to the Treasury of the United States, and the other check he indorses over for the maintenance of this college.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. PORTER. Yes.

Mr. CHINDBLOM. My colleague [Mr. HULL] inquired about the private claims against China. Those private claims have all been paid, have they not?

Mr. PORTER. They have all been paid and were paid years ago.

Mr. COLLINS. Will the gentleman yield?

Mr. PORTER. Yes.

Mr. COLLINS. Is it the gentleman's opinion that all compensatory damages have been paid by China?

Mr. PORTER. I gave to that question a great deal of thought, as the gentleman well knows.

Mr. COLLINS. I am asking for the gentleman's opinion.

Mr. PORTER. I have been unable to reach a satisfactory conclusion because of this fact: Four-fifths of the claim against China represents the charges made by the Army and the Navy. There is no reduction made for the normal expenses of those two organizations. There is really no precedent to guide us, so I hesitate to express an opinion as to whether the balance is punitive or compensatory damages. After having taken the initiative in this matter and led the other nations of the world to do likewise, we should not allow ourselves to be put in a false position. [Applause.]

The CHAIRMAN. Does the gentleman from Pennsylvania reserve the balance of his time?

Mr. PORTER. Yes; I reserve the balance of my time.

The CHAIRMAN. The gentleman from New Hampshire [Mr. ROGERS] is recognized for one hour. [Applause.]

Mr. ROGERS of New Hampshire. Mr. Chairman and members of the committee, I intend to speak in opposition to the resolution which is being considered this morning, and my only hesitation in so doing is the fear that my motives may possibly be misunderstood. Therefore at the outset I wish to take the opportunity to state that I am in entire sympathy with the attempt of the great Chinese Government to secure for itself a permanent place in the civilized world. I realize the fact that for more than 2,000 years China has suffered more than its share of hardships, trials, and tribulations, and I feel that I would be the very last man in this House to take any action or to support any legislation which would in the slightest degree jeopardize the mutual and lasting friendship which has always existed between this country and China.

When I went into the committee at the beginning of the hearings on this resolution it was my desire to support this resolution if it was possible to find any justification for so doing. But as the hearings progressed, Mr. Chairman, it appeared to me to be even more certain that there is not the slightest moral or legal justification for the United States of America to cancel this honorable and just debt owed to it by a foreign nation, even if it is only $6,000,000. America's friendship for China is the only possible justification suggested as a ground for canceling the Chinese debt to America, because that is what it is; and while this resolution suggests it is a means of remitting a certain amount of money, I ask you not to be misled by the terms of the resolution, because it could better have been called a resolution to give $6,000,000 to China, or a resolution to cancel an honorable financial obligation of a foreign nation amounting to $6,000,000. As the resolution reads, however, the only alleged justification for the remission of this balance due the United States is suggested in the preamble and termed an "act of friendship."

I ask you whether the American Congress is ready to establish the precedent that solely and purely as an act of friendship it will cancel the honest, honorable obligations of every foreign power to the United States? Are we ready to cancel the debts of Armenia, Austria, Belgium, Czechoslovakia, Esthonia, Finland, Greece, Hungary, Latvia, Liberia, Lithuania, Nicaragua, Poland, Rumania, or Yugoslavia? All of these nations are indebted to us, and owe us just and honorable debts. Are we ready as an act of friendship to cancel the debt of Great Britain, amounting to $4,600,000,000? Or France's debt of $3,990,638,000; or Italy's $2,015,079,000? These nations owe us a total debt of nearly $12,000,000,000. Must we purchase the continuation of their friendship by the cancellation of their debts at the expense of the taxpayers of America? If we are not ready to do that act of friendship for these various countries, then I say there is no justification for our canceling the honorable and honest debt of

$6,000,000 which China owes us simply as a further token of our respect and admiration for the Government and citizens of that great country.

Mr. DYER and Mr. O'CONNELL of New York rose.

The CHAIRMAN. Does the gentleman yield; and if so, to whom?

Mr. ROGERS of New Hampshire. I yield first to my friend from New York.

Mr. O'CONNELL of New York. Has the gentleman any evidence that we are going to get any money at all from the nations he has just enumerated? We have gotten some from China.

Mr. ROGERS of New Hampshire. I am sure we will not get any if we establish the precedent called for by this bill and cancel all the other debts owed to this country.

Mr. DYER. Will the gentleman yield?

Mr. ROGERS of New Hampshire. I yield.

Mr. DYER. The gentleman likens these other European cases to China, but this is not for any money we loaned China and it is not for damages that China did to us. It is simply remitting something we saddled on her with other nations as a punitive measure.

Mr. ROGERS of New Hampshire. No; I intend to show the gentleman from Missouri, if he follows my remarks, that this debt is just as honorably due us, and even more so, than the loans made by the United States to foreign governments, for if it is just that foreign governments should repay us the money they have borrowed from us, it is certainly even more just and reasonable that the Government of China should compensate us for damages caused by the unlawful killing of American citizens and the unjustifiable destruction of American property.

Mr. DYER. If the gentleman will permit, there is no such question involved with China. They have already paid us more than any damages they inflicted upon us.

Mr. ROGERS of New Hampshire. That is not the fact, and if the gentleman will wait a moment I will prove my statement.

Mr. Chairman, it may be a good idea, in order to understand this situation fully—and we ought to understand it before we vote on it—to go back for a moment to the history of the Boxer rebellion and see on just what foundation this debt is placed.

In 1900 there were over 100,000 fanatics in China who organized themselves together and who, in gross violation of all recognized principles of international law, in utter disregard of the rights of humanity itself, and without any respect for the rights of American citizens guaranteed to them by virtue of existing treaties, went about through China killing, murdering, pillaging, and plundering, and raised the cry of death to all Christian foreigners in China. As a result of these acts of anarchy on the part of the Boxers, as they were called—a name given them because they termed themselves the "society of harmonious fists"—nearly 100 American citizens went to their death, and for weeks the citizens of foreign powers were cooped up in their respective legations, and no man knew whether they would come out alive or whether they would be butchered and tortured, a practice indulged in by the Boxers at every opportunity; and, Mr. Chairman, not only did these Boxers associate themselves together and kill and torture in violation of international law, not only were their actions passively acquiesced in by the Chinese Government itself, but their atrocious crimes were actively approved and supported by the Government of China.

This was not the case of an occasional banditry. It was not the case of a gang of assassins who murdered a few innocent citizens, but it was a case of 100,000 men urged on by the Government of China to kill every foreigner, to murder every Christian, to destroy their temples of worship, to burn their cathedrals and their legations, and to sacrifice their very lives.

Mr. O'CONNELL of New York. What is the authority of my colleague for that statement?

Mr. ROGERS of New Hampshire. For what statement?

Mr. O'CONNELL of New York. That the Government of China urged them on.

Mr. ROGERS of New Hampshire. This is my authority, I will state to the gentleman from New York. The American minister, Conger, representing the American Government, in a message to the Secretary of State, John Hay, said this—this is my authority, and it is an important thing to be considered when you attempt to cancel this honorable debt—said Minister Conger:

> That the throne indorsed and encouraged the Boxers in their attacks against foreigners, organized them, placed princes and ministers in command of them, paid them, exhorted them, extolled them, and made common cause with them is abundantly confirmed by the Imperial decrees transmitted in my dispatch No. 395, of August 17, and is therefore responsible for the whole movement and its results.

That is my authority for the statement that the Chinese Government was back of this movement. It is an official report to this Government made by the American minister, who was on the ground and who knew the facts.

Mr. BLANTON and Mr. FAIRCHILD rose.

Mr. ROGERS of New Hampshire. I yield first to my fellow member of the committee.

Mr. FAIRCHILD. I noticed in what you read that reference was made to the throne of China.

Mr. ROGERS of New Hampshire. Yes.

Mr. FAIRCHILD. The throne of China no longer exists, does it?

Mr. ROGERS of New Hampshire. It existed then, and it was the recognized government of the country.

Mr. FAIRCHILD. Under the example of the great American Republic there is now a republic we are dealing with over there, is there not?

Mr. ROGERS of New Hampshire. Yes; as the successor to the throne which was the responsible, recognized government of China and which urged these assassins to destroy the lives of every foreign Christian within the limits of its jurisdiction. They not only destroyed American lives but they attacked the American Legation and attempted to wipe out of existence those good people who had sought refuge there, and, Mr. Chairman, let me right here, before I yield to my friend from Texas, call attention to the joint note of the powers in regard to these acts of despoliation, and what they said as to its being acquiesced in by China, and the grounds on which the Chinese Government accepted this settlement. The joint note of the powers directed to the Chinese Government said in regard to this wholesale slaughter of foreign Christians:

> During the months of May, June, July, and August of the present year (1900), serious disturbances broke out in the northern Provinces of China and crimes unprecedented in human history—crimes against the laws of nations, against the laws of humanity, and against civilization—were committed under peculiarly odious circumstances.

And, gentlemen, I repeat that those crimes against the laws of nations and against humanity were not only acquiesced in but advocated by the Government of China, which has accepted full responsibility for the taking of the lives of innocent men and the destruction of the property of Christian foreigners.

Mr. BLANTON. Now, will the gentleman yield?

Mr. ROGERS of New Hampshire. I will.

Mr. BLANTON. Was not it because of the fact that the Government of China did condone these crimes that our Government forced them to give a bond for $24,000,000?

Mr. ROGERS of New Hampshire. Certainly it was, and they not only condoned them but they supported and urged them on and backed them up. If any nation in history was entitled to receive pay for acts in violation of the laws of humanity and international law, the American Government was so entitled; and if any nation in the history of the world should be punished for deliberately and premeditatedly seeking to wipe out of existence by barbarian torture the Christian religion and Christian people, then the original indemnity exacted from China was only a fair and equitable indemnity for that monstrous crime against civilization and humanity.

Mr. McKEOWN. Will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. McKEOWN. Who made these estimates of the amount?

Mr. ROGERS of New Hampshire. I am coming to that now. Mr. Chairman, what happened? What was the attitude of the United States of America? Did we burn with righteous indignation at these indefensible assaults on our religion and people and demand punishment from China? No; we did not. On the contrary, that great statesman, Secretary of State John Hay, made it clear from the very beginning that the American Government would do as it always had done, and I hope always will do, play fair with the Government of China. In his note to the American commissioners he made it plain that this Government wanted to exact no punishment from China. Although the lives of these Americans taken by the Boxers could not be returned, their property could not be replaced, and their insults could not be adequately avenged, the American Government desired no punishment for China, but simply a bond of indemnity to secure only compensatory damages.

And so, Mr. Chairman, our Secretary of State instructed the minister at Peking way back in 1901 as follows:

> The President is anxious lest the aggregate of the claims of the different powers should exceed the ability of China to pay.

There we were in 1901 anxious lest we asked for something that China could not pay. Then the State Department said:

You are therefore instructed once more to urge upon your colleagues the desirability of agreeing upon a lump sum not to exceed £40,000,000 to be distributed equitably among the powers, and if an agreement is impossible to resort to The Hague arbitration; this sum to be paid in money and not in territory. The Government is ready to scale its demand in any just proportion which may be accepted by the other powers.

Mr. McKEOWN. Will the gentleman yield further?

Mr. ROGERS of New Hampshire. I will.

Mr. McKEOWN. How much do we pay in pensions to the soldiers and the widows of those soldiers?

Mr. ROGERS of New Hampshire. I can not answer the gentleman.

Mr. McKEOWN. Are we taking into consideration in the preparation of the resolution the refund of payment of pensions due these men?

Mr. ROGERS of New Hampshire. I will come to that in a moment when I discuss the amount now due.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. ROGERS of New Hampshire. I will yield, and then I must ask not to be interrupted further.

Mr. WAINWRIGHT. Is any attempt being made by the State Department to collect any indemnity of China for the injury and loss suffered by those Americans who were captured and treated with great brutality and indignity by Chinese bandits last summer?

Mr. ROGERS of New Hampshire. I think not, but it does not seem to me that the gentleman's question is germane to this proposition because this is a proposition where the Chinese Government urged on the rebellion and accepted full responsibility for the acts of the Boxers.

Mr. WAINWRIGHT. May it not be appropriate to reserve any balance due from the Chinese Government as a guaranty for the payment of an indemnity to these American citizens who suffered last summer?

Mr. ROGERS of New Hampshire. To my mind it would not be appropriate to reserve one cent. The only thing that is to-day appropriate and for which we can furnish any justification is to permit China to pay her just debt to America, as she is willing to do; a debt never questioned either officially or unofficially.

Mr. BLANTON. Will the gentleman yield for one more question?

Mr. ROGERS of New Hampshire. I will.

Mr. BLANTON. This Congress some time ago remitted $9,161,000. If we remit the balance, can we expect China to protect our nationals against banditry in the future?

Mr. BUTLER. Will the gentleman yield?

Mr. ROGERS of New Hampshire. I will.

Mr. BUTLER. As I understand it, this indemnity is owing to the people who suffered during that Boxer outbreak. Who is going to pay them if China does not? Would the American Government have to do it?

Mr. ROGERS of New Hampshire. So far as the individual claims are concerned, they have been paid; but let me get to the next proposition. There was collected as an indemnity, or exacted from the Chinese Government, which recognized its liabilities, over $330,000,000. Of that amount, which went to every government involved that had sustained loss of life and property, the American Government was allotted $24,440,778.81. As another example of the great statesmanship of our Secretary of State, Mr. Hay, and of his successor, Mr. Elihu Root, it should be said to the lasting credit of this Government that seven years later, after everybody's blood had cooled off, and as further evidence of the desire of this Government, as manifested from the very beginning, to deal both justly and fairly with China, the Government, under the direction of the Secretary of State, Mr. Root, revised all of the bills and claims which had been put in and accepted by the Chinese Government. And notwithstanding the fact that the Chinese Government had recognized its liability and signified its willingness to pay over $24,000,000 as a legal debt, to which we were technically and legally entitled, nevertheless, in 1908, as an act of friendship to the Chinese Government, as an act of simple justice and fairness, when it appeared that we had asked China for too much, when it appeared that here and there we had gotten in some punitive damages, we decided to deal most charitably with China; and President Roosevelt then asked Congress to remit every dollar which could possibly be decided to be in excess of the amount legally, ethically, and morally due to America by the Chinese Government. Thereupon, Congress, as a result of the suggestion of Mr. Root and at the request of Mr. Roosevelt, out of a sense of justice and fairness and friendship, in 1908, 16 years ago, remitted every cent that by any means of calculation could be determined to be in excess of the amount to which the United States Treasury was entitled.

That settlement has been recognized as fair and just by China and the world for 16 years. Under its terms China has been paying $45,000 every month, and has never expressed a desire to be relieved from such payments or to have the time in which the total amount is to be paid extended. That settlement made in 1908 still stands, and yet we are asked now to do something that was never before thought of or considered, and that is to cancel a just and honest debt of a foreign government without a suggestion officially or unofficially that it should be so canceled. What justification is there for our establishing such a precedent, which has never before been established in the history of this Government?

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. CRISP. The United States had a certain number of marines, and the other governments had soldiers there, growing out of this Boxer movement.

Mr. ROGERS of New Hampshire. Yes.

Mr. CRISP. Has the United States been reimbursed the expense of maintaining that force in China?

Mr. ROGERS of New Hampshire. It has not been so reimbursed.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of New Hampshire. Certainly, I yield to the chairman of my committee.

Mr. PORTER. The United States has been reimbursed with the exception of $64,000, except as to interest.

Mr. ROGERS of New Hampshire. Mr. Chairman, let me ask the chairman of our committee to be fair about this matter. The amount now due as principal and interest is $6,137,552.09. The amount of interest determined to be exacted from China at the very beginning, when this indemnity was settled, was only 4 per cent. Of course they must pay interest on their debts. Individuals pay interest, commercial enterprises and towns and cities pay interest, and it is right that China should pay such a reasonable amount as 4 per cent interest on whatever she owes us, in addition to paying for the damage done by this enormous rebellion which she supported and encouraged back there in 1900. This proposition in 1908 under Mr. Roosevelt was carried forward for the sole purpose of revising and equalizing the original settlement, and determining just what amount China was legally and morally bound to pay.

Mr. Chairman, to come now to the balance which is due, $6,137,552.09. The chairman of our committee has quoted from a representative of the State Department who appeared before the Committee on Foreign Affairs. I assume that gentleman represented the Department of State of the United States. He was the Hon. John Van A. MacMurray, Chief of the Division of Far Eastern Affairs. Before I read a portion of his testimony let me read a letter from Mr. Elihu Root, dated June 15, 1907, with reference to the proposed 1908 cancellation or remission. Mr. Root, then Secretary of State, wrote to the Chinese minister as follows:

DEPARTMENT OF STATE,
Washington, June 15, 1907.

SIR: After the rescue of the foreign legations in Peking during the Boxer troubles of 1900 the note of the powers to China prescribing the conditions upon which the occupation of Peking and the Province of Chihli would be ended, dated December 22, 1900, required in its sixth article the payment of equitable indemnities for governments, societies, companies, and private individuals, as well as for Chinese who have suffered during the late events, in person or in property, in consequence of their being in the services of foreigners. The final protocol under which the troops were withdrawn, signed at Peking, September 7, 1901, fixed the amount of this indemnity at 450,000,000 haikwan tael, equivalent, in round numbers, to $333,000,000 United States gold. China agreed to pay this sum with interest at 4 per cent per annum by installments running for a period of 39 years. The share of this indemnity allotted to the United States was $24,440,778.81, and on account of the principal and interest of that sum China has paid to the United States down to and including the 1st of June, 1907, the sum of $6,010,937.91.

It was from the first the intention of this Government at the proper time, when all claims should have been presented and all expenses should have been ascertained as fully as possible, to revise the estimates and account against which these payments were to be made, and as proof of sincere friendship for China to voluntarily release that country from its legal liability for all payments in excess of the sum which should prove to be necessary for actual indemnity of the United

States and its citizens. Such a revision has now been made by the different executive departments concerned, and I am authorized by the President to say that in pursuance of that revision at the next session of Congress he will ask for authority to reform the agreement with China under which the indemnity is fixed by remitting and canceling the obligation of China for the payment of all that part of the stipulated indemnity which is in excess of the sum of $11,655,492.69 and interest at the stipulated rate.

Accept, Mr. Minister, etc.,

ELIHU ROOT.

Thus it is at once seen that Congress was asked to remit every cent to which we were not honorably entitled, and Congress thereupon provided by a joint resolution approved May 25, 1908, for the remission of $11,961,121.76. I repeat, that for 16 years no suggestion has been made that the balance, now approximately $6,000,000, is not justly and honestly and legally and morally due. I want now to read the words of the representative of our State Department before the Committee on Foreign Affairs, for I want you to have before you the present attitude of that department. Mr. MacMurray states that as a result of the action of the Congress in 1908 the Chinese are made our everlasting friends. Mr. Chairman, we can not add to that true friendship which exists by adopting this resolution. And Mr. MacMurray says, further, that because of our act of remission in 1908 the Chinese look to us alone among the nations with whom they have to deal.

Now, what does the representative of the State Department continue to say? He says that the original indemnity was purely a legal obligation, but that it was a moral obligation for us to remit everything we ought not to have, and that we fulfilled this moral obligation by the 1908 remission.

Now he says we are dealing with the question of a further remission, where there is no moral obligation involved. Listen to this:

Because we are legally and morally entitled to the amount of the bond as adjusted in 1908.

Mr. PORTER. Will the gentleman continue the sentence?

Mr. ROGERS of New Hampshire. The gentleman has an opportunity to reply, and I would be glad to have him read it in his own time. My own time is limited.

Mr. PORTER. I think the gentleman should read the whole sentence.

Mr. ROGERS of New Hampshire. I want to impress upon the committee the statement of the representative of the State Department that we are legally and morally entitled to every cent of this $6,000,000. It has always been my opinion that when a nation is legally and morally entitled to a debt, then we as representatives of our constituents, who are the taxpayers of America, have no legal or moral right to cancel it.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. ROGERS of New Hampshire. I will.

Mr. BLANTON. Why does not the gentleman tell us the real reason for presenting this joint resolution?

Mr. ROGERS of New Hampshire. I am coming to that in a moment. The chairman of the committee asked me to read the balance of the sentence in Mr. MacMurray's testimony, from which I read a moment ago. It is of the same purport and winds up by saying that if we cancel this debt it will be a manifestation of "magnanimity and finer feeling." Would it not be as much a manifestation of magnanimity and fine feeling to cancel Great Britain's debt, to cancel those of France, Belgium, Rumania, Czechoslovakia, Yugoslavia, Liberia, Latvia, and all other nations who are financially obligated to America? Of course, it would.

Mr. BLANTON. That is not the real reason.

Mr. ROGERS of New Hampshire. That is not the real reason. I am coming to that. What is the real reason? I have established that this debt is a moral and legal debt of honor owed by China to this country and we are asked without any justification to cancel such a debt of a friendly power, which is willing to pay and which has not even asked that it be extended. I believe it is one of the essential attributes in the development of character, whether it be among men or nations, that they shall recognize and discharge their just, moral, and legal financial obligations. [Applause.] Now, what are the reasons, the real reasons, advanced to cancel this debt, which for 16 years has been recognized as an honorable debt? The resolution states it as "an act of friendship." You gentlemen know that we who represent the taxpayers of this country have no moral or legal right to cancel an honorable debt, universally recognized as such and recognized as such by the other government which owes it, without express authorization of those who sent us here. But some well-meaning educational people desiring to educate the Chinese in 1908, as a result of an agreement between this country and China, secured a portion of the indemnity then remitted for educational purposes, and yearly approximately 2,500 Chinese students are sent to America for education by the Chinese Government, by the provincial governments, by private individuals, commercial organizations, and by certain wealthy Chinese citizens.

China is doing very well in the educational line, and she will continue to do so without the cancellation of this debt; because the remission of the debt in 1908, coupled with other sources of revenue as mentioned above, will enable her to continue sending over here 2,500 students every year. She is doing very well, indeed. Some people would like to help out the people of Liberia, Rumania, Esthonia, and other countries who owe this country money and who do not receive great educational advantages. Shall we cancel their debts? Here we are establishing a precedent just as an act of friendship. Now, in addition to these librarians, in addition to these well-meaning but misguided educational propagandists, there have appeared before our committee men who wanted this debt canceled in order that when it is remitted they may secure some of it for use in China for the purpose of advancing American commercial interests——

Mr. BLANTON. That is the main reason.

Mr. ROGERS of New Hampshire. Then there are propagandists who want the money to establish reclamation projects and conservation projects. One man who appeared before our committee wanted this money used for flood control. Another witness who appeared before our committee suggested that he would not object if this money was used in China to double-track the railroads.

Mr. PORTER. Will the gentleman yield?

Mr. ROGERS of New Hampshire. All of these objects are undoubtedly worthy, but how long since has the American Government been interfering with the governments of the other nations of the world and attempting to tell them what they shall do with their own internal enterprises?

Mr. PORTER. Will the gentleman yield?

Mr. ROGERS of New Hampshire. Let us stay out of other people's business and mind our own. [Applause.] I will yield to my chairman.

Mr. PORTER. I desire to call the attention of the gentleman to the terms of the resolution:

That the President is hereby authorized, in his discretion, to remit to China—

And so forth. Further on—

Such remission to begin from October 1, 1917, and to be at such times and in such manner as the President shall deem just.

Now, does the gentleman think that the President will allow this money to be used for purposes of exploitation?

Mr. ROGERS of New Hampshire. Those words show that there was doubt as to how this money would be used, and therefore the chairman added the words "to develop the educational and other cultural activities of China." Note, however, that these words appear simply in the preamble, where they have no effect, and that the resolution itself contains no limitation clauses whatever. Why, gentlemen, China has a culture older than that of the United States of America, but the gentleman knows that this resolution would not pass unless he referred in the preamble to the advancement of education and culture.

If we annul this debt, let us not attach a string to it and say, "If you do not use it the way we suggest, we will take it back." If China owes this money, then let us permit that nation, as we propose to permit other governments who owe money to us, to pay its honest and just obligations. [Applause.]

Now, then, just for a moment, let me come to another suggestion.

Mr. KVALE. Mr. Chairman, will the gentleman yield before he leaves that point?

Mr. ROGERS of New Hampshire. Yes; I yield.

Mr. KVALE. Purely as a matter of information, while I can see the gentleman's position and fully realize that there may be some other reason which is not stated openly, I would like to know what position, if any, is taken toward this proposal by the missionaries from the United States who are at present in China?

Mr. ROGERS of New Hampshire. Why, of course, Mr. Chairman, if it can be done legally, the missionaries who are doing work in China as in any other country would like to have more money to work with, and there have been some missionaries—I think two or three—who appeared before our committee, expressing the hope that this sum would be remitted, not looking at the moral or legal obligation of China to the American

Government, but looking at it as a possible means of securing further appropriations to assist them in doing a noble work in that country.

Mr. KVALE. But the gentleman will concede that the missionaries in China take the moral and ethical view of the matter?

Mr. ROGERS of New Hampshire. Yes; and I will also concede that the American missionaries who are working in Africa or in Russia or in other countries who owe us money would be glad if Congress would remit the debts owing from those countries in order that that money might be used for missionaries.

Mr. KVALE. I do not think that anybody in this country who is properly informed would be desirous of remitting the debts which those other countries owe to us.

Mr. ROGERS of New Hampshire. It is a question of what we ought to do as representatives of the American people; whether we ought to establish the precedent of annulling the moral and legal obligations of foreign countries. The Japanese example, which the chairman cited, was not at all in point. Without authority beforehand the representatives of this Government exacted indemnities from Japan which ought never to have been demanded, and finally the State Department frankly admitted that we had no right to take such an indemnity from Japan, and in due time we remitted those debts. It was the only course we could honorably take, and we were glad to deal honorably and fairly with Japan, as indeed we are with every other nation in the world.

Mr. KVALE. And if this were to be a precedent for canceling the debts of other nations I would not favor it.

Mr. ROGERS of New Hampshire. There is no doubt but that this is a legal and moral obligation of a foreign power, and if we remit it we do establish the most dangerous precedent for remitting every dollar of our foreign debt.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. COLE of Iowa. Is it not true that the missionaries who were heard before the committee did say that in their opinion the remission of these debts would be an evidence of good will toward China?

Mr. ROGERS of New Hampshire. Of course, they said it would be an evidence of friendly feeling, and would give rise to a friendly feeling toward the United States on the part of China. But I asked them whether there was a friendly feeling in China toward the United States at the present time, and they said that the feeling of the Chinese toward the Government and people of the United States is not equaled by any other nation in the world.

One of the witnesses asserted that there is no difference between this debt and the debts of other countries, and asserted that if we annul this debt other nations will desire to come into a conference with us, the purpose of which is the cancellation of debts, and thereby we will open up a wide avenue of discussion. My colleague on the committee, Mr. COLE of Iowa, well stated the situation when he said the following argument would be used: "All right; we will forgive the Chinese debts; let us have another and larger conference and see if we can not forgive the debts of the world." We are establishing a dangerous precedent, gentlemen.

Mr. FAIRCHILD. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. FAIRCHILD. Does my colleague contend that the remission of a penalty as a consequence of mob violence is a precedent for the remission of a debt on borrowed money? There is not a Member of this House who is more opposed to the remission of the indebtedness of European nations who came over and borrowed from us than I. But there is no precedent that is going to be established by remitting something that never ought to have been charged and which constitutes punitive damages.

Mr. ROGERS of New Hampshire. Yes; and that is the reason why the Government annulled this debt, in so far as punitive damages were concerned. If the gentleman had attended the meetings of his committee, he would understand that these damages are not punitive, but as the State Department well said, they constitute moral and legal debt due to the United States. The gentleman's hypothesis is wrong. If they were punitive damages, they would have been annulled in 1908. I will suggest to my friend that if he will look through all the evidence carefully he can not help coming to the conclusion no attempt is made to base a moral obligation on punitive damages.

This is not a case of punitive damages. Our State Department recognizes it, and members of the committee throughout the hearings insisted that they were not punitive damages. The gentleman from Pennsylvania [Mr. TEMPLE] said repeatedly that he would not admit that they were punitive damages and originally an unjust debt.

Mr. FAIRCHILD. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of New Hampshire. I yield for one more brief question.

Mr. FAIRCHILD. I did attend hearings in this Congress and I attended all the hearings on a similar bill in the last Congress. Is it not a fact that all of the damages to American citizens have been paid in full, and that those damages amounted to less than $4,000,000, but in addition to the $4,000,000 we have been paid up to the total of $12,000,000? Is not that a fact?

Mr. ROGERS of New Hampshire. Certainly; it is a fact.

Mr. FAIRCHILD. All right. Then, based on that fact, we have a right to a difference of opinion; but I again insist that this Government, in combination with other governments, exacted from China what this Government never should have exacted and never should have established a precedent for, namely, punitive damages, and we have been paid over $8,000,000 for our Navy and marines over there.

Mr. ROGERS of New Hampshire. The gentleman knows that we exacted punitive damages, but that seven years later, under Secretary Root and President Roosevelt, we canceled all of the debt which represented punitive damages. We did the square thing by canceling our punitive damages 16 years ago.

Mr. FAIRCHILD. Will the gentleman yield?

Mr. ROGERS of New Hampshire. No; I refuse to yield further, because I have only a few minutes left. I want to say these are not punitive damages, and that is recognized and acknowledged by the State Department. What we did in China was, according to international law, an act of intervention. It was not an act of war, but it was an act of intervention for the purpose of protecting American citizens and property, as stated by Secretary of State Hay in his note to China in 1900. In that note he says, regarding the purpose of the President:

> The purpose of the President is, as it has been heretofore, to act concurrently with the other powers, first, in opening up communication with Peking and rescuing the American officials, missionaries, and other Americans who are in danger; secondly, in affording all possible protection everywhere in China to American life and property; thirdly, in guarding and protecting all legitimate American interests; and, fourthly, in aiding to prevent a spread of the disorders to the other Provinces of the Empire and a recurrence of such disasters.

He further said that the United States proposed to protect all rights guaranteed to friendly powers by treaty and international law. And it is a well-recognized principle of international law that when one nation has to intervene to protect its citizens in a foreign nation and is compelled to exercise police powers, so to speak, then it is entitled to every cent of the necessary expenses which enter into such an expedition of intervention, and that is all we asked of China. She has been glad to pay it and has been paying it, and for 16 years nobody has ever suggested that she refrain from keeping on paying it, after the amount due was finally adjusted in 1908.

One other point and then I am through. The chairman of the committee suggests that other nations are going to remit. For heaven's sake, let them remit. We remitted our punitive damages 16 years ago, and the other nations are just 16 years behind us. [Applause.]

After they see fit to remit their punitive damages, then let us get together, if at all, and talk about remitting the rest of the debt. No wonder they now talk about remitting. They have held on to what did not belong to them for 16 years, while we gave it back 16 years ago.

Mr. LAZARO. Will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. LAZARO. The gentleman is thoroughly familiar with the hearings. Was there developed at any time during the hearings the fact that there was any pressure brought to bear from Americans engaged in business in China to pass this resolution on the ground that it would create better friendly relations?

Mr. ROGERS of New Hampshire. Oh, no; absolutely nothing of that sort was developed. I think the universal consensus of opinion is, and I think the undisputed evidence is, as stated by Mr. MacMurray, of the State Department, that when we canceled these punitive damages in 1908 we did a magnanimous thing for China. That showed our sense of justice, fairness, and honesty, and China will never forget it, and she is friendly to us to-day. She recognizes this is an honorable debt; she has never suggested that it be canceled or remitted, and she stands ready

and willing and desirous of paying it. You are not doing anybody an act of friendship or justice—whether it is an individual or nation—if they owe a moral and legal obligation unless you permit them to pay it. And, Mr. Chairman, just as we propose to permit Armenia, Belgium, Great Britain, Yugoslavia, Czechoslovakia, Italy, France, Esthonia, Lithuania, Poland, Russia, and all the rest of our debtor nations to pay their honest and just obligations, which they recognize are due this Government, so let us permit China to do what she is honorably bound to do and what she is willing to do, pay us what she owes us. [Applause.]

Mr. Chairman, I reserve the balance of my time.

Mr. KINDRED. Will the gentleman yield for just a minute?

Mr. ROGERS of New Hampshire. I will yield for a brief question.

Mr. KINDRED. The gentleman, by his able argument, shows that he is very familiar with all the details of this measure. I wish to ask him if the hearings disclosed the fact that the missionaries and other representatives of the Protestant and other churches in China are in favor of this measure?

Mr. ROGERS of New Hampshire. Those who were there wanted it, but I do not know what those who were not there want or how they feel about it. Only two or three appeared, and they were for it. I do not know the attitude of the others. The great question involved here, however, is one of principle, not of charity.

The CHAIRMAN. The gentleman reserves nine minutes.

Mr. PORTER. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. LINTHICUM].

The CHAIRMAN. The gentleman from Maryland is recognized for 10 minutes.

Mr. LINTHICUM. Mr. Chairman, I do not propose to get excited over this Chinese indemnity proposition because there is nothing to be excited about. On page 19 of the hearings it will be seen that the United States Government believed that the allied powers were charging China or assessing China too much money.

Mr. ROGERS of New Hampshire. Will the gentleman yield right there?

Mr. LINTHICUM. Let me get started before I am asked to yield.

Mr. ROGERS of New Hampshire. Is it not a fact that the allied powers have never remitted one cent?

Mr. LINTHICUM. That is not wholly correct, but I will get to that in a few minutes. The United States Government, realizing that the allied powers were assessing China too much money, sent the following note to the representatives of this Government:

> The President is anxious lest the aggregate of the claims of the different powers should exceed the ability of China to pay. You are, therefore, instructed once more to urge upon your colleagues the desirability of agreeing upon a lump sum not to exceed £40,000,000, to be distributed equally among the powers, and, if an agreement is impossible, to report to The Hague arbitration, this sum to be paid in money and not in territory.

Now, what happened? Although the United States Government believed the powers ought not to assess more than £40,000,000, about $200,000,000, the commissioners agreed upon $333,000,000. In other words, we realized that we ought not to assess more than $200,000,000 against China after taking all matters into consideration; all the pensions to the soldiers and marines; all the expenses of the sailors and marines; all repair charges to the battleships, and setting aside $2,000,000 for pensions. But what was done? Nevertheless; the commissioners agreed upon $333,000,000, or 40 per cent more than we felt we were entitled to.

Now, then, that gave us a lump sum of $12,479,000 plus. If you will take $12,479,000 plus, as set forth in these hearings, you will find that you have $4,991,000 which was taken from the pockets of China or charged against them. You not only did that but the allied powers charged them interest since 1901. Although the bond was dated in 1906, it was retroactive to 1901 for the collection of interest, and we collected not only $4,991,000 more than we were willing to accept, after charging everything we could possibly think of, but we collected interest for five years before the bond was signed, amounting to nearly $4,000,000.

Mr. PORTER. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. PORTER. The gentleman will agree, I assume, with the statement that four-fifths of the claim remaining unpaid represents the cost of our military and naval operations and that all of the claims for damages to private property have been paid?

Mr. LINTHICUM. Yes; and I am coming to that point.

Mr. PORTER. Did we make any charge against Germany for our naval and military operations?

Mr. LINTHICUM. Certainly not; and if we had, we would not have gotten it.

Mr. PORTER. Should we not treat China as fairly as we treated Germany?

Mr. LINTHICUM. I should certainly think that would be the desire of this House.

What I was arriving at was that all there is left of the principal of this indebtedness is $66,158. So that all the balance of the fund which we propose to remit represents interest on this assessment. Now, where is this money coming from? It is not in the United States Treasury. We never did have it in the United States Treasury. It comes from this direction. We collect certain customs. At the present time our portion of these customs we collect is $110,000 a month from the custom ports of China. This is drawn in two checks, one of $65,000 and one of $45,000, and the Government indorses the $65,000 check over to China for educational purposes in China according to the order of the President, and the $45,000 comes into the United States Treasury. What we propose to do by this bill is to indorse the check for the entire fund over to China for the same purposes.

Mr. O'CONNELL of New York. Will the gentleman yield?

Mr. LINTHICUM. Certainly.

Mr. O'CONNELL of New York. Is it not a fact that China has not defaulted on a single payment since this began?

Mr. LINTHICUM. That is absolutely correct, except that the Governments suspended payments during the war, but even then China kept up the educational payments.

The honesty of China is proverbial.

Although we were allotted $12,479,000 plus, according to the statement on page 4, which, mind you, included all the expenses of the War Department, all the expenses of the sailors and marines, all the repairs to battleships, both in China and when they returned, all of the medicine which we used or which was used in the expedition, all the pay and mileage of the officers, all the expenses of the Ordnance Department, all the expenses of the Signal Corps, and after doing all that we included $2,000,000 for pensions; and after we did all that, as this statement will show, our total charge against China was $7,846,000, and yet we were to receive $12,479,000 as shown by following statement:

Estimated cost of China relief expedition (as submitted March 23, 1901)

War Department: Deposited at Hongkong to credit of General Chaffee for contingencies		$10,000.00
Quartermaster General's Department: Transportation, equipment, etc., of troops, animals, and supplies		[1] 5,426,808.22
Subsistence Department: Expended by commissaries in China, Philippines, and United States		674,147.82
Medical Department: Value of supplies and cash expended		146,640.00
Pay department:		
Pay of officers and enlisted men	$601,019.20	
Mileage to officers	15,483.30	
		616,502.50
Ordnance Department:		
Value of equipment now available for use of United States	366,035.47	
Value of equipment lost, etc., and ammunition expended	13,715.34	
Estimated loss by companies not yet reported	8,555.79	
		383,306.60
Signal Corps:		
Equipment	19,142.00	
Funds disbursed	4,500.00	
		23,642.00
Engineer Department: Equipment of Engineer troops		480.22
Telegraphic service (this does not include dispatches which passed between Manila and China and Japan)		55,114.70
Consequential expenses: Pensions to officers' and enlisted men's widows; pay of retired officers, wounded and disabled in service; pensions to enlisted men, wounded and disabled in service		2,000,000.00
Total cost		9,336,642.06

[1] This amount erroneously includes $1,172,553.34 for supplies, services of vessels, etc., started for China but diverted to the Philippines, and $317,060 for supplies sent to China but subsequently returned to San Francisco. The correct amount of the item for the Quartermaster's Department should therefore be $3,936,594.88, and the correct total cost should be $7,846,428.72.

[NOTE.—Chief of Ordnance does not include in his report the cost of ordnance supplies, etc., shipped to China but diverted to the Philippines.]

We want to be just to China. We do not want to collect more than she really ought to pay us, and I am very deeply interested in the educational feature involved. All of which is certainly bread cast upon the waters.

Some one has asked the question, If we remit this debt which China owes us, ought we not to remit the debts which

France and the other countries of Europe owe us? Would it not establish a precedent? I maintain that those debts stand absolutely upon a different basis. Here is a debt which China owes us from a previous empire government. The present Government of China is a democratic government, certainly not responsible in any way for the actions charged by Mr. ROGERS of New Hampshire, whether they be correctly stated or not.

Mr. ROGERS of New Hampshire. Will the gentleman yield?

Mr. LINTHICUM. I will.

Mr. ROGERS of New Hampshire. In view of your suggestion, that it is a debt of a previous government, does the gentleman advocate remitting all of Germany's obligations at the present time?

Mr. LINTHICUM. Oh, I do not advocate releasing Germany from anything whatever, but the point I am trying to make is that the charges which were made against the Government of China would apply to the empire and not to the present democracy, and that the present Government, largely inspired by our system of government, should not be punished for the mistakes of a monarchy. But getting back to the point as to the difference between this debt and the debts of European countries——

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. LINTHICUM. In just a minute. In the case of the debts that France and other countries of Europe owe us, that was money we took out of our Treasury and loaned them in good faith to carry on the war. This is a debt which we ourselves assessed against China, and which we admit was $4,000,000 more than it ought to have been, and we are now simply remitting something that we ought never to have charged them, and not only are we doing that, but we are practically directing how this money is to be expended. We are leaving it in the hands of the President to say when it shall be paid, how it shall be paid, and we are providing by the preamble of this joint resolution to what purposes we desire it applied.

The CHAIRMAN (Mr. CHINDBLOM). The time of the gentleman has expired.

Mr. PORTER. I yield the gentleman five additional minutes.

Mr. LINTHICUM. I want to call your attention to the report on page 3 as to what other governments are doing in this matter.

The previous British Government announced in Parliament its intention to cancel or to remit the balance of the indemnity due to Great Britain by China.

As to Japan, Mr. MacMurray said:

> Japan has likewise taken action, we understand. Though our information about that is not so full as I should wish it were, in order that I might give you positive details, we have received from our embassy in Tokyo a report that it is unofficially stated that the Japanese cabinet has decided that the whole of the Japanese share of the Boxer indemnity now outstanding shall be remitted to China for cultural purposes of mutual benefit to China and Japan.

The French Government has remitted it to apply to certain purposes—the payment of the debts of the Industrial Bank of China, a defunct bank, and to pay its depositors.

The Governments of Italy and Belgium are talking about remitting it. The whole situation, however, is more accurately shown by the following, from the testimony of Mr. John V. A. MacMurray, chief of our division of far eastern affairs:

> When the Secretary wrote, there was a rather vague prospect that some of the other governments might consider the question of a remission of a sort similar to that which we had initiated in 1908. Since that time the British Government—the previous British Government, not the one now in office—has announced in Parliament its intention to cancel or to remit the balance of the indemnity due to Great Britain. The question was for some time in doubt whether the British under their constitution could do that without an act of Parliament. Apparently the decision has been that an act of Parliament is required. We understand that an act for that purpose is now pending in the British Parliament, and that to the best of our information—of course, it can only be a matter of opinion—that bill is entirely likely to pass.
>
> Japan has likewise taken action, we understand. Though our information about that is not so full as I should wish it were, in order that I might give you positive details, we have received from our embassy in Tokyo a report that it is unofficially stated that the Japanese cabinet has decided that the whole of the Japanese share of the Boxer indemnity now outstanding shall be remitted to China for cultural purposes of mutual benefit to China and Japan.
>
> The French Government has taken the most definite action of any nation thus far. They, almost two years ago, entered into an agreement with the Chinese Government by which the entire balance of the French share of the indemnity is to be devoted to certain specified objects. The primary object is the rehabilitation of the Industrial Bank of China, a French institution which went bankrupt and caused very heavy financial losses and great damage to French prestige a few years ago. Such sums as are necessary of the French indemnity are to be devoted to the rehabilitation of that bank and the payment of creditors who lost through its failure. It is, of course, entirely a matter of speculation whether there will be anything left over, but the arrangement with the Chinese Government and the bill as passed by the French Chambers provide that any contingent balance that there may be shall be used for what the French call "œuvres." That term is rather difficult to explain in English. I suppose "cultural institutions" is the nearest one can come to giving an idea of what is implied by it. In other words, it is primarily for the purpose of the rehabilitation of that bank, whose failure was very considerable, and secondarily for cultural purposes.
>
> The Governments of Italy and Belgium have made no definite indication of the purposes to which they would devote their indemnity if they remitted it. They have not, in fact, taken any positive action toward remitting; but it is rather generally understood—certainly as a matter of gossip in the diplomatic body in Peking—that the Italian and Belgian Governments are contemplating an early remission and are probably waiting to see what is done by the powers who are more greatly interested, such as the United States, Great Britain, and Japan.
>
> That creates a situation in which, if not exactly forced to action, we find ourselves confronted with a psychological situation in which it would be more difficult for us to hold back now—in which the failure to go on with the present remission would be more likely to create a misunderstanding than if the same thing had happened when the bill was first introduced. We, as you of course all realize, took the initiative in this matter in the first place. We had attempted throughout the negotiations for the settlement of the Boxer difficulties to protect the just interests of China to try to bring about a settlement which should involve a little foresighted generosity as well as strict justice. We were, as you know, not altogether successful in that.

Gentlemen, it seems to me that with the great friendship existing between the United States and China, with the great educational features involved in this joint resolution, it is as little as this Congress can do to at least remit an indebtedness which we ought never to have collected and which we asserted in the beginning was $4,491,000 in excess of what we thought proper.

Mr. DYER. Will the gentleman yield?

Mr. LINTHICUM. I will.

Mr. DYER. The gentleman knows, as all Americans know, that we are spending in China now—that is, the American people through the Christian missionaries—something in the neighborhood of $10,000,000 a year, and have been doing that for years. This remission is going for the same purpose for which we have expended millions of dollars—to help in the education of the Chinese.

Mr. LINTHICUM. I do not think that it goes in the same exact direction. This goes for specific educational and cultural purposes.

Mr. DYER. It is for the same general purpose.

Mr. LINTHICUM. Certainly for the same general cultural plans, and is approved by the organizations and people who are doing the missionary work you are good enough to mention.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. LINTHICUM. I yield to the gentleman from Tennessee.

Mr. BYRNS of Tennessee. I want to ask the gentleman a question for information. The gentleman speaks of remitting a debt we ought never to have assessed. Is it not a fact that we have already remitted all the balance of the debt, amounting to something like $12,000,000?

Mr. LINTHICUM. We remitted a very large portion of it, after the payment of all indebtedness which we had charged against China for individuals and other purposes. The part I say we ought not to have charged was the 40 per cent in excess of what we had really expended in this expedition.

Mr. BYRNS of Tennessee. Has not that already been remitted?

Mr. LINTHICUM. A large portion has been remitted, but the bulk of this fund is made up of interest.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. LINTHICUM. I will.

Mr. WAINWRIGHT. What assurance have we that if this balance is remitted it will be applied to the purposes of education and civilization?

Mr. LINTHICUM. The preamble to the joint resolution provides that it shall go for educational and cultural purposes. The experience of many years that we have had with China demonstrates that they will use it for that purpose. The provision in the bill giving the President power over the fund gives him the power to designate that it shall go for that purpose.

Mr. WAINWRIGHT. Is it contemplated that that condition will be imposed upon the remission?

Mr. LINTHICUM. The preamble is put in here for that purpose. To call attention to the will and desire of Congress.

Mr. WAINWRIGHT. But the preamble is different from the enactment feature.

Mr. LINTHICUM. I realize that, but China has requested it to be used for that purpose, and I have no doubt it will request it in this instance, otherwise the President will not remit it, I presume, unless it be for some dire calamity.

I feel that when we help China in her educational and cultural lines we help ourselves and the world generally.

China has always been our friend, we do much business together, our relations have been particularly agreeable, and the splendid use she is making of this money is mighty gratifying. In concluding my remarks I will add a short excerpt from the testimony of Dr. Edward H. Hume, president of Yale College in China, who has been there since 1905. Doctor Hume says:

The progress that has been made in this province in an educational way is due in considerable measure to the friendly interest that the United States showed to them in this great act of 1908. People are coming in constantly to make inquiries of our educators, even about business matters, and to get advice in regard to educational matters. This is unquestionably due in large measure to the friendliness which was exhibited in that first act of 1908. Look at the educational leadership that is being developed in the various colleges, and consider the fact that such leadership has grown under the influence of men who have returned to China from this country. For instance, take Southeastern University, and you will find that its president is an American-trained man; take Nankai University, whose president is also an American-trained man; take the National Government University at Peking, and while the president is not an American-trained man, because the school was established in the old régime, a large part of the staff is composed of American-trained men.

In a very large measure this condition has resulted from the remission of a part of this indemnity in 1908. The Chinese national educational system to-day is being modeled on the American system, largely because of the confidence that has been established through our educational relationships. Prof. Paul Monroe, of Columbia, has had great influence in shaping the Chinese educational system. They have studied our system of education, and the fact that they have adopted it so largely is due to this act of friendliness on the part of our Government in 1908. These results have followed that generous act on the part of this Government.

Tsing Hua College, about which Mr. PORTER has spoken, is a direct result of this action in 1908. I was talking with the present president of that college and with a former president not long ago, and they called my attention to what has been mentioned here this morning, and that is that while indemnity payments to the American and European Governments were allowed to be postponed during the period of the war, payments to the college, on behalf of its educational program, were not suspended. The program of that college, and the sending of students to the United States, was never discontinued during the war. The understanding regarding the use of indemnity funds has been carried out, without any turning aside, since it was reached in 1908.

I also append part of the testimony of Miss Mary Elizabeth Wood, of Boon University Library at Wuchang, China, which gives an insight into the educational work:

I happened to have the privilege of being at the national educational conference for a whole week. There were about 10 foreigners there, and amongst them four Americans. Every morning the questions of education were debated. The two men who presided were representative men, one a graduate of Columbia and president of the Nankai University. I visited this university and one would have thought it was an American university transplanted into China; it is located in Tientsin, and is up to date, progressive, and everything that reminds one of an American institution. Shortly after, I visited Southeastern University, founded by Doctor Kno, also a graduate of Columbia, and there one can see American educational ideals set forth in every department.

* * * * * * *

Probably the suggestion of this National Association for the Advancement of Education, as to the best uses of the Boxer indemnity money for educational purposes, will have great weight. The organization has already unanimously indorsed two plans. One is for a school of applied science to be established in the country, and the other is for the introduction of the American public library into China.

The reason I happened to be in Peking was because I was getting signers to a petition which the Chinese had drawn up in relation to establishing public libraries in China with a portion of the Boxer indemnity if remitted by the United States. I had the privilege of meeting some of the great leaders in China in connection with this plan: Dr. Wellington Koo (Minister of Foreign Affairs); Dr. C. T. Wong, then negotiating between Russia and China; W. W. Yen, former minister to Germany and former prime minister; and others. I also met the President, Li-Yuan-Hung, and had a most satisfactory interview with him. He spoke highly of America. As I came out from that interview I said to his secretary, "Did President Li-Yuan-Hung care for that picture of George Washington I sent him?" "Yes; he appreciated it very much. He put it up in front of his desk, and if you could go into his office where all the state papers are written you would find there the picture of George Washington in a prominent place." You can see from these few examples the attitude of some of the highest men of China toward the United States. I found this same feeling everywhere I went.

Mr. ROGERS of New Hampshire. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, it is an awful easy matter to give away somebody else's money. China owes this debt. There is no question about that.

In 1908 we remitted or forgave $11,961,000 to China. We then gave China that much. She owes this balance of the debt now of $6,000,000. Here is the situation: There are commercial interests in the United States who are seeking to increase their business with China. They know that every little gift that we can make over there increases the good feeling toward them as owners of commercial enterprises in America. It increases their business. It enables them to enlarge their business. You can lay aside all the educational excuses and the missionary excuses and other business, there is the main reason for this bill. Commercially they want us to give this money back to China for private benefits.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. BLANTON. I can not yield in five minutes. On the 24th day of March, 1924, the Rules Committee came in here with a special rule, saying it was urgent, giving $10,000,000 to Germany. They passed it with two hours debate. It was urgent on the 24th day of March. I called that political when it came in here. It was political, for if it had not been political the Senate of the United States would have long since passed it but it has not yet been even reported to the Senate. It is held up and pigeonholed in the Senate committee where it belonged and where it ought to die, and that is where this bill ought to die.

I am liberal with my own money—too liberal, and that is the reason I have not got any. But I am careful about other people's money when put in my charge, when I am a guardian, and you are the guardians of the people's Treasury. You are the trustee of the public funds that come in taxes out of the people's pockets. What are you going to do, give it away?

In 1908 we gave back to China $11,961,000. Do you know in addition to the private claims against China for deaths ensuing committed by the Government of China we spent in military operations $7,000,000. We spent in naval operations two and one half million dollars. China has never paid 1 cent of interest, and interest is just as much a part of the debt as the principal. If I can not pay my friend from Illinois a debt I owe him and he gives me a chance to pay it in installments, the interest is just as much a part of that honorable debt as the principle. We ought not to remit one cent, it is a debt of honor that China owes us.

What are you going to do about the banditry that they maintain in the mountains of China preying on the public all the time. That Government is responsible for it. I want to say to the committee that every year for 20 years this Government has had to maintain in China a regiment of soldiers for the protection of our people. China has not paid a dollar of that expense. We have paid every dollar of the expense to maintain these soldiers in China for the protection of our people who go there, for the protection of our ministers, for the protection of international law, and for the protection of commerce during the past 20 years. We have never received a cent for it, and now you want to give away $6,000,000 more. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PORTER. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. BROWNE].

Mr. BROWNE of Wisconsin. Mr. Chairman and gentlemen of the committee, I am in favor of this bill because I believe it will help one of the greatest educational movements the world has ever seen. The nations engaged with the United States in putting down the Boxer rebellion attempted to fix a much larger indemnity than the United States thought was right. John Hay, our Secretary of State, through our minister, Mr. Conger, suggested $150,000,000 or $200,000,000 the lump sum for all the nations engaged in the undertaking. The indemnity was fixed, however, at $330,000,000. The share of the United States of this amount was fixed by the allies at $24,440,778.81. Quite a portion of this amount was punitive damage and did not represent actual costs or expenses incurred by our Government. One of the greatest accomplishments of the Roosevelt administration in its foreign policy was the remittance at that time of part of this indemnity fund. President Roosevelt at the time made the suggestion that the amount remitted be used for educational purposes. The result was that China took this in the spirit in which it was offered, and has religiously ever since that time used the indemnity fund remission for educational purposes. What has been the result? It not only aided in the establishment of several universities in China but to-day in the United States we have 2,200 Chinese students in American universities, and 700 of them are being supported from this indemnity fund. When these students first came here under the Chinese Boxer indemnity fund it caused others to come, and that has swelled the attendance to 2,200 students that we have enrolled in our various universities to-day. How is it affecting the education movement over in China? To-day there are 7,000,000 students over in China who are going to school and receiving what they call a western education; 5,000,000 of these students are going to public schools. This great educational movement had its inception in the turning over of part of the indemnity fund, which was used for educational purposes. The testimony before our committee was that the educational facilities are not nearly sufficient to accommodate the people who are eager to get an education. The youths of China are hungry for learning and hungry for our western culture and education. One of the reasons why China became a Republic undoubtedly was because of the new ideas that the students who came to our great universities took back to China, and the influences of their own universities which are being supported in part by this indemnity fund. We want this movement to go on, and instead of a monarchy over in the Orient, we want a great Chinese Republic. We want a Republic patterned after the United States. They now have a splendid constitution, quite similar to ours. If you go into the banks or business places in the great commercial centers of China, you will see in many of them the pictures of Washington and Lincoln. They believe in America and admire our great statesmen. In this resolution we are simply remitting the interest back on the principal which has been paid. Our action and the tremendous good that it has accomplished in education and in good will has so affected the other nations that France and England and several other nations, poor as they are, are doing just what we are going to do and have done, remitting the balance due them back to China for the great work of education.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. BROWNE of Wisconsin. Yes.

Mr. KVALE. Is there any reason to believe that any part of this $6,000,000 will ever be diverted to any other purpose?

Mr. BROWNE of Wisconsin. I do not believe a cent of it will be diverted to any other purpose. We put it in the preamble that the indemnity formerly remitted was used by China for educational purposes. We did not think it was necessary to put it into the resolution, because the word of the Chinese nation has always been good. If you go into many of the banks in Japan and other places in the Orient, you will very often find the men who are acting as cashiers and counting the money are Chinamen. The world has confidence in their honesty. China will keep her word without any command of legislation. Just simply the suggestion of President Roosevelt that it would be a fitting thing to use the indemnity fund returned was sufficient for China, who has religiously expended every cent of this money that she has received for educational purposes. To-day, as I say, education is growing faster than ever before. Newspapers, with their great educational influence, are springing up throughout China; libraries are being started in all the larger cities; and China, with her 400,000,000 people, is soon going to be a great power in the world, and, I believe, outside of the splendid purpose of education, the good will of China and the Chinese people would amply pay us in remitting this amount.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. DYER. Mr. Chairman, will the gentleman from Pennsylvania yield the gentleman half a minute so that I may ask him a question?

Mr. PORTER. I yield half a minute to the gentleman.

Mr. DYER. Did it not develop in the committee that as a result of our just and humane action in the remission of the amount heretofore it redounded to the good of American commerce to the extent of many hundreds of millions of dollars?

Mr. BROWNE of Wisconsin. Unquestionably; and we have filled our universities with bright young men from China, who have benefited not only themselves but our own students with whom they have come in contact.

Mr. PORTER. Mr. Chairman, I yield one minute to the gentleman from Delaware [Mr. BOYCE].

Mr. BOYCE. Mr. Chairman, I am in full accord and sympathy with this resolution and shall vote its passage when it comes before the House. I yield back the remainder of my time.

Mr. PORTER. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. MOORE].

Mr. MOORE of Virginia. Mr. Chairman, as a member of the Committee on Foreign Affairs I favor this resolution. The resolution really provides for a conditional remission of the balance that is due from China under its obligation to the Government of the United States. The condition is that the President may exercise his discretion and fix the terms on which the liability is to be remitted and to perform that duty in such manner as to insure the use of the funds representing the balance that remains due for educational or cultural purposes. That, fairly stated, is the scope of the resolution. It is not an actual outright extinguishment, but a remission sub modo.

Gentlemen say that we ought not to do this because it will violate precedents. Let us bring that argument to a very simple test. The Boxer rebellion occurred something like a quarter of a century ago. The United States could very properly have refrained from exacting any indemnity from China whatever, and would have been within its constitutional and moral right in so doing. With respect to the precedents, they are all, I believe, to the effect that our Government has refrained from any exactions on account of military expenditures connected with quelling a disturbance in some foreign country involving American interests or in connection with any war in which the United States has engaged with some foreign country. We have not dreamed of calling upon Germany to pay our military expenses incurred during the course of that war. I do not think that we called for any payment on account of the Vera Cruz incident in Mexico. I do not know that we call for any payment on account of our present activities in Honduras. It has been the attitude, the almost unbroken custom of the United States, as I understand, not to insist upon the payments of that character, and so I may say confidently that at the close of the Boxer rebellion there was not a man or woman in the United States who would have criticized our Government if it had foregone any payment on account of it. But a demand was made and it was determined that China should pay the United States something like $24,000,000. In 1908 there was a remission, by act of Congress, and it then or soon appeared that China had paid all the claims of the private citizens of this Government on account of injuries that they had sustained. My proposition is that if there was no requirement that the United States ask for indemnity, there is now no good reason against the remission.

Mr. CONNALLY of Texas. Let me make the suggestion that back of the original settlement there was a pool of all of the nations, and perhaps that had its effect on what we should have done. We might not have exacted as much as we did except for that.

Mr. MOORE of Virginia. There is little doubt about that. Almost certainly except for the fact that other nations were strenuously urging payment, there would not have been any demand by our Government, and in that event there would have been no occasion for the action now proposed.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MOORE of Virginia. Just two or three minutes.

Mr. PORTER. I can not without taking time from others.

Mr. UPSHAW. Give him two of my minutes.

Mr. PORTER. I yield the gentleman two additional minutes.

Mr. MOORE of Virginia. I am very much obliged to my friend from Georgia. It is certain that when this money is paid by the Government at Peking it will be used for what is most important in China to-day. China has suffered greatly in many

ways. She has suffered from fire, sword, and famine as few peoples have suffered. She is struggling on now toward better things; she is reaching out for the light which Plato says is the thing to which the eye of the soul is turned by the processes of education, and we ought to help her if that is possible.

Then there is another consideration that is more fundamental with me than any other consideration with respect to nearly all matters. What I mean is that I am anxious that the United States should take such a course, not only with reference to the European nations but with reference to the oriental nations, so as to insure peace throughout the future, as far as that may be done, by cementing ties of friendship, and that is a consideration which urges me to support this resolution. I think we will be taking a step in that important direction. [Applause.] I have said no precedent is violated. But this is not a similar proposal to that measure which had the support of my friend from New Hampshire [Mr. ROGERS]. It is not similar to the release of loans which we made to other nations during the progress of the World War. The resolution stands by itself, it should be dealt with independently, and I hope it is going to be dealt with by the passage of the resolution. [Applause.]

Mr. ROGERS of New Hampshire. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman from New Hampshire has four minutes remaining.

Mr. PORTER. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman from Pennsylvania has 13 minutes remaining.

Mr. PORTER. Mr. Chairman, I yield four minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, I favor the passage of this resolution. In reply to the suggestions made by gentlemen that its passage will establish a precedent for the remission of debts due by other countries, I take decided issue. In the first place, in the beginning we had a perfect constitutional right not to demand any sum from China if we had seen fit to do so. The great bulk of the demand on China consisted of a demand on the part of this Government for a reimbursement of military expenses, which amounted to more than $9,000,000. But since we had the constitutional power in 1901 or 1907 not to make that demand we certainly now have the constitutional power to reconsider and withdraw that demand. So there is no parallel here between the question of the German relief fund of $10,000,000. That money was in the Treasury, and gentlemen voted it out of the Treasury for a charitable purpose. Now one other point. I want to suggest that in the case of the war with Germany, let us say, on account of the aggressions of the German Government on our shipping and on the lives of our citizens this Nation expenden $40,000,000,000 in naval and military expenses, and we did not demand one mark from the German Government for that expenditure. The only reimbursement we will ever receive, if we receive any, will be for occupational expenses of the Army after the armistice by virtue of an agreement made, not with us alone, but made with all of the allies with whom we participated. So I say, if we have the right to withhold from Germany a demand for any reimbursement whatever of the expenditure of $40,000,000,000 for naval and military expenses, it seems to me we would have a perfect right to acquit China of $66,000, which she has not paid on account of military and naval expenses. China is not asking that this money be remitted. China is an honorable nation, China is punctual in her obligations; but the demand, or rather the request, for this measure comes from Americans who are residing in China; this request comes from the missionaries; it comes from people who are dealing with the schools in China; it comes from American citizens doing business in China; and they say that the act of remission in 1907 convinced the Chinese people that the great America was really what it professed to be, the friend of China, and a great, strong, courageous, big brother willing and able to protect a weak nation like China against the aggressions of great, powerful nations with ambitions for conquest.

They say that simple act did more to convince China of our friendship and of our world benevolence, as it were, than anything theretofore done. And what did old China do? In 1917, when America was forced to declare war, China, great unwieldly China, incapable of any important military operations, great old China, like the old woman with the broom, declared war against Germany in order that she might take her place by the side of the United States and say to all the world [applause], "Though we may not be able to send great fleets across the seas, though we can not muster millions of men on the battle field, we want the world to know that China is not incapable of the sentiments of gratitude, that China has not forgotten that the great United States befriended her in her hour of need and in her hour of crisis," and so China unfolded her flag side by side with the starry banner of the Republic. [Applause.]

Sixty-six thousand dollars is all of the principal debt which is remitted under this bill. Is it to be given to China to be used for military purposes? No. It is to be given over to China for the purpose of sending bright Chinese youths—where? Not to Japan to imbibe militaristic ambitions, not to Europe to imbibe Old World diplomacy and secrecy behind closed doors in the formation of balances of power; but this money is to be devoted by China to sending her brightest youths to the colleges and universities of the United States to imbibe the great principles of representative government that are taught in this land, to catch a vision respecting the American conception of international law and peace and good will among the nations. It will be the best investment that this Government can make for international good will at trifling cost to let those Chinese students come to American universities and then go back to China and convey a message to the 400,000,000 Chinamen that the best hope of their Republic is to follow the forms of the United States and to learn and embrace the principles of our institutions and ways of life. It is worth $66,000, according to my opinion. [Applause.]

Mr. ROGERS of New Hampshire. Mr. Chairman, I yield four minutes to the gentleman from Oklahoma [Mr. McKEOWN].

The CHAIRMAN (Mr. TILSON). The gentleman from Oklahoma is recognized for four minutes.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee. I am sorry that I find myself unable to agree with the committee on this measure, because all my sympathies and my training has run in that direction.

But, Mr. Chairman, I believe that President Roosevelt was one of the most fair men that ever sat in the White House. He was a just man. We may criticize him and differ with him on many questions; but my judgment is that President Roosevelt remitted to China every cent she was entitled to receive at the time he entered that remittance in 1908.

Gentlemen talk about buying peace. I want to say to you that I shall be glad to see the time come in the world when a citizen of the United States traveling abroad does not have to conceal the fact that he comes from our country and is obliged often to travel under a British passport in order to receive proper respect. The time has come when men traveling on American passports must be respected.

We are paying those soldiers, marines, and sailors who went to China in the Boxer uprising under our present pension law. Have you taken into consideration what that amount is? No. I will say something else about damages. You may say that the United States should not exact damages. I do not agree with such a doctrine. Whenever people in a foreign country murder American citizens and destroy their property, I believe in making them pay for every cent of its value and the cost of collection. Take the case of other countries, and you will find a situation where some of them destroy property with impunity. Take Mexico on the south. They have destroyed property and the lives of American citizens, and are you going to say that you are going to remit what is coming to us? I do not believe in that kind of diplomacy. I do not believe in that kind of a stand here in the American Congress.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. COLE of Iowa. Does not the gentleman know that there are three and a half million dollars included in these pension bills for men who participated in that expedition to China?

Mr. McKEOWN. I will say that $9,000,000 here for expenses of Army and Navy have not been paid back yet. Why should China not pay the expenses of our soldiers in China? What right have we to remit?

Oh, gentlemen, we have got to protect the missionaries from America in foreign countries. We have got to protect their lives and see that their property is protected; and the only way that we can do that is to make the governments of those countries respect this Government. No missionary's life would be safe in China or in any other heathen country unless the people of those countries believed that the United States would come immediately and uphold and protect the rights of her citizens.

Yes; we are going to play the part of the Good Samaritan and give away the money of the American people. I say it

is time to stop playing the part of the Good Samaritan with other people's money. Let them use their own money if people want to give money to those countries. You come to Congress and ask Congress to do this because America has a big heart. It is easy to appeal to Congress to relieve the necessities of other people; but in my opinion you are making a mistake. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. PORTER. Mr. Chairman, I yield three and one-half minutes to the gentleman from Pennsylvania [Mr. TEMPLE].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for three and one-half minutes.

Mr. TEMPLE. Mr. Chairman, I am in favor of the passage of this bill; but I believe I can spend my time more profitably by making a statement of facts than by making an argument for it. Facts are more impressive than argument.

When the Boxer insurrection endangered the lives of American missionaries and the lives of missionaries from other countries and the diplomatic representatives of the powers, the nations sent an expedition to relieve them. When the nations concerned estimated the cost of the expedition, they put their estimates much higher than the United States Government was willing to put its estimate. Nevertheless, being unable to bring down the amount—and China was not concerned in the negotiations up that point—the United States, unable to bring down the estimate of the cost of the combined expedition, accepted the full amount that the conferees imposed on China, and our share of that amount was $24,440,778.81. We soon learned that this sum was too large. We knew from the beginning that it was too large, and in 1908 we remitted all of it in excess of our calculation. The total cost to the Army and Navy and the total amount of damages to American property and American lives was set down at about $13,655,492.69. $4,000,000 of which was the estimated amount to cover damages for lives and property destroyed by the Boxer insurgents. When all the private claims were paid it was found that this amount had been too large by about $1,500,000, so that this excess was added to the amount to be remitted to China. How was it remitted?

China pays month by month the total amount of our original claim—that is, monthly installments, which at the end of a prescribed period would amount to $24,000,000—in two checks, one to be retained by the United States Government and the other check to be indorsed by the American consul general at Shanghai, to whom the payments are made, and turned back with his indorsement for the use of the Chinese Government in maintaining the college at Tsinghua and in sending Chinese students to America. If at any time China fails to make that use of the money, he will refuse to indorse the check and turn it back. So we have a means of checking up on the use of the money every month, and I have no doubt a similar arrangement will be made as to the amount we now propose to remit. We have absolute security for the purpose for which this money will be used.

Now, the statement has been made that no interest has been paid. If you will turn to the hearings, page 10, you will find in Schedule B, which is the amount to be retained by the United States, that a certain amount each year is set apart as principal and a certain amount as interest. The total interest payments up to 1916, when the interruption began, amounted to $2,890,000. It has been said time after time that no interest has been paid, but $2,899,000 has been paid in interest. If we add all the payments which have been made on principal and all payments which have been made as interest and credit them all to principal, then we have about $65,000 coming yet.

The CHAIRMAN. The time of the gentleman has expired. [Applause.] The gentleman from Pennsylvania has three and one-half minutes remaining.

Mr. PORTER. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio [Mr. BURTON].

The CHAIRMAN. The gentleman from Ohio is recognized for three and a half minutes.

Mr. BURTON. Mr. Chairman and gentlemen, this question assumes to me an importance altogether surpassing the question of the remission or abatement of a claim of $6,000,000. If there is anything which is vital for the peace, prosperity, and honor of the United States, it is a closer touch with foreign countries, a greater participation in those movements that make for humanity and world betterment, and a disabusing of the minds of other peoples of the erroneous impression that we are extremely selfish. It is now their idea that we have more than half the gold in the world and that all our policies and all our activities are along lines that look to the melting down of impulses into gold. For that reason I have favored the giving of amounts to other countries in the way of charity.

We have been doing splendidly. It is estimated that through the Red Cross and other charitable agencies, public and private, $850,000,000 has been expended during the last 10 years, but we can not stop there. We can not stop with the assurance that we are the most powerful nation in the world, nor with the thought that we are the most progressive, nor with confidence in the feeling that we are the wealthiest. We owe a duty to the rest of the world, and that is particularly due to the more backward nations, such as China.

Our great Secretary of State, John Hay, once said that he who understood the political, social, and economic life of China had the best forecast on the future of the world for the next 100 years.

There is a wonderful country and great in its possibilities. Four hundred million people, peaceful in all their instincts, and I especially want to emphasize that they are so friendly to us. It was my pleasure to be among them some four years ago and really this was their sentiment: "To whom shall we go except to the people of the United States?"

In addressing one of their great legislative bodies—although, of course, I did not understand their language—I received a welcome the like of which I have never received. It was not because of my own personality, but it was because I was an American and speaking for the United States. [Applause.]

We have not always been altogether just to China. We had a treaty with them regarding immigration, but we ruthlessly broke it off by legislation. But I think that is forgiven. A friendship of one country for another is just like the friendship between two individuals. And we need the friendship of other countries. It will be for our security, for our peace, and for greater respect for ourselves, especially if we have the good will of a country whose greatness is not counted by military force but by long centuries, yes, eons, in which their traditions have made for peace and for good will. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

Whereas by authority of a joint resolution of Congress approved May 25, 1908, the President of the United States was authorized to remit unto China the sum of $11,961,121.76 of the Boxer indemnity fund accredited to the United States, which sum the President on December 28, 1908, duly remitted and which, at the request of China, was specified to be used for educational purposes; and

Whereas it is deemed proper as a further act of friendship to remit the balance of said indemnity fund amounting to $6,137,552.90 in order further to develop the educational and other cultural activities of China: Now therefore be it

Resolved, etc., That the President is hereby authorized, in his discretion, to remit to China as an act of friendship any or all further payments of the annual installments of the Chinese indemnity due under the bond received from China pursuant to the protocol of September 7, 1901, as modified by Executive order on the 28th day of December, 1908, pursuant to the authority of the joint resolution of Congress approved May 25, 1908, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances in China during the year 1900, such remission to begin as from October 1, 1917, and to be at such times and in such manner as the President shall deem just.

Mr. UPSHAW. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Georgia moves to strike out the last word and is recognized for five minutes.

Mr. UPSHAW. Mr. Chairman, when my fondness for the gentleman from Virginia [Mr. MOORE], as well as my pleasure in his very lucid explanation of this matter, led me to give away part of my time, and also to surrender more time to the gifted gentleman from Texas [Mr. CONNALLY], I did not know, in the parlance of the small boy, that they were going to "put their great feet over all of my chips." But there are one or two things not yet said which I should like to emphasize.

I would not like for this far-reaching measure to come before this House without some declaration on my part in favor of its passage. I want to submit that there is nothing in the Constitution of the United States of America that keeps this country from having an active national conscience. That is the thing that we are illustrating, I believe, in this legislation.

The argument that was made by the gentleman from New Hampshire that there was connivance on the part of the Government of China with the depredations of the Boxer rebellion does not touch the present case, it seems to me. The fact that the Government of China did acknowledge responsibility for not preventing these Boxer outrages was a commendable na-

tional confession; but the fact that we are dealing with a new Government, the Republic of China, that has repudiated the crimes of the Boxer rebellion, and that is to-day a Republic, struggling to establish its solidarity and power as the result of the influence of American ideals—of American students and missionaries illustrating the spirit of our Government in that hoary nation, side by side with thousands of Chinese students, carrying American ideals back to China—is a ringing call to us in this hour and the added kindness we now propose to bestow. [Applause.]

Mr. McKEOWN. Will the gentleman yield?

Mr. UPSHAW. The gentleman will pardon me until I finish this sentence.

What we propose to do now is to complete our unfinished act of kindness on the part of the Government of the United States. [Applause.]

Mr. McKEOWN. I will ask the gentleman if he thinks the passage of this act will provide more safety to our missionaries in China than the fact that the Chinese Government knows we will demand indemnities?

Mr. UPSHAW. I am glad the gentleman has asked me that question. The fact that the missionaries in China and all outstanding citizens of America living there are a unit in asking for the passage of this bill is the surest argument that they know the situation better than the people at this distance who are opposing it could possibly know.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. UPSHAW. I yield.

Mr. GREEN of Iowa. The gentleman said we ought to have a national conscience, and I agree with him. I think when we say this is an act of kindness and friendship we are taking perhaps too much credit to ourselves. I regard it simply as an act of justice which our conscience ought to recognize.

Mr. UPSHAW. I had not reached that point. I agree thoroughly with the gentleman from Iowa.

Mr. BLANTON. What is the gentleman going to do about the organized bandits that within the last year took charge of certain American citizens? Do you not think this will have a very salutary effect on them?

Mr. UPSHAW. No; I think this will cause the Chinese Government to use a much stronger hand against these bandits and do their best to wipe them out. [Applause.]

Mr. McKEOWN. If the gentleman will yield, why not give them more money, if it will do that?

Mr. UPSHAW. Gentlemen, I am so proud of the flag of my country, I am so thrilled with the picture of these students coming here by hundreds every year through the investment of this indemnity money, carrying back American ideals to a land so long steeped in superstition—I am so proud of all that flag stands for—that I want to see the light from the beauty of its stars and the glory of its stripes penetrating the darkness of China. In this we are making an investment in a reciprocal friendship between the oldest, most populous nation of the world and the newest and most powerful nation. Thank God for the blessings that will flow for centuries from such uplifting friendship. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PORTER. Mr. Chairman, I move that the committee do now rise.

Mr. COLLINS. Mr. Chairman, I have an amendment to offer, which is at the desk.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro forma amendment of the gentleman from Georgia.

The CHAIRMAN. The gentleman from Mississippi has offered an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Amend by striking out the period in line 14, on page 2, and adding the following: "Provided that the amount remitted is used solely to develop the educational and other cultural activities of China."

Mr. COLLINS. Mr. Chairman, notwithstanding my opposition to this bill, the purpose of the amendment that I have offered is to carry out what every man that has spoken in behalf of this bill urges as the proper use of the money to be remitted. The identical words used in my amendment are in the preamble, but the preamble amounts to nothing whatever, for it will be stricken out, and if this amount to be remitted, of $6,137,000, is to be used for educational and cultural activities in China, the House should know it, and it should be so stated somewhere in the bill. It should not be expended to double-track a private railroad line, as one testifying before the committee urged, or to reclaim swamp lands, as another witness advocated.

Mr. McKEOWN. Will the gentleman yield for a question?

Mr. COLLINS. Yes.

Mr. McKEOWN. If the Chinese Government does not owe us anything, why should we put any strings on it at all?

Mr. COLLINS. I do not concede that the Chinese Government does not owe us; I think there is due us a substantial amount and that it should be paid, for if it is remitted, other nations will take it as a precedent for the cancellation of their debts. Of course, the situations are entirely dissimilar, but still I do not want to begin debt cancellation and am opposing the first offer to do it. The amendment merely undertakes to make the bill comply with the expressed wishes of the proponents of the measure.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Georgia.

In my first term of service here, Mr. Chairman, I represented 400 miles of the border between the Republic of Mexico and this country. I know something about the problems of the people living down on that border. Just within this week, in Mexico City, the capital of the Republic of Mexico, if you please, Mexican citizens burned the flag of the United States and the flag of Italy and other flags.

Mr. LAGUARDIA. I am not interested in that.

Mr. BLANTON. Well, you are representing the flag of the United States, are you not?

Mr. LAGUARDIA. Very much so.

Mr. BLANTON. And they burned the flags of four countries and declared everlasting death to the citizens of those countries.

Mr. McKEOWN. Will the gentleman yield for a question?

Mr. BLANTON. And they were not even arrested.

Mr. McKEOWN. Will the gentleman yield?

Mr. BLANTON. In just a moment. They were not even arrested, if you please.

This incident in Mexico City, and also that of Americans being seized last year by Chinese bandits, is just a little bagatelle by the side of what happened in the Boxer rebellion in 1900, yet after giving back to China $11,961,000 in 1908 we are proposing now to give back $6,000,000 more, right in the face of the fact that within the last year Chinese bandits in the mountains of China seized American citizens and subjected them to every kind of hardship imaginable; and we are saying to these outlaws of other nations, "Go to it; do our citizens just as you please, murder and rob them in the name of the country where you live and it is all right, and we will give your country the indemnity back after your country agrees to pay it."

Mr. McKEOWN. Will the gentleman yield?

Mr. BLANTON. No; because I have only five minutes, and I do not want to ask for more time.

I am thinking about these poor people of America whom I have seen in numerous States of the Union, women and little children, little girls following the plow on foot in the heat of the sun, trying to make a living on a farm, and they could not do it. They are taxed to death. We have nothing for them, but we are giving away to other countries all the time—$10,000,000 to Germany, and now $6,000,000 to China. I am thinking of these American women and little girls who plow in the hot sun all day in numerous States in the Union and are taxed to pay for all this charity abroad. Charity begins at home. The gentleman from Georgia is blessed with a big heart; he is so liberal that he gives all his time away. That is his greatest failing. He is too liberal with the Public Treasury and the public money.

Mr. McKEOWN. Will the gentleman yield now?

Mr. BLANTON. Yes.

Mr. McKEOWN. What does the gentleman think will happen to us if we try to buy peace with all the other countries?

Mr. BLANTON. Oh, this is nothing but commercial peace. You can talk about education and missionaries and all that stuff, but this is nothing but a commercial proposition that the business men want.

Mr. UPSHAW. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. UPSHAW. I accept the soft impeachment of the gentleman from Texas, and I hope it is no crime in being interested in that which goes for the good men of America and the strengthening of the ties between this country and the older nations.

Mr. BLANTON. If, like you voted $10,000,000 to Germany, we are to give $10,000,000 to all of the 51 countries that have ministers in Washington, just to buy peace, it would be well spent if peace could be secured. If we want to buy peace on

the tax money of the people by giving them $40,000,000 to every one of the 51 countries——

Mr. UPSHAW. The gentleman knows that there is no analogy between this case and the other 50 countries he speaks of.

Mr. BLANTON. Oh, some are poorer than China.

Mr. UPSHAW. That is not the test.

Mr. BLANTON. Some of them need it more than China, but the big heart of the gentleman from Georgia is for the nationals of other countries. I am thinking about the women and little girls who plow in the hot sun in Georgia. I am thinking of those that plow in Pennsylvania. I am thinking about the ones that plow in Texas and Minnesota.

Mr. UPSHAW. Mr. Chairman, is there any parliamentary situation by which the gentleman from Georgia may reply to the gentleman from Texas?

The CHAIRMAN. Debate has been exhausted on this amendment. The question is on agreeing to the amendment of the gentleman from Mississippi.

The question was taken, and the amendment was rejected.

Mr. PORTER. Mr. Chairman, I move that the committee do now rise and report the resolution to the House with the recommendation that it be agreed to.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration H. J. Res. 248, to provide for the remission of further payments of the annual installments of the Chinese indemnity, and had directed him to report the same back with the recommendation that the resolution do pass.

Mr. PORTER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the preamble.

The preamble was agreed to.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 67 ayes and 31 noes.

Mr. ROGERS of New Hampshire. Mr. Speaker, I make the point of order that no quorum is present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 211, nays 114, not voting 107, as follows:

YEAS—211

Ackerman	Dallinger	Hull, Morton D.	Moores, Ind.
Aldrich	Darrow	Hull, William E.	Murphy
Arnold	Davey	Jacobstein	Nelson, Me.
Bacon	Dempsey	James	Nelson, Wis.
Barbour	Dickinson, Iowa	Johnson, Wash.	Newton, Minn.
Beck	Dickstein	Kearns	O'Connell, N. Y.
Beers	Doyle	Keller	O'Connell, R. I.
Begg	Drewry	Kelly	O'Connor, La.
Berger	Dyer	Kendall	O'Connor, N. Y.
Bixler	Eagan	Kent	Paige
Black, N. Y.	Elliott	Kerr	Peavey
Bloom	Evans, Iowa	Ketcham	Perkins
Boies	Evans, Mont.	Kiess	Perlman
Boyce	Fairchild	Kindred	Porter
Boylan	Fenn	Kopp	Prall
Britten	Fish	Kvale	Purnell
Browne, Wis.	Fisher	LaGuardia	Ramseyer
Browning	Fleetwood	Lampert	Ransley
Brumm	Foster	Leavitt	Rathbone
Bulwinkle	Frear	Lehlbach	Rayburn
Burdick	Freeman	Lineberger	Reed, N. Y.
Burtness	French	Linthicum	Richards
Burton	Frothingham	Longworth	Robinson, Iowa
Butler	Fuller	Lowrey	Rogers, Mass.
Cable	Gardner, Ind.	Luce	Sabath
Carew	Glatfelter	Lyon	Sanders, Ind.
Casey	Goldsborough	McFadden	Sanders, N. Y.
Celler	Graham, Ill.	McLaughlin, Mich.	Schafer
Chindblom	Graham, Pa.	MacGregor	Schall
Christopherson	Green, Iowa	MacLafferty	Schneider
Clague	Greenwood	Magee, N. Y.	Seger
Clancy	Griest	Magee, Pa.	Shallenberger
Clarke, N. Y.	Hadley	Manlove	Simmons
Cleary	Handy	Mapes	Sinclair
Cole, Iowa	Haugen	Mead	Sites
Colton	Hawes	Merritt	Snell
Connally, Tex.	Hawley	Michaelson	Snyder
Cook	Hersey	Michener	Speaks
Cooper, Wis.	Hickey	Miller, Wash.	Sproul, Ill.
Cramton	Hoch	Mills	Sproul, Kans.
Croll	Holaday	Montague	Stedman
Crosser	Howard, Nebr.	Mooney	Stephens
Crowther	Huddleston	Moore, Ill.	Strong, Kans.
Cullen	Hudson	Moore, Ohio	Strong, Pa.
Cummings	Hull, Iowa	Moore, Va.	Summers, Wash.
Swoope	Tydings	Watson	Wilson, Ind.
Taber	Underhill	Wefald	Wilson, Miss.
Temple	Upshaw	Weller	Winslow
Thompson	Vaile	Wertz	Woodruff
Tilson	Vincent, Mich.	White, Kans.	Wyant
Timberlake	Voigt	Williams, Ill.	Yates
Tinkham	Wainwright	Williams, Mich.	Young
Treadway	Watres	Williamson	

NAYS—114

Abernethy	Free	McClintic	Rubey
Allen	Fulbright	McDuffie	Salmon
Allgood	Fulmer	McKeown	Sanders, Tex.
Almon	Garrett, Tenn.	McReynolds	Sandlin
Aswell	Gasque	McSwain	Sherwood
Bankhead	Hammer	McSweeney	Smithwick
Barkley	Hastings	Major, Ill.	Steagall
Beedy	Hill, Ala.	Major, Mo.	Stevenson
Black, Tex.	Hill, Md.	Martin	Summers, Tex.
Bland	Hooker	Milligan	Swank
Blanton	Hudspeth	Minahan	Tague
Bowling	Humphreys	Moore, Ga.	Taylor, Colo.
Box	Jeffers	Morehead	Taylor, W. Va.
Brand, Ga.	Johnson, Tex.	Morrow	Thatcher
Briggs	Johnson, W. Va.	Oldfield	Thomas, Ky.
Buchanan	Jones	Oliver, Ala.	Thomas, Okla.
Busby	Jost	Oliver, N. Y.	Tillman
Byrns, Tenn.	Kincheloe	Parks, Ark.	Underwood
Cannon	King	Pou	Vinson, Ga.
Carter	Knutson	Quin	Vinson, Ky.
Collier	Kunz	Ragon	Watkins
Collins	Lanham	Rankin	Weaver
Crisp	Lankford	Reece	Williams, Tex.
Deal	Larson, Ga.	Reed, Ark.	Wingo
Denison	Lazaro	Roach	Wolff
Dickinson, Mo.	Lee, Ga.	Robsion, Ky.	Woodrum
Driver	Lindsay	Rogers, N. H.	Wright
Faust	Logan	Romjue	
Favrot	Lozier	Rouse	

NOT VOTING—107

Anderson	Fitzgerald	Little	Scott
Andrew	Fredericks	McKenzie	Sears, Fla.
Anthony	Funk	McLaughlin, Nebr.	Sears, Nebr.
Ayres	Gallivan	McLeod	Shreve
Bacharach	Garber	McNulty	Sinnott
Bell	Garner, Tex.	Madden	Smith
Brand, Ohio	Garrett, Tex.	Mansfield	Stalker
Browne, N. J.	Geran	Miller, Ill.	Strengle
Buckley	Gibson	Morgan	Sullivan
Byrnes, S. C.	Gifford	Morin	Sweet
Campbell	Gilbert	Morris	Swing
Canfield	Greene, Mass.	Mudd	Taylor, Tenn.
Clark, Fla.	Griffin	Newton, Mo.	Tincher
Cole, Ohio	Harrison	Nolan	Tucker
Connery	Hayden	O'Brien	Vare
Connolly, Pa.	Hill, Wash.	O'Sullivan	Vestal
Cooper, Ohio	Howard, Okla.	Park, Ga.	Ward, N. Y.
Corning	Hull, Tenn.	Parker	Ward, N. C.
Curry	Johnson, Ky.	Patterson	Wason
Davis, Minn.	Johnson, S. Dak.	Peery	Welsh
Davis, Tenn.	Kahn	Phillips	White, Me.
Dominick	Kurtz	Quayle	Wilson, La.
Doughton	Langley	Rainey	Winter
Dowell	Larson, Minn.	Raker	Wood
Drane	Lea, Calif.	Reed, W. Va.	Wurzbach
Edmonds	Leatherwood	Reid, Ill.	Zihlman
Fairfield	Lilly	Rosenbloom	

So the joint resolution was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Gifford with Mr. Mansfield.
Mr. Sweet with Mr. Connery.
Mr. Kurtz with Mr. O'Brien.
Mr. Morgan with Mr. Morris.
Mr. Langley with Mr. Clark of Florida.
Mr. Sears of Nebraska with Mr. Stengle.
Mr. Madden with Mr. Byrnes of South Carolina.
Mr. Bacharach with Mr. Park of Georgia.
Mr. Connolly of Pennsylvania with Mr. Drane.
Mr. Morin with Mr. Rainey.
Mr. Newton of Missouri with Mr. Garner of Texas.
Mr. Patterson with Mr. Peery.
Mr. Vare with Mr. Browne of New Jersey.
Mr. Vestal with Mr. Lea of California.
Mr. Anthony with Mr. Sullivan.
Mr. Davis of Minnesota with Mr. Canfield.
Mr. Mudd with Mr. Quayle.
Mr. Dowell with Mr. Lilly.
Mr. Brand of Ohio with Mr. Davis of Tennessee.
Mr. Phillips with Mr. Dominick.
Mr. Welsh with Mr. Garrett of Texas.
Mr. Funk with Mr. Gilbert.
Mr. Fredericks with Mr. Doughton.
Mr. Swing with Mr. Buckley.
Mr. McLaughlin of Nebraska with Mr. Hill of Washington.
Mr. Johnson of South Dakota with Mr. Ayres.
Mr. Shreve with Mr. Geran.
Mr. Curry with Mr. Wilson of Louisiana.
Mr. Fairfield with Mr. Johnson of Kentucky.
Mr. Gibson with Mr. McNulty.
Mr. Greene of Massachusetts with Mr. Sears of Florida.
Mr. Reid of Illinois with Mr. Griffin.
Mr. Smith with Mr. Hayden.
Mr. Wason with Mr. Tucker.
Mr. Winter with Mr. Raker.
Mr. Miller of Illinois with Mr. Gallivan.
Mr. Wood with Mr. O'Sullivan.
Mr. Stalker with Mr. Bell.
Mr. Wurzbach with Mr. Howard of Oklahoma.
Mr. Taylor of Tennessee with Mr. Corning.
Mr. Sinnott with Mr. Harrison.
Mr. Ward of New York with Mr. Hull of Tennessee.

The result of the vote was announced as above recorded.

The doors were reopened.

On motion of Mr. PORTER, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

WATERWAY FROM LAKE MICHIGAN TO THE GULF OF MEXICO

Mr. WILLIAM E. HULL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an address I made before the Committee on Rivers and Harbors upon a waterway from Lake Michigan to the Gulf of Mexico.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILLIAM E. HULL. Mr. Speaker and gentlemen of the House, on April 18 I made a statement to your honorable committee that in deference to what seemed to me to be good policy in reference to the passing of a general rivers and harbors bill I would withdraw my bill, H. R. 5475, from the general bill.

These hearings were set in advance and have been pursued on the presumption that my bill might be included in the general bill reported by the committee for the improvement of rivers and harbors. Owing to the fact that I have about determined in my own mind that a new bill should be written on this subject I have pursued the policy of fighting for a principle and not for the passage of the bill.

Involved in this principle is a matter of equity for this great Government of ours. The policy of our Nation has always been to treat each section of the Union on an equal basis. Therefore, after the testimony that has been put forth in this case, it seems evident that this was the intention of those empowered to establish a treaty between the United States Government and the Canadian Government. At that time this commission was empowered to take into consideration first, Canada; then Niagara Falls; and then the great West, which naturally fell to Chicago, because it happened to be the point where diversion existed at the time the treaty was promulgated.

From the evidence that has been introduced at this hearing, I think it has been clearly demonstrated that the Canadian Government has been the greatest beneficiary of all, and next to that the State of New York in its Niagara power plants; and the only thing left, as I see it, for the whole great western country, which includes such States as Ohio, Indiana, Michigan, Illinois, Wisconsin, and the Far West, would be what was left in the consideration of the diversion problem, and that would be the 10,000 cubic feet per second, allotted to Chicago.

HOW THE LAKES TO THE GULF WATERWAY ORIGINATED

At this juncture I want to remind you that this deep waterway from Lake Michigan to the Gulf of Mexico is not a new thought, but one that goes back for a century, and I call your attention to the fact that in 1822 Congress passed the first canal act. In that year the British Government gave definite expression of its attitude, denying American citizens the right to navigate the St. Lawrence River; so the Congress of the United States passed an act authorizing the State of Illinois to open this canal in order to connect the Lakes with the sea coast.

Then again, in 1827, when the British Government refused to discuss the question of the right of American citizens to navigate the St. Lawrence, the United States Government—that is, Congress—again passed an act authorizing the State of Illinois to open this same canal and provided therein that there should be a grant to the State of Illinois for the purpose of aiding the State in opening a canal to unite the waters of the Illinois River with those of Lake Michigan.

From 1829 to 1836 the State of Illinois passed legislation authorizing the construction of the canal as requested by the United States. This canal was completed in 1848 by the State of Illinois, but on account of the lack of funds it was only 6 feet deep and 40 feet wide and was fed partially by the gravity flow from the Calumet River through the Calumet feeder which connected with it at the village of Sag, Ill., and by water pumped from Chicago River up into the canal at Ashland Avenue, where its locks were located. It became a great aid to commerce in the Mississippi Valley.

The enlargement of this canal by an act of legislation in 1861 was authorized by joint resolution directing the commissioners of the Illinois and Michigan Canal to cause a thorough survey.

Another report was made in 1866 by General Wilson, and in this report it was clearly demonstrated that the Illinois River was by nature the line by which the waters of Lake Michigan should be connected with those of the Mississippi, and a moment's consideration will show that at no remote period the waters of the lake must have been carried off by these streams as well as by the St. Lawrence.

During the period up to 1830 a number of surveys were made of the entire Illinois River project, showing a through line of water connection from the Mississippi to Lake Michigan via the Illinois River, and these projects have at different times been before the Congress of the United States. I quote from the rivers and harbors act approved August 5, 1886, to examine and report upon the Illinois and Michigan Canal and the proposed Hennepin Canal, which says in its report that the—

waterway from Chicago to Grafton, on the Mississippi River, is a most important one, and when completed there is little doubt that it will richly pay for itself in the reduction and regulation of freights.

In addition to that it will be of great value for commercial, military, and naval purposes.

In 1889 the State of Illinois considered that it was acting not only within its rights but also pursuant to the wishes of the United States as expressed by congressional acts and by engineers' reports in providing for the construction of the sanitary and shipping canal, as is apparent from the joint resolution of the Legislature of Illinois adopted May 29, 1889, an act entitled:

An act to create sanitary districts and to remove obstructions in the Des Plaines and Illinois Rivers.

And on July 1, 1889, it became a law, and the War Department was advised thereof on July 10, 1889.

It was evidently contemplated by the legislature of that time which gave the sanitary district the privilege of turning the sewage into the Illinois River that they would also make the minimum capacity 10,000 cubic feet per second. The reason that I have quoted these different dates is to establish in your minds, if possible, the fact that this waterway, known as the Illinois waterway, that is now being constructed by the State of Illinois was actually started as far back as 1822. Then we lead on up to the time when the route was chosen and we find that was in 1892, and the actual construction of the canal was started in 1893, and again in 1895 the Secretary of War ordered a report made as to the effect the diversion would have on the lake levels, considering a contemplated diversion of 10,000 cubic feet per second. On January 17, 1900, the main channel was completed and placed in operation. It was 160 feet wide in the regular section and 24 feet deep with a flowage capacity of 10,000 cubic feet per second. So you can see that there is a long history to this deep waterway that we have before us to-day, and the reason I have given these dates is for the purpose, if I can, of convincing you that this project was one that was established years and years ago. That it has always had the right to divert 10,000 cubic feet per second, and you will find further along in the treaty between the United States and Canada the very fact that this great western country was permitted to divert this water, as has been plainly shown to you. It was the intent of the International Waterways Commission to charge this 10,000 cubic feet per second diverted at Chicago against the United States Government, because they allowed the diversion of 20,000 cubic feet per second from the Niagara River above the Falls for power purposes and at the same time allowed 36,000 cubic feet per second to the Canadian Government, and the paragraph closes and states that "the prohibition of this article shall not apply to the diversion of water for sanitary or domestic purposes." Consequently, it is plain to me, and I believe that it was the intent at that time, to allow this 10,000 cubic feet per second because it was used for sanitary and domestic purposes, and then, again, article 8 definies the order of precedence to be observed among the various uses enumerated for boundary waters, which are determined as follows:

(1) Uses for domestic and sanitary purposes;

(2) Uses for navigation, including the service of canals for the purposes of navigation; and

(3) Use for power and for irrigation purposes;

But in my judgment of all the clauses in the treaty that would make it apparent and prove the fact that that was the main thought in the treaty is the following:

The foregoing provisions shall not apply to or disturb any existing uses of boundary waters on either side of the boundary.

It seems very simple to me, gentlemen, that that one clause should say that the 10,000 cubic second-feet was being diverted at the time, and also that the Government took into consideration the fact that the Niagara project was only to have 20,000 cubic second-feet against Canada's 36,000 cubic second-feet, and that they surely intended to count this 10,000 cubic second-feet as belonging to the United States Government.

It may seem strange to you that after withdrawing my bill (H. R. 5475) I should continue on these hearings to prove the

fact that Chicago and the great western country were entitled to this diversion, or to disprove the fact that we in the West were infringing upon the East, but to me it appears important that I should do so, as it is not the bill I am fighting for but a principle. And I believe that Wisconsin and Michigan who are taking such an active part in this fight, and are actually pulling the chestnuts out of the fire for the Canadian Government and the Niagara power plants, will some day wake up and will realize that they have given away the greatest asset that this western country will ever have, and that is the 10,000 cubic second-feet diversion they are entitled to, not only by the agreement of the international waterways commission but as implied in the treaty.

CHICAGO'S SEWAGE PROBLEM

We have a great many things confronting us in this legislation, and while my main object is a deep waterway leading from Lake Michigan to the Gulf of Mexico, and that must be the paramount issue, because that means so much, not only to the people living along the river but to all the people who live west and east of us, because it will provide transportation that will reduce the freight rates and give the farmer and the manufacturing interests of the Middle West an equal chance with the more favored sections of the East.

But we have in the river to-day, and I want to make that emphatic, the sewage of Chicago, put there by the law of the State Illinois, and in my judgment a withdrawal of any portion of the water that they are putting through now, under the present conditions would be ruinous to the health and lives not only to the citizens of Chicago but to the citizens along the river, and while it is true that a portion of my constituents disagree to some extent with me in this respect, I have made a study of it, and I am convinced in my own mind that it would be actually ruinous.

There are only three ways that Chicago can dispose of this sewage; one is through the Illinois River, as they are disposing of it now; the other is to pump it back into Lake Michigan where they obtain their drinking water; and the other would be through sewage disposal plants. The latter is the only one that must be eventually used; and it is the duty of the sanitary district and the citizens of Chicago to begin and begin in earnest to build these plants as rapidly as they possibly can, not only for their own salvation but for the salvation of all the people in the valley. If they will not do this voluntarily, then it is either the duty of the United States Government or the duty of the State of Illinois to force them to do so by legal action. I believe that in passing a law, making this deep waterway, regardless of everything else, that should be the principal paragraph in the bill, to force Chicago into building of these plants. But, in my judgment, and I think I have a fair idea of the situation, it will take Chicago at her best, financially and physically, 20 years at least to complete these plants to take care of the 3,000,000 people.

All of the evidence, even that introduced by those who are opposed to the sanitary district board, has shown beyond a doubt that should the sanitary district establish sewage disposal plants large enough to dispose of all of the human sewage and trade waste at the plants, it would then take from 8,000 to 10,000 cubic feet of water to dilute the residue of the sewage to the extent that the fish life would again flourish in the river and the resorts that once furnished so much pleasure and recreation to the people of the whole State could be reestablished.

This evidence was put into the record by men thoroughly conversant with the facts and W. L. Sackett, chief of the division of waterways for the State of Illinois, stated in his testimony that General Black, who was Chief of the United States Board of Engineers at the time the permits were granted for the construction of the Illinois waterway, said, that in his opinion, at least 7,000 cubic second-feet would always be required and he was under the impression that he would eventually recommend a 10,000 cubic second-feet. So it would seem that the diversion of 10,000 cubic second-feet will always be necessary to preserve the lives and health of the people in the valley.

THE NECESSITY OF DIVERSION FOR A WATERWAY

The 10,000 cubic second-feet is allotted, in my judgment, to the great western country. It was the one thing that was taken into consideration in the treaty, and while it does not say so in so many words, it implies it in a number of places, and I am satisfied that even the Canadian Government at that time recognized the fact that we would be obliged to have that amount of water in order to carry out this system of sewage disposal that was in operation at that time.

But, on the other hand, eliminate the Sanitary District and the city of Chicago from the proposition, come back to the true and fundamental principles laid down by our Government that all parts of our country should be treated as nearly alike as possible and I maintain that this 10,000 cubic second-feet belongs to the great Central West and that it will throughout all the time to come be the mainstay of a deep waterway from the Lakes to the Gulf. I believe that when this waterway is once established the commerce attracted to its borders will be so large that eventually it will be necessary to make the canal 18 or 20 feet deep, and such a project would be impossible without this diversion that has been given to us by the treaty. If we at this time allow Canada and the Niagara power interests to take this water away from the Mississippi Valley, I predict it will never be possible to get it back again, no matter how vital it may prove to be to the maintenance of an adequate waterway from Lake Michigan to the Gulf of Mexico.

FAILURE OF EASTERN INTERESTS TO PROVE THEIR CASE

You have heard the evidence upon both sides, and it is unnecessary for me to elaborate upon the proposition that the farmers from the West and the manufacturers of the West, especially in the Central West, which includes all of the States, are in need of this great waterway, and also that unless they are actually given this relief you may see in the near future a great destruction of enterprise in this section of the country. Therefore I do not intend to take up your time by referring to the proofs made on this particular subject, and all that I will do in conclusion is to try and point out how futile the objections to this great project have been.

We will take every witness—those who represented the lake carriers, those who represented the power interests, and those who represented States who think they are to be injured. Take all of their evidence together, and what do you find? The lake carriers and all of them combined have not yet demonstrated to this committee that the lake levels have been lowered to such an extent as to injure transportation. Why? Because it has been proven, and stated time and time again by those who know, that the tonnage is away beyond their expectations and is larger this year than in any previous year, and at no time have they either demonstrated or proven that they have been inconvenienced in the least, but on the other hand we have these men coming before this committee, and they generally wind up with the statement that seven times as much power can be generated at Niagara power plants as can be developed in the canal at Chicago. It has been made clear to this committee, I am sure, that that is what is uppermost in the minds of those who are objecting to the western country having this diversion. Power, and power only, seems to be the main object of all the testimony, and we find the Canadian Government has the same purpose in mind and have already taken the lion's share of this water in taking the 36,000 cubic foot-seconds.

The makers of the treaty gave the State of New York, through the Niagara Power Co., 20,000 cubic second-feet, and now, why should these interests desire to take away from the western country that which rightfully belongs to them, and which they had in control before the treaty was ever signed? All I have to say to you, gentlemen, is this: Don't overlook the great proposition, and that is that this Government must continue to function in every section of it, and when you destroy one section for the benefit of the other, then you destroy the prosperity of the land. The great Central West has been the feeder and the progressive part of this country, and now that it has this hope of a deep waterway connecting Lake Michigan to the Gulf of Mexico, which will, without dispute, create a medium of transportation that will take the products of this great agricultural and manufacturing section of our country through the Panama Canal and to all parts of the globe, do not take away the advantage it so richly deserves.

ADVANTAGES OF THE WATERWAY IN AN EMERGENCY

I want to say further that should this great waterway be a thing of realization, then you will find in time of war what great advantage it will be to the United States Government.

Now, gentlemen, I have lived along the Illinois River all my life. I have spent the last 35 years in Peoria. We have a vast expanse of water in front of our beautiful city, 1 mile in width, a slow-flowing river that we call Peoria Lake, and to-day this energetic city is concerned with two problems; one, of the pollution of the river, and the other, a need for navigation; and I want to say to you, so that it may be carried back to the people who live along the river, that the object in view in this legislation is, first, to give through transportation from Lake Michigan to the Gulf of Mexico; second, to clean the Illinois River of its pollution; and third, to protect the farmer and his lands and reimburse him for the damages he has suffered in this connection.

The great State of Illinois, patriotic in times of war, patriotic in times of peace, offers to the Government of the United States more than her share toward this great waterway. The farmers and the citizens of this Commonwealth by their vote gave $20,000,000 to build the connecting link between Lake Michigan and the Illinois River so that the people of the great Mississippi Valley might be favored by transportation that would give them relief and connect them with the ports of the world. Will it be the policy of this committee and the Congress of the United States to ignore this generous gift of a State so willing to help herself and her sister States.

We who live in Illinois are proud of the name—

By thy rivers gently flowing,
Illinois, Illinois,
O'er thy prairies verdant growing,
Illinois, Illinois,
Comes an echo on the breeze,
Rustling through the leafy trees,
And its mellow tones are these,
Illinois, Illinois,

Not without thy wondrous story,
Illinois, Illinois,
Can be writ the Nation's glory,
Illinois, Illinois,
On the record of thy years,
Abraham Lincoln's name appears,
Grant and Logan and our tears,
Illinois, Illinois,

COMPENSATION AND HOSPITALIZATION OF SERVICE MEN

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask unanimous consent that to-morrow it shall be in order for me to move to suspend the rules and pass the bill H. R. 8869, being a bill reported from the Committee on Veterans' Legislation affecting the compensation and hospitalization of service men.

The SPEAKER. The gentleman from South Dakota asks unanimous consent that it shall be in order for him to-morrow to move to suspend the rules and pass the bill H. R. 8869. Is there objection?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I do not think this is a proper way to get at this measure. In the first place, that would shut off amendment. If unanimous consent should be given to move to suspend the rules and pass the bill, it simply means that other members of the committee, other Members of the House, would be shut off without any opportunity to offer amendments, and not even permitted to offer one single motion to recommit. I have an amendment which I wish to offer, or a motion to recommit, that amounts to this: This bill extends the presumptive period on tuberculosis and neuropsychiatric cases to six years, but it provides that compensation shall begin only after the passage of the bill. Those men who have been lying flat on their backs for one or two years, those men who have been down with tuberculosis and other troubles covered by this provision for the last two years will not be cared for or receive compensation for the time they have been disabled prior to the date of the passage of this bill.

Mr. LONGWORTH. Mr. Speaker, I do not know that there is any necessity for a speech. I demand the regular order.

Mr. RANKIN. I object to bringing it up under a suspension of the rules unless you give us an opportunity to offer an amendment or a motion to recommit.

Mr. JOHNSON of South Dakota. I wish the gentleman would reserve the right to object.

Mr. RANKIN. I can not reserve the right when the Republican leader [Mr. LONGWORTH] demands the regular order.

Mr. JOHNSON of South Dakota. What does the gentleman do?

Mr. RANKIN. I simply want to take care of these men who are suffering from these disabilities.

Mr. JOHNSON of South Dakota. Does the gentleman object?

Mr. RANKIN. Of course, I object. I can not reserve the right to object with the Republican leader demanding the regular order.

The SPEAKER. Objection is heard.

CHINESE INDEMNITY

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the RECORD to-day on House Joint Resolution 248, to provide for the remission of further payment of the annual installments of the Chinese indemnity.

The SPEAKER. Is there objection?

There was no objection.

WATERS OF RIO GRANDE BELOW FORT QUITMAN, TEX.

Mr. PORTER. Mr. Speaker, I call up the bill S. 2998, providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico.

The SPEAKER. The gentleman from Pennsylvania calls up the bill S. 2998, of which the Clerk will report the title.

The Clerk reported the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Mr. GARNER of Texas. Mr. Speaker, this is a unanimous report from the Committee on Foreign Affairs, and I do not believe that it will take more than five minutes to pass it. I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Texas asks unanimous consent that this bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That the President is hereby authorized to designate three special commissioners to cooperate with representatives of the United States of Mexico in a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., with a view to their proper utilization for irrigation and other beneficial uses. One of the commissioners so appointed shall be an engineer experienced in such work. Upon completion of such study the results shall be reported to Congress.

SEC. 2. The sum of $20,000 is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated for carrying out the provisions hereof.

Mr. GARNER of Texas. Mr. Speaker and gentlemen of the House, as a preliminary let me say that this is reported unanimously by the Foreign Relations Committee of the Senate and was unanimously passed in the Senate. It is reported now unanimously by the Foreign Affairs Committee of the House, and, so far as I know, there is absolutely no objection to it. It has for its purpose the authorization of the President to appoint a commission to ascertain facts upon which to base a treaty with Mexico touching the waters of the Rio Grande. Under the present treaty with Mexico the Rio Grande is considered a navigable stream, and we desire to change the basis of that to irrigation. The authorized appropriation is $20,000. The Committee on Foreign Affairs under the rules, of course, is not authorized to make an appropriation, and when the Committee on Appropriations ascertains that the facts are sufficient to justify an appropriation under this resolution, that committee will make such appropriation to carry out the work authorized as may seem to them advisable. I do not think it is necessary to make any further statement, because, as I say, so far as I know, the State Department, the Agricultural Department, and the Department of the Interior all have recommended the passage of the bill.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. BLANTON. According to the nature of the banks of this river and the soil in a great many places, in fact, it is not a navigable stream and never will be.

Mr. GARNER of Texas. Oh, there has not been a boat upon it for 80 years, but when the present treaties were made it was considered a navigable stream, and the result is that in order to deal with it you have to get a permit from the War Department. It is the desire of the two Governments to change that basis, in order to make it a basis of irrigation rather than of navigation, and it takes some facts for this Government to act intelligently, and this is for the purpose of getting those facts.

Mr. CRAMTON. Mr. Speaker, I move to strike out the last word. I am not sufficiently familiar with the geography to know where this fort is, but is this the matter that was involved in an attempt within the last year to get an appropriation with reference to the flooding of El Paso, Tex., and so forth?

Mr. GARNER of Texas. No; it has no relation. It is below Fort Quitman, which is below El Paso.

Mr. CRAMTON. On other question. I notice this bill, which was formerly referred to the Committee on Irrigation and Reclamation, was on yesterday referred to the Committee on Foreign Affairs, and the same day the committee reported it out.

Mr. GARNER of Texas. Yes.

Mr. CRAMTON. It is a matter affecting reclamation, and my first question is this: Was the purpose of referring it to the Committee on Foreign Affairs instead of the Committee

on Irrigation and Reclamation in order that it might be brought up to-day on this calendar?

Mr. GARNER of Texas. I will answer, if the gentleman from Pennsylvania will permit. The original bill was introduced some time ago by me in the House. It was referred to the Committee on Foreign Affairs, and then a bill of identically the same language passed the Senate——

Mr. CRAMTON. A similar House bill has been before the Foreign Affairs Committee.

Mr. GARNER of Texas. Yes.

Mr. CRAMTON. Have there been hearings before the Committee on Foreign Affairs?

Mr. GARNER of Texas. Very extended hearings by the committee.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. Without objection, a similar House bill will lie on the table.

There was no objection.

On motion of Mr. GARNER of Texas, a motion to reconsider the vote by which the bill was passed was laid on the table.

MEETING OF INTERPARLIAMENTARY UNION IN WASHINGTON CITY, 1925

Mr. TEMPLE. Mr. Speaker, I call up House Joint Resolution 204, on the Union Calendar.

The SPEAKER. The gentleman from Pennsylvania calls up a joint resolution, which the Clerk will report by title.

The Clerk read as follows:

House joint resolution (H. J. Res. 204) requesting the President to invite the Interparliamentary Union to meet in Washington City in 1925 and authorizing an appropriation to defray the expenses of the meeting.

The SPEAKER. Does the gentleman desire to substitute the Senate resolution in place of the House resolution?

Mr. TEMPLE. I ask unanimous consent to substitute an identical Senate resolution in place of the House resolution.

Mr. BLANTON. This has to be considered in the Committee of the Whole House on the state of the Union, as it makes a charge on the Treasury.

The SPEAKER. Certainly. The gentleman from Pennsylvania asks unanimous consent that the Senate resolution may be considered in lieu of the House resolution. Is there objection? [After a pause.] The Chair hears none. This resolution is on the Union Calendar and the House automatically resolves itself into the Committee of the Whole House on the state of the Union for the consideration of the Senate joint resolution.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of S. J. Res. 104, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 104, which the Clerk will report.

The Clerk read as follows:

Senate joint resolution (S. J. Res. 104) requesting the President to invite the Interparliamentary Union to meet in Washington City in 1925 and authorizing an appropriation to defray the expenses of the meeting.

Mr. TEMPLE. Mr. Chairman, I ask unanimous consent that the first reading of the Senate joint resolution be dispensed with.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that the first reading of the joint resolution be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. TEMPLE. Mr. Chairman, this resolution is intended to renew action that was taken some years ago by the Congress of the United States and the President in inviting the Interparliamentary Union to hold its annual meeting in the city of Washington. In the act passed June 30, 1914, the Congress requested the President to invite the Interparliamentary Union to hold its next annual meeting, then to be held in 1915, in the city of Washington. The arrangements were being made when the World War broke out. Because of the war the Interparliamentary Union did not hold any meeting in 1914. Again in 1916 the Congress, thinking that the World War might be finished early, passed, in the diplomatic and consular bill, the same item, extending the appropriation and making it available for the calendar years 1916 and 1917, and renewing the invitation to the Interparliamentary Union to hold its next meeting here. A third time, in the act of March 3, 1917, the appropriation was made, being extended to cover the calendar year 1918, and the invitation was again renewed, and for the fourth time, in the act of April 15, 1918, the invitation was renewed, but still the World War and the confusion that followed it interfered with the meeting. The later meetings of the Interparliamentary Union have been held on the other side of the Atlantic, American delegates in attendance as usual. Now, it is proposed to renew the invitation which has been so many times extended to this organization and to request the President of the United States to invite the Interparliamentary Union to hold its meeting in the city of Washington in the year 1925. The former act made an appropriation of $40,000 to cover the expenses of the meeting. This act increases that appropriation to $50,000——

Mr. SNYDER. Will the gentleman yield?

Mr. TEMPLE. I shall be very glad to do so in just a moment. The increase being necessary, of course, because of the general increase in prices since 1915. I yield to the gentleman from New York.

Mr. SNYDER. Several times I have heard the question asked, what advantage do we get by this Interparliamentary Union gathering or conference? Will the gentleman give some idea of what class of work they do, what effect they have upon the interests of this country in any way. I am asking purely for information.

Mr. TEMPLE. The Interparliamentary Union is an international organization which has been in existence for about 30 years. It is an association made up of members of the parliaments and congresses of the various nations of the world. Its members have no diplomatic powers, of course, but questions of international interest are discussed at the meetings of the Interparliamentary Union, particularly those questions that may be dealt with in a legislative way rather than by the ordinary methods of diplomacy. The direct results are not always obvious, but there have been some very beneficial results. I think I shall ask the gentleman from Ohio [Mr. BURTON] to discuss that more fully when I shall have finished, if he is willing to do so.

I have attended only one of these meetings, the one held two years ago this summer in the city of Vienna. There were about 30 nations of the world represented at that meeting, including all the so-called great powers and many of the new powers that resulted from the treaties following the World War.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TEMPLE. I do.

Mr. BLANTON. When the gentleman says there were 30 nations represented he merely means by that that no nations were officially represented, but merely members of the parliamentary bodies of 30 nations were unofficially represented?

Mr. TEMPLE. The American group of the Interparliamentary Union, of which I suppose the gentleman from Texas is a member——

Mr. BLANTON. Yes; I am——

Mr. TEMPLE (continuing). Sent representatives. They were not representatives of the Government of the United States.

Mr. BLANTON. Yes; so that none of these countries were represented by governments. From the gentleman's language it might be inferred that the 30 governments were represented.

Mr. TEMPLE. No. My language was correct, that 30 nations were represented——

Mr. BLANTON. Not officially——

Mr. TEMPLE. By delegates chosen by the groups of the Interparliamentary Union, made up of the parliaments or congresses of those nations——

Mr. BLANTON. Who had no authority whatever to speak for their governments.

Mr. TEMPLE. They had authority to speak for the groups that sent them.

Mr. BLANTON. But not for the governments?

Mr. TEMPLE. I have said that several times.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. TEMPLE. Yes.

Mr. LAGUARDIA. These were representative men elected by their respective parliaments and representing the sentiment of their parliaments and the respective countries?

Mr. TEMPLE. Yes; and also able to speak of the sentiments of the parliaments and congresses that are a part of the governments of other nations. I think it is a very great advantage in cultivating acquaintance and good will. It does not take the place of diplomatic representation. The members of the Interparliamentary Union in no sense represent the executive, and in no sense share in the diplomatic service; but it is certainly a very great advantage that in the Parliament of Great Britain, in the Parliament of France, in the Parliaments

of Germany, and of Austria, and of Italy, and of Japan, and of the United States, and of many of the other powers there are men who are acquainted with each other, and acquainted with the purposes of leading members of their parliaments, acquainted with the policies that are likely to find expression in acts of parliament and acts of congress. The cultivation of good will and acquaintance is worth an appropriation, it seems to me, of $50,000 once in about 20 years. How long has it been since the Interparliamentary Union met in this country?

Mr. BURTON. In 1904.

Mr. TEMPLE. Twenty years ago.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for another question

Mr. TEMPLE. Yes.

Mr. BLANTON. In the sense that our secretaries call themselves "The Little Congress," just so this could be called "A Little League of Nations," could it not?

Mr. TEMPLE. No. It has nothing to do with the League of Nations. It is a great deal older than the existing League of Nations; and when the League of Nations was organized, it in no way took the place of an organization composed of members of the parliaments and congresses of the various powers. It does not undertake to do anything at all in an executive way, which the League of Nations does undertake. It does not even undertake to arbitrate differences among the powers, but to discuss matters of general interest that may come up in the parliaments and to create an understanding of questions of world-wide interest that will be helpful in acting on various affairs.

Mr. BLANTON. Will the gentleman yield for one other question?

Mr. TEMPLE. I yield.

Mr. BLANTON. As I understand the distinguished gentleman from Pennsylvania, he is in favor of the Members of the House of Representatives and the Senate, as individual Americans, going over to the Interparliamentary Union, which is a union or league of like members of other parliamentary bodies, and take steps looking toward peace, but he objects to the United States officially doing that very thing. Is that a fact?

Mr. TEMPLE. I do not know why the gentleman undertakes to speak for me. [Laughter.]

Mr. BLANTON. I was judging the gentleman by reason of the action of his party. If I am wrong about the gentleman's individual stand, I want to know it. I just judge him by the act of his party.

Mr. TEMPLE. There is no reason for bringing the discussion of the League of Nations into the discussion of this resolution. I am perfectly willing to say, quite voluntarily, independent of the question of the gentleman, that I am in favor of a great deal fuller association and closer acquaintance than is involved in this Interparliamentary Union, but I am not willing to go into the League of Nations as at present organized. [Applause.]

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. TEMPLE. Yes.

Mr. CONNALLY of Texas. I understand the gentleman from Pennsylvania is in favor of the World Court?

Mr. TEMPLE. I am. I have been, long before that court existed and long before the League of Nations existed. When the delegates were sent by the United States to The Hague conference in 1907 and were instructed by President Roosevelt and by Mr. Root, who was at that time Secretary of State, to bend every effort toward the organization of a court of international justice, I was and had been in favor of a court of justice as a step in advance of courts of arbitration.

I happened to be in the White House as a member of the American Society of International Law when a conversation took place between some of the important men in the executive branch of the Government and the American delegates to the second Hague conference. I was then pleased to know that the United States Government had taken a stand which would have led, if it had been followed up, to the organization of a court of justice. It would have been far better at the end of the World War to do this, rather than to attempt by an executive and legislative league to take charge of the affairs of the world. I am in favor of a court of law, a court of international justice.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. TEMPLE. Yes.

Mr. McSWAIN. Boiled down to a residuum, in the language of common sense it is this: That for 20 years we have been accepting the hospitality of the other nations of the world, and the question now is whether we shall return the favor and ask them to come to our house? [Applause.]

Mr. TEMPLE. That is true, with the added remark that we extended an invitation in 1915, renewed it three times, and the acceptance of it was interfered with by the outbreak of the war. Now we are taking up exactly what was done in 1915, 1916, 1917, and 1918, and renewing an invitation which circumstances forbade the Interparliamentary Union from accepting under conditions then existing.

Mr. BLANTON. May I ask one other question?

Mr. TEMPLE. Yes.

Mr. BLANTON. With what purpose in view? Just entertainment, or have we some definite, fixed purpose?

Mr. TEMPLE. There is no scheme behind it.

Mr. BLANTON. What do we expect to come out of this meeting and all subsequent meetings? What are we hopeful for?

Mr. TEMPLE. Better acquaintance, better understanding, fuller sympathy, and the progress of good will and of peace among nations.

Mr. BLANTON. May I ask the distinguished gentleman this question, because he is well posted on this subject: Will there ever be any concerted system of peace by the nations of the world without some kind of an agreement among those nations? Will there be, and if it takes an agreement, whenever that agreement is entered into—I do not care what else you call it—is it not after all a league of nations?

Mr. TEMPLE. I am not quarreling with any names. I am thoroughly in favor of everything that will bring the nations together in a better understanding without tying our hands with regard to policies over which we might have no control. The League of Nations has nothing to do with this question and this question has nothing to do with the League of Nations.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. TEMPLE. Yes.

Mr. LaGUARDIA. Taking up the suggestion made by the gentleman from Texas [Mr. BLANTON], if these interparliamentary unions meet from time to time, and the Interparliamentary Union finally develops into a permanent official union, where elective officials of the various countries meet at stated intervals, would not that be a blessing to the civilization of the world, even if it develops into something official?

Mr. TEMPLE. I do not attempt to look further into the future than the eye of man is able to penetrate. I think I have seen good results already from the Interparliamentary Union; I expect to see more good results but exactly what form they may take I do not know. However, the cultivation of acquaintance and of good will certainly gives a background for peace and makes quarrels, which generally arise from misunderstandings, more unlikely.

Mr. Chairman, I reserve the remainder of my time. [Applause.]

Mr. WINGO rose.

The CHAIRMAN. For what purpose does the gentleman from Arkansas rise?

Mr. WINGO. I ask for recognition.

The CHAIRMAN. Does any member of the committee claim time in opposition to the resolution?

Mr. BLANTON. Mr. Chairman, of course, if the gentleman from Arkansas is against the resolution, he is entitled to time, but, unless he is against it, I am against this resolution and I want some time to speak against it. Unless the gentleman from Arkansas is against it, I claim the right to be recognized.

The CHAIRMAN. Both of the gentlemen know the rules of the House.

Mr. BLANTON. I am against the resolution.

Mr. WINGO. I was under the impression that I had been recognized. Am I in error?

Mr. BLANTON. I was on the floor.

The CHAIRMAN. The Chair asked the gentleman for what purpose he rose.

Mr. WINGO. And I said for recognition.

Mr. BLANTON. I am against the resolution and I was on my feet. If the gentleman is against the resolution, I yield the floor to him immediately, of course; but if he is not against the resolution I claim the right to be recognized against it under the rules of the House.

Mr. CONNALLY of Texas. Mr. Chairman, as I understand, members of the committee are entitled to recognition first, but they have to qualify that they are against the resolution.

The CHAIRMAN. The Chair would recognize some member of the committee against the resolution first.

Mr. CONNALLY of Texas. I can not afford to say I am against the resolution in order to get an hour's time, and I will not do it.

Mr. O'CONNELL of New York. Neither can I.

The CHAIRMAN. If the gentleman from Arkansas is against the resolution, he may proceed.

Mr. WINGO. I am not going to make a speech against the resolution. I will say that frankly to the Chairman.

The CHAIRMAN. We can not afford to take liberties with the rule, and it provides that one hour shall be used by those opposed to the resolution and one hour by those in favor of it. The Chair has no power in the matter to recognize anyone when there is some one actively claiming to be opposed to the resolution.

Mr. WINGO. I am not pleading ignorance of the rule, neither am I urging my opposition to the resolution in order to get time. I am trying to get time, but I am not unaware of the rule.

The CHAIRMAN. If no Member claims to be opposed to the resolution as a member of the committee, and if the gentleman from Arkansas does not claim to be opposed to the resolution, the Chair will recognize the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I yield 45 minutes to the gentleman from Arkansas.

The CHAIRMAN. The gentleman from Arkansas is recognized for 45 minutes.

Mr. BLANTON. If he wants it now or later.

Mr. WINGO. I appreciate the gentleman's generosity, and I will use it.

Mr. BLANTON. Mr. Chairman, I am against this resolution for a number of reasons. One is because of the ideas and actions of the dominant party of this Government no further good can ever come from this Interparliamentary Union. That is the first reason. The second is that we would be just wasting $50,000 with that situation before us.

Now, what are the circumstances? In 1904 we invited this Interparliamentary Union to meet in this country. It met here, and we paid the expenses of it. Then a delegation from this country went abroad the next year and the next year, and so on up to the war, every year the American chapter of the Interparliamentary Union paying their expenses abroad.

Mr. BURTON. No.

Mr. BLANTON. Maybe they paid their own expenses, but I know of one Member from Texas who got his expenses paid by the Interparliamentary Union.

Mr. TEMPLE. Oh, no.

Mr. BLANTON. Well, I so understood it from him. I was hoping that this would result in some kind of an organization that would effect peace between nations. I came up here to Congress on a platform in 1916 that had in it an indorsement of a league of nations that would effect peace between the nations of the world. I am a member of this Interparliamentary Union, and it has been meeting all the time, except during the war years, and it did not effect pence because the nations were not behind it. The nations were not affected by their meetings. The nations were not interested. The nations were not bound or represented in these meetings. It was nothing but a meeting of individuals. Every Member of this House is eligible to membership in this Interparliamentary Union. The fact of their membership here alone makes them eligible to become members, but you do not bind or represent either this House or your Government. The individual members of the various parliamentary bodies of the world do not represent or bind their governments. They do not represent their parliamentary bodies.

So when the war was over the great President of this Nation, knowing the history of this Interparliamentary Union, knowing it had not been able to stop the World War, knowing it took something else besides the individual efforts of members of parliamentary bodies, sought to effect some kind of agreement or organization between the nations themselves looking to peace, and he proposed a league of nations. Some of the most distinguished gentlemen in this body and in the other body had declared for it. You can take the declarations of our most distinguished Member from Ohio [Mr. BURTON]. He had declared for just such an organization. Is not that so? If not, I pause for a denial. The strongest speech that has ever been made for a league of nations was made by a distinguished gentleman from Massachusetts by the name of LODGE before the war. No man ever made a stronger speech for a league of nations than said gentleman from up in Massachusetts, named LODGE, but the war came on, and when the President effected a league of nations it did not suit them all. There were some few things about it that did not suit me. But I was for it with proper reservations.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. BLANTON. Yes; I yield.

Mr. GREEN of Iowa. Does not the gentleman think this discussion is somewhat in the nature of a post-mortem operation? Why talk about something that is dead?

Mr. BLANTON. No, it is not dead, but only sleeping. You gentlemen now are not willing to accept the League of Nations. You are not willing to amend one that is proposed by a Democrat, and put it in the order and the shape you want it and accept it and have an effective organization that will bring about peace; but you are continually trying to slip into the League of Nations by the back door. You are now trying here in this bill to carry on an ineffectual organization of individuals when it will bring about nothing but proposals for an organization of nations, and you know it.

Why, my friend here [Mr. BURTON] is just as much for a league of nations now as I am. He will not admit it, but he is for it, and some of these days when he can whip it around and call it a Republican document he will vote for it.

Mr. BOYLAN. Will the gentleman yield for a question?

Mr. BLANTON. Yes.

Mr. BOYLAN. Does not the gentleman think he is making a very far-fetching statement when he is speaking to the keynoter of the Republican Convention, and if the gentleman is going to have him say he is for the League of Nations, the gentleman is liable to embarrass him.

Mr. BLANTON. If the gentleman from Ohio [Mr. BURTON] is against the principle of a concerted agreement between nations to effect peace, I yield to him now to deny he is in favor of such an organization. Whenever he is in favor of an organization of nations to effect peace, he is in favor of a league of nations, and I want the Republicans of the United States to know that the Republican keynoter of their convention is an outstanding figure for a league of nations that is to effect peace between the countries of the world, regardless of what he may call it, and he will bring it into that keynote speech. He can not keep from it. He has been attending these interparliamentary unions so much that it is ingrained into his very fiber and bone and soul, and he will bring it out in that keynote speech one way or the other.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. SPROUL of Kansas. Does not the gentleman feel and know that there is no political party in the United States today that will in the near future declare in favor of the League of Nations?

Mr. BLANTON. I will say to my Republican friend that if he will bring in a proposition right now for a league of nations that is a concert of action between nations of the world to effect peace and let the gentleman from Ohio [Mr. LONGWORTH], the Republican leader, introduce it and let the Republican chairman of the Committee on Rules, the gentleman from New York [Mr. SNELL], report it out and let the distinguished Republican keynoter [Mr. BURTON] take charge of it on the floor here, and pass it, and call it Republican from top to bottom, I will vote for it, because I am looking at the measure itself and am not looking at what you call it politically or at who is advocating it.

Mr. SPROUL of Kansas. Will the gentleman yield for another question?

Mr. BLANTON. Yes.

Mr. SPROUL of Kansas. In the opinion of the gentleman, will the Democratic Convention, which soon will meet in New York, declare in favor of a league of nations?

Mr. BLANTON. I have no right to speak for that convention.

Mr. SPROUL of Kansas. What is the gentleman's opinion about it?

Mr. BLANTON. I hope they will.

Mr. SPROUL of Kansas. But what is your opinion?

Mr. BLANTON. I hope they will. They will weaken their platform if they do not do it.

Mr. SPROUL of Kansas. Is it not your opinion they will not?

Mr. BLANTON. I have been disappointed so many times about what men, both Democrats and Republicans, will do in platforms to try to get votes or to keep from losing votes that I am not going to make a prediction about either party's convention.

I want to say this: This bill is a worthless document; it is going to bring some individuals over here and entertain them, and that will be all that we will get out of it. I want to save this $50,000 of the people's money. I protest against its passage and I am going to vote against it. You are going to spend the money—have these individuals with no official authority come over here and talk peace and do nothing to effect it.

Mr. WEFALD. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. WEFALD. Can the gentleman tell us whether the Interparliamentary Union came over here before the World War?

Mr. BLANTON. They came here last in 1904. I think they met at The Hague in 1913, just before the war.

Mr. WEFALD. What did they do?

Mr. BLANTON. I think they got far enough to make a recommendation that there should be just such a league as they finally went into, and which most countries except our own became a party to. I will ask the gentleman from Ohio if they did not get that far before the war?

Mr. BURTON. They did not meet during the war.

Mr. BLANTON. In 1911?

Mr. BURTON. I think in 1913 was the last meeting.

Mr. BLANTON. And in 1913 they recommended such an agreement as we had in that first League of Nations.

Mr. BURTON. Not a league of nations.

Mr. BLANTON. Oh, I wish we could forget that term—they recommended that there should be a concert of action between governments for peace, and it had been recommended by previous Interparliamentary Unions.

Mr. BURTON. They did not get that far.

Mr. BLANTON. Then they have not been worth a continental. Mr. Chairman, as I said, I propose to vote against this measure. I want to save the $50,000.

Mr. WEFALD. Does the gentleman think that the interparliamentary league can do more than did the Women's International Peace Convention that held a meeting in this city a few days ago?

Mr. BLANTON. If they did not do any more than that, then God deliver us from it.

Mr. TINCHER. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. TINCHER. As I understand, the gentleman is thoroughly familiar with what the gentleman from Ohio [Mr. BURTON] is going to say in his keynote speech, but he is hazy as to what the Democratic platform will be. [Laughter.]

Mr. BLANTON. I have served with the keynoter from Ohio and I know what he stands for. I do not know yet who the keynoter of the Democratic Convention will be, but if I had served with him I could prognosticate. I do know that the gentleman from Ohio [Mr. BURTON] could not make a keynote speech without bringing into it in some way the concert of nations for peace. Mark my words, he will have it in there, and if it is not, his keynote speech will be a failure. [Laughter.]

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. O'CONNOR of New York. We may not be sure of what the convention in New York is going to do, but we do know what the candidate is going to do.

Mr. BLANTON. If the convention were going to meet anywhere but in New York, we could tell what was going to happen.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WINGO. Mr. Chairman, of course, there are a good many things that might be said along the line of what the gentleman from Texas has been saying about economy. I do not know whether this meeting will do any good or not, but I am going to be frank with you and state why I support the resolution. We went through the World War, and across my desk each day during that war flowed a stream of heartaches from mothers of our boys. Of course, Mr. Chairman, I do not know what war is, like the boys who went into the trenches, but I got the reaction. I said, Mr. Speaker, then, and I say it now, that my course upon international questions or anything that affected the question of maintaining the peace of the earth is going to be governed by practical and not political considerations; that I would never forget the boys that are coming on, who must fight the battles of this Nation in the future, and I never would stand in the way either for political or other reasons of giving to these boys any kind of insurance against the necessity of making a sacrifice of their lives or their health on the field of battle. [Applause.]

I have a boy just growing into manhood's estate and soon will be of military age. I hope we will have no war. If war comes, I have taught that boy to love his country, and when the hour comes that the country needs him I shall regret the necessity, but I shall put my hand on his shoulder and say "God bless you and be with you; go forth like a man and discharge that duty, the supreme duty of the citizen to defend the State." [Applause.] But when that hour comes, Mr. Chairman, I do not want his heartbroken mother standing by my side, although she may out of consideration and love for me not speak it in words—I do not want her to have in her heart and mind the thought that I with other men responsible for the affairs of the Government—back in times when we were trying to see how we could bring about international accord, that I and others for political considerations got into a low political quarrel and robbed this boy and other boys of the only insurance against the necessity for making this sacrifice. I do not propose to have the blood of a single boy on my soul by standing in the way of statesmen discussing international problems and trying to bring about concord and a better feeling among the nations of the world. [Applause.]

Wasted money? It may be wasted, but, Mr. Chairman, I can not think that it is wasted money for responsible parliamentary leaders of the different civilized nations of the earth to come to this, the leading nation of the earth, and sit for a time in friendly relations and discuss problems that are common to all of the nations of the earth. Let them get our viewpoint and come touch to touch and elbow to elbow. Let them understand the inspiration and the ideals of America. I believe it will be worth the paltry $50,000 to have these other statesmen come from these countries that are almost despairing to this great Republic and catch some of the inspiration and the high ideals of the American people so that they may go back and tell their people that whatever may be said of us we are not merely a money-grubbing lot, that at heart we love justice and peace, and that the American statesmen of every party can be trusted to deal justly in handling international affairs. It will be worth the $50,000 to have that conviction driven home to the principal parliamentary leaders of these other nations.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. GREEN of Iowa. How else are we ever to reach an agreement? How else are we to get to a common ground if we do not have these leaders meet and exchange ideas and go over the matter?

Mr. WINGO. That is one way. I do not want to get into a controversial matter. While I make no pretension to extraordinary piety, yet as one who has studied the history of the peoples and the nations of the earth, I have been struck with this: There is a God of nations and that God uses the peoples of the nations and the nations as organizations and groups to work His will. I have faith in the future, but we have been wallowing in the mire of political controversy. I hope I will not violate any of the proprieties or rules of this body, and if you catch the thought that I have back of it you will not say that I do, but frequently during the last few years, especially when the treaty of Versailles was being considered at the other end of the Capitol, I said publicly upon many occasions, and that public utterance was but the expression of the sincere conviction of my soul, that if we could take about a half dozen men from each party, Republican and Democratic, from the other end of the Capitol and take them away out into the middle of the ocean and sink them as we do obsolete battleships it would have been better for the peace of the earth and the welfare of Christian civilization. Narrow partisanship has confused the issue.

You may quibble about what you call it, but, mark my prediction, the time is coming when the American people without regard to politics will have their way in respect to this matter of peace. They will not surrender their independence, but they will exercise their independent power; they will not surrender their sovereignty, oh, no; but they will make the highest use of their sovereign power as the most powerful nation on earth. As the leading Christian Nation on earth, this Nation yet will stand out on the mountain tops and lead the war-weary peoples of the earth to a higher conception of international relations, and some way will be found by which the statesmen of both parties in America will lead the American people into some kind of an arrangement, an association of nations, a concert of powers, a court, a tribunal, or whatever you may call it, which is perfectly consistent with our independence and the maintenance of our sovereignty, and that will bring about such a world condition, such a world idealism, such a world-wide public opinion that the leading Christian peoples of the earth will say to the outlaw nations of the earth, just as in the old days in this country the peace-loving people said to the outlaws of the frontier, "Quit shooting up the town." The time is going to come when the Christian people of the earth, under the leadership of this Republic, will get together in some sort of concerted movement and will say to the outlaw nations of the earth, "You must stop disturbing the peace of the earth." We will say to them that justice, equity, fair dealing, and courtesy shall determine the actions of the nations of the earth. Each and every nation has a selfish interest in the action of

every other nation, and we shall say to them that no one shall be permitted to rock the boat and precipitate war and break down the whole economic machinery, destroy trade and commerce, and send the sons of men down to the field of battle. They will have to exhaust all peaceful remedies and they will have to let their neighbors consider their controversy and then let public opinion bring pressure to bear upon the statesmen of the two contending nations, and through the power of that great moral force of public opinion as expended by the peoples of the earth peace will be secured. My friends, that is the only way you will have a stable, permanent peace in the world. [Applause.]

Gentlemen talk about what is going to be in the platform of either party. Do you suppose anybody is very much disturbed about that except the platform makers themselves? I venture the assertion that I could stand up a majority of men on both sides of the aisle and catechise them about the Republican and Democratic platforms for the last eight or ten campaigns and that the record would show that they were fit objects for the intelligence tests which are applied to the grammer-school students of this city. We had an example of it here. My friend from Texas [Mr. BLANTON] talked about my friend from Ohio [Mr. BURTON] the keynoter. At least the Republican Party is beginning to show a glimmer of intelligence, and that was indicated when they selected the gentleman from Ohio to act as keynoter. [Applause.] If anybody knows the Republican doctrine, he knows it, and he has the courage and the candor of that doctrine. We saw in the last campaign the biggest men the Republicans had, Mr. Hughes and others, telling the American people that if they wanted to get into a league of nations they should vote the Republican ticket. Every time some one wants to talk about any controverted matter we are told that there was a verdict of 7,000,000 votes against it. Why, there were a composite lot of things that moved the electorate of America at the last campaign. You would have to say that those seven million did not have a bit of faith in the sincerity of Mr. Hughes and the other fifty-six—I think there were 57 varieties of Republican statesmen who signed that pronunciamento. Then Harding promised to get us into an association of nations. Well, you have not heard me complain that they have not carried out that pledge. I have been simply waiting.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Certainly.

Mr. MOORE of Virginia. That pronouncement in a letter dated October 20, 1921, was the declaration that the only way to effect an entrance by this Government into the League of Nations was to elect Mr. Harding.

Mr. WINGO. Yes.

Mr. MOORE of Virginia. Mr. Hughes signed it, and Mr. Hoover signed it, and a great many other gentlemen.

Mr. WINGO. Yes; the leading minds of the Republican Party.

Mr. SNYDER. What the gentleman says is quite true, but there was not anywhere in that pronouncement where it said that they would go into the League of Nations.

Mr. MOORE of Virginia. They did say if certain reservations were adopted they were in favor of entrance, and the only way to bring it about was to elect the Republican ticket.

Mr. WINGO. That itself shows the truth of my contention. Here is a leading mind of the Republican Party, the gentleman from New York [Mr. SNYDER], and he demonstrates just what I said a moment ago about platforms.

Why, the country never remembered clearly what that pronouncement was. Here is a man making a distinction without a difference. He says——

Mr. SNYDER. The point we had in our mind was to elect Harding, and what the gentleman's party had in mind was to elect Cox, and we beat you to it, that is all. Let us be fair about the proposition.

Mr. BEGG. Mr. Chairman, a point of order. I am enjoying the speech very much and I hate to see the speech degenerate into a political speech, and I make the point of order that on Calendar Wednesday the gentleman must talk about the bill.

Mr. WINGO. The statements I have made apply concretely and directly to the question before us. I was not making a political speech. I was calling attention to the absolute lack of importance, or rather the absence of importance, of what some political leaders say. The gentleman did not follow me nor hear me when I said that this question was above politics. If I had my way about it I would take a half dozen Democrats and a half dozen Republican Senators, yowyowing, out in the ocean and sink them. That is what we ought to have done, and the gentleman knows it, but there was a quibble; there was nothing but quibbling. One side said that we were surrendering our sovereignty, and the other side said that is not intended. Oh, gentlemen, if they had the courage and the capacity of a half dozen country lawyers they could have proceeded very differently and had reservations agreed upon that would have reassured some who thought that independence might be surrendered or sovereignty impaired; they could have gotten together, call it an association of the nations, a concert of the powers, a world court, or whatever you want to call it, I do not care about the name, but I want, Mr. Chairman, and what the mothers of America demand and what Christian civilization is going to have, is a mobilization, not of political powers, but a mobilization of the moral forces of every nation on earth to say to the immoral selfish forces that justice and courtesy and reason and right displace the arbitrament of the sword.

That is the thing that is going to come sooner or later, and let the peanut politician who thinks he can stem the tide of the welling thought and aim of the statesmen of the earth wait for his end. It will come. It makes no difference, in the end, what is put in the platform of either the political parties this time. You have noticed in the history of this Nation that when apparently we seemed to be divided, confused, struggling, apparently with some great problem, and overnight somehow we composed our differences and agreed upon some great settlement of that problem which was demonstrated in later years to be wise and sound. That is the history of American statesmanship. Some day the sun will rise bright for world peace; some day the peanut politicians of America will be swept aside; some day there will be a plan evolved by the Republicans and the Democrats on which all in America can agree that will have for its purpose perhaps an association of this Nation, not for political leadership so much as moral leadership, that will constitute a force for Christian civilization that will make less frequent the sacrifices of our boys in war. That is what I have in my mind. [Applause.] And I am not going to put greater blame on the Republican Party than I am putting on the Democratic Party for what has passed. I have never lost faith as one of those who has prayed and shall forever pray to the God of our fathers to hasten the day foretold by the prophet of old when the spear shall be turned into a pruning hook and the sword be beaten into a plowshare and men shall learn the art of war no more, forever. You may say that is an idle dream. I have faith in humanity, I have faith in the people of the earth. I believe, sooner or later, we will be able to work out some plan we can agree on without any fear of the loss of sovereignty or independence. I know nothing, Mr. Chairman, that is now proposed better than the suggestion that Congress appropriate a few paltry thousands of dollars to bring the leading parliamentary statesmen of the earth together in the city of Washington and let them get together.

If they can not do anything but waste time and waste a few thousand dollars they certainly will not retard the onward march of civilization. They are bound to hear something of the heart surge of the peoples of the earth. They can not do anything less, and I really think they can do more. [Applause.]

Mr. Chairman, I reserve the balance of my time.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The committee informally rose; and the Speaker having taken the chair, a message in writing from the President of the United States was communicated to the House of Representatives, by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had, on May 2, 1924, approved and signed bill of the following title:

H. R. 1831. An act to loan to the college of William and Mary in Virginia two of the cannon surrendered by the British at Yorktown on October 19, 1781.

INTERPARLIAMENTARY UNION

The committee resumed its session.

Mr. TEMPLE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. I am not prepared to go on now.

Mr. TEMPLE. Then I yield 10 minutes to the gentleman from Ohio [Mr. BURTON].

The CHAIRMAN. The gentleman from Ohio is recognized for 10 minutes.

Mr. BURTON. Mr. Chairman and gentlemen, I am not fond of desultory discussions. One of the main obstacles to the prompt and efficient transaction of business in this House is that so frequently in our deliberations upon important problems we go far afield. I shall confine my remarks for the most part

to the question immediately under consideration, the resolution before us authorizing an invitation from the President to the other countries for a meeting of the Interparliamentary Union here next year and for an appropriation of $50,000 for that purpose.

I desire to review briefly the history of this Interparliamentary Union. It was established in the year 1889. Those who had to do with this organization were all interested in the cause of peace and in the settlement of international controversies by arbitration and legal methods. They met at divers places, members of legislative bodies from some of the leading countries of Europe. They framed propositions for arbitration treaties which might be accepted as a model for the nations to adopt. The model treaty, submitting all classes of disputes to arbitration as negotiated between Denmark and Holland, was due in no small degree to the activities of this union.

The most prominent among the founders was Mr. William Randal Cremer, who had a rather romantic history. He was a carpenter by trade, and became interested in the settlement of industrial disputes. He was elected to Parliament and came to this country with an unprecedented petition, signed by over 200 very prominent Englishmen, in favor of an arbitration treaty between the United States and Great Britain. That treaty was presented by President Cleveland and favorably reported in the Senate by a committee, of which the late John Sherman, of Ohio, was chairman, but it failed of securing the necessary two-thirds. Meetings of the union, however, continued. Included in their deliberations was the codification of international law and a variety of kindred subjects, all the while taking into account settlements by arbitration.

It accomplished substantial results in the first decade of its existence. The members met here in the year 1904. Perhaps their greatest accomplishment was at that meeting, when delegates from the United States and from a number of foreign countries in a body called on President Roosevelt and urged him to ask the other nations to meet again in a second Hague conference. President Roosevelt gave heed to that request, consulted diplomats of the different countries with a view to a second conference, which, as a result, was held in the year 1907. It was an important step, a milestone in the history of better and more friendly relations between nations.

From that time on the union met at divers places, at London, at Brussels, at Berlin, at Geneva, and at The Hague, and an invitation was framed and adopted by Congress in 1914 asking for a meeting in this country in 1915. That, however, failed by reason of the coming on of the Great War. The meetings were suspended until 1921, when the members gathered at Stockholm. The following year, in 1922, they met at Vienna, and in 1923 at Copenhagen.

The great benefit of these meetings is primarily the coming together of representatives of the different parliamentary bodies for consultation. This was very well expressed by Senator McKINLEY, the president of the American group, in a statement recently made. I think I have that here. I read:

> The advantages of such an organization readily suggest themselves. Freed from the domination of any government, it represents a universal and democratic aspiration. Nothing in it savors of particular interest or privilege. Composed of officials, holding its conferences in houses of parliament, it is itself only semiofficial. Perhaps its main service is its opportunity for parliamentarians from all parts of the world to meet, to confer, to educate one another. * * * For parliamentarians from so many different countries just to meet, officially or unofficially, at conference, at table, at social gatherings, is in itself not without benefit.

A multitude of questions have been discussed at their meetings, including economic and financial subjects, reduction of armaments, problems of social policy, the rights of minorities, the burden of high rates for passports and visés, and improvements in international law, which from the beginning has been one of its objects.

It has been said that these members have no official status, and that is true; but many of them consult their governments before coming here, and reflect in no small degree the opinion of the chancelleries of the governments from which they come.

Mr. BLANTON. Right there would the gentleman mind yielding just for one question?

Mr. BURTON. No.

Mr. BLANTON. Take, for instance, this body. The last three men we sent, if I remember correctly, were the distinguished gentleman from Ohio, and Doctor TEMPLE, and Governor MONTAGUE. Were they not the three?

Mr. BURTON. Yes; but not all who attended.

Mr. BLANTON. This House did not elect them. This House did not instruct them. This Government did not instruct them. They went over just merely as three individuals by reason of belonging to this body. They had no instruction by the House of Representatives. They were not elected by the House of Representatives. They had no official standing. They were just three individual American citizens.

Mr. BURTON. None whatever. But those representatives were from Congress, and included also in the list were Messrs. RAKER and CHINDBLOM, of this House. Senator WALSH, of Montana, was at Stockholm, and Senators ROBINSON, of Arkansas, McKINLEY, of Illinois, SWANSON, of Virginia, ASHURST, of Arizona, HARRELD, of Oklahoma, and STERLING, of South Dakota, were at Copenhagen, with perhaps one or two others whose names have gone from me. Doctor TEMPLE was at Vienna, but not at Copenhagen. We were able to state to the assembled members from Europe and Asia, in fact, the viewpoint of the United States on the great questions of the day. We were insistent in saying to them that the United States was not without interest in their welfare and the peace of the world; that we were ready to join in any rational movement, consistent with our own Constitution and our own vital interests, in promoting their interests and the establishment of peace among the nations. We brought home the foreign viewpoint, and that contact was not without benefit to this body and to the representative bodies from other countries represented in that gathering. In each of their assemblages there have been suggestions made which representatives have taken home with them and presented to their own parliaments. I must expressly deny that these meetings have been without benefit. It is true that the one great event was the calling of the second conference, and that stands out preeminently as the most notable achievement of the union. That in itself was worth while, and others less important, but most helpful in promoting good will, have been accomplished by the union.

Now, there is an appropriation asked of $50,000. I do not think that amount unduly large. In the first place, can this great, wealthy country of ours—when Denmark, Sweden, and poor Austria have given money generously for the entertainment of visitors, for the furnishing of stenographers and translators, and for the printing of the proceedings—afford to be niggardly in the amount we appropriate? If any amount less than $50,000 is required, the full $50,000 will not be expended.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Does the gentleman from Arkansas [Mr. WINGO] wish to use any time?

Mr. MOORE of Virginia. Mr. Chairman, I will yield time for the gentleman from Arkansas. I yield five minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. BLANTON. If I have any time remaining, I yield it to the gentleman from Texas.

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] has two minutes remaining. How much time does the gentleman from Pennsylvania [Mr. TEMPLE] yield to the gentleman from Texas?

Mr. TEMPLE. I yield 10 minutes.

The CHAIRMAN. The gentleman from Texas [Mr. CONNALLY] is recognized for 17 minutes.

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, I agree in large part with what has been said by the gentleman from Ohio [Mr. BURTON]. I have never attended any of the meetings of the Interparliamentary Union and have had no personal contact with their deliberations, but it seems to me that in view of the large international possibilities of such an organization, not only from the aspect of peace but from the standpoint of democracy all over the world, we ought to take part in these deliberations, and that we should invite the Interparliamentary Union to meet in the United States in 1925.

Before any great reform is brought about somebody has first got to think about it, and then after somebody happens to think about it, somebody is going to have to talk about it and discuss it. Through the clash and contact of minds and in the crucible of argument, if I may use that expression, we generally discover the truth. As I understand the situation, the Interparliamentary Union not only discusses questions of peace but it discusses, among the unofficial representatives or delegates from the various parliaments of the world that are members of that organization, many governmental questions. For instance, there is a great problem that is of world-wide importance. Each nation in discussing that problem with the representatives of other nations becomes acquainted with their methods of dealing with that situation. So I take it that, although these gentlemen who are delegates to the Interparliamentary Union do not represent their governments in the sense that they have any authority to bind their governments and

have no power to act for their governments, yet through this instrumentality there is always present the possibility of setting in motion those forces and those lines of thought which will redound to good government throughout the whole world.

While I am not an internationalist, while I believe in nationality and believe in retaining the individuality of my own country, I believe that our own people are served and that this Government is served whenever, anywhere on this revolving globe, any government can be led to the adoption of an improved governmental system and form of government, and whenever there can be established in the minds of that nation the proper concepts of peace and orderly government.

If two individuals have a misunderstanding and either of them is disposed to settle it peaceably, the best way in the world to settle is peaceably is to get them together and let them talk the question over. Then frequently they will arrive at a just and fair conclusion. Why do we have debate in Committee of the Whole? Why do we have debate in this House? Why did the Constitution, and why did the rules of the House provide for debate? Why not vote without any debate? Why, gentlemen, the answer is obvious. The object of debate and the object of discussion in this Chamber is to let the conflicting opinions be presented, thrash out the questions at issue, and let this House finally arrive at a decision—sometimes wise and sometimes not so wise—which this House thinks is wise. In a larger way that is the function of the Interparliamentary Union, to discuss these international problems and questions, and have each one carry back to his nation the views that he may gather abroad.

I was struck by some of the things that were suggested by the gentleman from Arkansas [Mr. WINGO] with relation to world peace. I believe that most of us down deep in our hearts believe in some method of preserving the peace of the world by international agreement.

I believe just as well as I stand here that the gentleman from Ohio [Mr. BURTON] down deep in his consciousness believes that we should bring our energies to bear to influence the nations of the world to settle disputes calculated to lead to war by some peaceable machinery. Of course, the gentleman from Ohio would no doubt say that he is not in favor of a league of nations. Well, that is all right. There is nothing in a name. He would, perhaps, say that he is in favor of an association of nations. I am not going to condemn him. He has the undoubted right to believe that some plan other than the League of Nations is the best plan, but if we can keep discussing this question and if we can get those people, whether they are Republicans or whether they are Democrats, who really and honestly and sincerely believe in the establishment of some international plan for the preservation of peace—if we can keep that type of statesman discussing and presenting arguments for and against it and pointing out the defects in any particular plan, I have not yet despaired nor may I hope shall I ever despair of finding after a while some plan upon which our people may unite and to which we can adhere.

Some distinguished gentlemen on the Republican side of the House are in favor of a world court and I commend them for it. I understood the gentleman from Pennsylvania [Mr. TEMPLE] to say in the debate a little earlier in the afternoon that he was in favor of the World Court and advocated the international court of justice. Now, my friends, it is just a little way from a court of that kind, after he experiments with it, until the gentleman from Pennsylvania, perhaps, will be prepared to take still another step forward if he believes it necessary to take such a step to secure the peace of the world. Very few great reforms ever spring full fledged from the brow of the Greek goddess Athena, I believe it was——

Mr. BURTON. From the brain of Jove.

Mr. CONNALLY of Texas. Athena sprang from the brow of Zeus or Jove, fully equipped. She was the goddess of wisdom, and legend credits her with creation of the olive tree. Even from the brow of wisdom no great reform comes forth full fledged; none of them steps forth from the brain of the reformer in perfect stature. We must begin at the beginning and permit them to grow and develop.

I doubt not but that the Interparliamentary Union already has been a source of inspiration to the statesmen who have attended its sessions and has given them a larger grasp of public affairs. I am sure it has, because it was instrumental in a large measure in promoting the work at The Hague. That is true, is it not, Doctor TEMPLE?

Mr. TEMPLE. Yes.

Mr. CONNALLY of Texas. And out of that beginning may grow other great reforms. The League of Nations, as we know it, was simply the development of such ideals. It was not alone a development of the conception that called the conferences at The Hague so much as it was the development of the idea of world peace that runs back to the time of Sully, the minister of Henry IV of France. It runs back through the days of Jeremy Bentham and of the German philosopher, Kant, and of the great Frenchman, Rousseau. All of them advocated an international arrangement to preserve peace. So, after all, it is not new. We are simply in the process of developing the idea, and I believe that the Interparliamentary Union will contribute to that desirable end.

I even have hopes of our friends, the Republicans, embracing some doctrine of that kind. I am told that when the wild elephant in the jungle is captured he is not able to perform the splendid tricks you see him perform in the circus. They say that the wild elephant can not stand on upturned tubs and do all of the marvelous tricks of the ring. They catch this wild elephant in the forest and before the trainers put harness on him they try out a surcingle on him, and when he kicks and rears and charges and finally becoming accustomed to the surcingle succumbs, they adjust a crupper, and after he cavorts and snorts and raises all manner of sand about that and becomes finally accustomed to it, they then put on some additional harness, until after a time he wears in peace the elaborate trappings upon which oriental potentates habitually ride; and after a while those of us who attend the circus see the old elephant, caught in the wilds of the jungle, performing all kinds of fancy performances, to the delectation and delight of the audience. [Laughter.]

Mr. SPROUL of Kansas. He learns rapidly.

Mr. CONNALLY of Texas. Speaking seriously, I have no doubt that some day the party of LODGE, the party of the gentleman from Pennsylvania [Mr. PORTER], the party of Senator BURTON, of Ohio, will come out in a ringing declaration, one they really mean, in favor of some kind of international adjustment in behalf of peace.

Mr. BOYLAN. Does the gentleman desire to draw an analogy between this elephant he is training and some other elephant?

Mr. CONNALLY of Texas. Absolutely. I will say to the gentleman in reply that I thought the analogy was clear, and I am going to follow it up.

When this Republican elephant finds a league of nations with the name of Woodrow Wilson erased from it, and gets accustomed to that, and then when this elephant sees that instead of being called a league of nations it will be called an association of nations, and gets accustomed to that, and when the elephant finally looks up and sees an international court of justice in part established by Elihu Root and approved by Mr. Hughes, and recognizes those well-known names, it may trumpet a few times and switch its tail for a little while, but finally it will probably encircle it with its rusty old trunk and say, "This thing, after all, is just what I have been looking for."

Mr. KING. Will the gentleman yield?

Mr. CONNALLY of Texas. Then, when they turn over in the CONGRESSIONAL RECORD and see where in 1919 the Republican Senate voted with an air of apparent sincerity and solemnity for the League of Nations with the Lodge reservations, they will say, "When we look back through old King Tut's tomb we find our great patron saints were in favor of the League of Nations with these reservations," my friends, I entertain the firm hope that the Republican Party will really come out for some kind of plan of that kind.

I yield to the gentleman from Illinois.

Mr. KING. I knew the gentleman had very many qualifications, but I never knew before that he knew so much about animal training, and I wonder if he could not give us a little dissertation on the way the Democratic jackass is usually trained.

Mr. CONNALLY of Texas. I will tell you about the jackass. I am glad the gentleman mentioned it. [Laughter and applause.] I will say all of them are not Democrats, either. [Laughter and applause.] That has no application to the gentleman from Illinois.

Whatever you may say about the old donkey, or jackass, as the gentleman prefers to call him—whatever you may say about him, he is an honest brute. [Laughter.] Whatever you may say about him, he looks you in the eye, and he prefers that you look him in the eye and be frank with him, and if you do not, if you begin to slip up on him without giving him warning, he is apt to let you know in a very forcible way that your presence is not desired. He is faithful and sturdy and strong, and serves those who toil with their hands—he is never seen drawing the carriages of kings or plutocrats—he wears the

livery and gilded harness of neither the magnate nor the manufacturer. In his own genuine garment that nature gave him he uncomplainingly labors for the great mass of human kind.

Whatever you may say about the old donkey, he is a patient beast of burden that cultivates and tills the field that produces the food that sustains the world. [Applause.] Whatever you may say about the old donkey, he receives no bounties from the favored interests; when he goes to the trough at night to eat his food he gets an honest return for an honest day's labor. He grazes in no alfalfa fields to which he is not entitled.

Mr. SHERWOOD. And he is dangerous at both ends.

Mr. CONNALLY of Texas. Yes; dangerous at both ends, and I know of no better source from which that information can come than from the gentleman from Ohio [Mr. SHERWOOD], who has proved that he is himself dangerous both in war and in peace. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MOORE of Virginia. I yield to the gentleman five minutes more.

Mr. CONNALLY of Texas. I happened to have an opportunity to be in the gentleman's district in Ohio two years ago; and when I picked up the paper and read the Republican casualties in that district I saw facts that confirmed the opinion that I already entertained, that the general can do as much damage in an election in peace time as he was able to do on the field of battle. [Laughter and applause.]

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. CONNALLY of Texas. I will.

Mr. MOORE of Virginia. Is not my friend rather proud of the distinguished chairman of the Committee on Foreign Affairs for his services in connection with the League of Nations, and will not the gentleman say something about that?

Mr. CONNALLY of Texas. I am delighted that the gentleman from Virginia has called my attention to that. The distinguished chairman of the Committee on Foreign Affairs of the House [Mr. PORTER], with a great big commission with a red seal on it, bearing the impress of the Department of State, over which Charles Evans Hughes presides, took the sovereignty of the United States in his pocket and went abroad to attend a conference held under the jurisdiction of the League of Nations. [Laughter and applause.]

The distinguished chairman performed there a useful service toward the suppression of the narcotic traffic. He believed and justly believed that that evil traffic ought to be exterminated and extirpated, and in order to accomplish such a result he was willing to attend the agency set up by the League of Nations to bring about an agreement among the nations. He was perfectly willing to surrender and sacrifice the sovereignty of the United States to stop the sale of narcotics, and I am hoping a little later on that he will be willing to surrender an equal amount of sovereignty to enter into an agreement to stop war as well as the traffic in narcotics. [Applause.]

The gentleman from Ohio [Mr. BURTON] on a number of occasions has praised the Conference on the Limitation of Armament. I am not going to criticize him for that. The Republican administration has praised the conference and treaty on disarmament. Why, my friends, it only illustrates the fact that the gentleman from Ohio and the President of the United States at that time and the Secretary of State are perfectly willing to enter into a treaty surrendering to a certain degree the sovereignty of the United States to limit the number and size of our arms, but they are not willing to sacrifice an equal degree of sovereignty by entering into a treaty not to use those arms in making war when we can settle the quarrel without war. It is not a surrender of sovereignty to say that we shall not have more than so many battleships or more than so many soldiers, but it is a surrender to say that we will not fight until we discuss matters around the council table and undertake to arrive at a just and fair decision. Why, my friends, last year we sent unofficial observers to certain conferences of which I have a list. The United States participated in an international conference on the narcotic drug matter, a conference for the suppression of white slavery under the jurisdiction of the League of Nations. If the League of Nations is competent to bring about an international agreement to stop the traffic in women, why should not it be competent to bring about an agreement to stop traffic in human blood and in human lives on the field of battle. [Applause.] We sent representatives to a conference for the suppression of anthrax among domestic animals. It was perfectly competent to surrender to a modified degree the sovereignty of the United States in order to prevent some old finger-tailed pony from dying of anthrax, but we could not surrender to the same degree the sovereignty of the United States by a treaty to stop the death of millions of young men on the field of battle. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. MOORE of Virginia. I yield five minutes more to the gentleman from Texas.

Mr. KING. Mr. Chairman, would it disturb the gentleman to yield to a question?

Mr. CONNALLY of Texas. Not at all.

Mr. KING. I did not have the pleasure of being present at the earlier part of the gentleman's address, and I want to know what benefit this Interparliamentary Union does and what it has ever done for the benefit of the world or anybody else?

Mr. CONNALLY of Texas. That question really should have been propounded to the gentleman from Ohio [Mr. BURTON], because he has attended a number of such conferences.

Mr. KING. Oh, I do not want to take the gentleman's time, when I can read it in the RECORD in the morning; but it has always seemed a huge joke to me.

Mr. CONNALLY of Texas. The gentleman, of course, refers to the Interparliamentary Union.

Mr. KING. Yes.

Mr. CONNALLY of Texas. We sent unofficial representatives to a conference for the purpose of drafting a treaty of mutual guaranty for the control of arms and ammunition. I have adverted somewhat to a similar conference; also to a conference on public health, which involved such matters as international campaigns against diphtheria, malaria, venereal and contagious diseases, rural sanitation, and so forth. It is perfectly competent, it is perfectly appropriate to have international agreements about public health questions, about social diseases, but when we come to this question that is higher than all these other questions, the question of setting up an establishment to prevent war, then these gentlemen are seized with an attack of paralysis agitans and say that we would be surrendering the sovereignty of the United States to do so.

But I am not despairing. I really sincerely believe—and I am not saying this for partisan, political purposes—that when men down in their hearts believe some method ought to be brought about to prevent war, that finally through discussion, through interchange of ideas, we shall be able to agree upon some kind of machinery. I know the gentleman from Pennsylvania [Mr. TEMPLE] believes in peace, and I know the gentleman from Ohio [Mr. BURTON] believes in peace, and as soon as these gentlemen are able to get over some of their preconceived prejudices, as soon as they become willing to discuss these things without a partisan bias, then surely we may hope to get together. I do not mean that they are going to come over to my view or that I am going over to their view, but if we are all sincere in this desire, then as surely as night follows day the great Providence will let us work it out.

There is one other matter to which I wish to refer. There are other questions besides the abstract question of peace that can be served by the Interparliamentary Union. We believe in democracy; we believe in a representative government. Do you know that most of the wars that have been waged in the history of the world have been fought because some infernal king either wanted a little more territory or wanted to bring about the aggrandizement of himself or his dynasty through conquest? I believe that every time we get rid of a king or an emperor, every time we destroy a monarchy we are taking that many steps toward international peace. What will this conference do? With the great parliamentary countries of the world—the United States, Great Britain, and France, and other nations that really believe in democratic institutions—meeting around the council table and discussing questions of government with other nations of the world that have been under the sway of monarchical forms of government, just as surely as we are living that fact is going to instill into these nations the belief in and attachment to the principles of democracy and of representative government. [Applause.] When that comes about, that of itself will mean more in the direction of peace than any other one concrete thing that now suggests itself to my mind.

Mr. WEFALD. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. WEFALD. Will countries that are now not practicing democracy be barred from sending delegates?

Mr. CONNALLY of Texas. Not at all. That is what I am trying to suggest, that monarchical countries that now have parliaments may send representatives here, and that those

representatives through coming in contact with representatives from free countries will likely go back with an inspiration for liberty.

Mr. WEFALD. Will it do much good to have representatives come here from Italy and Spain, considering the way that they practice democracy over there to-day?

Mr. CONNALLY of Texas. The effect of international example and influence will be helpful in that respect. The history of the United States is an example of that. It has been 140 years since through revolutions we drove the armies of a king from our shores and emerged from a colonial form of government and became the great Republic of the West. It was not many years after our struggle for liberty had made us a nation before the French people, laboring under centuries of monarchy, laboring under centuries of oppression, rose in their wrath and struck from their cramped limbs the chains of slavery. It was not long, during the period from 1810 to 1820, catching inspiration from our own example and that of the French, before the Spanish colonies of Central and South America set on foot revolutions that brought them independence. A little later the spirit of revolt swept through the monarchies of Europe. That same tide of revolution against the old system has been progressing all through these years, and it is on the march now. I think I can hear the footsteps of the peoples of the earth marching on the way from kingdoms and monarchies to self-government, and I believe that the ideals of democratic and representative government through the earth will be subserved by the meeting of the Interparliamentary Union and by the dissemination through it of parliamentary principles all over the world. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MOORE of Virginia. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. UPSHAW].

Mr. UPSHAW. Mr. Chairman and gentlemen, curiously enough no point of unconstitutionality has been made against this proposed appropriation, yet a strict analysis would find the same objection to it that was laid against the remission of the indemnity fund upon China. The very preamble of the Constitution that calls upon us in establishing and ordaining a nation to pursue that course that promotes the general welfare constitutes the essence and the spirit of our support for this fund to help provide for the Interparliamentary Union. I wonder how many of us have forgotten that immortal sentence of the lamented President Harding when he spoke at the opening of the great Disarmament Parliament and uttered these powerful words:

> There is something fundamentally wrong in any system of civilization that spends the greater part of its money and its activities on the scientific destruction of the human race.

And, certainly, if friends sit down and look each other in the face, shaking hands in a great effort to keep the peace, they are more apt to do so than if they spend their time in different camps preparing for war. And whether it shall be the dream and the plan of that stainless Gladstone of America, William J. Bryan, who sought to bind the world together in pacts of enduring peace; or whether it shall be the dream and the plan of the great former Republican President, now Chief Justice, William Howard Taft, who at the helm of the League to Enforce Peace gave great service to humanity; or whether it shall be the crystallization of the dream and plan of the brilliant seer and world citizen, Woodrow Wilson [applause], who fell on the firing line and ultimately gave his wonderful life that he might give constructive peace to a suffering, staggering world, or whether it shall be the dream and plan of the lamented Warren G. Harding, who, with the Association of Nations and Disarmament Parliament was seeking the same great end, you know and I know and God knows that the world is hungry for some sane agreement, some handclasp of fellowship on the part of the great nations of the world that shall make is unnecessary for a great pacific Nation like the United States of America to spend more than 90 cents out of every dollar to take care of the ravages of war, past, present, and to come.

Mr. KING. Will the gentleman yield?

Mr. UPSHAW. Yes.

Mr. KING. I certainly do not understand the gentleman is putting the Interparliamentary Union in the same class as the League of Nations?

Mr. UPSHAW. If the Interparliamentary Union is not intended to create good will and fellowship between the nations and ultimately stop the ravages of war, then I am not in favor of it.

Mr. KING. Where were they during the war and prior to the war? There was no evidence on their part.

Mr. BLANTON. They did not meet during the war.

Mr. KING. But they carried the expense all the same.

Mr. UPSHAW. I understand this Interparliamentary Union is to create international fellowship and thus lessen the probabilities of war, and because of that fact I rejoice to support this measure. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. This is a peace-time entertainment proposition, is it not?

Mr. LAGUARDIA. How could they meet in war? It would have been unlawful for a Member of Congress to do so.

The Clerk read as follows:

> Joint resolution (S. J. Res. 104) requesting the President to invite the Interparliamentary Union to meet in Washington City in 1925, and authorizing an appropriation to defray the expenses of the meeting.
>
> Whereas the Congress, in an act approved June 30, 1914, requested the President to extend an invitation to the Interparliamentary Union to hold its annual meeting for the year 1915 in the city of Washington, and in the same act appropriated the sum of $40,000 to defray the expenses of the said meeting; and
>
> Whereas when the World War led to repeated postponements of the said meeting the Congress repeatedly extended the appropriation: First, the act of July 1, 1916, extended it and made it available for the calendar years 1916 and 1917; second, the act of March 3, 1917, extended the appropriation and made it available for the calendar year 1918; third, the act of April 15, 1918, extended the appropriation and made it available for the calendar year 1919; and
>
> Whereas this appropriation, repeatedly extended, has lapsed, and no part of it having been expended, and the meeting thus arranged for in Washington City has not been held: Therefore be it
>
> *Resolved, etc.*, That the President be requested to invite the Interparliamentary Union to hold its annual meeting for the year 1925 in the city of Washington.
>
> SEC. 2. That for the purpose of defraying the expenses incident to said meeting the appropriation of $50,000, to be expended under such rules and regulations as the Secretary of State may prescribe, is hereby authorized.

Mr. TEMPLE. Mr. Chairman, I move that the committee do now rise and report the Senate joint resolution to the House with the recommendation that it pass.

Mr. ROGERS of Massachusetts. Mr. Chairman, will the gentleman withhold that motion for a moment?

Mr. TEMPLE. Yes.

Mr. ROGERS of Massachusetts. I would like to ask the gentleman from Pennsylvania whether in the final preamble, at the top of page 2, there is not a superfluous "and"? The resolution reads:

> Whereas this appropriation, repeatedly extended, has lapsed, and no part of it having been expended and the meeting thus arranged for in Washington City has not been held.

Should not the "and," in line 2 be omitted?

Mr. KING. Mr. Chairman, I make the point of order that there is no quorum present. There is no quorum here.

Mr. BLANTON. I suggest that the gentleman wait until we get a vote.

Mr. WINGO. I ask the gentleman from Illinois to withdraw that and to refer this dispute over the "and" to The Hague.

The CHAIRMAN. The point of no quorum has been made. The Chair will count.

Mr. KING. Mr. Chairman, in view of the fact that two very eminent gentlemen, the gentleman from Arkansas [Mr. WINGO] and the gentleman from Illinois [Mr. SABATH], have assured me that this is a very meritorious measure I withdraw the point of no quorum.

The CHAIRMAN. The gentleman from Illinois withdraws the point of no quorum.

Mr. TEMPLE. Mr. Chairman, I renew my motion.

The CHAIRMAN. The gentleman from Pennsylvania moves that the committee do now rise and report the resolution to the House, with the recommendation that it pass. The question is on agreeing to that motion.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the resolution S. J. Res. 104, had directed him to report the same back to the House with the recommendation that the resolution do pass.

Mr. TEMPLE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the preamble.

The preamble was agreed to.

The SPEAKER. The question is on the third reading of the resolution.

The resolution was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the resolution.

Mr. BLANTON. Mr. Speaker, I ask for a division.

The SPEAKER. A division is demanded.

The House divided; and there were—ayes 58, noes 4.

So the resolution was passed.

On motion of Mr. TEMPLE, a motion to reconsider the vote whereby the resolution was passed was laid on the table.

Mr. TEMPLE. Mr. Speaker, I move to lay on the table the House bill of similar import.

The motion was agreed to.

LEAVE TO ADDRESS THE HOUSE

Mr. UPSHAW. Mr. Speaker, I ask unanimous consent that on Friday morning, after the disposal of business on the Speaker's desk, I may have the pleasure of addressing the House for 25 minutes.

The SPEAKER. The gentleman from Georgia asks unanimous consent to address the House on Friday for 25 minutes. Is there objection?

Mr. BEGG. Reserving the right to object, Mr. Speaker, has the gentleman from Georgia consulted the gentleman from Ohio, the floor leader [Mr. LONGWORTH]?

Mr. UPSHAW. I have not.

Mr. BEGG. I shall have to object.

Mr. BLANTON. Do we have to have the consent of the gentleman from Ohio?

Mr. BEGG. This involves the consumption of time.

Mr. UPSHAW. I did not have opportunity to speak to the gentleman from Ohio. Does the gentleman object?

Mr. BEGG. I do.

The SPEAKER. Objection is made.

REPEAL THE ODIOUS ESPIONAGE ACT

Mr. BERGER. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject discussed in yesterday's RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BERGER. Mr. Speaker and gentlemen, I have introduced a bill to repeal the law which punishes "acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States," misnamed the espionage act, under the provisions of which no spy has ever been caught or punished, but many thousand citizens have been maltreated and millions kept in abject fear.

Opposition of the Socialist Parties of all countries against imperialistic and commercial wars is as old as international socialism.

NO OTHER COUNTRY HAD SUCH PERSECUTION

It is worth noting that the proclamations of all the European socialists in 1914 against the war were very much like the proclamation and war program of the American socialists adopted in St. Louis in 1917. Even the phraseology was almost the same.

The Socialist Party in every country was too weak to stop the war. In no other country, however, were socialists persecuted as in the United States.

DEPRIVED OF ALL MAIL, EVEN LETTERS

What happened to me is this: A citizen of Milwaukee, Wis., I was indicted in Chicago, in the State of Illinois, under that so-called "espionage act" for having written and spoken against our participation in the war. I was compelled to furnish bail there amounting to $100,000. I was under bail for $45,000 more on other indictments in Wisconsin for the same articles.

The Milwaukee Leader—one of the foremost socialist dailies in the country—and I have been persecuted under that infamous law in an unprecedented manner. The Milwaukee Leader not only lost its second-class mailing rights by order of Postmaster General Burleson, but he also deprived us of the right to receive any and all kinds of mail, letters included. Even a box of strawberries sent to the editor by parcel post was returned as "undeliverable under the espionage act."

As late as June, 1921, a person could mail a letter to the former German Kaiser in Holland and have it delivered, but none to the Milwaukee Leader or any of its editors.

THE SPY HYSTERIA

Says Mr. Zechariah Chafee, professor of law, Harvard University, in his book, Freedom of Speech:

No one reading the simple language of the espionage act of 1917 would have anticipated that it would be rapidly turned into a law under which opinions hostile to the war had practically no protection.

This feeling was largely due to the hysterical fear of spies and other German propaganda. All of us looking back to 1917 and 1918 are now sure that the emotions of ourselves and everyone else were far from normal. I remember hearing one woman on a railroad train say to another:

"Yes; my brother was going to France with the Y. M. C. A., but the sailing of his boat has been put off and put off. I don't like to say it is German propaganda, but it certainly looks like it."

Mr. John Lord O'Brian, Assistant to the Attorney General in the prosecution of the most important espionage act cases, gives a vivid account of the false stories of enemy activities within the United States put forth through the medium of press dispatches, pamphlets of patriotic societies, and occasionally speeches on the floor of Congress.

"DEMENTIA AMERICANA"

"A phantom ship sailed into our harbors with gold from the Bolsheviki with which to corrupt the country; another phantom ship was found carrying ammunition from one of our harbors to Germany; submarine captains landed on our coasts, went to the theater and spread influenza germs; a new species of pigeon, thought to be German, was shot in Michigan; mysterious airplanes floated over Kansas at night," etc.

"Then there were the alleged spies themselves. Spoermann, alleged intimate of Bernstorff, landed on our coasts by the *U-53*, administrator of large funds, caught spying in our camps, turned out to be a plumber from Baltimore.

"Several other alleged spies caught on the beaches signaling to submarines were subsequently released because they were honest men, one of whom had been changing an incandescent-light bulb in his hotel room; another of whom was trying to attract the attention of a passer-by on the beach," etc.

"There was no community in the country so small that it did not produce a complaint because of failure to intern or execute at least one alleged German spy. These instances are cited only to show how impossible it was to check that kind of war hysteria and war excitement."

PASSION FOR BECOMING SPIES

Yet not one case under this part of the statute shows the slightest evidence that the utterances were actuated by German money or German plans. Mr. O'Brian says it is doubtful if even the I. W. W. had any German support. Besides this fear of German spies, another influence which made fair trials under the espionage act very difficult was the passion of Americans for becoming spies. Not only did the American Protective League act as auxiliary to the Department of Justice, but, as the same authority says:

"Throughout the country a number of large organizations and societies were created for the purpose of suppressing sedition. The membership of these associations ran into the hundreds of thousands. One of them carried full-page advertisements in leading papers from the Atlantic to the Pacific, offering in substance to make every man a spy chaser on the payment of a dollar membership fee. No other cause contributed so much to the oppression of innocent men as the systematic and indiscriminate agitation against what was claimed to be an all-pervasive system of German espionage."

NOT A SINGLE GENUINE SPY CASE

Under the espionage act, according to the report of the Attorney General, not a single man was convicted of being a German spy, of trying to find out military secrets, or having had communication with the enemy. American citizens, however, have been sentenced to terms as long as 20 years in the penitentiary for remarks made in private conversation about this war.

It was a crime to say or write that the war was caused by commercial rivalry.

To doubt that it was an "idealistic war" meant that the doubting Thomas was immediately arrested as a pro-German, or at least a socialist—which proved to be a wonderful protection to all profiteers.

HARDING AND WILSON ON CAUSE OF WORLD WAR

Spokesmen of the Republican Party in the United States Senate, however, now frankly admit that it was a war for commercial supremacy.

Senator Harding, late President Harding, declared in open session, even during the war, that "from the very beginning it was a lie to say that this was a war to make the world safe for democracy." And President Wilson, at the St. Louis Coliseum September 5, 1919, enlightened the world as follows:

The real reason that the war we have just finished took place was that Germany was afraid that her commercial rivals were going to get the better of her, and the reason why some nations went into the war against Germany was that they thought that Germany would get the commercial advantage of them.

CIVIL WAR WAS DECIDED NEAR WASHINGTON, D. C.

Abraham Lincoln waged a war for four years, infinitely more dangerous to our country and to the Union, without an "espionage" law. It was a war which divided our population in almost every city, even up North. It was a war which in the main was fought out and decided within 100 miles of Washington. But Lincoln refused to have a gag law enacted.

But to quote Professor Chafee's book again, he says:

SOME OF THE 2,000 CASES

It is unnecessary to review the 2,000 espionage act prosecutions in detail, but a few general results may be presented here.

The courts have treated opinions as statements of fact and then condemned them because they differed from the President's speech or the resolution of Congress declaring war. Almost all the convictions have been for expressions of opinion about the merits and conduct of the war.

It became criminal to advocate heavier taxation instead of bond issues, to state that conscription was unconstitutional though the Supreme Court had not yet held it valid—to say that the sinking of merchant vessels was legal—to urge that a referendum should have preceded our declaration of war—to say that war was contrary to the teachings of Christ.

Men have been punished for criticizing the Red Cross and the Young Men's Christian Association, while under the Minnesota espionage act it has been held a crime to discourage women from knitting by the remark, "No soldier ever sees these socks."

It was in no way necessary that these expressions of opinion should be addressed to soldiers or men on the point of being enlisted or drafted. Most judges held it enough if the words might conceivably reach such men.

ALL GENUINE DISCUSSION BECAME PERILOUS

They have made it impossible for an opponent of the war to write an article or even a letter in a newspaper of general circulation, because it will be read in some training camp where it might cause insubordination or interfere with military success. He can not address a large audience, because it is liable to include a few men in uniform; and some judges have held him punishable if it contains men between 18 and 45, since they may be called into the Army eventually. Some have emphasized the possible presence of shipbuilders and munition makers. All genuine discussion among civilians of the justice and wisdom of continuing the war thus becomes perilous.

Judge Van Valkenburgh, in Kansas, even made it criminal to argue to women against a war by the words, "I am for the people and the Government is for profiteers," because what is said to mothers, sisters, and sweethearts may lessen their enthusiasm for the war, and our armies in the field and our navies upon the seas can operate and succeed only so far as they are supported and maintained by the folks at home.

The doctrine of indirect causation never had better illustration than in this charge.

ANOTHER CHARACTERISTIC CASE

Many men have been imprisoned for arguments or profanity used in the heat of private altercation, on a railroad train, in a hotel lobby, or at the battle ground of disputation—a boarding-house table.

In one case two strangers came to a farmhouse and asked the owner if he could let them have gasoline, saying that they had been stranded out in the country. He not only gave them the gasoline but invited them to dinner. An argument arose during the meal, and the farmer used scurrilous and presumably unpatriotic language in the presence of his guests, two hired men, two nieces, and some children. The guests reported his language and he was convicted of a willful attempt to cause disloyalty, insubordination, mutiny, and refusal of duty in the military and naval forces of the United States.

Even unexpressed thoughts have been prosecuted through an ingenious method of inquisition.

DID NOT AGREE WITH PRESIDENT

A few concrete cases of convictions that have been upheld will show how the espionage act operates to punish expressions of opinion. For instance:

J. P. Doe, son of the great chief justice of New Hampshire, while living in Colorado because of bad health, mailed an "endless-chain" letter, to be sent "to friends of immediate peace," which stated that, although the President and Secretary of State had said Germany had broken her promise to end submarine warfare, Germany had made no such promise, but had reserved in the *Sussex* note complete liberty of decision as to the future. Doe was sentenced to 18 months in prison.

Only once in our history prior to 1917 has an attempt been made to apply those doctrines,

THE ALIEN AND SEDITION LAWS

In 1798 the impending war with France, the spread of revolutionary doctrines by foreigners in our midst, and the spectacle of the disastrous operation of those doctrines abroad—facts that have a familiar sound to-day—led to the enactment of the alien and sedition laws.

The alien law allowed the President to compel the departure of aliens whom he judged dangerous to the peace and safety of the United States, or suspected, on reasonable grounds, of treasonable or secret machinations against our Government.

The sedition laws punished false, scandalous, and malicious writings against the Government, either House of Congress, or the President, if published with intent to defame any of them, or to excite against them the hatred of the people, or to stir up sedition or to excite resistance of law, or to aid any hostile design of any foreign nation against the United States. The maximum penalty was a fine of $2,000 and two years' imprisonment.

Truth was a defense, and the jury had power to determine criminality.

WRECKED THE FEDERALIST PARTY

Despite the inclusion of the two legal rules for which reformers had contended, and the requirement of an actual intention to cause overt injury, the sedition act was bitterly resented by the people at that time as invading the liberty of the press.

Its constitutionality was assailed on that ground by Thomas Jefferson, who pardoned all prisoners when he became President.

Congress eventually repaid all the fines, and popular indignation at the act and the prosecutions entirely wrecked the Federalist Party.

WHERE ESPIONAGE LAW DIFFERED

Now, the espionage act of 1917 was in the main a true copy of the law of 1798, with this difference, however: The maximum penalty was raised from a fine of $2,000 and 2 years' imprisonment to a fine of $10,000 and 20 years' hard labor in the penitentiary.

Moreover, the truth of a statement was not admitted as a defense.

WAS USED AGAINST SOCIALIST PARTY

And it was used to try to destroy the Socialist Party as a matter of course.

Although my codefendants and I were told at the beginning of our trial in Chicago by the United States district attorney that the "Socialist Party was not on trial," a few minutes after we had been found guilty by the hand-picked jury, the same United States district attorney triumphantly declared in an interview to the papers that "Bolshevism has received its fatal blow in this verdict."

WHAT IS SOCIALISM

Now, socialism is not Bolshevism. Socialist is the collective ownership and democratic management of the social means of production and distribution—steel industry, oil wells, coal mines, railroads, and so forth—but Bolshevism is an autocratic communism based upon a super state supported by terrorism.

As to socialism, well, with people who believe that whatever is will exist forever, and that we have reached the acme of civilization and the end of all things in economic progress, with such people it is useless to argue.

That we have not reached the end of our economic development is clear. Every new invention and every new political question proves that to us. We do not even know how best to use the elaborate machinery we have invented.

Nor need I explain to any sensible man that the world-wide socialist movement is not to be traced to the irresponsible work of individual agitators or eccentric persons. Determined opponents of the present privately owned system of industry as socialists are, we never charge that the concentration of capital is the cause of all evil. We look the facts squarely in the face.

We know that the trusts are the legitimate outcome of competition. The trust is "the survival of the fittest" under private ownership. The trust appears after competition has virtually destroyed competition. Socialists, therefore, do not try "to smash the trusts."

On the contrary, socialists appreciate so fully the advantages of industrial production on a large scale that we wish its most perfect development. But we socialists wish to give its benefits to everybody. For that reason we want to nationalize the trusts.

The control of production by the people as a whole means the highest possible perfection of industry on a large scale and the extension of the advantage to all the people.

SOCIALISM PURELY MATTER OF EVOLUTION

Thus socialism must be purely a matter of evolution. The day never will come when anybody can assemble the people in the market square and tell them that from next Monday morning at 8 o'clock they will have socialism. The Bolsheviki tried to put over communism in a sudden fashion and failed miserably.

ALL MY PREDICTIONS HAVE COME TRUE

As to my position against the late war—well, I need retract nothing from the articles I have written or from the speeches I have delivered, because all my predictions have come true. And a great deal more has already developed than I have predicted.

This was the worst imperialistic war ever known in the history of the world. Every honest man who has any brains admits it now. This war made about 30,000 new millionaires in America alone.

WHAT WAR COST AMERICA

The Milwaukee Leader often dwelt upon the unparalleled cost of the war. A statistical summary of America's war expense places the total at $40,000,000,000, and it is stated that "we could have for the cost of this war carried on the Revolutionary War for 1,000 years." And we had 323,000 casualties.

Or, to put the matter differently, this sum would have been enough to pay the cost of running the American Government from 1791 up to the outbreak of the European war.

RESULT TO REST OF WORLD

And what has been accomplished by these sacrifices? An impossible "peace" was dictated at Versailles. Europe has been paralyzed economically and politically.

The world's economic fabric, which has its heart in central Europe, largely has been destroyed, and billions of property with it.

Millions in all countries can not find employment. Nations are staggering under colossal debts and are unable to pay even the interest.

At the same time most nations are swaying between anarchy and tyrannical despotism. Please witness conditions in Italy. There the Fascisti, a revolutionary mob, under the guise of patriotism are imposing a new form of terrorism and slavery upon the common people.

WOULD HAVE HELPED WORLD BY STAYING OUT

As for America, we assuredly had no valid reason for plunging into the war, and could have saved a good deal of the civilization of the white race by staying out. The rulers of England to-day are of the same opinion. But the Republican and the Democratic Parties allowed America to be sold into the World War, and as a result of this act America shares in the consequences of a collapse of the world's economic system.

America has gained nothing except billions of debts and hundreds of thousands of cripples. And we have lost most of our political democracy. We now have our own Fascisti in the Ku-Klux Klan, one of the many manifestations of the mob spirit fostered by the war, which is trying to establish a reign of terror not only against the negroes but particularly against the Catholics, Jews, radicals, and all those who are not "native-born" Protestants.

TYRANNICAL SENTENCE FINALLY KNOCKED OUT

Because, as a student of the world's history, I could see clearly, and because I warned my fellow men, my countrymen, of the events that were bound to happen if we pursued a certain course, if we plunged into this World War, I was indicted, found guilty, and sentenced to serve 20 years in the penitentiary.

This sentence and the verdict have since—on January 31, 1921—been knocked out by the Supreme Court of the United States, and all the other indictments have been quashed.

But the infamous espionage act is still on the statute books.

My personal experience with that law, however, is ended.

OUSTED ME FROM SEAT TO WHICH I WAS LEGALLY ELECTED

Nevertheless the fact remains that I was to be punished for telling the truth as I saw it—and many other citizens were imprisoned.

Moreover, the old parties in the House of Representatives almost succeeded in depriving the Socialist Party, a party casting more than a million votes, of its sole Representative in Congress. Twice I was refused admission on account of my opposition to this war. I was finally seated on December 5, 1923, without a dissenting vote—due to the determined and wonderful stand of the voters of the fifth district of Wisconsin for representative government.

As a matter of fact, a large number of socialists in Congress would be a blessing to this country; they and their measures stand between present society and planless chaos.

MY DUTY AT PRESENT

To sum up: I have always been proud of the socialist record of observance of law. The socialists have tried to change or repeal such laws as in their opinion were harmful.

Now I believe I can not serve my country better or do it a greater service than by putting in a bill to repeal this vicious act.

In this respect I know I am at one with Thomas Jefferson and Alexander Hamilton, both of whom were leaders of opposing parties; both of whom, however, defended cases that were brought for prosecution under the sedition act and conducted the defense in the name of the liberty of the press.

A DISGRACE TO TWENTIETH CENTURY

It is simply a disgrace for the twentieth century that such a law could be revived in our century, and even more so that it was fathered by a party that had its origin in the general protest of the American people against that infamous law—the Democratic Party.

PROPAGANDA

Mr. DICKINSON of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter which I ask the Clerk to read. It is on the McNary-Haugen bill and the propaganda being sent out by the boards of trade.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD by inserting a letter. Is there objection?

Mr. CONNALLY of Texas. I do not think such things should be put in the RECORD.

Mr. DICKINSON of Iowa. It is a warning to show what is being sent out in the way of propaganda. This letter is against the McNary-Haugen bill, and it tells how they want people to send in postal cards to Members of Congress.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, this propaganda that the gentleman refers to is nothing new, is it?

I am getting hundreds of letters on the Barkley bill, which are inspired, and if we commence putting in notices to Members on propaganda, shall we not be encumbering the RECORD to a great extent?

Mr. DICKINSON of Iowa. This is an exceptional letter and is beyond the ordinary scope. We are acquainted with certain forms of propaganda, but this is beyond the ordinary scope.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will read the letter.

The Clerk read as follows:

MARSHALLTOWN, IOWA, *April 29, 1924.*

DEAR SIR: The McNary-Haugen bill looks more certain than ever. The various agricultural organizations have succeeded in impressing Congress that the farmers of the country are unanimously in favor of the proposed legislation. Politicians figure that it is up to them to support this bill if they are to stand a show at the fall elections.

The only way we can defeat such legislation is to prove to Congress that farmers are not in favor of such socialistic legislation. The time to act is now, and I am inclosing a card for you to fill in with the names and addresses of 10 farmers in your territory that are opposed to this bill. When these cards are filled out, please return them to the public relations committee, Chicago Board of Trade. This committee in turn will forward to the list of farmers a personal letter, setting forth arguments against the bill, and give them leads as to the wording of a letter to their Congressman and Senator.

Time is a vital element, since this bill will come up within 10 days—possibly sooner.

With best personal regards, I am

Yours very truly, DEAN S. FISK.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. DICKINSON of Iowa. Yes.

Mr. CONNALLY of Texas. Does the gentleman vouch for the writer of this letter?

Mr. DICKINSON of Iowa. Yes.

Mr. CONNALLY of Texas. That it is genuine?

Mr. DICKINSON of Iowa. Yes; it is genuine; this is the original letter.

Mr. ABERNETHY. Who is Dean S. Fisk?

Mr. DICKINSON of Iowa. He is the representative at Marshalltown, Iowa, of the commission firm of Henry Rang & Co., of Chicago, Ill.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. DICKINSON of Iowa. Yes.

Mr. GARRETT of Tennessee. Does the gentleman know whether he has communicated with the President of the United States touching the matter?

Mr. DICKINSON of Iowa. I have not that information at hand.

Mr. BLANTON. Does not the gentleman recognize that is real propaganda?

Mr. DICKINSON of Iowa. Why, of course, it is propaganda.

Mr. BLANTON. In favor of the bill?

Mr. DICKINSON of Iowa. How is that?

Mr. BLANTON. Does not the gentleman think that the purpose of writing that letter was to bring about a reaction in favor of the bill?

Mr. DICKINSON of Iowa. No. It is written for the purpose of having telegrams sent in to Members of Congress. I already have five from one little village in my district sent by persons who know nothing about the bill, but sent upon request.

CONTROL OF HABIT-FORMING NARCOTIC DRUGS

Mr. PORTER. Mr. Speaker, I move to take House Joint Resolution No. 195 from the Speaker's table and agree to the Senate amendments. It is a resolution authorizing an appropriation for the participation of the United States in two international conferences for the control of the traffic in habit-forming narcotic drugs.

The SPEAKER. The gentleman from Pennsylvania calls up House Joint Resolution 195, with Senate amendments, which the Clerk will report by title.

The Clerk read as follows:

House joint resolution (H. J. Res. 195) authorizing an appropriation for the participation of the United States in two international conferences for the control of the traffic in habit-forming narcotic drugs.

The Senate amendments were read and agreed to.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—INTERNATIONAL EXPOSITION AT SEVILLE, SPAIN (S. DOC. NO. 106)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Industrial Arts and Expositions:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State concerning an invitation extended by the Government of Spain to the Government of the United States to participate in an international exposition of the arts, sciences, history, industries, commerce, and resources of Spain, Portugal, and the Republics of America, which is to open at Seville, Spain, on April 17, 1927, and continue throughout that year.

I join with the Secretary of State in recommending legislation by Congress authorizing the acceptance of the invitation and an appropriation of $700,000 to enable the United States suitably to participate in the exposition.

It will be observed from the memorandum accompanying the report of the Secretary of State that the Departments of the Interior, Agriculture, and Commerce are favorable to the acceptance of the invitation and deem that participation in the exposition would be advantageous to the interests of the United States.

An appropriation is not sought at this time, but merely legislation that will enable the acceptance of the invitation and the inclusion of the item of appropriation in the estimates to be submitted by the Director of the Bureau of the Budget for the fiscal year ending June 30, 1926.

CALVIN COOLIDGE.

THE WHITE HOUSE, *May 7, 1924.*

RELIEF OF DISABLED EX-SERVICE MEN

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that immediately after the approval of the Journal to-morrow it may be in order to take up for immediate consideration under the general rules of the House H. R. 8869, a bill for the relief of disabled ex-service men, in order that we may have an opportunity to offer some amendments.

The SPEAKER. Is the gentleman authorized by the committee to make that motion?

Mr. LONGWORTH. Mr. Speaker, I make the point of order that the gentleman is not authorized to do that.

Mr. RANKIN. I am preferring a unanimous-consent request. I am a member of the committee.

Mr. LONGWORTH. Mr. Speaker, I make the point of order that the Chair should not recognize the gentleman for such a purpose.

Mr. RANKIN. I submit the Chair has already recognized me.

The SPEAKER. The Chair thinks an individual Member asking consideration of a bill ought, in advance, to tell the Chair what his motion is going to be. That is the general custom in the House.

Mr. RANKIN. I submit to the Speaker that, of course, I am in the minority, and I submit that the chairman of the committee——

The SPEAKER. Is there objection?

Mr. LONGWORTH. Mr. Speaker, I make the point of order that such a request——

Mr. SNYDER. I object.

RELIEF OF MADAME CRIGNIER, OF FRANCE

Mr. PORTER. Mr. Speaker, I call up Senate bill 2392, an act authorizing an appropriation to indemnify damages caused by the search for the body of Admiral John Paul Jones.

The Clerk read the title of the bill.

Mr. PORTER. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection? [After a pause.] The Chair hears none, and the Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That an appropriation is authorized to be made for $13,511.13 to be paid to the Government of the Republic of France as a matter of grace and without reference to the question of liability therefor as full indemnity for loss and damage to property suffered by Madame Crignier, a citizen of France, by reason of the search for the body of Admiral John Paul Jones, undertaken in 1899 by Gen. Horace Porter, at that time American ambassador to France, and completed by the finding of the body in 1905, as set forth in the messages of the President of the United States to the Senate and the House of Representatives dated June 4, 1918, July 21, 1919, July 11, 1921, and January 3, 1924.

Mr. PORTER. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Speaker and Members of the House, I do not believe it will require five minutes to make the statement on this little bill.

There have been four Presidents and five Secretaries of State who have recommended the payment of this claim. Now, what is the claim? When Gen. Horace Porter was ambassador to France years ago, out of his own private fortune he undertook the discovery of the remains of John Paul Jones; and in order to make the investigation it was found necessary for him to make a contract with a private party to go in and make the excavations. This contract was made and the excavation did damage to property and caused suits in the French courts to be entered and tried, and damages awarded against Madame Crignier. She has no other recourse than to go through this kind of procedure, because of the diplomatic aspects of the matter. I believe that is the only statement I care to make.

Mr. SANDLIN. Will the gentleman yield?

Mr. BEGG. I will gladly yield.

Mr. SANDLIN. Does this money go to the Republic of France or to an individual?

Mr. BEGG. The money goes to this lady, Madame Crignier.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. BEGG. Gladly.

Mr. GARRETT of Tennessee. If I caught the reading of the bill correctly, it says that the money is to be paid to the Government of France.

Mr. BEGG. That is in order that it might be paid over to Madame Crignier.

Mr. GARRETT of Tennessee. I assumed that was the case.

Mr. BEGG. Absolutely; the lady herself has never been indemnified for what she was forced, through the French courts, to pay to the tenants on her own property for damage done to her building and the resulting damage on account of the tenants being compelled to move out of the building.

Mr. ROGERS of Massachusetts. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. ROGERS of Massachusetts. The correspondence which has taken place over a period of many years between the French Government and the American Government shows officially that that precise objective is the purpose of France.

Mr. BEGG. There is no question about that at all.

Mr. BLANTON. Will the gentleman yield?

Mr. BEGG. Gladly.

Mr. BLANTON. If France takes no step at all to liquidate a debt that that Government owes to our country of probably three and a half billion dollars, how do we know that France will pay this little $13,000?

Mr. BEGG. Oh, there is not any question about that, and the gentleman would not want a great, rich Government like this to do an injustice to an individual citizen.

Mr. BLANTON. I would feel a great deal better if the Republic of France would come up and say, "We have not got the money, but we will liquidate if you will give us 60 years in which to pay it."

Mr. BEGG. I think the gentleman and I would not quarrel much about that.

Mr. WEFALD. Would you not take a due bill on her own Government for it?

Mr. BEGG. That can not enter into this proposition at all.

Mr. WEFALD. It ought to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. BEGG, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. O'SULLIVAN, for two days, on account of important business.

To Mr. HILL of Washington, for three days, on account of illness.

ADJOURNMENT

Mr. PORTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 11 minutes p. m.) the House adjourned until to-morrow, Thursday, May 8, 1924, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XII,

Mr. McSWAIN: Committee on Military Affairs. H. J. Res. 254. A joint resolution authorizing and permitting the State of Arkansas to construct, maintain, and use permanent buildings, rifle ranges, and utilities at Camp Pike, Ark., as are necessary for the use and benefit of the National Guard of the State of Arkansas; with amendments (Rept. No. 669). Referred to the Committee of the Whole House on the state of the Union.

Mr. GERAN: Committee on Military Affairs. S. 2431. An act to authorize the Secretary of War to convey to the Commissioners of Lewes certain land in the county of Sussex, State of Delaware; without amendment (Rept. No. 672). Referred to the Committee of the Whole House on the state of the Union.

Mr. SNELL: Committee on Rules. H. Res. 298. A resolution providing for consideration of H. R. 3318, authorizing two additional judges for southern district of New York; without amendment (Rept. No. 670). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 299. A resolution providing for consideration of H. R. 646, arbitration of maritime disputes; without amendment (Rept. No. 671). Referred to the House Calendar.

Mr. HULL of Iowa: Committee on Military Affairs. H. R. 6065. A bill authorizing the Secretary of War to validate certain payments made by Army officers; with an amendment (Rept. No. 673). Referred to the Committee of the Whole House on the state of the Union.

Mr. STALKER: Committee on the District of Columbia. H. R. 6207. A bill to provide for a rearrangement of the public alley facilities in square 616 in the District of Columbia, and for other purposes; without amendment (Rept. No. 674). Referred to the Committee of the Whole House on the state of the Union.

Mr. BURDICK: Committee on Naval Affairs. H. R. 6723. A bill to provide for reimbursement of certain civilian employees at the naval torpedo station, Newport, R. I., for the value of personal effects lost, damaged, or destroyed by fire; without amendment (Rept. No. 675). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOORES of Indiana: Joint Select Committee on Disposition of Useless Executive Papers. Useless papers in the Department of Labor (Rept. No. 676). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. TAYLOR of West Virginia: Committee on Naval Affairs. H. R. 1706. A bill granting six months' pay to Elizabeth W. Bostrom; without amendment (Rept. No. 677). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LaGUARDIA: A bill (H. R. 9108) limiting the use of contributions made for the purpose of influencing elections at which presidential electors, Senators, and Representatives in Congress are elected; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. BERGER: A bill (H. R. 9109) to repeal the espionage act; to the Committee on the Judiciary.

By Mr. BRITTEN: A bill (H. R. 9110) to fix the number of officers in the several staff corps in the several grades of rear admiral, captain, and commander; to the Committee on Naval Affairs.

By Mr. GREEN of Iowa: A bill (H. R. 9111) directing the remission of customs duties on certain property of the United States imported by the War Department; to the Committee on Ways and Means.

By Mr. McFADDEN: A resolution (H. Res. 300) providing for the consideration of the bill (H. R. 8887) to amend an act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5208 as amended, section 5211 as amended, of the Revised Statutes of the United States; and to amend section 9, section 13, section 22, and section 24 of the Federal reserve act, and for other purposes; to the Committee on Rules.

By Mr. SCHALL: A resolution (H. Res. 301) providing for the appointment of a special committee of Members of the House to investigate the income-tax returns of the Backus-Brooks Co., of Minnesota; to the Committee on Rules.

By Mr. FITZGERALD: A resolution (H. Res. 302) for the consideration of H. R. 487, a bill creating the District of Columbia insurance fund for the benefit of employees injured and the dependents of employees killed in employments, providing for the administration of such fund by the United States Employees Compensation Commission, and authorizing an appropriation therefor; to the Committee on Rules.

By Mr. GALLIVAN: Memorial of the legislature of the State of Massachusetts petitioning Congress in favor of the passage of legislation to prevent the manufacture of shoes in factories owned by the Federal Government; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUTLER: A bill (H. R. 9112) for the relief of Commander Charles James Anderson, United States Naval Reserve Force; to the Committee on Naval Affairs.

By Mr. CELLER: A bill (H. R. 9113) granting a pension to John F. Kilbride; to the Committee on Pensions.

By Mr. CULLEN: A bill (H. R. 9114) granting a pension to Catherine A. Roe; to the Committee on Pensions.

By Mr. DENISON: A bill (H. R. 9115) granting a pension to Anna Margaret Derousse; to the Committee on Invalid Pensions.

By Mr. EVANS of Iowa: A bill (H. R. 9116) for the relief of Ed F. Gauthier and Lenore N. Adams; to the Committee on Claims.

By Mr. KIESS: A bill (H. R. 9117) for the relief of the heirs of the late Louis F. Meissner; to the Committee on Claims.

By Mr. LOZIER: A bill (H. R. 9118) granting a pension to John Woldridge; to the Committee on Invalid Pensions.

By Mr. MOORE of Illinois: A bill (H. R. 9119) to amend the military record of Robert Zink; to the Committee on Military Affairs.

By Mr. MOREHEAD: A bill (H. R. 9120) granting an increase of pension to Agnes Jones; to the Committee on Invalid Pensions.

By Mr. THOMAS of Oklahoma: A bill (H. R. 9121) granting a pension to Annie G. Guthrie; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2693. By Mr. GALLIVAN: Petition of Thomas Kelly, 6 Marlowe Street, Dorchester, Mass., recommending early passage of H. R. 7358 and S. 2646, known as the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2694. By Mr. LINDSAY: Petition of Openers and Packers' Association, United States Customs Service, appraisers' stores, port of New York, 641 Washington Street, New York City, justly pleading for a living wage, they having presented a scale of $1,680 as a minimum to $2,040 as a maximum per year. The men employed in the customs service are now working under a scale lower than that which is paid to the men employed in the industrial and mercantile establishments. It seems only fair and proper that the Government should recognize the claims of men who are rendering good and faithful service; to the Committee on the Civil Service.

2695. By Mr. RAKER: Petition of McKinley Camp, No. 23, United Spanish War Veterans, and McKinley Auxiliary, United Spanish War Veterans, Long Beach, Calif., urging passage of Bursum bill over presidential veto; to the Committee on Invalid Pensions.

2696. Also, petition of Emergency Radio Tax Committees, 165 Broadway, New York City, protesting against 10 per cent tax on radios; to the Committee on Ways and Means.

2697. By Mr. WILSON of Indiana: Petition signed by 40 citizens of Newburgh, Ind., recommending that the McNary-Haugen bill be passed by the Sixty-eighth Congress; to the Committee on Agriculture.

SENATE

THURSDAY, *May 8, 1924*

(Legislative day of Monday, May 5, 1924)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Ferris	Ladd	Sheppard
Ashurst	Fess	Lodge	Shields
Ball	Fletcher	McKellar	Shipstead
Bayard	Frazier	McKinley	Shortridge
Borah	George	McLean	Simmons
Brandegee	Gerry	McNary	Smith
Broussard	Glass	Mayfield	Smoot
Bruce	Gooding	Moses	Spencer
Bursum	Hale	Neely	Stanfield
Cameron	Harreld	Norbeck	Stephens
Capper	Harris	Norris	Sterling
Caraway	Harrison	Oddie	Swanson
Colt	Heflin	Overman	Trammell
Copeland	Howell	Pepper	Wadsworth
Cummins	Johnson, Calif.	Phipps	Walsh, Mass.
Curtis	Johnson, Minn.	Pittman	Walsh, Mont.
Dale	Jones, N. Mex.	Ralston	Warren
Dial	Jones, Wash.	Ransdell	Watson
Dill	Kendrick	Reed, Mo.	Weller
Edge	Keyes	Reed, Pa.	Willis
Ernst	King	Robinson	

Mr. CURTIS. I wish to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I will let this announcement stand for the day.

I was requested to announce that the Senator from Iowa [Mr. BROOKHART] and the Senator from Montana [Mr. WHEELER] are detained at a hearing before a special investigating committee of the Senate.

The PRESIDENT pro tempore. Eighty-three Senators have answered to the roll call. There is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House agreed to the amendments of the Senate to the joint resolution (H. J. Res. 195) authorizing an appropriation for the participation of the United States in two international conferences for the control of the traffic in habit-forming narcotic drugs.

The message also announced that the House had passed bills and a joint resolution of the following titles:

S. 2392. An act authorizing an appropriation to indemnify damages caused by the search for the body of Admiral John Paul Jones;

S. 2998. An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico; and

S. J. Res. 104. Joint resolution requesting the President to invite the Interparliamentary Union to meet in Washington City in 1925, and authorizing an appropriation to defray the expenses of the meeting.

The message further announced that the House had passed a joint resolution (H. J. Res. 248) to provide for the remission of further payments of the annual installments of the Chinese indemnity, in which it requested the concurrence of the Senate.

REQUESTS FOR UNANIMOUS CONSENT

Mr. HOWELL. Mr. President, out of order, I ask unanimous consent to introduce a bill.

The PRESIDENT pro tempore. Is there objection to the reception of the bill?

Mr. ASHURST. On that I wish to be heard.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent, out of order, to introduce a bill. Is there objection?

Mr. ASHURST. I reserve the right to object. I wish to discuss a matter.

The PRESIDENT pro tempore. The Chair is of the opinion that when unanimous consent is asked the matter is not debatable.

Mr. ROBINSON. What is the request?

The PRESIDENT pro tempore. The Senator from Nebraska [Mr. HOWELL] asks unanimous consent to introduce a bill at this time out of order.

Mr. ASHURST. I respectfully appeal to the Chair for information. Does the Chair hold that when a request is made for unanimous consent the matter is not debatable?

The PRESIDENT pro tempore. That is the opinion of the Chair.

Mr. ASHURST. That is to say, any request for unanimous consent is not debatable?

The PRESIDENT pro tempore. That is the judgment of the Chair.

Mr. ASHURST. I do not complain. The Chair has been fair and firm. I simply desire to know that hereafter in all cases when any request for unanimous consent is made, it is not debatable. That is a good rule, and if it were adhered to it would promote the efficiency of the Senate. The Chair has rendered a great service to-day in so holding, and if he will continue to hold that whenever a request is made for unanimous consent it is not debatable, it will be a good rule for the Senate.

The PRESIDENT pro tempore. It may be remarked that it is the common practice.

Mr. ROBINSON. Mr. President, it is fair to state that under the practice of the Senate a request for unanimous consent is sometimes discussed by unanimous consent, and that practice, of course, will continue. Any Senator has it within his power, however, by objecting, to end the debate or discussion. The ruling of the Chair is, of course, correct.

Mr. LODGE. The debate itself must be by unanimous consent.

Mr. ASHURST. Of course the ruling of the Chair is correct. I agree with the Senator from Arkansas.

The PRESIDENT pro tempore. The Senator from Arkansas has correctly stated the understanding of the Chair. The question is often discussed by unanimous consent.

Mr. ASHURST. But not this morning. It can not be discussed this morning?

Mr. ROBINSON. It can, unless some Senator objects.

The PRESIDENT pro tempore. The Chair by unanimous consent has allowed colloquies to intervene upon an application for unanimous consent.

Mr. ASHURST. But the Chair will not permit such colloquies this morning? Is that the ruling?

The PRESIDENT pro tempore. The Chair recognizes the Senator from Arizona to discuss the question of the unanimous-consent request.

Mr. ASHURST. The Chair can not recognize me to discuss a particular question. I can discuss any question.

The PRESIDENT pro tempore. The Chair does not recognize the Senator for any purpose except to discuss the propriety of the unanimous-consent request.

Mr. ASHURST. I would not indulge in such tactics. I could not say frankly that I wish to discuss that question. I simply want to be heard upon another question, and it would be unfair to the Chair to pretend that I wish to discuss the request of the Senator from Nebraska. I want to discuss another subject, as we may do under our rules, but I do not wish to cavil with the Chair. The Chair has been fair and, I think, has been correct.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and the bill will be received and properly referred.

[The bill introduced by Mr. HOWELL appears under its appropriate heading.]

PETITIONS

Mr. WILLIS presented resolutions adopted at the annual meeting held in Toledo, Ohio, by the Ohio Society, Sons of the American Revolution, favoring the restoration of the Regular Army to the minimum strength recommended by the Secretary of War and in accord with the provisions of the national defense act of 1920, consisting of 13,000 officers and 150,000 enlisted men, and that sufficient appropriations be made to develop and instruct the Army and its various components, including the Reserve Officers' Training Corps and the Citizens' Military Training Corps, etc., which were referred to the Committee on Appropriations.

Mr. NORBECK presented the petition of Zenas R. Gurley and 54 other citizens of Armour, Douglas County, S. Dak., praying for the passage of the so-called McNary-Haugen export corporation bill, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution of the Clark Commercial Club, of Clark, S. Dak., favoring the passage of the so-called McNary-Haugen export corporation bill, which was referred to the Committee on Agriculture and Forestry.

He also presented the petition of Jonas Minot and 39 other citizens of Beresford, S. Dak., praying for the passage of the so-called McNary-Haugen export corporation bill, and also the leasing of the Muscle Shoals property to Henry Ford, which was referred to the Committee on Agriculture and Forestry.

REPORTS OF COMMITTEES

Mr. STANFIELD, from the Committee on Civil Service, to which was referred the bill (S. 3010) to amend the classification act of 1923, approved March 4, 1923, reported it without amendment.

Mr. GLASS, from the Committee on the District of Columbia, to which was referred the bill (S. 2803) to regulate within the District of Columbia the sale of milk, cream, and certain milk products, and for other purposes, reported it without amendment and submitted a report (No. 508) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOWELL:

A bill (S. 3262) to authorize a loan of $25,000,000 to the Government of Germany to be used in purchasing in the United States grain and other food supplies for the relief of destitute women and children in Germany, and for other purposes; to the Committee on Foreign Relations.

By Mr. SWANSON:

A bill (S. 3263) to provide for the inspection of the battle fields in and around Fredericksburg and Spotsylvania Court House, Va.; to the Committee on Military Affairs.

By Mr. BALL:

A bill (S. 3264) for the relief of Horace G. Knowles (with an accompanying paper); to the Committee on Claims.

By Mr. WILLIS:

A bill (S. 3265) for the relief of Joseph Maier (with accompanying papers); to the Committee on Claims.

A bill (S. 3266) granting an increase of pension to Margaret R. Sharpe (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 3267) authorizing the Court of Claims of the United States to hear and determine the claims of persons or corporations who rendered services or furnished supplies used on certain steamships owned by the United States; and

A bill (S. 3268) for the relief of owners of cargo aboard the steamship *Boxley;* to the Committee on Claims.

By Mr. McKELLAR (for Mr. EDWARDS):

A bill (S. 3269) to amend an act regulating the height of buildings in the District of Columbia, approved June 1, 1910; to the Committee on the District of Columbia.

WORLD COURT OF INTERNATIONAL JUSTICE (S. DOC. NO. 107)

Mr. LODGE. I introduce a joint resolution for reference to the Committee on Foreign Relations, and I ask to have the printed pamphlet printed with it and printed as a Senate document.

The joint resolution (S. J. Res. 122) requesting the President to propose the calling of a third Hague conference for the establishment of a World Court of International Justice was read twice by its title and, with the accompanying paper, referred to the Committee on Foreign Relations.

On motion of Mr. LODGE, the accompanying paper, entitled "A plan by which the United States may cooperate with other nations to achieve and preserve the peace of the world," was ordered to be printed as a document.

AMENDMENT TO CIVIL SERVICE RETIREMENT ACT

Mr. BROUSSARD submitted an amendment intended to be proposed by him to the bill (S. 3011) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof, which was referred to the Committee on Civil Service and ordered to be printed.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. BROUSSARD submitted an amendment providing for the preliminary examination and survey of the West Fork of Bayou Chene, La., known as Bayou Crook Chene, with a view to opening this waterway to navigation by the removal of drift and snags, intended to be proposed by him to the bill (H. R. 8914) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 248) to provide for the remission of further payments of the annual installments of the Chinese indemnity was read twice by its title and referred to the Committee on Foreign Relations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8233) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1925, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOOD of Indiana, Mr. WASON, and Mr. SANDLIN were appointed managers on the part of the House at the conference.

INDEPENDENT OFFICES APPROPRIATIONS

Mr. WARREN. I ask that the Chair may lay before the Senate the action of the House of Representatives on the amendments of the Senate to House bill 8233.

The PRESIDING OFFICER (Mr. WILLIS in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8233) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1925, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WARREN. I move that the Senate insist upon its amendments, accept the invitation of the House for a conference, and that the Presiding Officer appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WARREN, Mr. JONES of Washington, and Mr. OVERMAN conferees on the part of the Senate.

RESTRICTION OF IMMIGRATION

Mr. KING. Mr. President, I have before me a copy of this morning's issue of the Washington Post, an influential paper, which is said to be the organ of the administration. On the first page appears an article written by Albert W. Fox, one of the ablest newspaper men of the city. The article contains an inaccurate statement in connection with my position upon one of the provisions of the immigration bill, soon to be reported by the conference committee. Of course, Mr. Fox made the statement inadvertently and without knowledge of the facts. Speaking of the report of the conferees and the provision appearing in the conference report, he says:

> The outlook for a vote favorable to the proposition is none too bright. Senators KING and HARRIS, the Democratic conferees for the Senate, signed the conference report in order to get the bill out on the floor, but neither will vote for the proposition, which they opposed in committee.

Senators will perceive his reference to the Senator from Georgia [Mr. HARRIS] and myself. I shall not, of course, attempt to speak for the Senator from Georgia. He is quite able to represent himself and to state his own views. The article states that the Senator from Georgia and myself signed the conference report in order that the bill might be brought to the floor of the Senate. It is true that both Senators signed the conference report, but the statement is not correct, so far as I am concerned, and I feel sure that the same can be said of the Senator from Georgia, that the conference report was signed merely for the purpose of getting the bill out of conference and to the floor of the Senate.

The fact is that the conferees, after many days of earnest effort, came to an agreement, and all of the conferees of the Senate and, as I understand, all but one of the conferees of the House joined in the conference report. That does not mean that all of the conferees agreed upon all of the provisions of the bill. The conferees are agents, and when agreement has been reached upon the points in controversy they join in reporting the measure committeed to their hands back to their respective bodies.

Nor is the statement correct, "but neither will vote for the proposition, which they opposed in committee."

I can not speak for the Senator from Georgia, but it is not true that I opposed the provision dealing with reference to the Japanese matter in the committee, nor will I vote against it if it can be presented as a separate matter or proposition in the Senate.

Mr. President, I supported the House conferees in their amendment offered to the bill, which, in substance, extends the provisions of the bill so far as the Japanese are concerned until March 1 of next year. I did so knowingly and was influenced very largely by my knowledge of the wishes of the President of the United States. I understood that the President regarded this amendment as important and as helpful to the administration in its dealings and relations with the Japanese Government. I appreciate the problems which the Executive of our Government has to meet—problems which are made more intricate because of our important international standing and our extensive and expanding international relations.

I felt when President Wilson was Chief Executive that his political opponents sometimes sought to embarrass him in his dealings with foreign affairs. The President of the United States represents our Government and the American people in foreign matters. I have believed it to be the proper and the patriotic thing to uphold the hands of the Executive in foreign questions in so far as those policies were for the best interests of our country; and I have never believed that partisanship should determine the attitude of the American people, whether in official position or not, where questions involving our foreign relations were concerned.

Accordingly when a subject is presented by the Executive department dealing with the relations between our Government and other governments I shall, in so far as I can, support the President, whether he be a Democrat or a Republican. Of course, I am assuming that his course will be for the public good.

The President believed, as I understand, that the amendment referred to would be helpful to him in conducting foreign affairs. I was willing to accede to the wishes of the President in this matter, because I did not perceive any injurious consequences to our country or any results that would be at all harmful or inimical to the public weal.

With respect to the immigration bill, permit me to say that when it passed the Senate it contained provisions of which I did not approve, and on the final roll call I voted against it. The bill as it comes from the conference committee contains provisions that do not meet my approval. On the question of adopting the conference report I may feel constrained to vote against the bill. If I do, however, it will not be because of the provision tendered by the House conferees and embodied in the bill as reported from the conference committee. Notwithstanding the Senate bill contained provisions of which I did not approve in conference, I contended for the Senate bill, attempting to discharge as best I could the duty resting upon me as one of the conferees selected by the Senate.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. KING. I yield.

Mr. NORRIS. I wish to ask the Senator from Utah about another provision of the bill which we supposed was going to be cured in conference, if it needed curing. That provision was the one in reference to the seamen's act.

Mr. KING. Mr. President, if the Senator will pardon me, I will not trespass this morning on the time of the Senate. I should be glad to discuss that matter, and doubtless when the report comes before us the matter to which he has referred will receive consideration. I will say, however, that the conferees did not accept the amendment which I offered in the Senate dealing with seamen. The House provision with slight modifications was retained in the bill.

Mr. NORRIS. Would the Senator care to answer a question as to whether or not, in his judgment, as the bill now stands, the provision to which I have referred is workable; or whether, in effect, it repeals portions of the seamen's act?

Mr. KING. Mr. President, there was some testimony before the committee that supports the view that the House provisions of the bill are workable. There will, however, in my opinion, be many difficulties encountered and obstacles to its enforcement. I fear, however, that there will be evasions of the law and that there will come to our shores a considerable number of persons not eligible for citizenship and in contravention of the immigration laws.

It is contended by some that the House provisions referred to impinge upon the seamen's act. I have not been able to perceive how these provisions will repeal the seamen's act or any of its provisions. I regret that the amendment which I offered in the Senate was not accepted by the conferees, and that the conferees reported the provisions of the House bill dealing with seamen instead of the measure which I offered in the Senate dealing with this important matter. Of course, the Senate having rejected my amendment and the House having passed a bill containing provisions dealing with the subject generally the House conferees insisted upon the House provisions and the majority of the conferees accepted those provisions with some slight modifications.

Mr. HARRISON. Mr. President, may I ask the Senator a question before he takes his seat?

Mr. KING. I yield.

Mr. HARRISON. Will the Senator tell us about when the conference report will be submitted to the Senate?

Mr. KING. I presume under orderly procedure—and I am speaking rather without definite information—the report will first be presented to the other House, and considered there.

Mr. REED of Pennsylvania. If the Senator from Utah will permit me, I can answer that interrogatory.

The conference report will be presented to the other House to-day. It was not possible to complete it and complete the statement which, under the rules of the House, is required in time for presentation to that body last night. It will be presented there to-day, and, under the rules of the House, it will have to lie over for a day. It will be acted on in the House to-morrow at the earliest, and should reach us and will, I hope, reach us on Saturday.

Mr. HARRISON. So that the conference report will be printed in the RECORD of to-day's proceedings?

Mr. REED of Pennsylvania. It will be printed in the RECORD of to-day's proceedings.

Mr. ROBINSON. Then, it is not expected that the conference report on the immigration bill will be taken up by the Senate prior to Saturday?

Mr. REED of Pennsylvania. It can not, in any event, be here before Saturday.

Mr. ASHURST. Mr. President——

The PRESIDENT pro tempore. The Senator from Arizona.

Mr. KING. Will the Senator from Arizona permit me to retain the floor for a moment, to yield to the Senator from Tennessee [Mr. MCKELLAR], who desires to ask me a question?

Mr. ASHURST. Certainly.

Mr. McKELLAR. Mr. President, I wish to ask a question. Does the report of the conference committee contain a provision holding the gentlemen's agreement between Japan and America?

Mr. KING. Exclusion provisions were contained in both the House and Senate bills, and it seems quite clear that if the provisions of either bill were enacted into law, it would ipso facto terminate the so-called "gentlemen's agreement." The Senator will recall that the House exclusion provisions did not go into effect until July 1 of this year, and the gentlemen's agreement would doubtless be operative, unless abrogated by the Executive, until that date. However, the amendment tendered by the House conferees, to which I have referred, extends the time until March 1 before the exclusion provisions go into effect.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. REED of Pennsylvania. We have had a sufficient number of copies of the conference bill printed to be available for every Senator, and I will see that they are distributed within the next hour, so that all Senators may have an opportunity to read the bill itself and see what has been done.

But, to answer the Senator's question immediately, I will say, as the Senator from Utah has just stated, that the time for the exclusion clause to go into effect is fixed as the 1st of March next, and the President is requested to commence negotiations with the Japanese Government at once with a view to the immediate abrogation of the existing arrangement regarding immigration. Instead of ratifying any such gentlemen's

agreement, it requests the President to terminate whatever agreement there may be.

May I say further that under the quota provisions of the bill, which will be in effect until March 1, the maximum number of Japanese that can be admitted from July 1 to March 1 is 67.

Mr. DILL. Mr. President, do I understand that as the bill has been agreed to in conference it permits a quota basis for the Japanese?

Mr. REED of Pennsylvania. Yes; until March 1, 1925.

Mr. DILL. Although the Senate definitely voted down the idea of a quota basis?

Mr. McKELLAR. And the House took similar action.

Mr. DILL. Both Houses definitely voted against the quota basis, and yet the conference report provides for a quota.

Mr. ROBINSON. Mr. President, will the Senator yield to me?

Mr. REED of Pennsylvania. I yield.

The PRESIDENT pro tempore. Does the Senator from Utah yield the floor?

Mr. KING. I surrender the floor.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Arizona.

Mr. ASHURST. I yield to the Senator from Arkansas.

Mr. ROBINSON. I thank the Senator from Arizona.

Mr. President, by the courtesy of the Senator from Pennsylvania the Senate is made familiar with the substance of the provision which has been incorporated by the conferees in the immigration bill. It would appear to be legislation by the conferees; but, passing over that question, it would seem to constitute a recognition of the immigration question as a proper subject for international negotiations; it would seem to be an abandonment of the position the Government of the United States heretofore has maintained that the question as to who shall be admitted into the United States is purely a domestic question.

I recall that the leader of the majority, the Senator from Massachusetts [Mr. LODGE], when the attention of the Senate was called to a communication from the Japanese ambassador recently, took the position that there could be no compromise upon that subject; that the United States has always maintained the position, which has been universally accepted by other nations, that questions pertaining to immigration are purely domestic questions which this Government can not afford to submit to negotiation. This provision would appear to repudiate that position and recognize the question of immigration as one appropriate for adjustment through treaty arrangement. It had just as well be understood now that the proposed amendment to the immigration bill, incorporated at the instance of the President, is one of very far-reaching importance. If we recognize the right of Japan to stipulate the conditions upon which Japanese can come into the United States we will be confronted immediately with the demand from other nations which have equal rights to the same recognition. Do Senators expect that Italy will continue to recognize immigration as purely a domestic question if we concede to Japan that it is a proper subject for international negotiation.

There is no desire, and there should be no desire, on the part of anyone to pursue a course which will work embarrassment to the Executive or occasion resentment on the part of any nation; but this is a question of overshadowing importance. Once you recognize the right of any foreign government or people to insist upon participating in determining the terms and conditions upon which their nationals may be admitted to the United States you abandon the position that immigration is a domestic question and you recognize that it is an international issue.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. ROBINSON. I yield with pleasure to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. The conferees recognized the soundness of the principle which the Senator has just stated with his usual ability. We declined to put in a provision leaving this to Japan. If we had done so, I agree that the strictures would have been justified. What we have done has been to declare it a domestic question and to instruct the President, as far as it lay in our power to instruct him, to terminate the existing arrangement.

Mr. ROBINSON. Yes; you desire to terminate the gentlemen's agreement, but you asked the President to negotiate a treaty respecting the subject; and a recognition of the question of immigration as a proper subject for negotiation between nations, a recognition of the right of Japan to insist upon a treaty arrangement, is an abandonment of the doctrine that it is purely a domestic question.

Mr. REED of Pennsylvania. No, Mr. President; I think the Senator has in mind the provisions that were read into the RECORD by the Senator from Tennessee a day or two ago. Those provisions the conferees turned down, because we would not authorize a treaty on the subject of immigration.

Mr. ROBINSON. I have in mind the statement that I understood the Senator from Pennsylvania to make.

Mr. REED of Pennsylvania. Will the Senator permit me to put this in the RECORD, then, so that we may know exactly what it is?

Mr. ROBINSON. Yes; I yield for that purpose.

Mr. REED of Pennsylvania. I will not interrupt the Senator again.

Mr. ROBINSON. I do not object at all to being interrupted.

Mr. REED of Pennsylvania. The proviso is, following the exclusion clause:

Provided, That this subdivision shall not take effect as to exclusion until March 1, 1925, before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject.

Whether he does or does not, however, exclusion takes effect March 1, 1925.

Mr. BORAH. Mr. President, may I ask the Senator a question?

Mr. ROBINSON. I yield to the Senator from Idaho.

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Idaho?

Mr. ASHURST. I yield, Mr. President.

Mr. ROBINSON. I thank the Senator.

Mr. BORAH. But, fundamentally, do we not by the procedure which we have adopted recognize that a foreign government has a right to be heard when we come to legislate on the question of immigration? That is the fundamental question.

Mr. ROBINSON. Why, Mr. President, that is exactly what I am maintaining.

Mr. JOHNSON of California. Mr. President——

Mr. ROBINSON. Just a moment. This provision recognizes the question of immigration as appropriate for international negotiations. It is not so important what may come out of this particular case.

The important point that I am making is that we have always insisted that it is a matter of domestic concern, about which we have the right to legislate without regard to the views of other nations; and now we are surrendering that principle. The purpose of it, as everyone knows, is to give the President a chance to negotiate a treaty with Japan regulating the immigration of Japanese into the United States.

Mr. BORAH and Mr. LODGE rose.

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Idaho or to the Senator from Massachusetts?

Mr. ASHURST. I yield, Mr. President.

Mr. ROBINSON. Just let me conclude in a moment. The principle involved is in no sense different because of the language employed. It is just as distinctly an abandonment of the doctrine that the immigration question must be maintained as a purely domestic issue as if we had incorporated in the provision a treaty arrangement with Japan.

Mr. BORAH. Mr. President, so far as I am interested in this question I should not want it to turn upon the question that 67 Japanese, more or less, may come into the country between now and the 1st of March. That is not a serious proposition at all, to my mind; but there are two propositions involved in it which, it seems to me, are very serious. The first is the one to which the Senator has referred—that we do by this procedure recognize the right of a foreign government to be heard when we propose to exclude certain people from our shores. Secondly, as I understand, now, for the first time, the conferees admit the quota principle with reference to Japan.

Mr. ROBINSON. Why, they go further than that. They recognize the gentlemen's agreement as a treaty obligation, and they refuse to recognize the right or the power of the Congress to legislate upon the subject until the so-called gentlemen's agreement has been abrogated or rescinded by a contract between this Government and Japan which they petition the President to negotiate. If that principle is to be adopted, it constitutes a distinct recognition of the force of the gentlemen's agreement as superior to the right of Congress to legislate upon the subject.

Mr. JOHNSON of California. Mr. President——

Mr. ROBINSON. The Senator from California wanted to ask me a question. I yield to him.

Mr. JOHNSON of California. I want to recall to the Senator the sequence chronologically of what has happened, and then he will see that what he has stated is entirely accurate, and that there is another principle involved in this as well.

The conferees of the House and the Senate met and agreed. They agreed upon exclusion, and accepted the date that was fixed in the House bill. They published it yesterday morning to the world. They were to meet at 3 o'clock in the afternoon, and then merely consummate what they had agreed upon. In the interim the President requested that the date be extended, and that the proviso be inserted; and after the agreement among the conferees, before the signature, they accepted the suggestion of the President; and at 3 o'clock, when they met for the purpose of consummating their agreement, they wrote into the bill a new provision.

I think I am accurate in stating that; am I not, sir?

Mr. REED of Pennsylvania. That is accurate.

Mr. JOHNSON of California. Now, there are two questions presented here, as I would call to the attention of the Senator from Arkansas: First, the great, fundamental question that we recognize the right of Japan to negotiate by treaty with the United States of America in regard to immigration, a right that we recognize in no other country on the face of the earth; secondly, the right of the Congress of the United States to determine a question within its jurisdiction, and the right of conferees to determine it when at variance with the way that Congress has determined that particular question.

One thing more: I did not intend to discuss this question until the conference report came before the Senate, and I shall not discuss it in detail now; but do not be misled by the statement that is made, with the best of intentions, of course, by the Senator from Pennsylvania that this thing affects 103 or 147 or 180 Japanese, as the case may be. I quite agree with the Senator from Idaho [Mr. BORAH] that that is immaterial in the principle that is involved; but the fact that what this amendment means is stated authoritatively by Mr. V. S. McClatchy in this morning's publications. Mr. McClatchy represents every element in the State of California that is engaged in endeavoring to promote Japanese exclusion. Among others, he represents here to-day officially the American Legion, the State Federation of Labor, the State Grange, the Native Sons, and the various leagues that have been formed in California upon exclusion.

Mr. McClatchy says that the object of this amendment is to increase the number of Japanese in California by 240,000 rather than 137, and if the number became material I could recall to you, from the statement made by Mr. McClatchy, that 2,000 Japanese are to-day in Japan seeking kankodan brides, as they are termed; that they are there under the protection and with the permission of the Japanese Government; and that between now and next March there will be 40,000 Japanese bachelors now resident in the State of California doing exactly the same thing. Under the statistics it has been demonstrated that each one of these families raises 5 children, and Mr. McClatchy reaches the figure that he suggests of 240,000 in that fashion.

So, first, you have presented the basic principle that you are going to deal with Japan in a fashion that you deal with no other country on the face of the earth. Secondly, you are presented with the idea that you are taking a date that is at variance with the time that was fixed by the Senate and the time that was fixed by the House; and your conferees, upon the command of the executive part of the Government, are legislating both for the House and for the Senate upon this subject. Thirdly, at the instance of Japan you are fixing a date in the future that means an increase of Japanese in the State of California not of 137, but possibly of a couple of hundred thousand, under the facts as stated by Mr. McClatchy.

Mr. REED of Pennsylvania. Mr. President, may I simply add one sentence to that?

The PRESIDENT pro tempore. Does the Senator from Arizona yield, and to whom?

Mr. ASHURST. I yield further.

Mr. REED of Pennsylvania. The census of 1920 shows that in the whole United States there are only 111,000 Japanese. Senators can estimate for themselves the likelihood of this prophesy coming true, even if there were no quota agreement.

Mr. ROBINSON. Mr. President, I shall conclude my suggestions upon this subject in a moment.

I do not intend at this time to enter into a discussion as to the probable extent or effect of Japanese immigration. I am speaking now of the principle involved in this legislation, which appears to me to be of very far-reaching importance.

Both Houses of Congress passed by an almost unanimous vote, and this body passed it after the subject had been made by Japan a direct issue, an exclusion provision affecting Japan. This provision, adopted in the conference, is that exclusion shall not take effect—

until March 1, 1925, before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject.

Mr. President, some Senators have recently expressed in this Chamber severe criticism of the policy of requesting the President to take action within spheres exclusively within his jurisdiction. I can recall when some Senators who favor this provision thought it was belittling to the dignity of the Senate, and a gross violation of propriety, for the Senate to suggest to the President a course exclusively within his sphere; yet there is no Senator so ignorant as to think that the negotiation of a treaty is not exclusively an Executive function. The Senate does not negotiate treaties. It has a function to perform, as everyone knows, in connection with treaties, but no duty relating to negotiating treaties. Here, however, we are asking the President to negotiate a treaty before exclusion shall take effect.

Mr. REED of Missouri. Mr. President——

The PRESIDENT pro tempore. Does the Senator yield?

Mr. ROBINSON. I yield to the Senator.

Mr. REED of Missouri. Will my friend permit me to correct him?

Mr. ROBINSON. Certainly.

Mr. REED of Missouri. He seldom makes mistakes, but here the President, through his servants, agents, and I will not say employees—his friends—is asking the Senate to ask him to take this step.

Mr. ROBINSON. And the Senators who expressed recently such serious objection to interfering with the Executive prerogative are glad to comply with the President's request. In other words, they are willing to trespass upon the jurisdiction of the President whenever it suits them to do so, but they regard it as a crime when they oppose the policy in the particular instance presented.

But that is not of controlling importance. The important thing is that this legislation recognizes the subject of immigration as proper to be determined by treaty. You have asked the President to negotiate a treaty with Japan abrogating the gentlemen's agreement. Suppose Japan refuses to enter into such a treaty, or suppose the President changes his policy and refuses to act upon your suggestion? Three or four days ago he announced that he was for absolute exclusion, and that opinion prevailed until the California primary had happened, and instantly after the California primary we find him forcing into the Senate—for that is what happened—a provision postponing exclusion until March 1, 1925, and requesting him to negotiate a treaty with Japan respecting Japanese immigration into the United States.

If you recognize that principle as applicable to Japan, you can not, without offense, contend for a contrary principle with other nations interested in their nationals coming to the United States, and there is no reason why you should do it. If you are going to negotiate immigration treaties with Japan, you ought to negotiate them with nations whose nationals are of the white race. There is no reason in morals or in justice why Japan should receive preferential treatment.

You may say that it is not a very important matter to make immigration an international issue, but how jealous some of you have been on this subject! I remember with what unanimity and wrath a few days ago, led by the Senator from Massachusetts, Senators on the other side of the Chamber refused to tolerate for a moment a suggestion that Japan should be consulted in connection with this subject, and now they come with a proposal to recognize the right of Japan to participate in determining who shall be admitted to the United States. If we adopt that, you abandon the position that immigration is a domestic question.

Mr. HARRIS. Will the Senator from Arizona yield?

Mr. ASHURST. Of course, I feel I should, but I have kept the floor for 40 minutes and have not said a word.

Mr. HARRIS. I would like to make a statement as to my attitude on this question.

Mr. ASHURST. I will yield to the Senator in a moment. Let me at least see how my voice sounds on this question. I do not feel that I have displayed any impatience in yielding. In fact, I think what has been said by other Senators was probably better said than I would have said it, but that does not relieve me from the urge I feel to talk at this time.

Mr. LODGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Massachusetts?

Mr. ASHURST. I yield to the Senator from Massachusetts for a short statement, although I declined to yield to the Senator from Georgia.

Mr. LODGE. If the Senator declined to yield to the Senator from Georgia, I will wait.

Mr. ASHURST. I yield to the Senator from Massachusetts at this juncture.

Mr. LODGE. Mr. President, I think I ought to say a word about this matter. I have taken very strong ground always in regard to the question of immigration. It is a subject on which I have worked ever since I began my career in the House of Representatives, and I have always believed that the question of who should be admitted to the United States was a matter to be determined by the Congress of the United States. It is only fair to say that that has not been the uniform practice of the United States.

We have treaties with China, as well as laws stretching back to 1862 and running down to 1902, which include exclusion laws, and we also have treaties on immigration. I do not say that because I believe in that policy, because I do not; I believe it was a mistaken policy to make treaties on that subject; but they were made. So far as I am concerned, I declared my views on it the other day, to which the Senator from Arkansas has referred. I felt very strongly about it, and declared my views very strongly at the time of the discussion of the League of Nations as one of the subjects of all others on which no foreign power could have anything to say.

I was on the conference which put in the gentlemen's agreement which went into a bill. It was the action of the two Houses. I think it was probably new legislation; but at all events it went through, and it went through as part of the conference report on an immigration bill. It conferred certain powers upon the President and that was all. It was a purely legislative act. It has no treaty claim whatever; there was nothing neutral about it. It is something that could be abolished at any moment by the power that made it. We made it, and we can abolish it at any moment.

Under those circumstances it would be simple hypocrisy for us to try to argue in favor of settling this question with the Japanese or any other nation on the face of the earth except by law. I do not mean that we can not by a treaty arrange in regard to the admission of representatives like ambassadors or ministers, or as to clergymen or teachers being admitted, or certain members of any special classes which would, without such exceptions, come perhaps in violation of the contract labor laws. That has been done by treaty, and I suppose will be done again, but I am speaking of the general proposition as to who shall have the power to declare who shall come into the United States to become a citizen of the United States. In my judgment, only the Congress of the United States, and, of course, acting with Congress, the President of the United States has that power—that is, the entire legislative body of the United States must say to the rest of the world, "We alone have the power to say who shall come into the United States as immigrants."

I repeat what I said the other day, from that decision so made there is no appeal. I have the utmost respect and admiration for the President. I believe in him thoroughly, but I venture to think that this brief amendment goes further than was perhaps realized by the conference committee.

Mr. ASHURST. Mr. President, the remark of the senior Senator from Arkansas [Mr. ROBINSON] was appropriate when he said that no one here should desire on this important subject to speak merely to embarrass the Executive. In the short time I may occupy the floor I shall say nothing that will embarrass the Executive. Indeed, it would be a wanton act on the part of a Senator who would now attempt to embarrass the Executive, because the Executive has already been sufficiently embarrassed on this question by his own Secretary of State. It is not the Senate nor the House of Representatives that has embarrassed the Executive; it is his own Cabinet minister who, according to the press, petulantly threatens to resign his portfolio if he is not allowed to have his own way in the matter of inducing our conferees to inject into a conference report "matter" which both Houses of Congress have rejected.

After this dubious performance let there be no more lamentations here or elsewhere about the alleged Executive interference of former Presidents in legislative affairs. Had the interference of the Executive on this subject occurred prior to last Tuesday, that interference would have been at least courageous. This Executive interference, coming as it did after last Tuesday, marked it as the interference of a man more cautious than courageous.

The report of the conferees is baleful for two reasons: First, because the conferees have inserted into their report "matter", which distinctly and emphatically had been rejected by both Houses of Congress, and secondly, the matter they inserted was inserted at the instance and request of the executive branch of the Government and it was in regard to a matter and subject upon which foreign nations have no right to complain or interfere. It was and is purely, simply, and solely a domestic question, and has ever been treated as a domestic question.

Happily, however, we are not without recourse. Under the second paragraph of Rule XXVII, called the Curtis rule, it is provided that whenever conferees shall insert into their report matter not committed to them by either House, or matter rejected by both Houses, a point of order will lie, and that the whole report must go back to conference.

According to press reports the junior Senator from California [Mr. SHORTRIDGE], or his colleague, the senior Senator [Mr. JOHNSON], will make the point of order, and thus these Senate conferees who have offended this Senate rule will be sent back to perform their duties properly.

I have been a conferee myself in times gone by, and I appreciate the ever-present anxiety of conferees to reach an agreement. Yet on this particular conduct of Senate conferees, if I were disposed to be critical, I could say much against the impropriety of their inserting into a conference report matter so directly, so plainly, and so overwhelmingly rejected by both Houses.

Moreover, I could animadvert to the vice of conferees yielding to the threats of a Secretary of State; but, as has been said, that would be——

Mr. REED of Pennsylvania. Will the Senator explain what he means by the "threats" of the Secretary of State? I have not heard any threats from any Secretary of State on this.

Mr. ASHURST. The Senator signed this conference report. Did the Secretary of State request him to do so?

Mr. REED of Pennsylvania. The Secretary of State did not. He has not communicated with me.

Mr. ASHURST. Did any member of the executive arm of the Government make it manifest to the Senator that the Executive wanted him to sign this report or to include therein the provisions so offensive to the Senate?

Mr. REED of Pennsylvania. Mr. President——

Mr. ASHURST. I will withdraw my question.

Mr. REED of Pennsylvania. I am perfectly willing to answer it. The President of the United States asked the House conferees to offer this proviso. They did offer it, and after discussion we accepted it.

Mr. ASHURST. It would be offensive if I were to try to catechize the conferees as to what moved them. The results speak for themselves, and it is against the results that I direct my remarks.

The figures supplied by the senior Senator from California [Mr JOHNSON], so far as I am aware, are correct. But even if the figures he supplied be incorrect, even if it be ascertained that only 240 instead of 240,000 Japanese would be admitted, under this conference report the vice of our Senate conferees would be just as offensive, because it breaks down a principle to which we have ever adhered and which we have never surrendered; that is to say, the matter of determining who may and who may not be admitted into the United States as an immigrant is simply, solely, and only a domestic question to be reserved for the legislative branch, and there is no exception to this rule of government

Now, as the Senator from Arkansas said, we propose to select a yellow race, an oriental power, and to single it out for special favors and privileges, as separate and apart from the treatment we accord to the white races. We require, and justly require, England, from which land we have largely drawn our language and our customs, to submit to our laws on this subject. Germany, France, Spain, Italy, and other foreign powers are required to submit, and properly submit, to our laws and judgment on this subject because it is an internal question, a domestic question. But by reason of some mental strabismus on the part of the Secretary of State which I am unable to comprehend we find inserted here a preference right, not to one of the branches of the white race but preference to a yellow race.

I am of opinion that in some parts of our country people do not realize the harm that will inevitably flow from an oriental invasion, although it be done by peaceful penetration. The orientals worship their gods, develop their culture, and it suits them. Against their manners of life, their

habits and customs, I have no unkind word. It would not be proper for me to stand in this forum and criticize or object to what they do at home, within their own walls. I will go no further. I will say only that we are different. We can not adopt their culture; they do not want ours; and when we begin to say that we will treat the matter of the admission of orientals or the nationals of any other nation as an international or a foreign question, instead of a domestic question, we tread upon dangerous ground.

If the Senate conferees who have yielded upon this question and who thus have either willfully defied the Senate or have been ignorant as to the Senate's views would for a short time live upon the long line which we call the Mexican border, stretching from the Pacific Ocean down to the mouth of the Rio Grande, they would perceive the danger of peaceful penetration which Japan practices upon the United States.

It has been a part of the policy of certain Japanese for years to penetrate the United States across that border. Here is a dispatch signed by Duke N. Parry, of the International Service, reading as follows:

IMMIGRATION BAN STIRS JAPAN—INCREASED EXODUS TO SOUTH AMERICA IS PLANNED AS COUNTER MOVE

TOKYO, April 24.—Completely recovered from the serious illness which a few weeks ago caused reports of his death, Prince Matsukata, aged genro, arranged to-day to motor to Tokyo to discuss with the prince regent and Prince Saionji the immigration crisis.

The eta class meeting at Kyoto to-day planned a three-day protest against the Japanese exclusion measure, which will be nation-wide. Speakers accused the Government of "weak diplomacy" in its protests to the United States, until more than a thousand Japanese, graduates of 21 American colleges, to-day sent protests to Secretary Hughes and their alma maters.

The Japanese Nationalists are apparently behind the agitation manifested daily in minor outbreaks. They represent a distinct group and include many members in the army and among the older statesmen.

Here is what they say:

We propose to increase our immigration to South America and Mexico, its leaders declare, thus peacefully penetrating the territory over which the Monroe doctrine had applied hitherto. We do not accept the Monroe doctrine, and we claim the Japanese could have managed the American Continent as well as the Caucasians had the Japanese awakened sooner as a member of the family of nations.

Its influence was evidenced to-day in the Overseas Immigration Society voting to increase immigration to South America.

So I have no doubt that at the appropriate time a point of order will be made against the conference report, because the conferees have inserted into their report matter distinctly rejected by both Houses of Congress with an emphasis and a unanimity rarely observed on a controverted question in either House.

The able junior Senator from Utah [Mr. KING] made a clear, fair explanation of his views. I can only remark that he is at least consistent. He believes the Japanese should be permitted to enter the United States. He has been honest and frank about it, but I would have had a more generous feeling toward the Senator this morning if when he went into the conference he would have discarded his own views and would have acted as the faithful agent of the Senate on this subject rather than putting his own views into the conference report. Conferees are not at liberty to inject their own views into a conference report. They must act upon such "matter" as is committed to them.

Mr. HARRIS. Mr. President, I have taken more interest in the immigration question than in any other question since I have been a Member of the Senate. My views as expressed in my votes and speeches in the committee and in the Senate have been more extreme in demanding restrictive immigration than those of any other Senator. Those views I have also expressed in bills which I have introduced. I introduced five years ago a bill to prevent all immigration for five years. I have introduced similar bills twice since that time. During the present session of Congress I introduced such an amendment to this bill and voted for it and urged it as strongly as I could.

The Senator from Utah [Mr. KING] has stated his position and I shall not criticize that. I will only state my position in the committee, on the floor of the Senate, and in conference has been entirely different from him on this question. I have opposed immigration of all kinds at least for five years. To show how extreme I was, I will say that in conference I was the only one who voted on extreme measures trying to prevent all immigration at that time. I shall not state how other members of the conference voted on any question.

The matter relating to change of Japanese exclusion clause came up from the President, who was very much interested in the question. There has been no partisanship in the conference. We have worked as hard as we could and have avoided anything like partisanship. I have never seen members work harder or more unselfishly for what was best for our country. The President insisted on the provision which Senator MCKELLAR placed in the RECORD yesterday being incorporated in the conference report. I opposed it as strongly as I could and the Senator from Pennsylvania, when the conferees' report comes before the Senate, will state that I opposed the President's views every time the Japanese exclusion question came up, but have not done so in a partisan way so as to try to embarrass the President. I am as strongly in favor of Japanese exclusion as any Member of the Senate, and have every time so voted consistently. I was not present yesterday when the conferees voted on the final adoption of the report because I was attending a meeting of the Appropriations Committee as one of the members of the subcommittee having in charge the Agricultural Department appropriation bill. But the Senator from Pennsylvania and every one of the conferees knew that I opposed this part of the report.

When the matter first came up in conference I stated frankly that I thought the President was making a great mistake; that I did not wish to embarrass him, but that the Senate would never, in my opinion, vote in favor of anything of the kind suggested by the President in regard to changing the Senate and House provisions relative to Japanese exclusion.

I told the conferees that I did not believe half a dozen Members would be in favor of the change and that I did not believe it would do any good to make the attempt. I thought it would strain our relations with Japan to have heated discussion of the question on the floor of the Senate and in the House, and I believed that it was a great mistake and strongly urged this view on the conferees.

At my suggestion the conferees polled the Senate and the House on the question. I insisted that if we would poll the two bodies, the President would find there was no sentiment for the provision, but that they would nearly all be against it. It was at my suggestion the poll was made and the President was notified of the result. The Senator from Tennessee [Mr. MCKELLAR] at my suggestion polled the Democratic Senators as far as he could, I believe 18 in number. Every one of them he found opposed to the measure, just as I am. I will not state what the other members of the committee reported to the conference. That is their responsibility and not mine. I am only relating the things which were done partly on my suggestion. I was with the Appropriations Committee and not present when the conference report was signed by all the others. Senator REED, the chairman, brought it to me. I opposed vigorously the particular provision under discussion as well as some of the other provisions of the act, yet I was so strongly in favor of immigration legislation, I think it is the most important legislation that has come before the Congress in years, that I did not wish to run any risk of having the President veto the bill. He was insisting that the Senate and the House should vote on this Japanese provision. I thought by getting the bill to the floor of the Senate and the House, the Senate would without doubt vote down the Japanese provision. I believe it is subject to a point of order, and leading parliamentarians take this view. I do not believe the conferees had any right to change what the House and Senate had already voted in regard to the Japanese question. I had opposed it strongly every time the matter came up, and when I signed the report I wrote on it as follows, "I do not agree to the insertion of the proviso at the end of subdivision (c) of section 13." This section contains the proviso regarding the Japanese which the President insisted should be voted upon. I do not want the President to veto the bill, and I was afraid he might if we were not given a chance to vote directly on the question, and thereby destroy any hope of this legislation this session.

I want immigration legislation. I believe it more important than anything before the Congress. Congress will be in session only a few days more, and if the President were to veto the bill at this time I am afraid we would not get the legislation through this session. For that reason I did not want to take any chances on it. I wanted to get a full vote on it in the Senate. I am convinced the proposition suggested by the President would be voted down by both Houses, and when this was done we would pass the measure, then we would have an immigration bill satisfactory to both Houses and to the country and which the President would not have the same reason for vetoing. For that reason I signed the conference report with a dissenting report relative to the Japanese proviso in the bill which the President recommended and the conferees inserted over my protest. The Senator from Pennsylvania [Mr. REED],

the chairman of the conferees, Mr. JOHNSON, the chairman of the House committee, and each member of the conferees have worked unceasingly for days and weeks at their work, which I feel sure will be adopted by the Congress, with the exception of the Japanese proviso, and I believe this measure will do more for the future of our country than any other legislation passed since I have been a Member of this body.

Mr. REED of Pennsylvania. Mr. President, I hope that the discussion of this matter may be delayed until it is properly relevant to the business before the Senate. The conference report will be here on Saturday, I think, if the other House approves it, and it seems to me that discussion might well wait until that time.

Mr. HARRIS. I had not intended to discuss the matter.

Mr. REED of Pennsylvania. I did not mean to criticize the Senator.

Mr. HARRIS. I understand that, but while the Senator from Pennsylvania is on the floor, and as he was going to make a statement as to my position, just as I have stated it here when he presented the conference report, I hope he will now make a short statement as to my views, and setting forth that I did oppose this provision.

Mr. REED of Pennsylvania. Mr. President, I wish to say, so far as that goes, that the Senator from Georgia has stated with complete exactness the attitude that he observed before the committee. I wish to emphasize, Mr. President, that throughout the conference there has not been the slightest tinge of partisanship observable within the conference committee—not a particle. Every member of that committee has treated this as a question that was above partisanship, because it relates to the future of the United States, and it will affect the United States and mold the United States long after all the parties that we know anything about shall have passed and gone. It is the most important legislation, I am sure, as the Senator from Georgia has said, before this Congress, and the most important that has been here for many years.

I wish to say that both the Senator from Georgia [Mr. HARRIS] and the Senator from Utah [Mr. KING] have stood faithfully in the attitude of not desiring to embarrass the President in any way. They took the position that he was their President, regardless of any party difference, and that in any dealing with foreign countries there were no parties in the United States, and that he spoke for all, and those Senators preserved that position with consistency throughout.

Now, just a word in reply to what the Senator from Arizona [Mr. ASHURST] has said about this being a matter for the exclusive action of Congress. I agree that this is a domestic question which Congress alone has power to decide, and from its decision there is no appeal. I agree with that; but, Mr. President, back in 1907 the "gentlemen's agreement" was made; it was recognized by Congress, for in the immigration law of that year the conferees put in a proviso which recognized the "gentlemen's agreement." A point of order was made against it here, but it was held to be in order because the conferees were dealing with a bill that had been amended by a complete substitute and the conferees themselves wrote a complete substitute bill.

The then Vice President held that it was in order for the conferees to put in a proviso relating to the "gentlemen's agreement," although neither House had done so on the original passage of the legislation. Then the measure went to the House of Representatives; the same point of order was raised there, and Speaker Cannon, one of the ablest parliamentarians who has presided over the House for many years, sustained the action of the conferees and overruled the point of order. So in both Houses the exact action of the conferees in this case has been sustained on a point of order made to an immigration bill with a proviso relating to the "gentlemen's agreement." Therefore, it is not in any sense an open and shut question on the point of order.

Mr. NEELY. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED of Pennsylvania. I yield.

Mr. NEELY. The Senator, of course, realizes that in 1907 the so-called Curtis rule had not been adopted by the Senate, does he not?

Mr. REED of Pennsylvania. I quite realize that, but I do not think the Curtis rule changes the situation at all where the amendment of the Senate is a complete substitute for the whole House bill, and the action of the conferees is a complete redrafting of the entire legislation. That, however, will have to be decided later.

Just a further word as to the suggestion that the "gentlemen's agreement" must not be recognized by Congress. What we propose to do in this case is to establish a rule of law that will terminate the "gentlemen's agreement." We request the President to do so in the meanwhile, pleasantly if he can; but whether he does or does not, the decision of Congress takes effect and the "gentlemen's agreement" dies on March 1 next.

Mr. SHORTRIDGE. Mr. President, will the Senator from Pennsylvania yield merely for a question?

Mr. REED of Pennsylvania. I yield.

Mr. SHORTRIDGE. I understand it is the desire of the Senator, as expressed, that time be given to negotiate for the abrogation of this alleged existing agreement?

Mr. REED of Pennsylvania. Precisely.

Mr. SHORTRIDGE. Will there not be ample time between now and July 1? Why continue it for six months?

Mr. REED of Pennsylvania. The President seemed to think that he needed more time. His attitude has been plainly expressed repeatedly, and there is nothing in the proviso inconsistent with it. The President favors the exclusion clause which Congress has adopted; he favors exclusion; but he wants time to accomplish, by pleasant diplomatic means, the sending of that message to our friends across the Pacific.

In 1907, as I have said, we recognized the "gentlemen's agreement." This Congress, which has suddenly become hypersensitive on the subject of its powers, recognized the "gentlemen's agreement," in the Dillingham immigration bill of that year. We again recognized it in the quota law of 1921, where we excepted from the quota law, and took the entire restriction off all nations with which we had agreements relating solely to immigration. We recognized it then because that agreement was in force. It was also recognized on the floors of both Houses of Congress that the exception was put in for the particular benefit of Japan. So it ill behooves us now to get excited because Congress recognizes the existence of the "gentlemen's agreement" in directing that it be terminated. The Roosevelt administration, the Taft administration——

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I will yield at the end of the sentence—the Wilson administration for two terms, and the administration of President Harding all recognized that "gentlemen's agreement," and nobody thought that the honor and the dignity of the Congress or of the United States were impaired. Now I yield to the Senator.

Mr. JOHNSON of California. But in the recent immigration bill the Congress terminated that agreement, did it not?

Mr. REED of Pennsylvania. In the recent immigration bill Congress adopted a definite exclusion clause, yes.

Mr. JOHNSON of California. And we definitely voted upon the "gentlemen's agreement," did we not?

Mr. REED of Pennsylvania. We definitely voted to leave out of the bill the provisions of the bill of 1921.

Mr. JOHNSON of California. Exactly.

Mr. REED of Pennsylvania. And they have not been restored.

Mr. JOHNSON of California. No; but recognition is contained in the proviso.

Mr. REED of Pennsylvania. Recognition that such an agreement has existed is contained in the proviso.

Mr. JOHNSON of California. And the proviso reads that the President shall negotiate "in relation to the abrogation." Will the Senator tell me what is meant by "in relation to the abrogation"?

Mr. REED of Pennsylvania. I presume that means that the President shall negotiate about the abrogation of the agreement.

Mr. JOHNSON of California. Does it mean that the President shall negotiate to abrogate it?

Mr. REED of Pennsylvania. I think it does.

Mr. JOHNSON of California. Why does it not say so?

Mr. REED of Pennsylvania. I did not write it. If I had been writing it I would have said so.

Mr. JOHNSON of California. I think if the Senator had been writing it he would have written it very differently if he had meant to abrogate the agreement. But the other amendment that was suggested by the President was of a different sort, was it not?

Mr. REED of Pennsylvania. That was of a different sort, and the conferees turned it down.

Mr. JOHNSON of California. And they turned it down definitely and conclusively and finally, did they not?

Mr. REED of Pennsylvania. Yes.

Mr. JOHNSON of California. So then, subsequently, the other provision was presented; but the first amendment that was presented did not in reality exclude; while agreeing to

exclusion, it left it to an uncertain and indefinite future, did it not?

Mr. REED of Pennsylvania. Precisely, and that is one reason why we turned it down.

Mr. JOHNSON of California. The President presented the first one, did he not?

Mr. REED of Pennsylvania. He did.

Mr. JOHNSON of California. So that, if he were in favor of exclusion, he presented an amendment that denied it.

Mr. REED of Pennsylvania. No; not at all.

Mr. JOHNSON of California. It was an amendment that left it, as the Senator just stated, to an uncertain and indefinite future.

Mr. REED of Pennsylvania. The President has been in favor of exclusion all the time, but he wanted to accomplish it by gentler methods than those that Congress had employed.

Mr. JOHNSON of California. But the Senator just stated to me that the amendment the President first presented left it to an indefinite and uncertain future.

Mr. REED of Pennsylvania. It did; but the President said also, in connection with that, that he meant to negotiate a treaty of exclusion.

Mr. JOHNSON of California. But the proviso would have left exclusion uncertain.

Mr. REED of Pennsylvania. Yes; and that is why we rejected it. The provision adopted does not leave it uncertain.

Mr. JOHNSON of California. Then the Senator and the committee rejected it because they did not think that it gave us exclusion.

Mr. REED of Pennsylvania. I wanted to have exclusion beyond a shadow of a doubt.

Mr. JOHNSON of California. Correct; and because the Senator wanted exclusion he rejected the first amendment presented.

Mr. REED of Pennsylvania. Precisely.

Mr. JOHNSON of California. Yes, sir.

Mr. REED of Pennsylvania. There never was any question of the President's intention to negotiate a treaty of exclusion; that was plain.

Mr. JOHNSON of California. Well, the amendment speaks for itself in that regard, of course.

Mr. REED of Pennsylvania. Of course it does. The original proposition gave him full authority to negotiate a treaty for exclusion.

Mr. JOHNSON of California. But it postponed exclusion until 1926 and made it contingent in reality upon the execution of a treaty.

Mr. REED of Pennsylvania. It postponed exclusion until 1926 and provided that if a treaty were negotiated in the meantime the treaty should control.

Mr. JOHNSON of California. And its terms provided for restricted immigration, did they not?

Mr. REED of Pennsylvania. For a restriction of immigration—that was the language used.

Mr. JOHNSON of California. It did not provide for exclusion but for restricted immigration.

Mr. REED of Pennsylvania. But the President's intention was perfectly plain. He meant to negotiate a treaty like the Chinese treaty.

Mr. JOHNSON of California. I am not questioning the intention in the slightest degree; I am speaking of the words that were used in the amendment that was first presented.

Mr. REED of Pennsylvania. Precisely, and the conferees did not feel sufficiently assured. We realized that the President was mortal; that the intentions of the next President might be different from those of the present President, and that treaties can be modified by future treaties, and we wanted to make it certain that exclusion should go into effect and should be conclusive.

Mr. STERLING. Mr. President——

Mr. REED of Pennsylvania. I yield to the Senator from South Dakota.

Mr. STERLING. May I ask the Senator whether or not under the first proposition there would have been absolute exclusion after March, 1926, whether any treaty had been made or not?

Mr. REED of Pennsylvania. Absolutely.

Mr. JOHNSON of California. Pardon me, but I did not hear the suggestion of the Senator from South Dakota.

Mr. STERLING. The suggestion was that under the first proposition submitted by the President, whether any treaty had been negotiated with Japan or not, there would have been absolute exclusion after the 1st of March, 1926.

Mr. JOHNSON of California. Provided a treaty were not concluded for restricted immigration before that time. That is exactly the language.

Mr. REED of Pennsylvania. That is correct. If there had been a treaty for restriction or exclusion made before that time, and if it had been confirmed by the Senate, that would control.

Mr. PITTMAN. Mr. President——

Mr. REED of Pennsylvania. Will not the Senator let me finish? I do not wish to make this debate too long.

Mr. PITTMAN. I am not going to make a speech; I merely wish to say that it is perfectly evident from that provision that it was desired to secure time in order to conclude a treaty of restriction rather than of exclusion.

Mr. REED of Pennsylvania. The Senator has been misled by the fact that the provision about which the senior Senator from California asked me was a provision which the conferees declined to embody in the bill.

Mr. PITTMAN. That is true.

Mr. REED of Pennsylvania. That never went in the bill. The provision which has been embodied in the bill contemplates nothing but exclusion; there can be nothing else under it.

Mr. PITTMAN. I was calling attention to the intention of the present President. The Senator from Pennsylvania was uneasy about the intention or desires of some future President, and I say that the proposal which he handed to the conference committee indicates that instead of being for exclusion he is for restriction.

Mr. REED of Pennsylvania. It may indicate that to the Senator but it did not indicate it to me.

Now, finally, Mr. President, about the motives of the President in asking for this modification. It is a matter of lively concern to all the Christian people of the United States, I think, that Christianity should be spread in foreign lands which at present embrace other religions. We have hundreds of missionaries scattered all over Japan. They have done a fine work in the last half century; but the people who are backing them up, the good Christian people of this country who send them out and support them there, are all of them concerned at the roughshod way in which Congress has established its decision here. I take my share of blame for that, because it was I who offered the exclusion section after the receipt of the Hanihara letter, and I thought we owed it to the dignity of the United States to offer that exclusion section, and I voted for it, and I would do so again; but since that has happened full apology has been made for the unfortunate expressions in the Hanihara letter. It is perfectly obvious that exclusion can be accomplished pleasantly as well as unpleasantly. It is perfectly obvious that exclusion is going to be accomplished in one way or the other; but the President is anxious, I know, from what he has said to us, to do it in such a way as shall not make the task of those missionaries in Japan any harder, as shall not create unnecessary friction for them, and shall not make our foreign relations any more difficult. I believe that it is incumbent on us here to follow the position so splendidly taken by the Senator from Utah and stand by this President, because he is our President, whether we are Democrats or Republicans or hybrids.

Mr. SHORTRIDGE obtained the floor.

Mr. KING. Mr. President, will the Senator yield to me to make just one statement?

Mr. SHORTRIDGE. I yield.

Mr. KING. The Senator from Arizona, of course inadvertently, stated my position with respect to exclusion. I have never stated that I was not for exclusion, and in attributing to me that position he is in error. I did take the position that the "gentlemen's agreement" having been negotiated, having been accepted even by Congress itself, the President of the United States ought to have opportunity to abrogate the same and, by diplomacy, to take such steps as might be deemed necessary and proper for the purpose of removing that as an impediment to the enforcement of the will of Congress. I believe that Congress has the absolute right, because it is a domestic question, to deal with immigration, and I assent to all that has been said by Senators in regard to that matter; but I did not want the statement of the Senator from Arizona to go into the RECORD unchallenged that I was in favor of Japanese immigration, because I am not.

Mr. BURSUM. Mr. President, will the Senator from California yield to me for just a moment?

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from New Mexico?

Mr. SHORTRIDGE. I yield.

INCREASE OF PENSIONS—VETO MESSAGE

Mr. BURSUM. Mr. President, I am anxious to bring up Senate bill 5 for a vote; and I should like to ask the chairman of the Finance Committee if it would be agreeable to him to lay aside the tax bill to-morrow at 12 o'clock?

Mr. SMOOT. Yes, Mr. President; at that time I shall ask unanimous consent to lay aside the unfinished business, if it is not passed before the close of the session to-day, for the consideration of the veto message of the President on Senate bill 5.

Mr. KING. Mr. President, I will say to my colleague that some Members of the Senate, at least one, are more anxious to secure a reduction of taxation than an imposition of additional tax burdens upon the people; and when to-morrow comes, if the chairman of the committee asks unanimous consent to lay aside a measure that ought to relieve the people of hundreds of millions of dollars annually and to take up a measure that will impose from fifty-five to seventy-five millions of dollars of additional taxes upon the people, there may be some objection.

Mr. BURSUM. Mr. President, then I give notice that I shall move for the consideration of Senate bill 5 to-morrow at 12 o'clock.

Mr. DIAL. Mr. President, I should like to say to my friends the Senator from Utah [Mr. KING] and the chairman of the committee that if they lay aside the tax bill it may be a long time before it is passed. I think we ought to go on and attend to the business before the Senate now. We ought to pass this tax-reduction bill. There are many other bills that ought to be taken up. I do not care to object, but if the bill is laid aside I shall endeavor to bring up some matters that may take two or three days.

Mr. NEELY. Mr. President, I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. NEELY. The inquiry is this: Inasmuch as a reconsideration of Senate bill 5 and the President's veto of that bill is a highly privileged matter, has not the Senator from New Mexico an undoubted right to bring it before the Senate without anybody's consent except that of the Presiding Officer? Does it not take precedence over the unfinished business of the Senate, which is the revenue bill?

The PRESIDENT pro tempore. The motion to proceed to the reconsideration of that bill is a privileged motion, but it will require a majority of the Senators present to carry the motion.

PENSIONS TO SPANISH-AMERICAN WAR VETERANS

Mr. DIAL. Mr. President, as the Senator from New Mexico [Mr. BURSUM] gave notice that he expects at an early date to take up the question of the President's veto of Senate bill 5, I desire to state that a day or two since I introduced Senate bill 3250, to allow increase of pensions to disabled Spanish-American War veterans. It provides for the same amount as is provided in the bill which the President vetoed. I trust that this bill will receive attention at the hands of the proper committee at an early date, and that we can pass it.

These classes of soldiers were discriminated against, and I think this will remedy the defects of that bill. I am very much in hopes that the Senate will pass it.

RESTRICTION OF IMMIGRATION

Mr. SHORTRIDGE. Mr. President, I do not rise for the purpose of discussing to any extent the question which will come properly before the Senate perhaps to-morrow, or upon a later day. That question, however, rises far above the fate of men or the fate of political parties.

I have heretofore expressed my views upon the broad question of immigration. I have heard nothing to justify or induce me to change the views I have entertained and expressed. If, which I shall regret, if, which I shall deplore, the conferees shall report as perhaps we are justified in anticipating, I shall raise a point of order to such report, and I shall then undertake to justify such point of order under the rules of the Senate and under accepted parliamentary principles; but over and beyond what might be called or what some might consider a technical objection I shall, with the indulgence of the Senate, express myself upon the merits involved in this legislation.

For the moment and now I content myself with saying that immigration, or the control over the subject matter of immigration, is what has been appropriately characterized and described as a domestic question. If it be a domestic question, even as the matter of tariff, even as the matter of revenue, or any other matter is a domestic question, then the next proposition must be true, constitutionally, legally speaking. It must be true that this domestic question is under the jurisdiction of, within the constitutional power and control of, the legislative branch of our Government.

Even the dullest mind, the most perverse or egotistic mind, if such mind could lay aside its vanity and its pride, would admit that the legislative branch of our Government, represented by the House of Representatives, the Senate of the United States, and the President by virtue of his veto power, has jurisdiction over the subject matter of immigration.

The House of Representatives as of now is made up of 435 Representatives, coming from as many separate districts within the 48 States of the Union. It is peculiarly proper that such a body should have a voice in determining a domestic question, one which affects the men, the women, the children of the United States.

Inasmuch as it is a domestic question, inasmuch as that domestic question is under the jurisdiction of the legislative branch of our Government, it follows that control of such question is not within the treaty-making power of the Government under the Constitution. The treaty-making power, made up of the President and the Senate, is not all comprehensive. There are limitations to that power; and where a power under the Constitution is lodged in the legislative branch of the Government, from the very nature of the case it exists there and not elsewhere.

There is, I know, in the Constitution what Henry Clay was so eloquent in pointing out—the regal power, the power of veto. When it is exercised properly in a legislative matter no one complains; but when the regal power, as represented in the treaty-making power, is considered, it will be found that that power can not invade the legislative department.

Therefore, I have for many years thought and contended that a matter of immigration is domestic, and exclusively within the province of the legislative branch of our Government; and I have so thought and contended quite regardless of persons, quite regardless of political parties; for, if I may say so, I endeavor to project my mind far into the future, and to think of this Republic when you and I and all who are now here shall have long passed away.

I never shall consent to place this great question of immigration within the treaty-making power. Reference was made here to an early Chinese treaty. If it will not trespass too much upon the attention of the Senate, when this matter comes regularly before us I propose to say a few words with regard to one who, if the Nation understood him, should be odious forever; and I am referring now—and Senators can look up the history—to a man who was a renegade, abandoning the service of his own country to enter into the service of China. I refer to Anson Burlingame, to whom we are indebted for the treaty of 1868. That was the beginning, a departure which the men of that day did not fully grasp, or the consequences of which they did not fully realize. It was that old and infamous treaty, negotiated by a renegade, entered into through weakness, or forgetfulness, or haste by our own country, which carried the idea that the treaty-making power could control the question of immigration as bearing upon the affairs of the United States. I merely allude to that treaty of 1868 with China; I may hereafter enlarge upon it.

I rose, as I said, not to discuss the merits of this matter, but to notify all, present or elsewhere, that I shall regret, I shall deplore, the necessity of raising a point of order, which I assume now will be sustained, and in the course of that discussion I shall express myself upon the merits of the conferees' report and upon the right, the power, and the duty of the legislative branch of the Government to determine and declare the policy of the Nation in respect of immigration.

I indulge myself, however, in this hope: The conferees have not reported. Their functions have not been fully performed. They can reassemble. They can meet again, even as they have met. As I understand it, the report has not passed from them. There is yet time for them to reconsider and send a report to the House and to the Senate in conformity with the rules of the separate bodies and in conformity with the expressed, deliberate judgment of the two Houses of Congress.

I undertake now to say that the action taken by the House of Representatives and the action taken by the Senate of the United States was not unmannerly, was not rude, was not impolite, was not justly offensive. It was not the act of intemperate men; it was not the precipitate action of inconsiderate men highly wrought. It was the mature, deliberate judgment of the two great branches representing the people of this great Republic, and no one in any quarter, in official or in private life, at home or abroad, is justified in imputing to the House of Representatives or to the Senate any other motive or any other purpose than to serve the people of the United States of

America. No nation on this earth is justified in thinking that our motive or our purpose was otherwise.

To conclude: What was so strongly said and pertinently said by the Senator from Arkansas is true. If we concede, if we admit, that the subject of immigration is one coming properly within the treaty-making power; if we are cajoled or frightened into conferring or negotiating with one foreign country in respect of immigration we will be called upon to negotiate with other nations in respect of the same subject. I never can make any such admission or concession, Mr. President. We must stand firmly—North and South, East and West—against any such proposition. I trust that the conferees will reconsider and send a report here which we can properly and gladly and patriotically approve, and that exclusion may become a fact, a legal fact, all to the end that there may be rest in the minds of the American people, and that there may be no future misunderstanding as between us and any other nation.

TOLL OF DEATH TAXES ON LARGE ESTATES

Mr. WALSH of Massachusetts. Mr. President, I wish to call attention to a matter which was under discussion last night, simply for the purpose of having the article which I hold in my hand inserted into the RECORD. Last night we were discussing the extent to which taxes which are levied by the several States and by the National Government caused shrinkage of large estates, and I made the assertion that an examination of the figures did not show that the shrinkage was so large as alleged. I have in my hand an article published in September, 1923, in a publication known as Trust Companies. It was prepared and published for the purpose of demonstrating the advisability of rich taxpayers creating life-insurance trusts and voluntary or living trusts for the purpose of escaping the shrinkage in estates by the expenses and taxes imposed upon transmission of property at death. The title of the article is "Toll of death taxes on large estates." It is sought by the writer to show that very grave and great shrinkage is caused by the various taxes levied upon estates. One paragraph of the article reads as follows:

The table published herewith was prepared by Dan Nelson, of Minneapolis, and represents an exhaustive search of the records of probate courts during the past year in all the large cities east of Kansas City and north of Louisville. It comprehends examination of over 2,000 estates. The net estate, after deducting debts, is used as the basis for computing depreciation due to Federal estate tax, State inheritance taxes, transfer and other taxes, as well as administration costs, which have been vastly increased because of the chaotic condition of the tax laws of the various States and the burdens of collection.

This compiler has selected about 17 of the largest estates. The table sets forth the net estate, the administration tax, as it is called, which is, of course, the expense of administration, the Federal estate tax, the State inheritance tax, and other taxes, which include transfer taxes; then the total amount of the shrinkage; and finally the percentage of the shrinkage in each estate.

From this examination it appears that the largest shrinkage was 40.3 per cent, and was upon the estate of Theodore P. Shonts; the second was 34.7 per cent, upon the estate of William L. Harkness; the third was 29.9 per cent, upon the estate of Frederick G. Bourne. The figures show that in 12 of the estates the shrinkage was less than 20 per cent.

I cite these figures, not that I think the rate of taxes upon inheritance should be increased, but to challenge the argument that is so commonly made that we have gone so far into the field of levying taxes upon estates and inheritances that we have approached the point of confiscating property which is transmitted by death. Of course the table would be more illuminating in showing the per cent of shrinkage of estate caused by death taxes—so-called—if the administration tax and other expenses were not included, because this would have to be paid by estate regardless of State and National taxes. Mr. President, I ask that this article, which is brief and short, may be printed in the RECORD.

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Without objection, it is so ordered.

The article is as follows:

TRUST COMPANIES

TOLL OF DEATH ON LARGE ESTATES

It is clearly the duty of trust companies, as fiduciaries, to awaken the man of moderate means as well as the rich man to the heavy toll which death taxes, including Federal and State inheritance, estate, and transfer taxes, will levy upon his estate unless legitimate methods of conservation are employed. The table published herewith, showing the shrinkage in some of the largest American fortunes which have passed through probate courts within the past few years, owing to death taxes and costs of administration, provides an illuminating argument as to the advantages to men of large fortunes of creating living trusts and life insurance trusts. But the obligation upon trust companies, as conservators of estates, of calling attention to such precautions, is far more urgent in connection with estates left by men of small or moderate means who can ill afford such heavy depreciation.

The table published herewith was prepared by Dan Nelson, of Minneapolis, and represents an exhaustive search of the records of probate courts during the past year in all the larger cities east of Kansas City and north of Louisville. It comprehends examination of over 2,000 estates. The net estate, after deducting debts, is used as the basis for computing depreciation due to Federal estate tax, State inheritance taxes, transfer and other taxes, as well as administration costs, which have been vastly increased because of the chaotic condition of the tax laws of the various States and the burdens of collection.

According to the table the largest shrinkage shown is that of the Theodore P. Shonts estate, amounting to 40.3 per cent of the net estate. The estate of William L. Harkness, of New York, shows a shrinkage of 34.7 per cent; the Frederick G. Bourne estate, 29.9 per cent; the George W. Perkins estate, 27.7 per cent; and the George von L. Meyer estate, 22.4 per cent.

While the tribute upon large estates in behalf of Federal and State tax-levying authorities is a sufficiently serious matter to demand corrective legislation, the loss to beneficiaries is not to be compared to the injurious effect upon business and industry. Such taxes call for enforced liquidation of investments and securities at sacrifice prices. General welfare of the country is penalized to provide Federal and State tax jurisdictions with overflowing coffers as inducement to extravagance in public finances. Equally serious is the adverse influence of high surtaxes and inheritance taxes in diverting capital from useful investments into tax-exempt securities which the Federal Government is grinding out in huge volume and thereby defeating its own measures.

Trust companies and life insurance companies have a mutual interest in urging the creation as well as the preservation of estates, large and small, through the medium of life insurance trusts and of voluntary or living trusts. The man who by thrift and industry has husbanded his thousands instead of millions is entitled to the redress which such trust instruments afford. Men of large fortunes need such insurance or safeguards if for no other reason than to avoid drastic liquidation of investments to provide ready cash to pay confiscatory death taxes.

Table showing shrinkage of large estates due to death taxes

Name and residence	Net estate	Administration tax	Federal estate	State inheritance tax	Other taxes	Shrinkage	Per cent
Bourne, Frederick G., Suffolk County, N. Y.	$42,828,685.04	$438,928.08	$9,596,364.94	$1,578,336.36	$1,228,979.35	$12,842,608.73	29.9
Burnham, William, Philadelphia, Pa.	1,366,051.50	49,651.65	123,419.67	26,207.16	14,685.68	213,964.16	15.6
Caldwell, James E., Philadelphia, Pa.	739,281.86	27,534.02	21,880.60	12,703.52	72,051.15	134,259.29	18.1
Cochrane, Alexander, Suffolk County, Mass.	3,101,319.67	42,235.19	307,128.19	61,525.08	21,430.05	432,318.51	13.9
Coolidge, T. Jefferson, Essex County, Mass.	6,295,143.97	48,076.35	854,488.04	108,167.11	136,194.48	1,146,925.98	18.2
Crimmins, John D., New York County, N. Y.	4,767,223.71	110,740.96	610,403.97	122,456.42	42,563.15	876,164.50	18.1
Dickey, Charles D., New York County, N. Y.	2,759,068.65	80,079.36	275,122.65	80,803.38	88,404.95	524,410.34	19.0
Farrell, William H., Bridgeport, Conn.	540,628.24	38,568.13	13,840.83	11,332.98	6,789.23	64,531.17	11.9
Fleisher, Simon B., Philadelphia, Pa.	3,578,364.12	168,187.27	351,326.67	58,561.69	67,931.36	646,006.99	18.5
Harkness, William L., New York County, N. Y.	54,384,592.92	1,580,326.91	12,924,785.57	1,989,421.01	2,383,433.66	18,877,967.15	34.7
Hegeman, John R., Westchester County, N. Y.	3,295,307.66	168,146.47	298,904.47	118,931.55	69,813.91	655,796.40	19.9
Meyer, Geo. von L., Essex County, Mass.	1,255,183.37	25,122.55	153,426.15	44,366.31	58,547.60	281,461.81	22.4
Newbold, Arthur E., Philadelphia, Pa.	1,153,465.38	16,372.15	96,842.75	18,735.10	90,771.37	222,721.37	19.3
Newman, William H., New York County, N. Y.	785,689.27	49,363.65	51,023.11	29,919.74	8,160.20	138,466.70	17.6
Perkins, George W., New York County, N. Y.	5,923,420.77	216,364.24	744,175.99	248,806.86	430,044.60	1,639,391.69	27.7
Plunkett, William B., Berkshire County, Mass.	842,541.75	30,722.82	72,476.15	25,582.98	9,586.48	138,238.43	16.4
Shonts, Theodore P., New York County, N. Y.	289,263.41	80,060.74	2,606.71	6,154.26	27,987.54	116,809.25	40.3

Mr. WALSH of Massachusetts. Mr. President, it should be noted that this shrinkage includes administration expenses, and that the percentage of shrinkage is based upon the net estate. The "net estate" is, of course, not necessarily the same as the total estate available for distribution. For example, bequests to charities are deductible in determining the net estate subject to tax, although if such bequests were large the administration expenses would be accordingly great. Thus in the case of the Shonts estate I understand there were large amounts given to benevolent institutions; the net estate subject to tax was relatively small. For this reason I have calculated the percentages of these net estates paid out in State, Federal, and other taxes. It will be observed that the Shonts estate shrinkage is 12.7 per cent instead of 40.3 per cent, and in only one case were the taxes more than 30 per cent of the net estate, and in more than half the cases they totaled less than 15 per cent. The percentage of shrinkage from taxes alone, eliminating administration expenses, is as follows: Bourne estate, 28.9 per cent; Burnham estate, 12 per cent; Caldwell estate, 14.4 per cent; Cummins estate, 16 per cent; Dickey estate, 16.1 per cent; Farrell estate, 4.8 per cent; Fleisher estate, 13.3 per cent; Harkness estate, 31.8 per cent; Hegeman estate, 14.7 per cent; Newman estate, 11.3 per cent; Perkins estate, 24 per cent; Plunkett estate, 12.7 per cent; Shonts estate, 12.7 per cent.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. SMOOT. Mr. President, the next committee amendment passed over will be found on page 170, and is known as the gift-tax amendment. Let the Secretary report the amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 170, the committee proposes to strike out lines 13 to 25, both inclusive, all of pages 170, 171, 172, 173, and down to and including line 2 on page 174, as follows:

SEC. 319. On and after January 1, 1924, a tax equal to the sum of the following is hereby imposed upon the transfer of property by gift, whether made directly or indirectly, by every person, whether a resident or nonresident of the United States:

One per cent of the amount of gift not in excess of $50,000;

Two per cent of the amount by which the gifts exceed $50,000 and do not exceed $100,000;

Three per cent of the amount by which the gifts exceed $100,000 and do not exceed $150,000;

Four per cent of the amount by which the gifts exceed $150,000 and do not exceed $250,000;

Six per cent of the amount by which the gifts exceed $250,000 and do not exceed $450,000;

Nine per cent of the amount by which the gifts exceed $450,000 and do not exceed $750,000;

Twelve per cent of the amount by which the gifts exceed $750,000 and do not exceed $1,000,000;

Fifteen per cent of the amount by which the gifts exceed $1,000,000 and do not exceed $1,500,000;

Eighteen per cent of the amount by which the gifts exceed $1,500,000 and do not exceed $2,000,000;

Twenty-one per cent of the amount by which the gifts exceed $2,000,000 and do not exceed $3,000,000;

Twenty-four per cent of the amount by which the gifts exceed $3,000,000 and do not exceed $4,000,000;

Twenty-seven per cent of the amount by which the gifts exceed $4,000,000 and do not exceed $5,000,000;

Thirty per cent of the amount by which the gifts exceed $5,000,000 and do not exceed $8,000,000;

Thirty-five per cent of the amount by which the gifts exceed $8,000,000 and do not exceed $10,000,000;

Forty per cent of the amount by which the gifts exceed $10,000,000.

SEC. 320. The amount of the gifts subject to the tax imposed by section 319, in the case of residents, shall be the sum of all the gifts made by such resident during the calendar year, and in the case of nonresidents, the sum of all gifts so made of property situated within the United States. If the gift is made in property the fair market value thereof at the date of the gift shall be considered the amount of the gift subject to the tax.

Where property is sold or exchanged for less than a fair consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the consideration received shall, for the purpose of the tax imposed by section 319, be deemed a gift, and shall be included in computing the amount of gifts made during the calendar year.

SEC. 321. For the purpose of this tax the amount of the gift subject to the tax imposed by section 319 shall be determined—

(a) In the case of a resident, by deducting from the total amount of such gifts—

(1) An exemption of $50,000;

(2) The amount of all gifts or contributions made within the calendar year to or for any donee or purpose specified in paragraph (3) of subdivision (a) of section 303, or to the special fund for vocational rehabilitation authorized by section 1 of the vocational rehabilitation act;

(3) Gifts the aggregate amount of which to any one person does not exceed $500.

(b) In the case of a nonresident, by deducting from the total amount of such gifts—

(1) The amount of all gifts or contributions made within the calendar year to or for any donee or purpose specified in paragraph (3) of subdivision (a) of section 303, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act;

(2) Gifts the aggregate amount of which to any one person does not exceed $500.

SEC. 322. In case a tax has been imposed under section 319 upon any gift, and thereafter upon the death of the donor the amount thereof is required by any provision of this title to be included in the gross estate of the decedent then there shall be credited against and applied in reduction of the estate tax, which would otherwise be chargeable against the estate of the decedent under the provisions of section 301, an amount equal to the tax paid with respect to such gift; and in the event the donor has in any year paid the tax imposed by section 319 with respect to a gift or gifts which upon the death of the donor must be included in his gross estate and a gift or gifts not required to be so included, then the amount of the tax which shall be deemed to have been paid with respect to the gift or gifts required to be so included shall be that proportion of the entire tax paid on account of all such gifts which the amount of the gift or gifts required to be so included bears or bear to the total amount of gifts in that year.

SEC. 323. Any person who within the year 1924 or any calendar year thereafter makes any gift or gifts of an aggregate value in excess of $10,000 shall, on or before the 15th day of the third month following the close of the calendar year, file with the collector a return under oath in duplicate, listing and setting forth therein all gifts and contributions by him made during such calendar year, and the fair market value thereof when made, and also all sales and exchanges of property owned by him made within such year for less than a fair consideration in money or money's worth, stating therein the fair market value of the property so sold or exchanged and that of the consideration received by him, both as of the date of such sale or exchange.

SEC. 324. The tax imposed by section 319 shall be paid by the donor on or before the 15th day of the third month following the close of the calendar year, and shall be assessed, collected, and paid in the same manner and subject, in so far as applicable, to the same provisions of law as the tax imposed by section 301.

Mr. WALSH of Massachusetts. Mr. President, I move as an amendment to the committee amendment that in lieu of what is stricken out the following amendment be added.

The PRESIDING OFFICER. The Secretary will state the substitute offered by the Senator from Massachusetts.

The READING CLERK. After section 323, in lieu of the matter proposed to be stricken out, the Senator from Massachusetts proposes to insert the following:

PART II

SEC. 324. On and after January 1, 1924, a tax equal to the sum of the following is hereby imposed upon the transfer of property by gift, whether made directly or indirectly, by every person, whether a resident or nonresident of the United States:

One per cent of the amount of the gifts not in excess of $25,000.

Two per cent of the amount by which such gifts exceed $25,000 and do not exceed $50,000.

Three per cent of the amount by which such gifts exceed $50,000 and do not exceed $75,000.

Four per cent of the amount by which such gifts exceed $75,000 and do not exceed $100,000.

Six per cent of the amount by which such gifts exceed $100,000 and do not exceed $200,000.

Nine per cent of the amount by which such gifts exceed $200,000 and do not exceed $500,000.

Twelve per cent of the amount by which such gifts exceed $500,000 and do not exceed $1,000,000.

Eighteen per cent of the amount by which such gifts exceed $1,000,000 and do not exceed $2,000,000.

Twenty-four per cent of the amount by which such gifts exceed $2,000,000 and do not exceed $3,000,000.

Thirty per cent of the amount by which such gifts exceed $3,000,000 and do not exceed $5,000,000.

Thirty-six per cent of the amount by which such gifts exceed $5,000,000.

SEC. 325. The amount of the gifts subject to the tax imposed by section 324, in the case of residents shall be the sum of all the gifts made by such resident during the calendar year, and in the case of nonresidents the sum of all gifts so made of property situated within the United States. If the gift is made in property, the fair market value thereof at the date of the gift shall be considered the amount of the gift subject to the tax.

Where property is sold or exchanged for less than a fair consideration in money or money's worth then the amount by which the fair market value of the property exceeded the consideration received shall, for the purpose of the tax imposed by section 324, be deemed a gift and shall be included in computing the amount of gifts made during the calendar year.

SEC. 326. The following gifts shall be exempt from taxation under section 324:

(a) In the case of a resident—

(1) The amount of all gifts made within the calendar year to the persons or organizations and for the purposes specified in paragraph (3) in subdivision (a) of section 307, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act;

(2) Gifts to the spouse of the donor, to the extent that the total amount of the gifts of such spouse during the calendar year does not exceed $50,000;

(3) Gifts to a parent, child, adopted child, or grandchild of a donor, to the extent that the total amounts of the gifts to all such persons during the calendar year does not exceed $25,000; and

(4) Gifts to any person other than those specified in paragraphs (2) and (3), to the extent that the total amount of the gifts to all such other persons during the calendar year does not exceed $10,000.

(b) In the case of a nonresident—

(1) The amount of all gifts made within the calendar year to the persons or organizations and for the purposes specified in paragraph (3) of subdivision (b) of section 307, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act; and

(2) The gifts specified in paragraphs (2), (3), and (4) of subdivision (a) of this section, subject to the limitations therein imposed.

SEC. 327. In case a tax has been imposed under section 324 upon any gift, and thereafter upon the death of the donor the amount thereof is required by any provision of this title to be included in the gross estate of the decedent then there shall be credited against and applied in reduction of the inheritance tax, which would otherwise be chargeable upon the transfer of such property by the decedent under the provisions of section 301, an amount equal to the tax paid with respect to such gift; and in the event the donor has in any year paid the tax imposed by section 324 with respect to a gift or gifts, which upon the death of the donor must be included in his gross estate and a gift or gifts not required to be so included, then the amount of the tax which shall be deemed to have been paid with respect to the gift or gifts required to be so included shall be that proportion of the entire tax paid on account of all such gifts which the amount of the gift or gifts required to be so included bears to the total amount of gifts in that year.

SEC. 328. Any person who within the year 1924 or any calendar year thereafter makes any gift or gifts of an aggregate value in excess of $10,000 shall, on or before the 15th day of the third month following the close of the calendar year, file with the collector a return under oath in duplicate, listing and setting forth therein all gifts and contributions by him made during such calendar year, and the fair market value thereof when made, and also all sales and exchanges of property owned by him made within such year for less than a fair consideration in money or money's worth, stating therein the fair market value of the property so sold or exchanged and that of the consideration received by him, both as of the date of such sale or exchange.

SEC. 329. The tax imposed by section 324 shall be paid by the donor on or before the 15th day of the third month following the close of the calendar year, and shall be assessed, collected, and paid in the same manner and subject, in so far as applicable, to the same provisions of law as the tax imposed by section 301.

Mr. WALSH of Massachusetts. Mr. President, sections 319 to 324, inclusive, in the bill as it passed the House, have been stricken out by the Senate Finance Committee. Those sections relate to a tax upon gifts of money or property.

A similar provision was passed by the Senate when the revenue act was under consideration in 1921. At that time I offered an amendment similar to the amendment which is now presented, and which was adopted by the Senate, but it was removed from the bill in conference. If the Senate will now support this amendment, it will be impossible for the conferees to remove from the bill a provision for a gift tax.

The gift tax would serve as a safeguard for two important sections of this bill, namely, the estate tax and the personal income tax. It will go a long way toward preventing evasion of both of those taxes by the transfer of possession to relatives or friends for the purpose of reducing incomes or estates so as to bring them within a tax bracket where they would be subject to lower tax rates. The need of a safeguard upon the tax liability of the larger incomes and estates is well recognized. The Secretary of the Treasury, Mr. Mellon, recently said:

> Taxpayers on large incomes and businesses are finding a hundred different methods of legally reducing their obligations to the Government. One of the most common methods found in vogue by Treasury experts was for men of large incomes to create trusts for members of their families, thus reducing their own net income and consequent liability for taxes.

The chairman of the Ways and Means Committee of the House, Mr. GREEN of Iowa, said in the House of Representatives, when this gift tax proposal was being considered, the following:

> A gift tax is corollary to an estate tax. The estate tax at the present time is being largely evaded by the splitting up of the large estates. I, myself, know of one large estate which has been divided into four parts by the owner thereof, giving to his wife one part and one part to each of his three children. The gifts were made outright. They are absolute in form. They can not be attacked by the Treasury. But at the same time the man who made them has never lost control over the property. He now has as much control over the property as he ever had.
>
> This amendment also is needed on account of the income tax. The splitting up of large estates, of course, reduces the amount of surtaxes to be laid upon the party who so divides them. We have lost more, in my judgment, by the division of these large estates in our income taxes than we have lost by reason of tax-exempt securities, and we have lost millions upon millions by reason of tax-exempt securities.

There are provisions under the present law to tax gifts in anticipation of death. A gift made within a two-year period prior to death is presumed to be a gift in anticipation of death and is included within the property that passes under the estate or inheritance tax. But there is no provision of law imposing a tax upon gifts between the living; and the greatest evasion of all evasions of the income tax has been the making of gifts by the head of a family to his wife and children, either directly or through trusts, for the purpose of having his income so reduced that he would fall within the lower brackets.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Arkansas?

Mr. WALSH of Massachusetts. I yield.

Mr. CARAWAY. Is there any provision in the proposed amendment that exempts from taxes gifts that are made to schools or hospitals?

Mr. WALSH of Massachusetts. Yes; all charitable and religious gifts are excluded. I propose no change from the House provisions in this respect.

Though the attempt has been made again and again to reach evasion, no tax has been imposed upon gift giving. One expert estimated that the amount of revenue lost by our Government through gifts from the living is as much as $000,000,000. That is an enormous sum. Perhaps it is too high, but the evasions have been staggering.

Mr. President, I understand the Finance Committee struck the gift tax from the bill because it was thought to be difficult to collect and open to evasion. The same arguments would be applicable to every other section of the bill. All of these taxes are difficult to collect; and in the past every form of tax has been subject to evasion. In fact, the appealing feature of this tax is to minimize evasions of other taxes. Granting that in some instances it, too, may possibly be evaded, the tax dodger will have to scale two fences instead of one. At least we should not attempt to assist those who seek to avoid taxes by refusing the remedy which the House has approved and which will surely make more difficult a practice which is well known to exist. Do we want to hinder those who are escaping taxation? Let us not pass this bill without making some attempt to correct an abuse which is so well known to everybody who has studied the operation of the present revenue law.

The significant feature of the proposed gift tax is that it will not cost a single person one cent in additional taxes unless they so choose. Gifts amounting to $85,000 may be made to different persons within the period of one year without being

subject to the tax. It is only upon the larger gifts that the tax is to be applied. There is something in human nature that leads men, even parents, to cling to their possessions until death comes; and it is very rarely that substantial gifts are made, even to the members of one's family, during lifetime, except for the purpose of escaping taxation. If fabulous gifts are distributed, I do not see why we should hesitate to tax them. Certainly there is no hardship attached to such a tax, for only those whose good fortune it is to be able to give large gifts to their relatives or friends would be called upon to pay.

Again and again an effort has been made to impose some form of gift tax. In the last tax bill the Senate imposed a gift tax. It was stricken out in conference. At this session the House has imposed a gift tax and the Senate committee has recommended its removal. If the Senate now goes on record in favor of some form of gift tax, it will be enacted. It will be a question merely of rates, because the House has already committed itself.

Personally, I think we are acting when it is too late. I think the bird has flown. I think that so many and so extensive gifts have been made in the last seven years that it is almost impossible to collect anything under a gift tax. But that does not justify leaving the door wide open for a man to continue to make gifts which will permit him to escape the fair and just income and inheritance taxes imposed upon him under the law.

The purpose of gifts inter vivos is to lower the income tax by splitting up the volume of the taxable property. In the amendment proposed by me I have used exactly the same rates as were inserted in the amendment offered last night in relation to the inheritance tax, the principle being that the amount of money which passes beween the living during the lifetime of the taxpayer should be taxed equally with the amount which passes at the time of death. So the tax upon a transfer by gift of $100,000 to a man's wife is only $750 under the provisions of the amendment. The rates are very conservative and very moderate and do not begin appreciably to affect the amounts of gifts except in the cases of excessively large gifts. Even in the case of a gift of $5,000,000 the tax would not be much over 25 per cent of the gift.

I do not know that there is anything more I care to say upon the amendment. It is presented for the purpose of making the law uniform as to gifts made at the time of death and gifts made among the living during the lifetime of the taxpayer. The rates are based upon the principle that a gift during lifetime ought to bear the same tax as a gift made to a beneficial interest at the time of death.

Mr. SMOOT. Mr. President, last evening the committee agreed to the inheritance-tax provision as stated by the Senator from Massachusetts. In order that the matter may go to conference together with the House provision I have no objection to having it agreed to. I ask that the amendment offered by the Senator from Massachusetts may be agreed to.

Mr. FLETCHER. I did not catch the point where the tax begins to apply to gifts. Suppose a father makes a gift to his children or to his wife in his lifetime, where does the tax begin?

Mr. WALSH of Massachusetts. If a husband makes a gift to his wife there is an immediate exemption of $50,000. He can give his wife $50,000 without any tax at all. If he makes a gift to a child, the exemption is $25,000. If he makes a gift to a stranger, the exemption is $10,000.

Mr. FLETCHER. How would it apply in the case of his making a gift of $50,000 this year and then five years from now making another gift of $50,000?

Mr. WALSH of Massachusetts. Each year is separate. There does not seem to be any way of reaching the condition the Senator mentions. But I want to repeat that I think the estates have been so split up through our failure to pass a strict gift tax years ago that we are not going to get much out of it, though it will yield something in the future.

Mr. FESS. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WALSH of Massachusetts. I yield.

Mr. FESS. How would the amendment apply to a gift to a university or a benevolent institution?

Mr. WALSH of Massachusetts. They are exempt. Gifts for public purposes, or to any religious, charitable, scientific, literary, or educational organization, including organizations for the encouragement of art and the prevention of cruelty to children or animals, are exempt.

Mr. SIMMONS. Mr. President, I do not as a general proposition feel disposed to give my assent to the principle involved in gift taxes. In ordinary conditions I would say that it is not a wise way of raising revenue for the Government. But conditions which confront us are abnormal and seem to me to make the imposition of a tax of this sort absolutely essential.

There are two kinds of taxes which we find it necessary to levy in the conditions which now obtain. One is the income tax, the other is the inheritance tax. From both of those taxes the Government realizes a very large amount of revenue, revenue that it can not dispense with, that is absolutely necessary to enable us to finance the Government. One of the favorite methods of evading the income tax is through the splitting up of large incomes among members of the family, thus evading the higher rates imposed by surtaxes. That has been very generally resorted to especially by men of large incomes and the Government has lost an immense amount of revenue through that means of evasion.

The inheritance tax also has been extensively evaded in the same way. We have had no provision in the law up to this time that has afforded anything like adequate protection to the Government against those two methods of evasion. We have no statistics. Probably no statistics are available under any conditions, but we have none which would indicate exactly the amount of revenue that has been lost by this method of evading the income tax and this method of evading the estate tax as now imposed. But they have been sufficiently large and extensive, as is now generally conceded, to very greatly impair the revenues of the Government. It is a leak that ought to be stopped, and there is absolutely no way to stop it except by the imposition of a gift tax.

I rose simply to say that if it were not for that condition of things I would not favor a gift tax.

Mr. McLEAN. Mr. President, I have not had an opportunity to read the amendment, and I wish the Senator from Massachusetts would explain the exceptions and just what gifts are excluded.

Mr. WALSH of Massachusetts. A gift of $50,000 by husband to wife——

Mr. McLEAN. I understand about the gifts to members of the family, but I am inquiring more particularly about charitable gifts.

Mr. WALSH of Massachusetts. There are exactly the same exceptions that are in the House provisions of the bill.

Mr. McLEAN. Gifts to the public for any public purpose?

Mr. WALSH of Massachusetts. As to gifts for charitable, religious, or educational purposes, exactly the same exemptions are made as are made in the House text.

Mr. ROBINSON. There is no limitation on gifts for charitable, educational, or religious purposes?

Mr. WALSH of Massachusetts. None at all.

Mr. McLEAN. Would that include a gift for a public building? Is the language broad enough for that?

Mr. WALSH of Massachusetts. I understand it would.

Mr. McLEAN. I think it should.

Mr. SIMMONS. It would cover a building only for the purposes mentioned.

Mr. McLEAN. For any specific purpose such as a town hall.

Mr. SMOOT. It would cover any specific purpose.

Mr. McLEAN. Or a building for entertainment purposes?

Mr. WALSH of Massachusetts. I think it would cover that.

Mr. SIMMONS. I think that would be a matter of construction.

Mr. WALSH of Massachusetts. Mr. President, I wish to say a few words further in order to illustrate the manner in which gifts are used to evade income and inheritance taxes.

Suppose Jones enjoys the income from $1,000,000, or $50,000 per year. The normal tax and the surtax at the rates adopted by the Senate are $6,137.50. If Jones gives his wife half of his property, or $500,000, in trust or otherwise, the income taxes on the $25,000 of income which each spouse will receive will be $1,547.50, or a total saving in taxes on the income of the husband and wife of $3,042.50. The saving in the cases of larger incomes will be proportionately greater as the surtaxes increase. It can not be doubted, therefore, that if we are to make the tax laws effective, we must place some tax upon the gifts which are now being used to evade them.

Or suppose, in the second place, that Jones leaves an estate of $200,000 to his wife and child. The total taxes on the transfers under the provisions adopted by the Senate would be $3,600. If, however, Jones gave $100,000 to his wife and child, not in contemplation of his death, and thus left an estate of $100,000 to his wife and child, the total inheritance taxes would be $800, or a saving in transfer taxes of $2,800. If Jones owned $1,000,000 of property and gave to his wife and

child $500,000 of it, not in contemplation of his death, leaving the remainder to them on his death, the saving in transfer taxes would be $45,000.

The gift tax which I propose would insure that a tax on the transfer would be collected, whether the transfer is made by gift during the lifetime of the donor, or by intestate succession, or by will at his death. If the transfer is to be taxed by the Federal Government at all, it should be taxed whether made during the life or at the death of the transferor. Otherwise the Federal Government is only making an empty pretense of taxing such transfers.

The PRESIDING OFFICER. The question is upon agreeing to the amendment proposed by the Senator from Massachusetts [Mr. WALSH] to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is upon agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. SMOOT. On page 62, line 20——

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me for a moment?

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. I ask unanimous consent that the Secretary may be authorized to make such changes in the numbering of the sections and in the totals as may be necessary to make the amendment conform to the bill.

Mr. SMOOT. I will say to the Senator that unanimous consent was granted for that purpose when the bill was first taken up.

Mr. WALSH of Massachusetts. Very well.

Mr. SMOOT. On page 62, line 20, I move to strike out "paragraph (1) of."

I will state that this is made necessary by the adoption of the normal tax as proposed by the Senator from North Carolina [Mr. SIMMONS].

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SMOOT. The next amendment I propose is on page 111, line 15, to strike out "(a)."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SIMMONS. As I understand, that amendment covers merely an administrative matter?

Mr. SMOOT. It is a clerical amendment, I will say to the Senator. The amendment that was agreed to made only the one paragraph necessary.

Mr. SIMMONS. I only wished to be sure that it did not affect the substance.

Mr. SMOOT. There are three other amendments which I desire to have action upon, and I send them to the desk. Then I shall make a brief statement as to what they are. I now offer the amendments which I send to the desk.

The PRESIDING OFFICER. The first amendment proposed by the Senator from Utah will be stated.

The READING CLERK. On page 45 it is proposed to strike out from line 8 to line 18, both inclusive, and to insert in lieu thereof the following:

> No tax shall be levied under the provisions of this title upon the income derived from the operation of such public utility, so far as the payment thereof will impose a loss or burden upon such State, Territory, District of Columbia, or political subdivision; but this provision is not intended and shall not be construed to confer upon such person any financial gain or exemption or to relieve such person from the payment of a tax as provided for in this title upon the part or portion of such income to which such person is entitled under such contract.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. I merely wish to make a brief statement as to the purpose of the amendment.

Mr. JONES of New Mexico. I should like to inquire where the amendment comes in.

Mr. SMOOT. I may say that I offer the amendment personally. All of the committee amendments have now been disposed of, and the bill is open for individual amendments. I am merely offering the amendment personally and not for the committee.

Mr. JONES of New Mexico. On what page does the amendment come in?

Mr. SMOOT. On page 45 to strike out from lines 8 to 18, inclusive, and to insert in lieu thereof the matter which has just been read at the desk.

For the RECORD, Mr. President, I wish to make a brief statement as to the effect of the amendment.

The PRESIDING OFFICER. The Chair calls the attention of the Senator from Utah to the fact that as the amendment has been stated it does not seem to correspond with the print of the bill.

Mr. SMOOT. Mr. President, the amendment has been stated correctly. It is to strike out from line 8 down to and including line 18, and to insert the matter which has been read so that it will read:

> Or maintain a public utility, no tax shall be levied under the provisions of this title—

And so forth.

The PRESIDING OFFICER. The Chair stands corrected. The Senator from Utah is accurate.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield for a moment?

Mr. SMOOT. I yield.

Mr. WALSH of Massachusetts. Did I understand the Senator from Utah to say that the stage in the consideration of the bill has been reached where amendments may be offered from the floor?

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. I should like to have all Senators informed of that fact by suggesting the absence of a quorum, if that is agreeable to the Senator from Utah, because a number of Senators desire to be advised when that stage in the consideration of the bill is reached.

Mr. SMOOT. I thought of doing that as soon as we had concluded the amendments I have offered.

Mr. WALSH of Massachusetts. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Edge	Keyes	Shields
Ashurst	Ferris	Ladd	Shipstead
Bayard	Fess	Lodge	Simmons
Borah	Fletcher	McKellar	Smoot
Brandegee	Frazier	McKinley	Stanfield
Brookhart	George	McLean	Stephens
Bruce	Gerry	Moses	Sterling
Bursum	Glass	Neely	Trammell
Cameron	Gooding	Norbeck	Underwood
Capper	Harreld	Norris	Wadsworth
Caraway	Harris	Oddie	Walsh, Mass.
Colt	Heflin	Pepper	Walsh, Mont.
Copeland	Howell	Ralston	Watson
Curtis	Johnson, Calif.	Reed, Mo.	Weller
Dale	Johnson, Minn.	Reed, Pa.	Wheeler
Dial	Jones, N. Mex.	Robinson	Willis
Dill	Kendrick	Sheppard	

Mr. NEELY. I wish to announce that the Senator from Utah [Mr. KING] is sitting with the Committee on Privileges and Elections, which is now engaged in hearing testimony in the Mayfield case; and I wish further to state that the Senator from Missouri [Mr. SPENCER] and the Senator from Kentucky [Mr. ERNST] are similarly engaged.

Mr. McKINLEY. I desire to announce that the Senator from South Carolina [Mr. SMITH], the Senator from Louisiana [Mr. RANSDELL], the Senator from Washington [Mr. JONES], and the Senator from Oregon [Mr. MCNARY] are attending a meeting of the Agricultural Committee.

Mr. COPELAND. I desire to announce that the Senator from Louisiana [Mr. BROUSSARD] and the Senator from North Carolina [Mr. OVERMAN] are sitting with the Committee on Appropriations.

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, a quorum is present.

Mr. SMOOT. Mr. President, while Senators are in the Chamber I want to state that all committee amendments have been disposed of; and I shall now offer three amendments to certain provisions of the bill that are recommended by the department and I think also agreed to by the minority members of the committee.

The Secretary has stated the first amendment, and I want to make a brief statement as to what it is before the Senate votes upon it.

The amendment merely restores the language of the existing law, which was changed in the House bill principally for purposes of clarity. The theory of both the existing law and the House bill is the same in that they provide for the exemption from tax of a city operating a public utility, but state that exemption shall not, directly or indirectly, apply to any private individual. It has been found that although the provisions of the House bill are more clear as applied to some of these contracts, they do not apply properly to others, and it is thought desirable to restore the language of the existing law.

Mr. JONES of New Mexico. Mr. President, I think that is a very proper amendment. It concerns a rather involved situation in some instances, and it is desirable that this amendment be made so that the whole question may be thrown into conference and worked out to meet the varying situations which have developed since this language was written.

Mr. McKELLAR. May the amendment be stated again?

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 45, it is proposed to strike out lines 8 to 18, inclusive, and to insert in lieu thereof the following:

no tax shall be levied under the provisions of this title upon the income derived from operation of such public utility, so far as the payment thereof will impose a loss or burden upon such State, Territory, District of Columbia, or political subdivision; but this provision is not intended and shall not be construed to confer upon such person any financial gain or exemption or to relieve such person from the payment of a tax, as provided for in this title, upon the part or portion of such income to which such person is entitled under such contract.

Mr. McKELLAR. Mr. President, will the Senator from Utah explain what is intended to be done by the amendment?

Mr. SMOOT. It just restores the existing law.

Mr. McKELLAR. I know; but what law is it restoring? What is the purpose of it? Is it to relieve street-car companies and other public utilities from taxation?

Mr. SMOOT. No. The statement I made is just about as brief as it possibly can be made, and I will read it again, so that the Senator can hear it.

Mr. McKELLAR. I would rather have the Senator tell me what the provision means.

Mr. SMOOT. It means this: It exempts the city, but it does not exempt the private individual.

Mr. McKELLAR. Does it exempt the public utilities?

Mr. SMOOT. No; it does not. It exempts the city's share, whatever it may be, in a public utility, and there are quite a number of them in the United States.

Mr. McKELLAR. Oh! It applies only to municipally owned concerns?

Mr. SMOOT. Yes; wherever they have an interest.

Mr. McKELLAR. The reason why I am asking the question is this: I saw an advertisement a day or two ago in which one of the utilities here in Washington was advertising that it was exempted from all city taxes, and I was just wondering whether or not it was under this provision. It did not read that way, but I wanted an explanation of the matter.

Mr. SMOOT. I saw such a statement made, and I assure the Senator that it is not true. I do not know whether the statement related to the street cars in Washington or not, but I saw such an advertisement.

Mr. McKELLAR. Of course, if the provision merely applies to municipally owned public utilities, or those in which municipalities have an interest, I have no objection at all to it.

Mr. SMOOT. That is all there is to it.

Mr. NORRIS. Mr. President, I have not found the amendment yet. What page is it on?

The PRESIDING OFFICER. On page 45, lines 8 to 18.

Mr. NORRIS. I will ask the Secretary to state the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 45, it is proposed to strike out lines 8 to 18——

Mr. NORRIS. I will ask to have the Secretary read what is stricken out.

The READING CLERK. It is proposed to strike out the following words:

the tax upon the income from the operation of such public utility shall be collected and paid in the manner and at the rates prescribed in this title; but there shall be refunded to such State, Territory, or political subdivision thereof, or the District of Columbia, under rules and regulations to be prescribed by the commissioner, with the approval of the Secretary, a part of such tax equal to the amount by which the share of the income from the operation of such public utility accruing to such State, Territory, or political subdivision thereof, or the District of Columbia, was reduced by the imposition of such tax.

In lieu of that matter, it is proposed to insert the following:

no tax shall be levied under the provisions of this title upon the income derived from operation of such public utility, so far as the payment thereof will impose a loss or burden upon such State, Territory, District of Columbia, or political subdivision; but this provision is not intended and shall not be construed to confer upon such person any financial gain or exemption or to relieve such person from the payment of a tax as provided for in this title upon the part or portion of such income to which such person is entitled under such contract.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. NORRIS. Mr. President, I wonder what the effect both of the language in the House bill and this amendment would be upon a public utility, let us say an electric-light company, owned by a city. Does it have any application to that?

Mr. SMOOT. I will say to the Senator that there is another provision in the bill in which they are exempted entirely.

Mr. NORRIS. I do not want to vote for any provision, either in the bill or in an amendment, that would levy a tax upon a municipality.

Mr. SMOOT. This applies to public utilities where a municipality has an interest in them.

Mr. NORRIS. There are such.

Mr. SMOOT. And there are such. The way the House had it, they would be liable to be taxed for whatever interest they had in that public utility. This amendment relieves them just exactly as the existing law does.

Mr. NORRIS. I was under the impression, just from the reading that I heard at the desk, that there might be a possibility that in connection with the operation, for instance, of electric lights for a city, if owned by the city or if owned partly by the city and partly by a private individual or corporation, there would be a tax to be paid by the city upon its part of the income, provided that income was more than was necessary to defray its part of the expenses of operation.

Mr. SMOOT. There is no tax at all.

Mr. NORRIS. Of course, when a city does anything of that kind, it necessarily wants to make and ought to make some profit out of it in order to lay aside a sinking fund.

Mr. SMOOT. To pay the bonds.

Mr. NORRIS. And also to lay aside a surplus to meet the cost of accidents, and so forth; and I do not want to levy any tax upon any income that goes to a city or a county or a State or any subdivision thereof.

Mr. SMOOT. I will assure the Senator that this provision does not do that; and they are specifically exempted on page 44 of the bill, paragraph (7).

Mr. NORRIS. I will accept the Senator's statement, of course.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I now offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Utah proposes an amendment, which will be stated.

The READING CLERK. On page 274, after line 10, it is proposed to add a new section to read as follows:

SEC. 1131. (a) Section 3195 of the Revised Statutes is amended to read as follows:

"SEC. 3195. When any property liable to distraint for taxes is not divisible, so as to enable the collector by sale of a part thereof to raise the whole amount of the tax, with the costs and charges, the whole of such property shall be sold, and the surplus of the proceeds of the sale, after making allowance for the amount of the tax, interest, penalties, and additions thereto, and for the costs and charges of the distraint and sale, shall be deposited with the Treasurer of the United States as provided in subdivision (b) of section 3210."

(b) Section 3210 of the Revised Statutes is amended to read as follows:

"SEC. 3210. (a) Except as provided in subdivision (b) the gross amount of all taxes, revenues, and collections of whatever nature received or collected by authority of law shall be paid daily into the Treasury of the United States under instructions of the Secretary of the Treasury as internal-revenue collections by the officer receiving or collecting the same without any abatement or deduction on account of the salary, compensation, fees, costs, charges, expenses, or claims of any description. A certificate of such payment, stating the name of the depositor and the specific account on which the deposit was made, signed by the treasurer, assistant treasurer, designated depositary, or proper officer of a deposit bank, shall be transmitted to the Commissioner of Internal Revenue.

"(b) Sums offered in compromise under the provisions of section 3229 of the Revised Statutes and section 35 of Title II of the national prohibition act, sums offered for the purchase of real estate under the provisions of section 3208 of the Revised Statutes, and sur-

plus proceeds in any distraint sale, after making allowance for the amount of the tax, interest, penalties, and additions thereto, and for costs and charges of the distraint and sale, shall be deposited with the Treasurer of the United States in a special deposit account in the name of the collector making the deposit. Upon acceptance of such offer in compromise or offer for the purchase of such real estate, the amount so accepted shall be withdrawn by the collector from his special deposit account with the Treasurer of the United States and deposited in the Treasury of the United States as internal-revenue collections. Upon the rejection of any such offer, the commissioner shall authorize the collector, through whom the amount of such offer was submitted, to refund to the maker of such offer the amount thereof. In the case of surplus proceeds from distraint sales the commissioner shall, upon application and satisfactory proof in support thereof, authorize the collector through whom the amount was received to refund the same to the person or persons legally entitled thereto."

Mr. SMOOT. Mr. President, under the present ruling of the Comptroller General, offers in compromise even though unaccepted are treated as current receipts of the Treasury and, if the offer is not accepted, it requires a refund to return to the taxpayer the amount tendered by him as an offer in compromise. This procedure is unnecessarily complicated and works to the serious disadvantage of the taxpayer whose offer in compromise is rejected by the department. This proposed amendment provides that such offers in compromise shall be placed in the suspense account and if the offer is accepted the amount of the offer shall be covered into the Treasury, but if the offer is rejected the amount thereof shall be paid out of the suspense account and returned to the taxpayer.

The PRESIDING OFFICER (Mr. MOSES in the chair). The question is on agreeing to the amendment proposed by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. I offer the following amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 42, line 24, the Senator from Utah proposes to strike out all after the period and to strike out lines 1 and 2 on page 43, as follows:

Items of gross revenue shall be considered to be received in the taxable year in which they are unqualifiedly made subject to the demands of the taxpayer.

Mr. SMOOT. Mr. President, in the House a provision was inserted that items of gross income should be considered to be received in the year in which they are unqualifiedly made subject to the demand of the taxpayer. This ruling was intended to embody in the law the present ruling of the Treasury Department which requires dividends and bond interest to be included in income when it is subject to demand by the taxpayer. It has been found, however, that, although this represents the general rule, there are certain exceptions to it. It is thought desirable, therefore, to strike out the provision and let it go to conference where the proper limitations and exceptions may be placed upon it.

The amendment was agreed to.

Mr. REED of Missouri obtained the floor.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from New Mexico?

Mr. REED of Missouri. The Senator from New Mexico advises me that he has an amendment to offer which will take but a moment, and I yield to him.

Mr. JONES of New Mexico. The amendment which I propose is to be inserted on page 17, to strike out lines 4 to 17, for the purpose of throwing the subject matter into conference. The language which I move be stricken out is as follows:

(8) If the property (other than stock or securities in a corporation a party to a reorganization) was acquired after December 31, 1920, by a corporation by the issuance of its stock or securities in connection with a transaction described in paragraph (4) of subdivision (b) of section 203 (including, also, cases where part of the consideration for the transfer of such property to the corporation was property or money in addition to such stock or securities), then the basis shall be the same as it would be in the hands of the transferor, increased in the amount of gain or decreased in the amount of loss recognized to the transferor upon such transfer under the law applicable to the year in which the transfer was made.

Mr. SMOOT. I have no objection to allowing the amendment to go to conference.

Mr. JONES of New Mexico. The Senator from Utah realizes the difficulties which pertain to that clause, and it is thought by all of us that it should go to conference.

The amendment was agreed to.

Mr. McKINLEY. Mr. President, I have an amendment to offer.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. The Senator from Illinois proposes to insert the following:

That subdivision (b) of section 1101 of the revenue act of 1917, as amended, is amended, to take effect 30 days after this act becomes law, to read as follows:

"(b) In the case of the portion of such publications devoted to advertisements the rates per pound or fraction thereof for delivery within the several zones applicable to fourth-class matter shall be as follows (but where the space devoted to advertisements does not exceed 5 per centum of the total space, the rate of postage shall be the same as if the whole of such publication was devoted to matter other than advertisements): For the first and second zones, 1½ cents; for the third zone, 2 cents; for the fourth zone, 3 cents; for the fifth zone, 3½ cents; for the sixth zone, 4 cents; for the seventh zone, 5 cents; for the eighth zone, 5½ cents."

SEC. 2. This act shall not be construed to repeal sections 1102 to 1106, inclusive, of the revenue act of 1917, as amended.

SEC. 3. That nothing in this act shall affect existing law as to free circulation or existing rates on second-class mail matter within the county of publication, or existing rates on second-class mail matter designated as educational, scientific, or charitable.

Mr. EDGE. May I ask the Senator from Illinois if that is an amendment proposed to the pending bill?

Mr. McKINLEY. It is. I understand that this amendment would set the rates back to what they were under the increase in 1919. The result would be that for the first and second zones the charge would be 1½ cents, where it was 2; in the third zone it would be 2 cents, where it was 3; in the fourth zone it would be 3 cents, where it was 5; in the fifth zone it would be 3½, where it was 6; in the sixth zone it would be 4, where it was 7; in the seventh zone it would be 5, where it was 9; and in the eighth zone it would be 5½, where it was 10.

As it is represented to me there have been four raises in rates since the war. This does not set the rates back to prewar rates, but sets them back to those of 1919. The income of 1918 for this matter was $11,717,000. After the raise in 1920 it was $25,100,000. Another raise then brought it up to $25,499,000, and in 1922, with another raise, the income fell back to $25,197,000. In 1923 it had increased about 10 per cent, or to something like $28,000,000.

The result has been that the very high rates have driven the newspapers and the magazines to the railroads and the express companies. The circulation has been reduced, and the people who are particularly affected are the farmers, who receive about 90 per cent of the newspapers and magazines sent by mail.

Mr. SMOOT. Mr. President, I hope this amendment will not be agreed to as an amendment to the pending bill. I think the better way would be to introduce a bill covering this matter, have it referred to the proper committee of the Senate, let them go into the details as to whether it is a good thing to adopt or not, report it to the Senate, and let the Senate act upon it. I have a letter from the Postmaster General in regard to it; but I will content myself at this time by simply saying that the committee has undertaken to keep everything out of this bill of a retroactive nature, and also new legislation that does not affect directly the producing of revenue for the Government.

There is a committee appointed to handle such matters as this. Every change that has been made has been one recommended by that committee, and this one should be considered by that committee rather than have it put upon a revenue bill.

Mr. EDGE. Will the Senator yield?

Mr. SMOOT. Certainly.

Mr. EDGE. I may say, supplementing what the Senator from Utah has said, that the Congress appropriated half a million dollars at the last session for the purpose of enabling the Post Office Department to make an investigation to ascertain the cost of the service in its various departments. I am a member of the Committee on Post Offices and Post Roads, and we have been giving a great deal of consideration recently to the necessity of raising the salaries in the Postal Service. In connection with that, we have likewise considered increasing the revenues. A report which is before the Senate states

that after careful inquiry the committee felt that they did not have sufficient information upon which to base any changes in the rates until the cost ascertainment had been completed.

These changes may be justified. I am not speaking in opposition to the return to the former rates; but I do not feel that the Senate at this time is sufficiently well informed as to the cost of the various departments of the Postal Service to vote intelligently upon the amendment.

Mr. CARAWAY. I gather from the statement of the Senator from Illinois that it is the view of those who have studied the question that this amendment would produce a greater revenue than is produced by the present rates. Therefore I am curious to know what interest the Senator from New Jersey would have in further studying it, if it would increase the revenues.

Mr. EDGE. The interest of the Senator from New Jersey is that he wants to have accurate information. I do not think we are sufficiently informed to justify us in accepting this conclusion without having a report from the Post Office Department in the matter. It is a mere matter of having full business information.

Mr. CARAWAY. Of course I did not intend to insinuate that the Senator was not giving it the kind of intelligent consideration it ought to have, but what I meant to say was that the statement of the Senator from Illinois would indicate that as we have raised the rates we have gotten less revenue. I think all of us will agree that there is a point in a tax bill and a point in a post-office rate which is beyond a figure which will produce revenue. If you make it unprofitable for people to do business, they will not do it. I infer that such a point was reached, from the statement of the Senator from Illinois.

Mr. EDGE. I thoroughly agree with the principle enunciated by the Senator from Arkansas [Mr. CARAWAY] in that last statement—that you can go to a point in taxation where less revenue will be brought in than if the rate is left at a certain modest point. That applies to surtaxes as well.

Mr. CARAWAY. I thoroughly agree with the Senator from New Jersey that that is true.

Mr. EDGE. But on this particular matter I may say in conclusion that I did not rise with the idea of getting into a discussion of the subject at this time, because I frankly admit I am not sufficiently informed. As chairman of the subcommittee dealing with the question, I have asked the Post Office Department for full information. They frankly admitted that they would not be prepared to give full information until about the end of the fiscal year, when they expect to have a complete report showing the result under the appropriations made by the last Congress.

Mr. CARAWAY. Mr. President, I do not want this important matter to get tied up with the question of raising salaries. There ought to be no tax on information. There ought to be the freest circulation of periodicals. The Senator from Illinois made the statement—and I take it he would not have made it unless he had information that warranted him in knowing he is correct—that it largely tends to restrict the circulation of papers in agricultural communities, who more particularly use the post office. For the largest deliveries from city to city they use the express, but publications going into the homes of farmers necessarily must go through the mail, and therefore it is a direct tax at higher rates upon the sources of information of the agricultural communities. I would therefore very much like to see the suggestion of the Senator from Illinois incorporated in the bill. It may not have great relation to it, but it has something to do with the burden of government.

Mr. EDGE. The suggestion of the Senator from Illinois may have great merit, and I do not want to place myself in the position of being opposed to it if the facts were before the Senate upon which we could base a real business judgment. I can only repeat that I think at this time we are not in possession of all the facts and it would be a mistake to add this as more or less of a rider to a revenue producing bill.

Mr. SMOOT. Mr. President, I want to call attention to the total revenues for the years 1919, 1920, 1921, and 1922. Those were the years that were affected by the last change in the law. In 1919 there was an increase of 5.91 per cent over the previous year. In 1920 there was an increase of 19.81 over the previous year. In 1921 there was an increase of 6.02 per cent over the previous year. In 1922 there was an increase of 4.61 per cent over the previous year. There has been no year that there has not been an increase over the preceding year. The amount of the increases in dollars and cents could be given, but we have not the facts, as stated by the Senator from New Jersey, to cover the whole subject matter. I think the facts ought to be had before we adopt such an amendment.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. I yield.

Mr. CARAWAY. I realize the sometimes lack of wisdom in trying to inject a schedule or a rate or a matter into a revenue bill when we have not the full matter in our minds. I am making no pretense of being an expert on taxation, but I would like to say this generally: I think it is so important that there be no tax on information, that the people ought to be permitted to get their papers and magazines and the things that come to them at as low a rate as possible, that it would be wise to accept this proposal in the bill, and when the bill is ready that covers salary increases, which the Senator from New Jersey has mentioned, if then it was found to be unwise to have done this, it could be legislated out. But we may not get the opportunity if we do not embrace it now.

Mr. FLETCHER. Mr. President, I want to inquire with regard to the increase. The Senator from Utah gave the information that there had been a certain increase in the revenue from the Post Office Department. The amendment only applies to certain functions of that department, as I understand.

Mr. SMOOT. But the figures I quoted only apply to second-class mail matter.

Mr. FLETCHER. The same as already involved?

Mr. SMOOT. Yes.

Mr. FLETCHER. There is now a proposal to reduce those rates?

Mr. SMOOT. Yes.

Mr. FLETCHER. Has the Senator any information from the department as to what effect that would have on the revenues?

Mr. SMOOT. I have not. The Senator from New Jersey has already stated that we can not get that information until nearly the close of the fiscal year.

Mr. WILLIS. Mr. President, I desire to propound an inquiry to the Senator from Utah [Mr. SMOOT] or the Senator from New Jersey [Mr. EDGE] or the Senator from South Dakota [Mr. STERLING] or some other Senator who can give the information. In common with every other Member of the Senate, I have been having much correspondence from people about rates of postage. It has been my understanding that there is a joint commission or committee that is going into the whole question and carefully examining the facts, and that the commission or committee will be in position to report at some time in the not far distant future. If that is the case, it seems to me the determination of this matter ought to be put off until we have the facts. Is there any such commission?

Mr. STERLING. There is no such commission for that purpose, but it is a matter that should, I think, come before the Committee on Post Offices and Post Roads. The Committee on Post Offices and Post Roads are contemplating even now going into the whole matter of rates. A very comprehensive salary bill has already been reported to the Senate by the Senator from New Jersey, he being at the head of a subcommittee of the Senate Committee on Post Offices and Post Roads having that in charge. In view of the fact that additional revenue will have to be raised for the purpose of meeting the increased salaries provided for in that bill, the Committee on Post Offices and Post Roads will take up and consider the question of rates on the different classes of mail matter.

Mr. WILLIS. Is it not a fact that the Post Office Department itself is now conducting an inquiry to get at the facts in the matter?

Mr. STERLING. Certainly. I am glad the Senator called attention to that point. The Post Office Department is endeavoring to ascertain the cost of carrying, handling, and distributing the different classes of mail. We are waiting for some information from the department on that question.

Mr. McKINLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Illinois?

Mr. WILLIS. I yield.

Mr. McKINLEY. Is it not a fact that the increases in rates have brought in no additional money, that in 1920 the income was $25,000,000, that the increase in 1921 only added $400,000, and that in 1922 it dropped back to $25,195,000; in other words, that the rate is now so high that they do not use the mail for general distribution; but the farmer, who has to use the mails, is compelled to pay the higher increased rates?

Mr. STERLING. I can not quite answer the question whether those are the facts, because I do not know. I have seen no report from the Post Office Department to that effect.

Mr. EDGE. The report is promised to the committee within the next two months.

Mr. CARAWAY. I notice the Senator's statement that they are going into the whole question. The thing I wanted to suggest was that it looked like we might find some source of revenue instead of taxing the source of the information of the people who are compelled to depend upon their papers and magazines. If we are going to increase everybody's wages—and I am expressing no opinion adverse to that—we ought to find some other source of revenue than a higher rate upon periodicals which go to the people residing in rural communities. Then it is exactly where you place it, if you raise or maintain the present high rates on publications.

Mr. STERLING. I appreciate what the Senator from Arkansas said in that regard, and it is a matter that will be considered by the committee. It has already been informally discussed in connection with the question of rates on parcel post whether they should be increased or not, and if so, to what extent.

Mr. CARAWAY. Why would it not be well—at least it would be a fine experiment—to let it go into this bill and see what effect it will have, and by the time the committee is ready to consider the bill to which the Senator from South Dakota has referred we would have some actual information as to what a reduced rate might produce in the way of revenue? I am sure that we could raise the rates until they cease to be productive of revenue, until they dry up the very source from which we collect revenue. That sounds like such good Republican doctrine that it seems to me it ought to appeal to Senators on the other side of the aisle.

Mr. STERLING. The Committee on Post Offices and Post Roads are considering kindred questions; and because they are necessarily interested in providing revenue, it ought to be a subject for that committee to consider. I am opposed to the amendment on that ground, and on that ground alone.

Mr. WILLIS. All I want to say about the amendment is this: It may be if we had an opportunity to ascertain the facts that we all would support the amendment offered by the Senator from Illinois. But it seems to me that the question of the reduction of rates of postage on the different classes of mail matter is so delicate and so important that we ought not to undertake just in an offhand fashion to change those rates. It may very well be, after the matter has been looked into by the Post Office Department and by the Committee on Post Offices and Post Roads, that the rates will be found to be reasonable and equitable and just, but it seems to me it is not a good way to transact the public business here upon a great bill upon another subject to undertake to adjust postal rates.

Because of the lack of information, because of the fact that the Committee on Post Offices and Post Roads is now giving attention to the matter and that it is a subject properly belonging to that committee, and because the Post Office Department itself is at the present time conducting an important inquiry to get at the facts so we may pass a just bill, it seems to me it would be unwise legislation to adopt the amendment in this form.

Mr. McKINLEY and Mr. HARRISON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield; and if so, to whom?

Mr. WILLIS. I yield first to the Senator from Illinois.

Mr. McKINLEY. If the amounts of money received in 1920, 1921, and 1922 were all practically the same, and in the meantime there have been two raises which fall practically altogether on the farmer, who has to receive this matter through the mails, would it not be well to put the rate back? It makes no difference in dollars and cents. Would it not be better to put it back to the lower rate?

Mr. WILLIS. If the Senator were absolutely sure of all the matters he alleges as facts, that might be true; but, I repeat, there has been no report upon the matter, and the question of postal rates on the different classes of mailable matter is a very delicate and difficult thing. It is a difficult matter to appraise the elements of cost entering into the transportation of the mails.

My point is that in the consideration of a great bill relating to another subject it is unwise legislation to bring in an amendment that may have very important results that can not now be perceived.

Mr. HARRISON. Mr. President, will the Senator now yield to me?

Mr. WILLIS. I yield the floor. That is all I wanted to say on the subject.

Mr. HARRISON. Before the Senator takes his seat may I ask him a question?

Mr. WILLIS. Certainly.

Mr. HARRISON. We have taken the tax off of telegrams and telephone messages, off of automobile parts, off of motion pictures to a certain extent, and refused to tax radios and radio parts. No report was had in reference to those matters. It is merely a question of removing a tax in a bill that seeks to reduce the taxes on the people. This reduction of rates to a pre-war basis, as I understand the amendment, only carries out the theory that we were following with reference to telegraph and telephone messages, motion pictures, radio parts, and so on.

Mr. WILLIS. The Senator, of course, understands that there is quite a difference in the cases he cites. The question of the adjustment of postal rates on the different classes of mail matter is quite a different thing from a tax upon a radio receiver or an automobile.

Mr. HARRISON. I do not care whether the term "rates" or "taxes" be used; it means the same thing.

Mr. WILLIS. I yield the floor, Mr. President.

Mr. WADSWORTH. Mr. President, without pretending to be an expert on this question, let me observe that from the beginning I have never had any admiration for the zoning system of postal rates as applied to newspapers or to any other publication carrying information; but we have had it for some years, and I suppose it will be some years before we can get rid of it.

There is no doubt whatsoever, Mr. President, that the present rates are too high. The more prominent publications of the country are to a great extent excluded from getting subscriptions from persons living in the eighth, ninth, and tenth zones. The cost of postage when the publication is carried to that distance is so great that the newspaper or the magazine can not pay it and still sell the publication at its ordinary subscription rates to the recipients. I have a letter here from one of the managers of a great metropolitan daily in which is brought to my attention the effect of some of these high rates. I beg leave to read extracts from that letter, especially for the information of members of the Committee on Post Offices and Post Roads, for to me the thing seems perfectly simple to understand. This letter states:

> The present rates—war taxes—imposed on the newspapers in the revenue act of 1917 are excessive and unjust both in themselves and by comparison with rates for other classes of postal matter.
>
> The Post Office Department actually loses revenue by these prohibitive rates, the newspapers being forced to use express, baggage, and automobile services wherever possible. This paper alone for these services pays from $200,000 to $300,000 annually, which formerly went to the post office.

I interpolate that it makes no money for the Government when we drive these publications out of the Postal Service as a means of distribution.

> The imposition of postal rates which seriously curtail the circulation of newspapers in other sections of the country than their own is contrary to public policy and national interest.

To that statement I heartily subscribe.

Mr. CARAWAY. The high rates actually prevent people from being able to get newspapers and periodicals which are published in other sections of the country, so that they may keep abreast of the common thought.

Mr. WADSWORTH. I have suspected that that was the principal reason back of the original zoning plan. This letter continues:

> New York newspapers are more concerned than those of other States because its newspapers are more national in their character and circulation.

I think that can not be truthfully denied. I think you will agree that an increased circulation of New York newspapers is not a bad influence in our national affairs.

> The postal rates on newspapers under the zone law are 1½ cents per pound on news matter and from 2 to 10 cents per pound on advertising matter. These rates are 250 per cent higher than the old rates. This paper pays in the neighborhood of $400,000 a year more than under the old second-class rate.

And remember, Mr. President, that in addition to that $400,000 a year this one newspaper pays between $200,000 and $300,000 for automobile, baggage, and express service in order to reach the more distant zones.

> Newspaper rates are the only postal rates increased since the war to a point higher than they were either before or during the war. This increase, too, in the face of practices adopted by the newspapers which enable the post offices to handle newspapers at less expense proportion-

ately than any other class of mail. The newspapers save the Post Office Department all terminal and routing expenses of every kind. On the bulk of newspaper mail in the first and second zone the services performed by the Post Office Department are no more than simple baggage services. Newspaper mail does not go through the post office either at the shipping point or at destination, being delivered by the publisher at the terminal and taken by the newsdealer on arrival; yet the lowest present newspaper rate of the Post Office Department is $2 a hundred pounds; the express rate within 500 miles, covering three postal zones, is $1 a hundred, and the baggage rate 30 to 60 cents.

How can we expect the newspapers to use the mails when they get other service at half the price? No wonder the revenue of the Post Office Department shows no increase worthy of the name, in spite of a doubling of the pre-war rates on newspapers.

Mr. McKINLEY. Mr. President, will the Senator yield?

Mr. WADSWORTH. I yield.

Mr. McKINLEY. Is it not also unjust in this respect that the farmer must use the mail and can not get the advantage of the low baggage and express rates of which those who live in the city have the benefit?

Mr. WADSWORTH. I think that is true; I think the present system operates to provide unequal distribution of reading matter for which the entire American people have a real need.

Mr. GERRY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Rhode Island?

Mr. WADSWORTH. I yield.

Mr. GERRY. Can the Senator tell us whether the former second-class mail rates were remunerative? Did they pay for the expense incurred?

Mr. WADSWORTH. I have not those figures with me. I know that the increase in the rates has not increased the revenue.

Mr. GERRY. But, independent of that, what has been the result?

Mr. SMOOT. There has been an increase in revenue.

Mr. WADSWORTH. The increase is not worthy of the name.

Mr. SMOOT. I have just stated the amount and given the percentages by which the revenues have been increased over the preceding years.

Mr. WADSWORTH. Does the Senator believe that a doubling of postage rate which increases the revenue only 4 per cent is good business?

Mr. SMOOT. The Senator from Utah has not said that at all, and those are not the facts in the case.

Mr. WADSWORTH. I thought I heard the Senator read that in one year the receipts increased 4 per cent over the preceding year?

Mr. SMOOT. In 1919 the increase was 5.19 per cent, in 1920 it was 19.81 per cent, in 1921 it was 6.02 per cent, in 1922 it was 4.61 per cent. All those percentages represent increases over the year preceding. So there has been an increase beginning in 1919 of 5.91 per cent over the preceding year, of 19.81 per cent the next year, of 6.02 per cent the next year, and of 4.61 per cent the next year. I will say that I think the whole question ought to be settled, and if the Post Office Committee finds that the rates ought to be decreased I will vote for such a decrease, no matter what may come, if it is right; but this is not the proper place to provide for such legislation.

Mr. WADSWORTH. That is a question of policy, but I am endeavoring to place before the Senate, probably in an inadequate way, certain facts as they affect some of the publications of the country. This is not the first time this question has been discussed in the Senate. I have been here for more than nine years, and I have heard it discussed most exhaustively at least three times, and every discussion has resulted, as I recall, in maintaining the increased rates, and no good has been done by it.

Mr. EDGE. Mr. President, is the fact that there has not been any increase in income conclusive that the higher rates have brought about that result? In other words, we are now comparing, as I recall the figures of the Senator from Illinois, the present conditions with those before the war. I am not entirely informed, but there is a question in my mind if this type of publications has been as freely distributed, whether by one kind of carrier or another, since the war. In order to form a definite conclusion we must have all the facts. I do not know, but it seems to me we can not merely accept the gross amount of income as being entirely conclusive.

Mr. WADSWORTH. Mr. President, if the statement made by the Senator from Utah a while ago that the increase in receipts one year over another has apparently, as I recall, averaged from 4 to 6 per cent is correct, and that state of affairs is the result of having doubled the postage rates on a certain class of mail matter, I claim that doubling the rates is a failure.

Mr. CARAWAY. May I ask the Senator a question?

Mr. WADSWORTH. Certainly.

Mr. CARAWAY. The question of expediency has been raised by the Senator from Utah. We struck the tax off telegrams and telephone messages because they were sources of information. If it were appropriate to strike the tax off of those instrumentalities, why would it not be appropriate to relieve second-class mail matter, which is a source of information, from the extra burden it carries? Is there not an analogy between the two?

Mr. WADSWORTH. I think, other things being equal, that is a logical conclusion. I do not think that a reduction in postal rates will reduce the revenue, because I think there would be many more pieces of mail carried.

Mr. CARAWAY. It would certainly tend to disseminate information.

Mr. WADSWORTH. I have referred to one newspaper alone that spends between $200,000 and $300,000 annually to get its newspapers into a portion of the country where the postal rates are prohibitive. Why not have the Post Office Department get some of that money? That is my contention.

Mr. EDGE. I do not think that result follows in the case of the parcel post, as I believe the Senator will agree, if he will investigate it. The parcel-post rates to-day, in my judgment, would stand a considerable increase and the revenues of the Government would be greatly increased thereby.

Mr. WADSWORTH. I do not think the Senator would insist that a newspaper should be delivered by parcel post. That service would scarcely be worth while for the delivery of a daily newspaper.

Mr. McKINLEY. Mr. President, I ask for the yeas and nays on the amendment.

Mr. DIAL. Mr. President, from the information I have, this amendment ought to be adopted. If it shall not be adopted now, it will be a long time before the parties who are entitled to its benefits can possibly receive them. It is true the department is looking into this matter, but certainly another session will intervene before we can secure a report.

In my section of the country large quantities of newspapers and periodicals are being delivered by trucks instead of being carried through the mail, and, as a consequence, the Government is losing the postage which would otherwise be derived. I trust that the amendment will be agreed to.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Illinois.

Mr. McKINLEY. I ask for the yeas and nays.

Mr. HARRISON. Let us have the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senator from Vermont [Mr. GREENE], and will vote. I vote "nay."

The roll call was concluded.

Mr. COLT. Has the junior Senator from Florida [Mr. TRAMMELL] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. COLT. I have a pair with that Senator. I transfer that pair to the senior Senator from West Virginia [Mr. ELKINS], and will vote. I vote "nay."

Mr. GLASS. Being a newspaper publisher, and therefore pecuniarily interested in the result of this vote, I withhold my vote.

Mr. OVERMAN (after having voted in the affirmative). I observe that my pair, the senior Senator from Wyoming [Mr. WARREN] is absent. I transfer that pair to the Senator from Texas [Mr. MAYFIELD], and will let my vote stand.

Mr. COPELAND. I desire to announce that if the junior Senator from New Jersey [Mr. EDWARDS] were present, he would vote "yea."

Mr. SIMMONS (after having voted in the affirmative). I transfer my general pair with the junior Senator from Oklahoma [Mr. HARREL] to the junior Senator from New Jersey [Mr. EDWARDS], and will let my vote stand.

Mr. FLETCHER (after having voted in the affirmative). I transfer my general pair with the Senator from Delaware [Mr. BALL] to the Senator from New Mexico [Mr. JONES], and will let my vote stand.

Mr. GERRY. I desire to announce that the Senator from Oklahoma [Mr. OWEN] is paired with the Senator from Illinois [Mr. MCCORMICK].

Mr. CURTIS. I desire to announce the absence of the junior Senator from Wisconsin [Mr. LENROOT] on account of illness.

The result was announced—yeas 55, nays 18—as follows:

YEAS—55

Adams	Ernst	Ladd	Shields
Ashurst	Fernald	McKellar	Shipstead
Bayard	Ferris	McKinley	Simmons
Brandegee	Fletcher	McNary	Smith
Brookhart	Frazier	Moses	Stanfield
Broussard	George	Neely	Stephens
Bruce	Hale	Norbeck	Swanson
Bursum	Harris	Oddie	Wadsworth
Cameron	Harrison	Overman	Walsh, Mass.
Caraway	Heflin	Ralston	Walsh, Mont.
Copeland	Johnson, Calif.	Ransdell	Watson
Dale	Johnson, Minn.	Reed, Mo.	Weller
Dial	Keyes	Robinson	Wheeler
Dill	King	Sheppard	

NAYS—18

Borah	Gerry	Norris	Spencer
Colt	Gooding	Pepper	Sterling
Curtis	Jones, Wash.	Phipps	Willis
Edge	Kendrick	Reed, Pa.	
Fess	Lodge	Smoot	

NOT VOTING—23

Ball	Glass	Lenroot	Shortridge
Capper	Greene	McCormick	Stanley
Couzens	Harreld	McLean	Trammell
Cummins	Howell	Mayfield	Underwood
Edwards	Jones, N. Mex.	Owen	Warren
Elkins	La Follette	Pittman	

So Mr. MCKINLEY's amendment was agreed to.

Mr. TRAMMELL subsequently said: Mr. President, I was temporarily absent from the Chamber on official business at the time the vote was taken on the McKinley amendment to the revenue bill. I desire the RECORD to show, however, that I was paired with the Senator from Rhode Island [Mr. COLT]. That pair was observed, and was stated when the vote was taken, but I also desire to state that I was in favor of the amendment and should have voted for it had I been present and permitted to vote.

Mr. MOSES. Mr. President, I offer the amendments which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendments will be stated.

The READING CLERK. To section 214, subsection 10, add as subsection (B):

(B) In the case of lands managed for the production of crops of timber all expenditures pertaining to such management, including expenditures for protection, taxes, administration, planting, culture, et cetera, or at the option of the owner acting consistently from year to year, such expenditures may be capitalized: *Provided*, That in the case of such expenditures for planting and/or culture there may be deducted in any one year not to exceed $15,000 or 15 per cent of the net income of the taxpayer computed without the benefit of this subsection, whichever is greater. If and to the extent that such expenditures are capitalized they shall be added to and shall form a part of the basis used in the determination of depletion, or of gain or loss from sale, exchange, destruction, or other disposal of the timber to which such expenditures pertain.

To section 214, subsection 10, add as subsection (C):

(C) One-half only of the net income resulting from and allocable to the conversion, utilization, sale, or other disposal of timber from or together with lands managed in good faith for the production of crops of timber shall be used in determining the net income subject to tax: *Provided*, That this subsection shall apply only to trees left for seed, to trees left for further growth, and/or to second-growth timber produced by natural and/or artificial means.

Mr. SMOOT. Mr. President, the object of this amendment is to encourage reforestation, in order that the forests of the country shall not be depleted and that a system of reforestation shall be established in the United States. The amendment is designed to encourage that which everybody in the United States desires to have encouraged; and I have no objection to the amendment.

Mr. KING. Mr. President, I should like to ask the Senator from New Hampshire if he has any estimate as to the probable cost or diminution of revenue to the Government, and the probable number of those who may take advantage of the provisions of this amendment?

Mr. MOSES. Mr. President, that is an estimate wholly impossible to obtain; but the opinion of the Select Committee on Reforestation, as a result of whose labors these amendments were produced, is that the amount of money involved to the Federal Treasury will be comparatively slight.

The great benefit which is sought to be obtained from these amendments is to set an example for State legislation along these lines. The Select Committee on Reforestation discovered two principal elements militating against the extension of the forest cover and operating very directly upon the destruction of the forest cover, to wit, the depredations by fire and the excessive carrying charge necessitated by taxes upon timberlands.

The constant effort of the committee as it journeyed about the country taking testimony was to exert persuasion upon local forest authorities, upon local tax authorities, upon members of legislatures, as the committee came in contact with such, to the end that the State taxation laws should be so drawn as to encourage the growing of timber as a crop, so that the country might be assured of a constant supply of this most useful material and fast-disappearing material, I may add; and it was deemed by some of us on the committee that if the Federal Government was to seek to apply pressure upon local legislative groups to that end it was certainly incumbent upon the Federal Government itself to do something with its own tax laws to show good faith and to set an example of the type of legislation which might produce this result.

Mr. KING. Mr. President, I thank the Senator for his response to my inquiry, and I desire to submit one or two observations apropos of his statement.

Many laudable and altruistic purposes are projected from time to time, for which, of course, only words of commendation should be uttered; but this seems to me to be a scheme—and I do not use the word at all offensively—a project to use the taxing power for the purpose of securing a result which all would concede to be beneficial. It is a matter of fact that too little attention has been paid by the States to the question of reforestation, as a result of which we are lacking in some parts of our country in an adequate timber supply, and doubtless unless some steps shall be taken by the States in a few years we may be lacking in many species of timber which are very necessary, if not indispensable, in our industrial and economic development.

However, may it be said, for many years, particularly since Mr. Roosevelt began talking about conservation of natural resources, the cry has gone out almost constantly that next year or the year following would see an end to our coal supplies and our timber supplies. We now find that we have coal enough to last for millions of years. I concede that our timber supply in a few years will be inadequate; but the point I am trying to make is that we too often use the taxing power—which ought to be used only for the purpose of getting revenue, and only revenue sufficient for the purposes of the Government—to accomplish some other object. We accomplish in an indirect way that which is not permissible if we properly interpret the taxing power of the Government.

Under the taxing power of the Government we have done many things that could only be justified as a police measure, if Congress had the power, and it did not have it. We have converted the taxing power of the Government into a basis for police regulations. That is mere general observation.

In this particular instance the able, conscientious worker, the Senator from New Hampshire, seeks to increase the reforestation of certain lands of our country by the use of the taxing power of the Government. It is true we do not tax, but we create exemptions. It was argued here the other day with very great force by the Senator from Missouri and the Senator from Arkansas and other able Senators that when we denied certain exemptions with respect to the dividends derived from tax-exempt securities, it was direct taxation, or, rather, discrimination against them, and was a species of direct taxation. So now we invoke the taxing power of the Government for the promotion of reforestation. That there should be reforestation goes without saying. How shall it be accomplished? Obviously, not by indirect methods—by the application of the taxing power of the Government.

The chairman of the committee, however, has accepted the amendment for the committee, and I suppose it will go to conference. I only want to express my dissent from the proposition that we may use the taxing power of the Government for the purpose of accomplishing objects, no matter how worthy and meritorious, which may not in a proper interpretation of the Constitution be undertaken by the Federal Government.

Mr. CARAWAY. May I ask the Senator a question?

Mr. KING. I yield to the Senator.

Mr. CARAWAY. It strikes me that we have used the taxing power for so many evil purposes, if we find some worthy purposes the Senator ought not to object to it.

Mr. KING. I think there is very much in what the Senator says.

Mr. MOSES. Mr. President, I quite agree with what the Senator from Utah has said about the various methods of embroidery which have been applied to the taxing power, and to other functions of the Government. Nobody who has witnessed the course of legislation here and in the State capitals would

hesitate for a moment to share fully all the views expressed by the Senator from Utah as to the departures which have been made by the lawmaking bodies from the purposes of the founders.

The Senator called attention to one or two things. I was amazed that he did not point out how we are gradually making the organic law, not only of the country but of the States, a mere collection of police regulations.

However, Mr. President, I have been very much surprised that the Senator from Utah should have chosen this particular piece of legislation as a basis for the observations which he advanced, because in the labors of the select committee on reforestation, taking testimony, as that committee did, in more than half of the States of the Union, in each of the States where the forest problem presents itself in any acute manner it became our duty to study the body of State legislation connected with this whole problem of reforestation, and we found that a few States had taken advanced positions regarding the taxation of timberlands to the end of supplying to themselves as constant a supply of timber material as might be had from their remaining forest area. It so happened that two of the States which had acted in this enlightened manner were the State of Utah and the State of New Hampshire, where legislation exactly of the character proposed here had been enacted.

The legislation in force in Utah was drawn by the distinguished Senator from Utah some years ago, and the legislation in force in the State of New Hampshire was drawn by the more humble Member of this body now addressing the Chair.

Mr. KING. Will the Senator yield?

Mr. CARAWAY. Permit me just to say this, that I was for the measure, but I hope Senators will permit me to withdraw. [Laughter.]

Mr. KING. I think perhaps the first bill I had the honor of introducing in the legislature, when I was younger than I am now, was a bill which was proper under the power of the State in dealing with local and domestic affairs. That bill gave certain credits to farmers and to other landowners against their taxes proportioned to the number of trees of a certain character which they would plant. I am glad to say that the act was quite beneficial, and a number of States took advantage of the example set by that very young State; and I think it has been of considerable advantage. But the power of the Federal Government to tax is one thing, and the power of the State is another.

Mr. MOSES. Quite true, Mr. President; but one conclusion which was constantly and most forcibly brought to the attention of the Select Committee on Reforestation was that the question of assuring a timber supply for the country was passing out of the zone of State influence and authority and was becoming a purely national problem. In other words, watching the progress, the movement westward, of the center of the lumber industry, first from New England, thence to the Hudson River, thence to Michigan, thence to the Northwest, and now on the edges of the Pacific coast, having come to the jumping-off place, when there is no further movement for it to make in the western direction, the problem becomes one which the National Legislature most properly can attack. The views which the committee found enforced upon them, no matter what might have been their initial opinions when they undertook the inquiry, were views that brought us to realize that the Federal Government must take affirmative steps by increasing its activity in the line of fire protection, of the extension of the public forests, in the higher utilization of the timber territory of the public lands and of the national forests, and in pointing the way for the State legislatures so to reform their statutes that the element of taxation might be brought in as a considerable incentive and inducement toward the growing of timber as a crop.

Believing as I did about the subject, I could see no other way in which the Congress could undertake such action for the benefit of the States and for the encouragement of the States, and looking toward the solution of this problem, which I regard as wholly national, and which I know to be growing more acute, than to present an amendment to this bill, so as to set up a standard to which the State legislatures might repair, and I am very glad the chairman of the committee takes that view of it and accepts the amendment.

Mr. HARRISON. Mr. President, there seems to be such strong sentiment for the amendment offered by the Senator from New Hampshire, who has given much study to this important question of reforestation, that I merely desire to say——

Mr. MOSES. The Senator himself was a member of the committee.

Mr. HARRISON. I simply desire to say, as a member of the committee when this matter was broached, I was one of the members of the committee who voted against the proposition, and consequently I shall vote against the amendment at this time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SHIPSTEAD. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore (Mr. CUMMINS). The Secretary will state the amendment.

The READING CLERK. On page 252 the Senator from Minnesota moves to insert the following after line 16:

SEC. 1113 A. A refund or abatement of taxes paid or assessed or to be assessed under the revenue act of 1916, the revenue act of 1917, the revenue act of 1918, and the revenue act of 1921, subject to the limitations therein provided, shall be granted to any farmers' or other mutual hail, cyclone, or fire insurance company if otherwise exempt under paragraph 10 of section 11(a) of the revenue act of 1916 and the revenue act of 1917, and paragraph (10) of section 231 of the revenue act of 1918 and the revenue act of 1921, without any requirement that such above-mentioned organization be of a purely local character.

Mr. SHIPSTEAD. Mr. President, this amendment means so much to the farmers' mutual fire, hail, lightning, and tornado insurance companies, having over $10,000,000,000 of insurance in 18 States, that I am going to ask the indulgence of the Senate for a few minutes while I explain the amendment.

This amendment proposes to refund or abate taxes paid or assessed, or to be assessed, under the revenue laws of 1916, 1917, 1918, and 1921, to farmers' or other mutual hail, cyclone, or fire insurance companies, under certain conditions.

No doubt you will be under the impression from the reading of this amendment that it involves a refund of large sums of money from the Treasury, but such is not the case, as I shall show later. No doubt it will occur to you at once that this amendment would be retroactive, and would excuse certain companies from paying a large amount of income tax that should have been paid a long time ago. I shall endeavor to show that this amendment is not retroactive, but a provision that will repeal a retroactive ruling recently made by the Commissioner of Internal Revenue, the effect of which ruling is that over 2,000 purely mutual insurance companies which ever since 1916, until recently, have been held by repeated rulings not to be subject to an income tax, are now called upon to pay income taxes, heavy penalties, and interest from the year 1916 up to the present time. Under these circumstances this amendment can not be said to be retroactive, but simply a provision to prevent the Commissioner of Internal Revenue from carrying out a retroactive ruling that has the force of law, compelling these insurance companies to pay a so-called income tax for the eight years last past.

Mr. SIMMONS. When was the ruling to which the Senator has referred made?

Mr. SHIPSTEAD. About a year ago.

Mr. SIMMONS. The law had been the same as it was under the acts of 1916, 1917, and 1918, and no tax had been assessed against these companies? Were there any rulings of the Secretary of the Treasury that they were not subject to tax?

Mr. SHIPSTEAD. Oh, yes; the question had been ruled upon by the Treasury from year to year.

Mr. SIMMONS. The tax had not been collected because the Secretary of the Treasury ruled that they were not subject to tax?

Mr. SHIPSTEAD. I shall cover that.

Mr. SIMMONS. I simply wanted to understand what the Senator said.

Mr. SHIPSTEAD. The Senator is correct.

Mr. SIMMONS. Now, without any recent change in the law, about a year ago the Secretary reversed himself and now holds that the companies are subject to tax under these several cases?

Mr. SHIPSTEAD. Yes. The Senator is correctly informed.

Before the adoption of the revenue law of 1916 representatives of 10 leading mutual insurance companies appeared before the House Ways and Means Committee and presented their claims as to why they should be exempt from paying any income taxes on their receipts. It must be borne in mind that the income of farmers' mutual insurance companies consists solely of assessments, dues, and fees collected from members for the sole purpose of paying their losses and expenses and that no profit whatever is made by the company itself. The

House Ways and Means Committee agreed that these mutual insurance companies should be exempt, and the following provision was placed in the revenue law of 1916:

SEC. 11 (a). That there shall not be taxed under this title any income received by any—

* * * * * * *

Tenth. Farmers' or other mutual hail, cyclone, or fire insurance company, mutual ditch or irrigation company, mutual or cooperative telephone company, or like organization of a purely local character, the income of which consists solely of assessments, dues, and fees collected from members for the sole purpose of meeting its expenses.

Under the interpretation then made of the law the farmers' mutual insurance companies were exempt as long as their income consisted solely of assessments, dues, and fees used for the sole purpose of meeting expenses, and it seems to me that this is the only reasonable interpretation that can be placed upon this law.

Practically the same exemption was incorporated in the 1917 revenue act as well as the revenue acts of 1918 and 1921. Under these laws the office of the Commissioner of Internal Revenue issued rulings from time to time, and letters to practically all the companies, holding that as long as the income came from the sources and were used for the purposes mentioned in said act or acts, the companies were not liable for any income taxes. I will give a brief statement as to the rulings:

I will say to the Senate that I have gone in great detail into the history of the rulings and revenue acts as affecting these companies in order to clear up the confusion that seems to have prevailed concerning this form of legislation.

The first regulations relating to the exemption of mutual insurance companies under the revenue act of 1916 are as follows:

Regulation 33, article 69, page 51, issued in 1918:

ART. 69. Mutual insurance companies, etc.: The organizations mentioned in paragraph "tenth" of section 11, act of September 8, 1916, as amended, are specifically exempt provided that their entire income consists solely of assessments, dues, and fees collected from members for the sole purpose of meeting expenses incurred in pursuance of the purpose for which organized. If any of such organizations have income from any other source other than assessments, dues, and fees, such income will be held to be subject to tax, and the organizations receiving the same will be required to make returns and to pay any tax thereby shown to be due.

Regulation 45, 1919 edition, contained in article 521 the following sentence:

The phrase "of a purely local character" qualifies "only like organizations."

Regulation 45, 1920 edition, as issued by the Treasury Department, contained in article 521 the same sentence.

Regulation 45, 1921 edition, contained the same sentence in article 521, adding the following explanatory matter:

An organization of purely local character is one whose business activities are confined to a particular community, place, or district, irrespective, however, of political subdivisions.

The word "purely" intensifies and limits "local," and indicates a clear intention on the part of Congress to exempt from taxation only such "like organizations" as are entirely and unqualifiedly "local" in their operations.

The exemption of the 1921 law is as follows, almost word for word the same as the 1916 provision:

SEC. 231. That the following organizations shall be exempt from taxes under this title:

* * * * * * *

(10) Farmers' or other mutual hail, cyclone, or fire insurance companies, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations of a purely local character, the income of which consists solely of assessments, dues, and fees collected from members for the sole purpose of meeting expenses.

The new official interpretation of this paragraph which causes all this trouble is found in article 521, regulation No. 62, and the part of which article that affects farmers' companies or changes certain rulings as to farmers' companies is as follows:

An organization of a "purely local character" is one whose business activities are confined to a particular community, place, or district, irrespective, however, of political subdivisions. The word "purely" intensifies and limits "local" and indicates a clear intention on the part of Congress to exempt from taxation only such organizations as are entirely and unqualifiedly "local" in their operation.

That is the ruling that has caused all the trouble. The ruling of the commissioner entirely repeals all former rulings made with reference to these companies during the six years following the adoption of the revenue laws of 1916.

Let us analyze more fully the difference between this ruling and all prior rulings.

Mr. JONES of New Mexico. Will the Senator state the date of that ruling?

Mr. SHIPSTEAD. I have not the date here. I got the ruling out of the Treasury regulations for 1922.

Mr. JONES of New Mexico. I wanted to know the date of the ruling, when they changed their interpretation.

Mr. WATSON. My recollection is it was about two years ago.

Mr. SIMMONS. I think it was in 1922.

Mr. SHIPSTEAD. The regulations issued by the Treasury Department do not always carry the date of each individual ruling. The pamphlet or booklet contains the rulings of the Treasury Department on the revenue act of 1921 and the regulations issued in 1922.

Mr. WATSON. If the Senator will permit an interruption, Mr. Gregg, of the Treasury Department, informs me the ruling was made February 15, 1922.

Mr. SHIPSTEAD. I thank the Senator.

It will be noticed that in said section 10 that certain companies are specifically enumerated, namely:

1. Farmers' or other mutual hail, cyclone, or fire insurance companies.
2. Mutual ditch or irrigation companies.
3. Mutual or cooperative telephone companies.

Then comes a general clause "or like organizations of a purely local character." Next comes another modification as to all the classes of companies previously named which is this—

the income of which consists solely of assessments, dues, and fees collected from members for the sole purpose of meeting its expenses.

In construing this law prior to the regulation of 1922, the Revenue Department held, and correctly held, that the words "like organizations of a purely local character" did not modify or qualify any of the companies previously particularly enumerated in said section. In other words, when the question as to whether or not a farmers' mutual fire insurance company was exempted from an income tax, the only words of said section that were held applicable to said company would be the following:

Farmers' mutual fire insurance company the income of which consists solely of assessments, dues, and fees collected from members for the sole purpose of meeting its expense.

In other words, it was held that the words in said section "of a purely local character" did not apply to a farmers' mutual fire insurance company, but that the words "of a purely local character" would apply only when a company that was not specifically enumerated in said section should come and claim exemption under said act on the ground that they were a "like organization."

The only judicial authority that the Commissioner of Internal Revenue relies on for changing this ruling is the decision of a United States district judge in the case of Commercial Health and Accident Co. *v.* Pickering, reported in 281 Federal Reporter at page 539, which case was decided on January 3, 1922. This was a case in which a mutual life insurance company doing business throughout the entire State of Illinois sought to be exempted from income taxes under paragraph 10 on the ground that they were "a like organization" to the companies particularly enumerated in said section 10.

The words "of a purely local character" modify or qualify the words "like organization" and all the learned district judge had to decide in the case and the only question that was up before him for judicial determination was whether or not the company was a "like organization" so as to come within the income-tax exemption given by said paragraph to the companies particularly enumerated, such as farmers' or other mutual hail, cyclone, or fire insurance companies, and so forth. But the learned judge went further than merely to decide the issue before him and attempted by obiter dicta to define the law applicable to all companies enumerated in said section, although that was an entirely irrelevant question and not involved in the case that was up before him for decision. The learned judge said:

We do not believe that it was the intention to exempt farmers' or other mutual hail, cyclone, and fire insurance companies, etc., generally, but only such as are of a purely local character.

But the court went further than that and said, "a proper reading of this paragraph—referring to said paragraph 10—

requires the interpolation of a comma after the words 'like organization.'" When courts go so far as to interpolate commas or otherwise change the punctuation of an act of Congress in order to get an excuse for deciding a case a certain way, then I do not think that the amendment is open to the charge that it proposes a retroactive law.

This new ruling very seriously affects farmers' mutual fire insurance companies which have sprung up all over the United States since the year 1825. Bulletin No. 697, issued by the Department of Agriculture, shows that in the year 1916 there were nearly 2,000 farmers' mutual insurance companies in the United States, which carried insurance for more than five and a quarter billion dollars and these companies have been held out to the people by the Agricultural Department, by farm journals, and political orators as an example of what can be accomplished by real cooperation and as indicating that cooperation will cure all the ills of the farmer. I quote the following from that bulletin:

The marked success of this form of cooperation has also been an encouragement to farmers to attempt other cooperative enterprises. It has stimulated their faith in one another and strengthened their confidence in their own ability to do things somewhat removed from their primary occupation of raising crops and producing other raw materials. If farmers could manage successfully their own insurance company and save money in so doing, why could they not make their own milk into butter and cheese, provide themselves with fresh beef by the organization of so-called meat rings, operate their own telephone company, market some of their own farm products, and even purchase cooperatively some of their needed supplies?

What have these companies accomplished? They have provided a good, reliable system of insurance at a cost of about 15 cents per hundred dollars a year, generally collected by an assessment based upon their losses. I have a statement showing that the insurance charged by a stock company upon a farm in a certain locality is $1.45 per $100 for a term of three years, while the assessment in the farmers' mutual insurance company, operating in the same neighborhood, has amounted in three years to 45 cents per $100, representing a clear saving of $1 per hundred.

How is this accomplished? Not by refusing to pay losses, but by cutting down expenses to the minimum. Laws have been passed in nearly all the States providing for a simple form of incorporation, under which the usual costs are from $1 to $1.50 for recording the articles. When a farmer takes out insurance he lists the property that he wants insured and signs an undertaking that he will pay his pro rata share of all losses incurred by other members of the company. The usual officers, such as president, secretary and treaurer, and a board of directors, are provided for in their articles and the laws of the State in which they operate. The secretary's office usually consists of a writing desk in the corner of a sitting room in a small farmhouse, and the furniture and fixtures belonging to the company generally consist of an iron safe and a small writing desk. No large commissions are paid to agents for soliciting and selling insurance. This work is generally performed by a member of the board of directors, who receives a fee of about $1 for drawing an application. Losses are adjusted by a committee of directors, who receive a small fee per diem for the actual time spent in the service of the company.

I have before me a statement of the White Bear Lake Insurance Co., of Pope County, Minn., a company with which I am well familiar, having lived for over 18 years in the territory in which it operates. The statement shows that in the year 1921 that company had in force 2,411 policies and $12,503,432 in insurance; that they paid for president's salary $200; for secretary's salary, $735.60; for treasurer's salary, $388.86; and to the directors for writing insurance and other services, $1,389.45, making a total of $2,713.91 for salaries and officers' fees paid in a company that carried over $12,000,000 insurance. The cost of insurance for that year was 15 cents per hundred.

Mr. President, as I said in the beginning, there are four and one-half million farmers in 18 States carrying insurance amounting to over $10,000,000,000. By the adoption of this amendment those policyholders will be protected. The ruling which was rendered by the Treasury Department could only have been rendered on one ground. The object of the income tax law is that profits and incomes shall be taxed and not to tax losses and misfortunes. These companies are not organized for profit; they have no income except that which is assessed with which to pay losses. By this ruling of the Treasury Department money has been and is being collected now from those farmer insurance companies contrary to the whole intention of Congress. The adoption of the amendment will serve to protect those companies from this illegal ruling, and will refund to those farmers the money which has been collected from them under that ruling of the Treasury Department.

Mr. WATSON. Mr. President, in the committee I offered this amendment and it was rejected. I am always regular and loyal to my committee, and I very much dislike to run counter to its wishes, but I think that there is no justification for the Treasury Department ruling which has been read by the Senator from Minnesota. It grows out of what I believe to have been an erroneous decision by the department which was made in February, 1922.

The whole thing turned on the question of interpretation of the words "purely local character," which I shall not discuss, for in considering the question the committee voted in the words—

Farmers' or other mutual hail, cyclone, casualty, life—

Voting in the word "life"—

or fire insurance companies, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations; but only if—

And then we amended it to read—

85 per cent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses.

That is to say that the bill admits that that holding was erroneous, and corrects it as to the future. The only purpose involved in the amendment proposed by the Senator from Minnesota is as to whether or not it shall be corrected as to the past. That is all there is to the question. It will not cause a single dollar to be expended from the Treasury, as I understand, or if it does, it would be an inconsequential sum. Therefore, the only problem involved is as to whether or not the doors shall be open, it being retroactive in character, the committee fearing that if one retroactive amendment were adopted others might follow. The action of the committee, doubtless, was wise under the conditions; and yet, on the merits of this one proposition, I can not help but believe that this amendment is wholly justified by the circumstances and should be adopted.

Mr. WILLIS. Mr. President, will the Senator from Minnesota permit me to ask the Senator from Indiana a question?

Mr. SHIPSTEAD. Yes.

Mr. WILLIS. I desire to ask the Senator whether the committee—and particularly the Senator from Indiana—have directed especial attention to this language in the amendment proposed by the Senator from Minnesota:

Without any requirement that such above-mentioned organization be of a purely local character.

I think I am in favor of the general purpose the amendment has in view; but does the Senator think there is any danger from that rather broad language that companies would be included that are really not intended to be included? Is the language adequate for the purpose in view?

Mr. WATSON. I am inclined to think so. Of course originally there seems to have been some doubt as to the interpretation of the words "of a purely local character." The department seemed to think that if such a company were confined to a narrow space it might be a mutual company, whereas if it spread out over a whole territory it ceased to be a mutual company and became a profit-making concern.

Mr. WILLIS. I have in mind this sort of a case, if the Senator from Minnesota will permit me.

Mr. SHIPSTEAD. Certainly.

Mr. WILLIS. I know of a farmers' mutual insurance company located in a small village in Ohio, and yet it transacts business in perhaps three or four different counties. It is not a large company and does not operate at all for profit; it really is a mutual company; and yet, under the ruling to which reference has been made, that company has been held not to be "of a purely local character," and it is now proposed to levy assessments against it. If those assessments shall be levied in accordance with the Treasury ruling they will amount to more than the company has been required to pay out in losses during the last four years. So it seems to me some amendment of this character is desirable; but I wanted to be certain that the language which I read from the amendment of the Senator from Minnesota has been fully considered.

Mr. SHIPSTEAD. Mr. President, I wish to say to the Senate that the reason why the phrase "of a purely local character" is inserted in this amendment is because of the fact that that phrase has caused all of this trouble. The ruling was that the companies were not exempt unless they

were "of a purely local character," and it was held that to be "of a purely local character" they must be confined to one neighborhood. The Senator can easily understand how ridiculous such a contention is, because it can not and does not carry out the intention of Congress. For instance, if that ruling could under any stretch of the imagination be held to be reasonable, it would have to be interpreted to mean that a tornado mutual insurance company would have to be confined to a single neighborhood in order to come under the exemption of the revenue act of 1921. How would that work out?

I remember that something like four years ago we had a terrific windstorm in the community in which I live. I remember it particularly because on that evening we had a nationally known Chautauqua orator who came to speak in that community.

Mr. WATSON. Was that the cause of the windstorm?

Mr. SHIPSTEAD. The windstorm came while he was speaking; it blew down something like 30 or 40 barns, and, as a matter of fact, that local neighborhood was almost wiped out. If the insurance company had by law been confined to that single neighborhood, there would have been nothing left of the company. So it is ridiculous to require that a mutual insurance company shall be confined to a single neighborhood.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. SHIPSTEAD. Yes, sir.

Mr. NORRIS. I should like to call the Senator's attention to the fact, as I understand it, although I am not an insurance man and have had no experience, that insurance companies all recognize that in order to make their policies safe not only for those who are insured but for the people who are liable to pay the losses, if any occur, they must spread out over a considerable territory, or the whole venture will be a failure if anything happens of the character the Senator has mentioned.

Mr. SHIPSTEAD. Yes, sir.

Mr. WATSON. It becomes top-heavy.

Mr. NORRIS. I understand that old, recognized insurance companies will refuse to take all the risks that they might be able to get in a particular neighborhood, on the theory of something happening, such as the Senator has mentioned. If it were in a town they would not take out a fire risk including all the buildings within a locality. If they did they would reinsure them with some other company.

I have been called out of the Chamber and have not been able to follow the Senator; but I know that this ruling, which seems to me to be erroneous—although I am not charging bad faith, of course—is a reversal of a ruling, as I understand—and I wish the Senator would correct me if I am not right—that was made early after the passage of the law, and that in accordance with the ruling then in force these companies went on, and afterwards the ruling was changed and was given a retroactive effect, going back over the period that had passed in which settlement had been made, particularly in the case of a mutual company. Men had settled all the obligations that they owed under the first ruling, and probably had moved away and gotten out of the company, and new ones had come in. Then came the ruling going back over several years, which I have been told by officials connected with mutual companies meant the ruination of every one of them, because it was a physical impossibility to go back and make these collections. They would have to go out of business.

We ought to go on the principle that if we want to encourage mutual insurance and cooperation—and I think that is the idea—if we are going to legislate against any particular kind it ought to be against the insurance company that confines its operations, if there are such concerns, to strictly local communities, because that is not very safe insurance.

Mr. SHIPSTEAD. I think the Senator is absolutely correct.

Mr. GEORGE. Mr. President, I should like to ask if it is not true that the assessments made against the mutual insurance companies are as a rule unpaid at this time? In other words, the money has not gone into the Treasury under this new ruling; has it?

Mr. SHIPSTEAD. The Senator means the taxes?

Mr. GEORGE. Yes.

Mr. SHIPSTEAD. There have been taxes collected; I do not know how much. A considerable drive has been made in the last 60 days to collect the taxes.

Mr. GEORGE. My understanding is that some taxes have been collected, but that other companies have not yet been called on at all, and that perhaps only a reasonably small proportion of the taxes now claimed under the new ruling have actually been paid in.

Mr. SHIPSTEAD. Oh, a very small amount has been paid in, I believe, up to this time. I believe a very insignificant sum has been collected up to this time; but if this ruling stands—and I do not see what there is to prevent it from standing—they will collect considerable sums. They are collecting the taxes now, and they are going back and collecting them for eight years.

Mr. GEORGE. It would be manifestly unjust, also, would it not, because many of the mutual companies have changed their policyholders since, and liabilities have been discharged, and new obligations undertaken?

Mr. SHIPSTEAD. Oh, certainly.

Mr. GEORGE. It seems to me that the amendment certainly ought to be adopted, and that the objection that it is retroactive has little or no force in this case. I quite agree with the Senator that the construction placed on the language in the revenue act of 1921 is unauthorized and unwarranted, because the very nature of a mutual insurance company precludes the possibility that it could be purely local in its operations, confined to a single neighborhood; and that language clearly was not intended by the Congress to apply to insurance companies of the kind that are dealt with in the amendment offered by the Senator from Minnesota.

That, of course, is borne out by the fact that in the bill we are now considering the committee itself and the Senate recognized the intent and meaning of the Congress in the enactment of the revenue act of 1921, and, manifestly, the intent and purpose of the Congress in the passage of the prior revenue act; and now we except mutual fire insurance companies from the operation of the act, as applied by the ruling made in the early part of 1922.

It seems to me that when the very nature and character of the business of a fire insurance company is considered we can not escape the conclusion that the Congress did not intend that a mutual insurance company, in order to be entitled to an exemption from taxation under the revenue act, should have its business confined to one local neighborhood, because the very theory of the insurance company is out of harmony with so narrow a construction as the department has placed upon the provision in the act of 1921.

That being true, the objection that this amendment is retroactive in effect ought not to have any weight. It ought not, at least, to be controlling on the Senate.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, it would be impossible for an insurance company to live upon the patronage of a small locality.

Mr. GEORGE. Certainly.

Mr. SIMMONS. And therefore the act could not have any such purpose.

Mr. GEORGE. And the Congress could not have intended to apply the language "purely local" to an insurance company, but that language must have been intended to have application to other companies that were exempted under subdivision (10) of section 232 of the act of 1921.

Mr. BROOKHART. Mr. President, I think the test of whether or not an insurance company is mutual includes no element of size whatever, no element of locality whatever. The question is whether or not it is organized for profit; and in all cases where it is not, where the assessments are made for expenses and losses only, and there is no capital investment that gets a profit out of it, it is mutual, even though it may spread over the whole country.

I can understand that the profiteering companies would object to that construction, because they want to confine these other companies to localities; but there is absolutely no limit on this cooperative object so far as locality is concerned. Some of the cooperatives now are doing business clear around the world, taking in everything; so the objection raised by the Senator from Ohio certainly does not go to the essence of the mutual company under the law, and those mutual companies ought to be excepted.

Mr. WILLIS. Mr. President, I hope the Senator did not understand me to object. I was simply making inquiry as to the effect of the language. I am not objecting to the amendment. I expect to support it.

Mr. BROOKHART. I am glad the Senator raised the question, because I am always glad to have any element of this cooperative idea considered in the Senate of the United States.

Mr. WILLIS. I was going to call the attention of the Senator to a provision in another section of the bill also. The committee has already provided that at least 85 per cent of the income of the companies must consist of assessments for the payment of losses.

Mr. BROOKHART. That is a little more liberal provision.

Mr. WILLIS. Yes; so that that is pretty well guarded.

Mr. HOWELL. Mr. President, it seems to me that it could not have been the intention of Congress that an insurance

company should be purely local, because such an insurance company would be unsafe. It is necessary for an insurance company to have a wide range of risks in order that it may be able to meet its losses without undue assessments. Therefore, as it is impracticable to have an insurance company that is purely local in character and have one that would be safe for one to take a policy in, it must be evident that it was the intention of Congress that this expression should have the broadest possible meaning, and include not merely narrow localities but broad areas, so that there could be an average of loss that would not be so great as to make the assessments unbearable.

I trust that this amendment may prevail.

Mr. REED of Missouri. Mr. President, I agree with the statements that have been made that the intent of Congress was misconstrued by the 1922 ruling, to which the Senator from Minnesota [Mr. SHIPSTEAD] has referred. Such a construction would place Congress in the absurd position of having intended to limit the operations of an insurance company to a purely local community, and such an insurance company would be the most unsafe company that one could possibly devise. The great element of the security in insurance—in fact, the very fundamental principle lying at the basis of all insurance—is the wide spread of liability, which results in an immediate loss being spread over so large a community or so large a number of people that they can each contribute a very small amount to make up that loss. That is why we take out insurance. Otherwise each individual would carry his own insurance and stand his own loss.

It seems to me that the amendment offered by the Senator from Minnesota is one of merit and that we ought to agree to it.

Mr. SMOOT. Mr. President, the committee—and I want to say, if I remember correctly, unanimously—voted against any retroactive legislation. We have now added an amendment changing the postal rates; and as long as we have gone into legislation I do not see but that we might just as well legislate on this matter and agree to this amendment and let it go in. I had thought, however, of carrying out the wishes of the committee and, wherever there was a retroactive legislation, letting it be done in a legislative way—I mean by making claim, just the same as claims for any other taxes are made that have been collected.

That does not seem to be satisfactory to even the members of the committee, and therefore, as far as I am concerned, I am perfectly willing to accept the amendment, and I shall not make any plea hereafter against any amendment that is offered to this bill on the ground that it is retroactive.

Mr. WALSH of Massachusetts. Will the Senator yield?

Mr. SMOOT. I yield.

Mr. WALSH of Massachusetts. Do I understand the Senator to take the position that any amendment to this bill offered from the floor will be accepted by him?

Mr. SMOOT. I did not say that. I spoke of the principle we had adopted of receiving no amendment proposing retroactive legislation.

Mr. SIMMONS. I have no recollection of any agreement in the committee not to consider any retroactive legislation. We did agree that we would not consider the amendment offered by the Senator from Illinois, because we said it was irrelevant, but I do not remember that we had any understanding that we would not support any proposition because it might have a retroactive effect. I do not think I would have agreed to such a suggestion.

Mr. SMOOT. I know Senators did agree to it, and it was on this very amendment. The Senators themselves thought that perhaps if it had been adopted in the act of 1918 or the act of 1921 it would have been perfectly all right, and we went so far as to amend the bill to carry out those very ideas. It did not pass the House in this way. We struck out entirely the provision: "Also benevolent and mutual life insurance associations not operated for profit, whose business is purely local and wholly for the benefit of its members."

Mr. SIMMONS. This amendment could not have been before the committee, because it was only offered on the 5th day of May.

Mr. SMOOT. This amendment was offered, and I have received at least a hundred letters in relation to it. I forget what Senator brought it up.

Mr. REED of Pennsylvania. I offered the amendment in the committee.

Mr. SMOOT. I have stated the agreement, and that is what I have told every Senator who has come to me in relation to it. I told the Senator from Minnesota [Mr. SHIPSTEAD] the same thing. I told the Senator from South Dakota [Mr. NORBECK], when he brought a similar amendment to me, that that was the policy of the committee, and I thought I was carrying out the policy of the committee.

Mr. WATSON. The Senator is entirely right about that.

Mr. SHEPPARD. The Senator will recall that I also presented such an amendment before the committee.

Mr. SMOOT. The Senator from Texas came before the committee and presented an amendment along this line.

Mr. SHEPPARD. And I recall that the Senator told me that identical thing.

Mr. SMOOT. I am perfectly willing now to accept the amendment offered and have nothing more to say about it, other than that I think the ruling, under the laws of 1918 and 1921, was absolutely correct. There was no question in my mind as to that. I do not know whether Congress intended it or not in that way, but the ruling is according to the law. I think the law ought to be changed, and that is why I approve of the amendment to the bill.

Mr. SIMMONS. If the Senator will pardon me, I think the intent of Congress is very clear, and whether it is clear or not, the Senator is wrong, certainly, when he says that clearly the ruling was right. I do not think the Senator will find very many lawyers who would agree with that opinion. I believe the Senator is not a lawyer himself.

Mr. SMOOT. I am not a lawyer, but I know what language means when it is as plain as is this.

Mr. SMITH. Before the vote is taken, I want to call attention to a statement sent me by the representative of these companies. It seems to me it is not a question of whether one interpretation or another was placed on it, but simply a question of justice. This correspondent said:

> But few if any of the 2,000 mutuals affected by the new interpretation have a single policy in force that was in force in 1916. Many old members have died, sold out, or moved away. A tax levied and collected now covering all those years must be paid by people who had nothing to do with the company in 1916. It is a heavy tax, an unjust tax, a tax for the privilege of helping an unfortunate neighbor, and one that must come from an empty pocket.

He said also:

> This is not a request for mercy, money, or help. It is a request for justice and right—for what Congress gave and the Treasury Department recognized all these years. A request for the right to live and serve, the privilege to help bear the misfortune of our neighbors without having that burden increased by a tax.

Mr. SIMMONS. Mr. President, I simply want to say that I am clearly of the opinion that the rulings rendered by the Secretary of the Treasury holding for five or six years that these companies were not subject to taxation were correct interpretations of the law. I am advised that the ruling was reversed by the Secretary of the Treasury, not because the Secretary was himself convinced that his first ruling was erroneous, but because some judge of an inferior court rendered a decision that was contrary to the former Treasury ruling, and in order to render that decision he had to interpolate into the language of the act of Congress a comma that was not in it.

A court has no right to add a single word or a single punctuation mark to an act of Congress in order to clarify its meaning, and, as I understand the argument of the very able Senator from Minnesota, the court in rendering this decision stated that the language of the Congress was not properly punctuated, and in order to bring out and clarify the sense and meaning of Congress, that it was necessary to interpolate a comma.

No language, in my judgment, could be plainer than the language of the Congress used in this particular section of the act, and it would be a stultification of Congress to impute to Congress the meaning which this last interpretation of the Secretary of the Treasury does impute to it. I think the amendment ought to be agreed to.

The amendment was agreed to.

Mr. REED of Missouri. Mr. President, I send to the desk and ask to have read an amendment which has been printed for several days, and which I think is of very great importance in the administrative features of the bill. After it has been read, I will beg the indulgence of the Senate for just a moment until I explain the purpose of the amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. The Senator from Missouri moves to strike out, on page 122, lines 20 to 25, inclusive, and also to strike out all of page 123, and on page 124 to strike out lines 1 to 8, inclusive, and to insert in lieu thereof the following:

(b) If the board determines that there is a deficiency, the amount so determined shall be assessed and the taxpayer shall be notified of the

assessment and shall, at the same time, be furnished a copy of the decision of the board stating its findings of fact and conclusions of law. Within 30 days after the mailing of such notice, the taxpayer may file with the commissioner a written statement showing the amount of the deficiency (if a deficiency is admitted by the taxpayer) admitted by him to be due, and the amount of tax so admitted shall be paid upon notice and demand from the collector. If the deficiency determined by the board is in excess of the amount so admitted by the taxpayer, the amount of such excess may be collected only by a civil suit brought in the name of the United States in the District Court of the United States for the district in which the taxpayer resides or has his principal place of business. The court shall include in its judgment interest upon the deficiency, determined by it to be due, at the rate of 6 per cent per annum from the date prescribed for the payment of the tax to the date of the judgment. If the court shall find that the defense is frivolous or for the mere purpose of delay or in bad faith the court may assess a penalty of not to exceed 25 per cent of the judgment rendered, and upon a showing by the district attorney that there is good cause to believe that the collection of the deficiency will, before judgment is rendered and execution levied, be jeopardized by any fraudulent or wrongful act of the taxpayer or his agents, the court may require the taxpayer to give reasonable security satisfactory to the court that the amount finally adjudged to be due, will be paid, and, if such security be not given as in the court's order prescribed, the court may issue its writs of attachment, injunction, or other proper process necessary to protect the Government in the collection of the taxes. Such suit for the collection of a deficiency or any part thereof shall be begun within one year after final decision of the board, and may be begun within such year even though the period of limitation prescribed in section 277 has expired.

(c) (1) If the taxpayer does not file an appeal with the board within the time prescribed in subdivisions (a) of this section, the deficiency of which the taxpayer has been notified shall be assessed, and shall be paid upon notice and demand from the collector, or

(2) If the taxpayer does not file a written statement as provided in subdivision (b), the deficiency determined by the board shall be collected upon notice and demand from the collector.

(d) If the commissioner believes that the assessment or collection of a deficiency will be jeopardized by the delay resulting from the provisions of subdivision (a) of this section, the deficiency shall be assessed immediately and collected in the same manner as a deficiency which has been determined by the board. In such case the assessment may be made (1) without giving the notice provided in subdivision (a), or (2) before the expiration of the 60-day period provided in subdivision (a) even though such notice has been given, or (3) at any time prior to the final decision by the board upon such deficiency even though the taxpayer has filed an appeal.

Page 131, strike out lines 24 and 25; also strike out all of page 132.

Page 133, strike out lines 1 to 20, inclusive, and in line 21 strike out "(d) Except as provided in this section, no," and insert in lieu thereof "Sec. 279. No."

Mr. REED of Missouri. Mr. President, the purpose of this amendment is to afford the taxpayer his day in court. As the law now stands, when a taxpayer has made his return, the tax authorities may, for such reasons as seem good to them, raise his assessment, and they are empowered, if they see fit, to issue a distraint as against the property of citizens.

The practice, as I understand it, has been to require the taxpayer to pay in the amount of the increased assessment, and then to allow him to get it back if he can. In addition to this, distraints frequently have been issued seizing the property of the citizen, so that the man whose taxes may have been raised unjustly may find himself forced to raise a large sum of money at once or have his property seized. I can illustrate the situation by a case that came to my immediate notice.

The tax collector concluded that a return was not correct, that the taxpayer should have included certain properties which he had not included, and thereupon proceeded to raise his assessment to an amount which placed a tax upon the individual of approximately $50,000. The man was unable to raise the $50,000, for indeed it would have involved every dollar he was worth, and accordingly a writ of distraint was issued against his property and he stood in that helpless condition for nearly a year and a half. At the end of that period, on a full review, the entire tax was remitted except three or four hundred dollars.

The purpose of the amendment, which has been prepared with considerable care, is that in case a tax is raised, first, to provide a notice to the taxpayer and to give the taxpayer a certain number of days within which he can admit all or any part or can deny all or any part of the validity of the raise. If he admits any part of the raise to have been valid, then he must pay that part the same as he would have paid on his original return. If he denies the validity of any part, then it is made the duty of the United States district attorney for the district in which the taxpayer resides or has his principal place of business to sue for that additional tax.

If it is found that the taxpayer owes the tax, he must pay the tax, pay the costs, and pay interest at the rate of 6 per cent. But if it be further found by the court that the suit was not a good-faith suit and in order to prevent the filing of suits merely for delay, the court is authorized in its discretion to add a penalty of not to exceed 25 per cent. The purpose, of course, is to prevent a taxpayer from refusing to pay the additional assessment merely for the purpose of gaining delay, instead of in good faith and because he believed he had a just defense.

It is further provided, in order to make the Government absolutely secure, that upon a proper showing by the district attorney that the taxpayer is liable to take such action as will jeopardize the Government in the final collection of its tax, the court may require the taxpayer to give bond or may issue his writ of attachment or other process in order to assure the final payment of the tax. But in each of these instances the American doctrine is maintained that the citizen has his day in court. The courts are there, the district attorneys are there, and the penalties to be visited in case there is a bad-faith defense interposed to the payment of the tax are sufficient to deter any person from making such bad-faith defense.

The other clause to which I have referred, which gives to the court the right to issue its process in case the Government is liable to be defrauded, abundantly protects the Government against fraud.

Senators, there is nothing in the whole tax law that, in my opinion, has been a subject of greater criticism and that has resulted in more unjust oppression of our people than the right of some subordinate in the tax department to arbitrarily raise the assessment duly sworn to by a citizen, and thereupon require that citizen either to put up the money to pay the tax and then get it back by such laborious processes as are provided in the law, or in default of the payment of the cash, which he frequently can not raise, to have his property seized and held under a distraint process which frequently results in bankruptcy and always in great oppression.

Mr. SWANSON. Mr. President, will the Senator permit me to interrupt him?

Mr. REED of Missouri. Certainly.

Mr. SWANSON. What are the processes by which a citizen who has overpaid can get back his money under the existing law?

Mr. REED of Missouri. As I understand it, he pays his tax. Then he makes an application for a return of it. That is heard through the long, troublesome processes which exist; and I am not saying this to criticize the Treasury, because I know the Treasury is overloaded and overburdened. When the Treasury is satisfied that the money has been unjustly collected it can order a remittance of the tax or the taxpayer can go into court at that time. In the meantime, however, he has had to pay his money.

Let me give another illustration, which I believe to be the fact, of a large manufacturer who built a plant during the war and who afterwards took the plant back from the Government at the depreciated price which the Government fixed upon it. My understanding is that subsequently the Treasury Department conceived the idea that the difference between the cost of the buildings erected at war prices and the price at which the Government had turned them back to the manufacturer constituted a profit and proceeded to make assessment against the manufacturer, which I understand ran into the millions. Accordingly he was forced into bankruptcy and his automobile establishment was sold under the hammer to a great rival automobile manufacturer. My understanding is that subsequently the Treasury determined that the assessment of that tax had been unjustifiable and it was remitted, but in the meantime the institution had been wrecked.

Whether that story, which came to me upon authority which I regard as perfectly sound, is correct or not the fact remains that here is this arbitrary power lodged in agents of the Government who may act in the best of faith upon ex parte information and who may nevertheless work most grievous wrongs to the citizen.

In most of the States, indeed under the laws of all the States with which I am familiar, no citizen's property can be seized for taxes where there is a dispute as to the amount of tax which should be levied until in some manner or form the citizen has been afforded his day in court. But when we come to this particular law, although the citizen may have made his returns under oath, and although they may be absolutely accurate, it is still possible for some agent of the Treasury De-

partment, under a mistake as to the true fact, to make an arbitrary assessment in the nature of an increase, for the citizen's property to be distrained, although he may not owe a dollar, and may never have been given his day in court.

The amendment has been prepared and submitted to experts on the tax problem and I believe it to be workable and entirely safe. I have tried to draw it so that the Government would be safeguarded, but at the same time so that the American right and the natural right of every man to have his day in court before his property is seized shall be in some manner preserved.

Mr. SMOOT. Mr. President, I desire to say to Senators that under existing law the complaint of the Senator from Missouri is well justified, but in the bill now under consideration those very things have been taken care of to a large degree, and as far as I think it is wise or prudent to go.

In the first place, the bill provides that there shall be no additional assessment imposed against the taxpayer until a notice has been given to him. That corrects the existing law in that respect, and that is one of the points of which the Senator from Missouri complains.

The next point is that in the bill there is a board of appeals created, and no taxpayer will be compelled to pay a dollar of disputed tax until the board of appeals has passed upon the matter. That is another question that has been taken care of.

If the amendment proposed by the Senator from Missouri should be adopted, it would force at least 200 cases every week, on an average, into the courts. That is what it would mean.

Mr. SWANSON. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Utah yield to the Senator from Virginia?

Mr. SMOOT. I yield.

Mr. SWANSON. What are the conditions under which the board of appeals would consider the differences between a taxpayer and the Government?

Mr. SMOOT. Every taxpayer has a perfect right to take his case to the board of appeals created by the terms of the pending bill. He does not have to pay a penny to the Government of the United States until after a decision is reached by that board.

Mr. SWANSON. Does the Senator mean that if there is a dispute, the tax is not assessed permanently against him until the board reaches its final decision?

Mr. SMOOT. Until the board of appeals finally passes upon it, and after that if he wants to go to court he can do so, but in order to go to court he must pay his assessment.

Mr. REED of Missouri. He must pay it before he can have a trial in court.

Mr. SMOOT. If it were not that way, none of the amounts assessed could be collected for a long, long time. The taxpayer could pay the interest provided for, which is 6 per cent, and the Government would not know when it might get any of the money. It is against all the rules that have ever been applied in the collection of taxes by the Government. It is a change of the whole system that has been in vogue ever since the Civil War.

Mr. SWANSON. What is the system in connection with the payment of customs duties?

Mr. SMOOT. Disputes as to customs duties go to the Court of Customs Appeals.

Mr. SWANSON. After the Government has assessed customs duties and the importer has paid them, but contends that the assessment is not correct and wants to get a rebate, what course is pursued?

Mr. SMOOT. He has got to pay the duties assessed before the goods are withdrawn, and then, if the dispute is not settled, he can go to the Court of Customs Appeals, and it is there decided. If it is decided in his favor, the Government returns the money to him, but if not, the Government has the money. That is the way all taxes by every government in the world are collected. If we now shall agree to this amendment, I do not know when the Government is going to get the money. A taxpayer could make any kind of a return, of course, knowing it to be wrong, and then carry the case up to the court of appeals and meanwhile never pay a cent. All city taxes and all the county taxes are paid under exactly the same procedure as proposed by the bill. I simply call the matter to the attention of the Senate.

Mr. GLASS. Mr. President, I am inclined to agree—indeed, I quite agree—with what the Senator from Utah has said about the established practice and about the essential nature of it; yet it must be said that Congress and the administrative part of the Government are culpable in that they have not long ago provided for a method whereby a taxpayer may be acquit of his obligation to the Government. As the Senator knows, I have frequently complained to him of the failure of Congress to do that. We have been told now year after year not merely by the present administration but by the former administration of the Internal Revenue Bureau that they would soon be current with this work, but they have never yet become current.

Mr. SMOOT. And they never will become current.

Mr. GLASS. No; I will not say they never will become current, for they should be made to become current. Congress in its appropriations has dealt very generously with the Internal Revenue Bureau. That bureau has been asked what it needed, and has been given almost invariably what it needed, but it has never been current with its work. It is the real vice of Federal taxation. As I have frequently had occasion to say, it makes people literally hate the Government who ought to be taught and who would willingly prefer to love the Government. It is totally wrong; and I had hoped that in the pending revenue bill there would have been some provision to put an end to that sort of intolerable situation. The Internal Revenue Bureau is not current, and it is not much nearer being current now than it has ever been.

Mr. SMOOT. Mr. President, that is why it is proposed to create the board of tax appeals. It is to be created to do away with that situation; to take care of the taxpayers, and not have the burdens and hardships which have been recited by the Senator from Missouri placed on them in the future. The criticism of the Senator from Virginia as to the existing law is proper. There has not been a Secretary of the Treasury since income taxes have been imposed but has asked Congress in some way to take care of the situation which we are trying to take care of in the pending bill.

Mr. SWANSON. What limitation does the pending measure fix as to the time when assessments may be made? How far may the bureau officials go back under the pending bill?

Mr. GLASS. The bureau may go back to 1917.

Mr. SMOOT. They may go back to 1917.

Mr. GLASS. To the original inception of the income tax.

Mr. SWANSON. The bureau may go back to 1917?

Mr. GLASS. Yes; they may go back to 1917 and may literally bankrupt a man or a corporation by the assessment of alleged back taxes.

Mr. SMOOT. The only single exception, of course, is that under the law there is provided a limitation of five years.

Mr. SWANSON. It seems to me there ought to be some limitation on the power of the bureau to go back and make assessments for past years.

Mr. SMOOT. There is a limitation provided of five years, as has been the case also in previous laws.

Mr. SWANSON. It is not proposed to lessen that limit?

Mr. SMOOT. No.

Mr. SWANSON. Unless in cases of fraud or corruption or collusion there should be a limitation. When a man honestly makes his tax return, if the Government can go back five years, after he has lost his books and has lost, perhaps, a great deal of money, and impose a different assessment upon him, a great hardship may be worked, and it has been intimated it may even drive some men to bankruptcy. It seems to me we should shorten the time within which the Government may go back and make assessments against taxpayers.

Mr. GLASS. If the bureau is ever going to become current with its work the time ought to be shortened very materially. The Senator from Utah knows that a taxpayer may lay his books before an expert of the department itself; he wants to pay his taxes; he has no disposition on earth to evade them; in fact, it would shock him to suggest that he wants to reserve anything or to conceal anything. And then, five years thereafter, some other expert of the department with a different notion of actuarial work and with a different view as to exemptions and matters of that kind may come along and make that perfectly honest taxpayer appear in the light of attempting to defraud the Government and may collect a great sum of money from him. Such a condition is intolerable.

Mr. SMOOT. I agree with the Senator that that can be done, and that is what we are trying now to get rid of. We provide in this bill for 28 judges, and those judges are to sit in different sections of the country for the very purpose of deciding disputed claims and making the work current.

Mr. SWANSON. Let me ask the Senator a further question. This bill proposes to create a court of 28 to decide the tax matters. If a reassessment is made against a man and he goes to that court and they render a decision, after that decision is rendered is it a finality as to that man or may the Government go back and make another assessment under this bill?

Mr. SMOOT. No; it can not.

Mr. SWANSON. The decision of the court, then, is an absolute finality as to all taxes past and present?

Mr. SMOOT. Absolutely.

Mr. SWANSON. I think that is a great improvement over the existing law.

Mr. REED of Missouri. Mr. President, the difference between myself and the Senator from Utah is this: The bill has set up a board of tax appeals, but that board of appeals is not a court of law. I do not propose to interfere with the board of appeals. We have had such a board all the time, although it was not created by law but was created in the Treasury Department as a matter of custom in order to hear the appeals of wronged taxpayers. They undertook to divide up their work and to have a little group of men in the department sit as an appeal board and hear the complaint of the taxpayer; but when a decision is rendered there it is the decision of two or three men who might or might not know anything about the law, except as they had learned it in their administration of it, and every decision that is rendered is rendered by men whose first purpose is—or at least it is one of the controlling purposes—to get money for the Government. So when the taxpayer found himself in that situation, he found himself powerless to have a remedy, except by paying in his money and then suing to get it back or by suffering a distraint.

My proposal is that when the board of tax appeals has acted if the taxpayer still believes himself to be wronged by the decision he may then go into court, and the Government must go into court and try the question out, giving him a day in court, where he will have a trial according to the rules of law and evidence. If he makes a defense that is not a good-faith defense, if it is a frivolous defense, the court can penalize him to the extent of 25 per cent; but in all cases he must hire a lawyer, and he must pay 6 per cent interest upon the taxes finally found to be due. If the board works as perfectly as my friend from Utah hopes it will, the taxpayer would in very few instances be obliged to go to court; but if it does not work perfectly, and if the taxpayer is really aggrieved, he will have his day in court according to the rules of law and evidence; otherwise he is remitted merely to the decision of a subdivision of a board created in the Treasury Department out of such material as they may be able to get, and that board is quite as likely to err as the boards that were voluntarily set up without any particular law or any law whatever to warrant their creation.

I have given this matter a great deal of care and attention, and I say to the Members of the Senate that, in my judgment, but few cases will go into court. The mere fact that the taxpayer has a right to go into court will have a very salutary effect upon the gentlemen who may sit upon the board representing the Treasury, for they will know that all of their decisions, if they be unjust or unfair, are liable to review by the court, and the result will be they will begin following the forms of law and they will not be so likely to assume an arbitrary position toward the taxpayer. But suppose that a great number of cases do go into court. Where the taxpayer feels he has been aggrieved to such an extent that he is willing to hire a lawyer and pay the certain penalty of 6 per cent interest, with a possible penalty of 25 per cent, why should the taxpayer not have the right? When did it happen that a man's money could be taken from him in this country by the Federal Government without giving him an opportunity to test out whether he owes that money or not?

It is not necessary in order to collect taxes that we should impose great hardships upon the taxpayer, and neither ought it to be so that the taxpayer may delay the Government without any pains or penalties being affixed; but that he should have his day when he can present his case and have it tried according to the rules of law, it seems to me is indisputable.

Mr. McLEAN. Mr. President——

Mr. REED of Missouri. I yield to the Senator from Connecticut.

Mr. McLEAN. At what stage of the proceedings does the Senator's amendment permit the Government to secure the tax which is due; that is, when may the Government make an attachment?

Mr. REED of Missouri. Immediately upon the finding of the board, if the taxpayer does not appeal—and there are 30 days allowed for an appeal—he must pay; that is the first step. If he does protest the decision, the Government can bring its suit immediately.

If the Government has reason to believe that the taxpayer is going to defraud the Government, or that the Government will lose its taxes, upon a showing of that kind the court can issue its writ of attachment or other process.

Mr. McLEAN. Suppose the decision of the board is in favor of the Government, and the taxpayer takes an appeal: As I understand the Senator's amendment, the Government can not secure its tax until after a decision has been reached by the appellate court.

Mr. REED of Missouri. No; by the district court.

Mr. McLEAN. The court to which the appeal is taken.

Mr. REED of Missouri. Of course the case might be carried up.

Mr. McLEAN. Mr. President, it seems to me that that is at variance with the system of collection of taxes in every State in the Union, and necessarily so, because if a taxpayer by merely taking an appeal can protect his property from attachment, it seems to me that the Government will lose a great many millions of dollars. Any taxpayer who was in trouble or in danger of insolvency or anything of that sort would be tempted to take an appeal, and before you got a decision from the court, when the Government could make its attachment, he would not have a dollar left.

Mr. REED of Missouri. The Senator overlooks the fact that I stated that this bill contains a clause saying that in the event there is a showing made to the court or the district attorney that the Government is liable to lose its taxes, then at once the court may order the property to be seized.

Mr. McLEAN. You compel the Government to bring a suit.

Mr. REED of Missouri. Exactly; which is a very simple matter.

Mr. McLEAN. In addition to the appeal of the taxpayer.

Mr. REED of Missouri. No; when the taxpayer does not pay the additional tax the Government goes into court to collect it.

The process is this: When they make a finding, if it is not accepted by the taxpayer the Government files a suit against the taxpayer for the collection of the money. If, in addition to filing a suit, the Government makes a showing to the court of reasonable ground to believe that the Government will lose its taxes by reason of any delay, an attachment or any other necessary process of the court may be issued to protect the Government. So it would almost infallibly follow that the Government would be in no jeopardy, because the delay would be very slight.

Mr. McLEAN. I think the Government would have to bring a suit in every case, and there would be 200 cases a week, and the Government would have to bring a suit in every case if it expected ultimately to collect its tax.

Mr. REED of Missouri. The Senator overlooks the fact that if that be the case the court has the right to impose a penalty, in addition to the 6 per cent, of 25 per cent.

Mr. McLEAN. Yes; but when the Government gets ready to impose its penalty there is nothing there.

Mr. REED of Missouri. But in the meantime the writ of attachment may have issued, and could issue.

I do not think I made myself understood by the Senator. Let us take a case. Let us say that the Senator concludes that he is aggrieved by virtue of the decision of the board. The Government brings its suit. It can bring it at once. We will assume that the Senator is in such financial condition or that he is in such moral situation that he is willing to try to defraud the Government. Immediately the Government can then, through the court, issue its process and seize his property. That protects the Government against the rascality or the improvidence of the litigant.

The only difference between that and the present law is that now a clerk in the office of the tax collector can order a man's property seized when he believes that the Government is about to lose its money, but in this instance before that process could issue there would be submitted to a court the showing of a district attorney that he had reasonable grounds to believe that the property ought to be attached, and that gives to the Government a very summary remedy—a right of attachment upon an unliquidated claim.

When you try your case finally—and I am speaking now of this delay which the Senator says will occur through people who want merely to get delay—if the court finds that the defense has not been a good-faith defense, that it was made for delay or any other improper purpose, the court can assess the taxpayer 25 per cent in addition to all the costs and the 6 per cent interest. That will very effectually stop any lawyer from ever advising a client to go into court and make a contest unless he has a question to submit that has sufficient merit to lift it above a mere dilatory plea, and I have not any doubt about it.

The Senator says that this would not be in accordance with the rules of any State. In my State, in the case of all taxes,

before there can be a sale of a citizen's property a suit is brought.

Mr. McLEAN. Yes; but not before an attachment.

Mr. REED of Missouri. No.

Mr. McLEAN. The debt can be secured.

Mr. REED of Missouri. No; the debt can not be secured until you have brought your suit on anything except real estate.

Mr. McLEAN. But you can attach when you bring your suit.

Mr. REED of Missouri. Certainly, and you can in this instance.

Mr. McLEAN. Yes; but, Mr. President, you have several million tax returns every year. I do not know how many cases there are pending now, but it seems to me that you impose upon the Government an impossible burden. It must ascertain that portion of the taxpayers which it considers is honest and will not undertake to sequester and secrete its property, and the portion that may be guilty of fraud, and separate the sheep from the goats, and immediately brings these suits. Otherwise you are going to lose millions of dollars.

Mr. REED of Missouri. No; not at all. I do not so understand it. The process is as simple as a process can be made. That is, when the taxpayer does not pay his tax, a list of taxpayers is sent to the district attorney, the district attorney brings his suit, and in every instance, if he so desires, he may show to the court that there is a liability of a loss of the tax, and thereupon the court issues its process.

Mr. McLEAN. Mr. President, one word more and I will not follow up the discussion any further.

It seems to me that for the Government to make itself safe the officials of the Government have to be doubly alert, and where there is the least suspicion that a man is going to attempt to evade his tax a suit has to be brought, and you have a condition doubly worse than the one which the Senator describes. A great many innocent men will be involved in this net, and the Government will have to take this action to protect itself, and the hardships of which the Senator complains will be multiplied a hundredfold.

Mr. REED of Missouri. Why would they be multiplied? If a district attorney in court has to present to a judge some reasonable ground for attaching a man's property, how does that multiply the difficulty to the taxpayer over a condition where a clerk in the department can go out and issue his order of distraint, and that ends the whole matter?

Mr. McLEAN. Not until after the final judgment is rendered by the appellate court, under the Senator's amendment.

Mr. REED of Missouri. No, no; it can be done at once.

Mr. McLEAN. It can be done at once, but it would not be done in the natural course of things unless the Government suspects that a taxpayer is going to evade his taxes.

Mr. REED of Missouri. The Government does not to-day issue these orders of distraint unless it suspects that a man is going to evade his taxes, or some clerk suspects it.

Mr. McLEAN. Very true, and that is what the Senator is complaining of—that they overdo it now.

Mr. REED of Missouri. Exactly; and now I am giving the taxpayers just this additional safeguard, that before that order issues——

Mr. McLEAN. But you are putting the Government on notice that if it does not bring a suit it is likely to lose millions of dollars.

Mr. REED of Missouri. Why, the Government is on that notice all the time. I can not understand the Senator's process of reasoning. Perhaps he can not understand mine, and we just are not thinking along the same lines.

The process to-day is this: When the board of appeals shall have made its decision—that is, under this bill—immediately an order of distraint may be issued; the taxpayer may have his property all seized, and he can protect himself against it only by paying in the money at once and getting it back the best way he can, or suing to recover it; but he must pay this money before there has been any adjudication by any court on earth that he owes it. The process I propose is that before this property is seized on the order of some clerk or some subordinate a court shall have found, upon a showing made to it by the district attorney, that there is some reason for sequestrating the property of the citizen, and upon that showing the court can fully protect the Government; but the taxpayer in the meantime has the protection of judicial action.

How much delay will it make? The local collector of taxes, if he be a man who has any regard for his duty or any regard for the rights of the taxpayer, will not have these orders of sequestration issued by wholesale under the present law. He issues them when in his judgment there is reason to believe that the taxpayer is about to evade his taxes. Now, the trouble is that that action has been taken by clerks and by subordinates, by men unacquainted with the law, and it has resulted in infinite hardship in multitudinous cases and in cases where the taxpayer had a good defense, and bankruptcy has followed, and all kinds of hatred of the Government have been engendered by virtue of these harsh acts.

What am I asking here? I have offered an amendment more drastic than the laws that exist in the States with the laws of which I happen to be acquainted.

Under the laws of my State, before the Government can collect its tax it must bring its suit; and, if I recall aright—although I have not examined the statutes recently—there is no provision for an attachment by the Government in advance of final judgment. I have put that provision into this amendment, however, for the purpose of making it absolutely certain that the Government can protect its interest; and at the end of that suit, under the laws of my State, if the Government gains its case it proceeds to the collection of its taxes. Its taxes are a lien upon the real estate from the time they are levied, but not so as to personal property, and we are dealing here with incomes.

If the Senate wants to say to the citizens of the United States that their final court of appeals to all intents and purposes is to be a board that travels about over the country, where you will have haphazard hearings by men who may or who may not know the law, and that at the end of that kind of a hearing—which will be no better, in my judgment, than the hearings we have had in the past down here by these self-constituted boards of appeal—the taxpayer's only recourse is to pay the tax and to try to get it back if he can, and in the meantime to suffer the sequestration of his property, that, of course, is for the Senate to say.

For my part, I do not understand how any man can claim that the Government of the United States, or any other power on earth, has the right by arbitrary act to take the property of a citizen, or to seize his estates, and deny him his right to his day in court before that thing is done.

Mr. President, I submit the amendment.

Mr. WALSH of Montana. Mr. President, the hardships to which the Senator from Missouri calls the attention of the Senate in connection with the collection of these taxes is a very real one. I dare say that all of us have had occasion to know of them. At least two or three instances have come under my notice, and my assistance has been asked in cases where the assessing officers have gone back for two or three or four years and assessed against the taxpayers delinquent taxes of such an amount that he found it impossible to pay in advance and secure redress through the ordinary proceeding in a court of law, simply because it would bankrupt him to endeavor to raise the money. He was therefore obliged to suffer a distraint. That is a real hardship, and it is one to avoid which ought to have the very earnest and serious consideration of the Senate in connection with this measure.

I can not believe, however, that it is a wise thing for the Congress of the United States to impose upon the Government of the United States the obligation to institute a suit to establish a tax against a taxpayer, as I understand would be the operation under the amendment proposed by the Senator from Missouri. Of course, it is supposed that some tax is due from the taxpayer, and I take it that the amendment offered by the Senator from Missouri contemplates that the taxpayer will pay so much of the tax as he admits to be due.

Mr. REED of Missouri. That is provided.

Mr. WALSH of Montana. And then, if the Government claims anything more, the Government must institute suit. The necessary operation of any such system as that, as a matter of course, would be that the taxpayer in innumerable cases would claim that the tax due from him was only a small part of that which was actually exacted of him, and then, if the Government wanted to get anything more out of him, it would be necessary to institute suit to recover the balance.

Mr. REED of Missouri. If the Senator will pardon me at that point, the provision is, of course, that he must pay all that he has returned, and then any additional sum found against him which he admits, and it brings the controversy down to the disputed item; but he does not escape all taxes.

Mr. WALSH of Montana. But he is required to pay only so much as he admits to be due, that is all; and if the Government claims anything more than he is willing to admit, the Government must then institute a suit, and take all of the burden of the prosecution of that suit, with all the delays and appeals that are incident to a lawsuit.

Mr. RALSTON. I would like to ask the Senator from Montana whether, in his opinion, a taxpayer would be likely to make a frivolous defense when, in order to do so, he would

have to incur the expense of hiring counsel, and run the chance of being subjected to a 25 per cent penalty, as I understand the Senator from Missouri provides in his amendment?

Mr. WALSH of Montana. Of course, he might not be chargeable at all with having offered a frivolous defense to the suit that is brought against him. It is easily conceivable that he would act in perfect good faith; but, of course, he is the judge in his own cause in the matter, and very naturally he would give himself the best of it, and in a controversy that might be carried on in perfect good faith on both sides the chances are that the taxpayer, of course, would not pay in every instance, or in the majority of instances, the amount which really was due from him.

I was a little surprised to hear the Senator from Missouri say that before a tax can be collected, or before distraint can be made against any taxpayer in his State, the State is required to institute an action against him for the recovery of the tax thus charged against him. My understanding was that the very general run of statutes was quite to the contrary; that the tax collector will distrain, and that the only way the taxpayer can meet the situation is to pay the tax and prosecute his action at law for the recovery of so much as he claims is not due. But I find by reference to the authorities that there are some States which pursue the practice referred to by the Senator from Missouri. I take it, however, that that is quite contrary to the rule.

I find in Cooley on Taxation, at page 50 of the first volume, the following:

> In some States, also, tax proceedings are reviewed and confirmed by the courts before any sales of property are ordered or demands conclusively fixed against individuals. But this again is not legislative. Such a review is supposed to be favorable to the taxpayer, as it gives him an opportunity to take the opinion of the court upon the legality of the demand made upon him, without waiting until the collector comes and seizes his person or his property. The proceeding is the institution of a suit on behalf of the State against each individual taxpayer or item of property taxed, and it calls upon the court to apply the law to the issues which such a suit presents.

In a great many States, or at least in some States, provision is made for such a proceeding in court before sales of real estate are made. That is very largely formal, however. The delinquent tax list is published, and the proper taxing officer institutes a suit and publishes notice that unless an answer is made by a certain day he will sell as provided, and then any taxpayer may come in and defend that suit. But that procedure is justly criticized as quite obstructive to the usual collection of taxes.

The same author, at page 54, has the following to say:

> The existence of government depending on the prompt and regular collection of revenue must, as an object of primary importance, be insured in such a way as the wisdom of the legislature may prescribe. There is a tacit condition annexed to the ownership of property that it shall contribute to the public revenue in such mode and proportion as the legislative will shall direct; and if the officers intrusted with the execution of the laws transcend their powers to the injury of an individual, the common law entitles him to redress. But to pursue every delinquent liable for taxes through the forms of process and a jury trial would materially impede, if not wholly obstruct, the collection of the revenue.

That, I think, is the general rule, and characterizes the statutes generally. But we have found it necessary, in the collection of taxes for Federal purposes, to go still further than that; and, as stated by the Senator from Utah, an act was passed as early as 1867 providing that no suit for the purpose of restraining assessment or collection of any taxes shall be maintained in any court. So that under the statute, which has been in existence since 1867, not only is the Government not to be obliged to go into court to establish a claim against a party but the party could not even appeal to the court and get a writ of injunction to restrain the enforcement of the tax, and the Supreme Court of the United States has gone so far as to hold that the statute would apply even to a statute which is charged to be unconstitutional; even the enjoinment of an unconstitutional tax statute could not be secured in view of this particular provision of the law.

That is only the legislative expression of a rule that is generally enforced by the States, even in the absence of a particular statute. I read from the second volume of the work referred to at page 415, as follows:

> Personal taxes: When a tax as assessed is only a personal charge against the property taxed, or against his personal property, it is difficult in most cases to suggest any ground of equitable jurisdiction. That means, of course, the jurisdiction to issue a writ of injunction to restrain the sale of property for the tax.
>
> Presumptively the remedy at law is adequate. If the tax is illegal and the party makes payment he is entitled to recover back the amount. The case does not differ in this regard from any other case in which a party is compelled to pay an illegal demand; the illegality alone affords no ground for equitable interference, and the proceedings to enforce the tax by distress and sale can give none, as these only constitute an ordinary trespass. To this point the decisions are numerous. The exceptions to this rule, if any, must be of cases which are to be classed under the head of irreparable injury; as when the enforcement of a tax might destroy a valuable franchise, or might embarrass an assignee or receiver in the execution of his trust, or when property is levied upon which possesses a peculiar value to the owner beyond any possible market value it can have, and other like cases where the recovery of damages would be inadequate redress. A case would be exceptional, also, if under the law no remedy could be had to recover back moneys paid.

So we have gone very much further. We have not only provided that the Government must institute an action in order to recover the tax, but we have actually prevented the taxpayer from going into a court of equity to enjoin the Government from distraining for the purpose of recovering the tax, and I think that that is the common statute.

What should be done about it? I have not had an opportunity to examine with as much care as I should like the provisions of the pending bill concerning the boards of review, but it seems to me that that meets the situation fairly well. The taxing officers assess the tax; the return is made by the taxpayer, and the assessing officers do not agree to it; they raise the assessment; then the taxpayer, before any distress is made, can appeal to the board of review and have a hearing before that board upon the legality and upon the fairness and justice of the assessment.

Mr. McLEAN. He gets notice in every instance where there is a raise.

Mr. WALSH of Montana. He gets notice in that way of course. Of course the board of review is not a court by any means. The Senator from Missouri is quite right that the board never can deprive a man of his right eventually to have the matter adjudicated by a court. But we can provide that he can not appeal to the court until he pursues the remedy prescribed by the statute.

It seems to me the situation is fairly well taken care of, particularly as the board of review tries the matter in as nearly a judicial way as is to be expected in these administrative proceedings.

I am going to offer two amendments to those provisions, which I trust will have the attention of the Senator from Utah, for the purpose of giving the decisions of that board a higher character. I think the board should be composed of lawyers, men who are able to construe the law and admitted to practice in the courts either of the District of Columbia or of the States. Then it is provided at page 238 that—

> The proceedings of the board and of its divisions shall be informal and in accordance with such rules as the board may prescribe. Opinions (other than findings of fact) shall not be in writing unless the chairman so orders.

I would require that opinions be filed in every case so that everyone would know upon what ground the judgment of the board is based and in order that they should have character, and then I would provide that the opinions shall be printed just the same as rulings of the Commissioner of Internal Revenue are now printed, so that other taxpayers and their attorneys would have the benefit of opinions thus filed as a guide for their conduct.

Mr. SMOOT. When the bill comes into the Senate and is still open to amendment I see no objection to what the Senator suggests; that is, for the board of appeals provision of the bill. The only doubt in my mind is whether it would be best to require the board to be composed entirely of lawyers. I know some of the very best tax men in the United States are not lawyers, men who have made a deeper study of the tax question than any lawyer of whom I ever knew; but I agree also with the Senator that perhaps 26 or 27 of the 28 members will be lawyers, no matter whether so provided in the bill or not.

Mr. WALSH of Montana. Of course that may or may not be true.

Mr. SMOOT. That is only a suggestion.

Mr. WALSH of Montana. I can very readily understand that some man who is not a lawyer at all would be a better member of the board of appeals than some lawyers.

Mr. SMOOT. Yes; there is no doubt about that.

Mr. WALSH of Montana. But, of course, many of the questions arise from a construction of the statute, and the man ought to be able, it seems to me, to bring to the case the training of a lawyer. It would, of course, be advisable to appoint a lawyer who likewise is skilled in the matter of computations, but it seems to me he ought to have both qualifications.

Mr. SMOOT. I have no objection.

Mr. WALSH of Montana. That being the case and that safeguard being placed, it seems to me it is as far as we can go. After the board of review determines the matter, it seems to me, that is as far as the Government ought to be interrupted in the matter of the collection of its revenues. Then the taxpayer would be obliged to pay the tax and take his ordinary action at law to recover whatever he claims was exacted of him illegally.

Mr. REED of Missouri. Mr. President, the authority which the Senator read, showing the hardships that are imposed upon taxpayers in many places is undoubtedly true. The fact just the same remains as I stated that there are plenty of places where the collection of the personal tax is made by going into court. I happen to live in one of those States and the State suffers no hardship from it whatever. It collects its taxes just as well as any other State. The difference is that some of the enormities, some of the hardships and some of the brutalities visited upon the citizens are mitigated.

The talk here about this board being the final court to which a man may go before he has to pay his money sounds well when we speak about a "board of tax review," but how does it work? Right at the inception the Senator from Montana suggests that they ought to be lawyers and immediately the suggestion comes that that might not be wise. How will it work? We know how it has worked. We have had this identical board of review. It has been operating down here for four or five years, not a board authorized by law, but just such a board as we are going to get in substance and effect.

Mr. SMOOT. The board provided for in the bill is entirely out from under any influence whatsoever of the Treasury Department.

Mr. REED of Missouri. Why, its members will be suggested by the Treasury Department. Down in the Treasury Department, in order to solve the question of tax returns as they come in they set up without any authority of law boards of review.

The result is we have two or three or four of the gentlemen down there, who were engaged in the tax department, who would sit together and hear the claims that might happen to come before them. They rendered their decision. That was called the decision of the board of review. Now, we are in the bill merely authorizing that system and extending it a little bit, perhaps, by providing the members and some regulations with reference to the places where they shall sit.

All I am begging the Senate to do is before they take a citizen's property to give that man his day in court. If he makes a frivolous defense, if he does not have a good-faith defense, the court can assess him a penalty of 25 per cent. But, in any event, he must pay the costs of the suit; he must pay 6 per cent interest; he must hire an attorney to defend him. That is sufficient reason for the ordinary taxpayer to pay any tax about which there is no very grave doubt. The Government, in the first place, is going to get all the taxes where the ordinary citizen makes his return. If he makes a fraudulent or false return, he is liable to the penalties and pains of perjury and liable to the other penalties visited upon him.

The amendment would not apply at all except in cases where the Government on an ex parte hearing has gone out and raised a man's assessment above his sworn return. That is the only time there is any dispute. When that dispute comes the first thing that he confronts is his own tax return, which he can not dispute. Then he is required to show what items found against him are just or unjust; and if he contests without good reason he is liable to the penalties. If he does not raise the question at all, he must pay.

Mr. RALSTON. Can he recover any portion of his tax at any time after he has paid it?

Mr. REED of Missouri. There is no provision in any law that if a man voluntarily pays his taxes he can get them back.

Mr. RALSTON. There is no such provision?

Mr. REED of Missouri. Not in the law nor in the pending bill.

Mr. JONES of New Mexico. Mr. President, I think there is much of merit in what the Senator from Missouri has said. The matter was only considered in a general way in the committee. The Senator from Missouri never had an opportunity to present the matter to the committee for its careful consideration, certainly not with the earnestness with which he has presented it to-day. His amendment was not prepared until within the last few days.

I sincerely hope that the chairman of the committee may permit the amendment to be incorporated in the bill, and then we will have an opportunity to get more detailed evidence from the Treasury Department as to the operation of it. There is no danger of the Government losing anything by the amendment. Even if the commissioner feels that the rights of the Government are in jeopardy, he has a perfect right to distrain the property, and then when the matter gets into court, if there is any danger of the Government losing the money, attachment may issue, and so on. I happen to live in one of those States where a suit must be brought before a man's property can be distrained. It may be that in conference we can decide upon some limitation as to the amount which must be involved before the procedure is taken.

I sincerely hope the chairman of the committee may agree that the amendment may be adopted and go to conference, and we can take the matter up with the Senator from Missouri and representatives of the Treasury and find out more in detail and more specifically just how it will operate. I do not believe the rights of the Government can be jeopardized by the adoption of the amendment. It is only a question as to whether the day of payment may be delayed awaiting a proceeding in court.

Mr. SMOOT. Mr. President, I do not want to appear to accept any kind of a proposition with the understanding that I am going to fight for it in conference. I am opposed to the amendment. I am perfectly willing, at the request of the Senator, to say that it may be agreed to, but I am not going to defend it if I happen to be one of the conferees. With that understanding I have no objection to allowing it to be agreed to and considered in conference.

Mr. JONES of New Mexico. I think it had better go there.

Mr. SMOOT. I want to be perfectly understood. I do not want to be charged with being unfair. I want the Senator from Missouri to know my position. I do not believe he thinks I would be unfair.

Mr. REED of Missouri. If the Senate voted the amendment in, would the Senator from Utah feel bound then to endeavor to keep it in?

Mr. SMOOT. I think then I would be instructed by the Senate.

Mr. REED of Missouri. Unless the Senator, letting it go in in this way, would regard it as an instruction of the Senate, I would not see any use of having it agreed to. I will not be a member of the conferees. If I was going to be in the conference I would wrestle it out with the Senator there.

Mr. SMOOT. I am willing to have it go in with that understanding, or to have a vote on it. I will leave it entirely to the Senator from Missouri.

Mr. WALSH of Montana. Ought we to have a board of review at all if the amendment offered by the Senator from Missouri should be adopted?

Mr. REED of Missouri. I thought that over. My original idea came before the board of review plan had been worked out. My own notion is that the board of review may clarify the situation, and there will be very few suits.

Mr. WALSH of Montana. Mr. President, if I may express myself further upon the subject, the difficulty about it is, that under statutes of that character, which require the taxing power to go into court to establish the tax, the wisdom of the statute is questioned because there is necessary delay in the collection of revenue by going into the courts. But if these two things stand, the trouble is doubled. The proceedings are delayed while the taxpayer is going through the board of review. They are again delayed when he is going through the court. If it is proposed to have a court review of the case and a court determination, I should think it would be desired to dismiss the board of review altogether.

Mr. REED of Missouri. I think the board might serve a useful purpose. I repeat—of course, we can only guess at this procedure, for it has not been worked out—that it seems to me that the board of appeals might simplify the matter and reduce it to a very few cases. I do not see any reason why this amendment would not fit into the plan. Then, the board of review having held against the citizen, he would have his option to pay his taxes or he would have his option to await the pains and penalties that would come on him from a suit.

I am very much in earnest about this amendment. I have talked to many lawyers about it, and I have not yet heard a lawyer who has had any experience in these cases who has not hailed and acclaimed it as an opportunity for the citizen to protect himself.

Mr. WALSH of Montana. Let me suggest another consideration to the Senator, and that is this: The man of small means will take his appeal to the board of review and it is an expensive thing for him to hire a lawyer to handle his case even before the board of review. Then, if he were not satisfied with that, he would institute suit in the district court. It would go from the district court to the circuit court of appeals, and from the circuit court of appeals to the Supreme Court of the United States, the collection of the revenue for the Government meanwhile being deferred. Of course, the man of small means will not do that, but the very wealthy man who hires his lawyers by the year will naturally go the limit.

Mr. REED of Missouri. That argument, of course, as the Senator from Montana knows, may be made with reference to every other case that can be conceived of. The poor man frequently suffers a wrong that the rich man does not, but in this case if the poor taxpayer stops at the board of review he then has all the rights accorded to him that would be accorded if my amendment should not be adopted.

Mr. WALSH of Montana. But the point I am trying to make for the benefit of the Senator from Missouri is that the man of small means in all reasonable probability will stop at the board of review.

Mr. REED of Missouri. Very well.

Mr. WALSH of Montana. And the man of very great means who does not have to hire a lawyer for a particular occasion but who hires his lawyers by the year of course will go the limit.

Mr. REED of Missouri. Very well. At least my amendment takes no right away from the small taxpayer which the Senator proposes to give him. He is just as well off with my amendment as he would be without it. In addition to that if he feels aggrieved and wronged he can go into the court; he has the right to go there.

The Senator from Montana says because the poor man may not avail himself of it that the wealthy man ought to be deprived of it. I do not think it is a rich man's case or a poor man's case at all. I think the smaller tax claims and the smaller disputes will end with the board of review in all cases. In the more important ones, whether they affect the man of moderate means—for the man of very small means will not get into court at all—or the man of large means, my amendment will give the opportunity to each alike to go into court.

I know of no law which we can pass, Senators, giving equal rights to citizens that ought to be stopped in its passage because it happens that certain individuals may be better able to avail themselves of it than are other individuals. All we can do is to afford the equality of opportunity. Indeed, that is all the Declaration of Independence proposed to afford.

Mr. McLEAN. Mr. President, will the Senator permit me to interrupt him?

Mr. REED of Missouri. To say that we will not give a day in court to each and every citizen because some citizens may not avail themselves of it is to say that which can be said of every law that has ever been put upon the statute books. Now I yield to the Senator from Connecticut.

Mr. McLEAN. Let us suppose that the taxpayer appeals from the board of appeals to the district court; that the question is pending there; and that the Government brings a suit in the meantime to collect the tax.

Mr. REED of Missouri. He does not appeal. The case goes there direct by the suit of the Government.

Mr. McLEAN. It goes to the district court. Then the Government brings a separate suit to collect the tax.

Mr. REED of Missouri. No; the Senator from Connecticut has not got it right. The case does not go to the district court until the Government brings its suit. It is then in the district court for all purposes.

Mr. McLEAN. Suppose the Government prior to that time wants to institute a case. The Senator would not allow the Government to have the opportunity of instituting a suit to protect itself until after the appeal is taken.

Mr. REED of Missouri. No; the Senator from Connecticut has not got that right. Under the law as proposed to be passed here the Government would have no right to bring any suit until the case goes through the board of appeals. That is the proposition. Up to that point there is no change made. What happens when the board of appeals has decided? The question then is, Shall the property of the citizen be sequestrated, or shall the Government first establish its right to this additional tax in a court? That is the only difference.

If the Senator from Utah desires to accept the amendment which I have offered in order to save time, even with the statement he has made, and let it go into the bill, I shall undertake to try to thrash it out hereafter. I had rather have a vote, and I understand that some of the Senators are going away, and that there is a situation here which requires action on the bill.

Mr. SMOOT. With the reservations that I have already made, I have no objection to the amendment going into the bill. As I understand, the Senator says that is satisfactory to him.

Mr. REED of Missouri. Very well.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Missouri.

The amendment was agreed to.

Mr. REED of Missouri. Mr. President, I offer the amendment which I send to the desk, which I hope——

Mr. WALSH of Montana. May I say to the Senator from Missouri that I have already presented certain amendments which I desire to submit. They are in connection with the very subject which has been under consideration. Would the Senator object to my submitting those amendments now?

Mr. REED of Missouri. No; I will yield to the Senator from Montana for that purpose.

Mr. WALSH of Montana. Mr. President, on page 236, after the word "board"——

Mr. SMOOT. Mr. President, the committee amendments affecting that question have been agreed to. If the Senator will make a reservation, when the bill gets into the Senate, he can then offer the amendments he wishes to offer.

Mr. WALSH of Montana. Very good.

Mr. SMOOT. Otherwise, we would have to reconsider the amendments which have been agreed to, and there may be some Senators who would want to be present when that is done.

Mr. WALSH of Montana. I will be glad to act on the suggestion of the Senator.

Mr. REED of Missouri. Since the Senator has raised the point of reconsideration, the Senator will remember that I have reserved this amendment, and I assume that the record will have to show a reconsideration in order to offer it.

Mr. SMOOT. What amendment is that?

Mr. REED of Missouri. The amendment which has just been agreed to.

Mr. SMOOT. That was understood and the record will show that it was agreed that the amendment to which it was an amendment should be reconsidered.

Mr. REED of Missouri. And that has been reconsidered?

Mr. SMOOT. That has been reconsidered.

Mr. REED of Missouri. Very well.

Mr. President, if we are to take the course just suggested with reference to amendments proposed by the Senator from Montana, I offer the following amendment which I hope may be accepted to amend paragraph 10 of section 231 by inserting after the word "companies," in line 7, on page 84, the following:

Or casualty- or fire- or reciprocal- or inter-insurance exchanges.

Mr. SMOOT. I understand that there are only a very few small companies in the United States in that category and I have no objection to the amendment.

Mr. REED of Missouri. I understand that these exchanges pay no taxes anyway, but are required to make returns.

Mr. SMOOT. I will ask unanimous consent that the amendment be adopted at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri.

The amendment was agreed to.

Mr. WATSON. Mr. President, I offer the amendment which I send to the Secretary's desk and ask that it may be read.

The PRESIDING OFFICER. The amendment will be stated.

The PRINCIPAL CLERK. On page 245 it is proposed to add the following subdivision to section 1106:

SEC. 1106. (a) That in any case where a tax has been paid to and collected by the United States Government under any excise tax law in force at the time of payment, and after January 1, 1917, and subsequently the amount collected shall have been refunded to the taxpayer by the Government without being required to do so by a decision of a court of competent jurisdiction and where the articles of property taxed have passed from the possession and ownership of the taxpayer, said taxpayer shall not again be assessed or taxed, and no demand shall again be made by the Government for a tax for the same lease or sale thereof: *And be it further provided*, That where said taxpayer has been so reassessed or retaxed, said levy, assessment, or tax shall be abated, and in case the tax or any part thereof has been paid after demand, the amount so paid shall be refunded to said taxpayer in the manner provided under this act.

Mr. SMOOT. Mr. President, that is what is known as the retroactive sales tax, is it not?

Mr. WATSON. No; it is not universal in its application. I can explain it in a moment or two.

Mr. SMOOT. Will the Senator allow me to see the amendment?

Mr. WATSON. Certainly.

Mr. WADSWORTH. While the Senator from Utah is looking at the amendment, will the Senator from Indiana yield to me?

Mr. WATSON. I will be delighted to do so.

Mr. WADSWORTH. Mr. President, I merely desire to consume about a minute, perhaps a minute and 30 seconds, of the time of the Senate. Toward the end of last week the Senate adopted an amendment providing for a complete publicity of income-tax returns. In view of the possibility of the enactment of such a provision as a part of the revenue law of 1924 I anticipate that something like the following advertisement may appear in a prominent daily newspaper along about September 1 of this year. I ask the Secretary to read it.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The principal clerk read as follows:

[Advertisement appearing in a daily newspaper about September 1, 1924]

What did he pay for it?

What did he sell it for?

What were his expenses for labor, material, supplies, and rent?

How much does he owe?

What interest does he pay?

What bad debts does he carry on his books?

Does he pay alimony?

Don't you want to know these things about your neighbor and business rival?

We can get all this information for you and a lot more about his business, domestic affairs, and method of living from his income-tax return right here in Washington.

Don't travel.

Drop us a line and we will send you in a plain, unmarked envelope our schedule of rates.

Everybody's doing it!

Our service is of especial value to politicians and prospective candidates for office.

The Haveluk Company, Spy Building, Eye Street, Washington, D. C. Paul Pry, president; Thos. Peeper, vice president. Telephone, Peek-a-boo-double "O." Cable address, Keyhole.

Mr. WATSON. Mr. President, a recital chronologically of the incident which led up to the formulation and offering of this amendment may best illustrate and enforce it.

Leaf springs were assessed regularly and in accordance with due process of law, and the tax was paid. Thereafter, on a contest, the taxes were ordered refunded. I can throw light on the subject by reading from the letter of the Commissioner of Internal Revenue, in which the plea of the taxpayer was granted and the taxes ordered refunded.

Article 15 of regulations 47 defines an automobile part—

This was a tax on leaf springs, I will say—springs that enter into the manufacture of automobiles and motor cycles and buggies and carriages and vehicles of all kinds and characters.

Article 15 of regulations 47 defines an automobile part—

And these had been originally taxed as automobile parts in that section of the tax bill that I shall not take time to read.

Article 15 of regulations 47 (revised) defines an automobile part as any article designed or manufactured for the special purpose of being used as or to replace a component part of an automobile or motor cycle, and which by reason of some peculiar characteristic is not such a commercial commodity as would ordinarily be sold for general use, and which is primarily adapted only for use as a component part of an automobile or motor cycle.

It appears from your brief that vehicle leaf springs in their present form and design have been in use for a great many years and were used long before the advent of the automobile; that they had been for many years and are to-day used for a great many purposes other than in automobiles; that exactly the same spring in type and otherwise can be and is used for automobile and other purposes; that there is nothing in the design or construction of the ordinary vehicle leaf spring used on automobiles to make it primarily adapted only for such use, and that it may be and is used for other purposes; and that of the leaf springs sold the vast majority are sold for purposes other than use on automobiles.

In view of these facts, the bureau now takes the position that vehicle leaf springs, as distinguished from highly specialized leaf springs such as auxiliary shock-absorbing devices using the leaf-spring principle, which are not primarily adapted only for use as a component part of an automobile or motor cycle are not subject to tax under section 900 of the revenue acts of 1918 or 1921.

Holding that this tax had been illegally collected, and that there should be a refund of the taxes. Shortly after that time circulars were sent out to all the manufacturers explaining to them how they could apply for and obtain the refund. They did apply for the refund and obtained it, and it was paid to the manufacturers. After that, another circular was sent out by the department instructing these manufacturers of automobiles that inasmuch as they had collected the taxes from the jobbers, and the jobbers in turn had collected them from the customers, the taxes should be refunded by the manufacturers to the jobbers, and by them on down to the purchasers, and in many instances this was done. Some of them paid it all back; some paid back a portion of it, waiting for the final signature of the Secretary of the Treasury before paying back all the taxes.

This was the condition when, on December 17, 1923, after a period of 15 full months, there came an order like a bolt from the blue sky—because nobody apprehended it or knew it was coming—ordering that all of these taxes should be immediately paid, and giving 10 days in which to pay them into the Treasury.

What was the situation? Most of these men could not pay these taxes. They did not have the money. They could not get the money. One of my constituents in Richmond, Ind., was ordered immediately to pay $136,000 of taxes. He could not go and borrow that money. He did not have it. He could not get it. In good faith he had paid the tax originally. In good faith he had made the claim for the refund. The refund had been ordered, and a portion of this money had been distributed. Two other constituents of mine in Indiana under like circumstances had distributed all of the fund. They are now ordered summarily to pay it in, and they are not able to pay it back.

Under the law they could pay the tax, wait six months, and sue; but the trouble about it is that these gentlemen can not pay the tax. They can not meet this order. They can not measure up to this demand; and the result of this illegal process—and I call it illegal because it is wholly unfair—by the Treasury Department is that several of these gentlemen will be bankrupt and driven on the rocks simply because of this conduct of the Treasury Department.

These refunds were ordered by the commissioner, and there is the letter. I have read it. The contest was made in good faith. The money was paid back. These gentlemen refunded it. Now they are ordered to go out and get it. When they undertake to go and get it from the jobber, or go back to the customers, they find some of them out of business, they find some of them have gone bankrupt themselves, and they are unable to collect these taxes; and as a result of this unfair treatment by the Treasury Department of citizens of the United States engaged in a legitimate enterprise several of them are going to be entirely put out of business and bankrupt.

This amendment is offered simply to cure that difficulty. It provides as follows:

That in any case where a tax has been paid to and collected by the United States Government under any excise tax law in force at the time of payment and after January 1, 1917, and subsequently the amount collected shall have been refunded to the taxpayer by the Government without being required so to do by a decision of a court of competent jurisdiction, and where the articles of property taxed have passed from the possession and ownership of the taxpayer, said taxpayer shall not again be assessed or taxed, and no demand shall again be made by the Government for a tax for the same lease or sale thereof: *And be it further provided*, That where said taxpayer has been so reassessed or retaxed, said levy, assessment, or tax shall be abated, and in case the tax, or any part thereof, has been paid after demand, the amount so paid shall be refunded to said taxpayer in the manner provided under this act.

So that it is confined to a specific case where an assessment has been made, where the tax has been refunded, and then where another tax has been levied. It provides that that tax shall be abated where it has not been paid, and where it has been paid that it shall be refunded. I am very glad to say, however, that none of the taxes thus assessed have been paid this second time, and so no money will be taken out of the Treasury; and it is only a question of the abatement of this

tax which under the circumstances I believe to be absolutely unfair. I believe that the Government has no right to treat its citizens in that manner, and therefore I think that notwithstanding the fact that this is retroactive, it is retroactive only in the interest of fair dealing as between the Government and its citizens.

Mr. SMOOT. Mr. President, the committee decided that they would not make a claims bill of this revenue measure; but there has been retroactive legislation, and I will leave it entirely to the Senate as to whether they want to put this in or not. This is a claim against the United States, and if the Senate wants to put it upon this bill, well and good.

The PRESIDING OFFICER (Mr. STERLING in the chair). The question is on the amendment of the Senator from Indiana.

The amendment was agreed to.

Mr. WATSON. Mr. President, just in the same line, to cover this same transaction when the money has been paid out, I offer another amendment. It cures the whole thing, and that is what I am after—a cure-all.

The PRESIDING OFFICER. The Senator from Indiana offers a further amendment, which will be stated.

The READING CLERK. It is proposed to add to section 1108 the following:

(a) No excise tax shall be levied, assessed, or collected by the Commissioner of Internal Revenue on any article of property sold or leased by the manufacturer, producer, or importer where at the time of said lease or sale there was an existing ruling, regulation, or Treasury decision holding or construing that said article of property, or the lease or sale of same, was not taxable, and where the manufacturer, producer, or importer parted with possession or ownership of said article of property relying upon said ruling, regulation, or Treasury decision.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Indiana.

The amendment was agreed to.

Mr. WILLIS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 233, at the end of line 10, it is proposed to insert a new sentence, to read as follows:

This subdivision shall take effect upon the enactment of this act.

Mr. SMOOT. Mr. President——

Mr. WILLIS. It is not necessary for the Secretary to read the others. If I may explain this amendment to the Senator for a moment, I think he will not object to it.

Mr. SMOOT. I know exactly what this amendment means. Does the Senator want to offer another amendment?

Mr. WILLIS. If this shall be adopted, there are two others that ought to go with it. It corrects the bill. Of course, it is not necessary to offer them unless this shall be adopted. I thought the Senator undoubtedly would accept this amendment.

Mr. SMOOT. I would if it were possible of administration; but how on earth can a manufacturer of playing cards know the hour when the President of the United States will sign this bill?

Mr. WILLIS. The usual principle of law will apply there. The law does not take cognizance of a fraction of a day. They will know the day when it is signed.

Mr. SMOOT. Mr. President, I should like to collect that 30 days' tax. I should be delighted to get it into the Treasury of the United States; and if the Senator thinks that it can be administered successfully, I am perfectly willing to accept that amendment.

Mr. WILLIS. I wish the Senator would accept it.

Mr. SMOOT. I will accept it, Mr. President, because it simply means that instead of giving 30 days' time for them to make a sale before this tax applies, it applies immediately upon the passage of the bill. I want to say to the Senator also that I know it is going to be beneficial.

Mr. WILLIS. I think it ought to be said that this amendment is a most unusual one in that it comes from perhaps the largest manufacturer of this particular commodity——

Mr. SMOOT. I know that.

Mr. WILLIS. And he is not complaining about the increased tax, but is asking that the law take effect 30 days earlier than the bill provides, so that the Government will have about $200,000 more money, and he, incidentally, will avoid some bother.

I thank the Senator for accepting the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. WILLIS. The other two amendments are to correct the bill, or to amend other sections, so as to bring them into harmony with this.

Mr. SMOOT. I will see what the other two amendments are.

Mr. WILLIS. They ought to be stated.

The PRESIDING OFFICER. The Secretary will state the next amendment offered by the Senator from Ohio.

The READING CLERK. On page 275, line 16, after the second parenthesis, it is proposed to insert:

Except subdivision (12) of Schedule A, and——

Mr. SMOOT. That is necessary in order to conform to the amendment that has just been agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. WILLIS. I desire to offer an amendment, to come in at page 200, at the end of line 4.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 200, at the end of line 4, insert:

Or for eyeglasses and spectacles sold or leased for an amount not in excess of $40.

Mr. WILLIS. Mr. President, it will be observed that the proposed amendment is in the section that makes exemptions. As the bill passed the House, it provided in line 23, page 199:

The tax imposed by subdivision (a) shall not apply to (1) surgical instruments, musical instruments, eyeglasses, spectacles, or silver-plated flat tableware.

The committee has made an amendment striking out the words "spectacles and eyeglasses," so that they would not be exempt. It seems to me that the amendment which the committee has proposed is hardly a desirable one. Spectacles and eyeglasses are not in the nature of luxuries. There are a good many so unfortunate physically as to absolutely need those articles. It appears to me that is not a very good source of revenue. I should have preferred the bill as it passed the House, but the amendment I have offered would exempt eyeglasses and spectacles costing under $40.

Mr. SMOOT. The bill excepts eyeglasses and spectacles up to $25. Nobody pays a tax on a pair of spectacles unless they cost more than $25. It does seem to me that that exemption is ample, and it seemed that way to the committee.

Mr. WILLIS. Will the Senator permit me to invite his attention to the fact? It is not a pleasant subject to discuss, but the more distressing the case of eye trouble, the more certain it is that the exemption the Senator proposes in the bill would not be effective, because, as the Senator knows, lenses that are necessary for very serious cases of eye trouble cost at least $25 without the mounting. With that situation, it seems to me that the figure should at least be enough more than that amount to cover the cost of the cheapest kind of frame.

I take that as a tentative figure. Would not the Senator agree to have it made $30 or $35? I do not like to have it said that the Senate by this legislation is levying a tax upon those very necessary articles which can not be denominated under any circumstance as luxuries.

Mr. SMOOT. I have not heard any complaint about the tax in the existing law and the limitations.

Mr. WILLIS. Of course my experience is different. I have heard some complaint.

Mr. SMOOT. I recognize that eyeglasses and spectacles are put in here, and the House fixed a figure at $40. The House fixed $40 also on the other articles, surgical instruments, musical instruments, and silver-plated tableware.

Mr. WILLIS. It seems to me there is more reason for an exemption on eyeglasses and spectacles than on flat tableware. That, perhaps, is not so nearly a necessity. For anyone who can not read a line without spectacles or eyeglasses the eyeglasses and spectacles are necessities, and I dislike to be put in the position of having to say that the Senate decided to levy a tax upon those absolutely necessary articles.

Mr. SMOOT. I think we have received 10 letters against the silver-plated tableware tax to one in regard to the eyeglass tax. I do not know why it is.

Mr. SIMMONS. I have had quite a number of protests from constituents of mine against the tax on eyeglasses.

Mr. WALSH of Massachusetts. What is the revenue from the tax on eyeglasses?

Mr. SMOOT. I could not tell the Senator the revenue under the eyeglass provision, but I can tell him what it would be under the whole paragraph.

Mr. WALSH of Massachusetts. How much is it for the whole paragraph?

Mr. SMOOT. Under the present law, $10,000,000, and it is estimated that the revenue derived under the bill as it passed the House of Representatives would be $4,000,000 on the basis of $40. The estimated jewelry tax for 1924, including all jewelry, is $10,750,000. I suggest that we let it go to conference.

Mr. SIMMONS. I think it is all right to let it go to conference.

Mr. WILLIS. Very well, if the Senator can give us some assurance. I do not desire to be contentious about it, but I do think it is a mistake not to make a proper provision in this place. Would the Senator accept an amendment? Suppose I set the figure at $40?

Mr. SMOOT. Applying merely to spectacles?

Mr. WILLIS. To spectacles and eyeglasses.

Mr. SMOOT. Let the amendment be read.

The PRESIDING OFFICER. The amendment will be reported.

The READING CLERK. On page 200, at the end of line 4, after the numerals "60" and before the period, insert the words "or for eyeglasses and spectacles sold or leased for an amount not in excess of $40."

Mr. WILLIS. I will modify the amendment so as to make it $30.

Mr. SMOOT. I will accept that amendment.

Mr. WILLIS. Very well. I so modify it and will let it go to conference.

The PRESIDING OFFICER. Without objection, the vote by which the amendment of the committee was agreed to will be reconsidered, and the question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SIMMONS. Mr. President, one of the substitute amendments offered by myself relates to the income taxes, and that has not been acted upon because it was not in order before. It is an amendment with reference to the exemption. But in view of a suggestion made to me by the chairman of the committee, I will not press it at this time.

Mr. WADSWORTH. Mr. President, I offer an amendment which I ask the Secretary to read.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 274, after line 10, the Senator from New York proposes to insert:

SEC. 1131. Where any provision of any act specified in section 281 (a) of this act or the application thereof to any person or circumstances has been held to be invalid, or any interpretation placed thereon by any of the executive departments has been held to be incorrect (1) by the Supreme Court of the United States or (2) by decision of a United States Circuit Court of Appeals which becomes final, any tax illegally collected pursuant to such provision shall be credited or refunded if a claim therefor is filed by the taxpayer within four years after such decision notwithstanding any other statutory period of limitation providing to the contrary.

Mr. SMOOT. Mr. President, this amendment was considered very carefully by the committee. It means that, notwithstanding the period of limitation, anyone who may now want to make a claim against the Government can do so. There has to be some time when the question is settled, and the committee thought this was a very dangerous proposition. I hope the Senate will not agree to it.

Mr. WADSWORTH. The Senator from Utah has condemned it wholesale, but I do not think he has told the entire story at that.

On page 136 a committee amendment will be found which strikes out the language from line 3 to line 11, inclusive. The House language is stricken out. The House approached this question about halfway and provided that—

(d) Where any provision of any act specified in subdivision (a) of this section or the application thereof to any person or circumstances has been held by the Supreme Court of the United States to be invalid, any amount of income, war-profits or excess-profits tax illegally collected pursuant to such provision shall be credited or refunded if a claim therefor is filed by the taxpayer within four years after the decision, notwithstanding the period of limitation provided for in subdivision (b) has expired.

The Senate, on the recommendation of the committee, has stricken that out, and, as I understand it, that throws the law back to the old situation, in which the taxpayer must have filed his claim for refund within four years of the date of having paid the tax.

Mr. SMOOT. The Senate has already agreed to that amendment.

Mr. WADSWORTH. I know it; I am not touching that amendment. I am merely referring to it as a step proposed by the House. The step I propose does not conflict with the Senate amendment, which has been agreed to, but is to be inserted at the end of the bill and to cover all kinds of taxes.

Mr. SMOOT. It goes further than the House provision.

Mr. WADSWORTH. It does, and in common justice it should. Let me have the attention of the Senators who are present.

The big taxpayer, the big corporation, which pays heavily, is assessed or is about to be assessed by the Internal Revenue Bureau. They may employ attorneys at considerable expense, and it is well worth while for them to do so. They bring a test case in the court. Those cases go either to the circuit court of appeals in the district in which the case is brought or may go to the Supreme Court of the United States. It takes some time for the decision to be reached either by the circuit court of appeals or by the Supreme Court.

The big taxpayer, being well advised by competent legal advice, competent counsel, is well aware of the possibility of enforcing its contentions. The little taxpayer away off in the country somewhere never hears of it. It may take two or three years before the case will finally be decided by the court, whichever court makes the final decision.

If the court sustains the contention of the taxpayer in that case, that big taxpayer gets his money back. In the meantime the statute of limitation is running against the little man who has no opportunity, owing to his modest means, of following up things of that sort. He can not employ counsel to follow these things along.

What does this amendment propose to do? It proposes that in the case of any tax—income tax or surtax or excess-profits tax in the past; any tax covered in this act—whenever the Supreme Court declares a tax illegally assessed or invalid on constitutional grounds or otherwise, or wherever the circuit court of appeals declares the assessment or the collection invalid, and that decision of the circuit court of appeals is final, which is the case in a great many instances; thereupon all other taxpayers, great or small—and most of them are small—may take advantage of that decision and shall have this period of time in which to file their claims for refunds. In other words, the law as at present written, with a limitation placed upon the filing of claims for refunds, operates solely to the advantage of the rich man who can employ competent counsel to push his case through the court, but the little man off in the country is left helpless.

Mr. REED of Missouri. If the Senator will pardon me—

Mr. WADSWORTH. I yield.

Mr. REED of Missouri. I feel very great sympathy for the Senator's suggestion when he proposes to write into the law a provision that a decision of the court of appeals having been rendered allows the taxpayer to bring these claims. What would he do if we had opposing decisions by the court of appeals? If it is made to rest upon a decision of the Supreme Court of the United States we could regard that fairly as a finality. But one court of appeals might decide a question one way and another court of appeals might decide a similar question another way.

Mr. WADSWORTH. I think the language of the amendment takes care of that subject. It reads:

When such a tax has been declared invalid, first, by the Supreme Court of the United States or, second, by decision by the United States Court of Appeals, it becomes final.

Only in that case does it become final. The great majority of them are never appealed to the Supreme Court.

Mr. REED of Missouri. It might become final in that particular case. Another court of appeals might, however, reach a different conclusion in another case involving the same matter, as they frequently do.

Mr. WADSWORTH. Then it is up to the Government, as I understand it, to appeal from the circuit court to the Supreme Court. In that case it is not final.

Mr. REED of Missouri. No; not if that is done. It is entirely conceivable that the court of appeals might render a decision in a case holding a certain tax is invalid; that thereafter the case should be brought again in the same or another circuit and that a different conclusion should be reached, and that the Supreme Court would finally affirm the decision of the second court of appeals. In the meantime a taxpayer has

brought his suit against the Government demanding a refund of his taxes. He bases it upon the fact that the court of appeals has declared the law to be invalid. I can see great difficulty in the amendment of the Senator unless he limits it to the Supreme Court of the United States, because it is difficult to say when, if ever, a decision of the court of appeals that a law is valid or invalid is in fact an absolute finality.

Mr. WADSWORTH. Am I incorrect in stating that under one of our statutes, and I do not know which one, the decision of the circuit court of appeals is deemed final upon a tax matter?

Mr. REED of Missouri. Suppose there is another tax suit brought in another district?

Mr. WADSWORTH. Then, I believe, it is within the power of the Supreme Court to bring it up to its jurisdiction by writ of certiorari.

Mr. REED of Missouri. That is true, of course, but it may not be done. I am thinking of that difficulty and calling the Senator's attention to it.

Mr. FLETCHER. In the case of a variety of opinions by the court of appeals, it would be the duty of the Government to take a case to the Supreme Court of the United States and thereby obtain uniformity of opinion.

Mr. WADSWORTH. That is what happens.

Mr. REED of Missouri. But what happens in the meantime with a law that is drawn where there is a final decision of the court of appeals that the tax shall be refunded and after that another court of appeals reaches a different decision, and the second court is affirmed by the Supreme Court of the United States?

Mr. WALSH of Montana. And from which decision would the four years run? Here is a decision made by the circuit court of appeals on the 1st day of June, 1924. That is final, and there is no occasion for a review by certiorari. On the 1st day of December, 1924, a second decision is made, and now there is a conflict in the two, and a writ of certiorari is taken from the decision of December 1. From what time is the four years to run, from the decision made June 1 or the decision made December 1? The Senator may be correct, but it would be news to me to know that there is any statute making a tax-case decision final in the circuit court of appeals.

Mr. WADSWORTH. I hesitate to combat recollections and opinions of men learned in the legal profession, but I am quite certain there is a statute which makes decisions of the circuit court of appeals final in revenue cases.

Mr. WALSH of Montana. May I ask the Senator if there is any such limitation provision in any statute?

Mr. WADSWORTH. I am sure I do not know.

Mr. WALSH of Montana. If there is none, of course the wisdom of the ages must be against the proposition.

Mr. WADSWORTH. I am not so sure that the wisdom of the ages holds good when we reach our complicated tax laws, where we are taxing in the most complicated fashion millions of people.

Mr. WALSH of Montana. I was going to say to the Senator that the same principle extends throughout all manner of litigation. Here are half a dozen men who have the same kind of a controversy—that is, one in which the same legal principle is involved. One of them institutes a suit, and he takes it to the Supreme Court and eventually establishes a principle. Exactly the same principle is involved in the case of a multitude of men, but the statute of limitations has run against them. No statute of limitations such as the Senator suggests, so far as I am aware, has ever been suggested by anybody. For instance, men have been hung upon one construction of the law, when finally some one takes an appeal to the Supreme Court of the United States and it is determined that the law as construed by the lower court was wrong. Why make any exception in the case of a tax payment? Here is a man who has lost valuable property upon the assumption that the law was so-and-so. Another man, more litigious in character, resists the proposition and takes his case to the court and eventually gets a decision of the Supreme Court, but the statute of limitations has run against the man who has laid by.

Mr. WADSWORTH. "Who has laid by" is scarcely an accurate description of his predicament. It has been impossible for him to take advantage of the case. He has not had the money nor the opportunity.

Mr. WALSH of Montana. That is exactly the situation that I am presenting to the Senator.

Mr. WADSWORTH. I want to give the man a chance. If the amendment is not right in its detail, I would like to see that man have the same chance to get his money back after the other man has proved it never should have been taken away from him.

Mr. WALSH of Montana. I am pointing out to the Senator that the same condition applies to all manner of litigation. The man who does not or is not able to take his appeal or to litigate the matter eventually has the statute of limitations run against him, either because he is unwilling or unable to prosecute the case further. Finally some one who is able or willing to do it takes the matter up and an adjudication is had, but the poor man who did not appeal has lost his valuable farm by reason of the erroneous view of the law taken by the lower court.

Mr. WADSWORTH. It may occur in some States.

Mr. WALSH of Montana. Oh, it occurs in all States with reference to all matters of litigation. The statute of limitations runs from the time the cause of action arises. That is the rule. It does not run from the time subsequently that some one gets a decision from the court of last resort. I do not think there is any such statute.

Mr. WADSWORTH. What does the Senator believe the justice of the situation demands?

Mr. WALSH of Montana. The justice of the situation demands a statute of limitation of reasonable length, and that is all, from the time the cause of action arose and not from the time the court might decide it the other way.

Mr. WADSWORTH. That would leave out everybody who had not had notice.

Mr. WALSH of Montana. It is not a matter of notice at all, because everyone has notice under the law. Besides, I think it is a very unwise thing to have people standing by waiting for some one else to prosecute litigation of which they expect to take advantage.

Mr. WADSWORTH. The Senator would not deny that that is a common practice? Test cases are brought in all kinds of matters.

Mr. WALSH of Montana. I am well aware of that.

Mr. WADSWORTH. And a crowd stands by waiting to see the outcome of the test case.

Mr. SHORTRIDGE. Mr. President, I desire to address myself immediately to some thoughts advanced by the Senator from Missouri [Mr. REED] and the Senator from Montana [Mr. WALSH]. I am particularly interested in that portion of the proposed amendment which reads:

> Where any interpretation placed there by any of the executive departments has been held to be incorrect,

I ask the respectful attention of my brother Senators. California is what is called a community-property State. There are some seven of the States in the Union, I think, who have that system of property, and they are spoken of, as lawyers know, as community-property States. Some years ago there was an opinion rendered by the Department of Justice to the effect that in California husband and wife could not file separate returns as to income arising from community property. It was held that the community property, under dominion of the husband during coverture, was to be regarded as his separate property in so far as making income-tax returns and amount of income taxes were concerned. The Department of Justice also held that the interest the wife had in community which passes to her upon the dissolution of the marriage was subject to Federal inheritance tax law.

Mr. Wardell, the then collector of internal revenue in California, appointed by President Wilson, considered the subject. After the ruling made by the Department of Justice there was an action commenced for the purpose of interpreting the law. That action is known as the case of Wardell against Blum. Judge Rudkin, then a judge from the eastern district of Washington, recently promoted to the circuit bench, rendered a decision in that case in which he held and decided that the wife had a vested right in the community property.

Of course, community property is that which is acquired after marriage other than by gift, descent, or devise. He held that the wife had a fixed, definite, vested interest in the community property; that she, therefore, was not an heir to the husband but that she was a survivor and took as one partner might take upon the dissolution of the partnership; that inasmuch as she was not an heir of the husband the one-half of the community property to which she succeeded was not subject to the Federal inheritance tax. That case was argued very elaborately before Judge Rudkin and was followed by the decision which I have stated. The Government thought it proper, as it was, to prosecute an appeal to the circuit court. The circuit court affirmed that decision.

Now I come to the point suggested by certain Senators. It is the law that in matters of revenue a decision of the circuit court is final, subject to the power of the Supreme Court to issue a writ of certiorari in order to harmonize any conflicting decisions which may be handed down by the different circuits.

Therefore the Government, not being satisfied with the decision of Judge Rudkin, not satisfied with the decision in the ninth circuit court affirming his decision, applied to the Supreme Court for a writ of certiorari. The Supreme Court, having before it the decision of Judge Rudkin, the decision of the ninth circuit court, and the elaborate briefs which were filed in support of the issuance of the writ, after due consideration, finally denied the writ. As lawyers know, that was tantamount to an affirmance of the decision of the ninth circuit court. Even then, though the writ was denied, which was tantamount to an affirmative, the Solicitor General, Mr. Beck, deemed it his duty to make an extraordinary motion in the Supreme Court.

I use the word "extraordinary," but perhaps I should say an unusual motion. He made a motion that the Supreme Court recall or revoke and annul its order denying the petition for a writ of certiorari. His motion was accompanied by a brief and he gave reason why he made that unusual motion. He argued that there were certain other cases pending or which might be brought and which if they reached the Supreme Court might result possibly in a different interpretation of the statute. He stated that if the Supreme Court of California, which had before it a certain case, should decide that case in such and such a way, then and in that event he would withdraw his motion.

The Supreme Court of California in due season rendered a decision—the one anticipated—and thereupon Mr. Beck appeared before the Supreme Court and asked to withdraw his motion for the revocation of the order made in denying the application for a writ of certiorari.

Mr. BAYARD. Mr. President, may I ask the Senator a question?

Mr. SHORTRIDGE. Yes.

Mr. BAYARD. Was the subject matter which was before the California Supreme Court the same subject matter as that which was before the United States Supreme Court?

Mr. SHORTRIDGE. Answering the Senator, I will say it was a case which involved the respective rights of husband and wife to community property, and it was argued that the decision of the Supreme Court of California would or might have a decisive bearing on the final decision of the Blum *v.* Wardell case.

Mr. BAYARD. Was the principle involved the same?

Mr. SHORTRIDGE. The Solicitor General deemed it necessary, as a legal matter, to call the then pending case in the California Supreme Court to the attention of the Supreme Court of the United States The Supreme Court of California, having decided that case as it did and as anticipated by many, thereupon the Solicitor General appeared in our supreme court, and by permission, withdrew his motion, as I have stated.

The importance of this matter lies right here: In the meantime, believing as I did that the decision of Judge Rudkin was correct, that the decision of the circuit court was correct; believing further that the Supreme Court of the United States had thoroughly considered the subject matter before it denied the petition for the writ of certiorari—believing, in a word, that the law had been definitively decided, that it was settled, I called upon the Commissioner of Internal Revenue, Mr. Blair, to follow that decision. I suggested that the law, which had been in controversy and had been agitated in this litigation, had been finally and definitely determined. I said, and now say, that the decision was to the effect that the wife in California upon the death of her husband did not take as an heir of the husband but as a survivor, and hence that her portion of the community property is not subject to the Federal inheritance tax.

Mr. Blair very properly said, among other things, that he was being governed by the early ruling of the Department of Justice, to which I have made reference, and that under the precedents and following the custom he was obliged to follow the interpretation of the statute as it had been handed down by the Department of Justice.

Senators will readily see that I replied by saying: "Even so, but in the case of Wardell against Blum the decision is to the contrary. We have the district court decision; we have the circuit court decision; we have the Supreme Court decision; and therefore you should now follow the law as it has been judicially determined." He referred me to his solicitor, Mr. Hartson. I called upon Mr. Hartson and went over the whole subject with him.

It may not be improper for me to state that I was somewhat familiar with that problem, having engaged in what is regarded as the leading case in California, the case of Spreckels *v.* Spreckels, which is cited in all these opinions. I conversed with Mr. Hartson and explained to him what I am now taking the liberty to state to other Senators, and referred him to certain cases and certain propositions of law. Thereafter I called upon Mr. Mellon, the Secretary of the Treasury, and went over the whole subject matter with him. He requested me to address him a letter setting forth the matters to which I have thus referred. On the 6th of December last I addressed a letter to the Secretary of the Treasury in which I reviewed the case of Blum *v.* Wardell, as I have here done to the Senate. On the 12th of December last the Secretary of the Treasury replied to my letter, stating that, in view of what I said and of the cases to which I invited his attention, he was calling upon the Department of Justice for another opinion in respect to the matter.

That was on the 12th day of December last. He added that such request has gone forward to the Department of Justice. Upon inquiry, of course I found that such was so. Thereupon the Department of Justice set about to study this problem again and to examine the case of Wardell against Blum, to the end of determining whether the original opinion handed down by the Department of Justice was correct or should be modified or withdrawn and a new opinion issued in accordance with the law as decided in the Wardell against Blum case, as I have stated.

Due doubtless to many cases submitted to them, the multiplicity of duties, there was considerable delay, and it is not improper for me to state that I conversed with the President in regard to it and later addressed him a letter upon the subject. A few weeks ago—I have not the date now in mind, but it was within perhaps the last six weeks—there was handed down a very elaborate decision by the Department of Justice, overruling or reversing the earlier opinion and deciding that the wife in California, which is a community property State, takes as survivor, not as heir, and hence her community property is not subject to the Federal inheritance tax. All this I have explained to brother Senators in order that they may now see the interest I take in this proposed amendment.

Under the rulings formerly made and followed, the wife in California was not permitted to file her separate income-tax return for income derived from community property during coverture, and her right to do so was also involved in this discussion and in these decisions. She was subjected to the payment of a Federal inheritance tax on that portion of the community property which came to her upon the dissolution of the marriage.

What I am interested in is this: As I understand this proposed amendment, the interlineation, in particular, provides that where any provision of any act specified in section 281 (a) of this act, or the application thereof to any person has been held to be invalid, or any interpretation placed thereon by any of the executive departments has been held to be incorrect—as, for example, the erroneous interpretation placed upon this law as it bears upon income from community property and the right of the surviving wife—then the wife, who was, first, illegally deprived of her right to file a separate income-tax return, or second, was subjected illegally, as we now know, to the payment of an inheritance tax, may make application for a refund within four years after such erroneous interpretation of the statute decision, notwithstanding any other statutory period of limitation providing to the contrary.

Whereas some of those who have been illegally subjected to the Federal inheritance tax still have time to make application for a refund, and some of those who were denied the privelege of filing separate returns may still be within the statutory period to make such returns and ask for a refund, there are many who are not within the statutory period as it is now fixed by the law; and therefore it has seemed to me just that if a tax has been illegally imposed and illegally collected, the Government should be willing to restore that amount, and to that end enlarge the statute of limitations, as proposed by this amendment.

Mr. WALSH of Montana. Mr. President, I should like to ask the Senator this question: In the State of California, if a man pays a tax exacted of him under a construction of the statute given to him by the taxing agent, and afterwards some one else resists the tax and takes the case to the Supreme Court of the State of California, which adjudges that his contention is correct, showing that the tax was illegally collected of the person first named, does the statute of limitations commence to run against that person from the time of the decision in the other case?

Mr. SHORTRIDGE. The statute of limitations, I should say, commences to run—as it does, indeed—from the time when the cause of action arises, unless something intervenes to suspend the running of the statute.

Mr. WALSH of Montana. When he paid the tax. In other words, the principle for which the Senator contends as applicable to the Federal system of taxation has never been in vogue in his State with reference to State taxation?

Mr. SHORTRIDGE. As I understand, the Federal statute of limitations is now four years, I believe.

Mr. WADSWORTH. Four years from the date of payment of the tax.

Mr. SHORTRIDGE. From the payment of the tax?

Mr. WALSH of Montana. Yes.

Mr. KING. Pardon me—I think in the State of California it is one year.

Mr. SHORTRIDGE. I am referring to the Federal tax, and that is what this amendment applies to. I have not the statute before me.

Mr. WALSH of Montana. Mr. President, I just wanted to know from the Senator whether the principle he now invokes has ever found expression in the statutes of the State of California or any other State that the Senator knows of?

Mr. SHORTRIDGE. I do not know that it has, in just that form.

Mr. WALSH of Montana. In any form? Does the Senator know of any such statute of limitations anywhere in reference to anything—that the statute of limitations will commence to run from the time of the decision by an appellate court of the legal principle upon which the rights of the parties depend?

Mr. SHORTRIDGE. Very frankly I answer that I recall no such statute, but I say this with regard to this immediate case: The Federal statute now, as I recall, is four years "after payment"; I remember the story of the great judge who said he would be ashamed to answer a question touching the statute law without looking at the statute, and he would be ashamed if he could not answer a question as to the common law offhand; but as to the statute, of course, I think it is four years.

Here is the situation, however: A statute of limitations, as my brother Senators who are lawyers know so well, has been called a statute of repose, and in many features it is a wise statute; but the statute of limitations when set up as a bar may be looked upon favorably or not. Much has been said on that subject. I have a bill pending which will soon be reported, our Committee on the Judiciary having approved it, and the report will be upon the desks of Senators to-morrow, providing that certain defendants may not interpose the statute of limitations in certain cases. The right to plead the statute of limitations is not a vested right. The pleading of a statute of limitations does not wipe out the debt or the obligation. The debt remains unpaid, the obligation exists, but for reasons known to many it is deemed wise, in some cases just, to plead a statute of limitations as a bar to an action or proceeding to the end that there may be rest and repose from litigation or controversy.

In this case, however, which comes home immediately to many men and women in California, they were obliged to pay certain Federal inheritance taxes under an erroneous interpretation of the Federal statute, and they paid them, it may be, under protest; but the letter of the Federal statute limits the time of commencing an action to recover to four years.

The taxpayer in California raised the question. The district court held in his favor. The appellate court held in his favor, affirming the decision. The Government, properly enough, sought the writ of certiorari from the Supreme Court, which court denied the writ. Nevertheless, the Government was not yet satisfied, and made the unusual motion to which I have referred, namely, a motion to revoke and annul the order denying the application for the writ of certiorari, awaiting, as they said, another decision in a case then pending in the Supreme Court of California.

In due time—and it takes time—the Supreme Court of California handed down its decision; and then, in the carrying out of his expressed intention, Mr. Beck appeared here in the Supreme Court and, by permission, withdrew his motion, and thereupon, if not before, the decision became a finality.

What follows? In the meantime a great many women, widows, in California had been required to pay this illegally levied Federal inheritance tax, and the statute of limitations has run against their recovery.

Mr. WALSH of Montana. Exactly; but the Senator knows that they might easily have instituted a suit at any time to recover it, and let the suit stand until the decision of the other case was made.

Let me ask the Senator this question: The Supreme Court of California have a very high standing. They have repeatedly decided matters, legal principles, a certain way, and rights have accrued, and business transactions have been adjusted in relation to the principles thus laid down; and in years afterwards—10, 15, or 20 years afterwards—they have reversed that decision, said they were wrong about it, and declared an entirely different principle. Does the Senator think it would be wise to have a statute in the State of California that a business transaction that took place 20 years before should be revived by reason of the fact that the supreme court decided, away later, differently from what they thought the law was?

Mr. SHORTRIDGE. No; I answer the Senator immediately, having in mind the rule of stare decisis which applies to property rights, of course I would not have acquired rights disturbed; but a statute of limitations——

Mr. WALSH of Montana. Pardon me. Stare decisis has nothing to do with it. I do not take the case that was actually adjudicated. Of course, that is ended; but I take the case of some other people who did not adjudicate their cases at all, but transacted their business in reliance upon this decision; but finally the Supreme Court say that decision was wrong, and they reverse it. Would the Senator give a right of action to these people?

Mr. SHORTRIDGE. Why, certainly not; because that does involve the doctrine of stare decisis.

Mr. WALSH of Montana. But the Supreme Court, in the case that I cite, disregard the rule of stare decisis and reverse themselves.

Mr. SHORTRIDGE. Certainly; but I would not disturb property rights—certainly not. Here, however, we are concerned only with the naked question of the statute of limitations; and what I am contending for, if I may supplement what has been said by the Senator from New York, is this: Where our Government, which is a just Government, and does not wish to extort illegally from the citizens, has erroneously—note, erroneously—interpreted a statute, and the result of that has been that many men and many women have been obliged to pay to the Government moneys, within a reasonable time thereafter our Government ought to be willing to allow or permit the citizen to come forward, and, if what he alleges be true, namely, that he has been obliged under a wrong interpretation to pay the Government money, to recover that amount.

Mr. WALSH of Montana. But let me say to the Senator that no Government, either Federal or State, wants to exact of any citizen a dollar in the way of taxes to which the State or the Government is not entitled.

Mr. SHORTRIDGE. Certainly; that is true.

Mr. WALSH of Montana. But, in the interest of the public revenues, it has always been held that a very brief statute of limitations ought to apply to an action to recover taxes that are paid, because the Government does not want to be embarrassed by claims that are asserted against the revenues some 2, 3, 4, or 10 years after these claims have been paid; and so, as a rule, a very limited statute of limitations applies to such matters. One year, two years, three years is the usual statute.

We have gone beyond that. We have passed a four-year statute. I undertake to say that the four years is quite beyond the usual length of time that the statute of limitations runs in the ordinary case. Here is a man who has been obliged to pay something by reason of an erroneous demand of the Government upon him for his tax, but he lets the statute of limitations run; he does not start his action for one, two, three, or four years, as the case may be, and he is shut out.

Mr. SHORTRIDGE. Those are thoughtful remarks, and, generally speaking, I think they express a sound doctrine, but in this particular case of the erroneous interpretation of a statute the delay can not be imputed to the taxpayer.

The taxpayer brought the action. The appeals came on and caused this delay, until the final decision of the Supreme Court, which was held up, so to speak, by virtue of this motion to set aside and annul the order denying the petition or application for the writ of certiorari. But even then, after final decision, it took me weeks and months, interviews, arguments, written letters to the Secretary of the Treasury to secure a correct ruling from the Department of Justice.

Mr. WALSH of Montana. But meanwhile these other people could institute their actions.

Mr. SHORTRIDGE. On the contrary, the time had run, even as of the final decision of the Supreme Court, and there was no relief. If I may indulge in a few more words as to the justice of the matter: As we all know, the statute of limitations is a statute of repose. It is to the end that controversies may be regarded as sleeping and dead; if a man has a claim against another, he must assert it within a reasonable time.

There is much to be said in favor of that. Some courts, as Senators will remember, looked with disfavor on statutes of limitations. I think it will be found that latterly courts

have looked rather favorably upon statutes of limitations. But whichever be the proper view, when I am thinking of the Government of the United States, and I find that the Government has erroneously collected money from the citizen, and that the delay in the recovery has been caused by the act of the Government in prosecuting long appeals, then it seems to me we should as a matter of justice give the citizen some time within which to assert his rights after the final decision of a test case.

In this case of California the fact is that many men and many women were erroneously assessed, erroneously taxed, and were, under the law, required to pay moneys to the Government to which the Government, under the law, properly interpreted, was not entitled.

I see no harm coming from this proposed amendment, if I may address myself immediately to the Senator from Montana. I see no injustice coming to the Government, or to anybody. If I did, I would not have said what I have said.

Mr. WALSH of Montana. Let me put a case to the Senator. Here is a man who to-day pays a tax exacted of him by the Government upon a certain interpretation of law. Twenty years from now some one challenges that construction of the law, and it runs its course in the courts for two, three, four, or five years, and is finally decided against the interpretation of the law under which the man paid his tax, and 25 years from the time he paid the tax he may start a suit against the Government and recover.

Mr. SHORTRIDGE. I would not say that. The statute gives a period of four years.

Mr. WALSH of Montana. Exactly; four years after the decision.

Mr. SHORTRIDGE. Yes. I say as a lawyer, if I may count myself such——

Mr. WALSH of Montana. I am putting the case of a man who 20 years before paid his tax, and the interpretation of the law is changed 20 years after that. He has 20 years, and he has 4 years, 24 years from the time he paid the tax, within which to start his suit.

Mr. SHORTRIDGE. If within that whole period he could not get a decision, my answer is that he should have a reasonable time after decision.

Mr. WALSH of Montana. But he could get a decision by starting a suit.

Mr. SHORTRIDGE. I grant you that a principle may be tested by extreme cases, but here let us look to the concrete case. I am looking at this concrete case as it affects the taxpayers of California, and I submit to the learning of the Senator that under the interpretation of this law the citizens of California, husband and wife, owning what we term "community property," were not permitted to file separate returns. Second, when the marriage was terminated by death the surviving wife was compelled to pay a Federal inheritance tax.

Mr. WALSH of Montana. I think I understand the Senator.

Mr. SHORTRIDGE. She was obliged to pay a tax. There has never been any way for relief until the Supreme Court has here within the last year decided this case.

Mr. WALSH of Montana. But how can the Senator say that? These other people had a perfect right to start their suit, just the same as this party did.

Mr. SHORTRIDGE. I grant you that this particular case was started speedily. They sought to speed the case forward, and there was no undue delay. The delay could not be imputed to the taxpayer. The delay occasioned was for reasons I have stated. There was no fault to be found, but the fact is that not until the Supreme Court of the United States rendered its decision was there any possibility of relief, and, as I have stated, even then it became necessary for me to interview the Commissioner of Internal Revenue, the Secretary of the Treasury, the President of the United States, the Attorney General; and finally we have an interpretation here now in harmony with that decision and the law.

Mr. WALSH of Montana. If the Senator will pardon me, that was the Blum case?

Mr. SHORTRIDGE. It was.

Mr. WALSH of Montana. Here is the Jones case. Why did not Jones start his suit? What stopped him from starting his suit? Why did he have to wait until the decision was rendered?

Mr. SHORTRIDGE. The rights of citizens are determined by the decision in this case, and the matter before us now, a proposed statute of limitations. I apologize if I have enlarged this discussion, but I perceived that it affected the very question in which I have been interested and am interested; hence these many words.

I do not recall whether the Senator from Montana was on the subcommittee which considered the bill I introduced, but I did introduce a bill which, among other things, provides that in certain contemplated cases, certain prospective defendants, certain foreign corporations, shall not be permitted to plead or interpose the statute of limitations. The report, which will be on our desks, refers to a few of the many cases in inferior and supreme courts holding that the privilege to plead the statute of limitations is not a vested right, and that it is perfectly competent for Congress to deny that privilege to a litigant.

Why do I say that? Because where a debt is due, where a demand is just, and particularly where our Government has taken from the citizen moneys to which the Government was not under its own laws entitled, the citizen ought to have a reasonable time—I do not say 20 years, but a reasonable time—within which to apply to the courts for relief; and as I understand this amendment, it merely means that the citizen shall have four years after a final decision in respect of an erroneous interpretation of the law, under which erroneous interpretation of the law the citizen was obliged to pay.

I submit that it is just, that it is right, and that it is not charged with any danger of loss to the Government.

The PRESIDING OFFICER. The question is upon agreeing to the amendment proposed by the Senator from New York.

On a division, the amendment was rejected.

Mr. SHORTRIDGE. I reserve the right to have a vote on this amendment when the bill reaches the Senate.

Mr. WILLIS. Mr. President, a little while ago the Senate adopted an amendment on page 233, and I want to call the attention of the Senator from Utah to the fact that another amendment ought to be adopted on page 275 to agree with the amendment already adopted by the Senate.

Mr. SMOOT. That is correct.

The PRESIDING OFFICER (Mr. LADD in the chair). The Secretary will state the amendment.

The READING CLERK. On page 275, after line 17, it is moved to insert a new paragraph to read as follows:

Subdivision 12 of Schedule A of Title XI (being the stamp tax on playing cards).

The amendment was agreed to.

Mr. HARRISON. Has not the Senator from Utah two amendments to offer?

Mr. SMOOT. On page 50, after the word "corporation," in line 23, I move to insert the words "or trust."

The amendment was agreed to.

Mr. SMOOT. On page 65, line 8, after the word "animals," I move to strike out the semicolon and to insert the words "or public cemetery not operated for profit," and a semicolon.

The amendment was agreed to.

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent that wherever the word "estate" appears in the features of the bill under Title III the Secretary be instructed to change it to the word "inheritance." Last night we adopted the inheritance provision by my amendment in place of the estate tax, which necessitates the change which I have suggested.

The PRESIDING OFFICER. Without objection, those changes will be made.

Mr. WALSH of Massachusetts. Are we to proceed with the consideration of amendments?

Mr. SMOOT. I would like very much to have the Senate do so.

Mr. WALSH of Massachusetts. On page 195, in the section of the bill imposing excise taxes, I move to amend by striking out in line 19 all after the word "tubes" down to and including the numeral "(2)" in line 20, the words proposed to be stricken out being "parts, or accessories for any of the articles enumerated in subdivision (1) or (2)."

Mr. KING. That would result in the loss of $21,000,000, would it not?

Mr. SMOOT. Yes; $21,000,000.

Mr. WALSH of Massachusetts. I beg the Senator's pardon. Do not jump so quickly. I am not asking for the removal of the tax on all the commodities named in the section.

Mr. SMOOT. That provision has already been agreed to, but I think the Senator reserved the right to offer the amendment in the Senate.

Mr. WALSH of Massachusetts. Yes.

Mr. SMOOT. Then I ask unanimous consent that the vote by which the amendment on page 195, beginning with line 19 and ending with line 25, be reconsidered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALSH of Massachusetts. I appreciate the courtesy of the Senator from Utah.

Mr. President, the continuance of any of the war nuisance taxes is unwise. These taxes were levied under pressure of the war when increased revenue was needed and it was deemed unwise to place greater tax burdens upon those industries producing the absolute necessaries of life. They are undeniably discriminatory because they fall only upon certain industries, but they were resorted to in an emergency when additional general tax levies would have resulted in increasing the cost of living at a time when the people's board bill had reached the high-water mark.

Now that we are engaged in making already long-delayed tax reductions, should we not begin by repealing the discriminatory taxes on those industries that were singled out to pay special taxes over and above all general levies? It seems to me that by any criterion of fair play we should proceed first to balance the ledger by repealing the excise or luxury taxes, and then make such general reductions as the condition of the public finances will permit.

Representatives of the several industries that have been paying war excise taxes have appeared before committees of Congress again and again pleading for relief. They have tried to explain to us the numerous inequalities resulting from the operation of these taxes, and I think they have shown beyond question that they are placed at a particular and well defined disadvantage in competing with industries which are not burdened by a special tax.

In many cases it has been shown that there is such a similarity between the products of two separate industries that it is difficult to tell where one leaves off and where the other begins. Yet one is specially taxed and the other is not. So great is the similarity of the products that it would be practically impossible to differentiate in the collection of the tax if it were not for the fact that it is collected at the source. For instance, in the collection of the tax on candy, it would be impossible to differentiate between some products of a candy factory and some products of a bakery if the manufacturers were not required to account for their output, upon which calculation the tax is levied. So similar are some of these products that they can not readily be distinguished upon the shelves of the retail establishment. Can anyone deny that there is keen competition between such industries? Yet the products of one are taxed as luxuries and the products of the other are not so taxed.

Take for further illustration the jewelry industry, which is paying a 5 per cent tax on every sale from a dime watch charm to a Tiffany array. This industry is dependent upon the excess earnings of our people. It must get its share of all earnings in excess of what is diverted for the necessary expenses of living. Therefore, it must compete with a thousand and one industries putting upon the market novelties and articles of all kinds more ornamental than useful which are not specially taxed.

In the case of each commodity we find a similar situation, all of which goes to prove the contention that these special luxury taxes are unfair and unjustifiable. How can Congress arbitrarily say we refuse to repeal the tax on this or that commodity, but we will repeal or reduce certain other excise taxes? Do not all of these special luxury taxes stand on the same footing? If they are wrong in principal, as any student of economics will state that they are, then should we not proceed at once to cross them off our statute books?

Mr. President, at the present time there is a tax upon pleasure automobiles of 5 per cent. The provision of the pending bill retained that tax of 5 per cent. Under the present law there is a tax of 3 per cent on automobile trucks or commercial motor vehicles. The text of the House bill and the amendment presented by the Senate Finance Committee makes one modification in the present law in so far as it relates to automobile trucks. It provides that there shall be an exemption from the tax upon automobile trucks, of chassis sold for less than $1,000 and of automobile bodies sold for less than $200. The tax upon automobile trucks and bodies, where the chassis is sold for more than $1,000 or the body for more than $200, is 3 per cent, the modification to the present law being the exception that I have referred to.

In addition to that, under the present law there is a tax upon tires and inner tubes, parts, and accessories. That tax under the present law is 5 per cent. After a spirited debate the House reduced the tax to 2½ per cent, and the Senate Finance Committee has reported an amendment changing the language, but fixing the rate at 2½ per cent, as agreed to in the House. If I had my way and could see some way of raising the necessary revenue, I should like to remove all the tax levied upon automobiles, but such an idea is opposed largely because it has been a fruitful source of revenue. Under the tax upon pleasure automobiles, so called, the revenue amounted in the last year to about $90,000,000. The tax upon automobile trucks yielded about $10,000,000. The tax upon tubes, tires, parts, and accessories brought about $40,000,000.

Mr. SMOOT. Forty-two million dollars.

Mr. WALSH of Massachusetts. I thank the Senator. The reduction of the tax upon tubes, tires, parts, and accessories from 5 to 2½ per cent will reduce the revenues about $21,000,000.

I do not know whether Senators appreciate just to what extent we have been taxing the automobile. I doubt if we appreciate that the farmer who buys a Ford automobile at $500 must pay a tax of $25. I do not think we realize that the farmer who buys a truck where the chassis is sold for $1,000 but the body of the truck is sold for $400 or $500 must pay a tax of 3 per cent upon that body. I think that we might well have found some way to remove this burdensome tax imposed during the war upon automobiles and trucks that were not excessively high priced. Upon the automobile that is necessary to-day for the business man, for the farmer, for the professional man, we ought not to impose this heavy tax. In fact, one of the objections to this revenue bill is that we have not found a way to eliminate the nuisance taxes that were imposed during the war to raise revenue for war purposes.

Now, upon what have we reduced the taxes? I am going to read a list of the nuisance taxes that have been very properly abolished or removed by the House and by the Senate Finance Committee. They include the tax upon telephone and telegraph messages, the tax upon candy and soft drinks, the tax upon admissions to theaters where the admission is less than 50 cents, the tax upon hunting boots, the tax upon yachts and motor boats, the tax upon hunting and shooting garments, the tax upon livery and livery boots, and the tax upon brass knuckles.

We have removed the tax upon all of those articles, some of which are considered to be luxuries, and we have retained the tax upon the automobile of the clerks, salaried men, and the truck of the farmer. We have retained the tax on the parts sold by the garage and auto-supply dealer to the owner.

Mr. DIAL. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from South Carolina.

Mr. DIAL. While we were taking the tax off of yachts, livery boots, and brass knucks, would it not have been well to leave the tax off of the poor fellow who has to borrow a little money at the bank and put a stamp on his note? There is no luxury about that. That is a necessity.

Mr. WALSH of Massachusetts. The Senator refers to the tax upon promissory notes?

Mr. DIAL. Yes.

Mr. WALSH of Massachusetts. I personally feel that the majority made a mistake in not finding, first of all, some way to eliminate the nuisance taxes. It would have been better to remove the nuisance taxes and then make as much of a reduction as possible in the income taxes.

Mr. DIAL. I agree with the Senator entirely. In my State we have to put a stamp on notes under the State law, so it is a double nuisance. I should like to move to reconsider the action of the Senate by which that provision was agreed to, or move that it be stricken out entirely. I hope the Senator will be considering that plan. We only raise $2,150,000 by it anyway, and there is no institution in the world that does so much accommodating work as the small bank in a country town. Of course the tax is passed on to the poor borrower anyway. I hope we can find some means of eliminating it.

Mr. WALSH of Massachusetts. Whatever may be said in favor of the tax upon pleasure automobiles and commercial motor vehicles, I do not believe that any sound argument can be made in favor of retaining a tax upon tires, tubes, parts, and accessories to automobiles. I can understand how in desperation the Government may insist upon retaining its tax upon pleasure automobiles and perhaps upon commercial vehicles, but how it can justify a tax upon tires and tubes and parts is beyond my comprehension. Every owner of automobiles and trucks and every garage in the land protests this tax. Why do you not put taxes on the parts of watches, clocks, pianos, wagons, and other vehicles. You might just as well put a tax on wagon wheels, rims, and wagon springs.

It is estimated at $21,000,000 would be raised by this paragraph as reported by the committee. How would that sum be raised? I call the attention of the junior Senator from Utah [Mr. KING] to the situation. It would be raised largely through the tax upon tires and tubes. I have not asked to

strike that out. I ought to move to strike out the whole paragraph, for it is an unfair tax.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. Certainly.

Mr. KING. In every argument that may be made by my able friend in favor of the removal of the excise taxes I heartily concur. May I say to the Senator that early in the session I offered a bill to strike out not only the provisions in the law to which the Senator is now referring but substantially all the excise taxes and stamp taxes. I should be very glad if that could be done.

Mr. WALSH of Massachusetts. I appreciate that the Senator feels, as a member of the committee, as I feel—that the majority have a right to outline the general scheme of raising the necessary revenue and that we ought only to protest against those particular items that seem to us to be very unfair and to work an injustice.

Mr. KING. I think I would even go a little further than that. While I am partisan at times, I feel that where we are addressing ourselves to a question as broad as the question of taxation there ought not to be so much partisanship. The question is how we can raise sufficient revenue to run the Government when it is run in an efficient and economic way and upon what object or subject shall we place the burden of taxation.

Upon what objects or subjects shall we place the burden of taxation? We should levy taxes upon those who are best able to pay them. Obviously, when we have to raise $4,000,000,000 or more—and we are going to have a deficit under this bill of at least from two hundred to four hundred million dollars—we have to press down the burden of taxation upon some subjects which we do not wish to tax. I offered an amendment proposing to take off the taxes from telephone messages and telegrams, and yet when I found that the tax raised more than $34,000,000 and that we were striking off taxes from many other articles and that there was going to be a large deficit, I felt constrained to vote against my own amendment.

Mr. WALSH of Massachusetts. I agree in part with what the Senator has said in so far as it applies to automobiles; but what can he say to a duplicate tax? It may be all right under present revenue conditions to put a tax upon a man when he buys his automobile or his truck; but when he goes back to buy tires and to buy tubes and to buy parts and to buy accessories—whatever that may mean—we are imposing upon him a duplicate tax, a nuisance tax, and a misfortune tax. Whenever the automobile owner has the misfortune to have an accident, and has to buy any parts whatever for his machine in order to repair it, he is met with a tax.

Is it a light tax? A tax upon a complete set of tires is estimated to amount to from $2.50 to $20. That is a pretty severe tax. If a man wants to buy four tires for his machine, he has to pay as high a tax, possibly, as $20.

I have not asked that the tax upon tires and tubes be removed, but I do ask that the tax be removed upon parts and accessories. What are parts? A spring, a light, a gauge, a spark plug, a motor, a radiator. Anyone who has the misfortune to have to repair his machine, upon which he has paid a tax, must pay another tax.

Mr. BAYARD. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Delaware.

Mr. BAYARD. May I suggest to the Senator this thought? By reason of this tax the farmer in his penury is compelled to wear these parts to the uttermost limit, with the result that he himself and his family are continually in grave danger of life and limb because he can not afford to renew the parts of his machine, largely on account of this tax.

Mr. WALSH of Massachusetts. I thank the Senator for his suggestion. He is quite right about the matter, too.

Who pays this tax? The tax upon automobiles and upon parts is paid by the manufacturer in the first instance, but it is passed on to the assembly man, and the assembly man passes it on to the purchaser. When, however, we come to tires, tubes, and parts and accessories, the manufacturer pays the tax originally, but the jobber or the retailer has to pay that tax added to the price of his tubes and his tires and his parts, and the customer beyond him has to pay it, too, when it has been pyramided. It is absurd, it seems to me, to continue in this bill a provision for a tax upon parts and accessories. First of all it is a nuisance to the Government to administer and collect it. What is a part? What is an accessory? Just imagine levying taxes upon spark plugs, upon the clock that is attached to an automobile, upon the radiator, upon the speedometer and the springs, upon any part that it is necessary to have for the repair of a machine that may have broken down.

I have not had a chance to talk with the Senator from Utah about this matter, but I hope that he feels about it as I do. The experts in the Treasury consider that the important part of the tax in this provision is that on tires and tubes. The $21,000,000 that the Treasury will get will come largely from the tax on tires and tubes. I am constrained reluctantly to agree that that tax shall remain in the bill, for I think it ought to go out; but I do insist that the tax on the parts that a man has to buy when his machine is out of order and broken down and the tax on accessories, so called, should be removed from the bill.

I am also informed that the amount of revenue which will be raised from parts and accessories will be very limited, that it will be only a very small portion of the $21,000,000, and that an exemption from the tax will save the automobile trade a great deal of expense and trouble and will certainly be of benefit to those who have to purchase the small parts which are used in repairing automobiles.

Mr. KING. Mr. President, may I ask the Senator from Massachusetts a question?

Mr. WALSH of Massachusetts. Yes.

Mr. KING. I desire to see if I understand what would be the effect of the Senator's amendment, if adopted. Is the amendment on line 14, page 195?

Mr. WALSH of Massachusetts. No; it is on line 19, page 195, where I have moved to strike out the words—

parts or accessories for any of the articles enumerated in subdivision (1) or (2),

Mr. KING. I thought the Senator's amendment related to subdivision (2).

Mr. WALSH of Massachusetts. No.

Mr. KING. If it did, then the words "parts and accessories" refer to those that were a part of the machine itself at the time of the original purchase or original sale.

Mr. WALSH of Massachusetts. It might be interesting in this connection for me to show that there is not any industry in the country paying higher taxes than the automobile industry, and I am sure the Senator from Michigan is well aware of that fact. The 15,000,000 automobiles and trucks pay in taxes of various kinds—Federal, State, city, county, and municipal—approximately $1,250,000,000. It is the most highly taxed commodity which is used by human beings. We have even gone so far as to put this nuisance tax upon the parts and accessories which are used in repairing trucks and automobiles.

If the Senator from Utah will agree to accept the amendment eliminating the tax on parts and accessories, I will not press my amendment to strike out the tax on tubes and tires.

Mr. SMOOT. I wish that I could accept the amendment, but we have got to raise some revenue, and I know of no place where it can be raised better and the tax is imposed on those who can best afford to pay it. I shall want a vote on the amendment.

Mr. WALSH of Massachusetts. Does the Senator understand the purport of my amendment?

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. Does he understand that I am only seeking to remove the tax on parts and accessories?

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. And allowing the tax on tubes and tires to stay in the bill?

Mr. SMOOT. I am perfectly willing to let them all go out, if the Senator desires to destroy the bill entirely. If there is no desire to raise revenue, let them go out hide, hair, and everything at once.

Mr. WALSH of Massachusetts. I hope the Senator will not get discouraged.

Mr. SMOOT. I am not discouraged; I am merely telling the Senator what is happening.

Mr. WALSH of Massachusetts. There are some things left in the Senator's bill. Much that has gone out was discriminatory and not in the general public interest.

Mr. SMOOT. There are very few, I will say to the Senator.

Mr. WALSH of Massachusetts. This is a Government by majorities, fortunately. Tax bills can not be made by any group of taxpayers.

Mr. FLETCHER. Mr. President, may I inquire of the Senator how many income-tax payers there are? The number is about 6,000,000, is it not?

Mr. SMOOT. There are not that many now; the number is between 5,000,000 and 6,000,000.

Mr. FLETCHER. There are between five and six million income-tax payers, and there are about 14,000,000 automobiles.

Mr. SMOOT. Fifteen million.

Mr. WALSH of Massachusetts. Does the Senator from Utah agree that the tax imposed by this part of the clause raises comparatively little revenue, the principal revenue being derived from the tax on tires and tubes?

Mr. SMOOT. The greater part of the revenue in this paragraph is from the tax on tires and tubes, but I wish to say to the Senator that there is more profit made in parts and accessories than there is in tires and tubes or any other article about an automobile. Mr. Henry Ford could sell his automobiles at actual cost and then make all the money he ought to make, and more, out of the sale of accessories and parts.

If one should attempt to get a Ford automobile by buying separately the parts that are sold, it would cost him about as much as a Rolls-Royce. There is where Henry Ford makes his money. I should like to accept the amendment of the Senator, but I can not do so.

Mr. WALSH of Massachusetts. Mr. President, we are ready for the question.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts. [Putting the question.] By the sound the noes seem to have it.

Mr. WALSH of Massachusetts. I ask for a division.

Mr. SMOOT. Let us have the yeas and nays. Then we will know where the Senate stands. I want a record vote.

Mr. WALSH of Massachusetts. Very well. Let us have the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). Announcing the same pair that I announced earlier in the day with the Senator from Alabama [Mr. UNDERWOOD], I vote "nay."

The roll call was concluded.

Mr. SIMMONS (after having voted in the affirmative). I transfer my pair with the junior Senator from Oklahoma [Mr. HARRELD] to the junior Senator from Washington [Mr. DILL] and will let my vote stand.

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from West Virginia [Mr. ELKINS] and will vote. I vote "nay."

Mr. JONES of New Mexico (after having voted in the affirmative). I inquire if the Senator from Maine [Mr. FERNALD] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. JONES of New Mexico. I have a pair with that Senator, which I transfer to the Senator from Rhode Island [Mr. GERRY], and will permit my vote to stand.

The result was announced—yeas 31, nays 44, as follows:

YEAS—31

Ashurst	Harrison	Neely	Simmons
Bayard	Heflin	Overman	Stephens
Broussard	Johnson, Minn.	Pittman	Swanson
Capper	Jones, N. Mex.	Ralston	Trammell
Copeland	Kendrick	Ransdell	Walsh, Mass.
Edge	McKellar	Robinson	Walsh, Mont.
Ferris	McNary	Sheppard	Wheeler
Harris	Mayfield	Shields	

NAYS—44

Adams	Ernst	King	Reed, Pa.
Ball	Fess	Ladd	Shipstead
Brandegee	Fletcher	Lodge	Smith
Brookhart	Frazier	McKinley	Smoot
Bursum	George	McLean	Spencer
Cameron	Glass	Moses	Stanfield
Caraway	Gooding	Norris	Sterling
Colt	Hale	Oddie	Wadsworth
Cummins	Howell	Pepper	Warren
Curtis	Jones, Wash.	Phipps	Watson
Dale	Keyes	Reed, Mo.	Willis

NOT VOTING—21

Borah	Elkins	La Follette	Stanley
Bruce	Fernald	Lenroot	Underwood
Couzens	Gerry	McCormick	Weller
Dial	Greene	Norbeck	
Dill	Harreld	Owen	
Edwards	Johnson, Calif.	Shortridge	

So the amendment of Mr. WALSH of Massachusetts was rejected.

Mr. SMOOT. Mr. President, I submit the unanimous-consent agreement which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The Senator from Utah presents a request for unanimous consent, which will be stated.

The reading clerk read as follows:

It is agreed by unanimous consent that on the calendar day of May 9, 1924, after the hour of 3 o'clock p. m. on said calendar day, no Senator shall speak more than once or longer than five minutes upon the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, or more than once or longer than 10 minutes upon any amendment offered thereto up to the hour of 5 o'clock p. m. on said calendar day, and thereafter the Senate will proceed to vote upon all amendments pending, amendments that may be offered, and upon the bill (H. R. 6715) without further debate through the regular parliamentary stages to its final disposition. And, further, that upon the convening of the Senate on Saturday, May 10, 1924, the Senate will proceed to the consideration of the President's veto on S. 5, a bill granting pensions, etc.

The PRESIDENT pro tempore. Is there objection to the request?

Mr. KING. Mr. President, may I ask my colleague why he attaches to the proposed agreement the provision in regard to the pension bill?

Mr. SMOOT. I think the Senate desires to take up that bill immediately upon the passage of this bill, at least; and I will say further to my colleague that I agreed to-day that as far as I was concerned the bill could be taken up to-morrow. This agreement puts it off until Saturday.

Mr. WADSWORTH. Mr. President, the portion of the proposed unanimous-consent agreement which has to do with the consideration of the veto message is the part that particularly interests me, on account of the fact that not only is the appropriation bill for the support of the State Department and the Commerce Department still pending here, but also the War Department appropriation bill. It is on the calendar, and has been there for three weeks. I should prefer, if it is agreeable to the Senator from Washington [Mr. JONES] and to the Senator from Utah [Mr. SMOOT], that the Senate proceed to the consideration of either one of those appropriation bills, with the understanding that if we once get either of them before the Senate as the unfinished business we can temporarily lay it aside for the consideration of the veto message.

Mr. SMOOT. I want to say to the Senator that as far as I am concerned I am against the bill that is the subject of the veto message, but I will vote to take it up immediately after the passage of this bill. I think it is a privileged question, and I think we ought to dispose of it; and if this unanimous-consent agreement is made now I want to say that no matter whether I intend to vote against the bill or not, which I intend to do, I shall vote to take it up if the question is presented after this bill is passed, and I shall vote against taking it up before the bill is passed.

Mr. WADSWORTH. Mr. President, may I ask another question of the Senator? Assuming that we finish the consideration of the revenue bill before the dinner hour or the supper hour to-morrow evening——

Mr. SMOOT. We can not do that.

Mr. WADSWORTH. Is the Senator certain?

Mr. SMOOT. I am quite sure.

Mr. WADSWORTH. The Senator proposes a limitation on debate, beginning at 3 o'clock to-morrow, does he not?

Mr. SMOOT. Yes.

Mr. McKELLAR. Five o'clock.

Mr. SMOOT. The limitation begins at 3 o'clock.

Mr. ASHURST. Mr. President, to settle the matter, I object.

Mr. SIMMONS. I hope the Senator from Arizona will not do that.

Mr. ASHURST. I do not know what it was, but I wanted to make the Senators speak a little louder.

Mr. ROBINSON. Mr. President, a number of Senators on both sides of the Chamber have engagements which contemplate that they shall leave the city. This arrangement is agreeable to most of us on this side, and I hope it may be entered into. It affords, apparently, ample opportunity for debate upon important amendments that may hereafter be presented, and it gives assurance that a final vote on the revenue bill may be had to-morrow. If this arrangement is not entered into, it is exceedingly difficult to anticipate when a final vote may be reached, and it will be very inconvenient to a number of Senators on both sides of the Chamber. If the arrangement is effected, a final vote will be had, as I have already stated, on to-morrow; all debate will terminate at 5 o'clock, and the conclusion of the subject may be reached within an hour or two after that time.

Mr. SIMMONS. Mr. President, I want to add to what the Senator from Arkansas has said——

The PRESIDENT pro tempore. The Chair desires to suggest that he is of the opinion that this unanimous-consent proposal can not be submitted without a roll call.

SEVERAL SENATORS. We have just had one.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. SMOOT. Certainly.

Mr. NORRIS. I want to suggest, as I have done before, that a unanimous-consent agreement, especially on a bill of this importance, that at a certain time the debate shall entirely cease and we shall vote on everything that may be offered without debate is, to say the least, a very loose and very slipshod way of legislating, and unsatisfactory to everybody, because we have found from experience that at that time there may be a dozen amendments offered. No Senator knows the importance of them. He will have to listen to the reading of them and vote on them without explanation, without being able to ask a question about them.

If the Senator would submit a request that commencing right now, as far as I am concerned, the speeches on any amendment suggested should be limited to five minutes, even, I should be glad to agree to that; but we know what has happened in the past. A dozen amendments, on which Senators are compelled to vote without an opportunity even to read them, are offered. We have to listen to the reading of the amendments by the Clerk. The disorder in the Chamber makes it impossible to hear them, often; and if they can not be explained it is not just to a proper amendment, and it is not fair to the Senators who may be compelled to vote unintelligently upon amendments that they ought to have a few minutes, at least, to consider.

Mr. ROBINSON. May I suggest to the Senator from Utah that in all probability the modification which the Senator from Nebraska suggests, if made effective beginning to-morrow, would work out a final conclusion of the bill even before the hour of 5 o'clock.

Mr. NORRIS. I think it would.

Mr. SMOOT. Mr. President, I want to say to the Senator that there is a feeling here that we can not proceed with the voting earlier than some time between 3 and 5 o'clock on the amendments offered with the present limitation, and we may want to vote even before 5 o'clock upon the bill.

Mr. NORRIS. If the Senator would submit the unanimous-consent agreement that I have suggested, that we shall commence to-morrow at the convening of the Senate to limit all speeches to five minutes——

Mr. SMOOT. I can not do that, because the Senator from South Dakota [Mr. NORBECK] wants to offer an amendment, and he is entitled to speak upon the amendment.

Mr. NORRIS. There will be a dozen others who will want to speak on it.

Mr. McKELLAR. I hope the Senator will accept the suggestion of the Senator from Nebraska. I believe we will get through just as quickly as the other way.

Mr. HARRISON. Why can we not proceed and get through to-night?

Mr. SMOOT. It is impossible to do that, unless we stay here all night.

Mr. SWANSON. Let us go on until 10 or 11 o'clock.

Mr. SMOOT. I think it will be all right to take up all the small amendments to-night and dispose of them. Between 3 o'clock and 5 o'clock, as provided in the proposed agreement, these amendments can certainly be taken care of. I hope the Senator from Nebraska, under the conditions, will not object.

Mr. NORRIS. I do not want to prevent anybody from offering an amendment. I may perhaps want to offer a substitute for the entire bill myself.

Mr. SMOOT. The Senator will have four hours in which to do it.

Mr. NORRIS. Perhaps somebody else will take up the four hours; and if I took the four hours, it would not be just to others. We ought to have a day or two of debate on that.

Mr. SWANSON. Is the Senator contemplating an adjournment or recess as soon as the agreement is made?

Mr. SMOOT. If we can make this agreement to-night I think there are a lot of minor amendments which Senators want to offer upon which there is no earthly need for a yea-and-nay vote, which we can dispense of.

Mr. SWANSON. If we have a night session we ought to have a night session. If we are not going to have a night session, there is no use going on until 8 o'clock and adjourning. Everybody breaks his engagements when there is a threat of night sessions. We come here and we do not have them. We run along until 8 or half past 8, and then adjourn. If we are to have night sessions, let us have them, and if we are not, let us adjourn at 6 or 7 o'clock. It seems to me that we could enter into this agreement and proceed under the five-minute rule until 11 o'clock. I have canceled all my engagements to-night to come here for a night session.

Mr. SMOOT. We can go right on with the amendments. I think there will be no record votes, and we can get rid of them in an hour. Does the Senator from Arizona object?

Mr. ASHURST. Mr. President, I was utterly unable to hear what was going on, and in order that I might call attention to some Senators who were standing up, I objected. If I had known what it was I would have objected more strongly than I did. I have no desire to throw a monkey wrench into the machinery, but I was not born yesterday. Over and over again we have seen the Senate considering a bill of vital importance and we have agreed to stop debate at a certain hour. It is after that hour, when debate and all opportunity to explain an amendment has gone, that the vital amendments are proposed.

I wish the bill could be voted on to-night or to-morrow. If the Senator from Utah will modify his request so that it will provide that we shall have a night session to-night, and work until 11 o'clock, and beginning now that all debate on the bill and amendments thereto shall be limited to five minutes, I would be happy, and would not object.

Let us recount the situation. Night after night we are told there is to be a night session. We telephone our houses that we will not be home, and about the time we ought to be there the Senate adjourns. If the Senator from Utah will include in his agreement that we shall work to-night until 11 o'clock and that from this hour all debate on the bill and amendments shall be limited to three or five minutes, I shall have no objection. But I am not going to tie my hands, and be a party to tying the Senate up, so that I am obliged to sit here like a mute automaton and vote upon something I do not know anything about.

The PRESIDENT pro tempore. The Chair understands that objection will be made, and therefore it is unnecessary to call the roll as provided in paragraph 3 of Rule XII.

Mr. NORBECK. Mr. President, I want to state, for the information of the Senate, that I intend to offer to-morrow as an amendment to this revenue bill one of the so-called agricultural relief bills. I feel that this will probably be the only chance in the Senate to discuss agricultural relief at the present session. I have in mind the so-called Haugen-McNary bill.

My attention has been called to the fact that it can not properly be brought up in the Senate as a separate measure, that it will be subject to a point of order because it is a bill for raising revenue, so that the only way to bring it up for consideration will be in connection with another revenue bill, and I have therefore had it printed as an amendment to this bill.

I shall want at least half an hour to speak on the question myself, and I think many other Senators will want to go into that matter quite thoroughly, because to-morrow may be the only chance to seriously consider that bill.

Mr. COPELAND. Mr. President, is it in order now to present an amendment to the bill?

The PRESIDENT pro tempore. The Chair understands that there is no amendment pending.

Mr. COPELAND. I desire to propose an amendment to section 214.

The PRESIDENT pro tempore. The Secretary will report the amendment offered by the Senator from New York.

The READING CLERK. On page 53, after line 2, the Senator from New York proposes to insert the following:

> 11. To provide for deduction for doctor bills, nurse bills, hospital bills, and drugs prescribed for remedial purposes.

Mr. COPELAND. Mr. President, I observe that section 214 is devoted to deductions allowed individuals, and I find that deductions are permitted for all ordinary and necessary expenses incurred in carrying on any trade or business; for all interest paid; for losses sustained during the taxable year not compensated for by insurance; for losses sustained if arising from fires, storms, shipwreck, or other casualty, or from theft. It seems to me it is just as logical and proper that losses sustained through illness should be made a proper deduction from the tax list.

A young man, perhaps a newspaper man, whose income is four or five thousand dollars a year, may have a sick wife, and through the payment of doctor bills and nurse bills and hospital bills and bills for medicine practically his entire salary may

be taken up. So I feel that it is a proper deduction to make, and I hope the Senate may take a similar view.

Mr. SMOOT. Mr. President, I can not believe that the Senator is really in earnest in this matter. Why not have the deduction for payment of an attorney? Sometimes they are as expensive as a doctor, but not generally.

Mr. COPELAND. That is included.

Mr. SMOOT. Oh, no.

Mr. COPELAND. It says "or other casualty."

Mr. SMOOT. Is that a casualty? I think both of them would be casualties then. It may be true that the doctors of this country have come to the conclusion that they will take out of every man who earns $5,000 the whole of his income; but I do not think we ought to encourage that.

Mr. COPELAND. Mr. President, this has not anything to do with the doctor.

Mr. SMOOT. Oh, no. It will allow the doctor to charge a little more.

Mr. COPELAND. This is to give some relief to the layman, and Heaven knows he needs it.

Mr. SMOOT. He needs it, and he needs help from the doctors, too, I will say to the Senator.

Mr. COPELAND. I can not see how it can possibly benefit the doctor.

Mr. SMOOT. It will only allow the doctor to charge more. The Senator admits they take about all people make, anyhow, and whatever exemption we give, of course, the doctor can charge that much more.

Mr. COPELAND. Mr. President, let me ask the Senator from Utah, why do you on page 49, in subdivision 6, permit a loss sustained from fire, or storm, or shipwreck, or from theft?

Mr. SMOOT. That is a casualty.

Mr. COPELAND. Is not sickness a casualty?

Mr. SMOOT. It is not a casualty in the shape of destruction of property.

Mr. COPELAND. I assume the Senator considers it to be an act of God.

Mr. SMOOT. Property is what we are legislating about.

Mr. COPELAND. The Senator considers it to be an act of Providence?

Mr. SMOOT. No; I think sickness generally comes from the act of the man himself. I do not think God has very much to do with it.

Mr. COPELAND. Does the Senator think He has to do with storms and fire? They might come from man's own carelessness?

Mr. SMOOT. I think He has something to do with storms.

Mr. COPELAND. Mr. President, it would be interesting to continue the discussion—I should like to continue it, if we had more time—but I believe that it will appeal to anyone who has a knowledge of the burden which the doctor bill and the hospital bill and the nurse bill and the drugs bill make upon any family.

Mr. SMOOT. Nobody knows it any better than the Senator from Utah.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York [Mr. COPELAND].

The amendment was rejected.

Mr. McKELLAR. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. Before that amendment is taken up the Chair desires to state that the vote by which the amendment offered by the Senator from Massachusetts on page 195 was agreed to was reconsidered in order to permit the Senator from Massachusetts to offer an amendment to a certain part of his amendment, and the amendment to the amendment was rejected; and now the question is upon agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from Tennessee.

The READING CLERK. On page 245, after line 21, the Senator from Tennessee moves to insert:

SEC. —. That whenever there has been an examination of the books and accounts of any taxpayer by a field agent of the Treasury Department and there has been an audit of the taxpayer's returns based on the said field agent's report and approved by the commissioner, and the taxpayer has paid any additional taxes found, or received any refund allowed, the case shall be closed, and can not again be reopened after a period of two years.

Mr. McKELLAR. The provision just preceding, on page 245, reads as follows:

SEC. 1105. No taxpayer shall be subjected to unnecessary examinations or investigations, and only one inspection of a taxpayer's books of account shall be made for each taxable year unless the taxpayer requests otherwise or unless the commissioner, after investigation, notifies the taxpayer in writing that an additional inspection is necessary.

All that the amendment which I have offered does is to provide that after an examination by the field accountants, and after there has been an audit and final action is taken, in two years thereafter the matter shall be finally closed.

As the Senator from Virginia [Mr. GLASS], former Secretary of the Treasury, well said to-day, one of the most unpopular attributes, if I may call it that, of any tax measure is the attribute that the taxpayer never knows when he is through. My amendment permits the taxpayer to know that he will have finished in two years after his last settlement, and that is absolutely fair. The taxpayer ought to have that assurance. He ought not to be constantly menaced with opening and reopening of tax matters. Surely two years after final settlement, in which he may be paid a refund or may receive an abatement, or may have to pay an additional tax, is sufficient. All the amendment does is to make it final after two years.

Mr. KING. Mr. President, will the Senator yield?

Mr. McKELLAR. Certainly.

Mr. KING. Is the amendment to be retroactive?

Mr. McKELLAR. Not at all.

Mr. KING. It is to be in futuro?

Mr. McKELLAR. Yes.

Mr. KING. Does it affect cases that are still unsettled; the Senator knows there were something like 5,000 cases in 1917, six or seven times that number in 1918 and increasingly more later, and there have been attempts at settlement; and doubtless the books have been closed in some cases.

Mr. McKELLAR. Only where there has been a final settlement and the taxpayer has been paid a refund or has paid an additional tax and all matters settled between the taxpayer and the Government. I say that two years is long enough for that kind of a settlement to exist, when the Government should be barred.

Mr. SWANSON. Does the Senator make any exceptions for fraudulent cases?

Mr. McKELLAR. There is another provision in the bill taking care of that, or I would be willing to accept that suggestion.

Mr. SWANSON. There should be no limitation upon fraud.

Mr. McKELLAR. No; there ought not to be.

Mr. SMOOT. That is what the Senator's amendment provides.

Mr. McKELLAR. I will add to the bill language to cover that. I ask permission to perfect my amendment by adding the words "except in cases of fraud." Will the Senator from Utah accept the amendment with that modification?

Mr. SMOOT. There is no necessity for the amendment. I will read the provision in the bill covering it.

Mr. McKELLAR. I have read the provision to which the Senator refers, but it does not mean what my amendment means.

Mr. SMOOT. It means all that the Government ought to be called upon to permit.

Mr. McKELLAR. Oh, no; a taxpayer never knows when he gets through. A corporation or individual doing business may have settled his taxes for five years previously, but he does not know when some inspector or accountant for the Government is going to come back to reassess him for taxes five years previously. There ought to be some limitation. It is unfair to the taxpayer as it now stands. It is not provided for in the succeeding section, section 1106, to which the Senator from Utah refers.

Mr. SMOOT. Mr. President, I desire to offer again the unanimous-consent agreement which I send to the desk.

The PRESIDENT pro tempore. The Chair will ask the Senator from Tennessee if he yields for that purpose?

Mr. McKELLAR. Indeed, I do. I am perfectly willing to do anything to expedite an agreement to vote on the bill.

The PRESIDENT pro tempore. The Senator from Utah presents a request for unanimous consent, which will be read.

The reading clerk read as follows:

It is agreed by unanimous consent that on the calendar day of May 9, 1924, after the hour of 3 o'clock p. m. on said calendar day, no Senator shall speak more than once or longer than five minutes upon the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, or more than once or longer than 10 minutes upon any amendment offered thereto up to the hour of 5 o'clock p. m. on said calendar day, and thereafter the Senate will proceed to vote upon all amendments pending, amendments that may be

offered, and upon the bill (H. R. 6715) without further debate through the regular parliamentary stages to its final disposition; and, further, that upon the convening of the Senate on Saturday, May 10, 1924, the Senate will proceed to the consideration of the President's veto of Senate bill 5, granting pensions, etc.

The PRESIDENT pro tempore. The Secretary will call the roll to ascertain if a quorum is present.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Fess	McKellar	Sheppard
Ashurst	Fletcher	McKinley	Shields
Ball	Frazier	McLean	Shipstead
Bayard	George	McNary	Shortridge
Brandegee	Gerry	Mayfield	Simmons
Brookhart	Glass	Moses	Smith
Broussard	Gooding	Neely	Smoot
Bursum	Hale	Norbeck	Spencer
Cameron	Harris	Norris	Stanfield
Capper	Harrison	Oddie	Stephens
Caraway	Heflin	Overman	Swanson
Copeland	Howell	Pepper	Trammell
Cummins	Johnson, Minn.	Phipps	Wadsworth
Curtis	Jones, N. Mex.	Pittman	Walsh, Mass.
Dale	Jones, Wash.	Ralston	Walsh, Mont.
Dial	Keyes	Ransdell	Warren
Edge	King	Reed, Mo.	Watson
Ernst	Ladd	Reed, Pa.	Wheeler
Ferris	Lodge	Robinson	Willis

The PRESIDENT pro tempore. Seventy-six Senators have answered to their names. A quorum is present. The Secretary will read the proposed unanimous-consent agreement, submitted by the Senator from Utah [Mr. SMOOT].

The reading clerk read as follows:

It is agreed by unanimous consent that on the calendar day of May 9, 1924, after the hour of 3 o'clock p. m. on said calendar day, no Senator shall speak more than once nor longer than five minutes upon the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, or more than once or longer than 10 minutes upon any amendment offered thereto, up to the hour of 5 o'clock p. m. on said calendar day, and thereafter the Senate will proceed to vote upon all amendments pending and amendments that may be offered and upon the bill (H. R. 6715) without further debate through the regular parliamentary stages to its final disposition; and, further, that upon the convening of the Senate on Saturday, May 10, 1924, the Senate will proceed to the consideration of the President's veto of Senate bill 5, granting pensions, etc.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent agreement?

Mr. NORRIS. The Senator from South Dakota [Mr. NORBECK] may have something to say about it.

Mr. NORBECK. I simply want to serve notice on the Senate that it is to be understood that this is our only chance to pass the McNary-Haugen bill unless it is first passed through the House and comes over here in that way. A point of order would lie against it as an amendment to an appropriation bill; but no point of order will lie against it as an amendment to the pending bill, which is the revenue bill.

Mr. NORRIS. That being true, it would be perfect folly, it seems to me, and it would not be fair to the McNary-Haugen bill to agree to this unanimous-consent request and undertake later to pass that bill, which is as important as the revenue bill itself.

Moreover, I want to say that the minority members of the Committee on Agriculture and Forestry decided and asked me, when the McNary-Haugen bill came up, to offer the so-called Norris-Sinclair bill as a substitute for it. I feel that if we are going to take up the McNary-Haugen bill even as an amendment to the revenue bill, it would be my duty to do that. I realize that that is not the right way to discuss the bill. We ought to have several days of discussion upon it. Everybody concedes that. But not being able to have several days of discussion, it means that any farm legislation will be defeated if we are going to limit debate to speeches of a few minutes.

On the other hand, I realize what the Senator from South Dakota has said, that to get the McNary-Haugen bill up at all he must either wait until it passes the House and comes here, which is the way we ought to do the business, or he must offer it as an amendment to the revenue bill. I am not finding fault with him. He does not want to take it up in that way. He wants to take it up in a regular way. If those who are controlling legislation—not here alone, as it would require action by the House—want to get the measure up in the right way, and we could be assured that the McNary-Haugen bill, for instance, would be acted on in some way by the House, so that it would come up in the regular way here, there would not be any disposition to take the course the Senator from South Dakota is compelled to take.

Mr. REED of Missouri. Mr. President——

Mr. NORRIS. I yield to the Senator from Missouri.

Mr. REED of Missouri. Of course, we can not control the action of the other House.

Mr. NORRIS. I realize that.

Mr. REED of Missouri. Of course the Senator knows that. Now, what is the obstacle in the way of bringing up the McNary-Haugen bill in regular course here? The bill was brought into the Senate some weeks ago, at least a number of days ago, and was by the friends of the measure sent back to the committee. The particular advocates of the bill took that course. They did it for reasons which they thought were good. I understood they themselves wanted to perfect the measure. I have seen no disposition to refuse that bill consideration.

Mr. NORRIS. If the Senator from Missouri had heard what I said, he would have understood my position. I did not offer that as my judgment; I have never considered it with that point in view; but, in my opinion, from what little I thought about it, I do not believe the objection is good. I will say to the Senator from Missouri that the reason the Senator from Oregon [Mr. MCNARY], the author of the bill, has not moved to take it up has been because he has reached the conclusion—and he has done that, I am informed, after talking with a good many of the parliamentarians of the body—that the bill would be subject to a point of order because it contains revenue provisions, and that it would be unconstitutional to consider it here until the House has first considered it. That is the proposition with which the advocates of the bill are face to face.

Mr. FLETCHER. Is it not well known that it is on the program in the House; that it is one of the preferred measures which are to be taken up in that body?

Mr. NORRIS. I do not know.

Mr. FLETCHER. I understand that to be the case.

Mr. NORRIS. I understand it is on the calendar of the House.

Mr. FLETCHER. It is on the program to be taken up in the other House.

Mr. NORRIS. I do not think anybody realizes more fully than do I, and I think everybody else must, that to take the bill up in the way which the Senator from South Dakota proposes to take it up would be unfair to the bill itself, and yet if the friends of the bill have the right idea, and Congress is going to adjourn about the 1st of June, they have reason to believe that on the pending measure would be the only opportunity they will have to take it up.

Mr. REED of Missouri. Mr. President, I know a number of the Senators who earnestly desire to cooperate in any manner that will afford some relief to farmers. I am one of those Senators. I would not think of supporting that bill—I may not support it anyway; I want to study it; but I say my objective is the same objective the Senator from South Dakota has; I should like to do something for the farmer—but I would not vote for that bill added on to the pending bill.

Mr. NORRIS. As I said a few moments ago, in my opinion the McNary-Haugen bill will not get the support of its own friends entirely if it shall be offered as an amendment to the pending bill, because it must be admitted that that is not the right way to legislate.

Mr. REED of Missouri. I have another reason for my position. It is whispered about that the revenue measure we are now considering is likely to be vetoed. It is also whispered about that the McNary-Haugen bill or any similar bill is also likely to be vetoed. Of course, I do not speak for the President; I simply repeat what is common talk. If we add both of these measures together and send them to the White House, I feel perfectly sure both of them will be vetoed, and we should imperil both bills by sending them there at one time. I think it would be the part of unwisdom by those who are in favor of farm legislation to try to attach it as a rider to the pending measure.

Mr. NORRIS. I agree with that proposition. In the first place, I do not believe the bill can be added to the revenue bill because a good many Senators feel as the Senator from Missouri has expressed himself—and there is ample reason for feeling that way—that it would not be the proper way to legislate. Those who want some farm legislation or feel at least that they ought to have an expression and a vote on some permanent farm legislation are worried now because it is pratically given out that Congress is going to adjourn about the 1st of June, and about the time we get through with this bill then will come up the motion to adjourn. I want to say by way of parenthesis that I advised the Senator from South Dakota not to offer this bill as an amendment to the pending measure.

I thought it would be unjust even to the bill which he favors. I do not believe it should be done. Yet it must be conceded

that, under the rules, it is in order to do it if the Senator wants to pursue that course. It must be conceded, too, that if he and the other friends of the measure are right that it would be subject to a point of order if an effort were made to consider it in the Senate before it is acted upon in the other House. Then, unless there can be an understanding that the Senate will not adjourn until some disposition is made of farm legislation, the pending bill affords the only opportunity the Senator from South Dakota will have to get any kind of a hearing on the bill.

Mr. SMOOT. Mr. President, I rise to say to the Senator from Nebraska that I do not believe this Congress is going to adjourn without some kind of relief legislation for the farmer.

Mr. NORRIS. I wish we could have that understanding. If we could I think it would settle the entire matter.

Mr. NORBECK. Mr. President——

Mr. NORRIS. I yield to the Senator from South Dakota.

Mr. NORBECK. Mr. President, I should like to ask the parliamentarians of the Senate who have spent from 10 to 20 years here and are familiar with the practice of the Senate if they can suggest some other way in which we can get a vote on the bill in this body?

Mr. REED of Missouri. May I ask the Senator a question?

Mr. NORBECK. Yes.

Mr. REED of Missouri. The McNary-Haugen bill does not propose to raise revenue in any way, but does propose to appropriate some money?

Mr. NORBECK. The bill carries a tariff feature very much as does any other tariff bill, and I understand that there is a constitutional provision against first taking it up in the Senate except in connection with a revenue bill.

Mr. REED of Missouri. I did not understand that it carried that feature, because the bill has never been laid before the Senate formally.

Mr. NORRIS. I think the bill has been on the calendar for a good while.

Mr. REED of Missouri. I wish to say a word further, if the Senator from Nebraska will pardon me.

Mr. NORRIS. I yield to the Senator.

Mr. REED of Missouri. I am speaking now to the Senator from South Dakota. If the Senator from South Dakota has a sufficient number of votes in the Senate to pass the McNary-Haugen bill he can certainly prevent an adjournment, while if he does not have a sufficient number of votes to pass the bill, then bringing it forward will, of course, not avail much.

Mr. NORBECK. That is a good deal like saying you can lead a horse to water but you can not make him drink.

Mr. REED of Missouri. No; that is not saying that at all. If you have enough votes to pass the bill you can prevent the adjournment of the Senate until it is considered; but if, on the other hand, you do not have enough votes to prevent adjournment you probably would not have enough votes to pass the bill.

Mr. NORBECK. How will the bill get to the Senate in the first instance except it shall pass the House first. How can we get the bill before the Senate at all?

Mr. REED of Missouri. Congress can not adjourn until the Senate agrees to adjourn, and if you have a majority of the Senate in favor of your bill the Senate will refuse to adjourn until the House sends that bill over.

Mr. NORBECK. I recall very distinctly the last days of the last session when Senators here started out to whip the House into line, and most of the leaders on both sides of the Chamber said that was the wrong policy.

Mr. REED of Missouri. I am not speaking about whipping the House into line. It is a mere matter of getting that bill here.

Mr. NORBECK. The House has got to pass it before it can come over here.

Mr. REED of Missouri. That is true.

Mr. NORBECK. If they do not pass it; it can not come here, and how can we vote on it?

Mr. REED of Missouri. But you can hold Congress in session beyond the 1st of June if you have a majority. That is all that I am saying, and that is perfectly plain.

Mr. NORRIS. Of course we have no right to demand of the House that they pass a bill, and we have no right to demand even of the leaders here any agreement that we shall stay in session until we pass the bill. All we do have a right to do if we want to prevent an adjournment is to ask that action be had on it. It may be defeated in the House.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. NORRIS. Yes.

Mr. McNARY. Mr. President, in answer to the suggestion made by the Senator from Missouri, let me say that the bill contains a tariff provision whereby revenue might be collected and covered into the Treasury of the United States. Consequently, the drafting bureau and others have advised me—and I myself have looked into the matter and given it some consideration—that the first action should be taken by the House in order to conform to the requirements of the Constitution. That is the reason I have not heretofore pushed the consideration of the bill in this body.

I am in accord with the views of the Senator from Nebraska and the Senator from Missouri, namely, that the bill should come up in the ordinary way. I doubt the propriety of trying to tack it on as a rider to the pending bill. I know that riders are not popular; it is not the proper way to legislate.

Mr. NORBECK. Mr. President, will the Senator yield?

Mr. McNARY. Yes.

Mr. NORBECK. I noticed that a great many riders as to various matters were attached to the pending bill this afternoon and not one Senator in the Chamber objected to them, although some of them were very irrelevant riders. Why does it happen that farm legislation should draw all the fire?

Mr. McNARY. I appreciate the zealous interest the Senator from South Dakota has in farm legislation and I admire it very much, but I do not think, Mr. President, that this bill would get nearly so many votes as a rider or as an amendment to the pending bill as it would if it were standing on its own feet. I have not offered it as an amendment for that reason.

The situation is simply this: The House has reported favorably on this bill and it is on their calendar for action; the Senate has acted likewise. I have been informed by those in charge of the bill in the House that within a few days it will come up for consideration in the House. Consequently I was willing to wait until it should come up in the House for consideration and should be passed and should come over here for proper consideration.

The Senator from Nebraska has a bill which also has been reported, but I do not think it would be fair to consider either of these bills without the proper opportunity to discuss them. I can say to my good and distinguished friend from South Dakota that it would be impossible to consider a bill of this importance inside of four or five days. There are many features that must be explained; it is a large and comprehensive measure. I think it gives adequate relief to the farmers who have found themselves in distressed conditions, but to try to put it through under a unanimous-consent agreement such as is proposed here would render it impossible adequately to consider the bill. That is the reason I have not urged it. I shall support the amendment if offered, but I am afraid that if offered the same state of mind that the Senator from Missouri finds himself to possess would obtain generally among the Members of this body, and the bill would not receive the support it would receive if it were considered as an independent measure. For that reason I, as one very much interested in farm-relief legislation, regret that it should be proposed as an amendment to the pending bill.

Mr. WATSON. Mr. President, I want to say for the benefit of the Senator from Nebraska that at a Republican conference held during the present week it was agreed that immediately after the passage of the tax bill agricultural legislation in some form should be permitted to come before the Senate.

Mr. NORRIS. May I interrupt the Senator?

Mr. WATSON. I will yield just as soon as I make this statement. The Senator from Oregon [Mr. McNARY] in charge of the McNary bill, or its author at any rate, stated that was entirely agreeable to him and that he would be willing to permit the appropriations bills to come in from time to time, and that the McNary-Haugen bill might be made the unfinished business.

Mr. McNARY. No; I beg the Senator's pardon.

Mr. WATSON. Or some form of agricultural legislation.

Mr. NORRIS. The Senator is mistaken about that.

Mr. McNARY. Let me correct the Senator on that point.

Mr. WATSON. Wait until I finish my statement.

Mr. McNARY. I said specifically that I would not insist on this bill but on some bill having for its object general farm relief.

Mr. WATSON. Precisely, whether it be this bill or some other bill affording agricultural relief.

Mr. NORRIS. That is what I wanted to call the Senate's attention to. I said some time ago that, unless something was done by the House with the McNary bill, I was going to move to take up the so-called Norris-Sinclair bill here. I think I explained the embarrassment under which I would labor in making that motion. I did not want to be unfair to the Agri-

cultural Committee, that the Agricultural Committee had decided on the McNary-Haugen bill, although they afterwards directed me to report the other bill. The understanding was that the Senator from Oregon would take up the McNary-Haugen bill and that during the course of the debate I would offer the other bill as a substitute, so that they would both be before the Senate at one time.

Mr. ROBINSON. Mr. President——

Mr. NORRIS. I do not want to break that understanding. I do not want to do what would appear to be unfair. I could move to take up the other bill as soon as we get through with this.

Mr. ROBINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Arkansas?

Mr. NORRIS. I will yield in just a moment. It is because of the action taken by the Agricultural Committee, giving preference to the other bill, that I would be in an embarrassing position to try to shut it out. I realize, also, that those who want to take up the McNary-Haugen bill are precluded on account of no action having been taken by the House. That is the reason why I feel embarrassed in making the other motion, because I do not want to disregard what the Agricultural Committee decided should be done with these bills.

I now yield to the Senator from Arkansas.

Mr. ROBINSON. Mr. President, the Senate has now consumed approximately three-quarters of an hour in debating the proposed unanimous-consent agreement. That time might very well have been devoted to the consideration of the bill before the Senate. Progress could have been made in connection with it. If the proposed unanimous-consent agreement is to take up the remainder of the session, or a material portion of it, I suggest to the Senator who offered it that it be withdrawn.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent agreement proposed by the Senator from Utah?

Mr. ADAMS. Mr President, I want to make an inquiry with reference to the agreement, and it is this: After the hour of 5 o'clock has been reached, will it then be possible for amendments to be presented which will thereafter be voted upon without having been explained or discussed?

The PRESIDENT pro tempore. That is the understanding of the Chair.

Mr. ADAMS. It seems to me that at least there should be some provision made by which amendments which are to be proposed after the period for discussion is past shall be placed in some way upon the desks or in the hands of Senators, so that they may understand them. I have no disposition for discussion; I think there is very little advantage in most of the discussion; but, for one, I should like to have an opportunity to read the amendments which are being presented without discussion, and it seems to me that such an addition to the unanimous-consent agreement would help some and prevent some of us from being charged with passing ill-considered legislation at a time when we do not hear what is passing.

Mr. SMOOT. I will say to the Senator that I do not think there will be very many amendments offered after that time; but I am perfectly willing to modify the amendment so as to provide for five minutes' discussion of any amendment that may be offered after 5 o'clock.

The PRESIDENT pro tempore. The Chair feels that debate upon the proposed unanimous-consent agreement has proceeded as long, probably, as the rules of the Senate permit.

Mr. JONES of New Mexico. Mr. President, I should like to suggest another unanimous-consent agreement, then, that when we conclude——

The PRESIDENT pro tempore. There can not be two pending at the same time.

Mr. SMOOT. Would it satisfy the Senator to have a requirement that all amendments shall be offered by 4 o'clock? That is an hour before 5 o'clock.

Mr. ADAMS. If they are put in writing, so that they are accessible to the Senators. I am entirely willing myself to take the responsibility for what I can make out of the amendment by applying it to the tax bill before me; but when the amendment is read from the desk, amending line so-and-so, page so-and-so, by inserting this and striking out that, I can not possibly know what it means.

Mr. SMOOT. There will be no amendments offered after 4 o'clock.

Mr. JONES of New Mexico. Mr. President, let me suggest a little change. I realize the force of the suggestions made by the Senator from Colorado and the Senator from Nebraska, and I have said time and again—of course, with my fingers crossed—that I never would consent to a fixed time for voting upon a bill which required a number of amendments without an opportunity to explain the amendments; and while I am not going to object in this case, notwithstanding my predilection, I suggest that when we conclude our business to-night we meet to-morrow morning at 10 o'clock, and that we limit the debate then to the five minutes specified in the unanimous-consent agreement. I feel certain that under that limitation of debate we will be able to pass the bill to-morrow, and that all amendments will be explained.

Mr. DIAL. Mr. President, I do not like a double-barreled agreement. I want to get rid of this tax bill at the earliest possible moment. I shall be glad to agree to a five-minute rule or any other rule that will dispose of it at an early date; but I am going to object, because I can not agree to the second part of the agreement.

The PRESIDENT pro tempore. The Senator from South Carolina objects. The question is upon the amendment offered by the Senator from Tennessee [Mr. MCKELLAR].

Mr. SMOOT. Mr. President, I simply want to say to the Senate and also to the Senator from Tennessee that the substance of his amendment is all found in section 1106, which reads as follows——

Mr. WALSH of Montana. What is the page, please?

Mr. SMOOT. Page 245.

> If after a determination and assessment in any case the taxpayer has paid in whole any tax or penalty or accepted any abatement, credit or refund based on such determination and assessment, and an agreement is made in writing between the taxpayer and the commissioner, with the approval of the Secretary, that such determination and assessment shall be final and conclusive, then (except upon a showing of fraud or malfeasance or misrepresentation of fact materially affecting the determination or assessment thus made) (1) the case shall not be reopened or the determination and assessment modified by any officer, employee, or agent of the United States; and (2) no suit, action, or proceeding to annul, modify, or set aside such determination or assessment shall be entertained by any court of the United States.

Mr. McKELLAR. Mr. President, how will that be made effective? After the taxpayer pays the taxes he has to seek out the commissioner and the Secretary and have an agreement that that is going to be finally binding hereafter. How does the Senator propose to carry that out?

Mr. SMOOT. There will be a regular written form delivered to every taxpayer who makes a request for it. The taxpayer makes out the request of the commissioner, and under this amendment, of course, there will be a final determination of his case.

Mr. McKELLAR. There is nothing to indicate that he is to have a form made out or an agreement made.

Mr. SMOOT. There is an authorization for rules and regulations to be made by the department, and I know that those forms are made out, and any taxpayer who wants to make application for them can do so.

Mr. McKELLAR. Is this the present law?

Mr. SMOOT. Yes.

Mr. McKELLAR. Mr. President, we have had innumerable cases where they have opened it up after having settled it. It has been just a short time since one of my constituents came to me and said that about two years ago he had received a refund, and it had been opened up in the meantime, and they were demanding other taxes from him.

Mr. SMOOT. In such a case as that it is entirely the taxpayer's fault.

Mr. McKELLAR. But there ought to be some time when the taxpayer can be free of all past taxes.

Mr. SMOOT. He will be free if he is given this chance, and he is given it under the law, and if he does not avail himself of it we can not help it.

Mr. McKELLAR. There ought to be some time when his estate will not be subject to be mulcted in taxes of several years past.

Mr. McLEAN. All he has to do is to write a letter to the commissioner, have his account audited, and ask for his discharge.

Mr. McKELLAR. All he would have to do would be to pay an additional tax if it should be assessed. He could get rid of it in that way, but it ought not to be that way. They ought not to be deviled all their lives, and that is about what this means.

Mr. WALSH of Montana. Mr. President, I should like to inquire of the Senator from Utah if he conceives that the provision to which he has called our attention meets the case, and whether it is altogether just? In order to get a matter closed, the taxpayer must arrive at an agreement with the commissioner, with the approval of the Secretary. The commissioner

may agree to close up my matter, and he may not agree to close up some one else's matter. Apparently this leaves it entirely in the discretion of the commissioner to consider one case closed and to consider the other case still open.

Mr. SMOOT. I know of no other way on earth in which it can be done. We must leave it in some one's discretion.

Mr. WALSH of Montana. But why say "agreement"? How can you justify putting it up to the commissioner to make an agreement with the man?

Mr. SMOOT. There never has been a case where an account has been audited and that request has been made of the commissioner but that it has been granted. I know of no case.

Mr. McKELLAR. Why, Mr. President——

Mr. WALSH of Montana. That is all right, but the Senator can see that this puts the opportunity for the grossest kind of favoritism in the hands of the commissioner and the Secretary. They are governed by no rule at all.

Mr. SMOOT. There can not be a rule as long as there is an audit to be made, and there would be no agreement made until the audit was made.

Mr. WALSH of Montana. Why do you not simply say that after an audit is made he shall be entitled to a certificate to the effect that it is closed? Under what circumstances will the Secretary consider the case open, and under what circumstances will he consider it closed?

Mr. SMOOT. That is unfair to the taxpayer. Under such circumstances there may be an audit made, and then the taxpayer may want a refund, and unless he agrees to it the case will not be closed. Somebody has to decide it.

Mr. WALSH of Montana. Yes; but the point here is that he does not decide anything, and there is no rule fixed upon which he has to make any decision at all. It is apparently put entirely in the discretion of the Secretary and the commissioner to consider a case closed or to consider it open, as they see fit.

Mr. SMOOT. After the amount is determined every commissioner and the Secretary himself would be only too glad to close up those cases.

Mr. McKELLAR. Mr. President, if the Senator will look at page 246, in the first line, after the word "assessment," it says, "and an agreement is made in writing between the taxpayer and the commissioner, with the approval of the Secretary." Why not strike out those words and treat all people alike? I will withdraw my amendment if the Senator will agree to strike out those words.

Mr. SMOOT. If we strike those out, and it is agreed by the commissioner, the taxpayer can not file an application for refund.

Mr. McKELLAR. If the Senator will just look at his own bill; it begins in this way:

> If after a determination and assessment in any case the taxpayer has paid in whole any tax or penalty, or accepted any abatement, credit, or refund based on such determination and assessment—

He has already received it. It is predicated upon his receipt of a refund or an abatement, or paying on a reassessment. That is the whole thing. Now, why submit it to the discretion of the Secretary or the commissioner, who can rule just as he likes?

I will say to the Senator that within the past week I have had complaint from a constituent of mine who said that after a settlement had been made a demand to change that settlement and have a refund paid back had been made to him.

Mr. SMOOT. If the amendment is agreed to, he could not file a petition for a refund. He would be out of it entirely. You are trying to take away a right he has. In other words, the taxpayer may not agree with the assessment at all.

Mr. KENDRICK. Mr. President, was not this provision included in the bill of two years ago for the first time?

Mr. SMOOT. In the act of 1921.

Mr. KENDRICK. It was intended to reduce the number of cases that were reopened, was it not?

Mr. SMOOT. And it has done so.

Mr. McKELLAR. I desire to withdraw my amendment and move, on page 246, line 1, after the word "assessment," to strike out the words "and an agreement is made in writing between the taxpayer and the commissioner, with the approval of the Secretary," and the words "that such determination and assessment shall be final and conclusive," down to and including the word "conclusive" on line 5.

Mr. CARAWAY. Would the Senator leave it, then, that the determination shall be final and conclusive except for mistake or fraud?

Mr. McKELLAR. Oh, yes.

Mr. CARAWAY. I want to ask the Senator while he has the floor—I can not get it——

The PRESIDENT pro tempore. The Secretary will report the amendment——

Mr. CARAWAY. Just a minute. I have the floor now, with the permission of the Senator from Tennessee, to ask him a question.

Mr. McKELLAR. I yield to the Senator from Arkansas.

Mr. CARAWAY. I wanted to make a suggestion as to an amendment I tried to offer some time earlier in the day, but I could not get recognition because somebody on the Republican side wanted to be recognized. I wanted to ask the Senator if he would not accept an amendment as a substitute for the one he has offered, which would provide, in substance, that where the Treasury Department furnishes an agent for the purpose of assisting the taxpayer to make out his return and he shall so assist the taxpayer, and the taxpayer shall accept that settlement and pay, that except for fraud or mistake it shall be conclusive, that it shall be opened only for fraud or mistake, just like any settlement between individuals.

Mr. McKELLAR. I will say to the Senator that I offered just such an amendment a few minutes ago.

Mr. CARAWAY. No; the Senator's was different.

Mr. McKELLAR. It is practically what was suggested. But I call the Senator's attention to this provision, with the words out that I have indicated should come out by my amendment. I feel that it will do the work required of it.

Mr. SMOOT. All I will say is that if that amendment is agreed to, the taxpayer will lose a great privilege.

Mr. McKELLAR. I do not agree with the Senator about that at all.

Mr. ASHURST. Mr. President, the words of the Senator from Utah have weight, and if they be true, they will determine my vote in this matter. Let us read the amendment, because what the Senator from Utah says on these matters I listen to; but I think he is wrong about this.

> SEC. 1106. If after a determination and assessment in any case the taxpayer has paid in whole any tax or penalty, or accepted any abatement, credit, or refund based on such determination and assessment—

Omitting down to the word "then" in line 5—

> then (except upon a showing of fraud or malfeasance or misrepresentation of fact materially affecting the determination or assessment thus made) (1) the case shall not be reopened or the determination and assessment modified by any officer, employee, or agent of the United States, and (2) no suit, action, or proceeding to annul, modify, or set aside such determination or assessment shall be entertained by any court of the United States.

In other words, where the taxpayer has received a credit—and it is extremely improbable he would receive credit unless he applied——

Mr. SMOOT. Where he pays an additional assessment.

Mr. McKELLAR. Either one; it is perfectly fair to him.

Mr. ASHURST. Or where he has received a refund.

Mr. SMOOT. It is the same thing.

Mr. ASHURST. It is assumed if he applied for a refund he would apply for all he was entitled to; he would not make it in separate bits and apply for various refunds. "Based on such determination and assessment" it is final. We are committed to an income-tax policy in the United States and we are going to adhere to it. I believe that if there be one thing that has tended to throw reproach upon the income-tax system it is the feeling that although a taxpayer may pay, and he may make an honest attempt to adjust his taxes, he is never certain that he is through. There are domiciliary visits, agents, letters coming to him saying his tax is not settled yet. Within my knowledge, in my own State after men have applied for refunds and the refunds have been granted to them, and they have used the money in their business, then comes down a killing decree that the refund was improperly paid, and within a few days the man is required to pay the amount back to the Government.

In all litigation, in all such matters as taxation, there should be what we call a time of repose, a statute of repose. Business, in my judgment, does not object to paying high taxes when it is necessary, and such are necessary; but business does object, and business has a right to object, to being constantly harassed. A business man pays his taxes but has no assurance that that is final and conclusive. He obtains a refund and uses the money in his business, and he has no assurance that that is final and conclusive. Surely when the Government, with all its technical agents at its command, makes a refund that ought to be conclusive except for fraud. When

the taxpayer pays his taxes that ought to be conclusive, except for fraud. I hope the able Senator from Utah will yield on this point, because in my judgment, with due deference to him, he is wrong about it.

Mr. SMITH. Mr. President, I want to call attention to a fact that I know has been in the observation of practically every Senator here. Very often it occurs that the delinquent, so called, has gone out of business. He is not in a position to pay the tax that has been assessed against him in the business in which he was employed at the time the alleged shortage or delinquency occurred. I do not know of any provision in the Federal law that has a tendency to make a man disregard the law and seek ways to avoid its operations more than this very lack of a definite settlement of the Federal income tax.

I heartily agree with my colleague, and I am sure there are those on the other side who believe that the benefit that will result from the amendment proposed now by the Senator from Tennessee will infinitely more than offset any harm that could come from leaving the law as it now stands, because you never know within five years when your tax is settled.

Mr. SMOOT. I am sure Senators who have spoken do not understand what the effect of this amendment would be.

Mr. SMITH. If the Senator will allow me, if I do not understand it, I certainly understand that there has been great confusion; there has been unnecessary loss and aggravation of the taxpayer under the loose system of leaving five years in which his case can be reopened at the expense of any Federal agent employed under this department. The department itself is eternally harassing them about some amount that is still due.

Mr. SMOOT. This has not anything to do with that.

Mr. SMITH. If it has not, then some amendment to the bill ought to be drawn that would have to do with it.

Mr. ASHURST. Without any attempt at flattery, I really want to hear what the Senator from Utah says, but if he does not talk louder I will abandon the attempt to hear. Will the Senator please talk louder?

Mr. SMOOT. I can not talk against the galleries and the floor, too.

Mr. SMITH. May I ask the Senator, if it does not apply to the very point the Senator from Tennessee offered his amendment to remedy, and the one to which the Senator from Arizona has spoken, to what does it apply?

Mr. SMOOT. It applies to additional assessments and refunds, and here is the case. A taxpayer may be assessed $10,000 or $100,000, and he may not believe that it is right, but he has to pay it just the same.

Under the amendment he could not file a claim for refund. He would have no relief whatever if this amendment were adopted. He could not even go to court. He would be barred entirely from any relief if the amendment were accepted. If that is what Senators want to do, let them vote for it, but I give notice here to Senators that that is what it would mean.

Mr. WALSH of Montana. Will the Senator yield?

Mr. SMOOT. Certainly.

Mr. WALSH of Montana. In order to relieve a danger of that kind, I suggest that it can be taken care of by putting in the words "without protest" after the word "paid" on page 245, so that it will read:

> If after a determination and assessment in any case the taxpayer has paid without protest in whole any tax—

And so forth.

Mr. SMOOT. I have no objection to that, Mr. President. We have the same thing in the agreement that has been made for the taxpayer to sign. It is exactly in those words.

Mr. WALSH of Montana. That is the point I make. Let us assume two men have done all these things, have paid their taxes without protest, that the conditions are just exactly the same, and one fellow is able to get an agreement out of the commissioner to consider the matter closed, and the other fellow is not. No rule is laid down to guide the commissioner. It appears to be in his absolute and unrestrained discretion and favor. I do not think anybody can justify that part of the provision.

Mr. JONES of New Mexico. At what point does the Senator suggest that we put in the words "without protest"?

Mr. WALSH of Montana. After the word "paid."

Mr. JONES of New Mexico. I suggest that it come after the word "taxpayer," so that it would apply to the acceptance of the refund.

Mr. WALSH of Montana. It would be more appropriate, I think, after the word "has," so as to read, "has without protest paid in whole or in part."

Mr. JONES of New Mexico. I believe that would meet the objection.

Mr. SMOOT. There is just one case to which I want to call the Senator's attention which it may affect, so that we will not make any mistake about it, and I want the Senator to consider it. I do not see any objection to the amendment with the exception of this case. Suppose a man does pay his tax under protest, and the next day the Supreme Court or any other court should decide that it was not due; then he could not file for a refund if he had not paid it under protest.

Mr. WALSH of Montana. That is right, and it is a very general rule of law that one who pays taxes without protest, no matter whether it is right or wrong, never can recover them back. That is a very general rule of law.

Mr. SMOOT. I wanted to call the Senator's attention to that.

Mr. WALSH of Montana. That is quite right.

Mr. SMOOT. Therefore we did not put it in here, because we did not want to affect any taxpayer. We wanted him to have perfect freedom to file a petition for a refund.

Mr. WALSH of Montana. It does not seem to me he ought to have that right. If the assessment is made and he agrees to it and pays it without any protest at all, he ought not to be allowed afterwards to claim a refund.

Mr. SMOOT. I have no objection to that, but I felt it was my duty to call attention to cases where it would create a hardship.

Mr. McKELLAR. I do not believe the Senator from Montana offered that as an amendment, so I will offer it. In line 24, on page 245, after the word "has," I move to insert the words "without protest."

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 245, line 24, after the word "has," insert a comma and the words "without protest" and a comma, so as to read:

> If after a determination and assessment in any case the taxpayer has, without protest, paid in whole any tax or penalty, etc.

The PRESIDENT pro tempore. Does the Senator from Tennessee withdraw the first amendment offered by him?

Mr. McKELLAR. Only the first amendment has been withdrawn. Now let us agree to this amendment.

Mr. HEFLIN. That is, after the taxpayer has been served with notice of what he has been assessed and after he has been served with an accounting as to what his taxes are, and he pays without protest?

Mr. McKELLAR. That is it. It is an entirely proper amendment. May we agree to that and then take the next amendment on page 246?

The PRESIDENT pro tempore. It is impossible for the Chair to ascertain whether the Senator is ready to have a vote upon his amendment.

Mr. McKELLAR. I am ready. I will offer it again. After the word "has," in line 24, page 245, I move to insert the words "without protest."

The PRESIDENT pro tempore. The question is upon the amendment just stated by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. On page 246, in line 1, I move to strike out the words "and agreement is made in writing between the taxpayer and the commissioner, with the approval of the Secretary, that such determination and assessment shall be final and conclusive."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. JONES of New Mexico. Mr. President, on behalf of the minority members of the committee I have two amendments which I desire to offer. They are both important amendments. One relates to the proceedings before the board of appeals. On page 238, paragraph (h) is proposed to be stricken out and the amendment which I send to the desk substituted therefor. I ask that the amendment may be reported.

The PRESIDENT pro tempore. The Secretary will read the amendment for the information of the Senate.

The READING CLERK. On page 238 strike out lines 17 to 25, inclusive, and on page 239 strike out lines 1 to 6, inclusive, and insert in lieu thereof the following:

> (h) Notice and an opportunity to be heard shall be given to the taxpayer and the commissioner and a decision shall be made as quickly as practicable. Hearings before the board and its divisions shall be open to the public. The proceedings of the board and its divisions shall be conducted in accordance with such rules of evidence and procedure as the board may prescribe. The testimony taken at the hearing shall be reduced to writing. It shall be the duty of the board and of

each division to make a report in writing of its findings of fact and decision in each case and a copy of its report shall be entered of record and a copy furnished the taxpayer. Such report and all evidence received by the board and its divisions shall be public records open to the inspection of the public. The board may provide for the publication of its reports in such form and manner as may be best adapted for public information and use, and such authorized publication shall be competent evidence of the reports of the board therein contained in all courts of the United States and of the several States without any further proof or authentication thereof. The principal office of the board shall be in the District of Columbia, but the board or any of its divisions may sit at any place within the United States. The times and places of the meetings of the board, and of its divisions, shall be prescribed by the chairman with a view to securing reasonable opportunity to taxpayers to appear before the board or any of its divisions, with as little inconvenience and expense to taxpayers as is practicable.

Mr. FLETCHER. Does that interfere with the amendment which we have already agreed to? Is there any conflict between the two?

Mr. JONES of New Mexico. No; not at all. The amendment which I have proposed on behalf of the minority of the committee is an important one, and I hope that Senators will enable us to at least understand it.

As Senators all know, we have provided for boards of appeal. These boards are to have their hearings not only in the District of Columbia, but in different places throughout the country. The hearings are for judicial purposes. They are supposed to be conducted along the lines of judicial procedure. They are in effect courts of appeal. They determine controversies between the Government and the taxpayers. Evidence is to be submitted bearing upon the question, and a decision is to be reached which, for practical purposes, in most cases at least, is a final decision. My contention is that whenever there is a controversy between the Government and a taxpayer which is to be decided, the proceedings leading up to that decision should be public proceedings. Under existing law they meet in secret and conduct their hearings in secret. They may hear one witness or one client here, and another witness somewhere else; they may receive affidavits or conversations, and in any way arrive at a decision, all in secret. I submit that when there is a controversy between the Government and a taxpayers which shall follow through the various lines of procedure and finally reach the board of appeals, when it gets there all the proceedings should be public proceedings, the evidence should be taken down in writing, there should be a finding of fact and the decision of the board should be in writing and filed in the case just the same as in any other judicial proceeding, because that is what the case would be. It would be a judicial proceeding.

To say that all that shall be done in secret is obnoxious to everything which we have been taught regarding judicial procedure as American citizens under our great system of jurisprudence. The proceeding should be public. Their decisions should be public. The testimony should be taken down in writing, and it should not be heresay testimony which may be whispered into the ear of a member of the board of appeals, or a mere affidavit of some stranger submitted in secret. If it is at all necessary or advisable that tax returns shall be made public and made a matter of public record, it is of much greater concern that those judicial proceedings shall be public and become permanent records and open to a public inspection, so that we may understand the facts upon which decisions are reached, and the taxpayers in the country may have an opportunity to know just how it all happens.

Mr. WALSH of Montana. Mr. President, the amendment offered by the Senator from New Mexico, in my judgment, is one of very great merit. It is in accordance with some suggestions I made earlier in the day concerning the terms of this particular part of the bill. I want to suggest, however, to the Senator from New Mexico some slight changes.

The amendment provides that the board shall make a report in writing of its findings of fact and decision in each case. I think the board ought to be required to write an opinion, not a mere decision, but on any question of law that is involved it ought to set out in brief at least the line of argument by which it arrives at its decision. I think that the proceedings ought to approximate as nearly as practicable to proceedings in court. It really is intended in a way as an equity judicial tribunal for the determination of those matters. There is no means that can be devised of making a court decide the cases aright in accordance with sound reason better than by requiring the court to file its opinion, showing to the world how it arrived at the conclusion which it reaches.

I accordingly suggest to the Senator from New Mexico that, after the word "and," in line 2, page 2, there be inserted the words "its opinion and," so it would read—

make a report in writing of its findings of fact and its opinion and decision in each case.

Mr. JONES of New Mexico. I gladly accept the amendment suggested by the Senator from Montana.

Mr. WALSH of Montana. Now, another thing. These reports ought to be published, so that they would be subject to criticism by anyone who has occasion to refer to them, and so that they might serve as a guide to other taxpayers and to attorneys having occasion to present matters. Accordingly I suggest the word "may," being the first word in line 7, page 2, be stricken out and the word "shall" be inserted in lieu thereof, so it would read "the board shall provide for the publication of its reports," and so forth.

Mr. JONES of New Mexico. I am glad to accept that amendment also.

Mr. WALSH of Montana. Then, so there may be no doubt about it, I would provide for the publication of the reports by the Government Printing Office. I would insert the words "at the Government Printing Office," so it would read:

The board shall provide for the publication of its reports at the Goverment Printing Office.

That can be done practically without expense, because like bulletins of the Internal Revenue Bureau are so printed, and a rule could be provided that they could be sold at any time at actual cost of preparation.

Mr. JONES of New Mexico. I am glad to accept the amendment proposed by the Senator from Montana.

Mr. SMOOT. I will ask the Senator from Montana if he only used the phrase "printed at the Government Printing Office" whether we could make any charge for documents so printed.

Mr. WALSH of Montana. The Senator from Utah will know about that better than I. If there is any doubt about it, I would insert a provision reading "which shall be subject to sale upon the same terms as"——

Mr. SMOOT. As other public documents.

Mr. McKELLAR. I have an amendment on the same subject, which reads in part:

The opinions of the board shall be printed by the Government Printing Office and sold to the public in the same manner as the present Internal Revenue Bulletins are sold.

Mr. SMOOT. The Senator from Tennessee should not use the word "bulletins," because that only covers one class.

Mr. McKELLAR. "Other public documents" would be proper.

Mr. SMOOT. "Other public documents" would be a correct expression, because that is what these reports will be.

Mr. McKELLAR. That will be all right.

Mr. WALSH of Montana. I think it would be covered in this way: After line 12 on the same page, insert "such reports shall be subject to sale in the same manner and upon the same terms as other public documents."

Mr. SMOOT. That is all right.

Mr. JONES of New Mexico. I accept that amendment.

The PRESIDENT pro tempore. The Senator from New Mexico modifies his proposed amendment, and the modifications will be stated by the Secretary.

The READING CLERK. On page 2, line 2, it is proposed to modify the amendment by inserting before the word "decision" the words "its opinion and"; at the beginning of line 7 to strike out "may" and insert "shall"; after the word "reports," in line 7, to insert "at the Government Printing Office"; and after line 12 to insert "Such reports shall be subject to sale in the same manner and upon the same terms as other public documents."

The PRESIDENT pro tempore. The question is upon the amendment offered by the Senator from New Mexico as modified. [Putting the question.] The Chair is in doubt.

Mr. JONES of New Mexico. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). Making the same announcement as heretofore with regard to my pair and its transfer, I vote "nay."

Mr. SMITH (when his name was called). I have a general pair with the Senator from South Dakota [Mr. STERLING]. I transfer that pair to the Senator from Tennessee [Mr. SHIELDS] and vote "yea."

The roll call was concluded.

Mr. SIMMONS (after having voted in the affirmative). I transfer my general pair with the junior Senator from Oklahoma [Mr. HARRELD] to the Senator from Michigan [Mr. FERRIS] and let my vote stand.

Mr. JONES of New Mexico (after having voted in the affirmative). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Washington [Mr. DILL] and allow my vote to stand.

Mr. ERNST. Making the same announcement as before relative to my pair and its transfer, I vote "nay."

Mr. WARREN (after having voted in the negative). I find that my regular pair the Senator from North Carolina [Mr. OVERMAN] has not voted. I transfer my pair with him to the Senator from Maryland [Mr. WELLER], and allow my vote to stand.

Mr. McLEAN (after having voted in the negative). I inquire if the Senator from Virginia [Mr. GLASS] has voted.

The PRESIDENT pro tempore. That Senator has not voted.

Mr. McLEAN. I have a pair with that Senator, which I transfer to my colleague [Mr. BRANDEGEE], and allow my vote to stand.

Mr. CURTIS. I desire to announce that the Senator from Idaho [Mr. GOODING] is paired with the Senator from North Dakota [Mr. LADD].

The result was announced—yeas 35, nays 28, as follows:

YEAS—35

Adams	George	King	Shipstead
Ashurst	Gerry	McKellar	Simmons
Bayard	Harris	Mayfield	Smith
Brookhart	Harrison	Neely	Swanson
Broussard	Heflin	Pittman	Trammell
Caraway	Howell	Ralston	Walsh, Mass.
Copeland	Johnson, Minn.	Reed, Mo.	Walsh, Mont.
Dial	Jones, N. Mex.	Robinson	Wheeler
Fletcher	Kendrick	Sheppard	

NAYS—28

Ball	Edge	McLean	Smoot
Bursum	Ernst	Moses	Spencer
Cameron	Fess	Oddie	Stanfield
Colt	Hale	Pepper	Wadsworth
Cummins	Jones, Wash.	Phipps	Warren
Curtis	Keyes	Reed, Pa.	Watson
Dale	Lodge	Shortridge	Willis

NOT VOTING—33

Borah	Ferris	Lenroot	Shields
Brandegee	Frazier	McCormick	Stanley
Bruce	Glass	McKinley	Stephens
Capper	Gooding	McNary	Sterling
Couzens	Greene	Norbeck	Underwood
Dill	Harreld	Norris	Weller
Edwards	Johnson, Calif.	Overman	
Elkins	Ladd	Owen	
Fernald	La Follette	Ransdell	

So the amendment of Mr. JONES of New Mexico as modified was agreed to.

Mr. WILLIS. I offer to the pending bill the amendment which I send to the desk and ask that it may be considered as pending and that it may be printed. I will call it up to-morrow.

The PRESIDENT pro tempore. The amendment will be printed and will be considered the pending amendment.

The amendment proposed by Mr. WILLIS is as follows:

On page 50, line 24, at the end of the line, to insert in parentheses "(including preventive and constructive service for relief, rehabilitation, health, character building, and citizenship)."

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPENCER:

A bill (S. 3270) authorizing the President to reappoint Walter F. Martin, formerly a captain of Cavalry, United States Army, an officer of Cavalry, United States Army (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 3271) for the relief of Herman A. Lueking; to the Committee on Claims.

ADDRESS BY SECRETARY OF COMMERCE HERBERT HOOVER

Mr. SHORTRIDGE. Mr. President, I hold in my hand a very interesting, thoughtful, and I think instructive address delivered by the Secretary of Commerce, Mr. Hoover, yesterday, before the annual meeting of the United States Chamber of Commerce held at Cleveland, Ohio. I think it will be worth reading and I ask——

Mr. McKELLAR. Is it in any sense a political address?

Mr. SHORTRIDGE. In no sense whatever. It deals with economic questions and has no tinge of political bias or expression. I ask that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF SECRETARY OF COMMERCE HERBERT HOOVER AT THE ANNUAL MEETING OF THE UNITED STATES CHAMBER OF COMMERCE, CLEVELAND, OHIO, EVENING OF MAY 7, 1924

SOME PHASES OF THE GOVERNMENT IN BUSINESS

Your chamber has recently submitted to its members a number of recommendations upon principles of business conduct in the form of a report of your committee on business ethics. The very fact of issuing such a report is of interest. I wish to discuss the whole subject in its wider sense and in the relation of government to business.

The advancement of science and our increasing population require constantly new standards of conduct and breed an increasing multitude of new rules and regulations. The basic principles laid down in the Ten Commandments and the Sermon on the Mount are as applicable to-day as when they were declared, but they require a host of subsidiary clauses. The 10 ways to evil in the time of Moses have increased to 10,000 now.

A whole host of rules and regulations are necessary to maintain human rights with this amazing transformation into an industrial area. Ten people in a whole county, with a plow apiece, did not elbow each other very much. But when we put 7,000,000 people in a county, with the tools of electricity, steam, 30-floor buildings, telephones, miscellaneous noises, street cars, railways, motors, stock exchanges, and what not, then we do jostle each other in a multitude of directions. Thereupon our lawmakers supply the demand by the ceaseless piling up of statutes in attempts to keep the traffic open; to assure fair dealing in the economic world; to eliminate its wastes; to prevent some kind of abuse or some kind of domination. Moreover, with increasing education our senses become more offended and our moral discrimination increases, for all of which we discover new things to remedy. In one of our States over 1,000 laws and ordinances have been added in the last eight months. It is also true that a large part of them will sleep peacefully in the statute book.

The question we need to consider is whether these rules and regulations are to be developed solely by government or whether they can not be in some large part developed out of voluntary forces in the Nation. In other words, can the abuses which give rise to government in business be eliminated by the systematic and voluntary action of commerce and industry itself? This is indeed the thought behind the whole gamut of recent slogans, "Less government in business," "Less government regulation," "A square deal," "The elimination of waste," "Better business ethics," and a dozen others.

National character can not be built by law. It is the sum of the moral fiber of its individuals. When abuses which rise from our growing system are cured by live individual conscience, by initiative in the creation of voluntary standards, then is the growth of moral perceptions fertilized in every individual character.

No one disputes the necessity for constantly new standards of conduct in relation to all these tools and inventions. Even our latest great invention, radio, has brought a host of new questions. No one disputes that much of these subsidiary additions to the Ten Commandments must be made by legislation. Our public utilities are wasteful and costly unless we give them a privilege more or less monopolistic. At once when we have business affected with monopoly we must have regulation by law. Much of even this phase might have been unnecessary had there been a higher degree of responsibility to the public, higher standards of business practice among those who dominated these agencies in years gone by.

There has been, however, a great extension of government regulation and control beyond the field of public utilities into the fields of production and distribution of commodities and credit. When legislation penetrates the business world it is because there is abuse somewhere. A great deal of this legislation is due rather to the inability of business hitherto to so organize as to correct abuses than to any lack of desire to have it done. Sometimes the abuses are more apparent than real, but anything is a handle for demagoguery. In the main, however, the public acts only when it has lost confidence in the ability or willingness of business to correct its own abuses.

Legislative action is always clumsy—it is incapable of adjustment to shifting needs. It often enough produces new economic currents more abusive than those intended to be cured. Government too often becomes the persecutor instead of the regulator.

The vast tide of these regulations that is sweeping onward can be stopped if it is possible to devise, out of the conscience and organization of business itself, those restraints which will cure abuse; that will eliminate waste; that will prevent unnecessary hardship in the working of our economic system; that will march without larger social understanding. Indeed, it is vitally necessary that we stem this tide if we would preserve that initiative in men which builds up the character, intelligence, and progress in our people.

I am one of those who believe in the substratum of inherent honesty, the fine vein of service and kindliness in our citizenship. The

vast volume of goods and services that daily flow through the land would cease instantly were it not for the instinctive dependence of our people upon the moral responsibility of the men who labor in the shops and farms and the men who direct our production and distribution.

In these times of muddled thought it is sometimes worth repeating a truism. Industry and commerce are not based upon taking advantage of other persons. Their foundations lie in the division of labor and exchange of products. For through specialization we increase the total and variety of production and secure its diffusion into consumption. By some false analogy to the "survival of the fittest" many have conceived the whole business world to be a sort of economic "dog eat dog." We often lay too much emphasis upon its competitive features, too little upon the fact that it is in essence a great cooperative effort. And, our homemade, Bolshevist-minded critics to the contrary, the whole economic structure of our Nation and the survival of our high general levels of comfort are dependent upon the maintenance and development of leadership in the world of industry and commerce. Any contribution to larger production, to wider diffusion of things consumable and enjoyable, is a service to the community, and the men who honestly accomplish it deserve high public esteem.

The thing we all need to searchingly consider is the practical question of the method by which the business world can develop and enforce its own standards and thus stem the tide of governmental regulation. The cure does not lie in mere opposition. It lies in the correction of abuse. It lies in an adaptability to changing human outlook.

The problem of business ethics as a prevention of abuse is of two categories: Those where the standard must be one of individual moral perceptions and those where we must have a determination of standards of conduct for a whole group in order that there may be a basis for ethics.

The standards of honesty, of a sense of mutual obligation, and of service were determined 2,000 years ago. They may require at times to be recalled. And the responsibility for them increases infinitely in high places, either in business or government, for there rests the high responsibility for leadership in fineness of moral perception. Their failure is a blow at the repute of business and at confidence in government itself.

The second field, and the one which I am primarily discussing, is the great area of indirect economic wrong and unethical practices that spring up under the pressures of competition and habit. There is also the great field of economic waste through destructive competition, through strikes, booms and slumps, unemployment, through failure of our different industries to synchronize, and a hundred other causes which directly lower our productivity and employment. Waste may be abstractly unethical, but in any event it can only be remedied by economic action.

If we are to find solution to these collective issues outside of government regulation, we must meet two practical problems:

First. There must be organization in such form as can establish the standards of conduct in this vast complex of shifting invention, production, and use. There is no existing basis to check the failure of service or the sacrifice of public interest. Some one must determine such standards. They must be determined and held flexibly in tune with the intense technology of trade.

Second. There must be some sort of enforcement. There is the perpetual difficulty of a small minority who will not play the game. They too often bring disrepute upon the vast majority; they drive many others to adopt unfair competitive methods which all deplore; their abuses give rise to public indignation and clamor which breed legislative action.

I believe we now for the first time have the method at hand for voluntarily organized determination of standards and their adoption. I would go further; I believe we are in the presence of a new era in the organization of industry and commerce in which, if properly directed, lies forces pregnant with infinite possibilities of moral progress. I believe that we are, almost unnoticed, in the midst of a great revolution—or, perhaps, a better word, a transformation in the whole superorganization of our economic life. We are passing from a period of extremely individualistic action into a period of associational activities.

Practically our entire American working world is now organized into some form of economic association. We have trade associations and trade institutes embracing particular industries and occupations. We have chambers of commerce embracing representatives of different industries and commerce. We have the labor unions representing the different crafts. We have associations embracing all the different professions—law, engineering, medicine, banking, real estate, and what not. We have farmers' associations, and we have the enormous growth of farmers' cooperatives for actual dealing in commodities. Of indirect kin to this is the great increase in ownership of industries by their employees and customers, and again we have a tremendous expansion of mutualized insurance and banking.

Although such associational organizations can trace parentage to the middle ages, yet in their present implication they are the birth of the last 50 years, and in fact their growth to enveloping numbers is of the last 25 years. We have, perhaps, 25,000 such associational activities in the economic field. Membership, directly or indirectly, now embraces the vast majority of all the individuals of our country. Action of wide import by such associations has become an important force of late in our political, economic, and social life.

It is true that these associations exist for varied purposes. Some are strong in recognition of public responsibility and large in vision. Some are selfish and narrow. But they all represent a vast ferment of economic striving and change.

Ever since the factory system was born there has been within it a struggle to attain more stability through collective action. This effort has sought to secure more regular production, more regular employment, better wages, the elimination of waste, the maintenance of quality or service, decrease in destructive competition and unfair practices, and ofttimes to assure prices or profits. The first phase of development on the business side was "pools" in production and distribution. They were infected with imposition upon the public and their competitors. In some part there were struggles to correct abuse and waste. They were followed by an era of capital consolidations with the same objects, but also to create a situation of unbreakable agreements. Both were against public interest, and the public intervened through the Sherman Act. Yet underneath all these efforts there was a residuum of objects which were in public interest.

Associational activities are, I believe, driving upon a new road where the objectives can be made wholly and vitally of public interest. The legitimate trade associations and chambers of commerce with which I am now primarily concerned possess certain characteristics of social importance and the widest differentiation from pools and trusts. Their membership must be open to all members in the industry or trade, or rival organizations enter the field at once. Therefore, they are not millstones for the grinding of competitors, as was the essence of the old trade combinations. Their purpose must be the advancement of the whole industry or trade, or they can not hold together. The total interdependence of all industries and commerce compels them in the long run to go parallel to the general economic good. Their leaders rise in a real democracy without bosses or political manipulation. Citizens can not run away from their country if they do not like the political management, but members of voluntary associations can resign and the association dies.

I believe that through these forces we are slowly moving toward some sort of industrial democracy. We are upon its threshold if these agencies can be directed solely to constructive performance in the public interest.

All this does contain some dangers, but they will come only from low ethical standards. With these agencies used as the machinery for the cultivation and spread of high standards and the elimination of abuses, I am convinced that we shall have entered the great era of self-governing industry and business which has been a dream to many thinkers. A self-governing industry can be made to render needless a vast area of governmental interference and regulation which has grown up out of righteous complaint against the abuses during the birth pains of an industrial world.

Some people have been alarmed lest this associational movement means the destruction of our competitive system, lest it inevitably destroy the primary individualism which is the impulse of our society. This alarm is groundless. Its rightful activities do not destroy equality of opportunity or initiative. In fact, they offer new avenues of opportunity for individuals to make progress toward leadership in the community. Any one of them will die at once if it does not offer equality of opportunity to its members, or if it restricts its membership rival associations at once emerge. They are the safeguards of small business and thus prevent the extinction of competition. They are the alternative to capital consolidation. They are not a growth toward socialism—that is, government in all business—they are, in fact, a growth directly away from such an idea.

Right here, for the benefit of the gloomy persons who have a frozen belief that every form of associational activity is a conspiracy to fix prices and to restrain trade, to perpetuate tyranny of employer or employee, we may remember that there are some crooks in every line of endeavor. The underlying purposes of the vast majority are constructive. A minority may be violating the Ten Commandments and need the application of criminal standards. I am speaking, however, of something more vital than porch climbing.

I am, of course, well aware of the legal difficulties that surround certain types of associational work. I do not believe that the development of standards of conduct or the elimination of abuses in public interest has ever been challenged as a violation of the Sherman Act. Moreover, to establish either a physical or a moral standard directly sharpens competition.

These associational activities are the promising machinery for much of the necessary determination of ethical standards, for the elimination of useless waste and hardship from the burden of our economic engines. Moreover, we have in them not only the agencies by which

standards can be set, but by cooperative action among the associations representing the different stages of production, distribution, and use we can secure a degree of enforcement far wider than mere public opinion in a single trade.

When standards are agreed upon by the associations representing the manufacturer and distributor and by those representing the user, we have a triple force interacting for their enforcement.

Now I do not wish anyone to think my feet are not on the ground in all this, and I propose to give a few illustrations from real life of what can be effected by constructive associations and by cooperation among them.

The Department of Commerce has, at the request of the lumber industry, held a number of conferences to discuss the rules of the road in that industry and its relations to the other industries and the common good. The problem was to establish more general and more constructive standards of practice, ethics, and waste elimination.

In the toil of formulating these standards there arose a question of how thick a 1-inch board should be. It sounds easy. But it quickly developed to be a question whether it should be 1 inch thick when it was green, after it was dried, when planed on one side, or when planed on both sides. It developed not only that a choice had to be made among these four alternatives, but also that this choice had to be based upon a proper consideration for the conservation of our forests on one hand and the provision of a material of such structural character as to constitute a square deal to the consumer on the other. It also developed that there were 32 different thicknesses of a 1-inch board in current use and that some minority of manufacturers in the drive of unfair competition were gradually thinning the board until it threatened to become paper. There also had to be developed the exact differences which threw a board into four or five different grades, and there had to be a determination of standard trade names for different species of wood. The point was that an accurate standard had to be determined before discrimination as to fair dealing and public service could be gauged. That occasion was the foundation of ethics in 1-inch boards.

These conferences established some 80 questions involving the whole technology of lumber and comprising for the first time a definite series of national standards. Here is the sum of our problem. It could only be accomplished through an association in the industry. It is proof of industrial conscience and service.

The second part of the practical problem which I enumerated before is enforcement. Again associational activities were called upon. The manufacturers were not alone in these conferences, but the distributor and consumer were also represented by the Architects' Association, the Building Contractors' Association, the railway and other purchasing associations, and the Retailers' Associations. The action and reaction of the buyer and seller upon each other in their desire to secure fair dealing in industry can procure enforcement. Joint inspection bureaus have been erected where complaint for violation can be lodged and determination made. Enforcement may not be 100 per cent, but the standards are there and a sense of individual responsibility and self-interest will eventually, I am confident, make them universal.

For years aggrieved persons and some of the trade have been agitating this question of lumber standards in Congress. Numerous bills have been introduced. If this effort succeeds no legislation will be necessary. This is keeping the Government out of business through the remedy of abuses by business itself.

I propose now to mention one other case of a most vitally important and entirely different order, rendered possible only through associational activity in which the Department of Commerce has been in active cooperation. That is in the bituminous coal industry. There have been developed in this industry, as many of you are aware, 30 per cent too many mines operating intermittently during nearly every week of the year with a large seasonal dip in summer. Thus they required 30 per cent more labor and 30 per cent more capital than was necessary to produce the Nation's coal. One effect of this situation was that some proportion of the employees secured too few days' work to yield them a reasonable standard of living, even at the apparently high daily wage. This minority of employees were naturally a constant source of agitation and disturbance. The result of all this was a higher cost of producing coal and consequently a higher national coal bill, speculation and uncertainty to the operators, hardship and difficulty and instability to a considerable portion of the workers. The fundamental cause was a vicious cycle of seasonal fluctuation in demand, annual shortages in coal cars, and periodic strikes which grew out of the instability of labor relationships. These periods of shortened or suspended production always resulted in famine prices for coal and great stimulation to the opening of new mines.

At least four Government commissions have examined this question. Probably 40 bills have been introduced into Congress proposing governmental regulation in an attempt to correct the abuses and wastes and public danger that lay in the situation.

The associational agencies in the field were those of the operators, of labor, of the railway executives, and of the various associations of industries as consumers. The first problem was to secure a general knowledge of the causes to which I feel the Department of Commerce contributed substantially. Remedy was undertaken in many directions. The railway association induced the construction of a more ample supply of coal cars and greater expedition and interchange in handling between different railways. The Department of Commerce, in cooperation with the chambers of commerce, manufacturers' associations, railway and public utilities associations, secured that more coal should be put in storage during the summer season. The result was that last year for the first time in many years we had no interruption in the distribution of coal due to car shortage. One element of the vicious cycle in this situation is eliminated, provided we can continue this same cooperation in future.

The second part of the solution was the general agreement by both operators and labor that stability could not be restored in the industry unless there was a long period of continuous operation, in which the absence of coal famines and profiteering would eliminate the speculative and high-cost producer and reduce the units in the industry and thus its intermittency. The labor agreement between these associations, made last February for a term of three years, has assured this improvement.

Here we have an example of the most profound national importance in at least the beginning of stabilization of an industry involved in a most vicious cycle of waste and trouble. The national savings can be measured in hundreds of millions and the human hardships greatly lessened. There will be some preliminary hardship in so great a self-imposed surgical operation, but I am confident it will heal to the mutual interest of the operators, the public, and the workers. To-day I do not believe there is any sentiment for Government regulation of the bituminous coal industry.

Another instance of great interest in which I had the honor to participate was the abolition of the 12-hour day in the steel industry through the action of the steel association.

I could give you a multitude of examples of the beginnings of constructive self-government in industry among many other associations. The very publication of codes of ethics by many associations instilling service as the primary purpose; the condemnation of specific unfair practices; the insistence upon a higher plane of relationships between employer and employee—all of them are at least indications of improving thought and growing moral perceptions.

All of this is the strong beginning of a new force in the business world. The individual interest is wrapped up with public interest. They can find expression only through association. Three years of study and intimate contact with associations of economic groups, whether in production, distribution, labor, or finance, convince me that there lies within them a great moving impulse toward betterment.

If these organizations accept as their primary purpose the lifting of standards, if they will cooperate together for voluntary enforcement of high standards, we shall have proceeded far along the road of elimination of government from business. American business is never secure unless it has public confidence behind it. Otherwise, it will always be a prey to demagoguery and filled with discouragement.

The test of our whole economic and social system is its capacity to cure its own abuses. New abuses and new relationships to the public interest will occur as long as we continue to progress. If we are to be wholly dependent upon Government to cure these abuses, we shall by this very method have created an enlarged and deadening abuse through the extension of bureaucracy and the clumsy and incapable handling of delicate economic forces. The old law merchant is the basis of much of our common law. A renaissance of a new law merchant could so advance our standards as to solve much of the problem of government in business.

American business needs a lifting purpose greater than the struggle of materialism. Nor can it lie in some evanescent, emotional, dramatic crusade. It lies in the higher pitch of economic life, in a finer regard for the rights of others, a stronger devotion to obligations of citizenship that will assure an improved leadership in every community and the Nation; it lies in the organization of the forces of our economic life, so that they may produce happier individual lives, more secure in employment and comfort, wider in the possibilities of enjoyment of nature, larger in its opportunities of intellectual life. Our people have already shown a higher sense of responsibilities in these things than those of any other country. The ferment or organization for more definite accomplishment of these things in the practical day-by-day progress of business life is alive in our business world.

The Government can best contribute through stimulation of and cooperation with voluntary forces in our national life, for we thus preserve the foundations upon which we have progressed so far—the initiative of our people. With vision and devotion these voluntary forces can accomplish more for America than any spread of the hand of government.

RECESS

Mr. SMOOT. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 10 o'clock and 26 minutes p. m.) the Senate took a recess until to-morrow, Friday, May 9, 1924, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

THURSDAY, *May 8, 1924*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We bless Thee, our Father in heaven, that every morning is the world made new and every day is a fresh beginning. We thank Thee for this inspiring truth, and let this day be marked by prudence, foresight, and the wisdom of the wise. We would cease our vain, despondent fears and remember Thy glorious works, Thy promises, Thy power to save and claim eternally Thy own. Do Thou guide and bless us in all our relations to life, and keep us in the ways of righteousness, truth, and peace, through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

EAMON DE VALERA

Mr. BOYLAN. Mr. Speaker, I rise to make a privileged motion. I move to discharge the Committee on Foreign Affairs from the further consideration of House Resolution 256 and pass the same. This resolution was introduced by me April 10, a resolution of inquiry calling upon the Secretary of State to furnish the House with whatever information he may have in his possession relative to the status of Hon. Eamon de Valera.

Mr. CRAMTON. Mr. Speaker, I reserve a point of order on the resolution.

Mr. CHINDBLOM. And I reserve the right to object.

The SPEAKER. The gentleman from New York calls up a resolution, claiming it is privileged, House Resolution 256, calling upon the Secretary of State, if not incompatible with the public interest, to furnish the House at the earliest possible date such data and information as he may have concerning the present status of the imprisonment of the Hon. Eamon de Valera.

Mr. LONGWORTH. Will the gentleman from New York yield?

Mr. BOYLAN. I will.

Mr. LONGWORTH. I do not observe any member of the Committee on Foreign Affairs here. Does the gentleman object to making the request later in the day?

Mr. BOYLAN. I would not if I would not be foreclosed; if I am permitted to make it under any order of business.

Mr. LONGWORTH. I think the gentleman would not be foreclosed from making the request, but I do not see a member of the Committee on Foreign Affairs here, and I think it ought to be brought up when some member of the committee is present.

Mr. LAGUARDIA. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. Even though a member of the Committee on Foreign Affairs were present, an objection to the bill would not avail on the privileged motion of the gentleman from New York to discharge the committee and pass the resolution.

Mr. LONGWORTH. I do not know whether it is privileged or not and I reserve a point of order.

Mr. BOYLAN. Under the rule this is a resolution of inquiry, simply calling for information, and does not call for any action on the part of the committee other than to furnish the House with the information.

The SPEAKER. The Chair does not see at first blush why it is not privileged. The usual practice is, when a Member intends to bring up a resolution of this kind, to inform the chairman of the committee that he is going to do it.

Mr. LONGWORTH. If it is privileged, and I have not had the opportunity to examine it, the gentleman from New York can call it up any time to-day.

Mr. BOYLAN. That would be satisfactory to me.

Mr. CRAMTON. I would not want it to be taken for granted that it is privileged.

The SPEAKER. The gentleman from Michigan reserves a point of order.

Mr. CHINDBLOM. Since the gentleman from New York did not make a unanimous-consent request, I withdraw my reservation of the objection.

CONFERENCE REPORT ON IMMIGRATION BILL

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent that I may have until 11 o'clock p. m. to-night to file the conference report and a report of the managers on the part of the House on the immigration bill, H. R. 7995.

The SPEAKER. The gentleman from Washington asks unanimous consent that he may have until 11 o'clock to-night to file a report of the managers of the conference on the immigration bill. Is there objection?

Mr. CONNALLY of Texas. Reserving the right to object, I would like to ask the gentleman, Is this the last report; have the conferees had their last seance with the President on this subject?

Mr. JOHNSON of Washington. I hope so and I hope that we have a good report to make.

Mr. SABATH. Reserving the right to object, what is the gentleman's request?

The SPEAKER. That he have until 11 o'clock to-night to file a report of the managers on the immigration bill.

Mr. SABATH. Not having agreed to the conference report, is it necessary for me to reserve all points of order, or will it suffice when the report is called up for me to reserve points of order?

The SPEAKER. That can be reserved until the proper time.

Mr. SABATH. Having disagreed with the conferees, have I a right under the rule to file minority views or dissenting views?

The SPEAKER. The Chair does not remember any dissenting views or minority views on a conference report.

Mr. RAKER. Will the gentleman from Illinois yield? We were given authority, were we not, by the chairman of the committee to file minority views on the subject?

Mr. SABATH. Yes; but that would not bind the House.

The SPEAKER. The Chair is informed that it is without precedent to have minority views on a conference report.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD on the conference report on the immigration bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RAKER. Reserving the right to object, it is understood that I may see the report before it is presented to the House?

Mr. JOHNSON of Washington. Certainly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

Mr. SABATH. Mr. Speaker, the conferees on the immigration bill, taking advantage of parliamentary technicalities and of previous rulings, have, without authority of the House, deliberately embodied provisions, firstly, that have been rejected by the House; secondly, that were not considered by the House; thirdly, that were not in conference; and fourthly, have extended the time when the Japanese provision should go into effect provided for in the Senate as well as the House bill, namely, March 1, 1925.

Though the report submitted on the part of the managers of both Houses may be held not to be in violation of former rulings, to my mind it violates the spirit and intent of the rules of the House. However, being desirous to familiarize the Members of the House with at least the most important changes that have been agreed upon, I will not dwell whether the report is in order or not, but will briefly point out the differences between the bill as it passed the House and the report before us. In the first place, as to what I consider important deviation from the House bill is the adoption on the part of the managers of the so-called Reed national-origin scheme adopted by the Senate, but which, when presented on the floor of the House during the consideration of the immigration bill, was defeated by a large majority. This, the national-origin scheme—and that is the only way I can designate it—reads as follows:

SEC. 11. (b) The annual quota of any nationality for the fiscal year beginning July 1, 1927, and for each year thereafter, shall be a number which bears the same ratio to 150,000 as the number of inhabitants in continental United States in 1920 having that national origin (ascertained as hereinafter provided in this section) bears to the number of inhabitants in continental United States in 1920, but the minimum quota of any nationality shall be 100.

Both the Director of the Census, Mr. Steuart, and Doctor Hill, his first assistant, who appeared before the managers, declared that they would be obliged to adopt arbitrary methods to arrive at the proper basis upon which allocation will be based. This provision, which is to go into effect July 1, 1927, limits the number of European immigrants to 150,000 annually, and from tabulations prepared by the proponents of this scheme and utilized on the floor of the House by the gentleman from Colorado [Mr. VAILE] and in the conference meeting by the Senator from Pennsylvania, reduced to actual understandable figures, based upon the limitation of 150,000, will allow the various countries approximately the number indicated in the last column.

Quotas

Nationality or country	Present law	2 per cent of 1890 with minimum of 100	National origins under the 150,000 limit proviso
Albania	288	100	100
Armenia	230	100	100
Austria	7,342	990	1,840
Belgium	1,563	599	260
Bulgaria	302	100	100
Czechoslovakia	14,357	1,873	1,320
Danzig	301	223	100
Denmark	5,619	2,782	1,092
Esthonia	1,348	102	221
Finland	3,921	145	498
Fiume	71	100	100
France	5,729	3,878	2,763
Germany	67,607	50,129	22,018
Great Britain and Ireland	77,342	62,458	91,111
Greece	3,063	100	536
Hungary	5,747	488	1,259
Iceland	75	100	100
Italy	42,057	3,889	5,878
Latvia	1,540	117	253
Lithuania	2,622	302	444
Luxemburg	97	100	100
Netherlands	3,602	1,637	2,669
Norway	12,205	6,453	2,433
Poland	30,979	8,872	4,509
Portugal	2,465	474	275
Rumania	7,419	631	386
Russia	24,405	1,792	4,002
Spain	912	124	141
Sweden	20,042	9,561	3,707
Switzerland	3,752	2,081	781
Yugoslavia	6,426	735	602
Other Europe	86	126	100
Palestine	57	100	100
Syria	882	100	162
Turkey	2,654	100	119
Other Asia	92	100	100
Africa	104	100	100
Egypt	18	100	100
Atlantic Islands	121	100	134
Australia	279	120	100
New Zealand	80	100	100
Japan			
Total	357,801	161,993	150,993

Mr. Speaker, on examination of the above table it will be noticed that the percentage of immigration from Great Britain will be increased to such an extent that it will receive over three-fifths of the total and all the balance of Europe the remaining, less than two-fifths. This scheme will not only discriminate against the countries that I have formerly designated—such as Czechoslovakia, Yugoslavia, Rumania, Poland, Spain, Russia, Italy, and Lithuania—but it will also discriminate against Germany, France, Belgium, and all Scandinavian countries, and can only be justified on the theory that might makes right and that the Congress has the right to do so. I can not conceive how Congress will be able to justify this discrimination. The advocates of the 2 per cent 1890 census basis insisted that the nonquota provision in the House bill will eliminate to a great extent the discrimination and will equalize the immigration, and many Members voted for that provision relying on these assertions; and notwithstanding the assurances given, the House conferees abandoned the major portion of the nonquota provision and eliminated therefrom not only the parents of American citizens but even the husband of an American citizen.

The conferees have also agreed to accept the so-called Simmons amendment in amended form, which gives preferences to the extent of 50 per cent of the quota to skilled agriculturists; and though the husbands and parents of American citizens are included in that preferential provision, it is doubtful whether opportunity will be given to avail themselves of the provision, because the power of granting this preference is vested solely in our consular officers, who have full and unrestricted power to pass on all matters and applicants and from whose decision no appeal will lie, and who are made czars in the respective countries to which they will be assigned. There are other changes, but most of them of minor importance and are set forth in the report of the managers, as to the so-called ineligible-to-citizenship provision, which is better known as the Japanese provision. During the consideration of the bill in the committee and on the floor of the House, as well as in conference, I have continuously heard that this proposition should not and must not be considered from a political point of view; that it did not involve politics and must be treated as nonpolitical.

Though frequently questioning the sincerity of these statements, I have refrained at all times from doing or saying anything that might in any way be embarrassing to the majority Members or the President and, in fact, have to the best of my ability aided and assisted to adopt a policy that would be to the best interest of our country and without creating unnecessary resentment, but I was greatly amazed and surprised within the last few days when this important legislation has been utilized for political purposes, not only on the part of certain Members of both Houses but also by the President himself. I, indeed, greatly deplore that this unfortunate policy should have been pursued and the bill made a political football. I fully appreciate that it is for the best interest of our Nation to try to retain the good will and friendship of all nations. I am in accord with the sentiment expressed by many that we should not unnecessarily wound the feelings of Japan, and I presume that is the reason why the President has taken the position he has, but may I ask the reason of the interview on the part of the President on the 3d of this month and why we should not also take into consideration the feelings of other nations and other peoples whom, I take it, have a certain amount of pride and who also resent certain provisions in this bill, and who rightfully maintain that we discriminate against them, and clearly show that we base our legislation on libelous and distorted statistical misinformation.

I have been unable as yet to detect wherein the President or any member of his administration having to do with foreign affairs has shown any interest or indication in the representations made by several European nations with regard to this legislation. However, it may be forthcoming in the near future.

Due to short space of time I am deprived in pointing out the many other reasons why justice demands that this report should be rejected, and I am anxious to hear anyone that can successfully and truthfully show that the bill does not reek with unjustifiable discrimination.

Mr. RAKER. Mr. Speaker, there is a serious question whether or not the report can be received by the House, and that will depend upon circumstances between now and the time the chairman presents the report to the House; so I think the chairman had better present the report when the House is in session. I feel in duty bound to require the report to be presented in open session of the House.

Mr. JOHNSON of Washington. Mr. Speaker, I withdraw my request.

RELIEF OF DISABLED EX-SERVICE MEN

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask unanimous consent that I may be permitted to move to suspend the rules and pass the bill H. R. 8869, for the relief of disabled ex-service men, reported from the Committee on Veterans' Legislation.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, I ask the attention of the gentleman from Ohio [Mr. LONGWORTH]. The gentleman is familiar with the request just made by the gentleman from South Dakota. Of course, I do not feel that it is any responsibility of mine to deal with the order of business, but the gentleman from Ohio can not fail to know that if we begin granting unanimous consent requests on days other than the regular consent days, we are liable to get into a considerable confusion about our business here.

Mr. LONGWORTH. Mr. Speaker, such a request as this ought to be rarely made, but we have three days in which there are a number of rules to be considered. I should think that this would not take very long and it is an extremely important matter. I think it would be very well to consider it now.

Mr. GARNER of Texas. Mr. Speaker, reserving the right to object, I notice by the morning RECORD where the Speaker said that if he had known the gentleman from Mississippi [Mr. RANKIN] was going to call up that bill and ask unanimous consent that it be considered under the general rules of the

House, he would not have recognized him. I wonder if the Speaker knew what the gentleman from South Dakota was going to call up at this time.

Mr. JOHNSON of South Dakota. Mr. Speaker, in answer to the gentleman, would it not be the customary thing for the Speaker not to recognize for unanimous consent unless the chairman of the committee should be present?

Mr. GARNER of Texas. I am trying to find out what the situation is.

Mr. LONGWORTH. Mr. Speaker, let me say to the gentleman that there are certain amenities and a certain respect due to the Speaker of the House.

Mr. GARNER of Texas. I think that is correct.

Mr. LONGWORTH. When a gentleman desires to ask unanimous consent, the custom is, and it is a proper custom, to notify the Speaker in advance.

Mr. GARNER of Texas. I think that is correct.

Mr. LONGWORTH. I can not recall once when Mr. Clark was Speaker of the House that I ever made a request for unanimous consent without notifying him in advance that I was going to do so and the purpose for which I would do it. I think that is a respect that is due to the Speaker of the House.

Mr. GARNER of Texas. Mr. Speaker, I think the gentleman from Ohio is correct about that, but remembering that on yesterday the gentleman from South Dakota [Mr. JOHNSON] was recognized to ask unanimous consent for this identical purpose, and having in mind the fact that he is recognized again this morning, I am wondering if this is to be a continuous performance for the next week or 10 days if somebody objects.

The SPEAKER. The Chair hesitated when the gentleman from South Dakota [Mr. JOHNSON] asked him this morning for recognition, and, as the gentleman from South Dakota knows, declined at first to grant that recognition. Then he asked whether the gentleman from Mississippi [Mr. RANKIN], who yesterday objected, was notified, and was willing to have this request made. The Speaker also conferred with the leader of the majority and the leader of the minority together, upon the propriety of recognizing the gentleman to make the request, and after that conference the Chair felt justified in granting this unusual recognition.

Mr. GARNER of Texas. Mr. Speaker, may I ask the gentleman from South Dakota a question?

Mr. JOHNSON of South Dakota. Certainly.

Mr. GARNER of Texas. If I understand it, so far as the RECORD shows, there is no objection to calling this bill up under the general rules of the House. Would the gentleman be willing to make that request?

Mr. JOHNSON of South Dakota. I would not, for the reason that I know——

Mr. GARNER of Texas. I just wanted the RECORD to show that the gentleman is not willing to have it come up under the general rules of the House.

Mr. JOHNSON of South Dakota. I am glad to have the RECORD show that, because it will take 10 days to pass the bill under the general rules of the House, while these men are dying, and I do not propose to do that.

Mr. RANKIN. Mr. Speaker, in connection with the colloquy that has taken place between the gentleman from Texas [Mr. GARNER] and the majority leader about my request yesterday, I want to say that in the light of what has happened with reference to attempts to bring this bill up under suspension of the rules, by unanimous consent, I felt entirely justified in preferring a unanimous-consent request. If the House will remember, the gentleman from South Dakota [Mr. JOHNSON] on Monday last, in a most unusual way, and at a most unusual time, attempted to bring this up under unanimous consent, and made the request for unanimous consent and was recognized for that purpose by the Speaker between the——

Mr. JOHNSON of South Dakota. Between the reading and the approval of the Journal.

Mr. RANKIN. Between the approval of the Journal of the previous day and the taking up of business that had been set and agreed upon as the order of the day for Monday.

Mr. JOHNSON of South Dakota. Mr. Speaker, will the gentleman yield for a question there?

Mr. RANKIN. Yes.

Mr. JOHNSON of South Dakota. The gentleman will remember that at a meeting of the Committee on Veterans' Legislation, at which he was present, I was unanimously instructed, upon motion by the committee, of which I am the chairman and of which the gentleman from Mississippi is a member, to take the exact action which I did take. I was instructed to secure the consideration of this bill under a suspension of the rules or under a rule, and I am only carrying out the gentleman's own instructions.

Mr. RANKIN. No. In the first place, I think it is bad taste and a bad policy and a violation of the rules of the House to talk about what happened in the committee, and I desire to say to the gentleman that he never had the unanimous consent of the committee to bring this bill up under a suspension of the rule.

Mr. JOHNSON of South Dakota. Oh, that is the official record of the motion that was made in the committee. I am not taking up the position of the gentleman——

Mr. RANKIN. I say to the gentleman that if he remembers that he ever had the unanimous consent of the committee to bring this up under these conditions, his memory must be creative, because it was well known in the committee that I was opposed to bringing this up under a suspension of the rules, and I so stated, because I have some amendments I want to offer.

Now, I hope I am not violating the rules of the House, but I am constrained to make that statement in view of what has been said.

With reference to this motion, I want to ask the Speaker a question or propound a parliamentary inquiry. This motion that the chairman of the committee proposes is to take up this bill under suspension of the rules. I want to know if it would be in order to ask unanimous consent that the minority be permitted to offer one motion to recommit under these conditions, in order to bring relief, as I said on yesterday, to those men who have been suffering from disabilities for the last two or three years and who would not receive adequate compensation if the bill passed in its present form?

The SPEAKER. The Chair thinks he would recognize the gentleman to ask unanimous consent; whether it be granted, of course, that would be another question.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent——

Mr. LONGWORTH. Mr. Speaker, there is one unanimous-consent request pending; it is very easy to object if——

Mr. RANKIN The gentleman from Ohio can object to mine also.

Mr. LONGWORTH. And the gentleman from Mississippi can not take the gentleman from South Dakota off his feet. I do not want to demand the regular order here if I can help it, but I am not here to listen to speeches from the gentleman from Mississippi.

Mr. RANKIN. I ask unanimous consent, Mr. Speaker, in that connection——

Mr. HILL of Maryland. Mr. Speaker, I ask for the regular order.

Mr. RANKIN. That the minority be given an opportunity to offer one motion to recommit.

The SPEAKER. If anybody demands the regular order, the regular order is on the request of the gentleman from South Dakota.

Mr. LONGWORTH. I wish the gentleman from Maryland would withhold that for a moment.

Mr. HILL of Maryland. I will withhold it.

Mr. LONGWORTH. The gentleman understands that he can not prefer under the rules of the House a unanimous consent request until one of them submitted is considered.

Mr. RANKIN. Wait a minute. If gentlemen on that side want to shut off all opportunity to give relief to these boys who have been suffering total disabilities for the last two years they can do so. I do not propose to have the chairman lecture me. Mr. Speaker, I renew my request.

Mr. JOHNSON of South Dakota. In reply to the gentleman, I desire to say that I have no desire to lecture the gentleman.

Mr. RANKIN. I decline to yield further, and I renew my request.

Mr. HILL of Maryland. I ask for the regular order.

Mr. COOPER of Wisconsin. Will the gentleman withhold that?

Mr. HILL of Maryland. I will withhold it.

Mr. COOPER of Wisconsin. Reserving the right to object, may I say a word here? Of course, no one wishes to do anything which would delay the legislation for the relief of sick and disabled soldiers. Any Member with a spark of human sympathy in his soul would be very loath to do a thing of that sort. But I do desire, Mr. Speaker, in this connection to remind the Speaker and the House of the reason which led to the adoption of the rule establishing the Unanimous Consent Calendar. When I first came here, when my distinguished friend from Virginia [Mr. TUCKER] first came here, and when our honored Speaker first came here and for years after if you wished to make a motion for unanimous

consent you went to the chambers of the Speaker or met him in the lobby or elsewhere and secured his consent to recognize you for that purpose.

But no person on the floor knew what was coming up. We came in here and suddenly a Member was recognized to make a motion for unanimous consent. Perhaps no other Member had seen the bill; perhaps a Member opposed to the bill was not on the floor. Nobody had received notice that a motion would be made to take it up. This system was a very great evil. At last the feeling became so strong that a revolt was organized; but it took a long time and very determined fighting to secure a rule establishing a Calendar for Unanimous Consent. An evil system long in vogue in the House is a hard thing to break up. It required years, as I have said, of persistent work before we could get a Unanimous Consent Calendar and stop the great evil of a Member going to the chambers of the Speaker and making a secret arrangement with him, perfectly honorable, of course, but, nevertheless, most surprising to a great majority of the membership of the House. Therefore the motion of the gentleman from South Dakota is a serious thing. I shall not object to it, although according to the statement of the gentleman he could bring it up in either of two ways. He could do this on unanimous-consent day, and no Member would object. I shall not object now, but hereafter I shall object to other measures being called up in this way unless they are on the Calendar for Unanimous Consent.

The SPEAKER. The Chair will state, as he stated before, that he has not felt at liberty to recognize any bill for unanimous consideration since the Consent Calendar was adopted, except bills like bridge bills, when the Chair assumed the whole House would unquestionably approve his action. This morning when this suggestion was made by the gentleman from South Dakota the Chair at first declined to recognize him; but after conference with the majority and minority leaders he concluded that that would be in accord with the spirit of the whole House; but after the comment made by the gentleman from Wisconsin, the weight of which the Chair recognizes, the Chair thinks he ought to decline to recognize the gentleman from South Dakota.

PRINTING A BILL IN THE RECORD

Mr. SHALLENBERGER. Mr. Speaker, I desire to ask unanimous consent to publish in the RECORD a bill, H. R. 5427, introduced by the gentleman from Alabama [Mr. HUDDLESTON], as to which I have filed a petition to discharge the Committee on Interstate and Foreign Commerce from the consideration of the bill under the discharge rule; and I ask, for the information of the House, to have this bill published in the RECORD.

The SPEAKER. Does the gentleman wish to have the bill printed?

Mr. SHALLENBERGER. Yes.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to have the bill referred to printed in the RECORD. Is there objection?

Mr. LONGWORTH. Mr. Speaker, reserving the right to object, I could not hear a word.

Mr. SHALLENBERGER. There are few copies of the bill extant. It is a very important measure to the House. I have already petitioned to discharge the committee. The bill provides for the repeal of section 15a and to make unlawful the rates established under that act on August 26, 1920. I have filed a petition signed by Members for the discharge of the committee, and I ask unanimous consent, for the information of the Members of the House, to be allowed to put this bill in the RECORD.

Mr. LONGWORTH. Does the gentleman think it possible to secure the consideration of that bill?

Mr. SHALLENBERGER. I do think it is possible.

Mr. LONGWORTH. I think it would be well to have additional copies printed.

Mr. SHALLENBERGER. I am going to try to get it in the RECORD. It is a very important measure. Many Members of the House are interested in it. The bill has been with the Committee on Interstate and Foreign Commerce since January 14 of this session, and I think it is a matter of great interest to the House and will be to the country.

Mr. LONGWORTH. I have no objection to the publication of the bill, but I do object to the system of publishing bills in which Members are interested. I shall have to object for the present.

The SPEAKER. Objection is made.

EXTENSION OF REMARKS

Mr. WATKINS. Mr. Speaker, I ask unanimous consent to have inserted as an extension of remarks a copy of a telegram which I received this morning expressing the views of the people of the Pacific coast in connection with the immigration bill, and about six lines thereon, and a short editorial, about 4 inches long, dealing with the same subject, and the comments of Mr. Roosevelt on the gentleman's agreement.

Mr. SNELL. Oh, I have received 5,000 telegrams in the last 24 hours. I object to the inserting of telegrams in the RECORD.

NO QUORUM—CALL OF THE HOUSE

Mr. BLANTON. Mr. Speaker, before this rule is taken up there ought to be a quorum present. I make the point of order that there is no quorum present. This is an important rule.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. Apparently there is no quorum present.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Drane	McLaughlin, Nebr.	Rouse
Andrew	Edmonds	McLeod	Sanders, N. Y.
Bacharach	Fitzgerald	McNulty	Sears, Fla.
Bell	Gallivan	McSwain	Sears, Nebr.
Browne, N. J.	Geran	Miller, Ill.	Stalker
Buckley	Gifford	Milligan	Stengle
Byrnes, S. C.	Gilbert	Morgan	Strong, Pa.
Campbell	Greene, Mass.	Morin	Sullivan
Canfield	Hill, Wash.	Morris	Sweet
Clark, Fla.	Howard, Okla.	Mudd	Taylor, Colo.
Cole, Ohio	Johnson, Ky.	Nelson, Wis.	Vare
Collins	Kahn	O'Brien	Vestal
Connolly, Pa.	Keller	O'Sullivan	Voigt
Cooper, Ohio	Kiess	Park, Ga.	Ward, N. Y.
Corning	Langley	Quayle	Ward, N. C.
Curry	Lilly	Ransley	Wason
Davey	Little	Reed, W. Va.	Weaver
Deal	McFadden	Reid, Ill.	Welsh
Dempsey	McKenzie	Rogers, N. H.	Winter
Dominick	McKeown	Rosenbloom	Wurzbach

The SPEAKER. Three hundred and fifty-two Members have answered to their names. A quorum is present.

Mr. SNELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

AMENDING CLASSIFICATION ACT OF 1923

Mr. SNELL. Mr. Speaker, I call up a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York, the chairman of the Committee on Rules, presents a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 250

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6896, being a bill to amend an act entitled "The classification act of 1923," approved March 4, 1923, and after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided between those for and against the bill, it shall be read for amendment under the five-minute rule; that at the conclusion of the consideration for amendment the bill shall be reported to the House, with such amendments as may have been agreed to, when the previous question shall be considered as ordered on the bill and amendments to final passage without intervening motion, except one motion to recommit.

The SPEAKER. The gentleman from New York [Mr. SNELL] is recognized.

Mr. SNELL. Mr. Speaker, this resolution, if adopted, simply provides for the consideration of the bill H. R. 6896, a bill to amend an act entitled "the classification act of 1923," approved March 4, 1923, and provides for one hour of general debate and then for consideration of the bill under the general rules of the House.

In 1923 Congress passed the classification act, which provided for a classification of the Government employees in the District of Columbia.

The act contained an outline of the classification to be made, dividing the personnel into services such as the professional, subprofessional, clerical, and so forth, and each such service into a series of grades with a salary range for each such grade. To complete the classification the act created the Personnel Classification Board, which was to subdivide the grades into classes and supply titles and definitions for them and to publish a statement containing the duties and qualifications required for such duties for the classes within the several grades.

Under its supervision it was also understood that the heads of the departments were to fit in the employees under them into their appropriate classes, and fix each salary within the range of the grade in which the classes fell in accordance with the rules set forth in the act. The Personnel Classification Board was also directed to make a classification of the field service as nearly as practicable like the classification set up in the District. It has been charged that the Personnel Classification Board, instead of carrying out the above provisions of the law, made a classification in the District in accordance with a plan at variance with the directions of Congress; and as a result the improvements in the service and the equality and uniformity in compensation intended to be achieved were lost. It was further charged that the Personnel Classification Board was not making a classification of the field service in accordance with the directions in the act.

The Committee on the Civil Service held extensive hearings and made an exhaustive study of the minutes of the Personnel Classification Board, and that committee is unanimously of the opinion that the present Personnel Classification Board is not carrying out the intent and purpose of Congress when it passed the original act. Therefore, it is proposed to amend the act by transferring these duties to the Civil Service Commission. The Civil Service Commission has the machinery to do this work, is in sympathy with the work itself, and will carry it out and do it in accordance with the intent and purpose of Congress when it passed the original act.

Therefore, the Rules Committee thought it was important enough to bring in this rule for the consideration of the House at this time.

Mr. COLTON. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. COLTON. Is this not a departure from the work heretofore done by the Civil Service Commission in that it puts upon them or will put upon them the duty of fixing salaries?

Mr. SNELL. I think to a certain extent the gentleman's statement is true, but I understand they have the machinery and they can do this work much beter than anyone else at the present time. They are willing to undertake it and carry out the intent and purpose of Congress when it passed the original act.

Mr. COLTON. If the gentleman will permit, is not that a departure from the original intention in creating the Civil Service Commission? My understanding is that their work is the work of determining efficiency and holding examinations.

Mr. SNELL. I think it is a departure to a certain extent, and that is why it is necessary to have a new act conferring these duties upon them, provided Congress wants to do it.

Mr. COLTON. One more question, if the gentleman will permit. Is the gentleman advised as to whether or not the Attorney General has passed upon the work of the Reclassification Board and has determined whether they did, as a matter of fact, comply with the law or have violated the spirit of the law?

Mr. SNELL. I can not say as to that. I get my information from the Committee on the Civil Service, and I suppose that committee has gone into that very fully.

Mr. SHERWOOD. Did I understand the gentleman to say that this bill is in the interest of both efficiency and economy?

Mr. SNELL. I think so, and I am so informed by the Civil Service Commission.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. I would like to have a few minutes to yield.

Mr. SNELL. How much time does the gentleman want?

Mr. GARRETT of Tennessee. Ten minutes.

Mr. SNELL. I yield the gentleman 10 minutes to yield as he sees fit.

Mr. GARRETT of Tennessee. I yield five minutes to the gentleman from Texas [Mr. BLACK].

The SPEAKER. The gentleman from Texas is recognized for five minutes.

Mr. BLACK of Texas. Mr. Speaker, in the Sixty-seventh Congress, when the reclassification bill was passed, I had the honor of being the ranking member on the Democratic side of the committee. In the original bill which was introduced the Civil Service Commission was made the classification agency. Our committee, after a thorough investigation and a thorough hearing on the bill, determined, to the satisfaction of the committee—and it met with my entire approval—that the Civil Service Commission was not a proper administrative agency to do this reclassification work. Therefore we struck out that provision of the bill and made the Bureau of the Budget the classification agency. The bill went to the Senate; some changes were made there, and in a conference between the House conferees and the Senate conferees a Personnel Classification Board was set up, composed of one representative from the Civil Service Commission, one from the Bureau of the Budget, and one from the Bureau of Efficiency. I helped to arrive at that agreement in conference.

Now, gentlemen, it has been charged that this Personnel Classification Board has not done its work well. I am not a member of the committee any more, and I have not had the opportunity to review the facts connected with this criticism of the Personnel Board, but I do say this: When I was a member of the committee and when we had hearings on the bill I do remember that all of the experts and proponents of the bill estimated that it would perpetuate the old basic salaries, it would perpetuate the $240 temporary salary increases given Government employees during the war, and would add about 5 per cent additional in the aggregate to the Government pay roll. I offered some amendments to the bill in the House, and they were well-nigh unanimously adopted, and if the Senate had adhered to them there would have been no increase in aggregate of expenditures. I have watched these appropriation bills as they have been coming in the House this session and I say to you, and I do not think any gentleman will contradict it, that the actual classification which has been made does perpetuate former salary expenditures and adds between 5 and 10 per cent, as was the original estimate.

Mr. SHERWOOD. How much would that amount to in money?

Mr. BLACK of Texas. I estimate it would be between $4,000,000 and $5,000,000; that the 5 per cent would mean an increase of between $4,000,000 and $5,000,000. Therefore the aggregate cost of the bill is all that it was estimated it would be. So I can not see that the Personnel Classification Board has done very differently from what Congress intended.

Now, no one thought all the employees would be satisfied with the classification which would be made. Everyone knew that there would be employees who would be dissatisfied who did not receive as great increases as they thought they were entitled to.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. BLACK of Texas. Will the gentleman from Tennessee yield me one more minute, and then I will conclude.

Mr. GARRETT of Tennessee. Yes; I yield the gentleman one more minute.

The SPEAKER. The gentleman from Texas is recognized for an additional minute.

Mr. BLACK of Texas. In closing, I want to say this: That even if the Members of the House are of the opinion that this work has been imperfectly done by the Personnel Classification Board, I think one of the least suitable agencies in the Government to do it would be the Civil Service Commission, because I do not regard it as an administrative board, and I do not regard administrative work of this kind a proper function of the commission to perform.

Mr. COLTON. Will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. COLTON. Is not the main objection to the work of the Classification Board the fact that they have not raised salaries high enough?

Mr. BLACK of Texas. Oh, yes. A great many of the employees expected that they would get raises beyond the intent of the act.

Mr. CELLER. Will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. CELLER. Does not the gentleman think the Personnel Classification Board should be a guide for the employment of additional employees, and if the Personnel Classification Board is supposed to lay down a guide for the employing agency and the employing agency is the commission that employs—that is, the Civil Service Commission—would it not be better to join those two functions in one body?

Mr. BLACK of Texas. Does the gentleman regard the Civil Service Commission as a commission which can properly execute administrative functions?

Mr. CELLER. I think it can in a certain degree, but not totally.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. GARRETT of Tennessee. Mr. Speaker, I yield the remainder of my time to the gentleman from Texas [Mr. BLANTON].

The SPEAKER. The gentleman from Texas is recognized for four minutes.

Mr. BLANTON. Mr. Speaker, this present Classification Board is composed of a member of the Budget, that is a proper member; a member of the Civil Service Commission, that is a proper member; and a member of the Bureau of Efficiency, and he is a proper member. How could you find a better board? Is there anything wrong with that board? It is the best board you could get to put into effect this classification act. But they have not done everything that all Government employees want them to do, and such employees are dissatisfied and want a change.

With the present board, even as it is now constituted, this classification act is costing three times as much to the taxpayers as we ever expected. I want to show you just how much it is costing. Let me take the last appropriation bill, which we passed the other day, supplying funds for the District of Columbia, and let me show you how it increases the various items. Here is the purchasing division: For its employees the increase is from $40,000 to $50,000; the building inspection employees are increased from $59,000 to $72,000; the executive office employees are increased from $154,000 to $192,000; the assessor's office employees are increased from $61,000 to $118,000; the auditor's office employees are increased from $56,000 to $74,000; the collector's office employees are increased from $54,000 to $68,000; and so on; such increases appear for all other employees of the District of Columbia. These enormous increases appear all the way through that bill and are increases that have already been allowed by this Classification Board. But such increases did not satisfy.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. I regret I have not time to yield in four minutes.

What are you going to do, gentlemen? This present board has its personnel. It has already done this work. It has already reclassified these men under the law. It has spent nearly two years at it. Do you want now to abolish this board and send the work over to the Civil Service Commission? The first thing they will ask for will be for a personnel composed of an army of new employees to put on the pay roll because they are not prepared to do this work. They know nothing about it, while the present board already has been working on it for two years and has its personnel of employees.

Could you get a better board than this one, composed of one member of the Budget, one member of the Bureau of Efficiency, and a member of the Civil Service Commission? Why should you change the board?

Under this rule just presented by the Committee on Rules we are given just an hour's debate on the question of changing this whole plan. It is not right, gentlemen. It is not right to us as Members of Congress to force us to legislate in this way. I do not believe the distinguished chairman of the Rules Committee down deep in his heart is in favor of this change. I have no authority to speak for him and do not know anything about his views, but knowing him as I do, I do not believe he is in favor of it. I do not believe the distinguished majority leader is in favor of it. I do not think the chairman of the Appropriations Committee is in favor of it. I do not think that the steering committee of the dominant party is in favor of it. But it is election year. These employees send their representatives here to the galleries to watch us and to take our number and to force us to do something they demand right here on the eve of the primaries, and it is not treating us right. Of course, I am not afraid of them. I am going to do my duty. I am one of the free lances of the House. I vote just exactly as I feel like voting, and I talk that way, whether they like it or not. They can send representatives down to my district all they want to and say things against me, but I will say just what I think on this floor and vote that way all the time.

It is not fair to force all Members of the House to vote on this proposition under these circumstances.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SNELL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 121, noes 8.

Mr. BLANTON. Mr. Speaker, I object to the vote because there is not a quorum present, and I make the point of order.

The SPEAKER. It is clear there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, a parliamentary inquiry. Is the vote on the previous question or on the adoption of the rule?

The SPEAKER. On the adoption of the rule. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 328, nays 11, answered "present" 1, not voting 92, as follows:

YEAS—328

Ackerman	Faust	Lee, Ga.	Robsion, Ky.
Aldrich	Favrot	Lehlbach	Rogers, Mass.
Allen	Fenn	Lindsay	Romjue.
Allgood	Fish	Lineberger	Rubey
Almon	Fisher	Linthicum	Sabath
Anthony	Fitzgerald	Logan	Salmon
Arnold	Fleetwood	Longworth	Sanders, Ind.
Aswell	Foster	Lowrey	Sanders, Tex.
Ayres	Frear	Lozier	Sandlin
Bacon	Fredericks	Luce	Schafer
Bankhead	Free	Lyon	Schall
Barkley	Frothingham	McClintic	Schneider
Beck	Fulbright	McKenzie	Scott
Beedy	Fuller	McKeown	Seger
Beers	Fulmer	McLaughlin, Mich.	Shallenberger
Begg	Funk	McLaughlin, Nebr.	Shreve
Berger	Garber	McLeod	Simmons
Bixler	Gardner, Ind.	McReynolds	Sinclair
Black, N. Y.	Garner, Tex.	McSwain	Sinnott
Bland	Garrett, Tenn.	McSweeney	Sites
Bloom	Garrett, Tex.	MacGregor	Smith
Boies	Gasque	MacLafferty	Smithwick
Bowling	Gibson	Magee, N. Y.	Snell
Box	Glatfelter	Magee, Pa.	Snyder
Boyce	Goldsborough	Major, Ill.	Speaks
Boylan	Graham, Pa.	Major, Mo.	Sproul, Ill.
Briggs	Greenwood	Manlove	Sproul, Kans.
Britten	Griest	Mansfield	Steagall
Browne, Wis.	Griffin	Mapes	Steadman
Browning	Hadley	Mead	Stephens
Brumm	Hammer	Merritt	Strong, Kans.
Buchanan	Hardy	Michaelson	Summers, Wash.
Bulwinkle	Harrison	Michener	Sumners, Tex.
Burdick	Hastings	Miller, Wash.	Swank
Burtness	Haugen	Milligan	Swing
Burton	Hawes	Minahan	Swoope
Busby	Hawley	Montague	Taber
Butler	Hayden	Mooney	Tague
Byrns, Tenn.	Hersey	Moore, Ill.	Taylor, Tenn.
Cable	Hickey	Moore, Ohio	Taylor, W. Va.
Cannon	Hill, Ala.	Moore, Va.	Thatcher
Carew	Hoch	Moores, Ind.	Thomas, Okla.
Carter	Holaday	Morrow	Thompson
Casey	Hooker	Murphy	Tillman
Celler	Howard, Nebr.	Nelson, Me.	Tilson
Chindblom	Huddleston	Nelson, Wis.	Timberlake
Christopherson	Hudson	Newton, Mo.	Tinkham
Clague	Hudspeth	Nolan	Treadway
Clancy	Hull, Iowa	O'Connell, N. Y.	Tucker
Cleary	Hull, Tenn.	O'Connell, R. I.	Tydings
Cole, Iowa	Hull, William E.	O'Connor, La.	Underwood
Collier	Humphreys	O'Connor, N. Y.	Upshaw
Connally, Tex.	Jacobstein	Oldfield	Vaile
Connery	James	Oliver, Ala.	Vincent, Mich.
Cook	Jeffers	Oliver, N. Y.	Vinson, Ga.
Cooper, Wis.	Johnson, Tex.	Paige	Vinson, Ky.
Cramton	Johnson, W. Va.	Parker	Voigt
Croll	Jones	Parks, Ark.	Wainwright
Crosser	Jost	Patterson	Watkins
Cullen	Kearns	Peavey	Watres
Cummings	Keller	Peery	Watson
Dallinger	Kelly	Perkins	Weaver
Darrow	Kent	Perlman	Wefald
Davis, Minn.	Kerr	Phillips	Weller
Davis, Tenn.	Ketcham	Pou	Werts
Deal	Kincheloe	Prall	White, Kans.
Dempsey	Kindred	Purnell	Wingo
Denison	King	Quin	Williams, Ill.
Dickinson, Iowa	Knutson	Ragon	Williams, Mich.
Dickinson, Mo.	Kopp	Rainey	Williams, Tex.
Dickstein	Kunz	Raker	Wilson, Ind.
Doughton	Kvale	Ramseyer	Wilson, La.
Dowell	LaGuardia	Rankin	Wilson, Miss.
Doyle	Lampert	Ransley	Winslow
Drewry	Lanham	Rathbone	Wolff
Driver	Lankford	Rayburn	Wyant
Dyer	Larsen, Ga.	Reece	Wright
Eagan	Larson, Minn.	Reed, Ark.	Woodruff
Elliott	Lazaro	Reed, N. Y.	Woodrum
Evans, Mont.	Lea, Calif.	Richards	Yates
Fairchild	Leatherwood	Roach	Young
Fairfield	Leavitt	Robinson, Iowa	Zihlman

NAYS—11

Black, Tex.	Brand, Ohio	Crisp	Morehead
Blanton	Clarke, N. Y.	Evans, Iowa	Underhill
Brand, Ga.	Colton	Moore, Ga.	

ANSWERED "PRESENT"—1

Hull, Morton D.

NOT VOTING—92

Abernethy	Campbell	Carry	Gifford
Anderson	Canfield	Davey	Gilbert
Andrew	Clark, Fla.	Dominick	Graham, Ill.
Bacharach	Cole, Ohio	Drane	Green, Iowa
Barbour	Collins	Edmonds	Greene, Mass.
Bell	Connolly, Pa.	Freeman	Hill, Md.
Browne, N. J.	Cooper, Ohio	French	Hill, Wash.
Buckley	Corning	Gallivan	Howard, Okla.
Byrnes, S. C.	Crowther	Geran	Johnson, Ky.

Johnson, S. Dak.	Miller, Ill.	Rogers, N. H.	Temple
Johnson, Wash.	Mills	Rosenbloom.	Thomas, Ky.
Kahn	Morgan	Rouse	Tincher
Kendall	Morin	Sanders, N. Y.	Vare
Kiess	Morris	Sears, Fla.	Vestal
Kurtz	Mudd	Sears, Nebr.	Ward, N. C.
Langley	Newton, Minn.	Sherwood	Ward, N. Y.
Lilly	O'Brien	Stalker	Wason
Little	O'Sullivan	Stengle	Welsh
McDuffie	Park, Ga.	Stevenson	White, Me.
McFadden	Porter	Strong, Pa.	Williamson
McNulty	Quayle	Sullivan	Winter
Madden	Reed, W. Va.	Sweet	Wood
Martin	Reid, Ill.	Taylor, Colo.	Wurzbach

So the resolution was agreed to.

The following pairs were announced:

Until further notice:

Mr. McFadden with Mr. Rouse.
Mr. Sears of Nebraska with Mr. Stengle.
Mr. Bacharach with Mr. Park of Georgia.
Mr. Freeman with Mr. Sears of Florida.
Mr. Greene of Massachusetts with Mr. Byrnes of South Carolina.
Mr. Johnson of South Dakota with Mr. Davey.
Mr. Kurtz with Mr. Quayle.
Mr. Madden with Mr. Johnson of Kentucky.
Mr. Langley with Mr. Clark of Florida.
Mr. Morgan with Mr. Morris.
Mr. Porter with Mr. Geran.
Mr. Reid of Illinois with Mr. Sherwood.
Mr. Stalker with Mr. Abernethy.
Mr. Wason with Mr. O'Brien.
Mr. Andrew with Mr. Canfield.
Mr. Connolly of Pennsylvania with Mr. Stevenson.
Mr. White of Maine with Mr. Hill of Washington.
Mr. Sweet with Mr. Browne of New Jersey.
Mr. Kendall with Mr. McNulty.
Mr. Gifford with Mr. Collins.
Mr. Crowther with Mr. Rogers of New Hampshire.
Mr. Graham of Illinois with Mr. Sullivan.
Mr. Vare with Mr. Gallivan.
Mr. Wood with Mr. Bell.
Mr. Winter with Mr. O'Sullivan.
Mr. Mills with Mr. Taylor of Colorado.
Mr. French with Mr. Dominick.
Mr. Johnson of Washington with Mr. Swank.
Mr. Kiess with Mr. Buckley.
Mr. Hill of Maryland with Mr. Howard of Oklahoma.
Mr. Morin with Mr. Thomas of Kentucky.
Mr. Strong of Pennsylvania with Mr. Corning.
Mr. Mudd with Mr. Lilly.
Mr. Welsh with Mr. Drane.
Mr. Vestal with Mr. Martin.
Mr. Wurzbach with Mr. Ward of North Carolina.
Mr. Temple with Mr. Gilbert.
Mr. Tincher with Mr. McDuffie.

The result of the vote was announced as above recorded.

A quorum being present, the doors were reopened.

THE PERSONNEL CLASSIFICATION BOARD

Mr. LEHLBACH. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6896) to amend an act entitled "the classification act of 1923," approved March 4, 1923.

Mr. BLANTON. Will the gentleman ask that the time be controlled by himself and the gentleman from Texas [Mr. BLACK]?

Mr. LEHLBACH. I will ask for recognition and subsequently we can arrange in committee for those opposed.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. SANDERS of Indiana in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Personnel Classification Board created by the act entitled "the classification act of 1923," approved March 4, 1923, be, and the same is hereby, abolished.

SEC. 2. That the powers, duties, and functions by said classification act of 1923 vested in said Personnel Classification Board be, and the same are hereby, transferred to the United States Civil Service Commission.

Mr. LEHLBACH. Mr. Chairman, the proposition involved in this bill, H. R. 6896, is a simple one and easily understood. I want to say, in the first place, that it has nothing whatever to do with salaries to be paid in the District of Columbia or salaries to be paid in the field service to employees of the United States.

In 1923, after the matter had been before Congress for about four years, Congress enacted the classification act. The reason for enacting the law to classify the employees of the Government was that an investigation by a joint congressional commission had shown that gross inequalities existed in pay for like work in the Government service; that in some departments people doing a certain class of work received a certain salary; that in other departments some received about three-quarters of that amount for doing the same kind of work, and in another department some received twice as much for doing the same work. There was no coordination, no equality fixed in compensation in the Government service. Salaries could be fixed and promotions made at the whim of the chief of a division or a bureau head.

In order to remove this, Congress determined to adopt the policy which has been adopted in other jurisdictions, to create a classification of the employees, to divide the employees into classes, each class having the same substantial duties and the same qualifications necessary to perform the character of work. That for these classes uniform compensation be provided and that the entire personnel of the Government be allocated or assigned to the class to which a person belonged after an examination has been made of the character of work he was doing.

In order to bring this about, the classification act prescribed a skeleton classification known as the compensation schedules, dividing the entire personnel of the Government in the District of Columbia into broad services—professional, scientific, clerical, and custodial services, to which every employee doing, in a broad way, professional work or subprofessional work, clerical work, and custodial work belongs. Each of these forces was divided into seven or eight grades, the character and quality of work in each grade was broadly defined, and a salary range was provided for each such grade.

The law then provided that this skeleton should be taken and the classification completed, the employees divided into classes, each class put into a proper grade and proper service, and for each such class a salary within the range of the grade in which the classes was to be provided.

So Congress fixed the salaries, broadly speaking, and it was a question of making the classification, allocating the employees to proper classes, and fitting them into the grades where they belonged.

Mr. McKEOWN. Will the gentleman yield?

Mr. LEHLBACH. I prefer to finish my statement. The act provided that in order that this be done there should be an agency to complete the classification, and they created the Personnel Classification Board. The creation of this board was a compromise between the House and the Senate at the time the bill was on its passage. It was hoped that this would meet the requirements and that the work would be accomplished.

Section 3 of the act prescribes that this classification board shall make all necessary rules and regulations not inconsistent with the provisions of this act and provide subdivisions of the grades contained in section 13.

Section 13 is the compensation schedules which I have described as an outline of the classification.

It further provides that the board shall provide such titles and classes as it may deem necessary according to the kind and difficulty of the work; in other words, to create the classes with the grades.

It further provides that the classification board shall do this: Make regulations to provide for ascertaining and recording the duties of positions and the qualifications required of incumbents, and prepare and publish an adequate statement.

This statement was to contain the duties and the responsibilities involved in the classes to be established within the several grades. Bear in mind the plain language of the act—to prescribe—

the duties and responsibilities in the classes to be established within the several grades. * * * (2) The minimum qualifications required for the satisfactory performance of such duties and tasks, and (3) the titles given said classes.

When this classification has been prepared by the Personnel Classification Board and the statement for the guidance of the department heads containing the definitions of the classes, the minimum qualifications, and so forth, issued, then section 4 provides that after consultation with the board, and in accordance with a uniform procedure prescribed by it, the head of each department shall allocate the positions in his department in the District of Columbia to their respective grades in the compensation schedule.

That is, the classification was to be made by the Personnel Classification Board, the definitions of the classes and the duties and the qualifications were to be published in a statement, the titles were to be fixed and published in a statement, and these were to be given to the department heads and then the department heads were to take the employees under their control and fit them in the proper classes, and then the salaries were to be fixed for these employees thus allocated to their classes in accordance with section 6 of the act, which provides rules prescribing expressly what initial salary within the

range of salaries should be given to these employees in these given classes. These rules prescribed, for instance—

2. If the employee is receiving compensation less than the minimum rate of the grade or class thereof in which his duties fall, the compensation shall be increased to that minimum rate.

That is, he shall receive the minimum for the grade or class into which he is allocated. That is the plain letter of the law. That was the intention of Congress—to create a classification of the employees in the Government. This is no new thing. Canada has had that for five years and it is working under it to-day and has no intention of abandoning it.

The State of Illinois, the State of Ohio, the State of New Jersey, the State of Maryland have classifications just like this under which they are working, and they have not the slightest intention of abandoning them. It was thoroughly known what Congress meant by the plain provisions of this act.

When the Personnel Classification Board began to function, it refused to carry out the provisions of the act, it refused to prepare a classification and define the classes, and simply directed the department heads to allocate their employees to 17 grades in a compensation schedule drawn up by the Bureau of Efficiency. As a result, we have a loose revision of salaries, no classification, no check on equality in the departments, and we have a situation where clerks of a certain kind and character doing work in one department in Washington to-day are receiving different rates of salaries from clerks doing the same thing in some other department in Washington. The very purpose of Congress has been set aside by a refusal of the Personnel Classification Board to abide by the plain provisions of the law that created it.

For that reason your committee, after examining this matter, and after hearing all members of the Personnel Classification Board, after an exhaustive study of their minutes, have unanimously agreed that the only remedy is to abolish the board that will not abide by the law and vest its functions in some agency of the Government that will abide by the law passed by Congress. [Applause.]

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. BLACK of Texas. The gentleman has given very careful investigation to this, and I want to know whether my information is correct. I understand that the increase in the appropriations as actually carried in the appropriation bills that we have passed aggregate as much increase as was estimated before our committee when we had the Classification Board before us. Is not that true?

Mr. LEHLBACH. Substantially; but the gentleman must remember that the compensation schedules were amended upward in some particulars in the Senate.

Mr. BLACK of Texas. I know. I remember I offered a series of amendments on the floor and called the attention of the House to the fact that these professional salaries were going to be out of line, but we adopted it in the House, and I think the principal cause of complaint can be laid at the law rather than at any action of the board.

Mr. LEHLBACH. I call the attention of the gentleman from Texas and of the committee to this fact, that vesting this function in the Civil Service Commission will not increase or decrease the cost of the classification. That is entirely beside the matter. That is the law. The schedules have been adopted by the Congress, fixing the rates of pay, and in all your appropriation acts you have made appropriations for personal services in accordance with the classification act of 1923; but the point is not whether the employees are going to get more or less money, because in the aggregate there will be no difference in that respect, but whether there is going to be an equality, a fairness in the treatment of the employees, a uniformity throughout the departments, and whether the express provisions of the act of Congress are going to be set aside or carried out by the agency that Congress creates.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. CHINDBLOM. What reason did this Classification Board give for not having classified the men in the various grades?

Mr. LEHLBACH. I will read to the gentleman from the hearings what Mr. Graves, the representative of the Bureau of Efficiency on the Personnel Classification Board, says respecting the provisions directing classification to be made and directing employees to be allocated to their respective classes in the classification. This is from the testimony of Mr. Graves:

The CHAIRMAN. I do not know whether I can find the particular paragraph without taking too much time, but I believe it is stated here in this outline of policies of November 12 that the purposes that Congress manifestly had in view in providing for the duties to be performed by the Personnel Classification Board in section 3, the creation of the class specifications, the selection of titles, etc., were two purposes—facilitating the Civil Service Commission to make proper selection of entrants, and to form the basis of useful statistical information?

Mr. GRAVES. That is correct.

The CHAIRMAN. Are those the purposes, you think, after reading the whole act, that Congress had in mind in providing for class specifications?

Mr. GRAVES. There is one further purpose that I had in mind. I did not, I believe, make those exclusively the purposes. There is one other purpose which I think Congress had in mind, and that is to facilitate the selection of employees for promotion and assignment, once they are on the job.

The CHAIRMAN. And do you not believe that Congress had in mind when it wrote section 3 and followed it with section 4 that the duties that the board were to perform, the classification that it was to set up in accordance with section 3, were to be used in making the allocations by the heads of the departments in section 4?

Mr. GRAVES. Not necessarily. I do not believe that Congress required that to be done.

I never heard anything so idiotic in my life. The whole purpose of the act was to create a classification and then to allocate the employees to the proper classes, and they said they did not believe Congress intended to do that; that Congress only passed the classification act containing this provision for complete classification in order that the Civil Service Commission might draw up proper examinations and that statistical information should be at hand, which is arrant nonsense. The board set aside the provisions of this act and made a salary revision of the employees of the Government in accordance with a plan entirely its own, and not in the slightest in accordance with the provisions of the act. I reserve the remainder of my time.

Mr. HASTINGS. Will the gentleman yield in that connection?

Mr. LEHLBACH. I will.

Mr. HASTINGS. As I understand it, the gentleman believes if this were transferred over to the Civil Service Commission the law would be properly construed and be properly administered?

Mr. LEHLBACH. The gentleman from New Jersey is assured of that fact. Furthermore, the Civil Service Commission has the organization. It has to know the qualities and duties of these positions in order to examine the entrants. It has all that information, which has been an integral part of the Personnel Classification Board, and all that material is available for the Civil Service Commission. Furthermore, wherever in the wide world a classification exists it is administered by the Civil Service Commission in that jurisdiction. Furthermore, the Civil Service Commission does not fix the salaries—Congress fixes the salaries—and the only function that the Civil Service Commission has to perform is to draw up general rules and regulations in accordance with the act and its provisions, with reference to the allocation of persons to their proper class of employment. It does not fix salaries at all.

Mr. COLTON. Will the gentleman yield?

Mr. LEHLBACH. I will.

Mr. COLTON. With regard to the workings of the classification for the District of Columbia employees, if this bill should become a law will the work that has already been done have to be done over again by the Civil Service Commission? My understanding is the Classification Board has reported and appropriation has been made on the basis of that report?

Mr. LEHLBACH. These appropriations will not be disturbed for the coming fiscal year. The absorption of the bonus and such increases as accrued to employees under the existing so-called classification, which is no classification at all, will continue, and the Civil Service Commission will immediately get to work and revise and make the classification, and in the future if there are changes in allocation the salaries will be changed accordingly.

Mr. COLTON. Then in fact they have to do over some work that has been done?

Mr. LEHLBACH. It will, but it will not do it in a way to disturb the existing situation. Of course it will make a classification, and there is no classification now because the present law has not been carried out. We want the Civil Service Commission to make a classification that will not disturb existing appropriations or salaries that have been provided for for the coming fiscal year.

Mr. CHINDBLOM. Will the gentleman yield for one more question?

Mr. LEHLBACH. I will.

Mr. CHINDBLOM. At the time the classification act was adopted, both in the House committee and in the work of the conferees, was an attempt then made to put this work in the hands of the Civil Service Commission?

Mr. LEHLBACH. Oh, yes. The original bills fixed upon the Civil Service Commission as the proper agency.

Mr. CHINDBLOM. Does that have the approval of the House committee in the last Congress?

Mr. LEHLBACH. We put it in the hands of the Bureau of the Budget. The Bureau of the Budget does not want it. General Dawes told me at the time we put it in the bureau that he did not want it; that they were not equipped for it; and General Lord has told me the same thing. I want to say this, that each member of the Personnel Classification Board appeared at the hearing and testified that the board was not functioning properly and recommended the adoption of a law abolishing it.

The CHAIRMAN. The gentleman from New Jersey has consumed 18 minutes.

Mr. BLANTON. Mr. Chairman, I ask for recognition.

The CHAIRMAN. Does any member of the committee desire recognition in opposition to the bill? If not, the Chair will recognize the gentleman from Texas.

Mr. BLANTON. I will yield myself 10 minutes.

Mr. Chairman, if I wanted to be partisan and indulge in politics, I would support this bill, because whenever you pass it you are condemning the existing administration. What is this bill asking you to do? It is asking you to place the stamp of disapproval and condemnation upon the Classification Board. That is exactly what you do when you pass this bill. You can not escape it; that is the result and natural consequence; it is the sequence of your action on a yea-and-nay vote. Who constitutes this Classification Board? First, the personal representative of the President of the United States.

Mr. LEHLBACH. That is not so.

Mr. BLANTON. Why is it not so? Is not the Budget the direct representative of the President?

Mr. LEHLBACH. It is the representative of the Bureau of the Budget.

Mr. BLANTON. It is so, and the gentleman knows it. It is awfully easy to get up here and say "It is not so," but everybody who is posted knows that the Budget is nothing in the world but the servant of the President.

Mr. LEHLBACH. So are the other administrations.

Mr. BLANTON. I do not yield to the gentleman. The gentleman ought to obey the rules of the House better than that. The distinguished gentleman from New Jersey [Mr. LEHLBACH] has been here a long time and ought to know the rules and obey them. Now, for a few of us who have been here but a short time, but who have learned the rules and know the Government's business somewhat, we know that the Budget is the personal representative of the President. There is no question about that. Nobody will deny that who knows anything about the Government's business. Now, this Classification Board is composed, first, of a member of the Budget, the President's direct representative. Why, every time that Budget acts they do not sign documents. It is the President who sends his name here attached to their work.

They are the closest to the President of any employees of this Nation, the Budget. But you are asking the House to condemn it, you are asking us to put our stamp of disapproval upon them because you say they disobey the law, that they will not carry out the law of Congress. Whenever you do that you are putting the stamp of disapproval upon your own President and upon General Lord, who is at the head of the Budget, and who is the direct representative of the President. So, therefore, as I said in the beginning, if I wanted to be partisan, if I wanted to indulge in politics, I would help you do that, and I would help you put the stamp of disapproval upon your President's direct representative, but I will not do that because I do not think they deserve it. I have confidence in this Classification Board, I have confidence in General Lord as the head of that Budget, I have confidence in the other two members of that Classification Board, if you please. Who are the other members?

One of them is a member of the Civil Service Commission itself. You are going to condemn him and put it right back into his hands. You ask to abolish him and then put it back into his hands. The third member is a member of the Bureau of Efficiency. Tell me of three men who could better act on this Classification Board. I want to appeal to your common sense; I want to appeal to your sense of fair play in behalf of this board. I want to appeal to your sense of fair play for the American people, if you please. Here is a member of the Civil Service Commission, a member of the Bureau of Efficiency, and a member of the Budget Bureau, that constitute this Classification Board to pass upon the efficiency of the employees, to pass upon their qualifications, to pass upon their proper classification, and, in effect, to pass upon their salaries, if you please. The Budget is the body that tells us just how far we can go in the expenditure of public money.

What are you going to do? Just because a few employees have become dissatisfied, because they have not been allocated to certain grades and classes to which they think they should have been, just because they think they probably have been unjustly treated, you want to abolish this board; and when you take this work away from this Classification Board and obliterate all the work that they have done in the last two years and put it in the hands of the Civil Service Commission and have them do the work all over again, you are still going to have just as many employees dissatisfied, and they are going to be coming back here and wanting you to put it somewhere else.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. CELLER. Did the gentleman oppose this Classification Board when it was created?

Mr. BLANTON. Yes; just as I am doing now. I knew just exactly what was going to happen, and I know what is going to happen when you create another board. You are not going to satisfy them. You can not satisfy them. With as many employees as the Government of the United States has, you will always have some dissatisfied. But how could you have a board that is more just or better qualified than the present one that could do justice more than this board has done—more than this board that we have now has done?

Mr. MORTON D. HULL. Mr. Chairman, will the gentleman yield there?

Mr. BLANTON. In just a moment. Do you know we have already passed every appropriation bill except one at this session? That one is the legislative appropriation bill. We have passed all the other bills for all the departments of the Government, every one of them, and already we have put the money in them—the supply bills—to pay the employees under the classification act as executed by this board. Now you are going to change all that and have it to do all over again, with new additional appropriations to be made.

Mr. MORTON D. HULL. You have delivered a fine eulogy on these gentlemen; but the question is, Have they not acted contrary to law under which they were created? That is a fair question. Can the gentleman answer it?

Mr. BLANTON. If that is so, why do you not ask that they be impeached and put out of office?

Mr. MORTON D. HULL. Answer the question.

Mr. BLANTON. I do not believe that they have disobeyed the law. I do not believe that the President's direct representative, General Lord, would disobey the law of Congress. I do not believe the Director of the Budget Bureau would go back on what Congress told him to do. I do not believe the Bureau of Efficiency would do it, and I do not believe the Civil Service Commission would do it. When you say that, you are bringing condemnation not only on those who constitute the Classification Board but you are also bringing condemnation on your own party. If these men have not done their duty, there is a way of punishing them for it. If they have not obeyed the law, there is a way of making them obey the law.

The CHAIRMAN. The gentleman's time has expired.

Mr. BLANTON. I wish I could use more time, but I have promised it to others. I reserve the balance of my time, Mr. Chairman.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield to me for a question?

Mr. BLANTON. I shall have to yield myself a minute more to do so.

Mr. HUDSPETH. If the gentleman will yield himself a minute, I would like to ask him a question.

Mr. BLANTON. Well, I yield myself a minute.

Mr. HUDSPETH. I take it that my colleague is like the rest of us, and has been doing messenger work in the departments?

Mr. BLANTON. Yes; practically every day I have gone to some department.

Mr. HUDSPETH. He has come in contact with many of these people?

Mr. BLANTON. Yes.

Mr. HUDSPETH. Has the gentleman found anybody in the departments who is in favor of this work of the Classification Board?

Mr. BLANTON. I have had some tell me that they are dissatisfied with the work of the Classification Board, but I have not asked them about it. Only a few have complained to me.

Mr. HUDSPETH. The reason for the passage of this act was to reward merit, was it not?

Mr. BLANTON. Yes; and I take it for granted that this board would do that.

Mr. HUDSPETH. I take it that this power has been granted to the several departments.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BLANTON. Mr. Chairman, I yield five minutes to the gentleman from Utah [Mr. COLTON].

The CHAIRMAN. The gentleman from Utah is recognized.

Mr. COLTON. Mr. Chairman, in the few minutes I shall occupy I expect to address myself to a different phase of this question. It seems to me, gentlemen, that this bill involves a policy that may have far-reaching consequences. We are departing to-day, if you pass this bill, from the original spirit and intent of the law creating the Civil Service Commission. The Civil Service Commission was created for the purpose of determining the efficiency and qualifications of Government employees. It was created for the purpose of examining applicants who desired to enter the Government service.

Now, gentlemen, I am one who believes that that commission is doing its work. I am a strong believer in civil service. But you may rest assured that to-day we are giving the commission other duties than determining the efficiency of applicants for the Government service.

Now, the gentleman from New Jersey [Mr. LEHLBACH] said in the beginning that this had nothing to do with the fixing of salaries. Well, we may all read the law. Let me read to you some of the provisions of the law creating the Classification Board. Among other things the Classification Board, which we are about to abolish if this bill passes, has imposed on it this duty:

> The board shall make necessary adjustments in compensation for positions carrying maintenance and for positions requiring only part-time service. The board may alter, change, or abolish classes, and has the absolute power to make allocations.

With that power it can absolutely fix salaries.

Now, there is a plain authority given to this board, the Classification Board, and by this bill, if it becomes a law, we transfer that duty to the Civil Service Commission. I say to you that when you embark on the policy of giving the Civil Service Commission the right to fix salaries you are embarking on a dangerous one. You are making possible and inviting political influence. You are inviting influences external from those which have heretofore governed and characterized the work of the Civil Service Commission. Gentlemen, this is a departure from the spirit and intent of the law and is fraught with danger.

Now, gentlemen, if it does mean that, how can gentlemen contend that the Civil Service Commission will not, in effect, fix salaries? Will you argue now that the Classification Board has nothing to do with salary fixing? If it does, we are giving that duty to the Civil Service Commission when we pass this bill. I do not believe we ought to do it. I am not passing upon the question of whether the Classification Board is doing or has done its duty. Some say it has and some say it has not. An independent board can be created if necessary, but do not make it possible for every dissatisfied Government employee to be running to the Civil Service Commission for redress. They have other important duties to perform.

There is another significant fact to which I want to call your attention briefly. In the report of this committee reference is made to the fact that the representative of the Civil Service Commission and the representative of the Bureau of Efficiency were not in agreement, but no reference is made to the work of the representative of the Bureau of the Budget. He is the President's direct representative. Why should not the Director of the Budget have a voice?

I ask you to consider well before you embark upon this new policy of fixing new duties for the Civil Service Commission. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. Mr. Chairman, I yield six minutes to the gentleman from Oklahoma [Mr. MCKEOWN].

The CHAIRMAN. The gentleman from Oklahoma is recognized for six minutes.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, it is a rather peculiar thing that you have a representative of the Budget on this board, a representative of the Efficiency Bureau, and also a representative of the Civil Service Commission, but you take away the Budget representative, which stands for economy, and you take away the representative of the Bureau of Efficiency, which is supposed to stand for efficiency, and place it all under the Civil Service Commission. I am willing to change it, and I think it ought to be changed. In order that employees may render efficient service, they ought to be satisfied and they ought to be in a good humor toward the Government, but I am absolutely opposed to permitting the employees to pick the forum that is to fix their wages as against the American people, who are the taxpayers of this country.

I am going to offer an amendment to strike out the Civil Service Commission, because, first, it is all the Civil Service Commission can do to allocate these employees by examinations. They can hardly place postmasters now satisfactorily to the people, and now you want to put on them the burden of fixing the salaries of all these employees in addition to the proposition of allocating the employees to their positions. I am going to offer an amendment that a board of three members be appointed, the members of that board not to be residents of the District of Columbia. They are to be appointed by the President, and their compensation is to be fixed by the President.

Mr. UNDERHILL. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. UNDERHILL. Does the gentleman think it possible to get any board or commission, no matter where you pick the members of that board or commission, that will satisfy the employees of the Government, provided such board or commission does not raise their salaries to the point which they have fixed as being equitable and just?

Mr. McKEOWN. Well, it may not satisfy them, but will help them, and it will at least protect the taxpayers of the United States who are paying the bills, and they are entitled to some consideration when it comes to fixing salaries in the District of Columbia. [Applause.]

You ought to bring here a fair board, and the President of the United States can appoint a board of that kind. He can pick men thoroughly familiar with the subject, men who have had great experience in the matter of compensation and services.

Here is the trouble with the whole matter, and you may as well face it: The trouble in this city is the fact that the employees, many of them, are not giving their full service to the Government of the United States in a whole-hearted manner. And I want to tell you now that a fair board can take the record of these employees and the ones who are trying to do their full duty can be placed in positions of merit; men and women who are trying to serve the Government can be rewarded as they ought to be rewarded, and you can eliminate this pull and influence you talk about as causing dissatisfaction. What will cause more dissatisfaction than to know that a man who is honest in trying to serve this Government and giving honest service is not properly rewarded, and when he knows that a man who is not attending to his business gets a more important place simply because he has pull of some kind?

Gentlemen, the taxpayers of this country are demanding that we have fewer employees, more service, and lower taxes. [Applause.] Yet here is a proposition which involves the welfare of the people of the United States.

Mr. SNELL. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. SNELL. Would the gentleman be willing to vote for each one of the propositions coming up in the near future providing for less taxes?

Mr. McKEOWN. I have been trying to vote that way. I will say to the gentleman from New York that I have been trying to carry out every proposition I thought would save taxes to the people of the country. I am not one of those fellows who is willing to absolutely strangle the Government and absolutely break it down so that it can not function in order to go home and say, "I voted to reduce taxes." I am willing to carry out a real, regular program that means real reduction.

There is nothing you can lose more than to lose in the proposition of employing people you do not need. It is an absolute loss. A fellow might skin you on a contract to build a bridge, but you would still have the bridge, but when you pay $1,000,000 for services that are never performed or services that are not needed you have thrown it away and it is gone, and you do not have anything to show for it.

The waste of money in salaries is the worst waste that afflicts the Government. You can not carry on a great Government like you can a private corporation or private business, and every man knows there must be some waste, but when you come to the proposition of fixing up the employment

of people in this Government, then you have got to give the matter particular attention, and it is a serious matter. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEHLBACH. Mr. Chairman, how much time has the gentleman from Texas [Mr. BLANTON] consumed?

The CHAIRMAN. The gentleman from Texas has 8 minutes remaining and the gentleman from New Jersey has 12 minutes.

Mr. LEHLBACH. I yield five minutes to the gentleman from New York [Mr. CELLER].

Mr. JEFFERS. Mr. Chairman, excuse me, but will the chairman of the committee yield one minute to me before he yields time to the gentleman from New York, with the consent of my colleague from New York [Mr. CELLER]?

Mr. LEHLBACH. I yield to the gentleman from Alabama such time as he desires.

Mr. JEFFERS. One minute only in order to make a statement and then five minutes to the gentleman from New York [Mr. CELLER]. I am sorry that the gentleman from Utah [Mr. COLTON] has stepped out of the Chamber at this moment, because I want to make a short statement about the attitude of a representative of the Bureau of the Budget who was on this Classification Board. The gentleman from Utah [Mr. COLTON] stated to us a few minutes ago that the representative of the Civil Service Commission and the representative of the Bureau of Efficiency were evidently at cross purposes on this proposition, according to our committee report on this bill, but that the committee which reported this bill out had not said anything about what the representative of the Bureau of the Budget had had to say about the matter. Let me say that Mr. F. J. Bailey was the representative of the Bureau of the Budget and he was the chief of this Classification Board. He was detailed by the Director of the Budget as his alternate as chairman of the Personnel Classification Board. Now, let us see from the printed record what Mr. Bailey himself said about abolishing that board. In answer to a question before our Committee on the Civil Service when Mr. Bailey was a witness before that committee Mr. Bailey said:

> Well, I have lost all the friends I ever had since I came into this work, but I have the courage, however, to tell you what I honestly believe.
>
> Mr. CELLER. That is what we want you to do.

And then Mr. Bailey, the representative of the Bureau of the Budget, acting as alternate or substitute for the Director of the Budget and chief of this board of three men, said:

> I believe that the Personnel Classification Board ought to be abolished.

It seemed that they all felt that way about it.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. CELLER. Mr. Chairman and gentlemen of the committee, I think it is a pretty good proposition, with which you will all agree, that you can at least please some of the people some of the time, but I fear that there are some of us in this House, and particularly the gentleman from Texas [Mr. BLANTON], who will not be pleased under any circumstances any of the time. The distinguished gentleman from Texas [Mr. BLANTON] admitted that when the bill came before this House for the creation of this Personnel Classification Board he objected to the enactment of that bill. He objected to the creation of this board, and now he comes into this Chamber and objects to the abolition of the board. I would like to know where the gentleman from Texas really stands on this proposition.

Mr. BLANTON. For the people.

Mr. CELLER. Well, the people want this board abolished. There has been ceaseless agitation with reference to this Personnel Classification Board ever since it came into being, and why? There has been the greatest amount of distrust in its work, not only among the employees themselves but amongst the general public throughout the country.

What should be the purposes of classification? What should be the guiding principle of the Classification Board? I have taken the trouble to work out what I think should be the four cardinal principles of classification, and they are these:

1. A guide to the employing agency—that is, the Civil Service Commission—in selecting employees.

2. A chart for purposes of salary increases and promotion in rank.

3. A definite scheme of compensation for services rendered which shall be uniform throughout the service.

4. A basis for budget making by the President and for appropriations by Congress for personal service.

Applying these standards to the Personnel Classification Board we find them woefully lacking and most ineffectual in carrying out all four of these propositions.

They have not been a guide to the Civil Service Commission in the employment of men or in the classification of men. They have not been a guide for purposes of salary increases or promotion in rank. They have not evolved a definite scheme of compensation which shall be uniform throughout the country; and they have been no aid whatsoever in the Budget making, and the distinguished representative of the Budget Bureau on the board practically admitted that himself in the hearings before our committee.

We pay to Federal employees throughout the country, both in the District of Columbia and in the field service, $750,000,000 per annum. Surely that is a tidy sum, my good friends, and we ought to know where that money is going and ought to see to it that those who receive that money receive it properly. There should be at least equal pay for equal work throughout the country no matter what the class of work might be, but that condition has not obtained with reference to the operations of the Personnel Classification Board.

A congressional joint commission a few years ago reported that—

> the lack of a comprehensive and competent employment policy and of a central agency fully empowered to administer it had produced most glaring inequalities and incongruities in salary schedules, pay roll titles, and departmental organization, with much resultant injustice, dissatisfaction, inefficiency, and waste.

Employees whose duties accurately class them under the title "senior file and record clerk" have appeared in recent pay rolls under 107 different designations, including "boss painter," "statistician," and "trouble chaser."

To remedy these evils we set up the Personnel Classification Board when we passed the classification act of 1923. It is purely and simply a classification agency. The classification act directs the board to—

> subdivide the grades into classes and supply titles and definitions for them and to publish a statement containing the duties and responsibilities in the classes to be established within the several grades, the qualifications required for such duties, and the titles given to said classes; it thereupon directs the department heads procedure prescribed by it, to allocate all positions to their appropriate after consultation with the board and in accordance with a uniform grades in the compensation schedules and fix the rate of compensation of each employee in accordance with the rules prescribed in section 6 of the act. Section 6 contains six rules prescribing the method of fixing the exact rate of pay within the salary range of the grade or class thereof to which an employee is allocated that he is initially to receive. The act contains compensation schedules, being such an outline or skeleton of a classification as above described.

Instead of carrying out these exact and clear provisions of the law, the board failed to subdivide the grades into classes and refused to furnish titles and definitions, flagrantly failed to publish any data or statements for the guidance of department heads, disregarded all instructions contained in the law, and practically made no classifications whatsoever. Naturally complaints from employees were heard on all sides. Such loose methods that it adopted and its direct violation and evasion of law should no longer go unchecked.

The board consists of a representative of the Bureau of Efficiency, a representative of the Bureau of the Budget, and a representative of the Civil Service Commission. There has never been any harmony between these representatives. Its history has been one of continuous conflict between the representative of the Efficiency Bureau and the Civil Service Commission, whose representative has always insisted upon a real classification program. The representative of the Bureau of the Budget sided with the representative of the Efficiency Bureau. There has been thus two hostile camps. The public has grievously suffered and fallen between two stools.

It has therefore become necessary to abolish this board and place its work and functions where it properly belongs—in the care of the Civil Service Commission. That is just what this bill, H. R. 6896, does. Section 2 thereof reads as follows:

> That the powers, duties, and functions by said classification act of 1923 vested in said Personnel Classification Board be, and the same are hereby, transferred to the United States Civil Service Commission.

Mr. UNDERHILL. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. UNDERHILL. Do you think an employee of the Government in New York should be paid the same amount as the Government employee in the same position, we will say, down in some of the Southern States where they do not have the expense of fuel and where they have plenty of open spaces——

Mr. CELLER. No; by no means. I would be for the principle that the man in New York, who has to live under a higher scheme of living and pay more for his fuel and food and transportation, should get a better and higher salary than the man who lives otherwise; but that is a matter for this Congress to take care of in the classification bill. That is not a matter nor is it meet for the Personnel Classification Board.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CELLER. I yield to my colleague from New York.

Mr. LAGUARDIA. Regardless of whether there is a differential in pay, the gentleman, of course, believes that Government employees should get a decent living wage.

Mr. CELLER. Substantially correct. I could not put it in any better language.

Mr. UNDERHILL. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. UNDERHILL. A decent wage, or a living wage, in New York might be more than a decent wage in some other location; or, to put it the other way, what might be a decent wage in one locality would not be enough to take a man through the winter in New York.

Mr. CELLER. Your question answers itself. That is substantially so. There is no question about it.

Mr. UNDERHILL. But you have just stated——

Mr. CELLER. That must be qualified by the fact that we must take into consideration the living conditions that obtain in different parts of the country and operate differently.

Mr. UNDERHILL. But you did not include that.

Mr. CELLER. I probably took it for granted that my statement would be qualified by those factors.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LEHLBACH. I yield to the gentleman from New York two additional minutes.

Mr. CELLER. Now, what are the examples of the glaring inequalities with reference to the work done by the board?

We find, for example, in the Children's Bureau, that the Director of the Children's Bureau and all her staff have the same pay as employees in a much minor agency. In other words, the head of the Children's Bureau who will have under her care and charge, supervision and enforcement of the child labor law amendment or any Federal laws that might be passed with reference thereto will get a salary which will be far lower, if the Personnel Classification Board principles obtain, than she is really entitled to. Furthermore, for example, we find that the allocations of positions in that bureau were most unscientific and unfair. This board has kept secret its proceedings and minutes. There is no way of discovering what sort of final review, if any, the board itself gave or what considerations entered into its action.

The board has taken the extraordinary position that it could assign jobs to a salary scale first and define and classify them afterwards—putting the cart before the horse in a fashion that seems to defy both logic and the law, and it is doubtful whether it can or will get the horse in front again.

The result, as was to be expected, is a muddled schedule which, so far as genuine progress toward civil-service betterment goes, is a loss rather than a gain. Clerks doing identical work, according to the written report of their superiors and their own statement, appear in three different salary grades.

Nurses are denied a professional status and in the District of Columbia rank as subprofessionals. Out of 353 employees in the Library of Congress directly concerned with library service only 23 have been rated as professionals. The chief librarian of the Department of Agriculture and the Department of Labor, each with a collection preeminent in this country, rank as clerical, administrative, and fiscal employees, where they should be ranked much higher than that. But this reclassification board, under principles most outlandish, look to salary only and do not look to the human factor and the elements with reference to the work performed. They have their eyes on the Budget; they have been guided primarily by the representatives of the Budget and Efficiency Bureau. This body must not act like a cold, calculating machine, for there are human beings to be dealt with and they must be dealt with in a human and kindly fashion. [Applause.]

Mr. BLACK of Texas. Will the gentleman yield?

Mr. CELLER. I will.

Mr. BLACK of Texas. My friend has mentioned the different departments of the Government service where they should have more liberal classification. Has he made any estimate of how much additional it will cost the Government if we give all the departments a classification they think they ought to have?

Mr. CELLER. I think some employees get more than they are entitled to and some get less, and there will be a general average. I do not believe there will be any further expense to the Government whatever.

Mr. BLACK of Texas. There will be a further expense if they do what the gentleman has outlined. Now, the gentleman mentioned the Chief of the Child Labor Bureau as being dissatisfied with her classification.

Mr. CELLER. I did not say she was dissatisfied; she has made no objection.

Mr. BLACK of Texas. Well, leave the dissatisfaction out. The question I want to ask is: What salary is she now receiving, and what increase will the classification which has been made be over the present law?

Mr. CELLER. I am not able to state what she is receiving. I am not a member of the Personnel Classification Board or the Civil Service Commission. I do say, however, that she ought to get dollar for dollar's worth of service—what her services are worth—and she is not getting that now.

Mr. BLACK of Texas. The question I asked the gentleman is: What raise is she going to get under the reclassification by the Personnel Board?

Mr. CELLER. I can not answer that question. I say she is getting an insufficient amount of salary now, and she will have more duties after we pass the child labor law—a fact which will aggravate the inequality.

The Civil Service Commission is the logical body to handle the work of classification. That body at the present time conducts examinations for employment and issues ratings and certifies for employment. Its present work falls right in line with the work of classification. This bill therefore should prevail.

Mr. BLANTON. Mr. Chairman, I yield three minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS of Tennessee. Mr. Chairman, I am not going to have anything to say about the reclassification made by the Reclassification Board. That is a complicated subject, and I confess to you that I do not know whether their classification is correct or incorrect. But I do not believe that Congress should undertake to place in the Civil Service Commission, which examines and certifies civil-service applicants, the right to fix their salaries. [Applause.] In saying that I do not intend to reflect on the Civil Service Commission, for I have the highest regard for every member of that commission. I do not believe that any Government official here in the District of Columbia should be vested with this authority. I think the amendment offered by the gentleman from Oklahoma [Mr. MCKEOWN] should be adopted.

What is the situation? This reclassification law was passed, and representatives of the Civil Service Commission, the Bureau of the Budget, and the Bureau of Efficiency were made members of the Reclassification Board. The Bureau of the Budget is the personal representative of the President. It is interested in the question of economy in public expenditures, and surely no man will say that the President of the United States or his representative is interested in reducing the expenditures of the Government in a manner that would work an injustice to any civil-service employee. The Bureau of the Budget is primarily obligated to hold down the expenses of the Government, so far as it can be properly done, and if that is not its duty it ought not to have been established. The Bureau of Efficiency is interested in what? What its name implies; and if the bureau is not doing its duty under the terms of the law which provides for the Bureau of Efficiency, it ought to be abolished.

Here is a proposition to remove from the Reclassification Board the two representatives who are interested in economy and in efficiency [applause] and to put the duty of classification exclusively in the hands of the Civil Service Commission. Gentlemen, it ought not to be done. The Civil Service Commission ought not to have the right to fix salaries, but they ought to be fixed by an independent board, such as the gentleman from Oklahoma proposes. [Applause.]

Mr. BLANTON. Mr. Chairman, I yield the remainder of my time, three and a half minutes, to the gentleman from Illinois [Mr. MADDEN].

Mr. LEHLBACH. I also yield the gentleman two minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for five and a half minutes.

Mr. MADDEN. Mr. Chairman and gentlemen, in the beginning of the consideration of the classification law I think I was opposed to the kind of board that was finally agreed upon. I did not think we should have a classification board

composed of Government employees empowered to fix salaries for themselves and their associates. That is what we have done. That board consists of the Civil Service Commission or a substitute; it has been a substitute, a Director of the Budget or a substitute, and it has been a substitute, and the Bureau of Efficiency or a substitute. Now I maintain that the interests of the people of the United States are too great—I mean the people who are not on the Government pay roll—to allow employees to fix their own pay.

Somebody has to pay these bills. I pay my share. I want to pay those who are working for the Government decent pay, but I want the pay to be fixed by an independent body which will not be under the control of the organization of the men and women who are on the pay roll. [Applause.] How can we do that? We can not do it by putting it into the hands of the Civil Service Commission. The Civil Service Commission already has more than it ought to be called upon to do. It provides eligibles for places in the Government service. It provides the conditions under which they will go into the service. It ought not to be permitted to provide the pay. The Civil Service Commission's work will be performed by men who are working for the Government, and they ought not to be permitted and have no right whatever to be authorized to fix the pay.

Mr. SNELL. As I understand it, the salaries were fixed in the original act, and they did not have anything to do with fixing the salaries.

Mr. MADDEN. The salaries were not fixed in the act. The board was authorized to fix the salaries.

Mr. SNELL. That is not the original act, as I understand it.

Mr. MADDEN. The salaries are not fixed in the act. If the salaries were fixed in the act, why is the board required to allocate men at the different places? It is the grades that are fixed and the salaries for the grades.

Mr. SNELL. The gentleman just made the statement that they may allocate the men.

Mr. MADDEN. The grades are fixed.

Mr. SNELL. The grades are fixed, and this board is to allocate the men.

Mr. MADDEN. That is equivalent to fixing the salaries.

Mr. SNELL. Not at all.

Mr. MADDEN. Of course, it is. They fix the salaries absolutely by allocating the people who are to go into the different grades and classes. Of course, they do. There is no question about that. The law fixes the grades and then it permits the fixing of classes. You have seven or eight classes in a grade, and it is within the power of the board to say what class within a grade anybody in the Government service shall go into. Is not that true?

Mr. SNELL. That is an entirely different proposition.

Mr. MADDEN. It is the same thing.

Mr. SNELL. Under the direction of the chief of the department, he may do that.

Mr. MADDEN. I do not yield.

Mr. SNELL. But the gentleman directed a question to me.

Mr. MADDEN. I made a statement, and I maintain the truth of the statement which I made. More than that, what we should do is to legislate for the public, for the entire public, and not for a part of the public. I maintain that there are more in the public than those who are on the public pay roll.

Mr. BLANTON. Not many more.

Mr. MADDEN. I believe that those who are not on the pay roll ought to be given some consideration by Congress, and you can not give the public consideration if you permit the Civil Service Commission to fix the compensation of the Government employees. The way to remedy the trouble is to give to the President of the United States the power to appoint an independent body of three men who will speak for the President and have the right to fix the pay of those who are employed by the Government. That is the way to do it. [Applause.]

Mr. LEHLBACH. Mr. Chairman, the gentleman from Illinois [Mr. MADDEN], the chairman of the Committee on Appropriations, and the gentleman from Tennessee [Mr. BYRNS], a member of that great committee, apparently are unacquainted with the provisions of the classification act of 1923. The salaries to be paid the employees in the District of Columbia are fixed by Congress in the law. [Applause.] The law provides that the Personnel Classification Board shall divide the employees into classes, and that those classes shall be fitted into the grades within salary ranges fixed by Congress.

Mr. MADDEN. Of course, I said that.

Mr. LEHLBACH. Those grades are defined.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. LEHLBACH. No; I will not yield.

Mr. MADDEN. I said what the gentleman said.

Mr. LEHLBACH. Take grade 7, for instance, of the clerical administrative and fiscal service. I read from the law:

> Grade 7 in this service, which may be referred to as the assistant administrative grade, shall include all classes of positions the duties of which are to perform, under general supervision, responsible office work along specialized and technical lines, requiring specialized training and experience and the exercise of independent judgment, or as chief clerk to supervise the general business operations of a small independent establishment or a minor bureau or division of an executive department, or to supervise a large or important office organization engaged in difficult and specialized work.

Some one who is not doing that work can not get that salary, and no civil-service commissioner or anybody else can give them any other salary than what they are entitled to by reason of the work they do, if the classification is made and the men are properly allocated to their various grades in the classifications. The reason favoritism has crept in, the reason there is a sort of flexibility as to what salaries are paid in the District is because the classification board has disobeyed the law. You get your employee and have him fitted into the class where he belongs, and you have the salary fixed by law. That is the law.

Mr. BYRNS of Tennessee. But there is a maximum and a minimum rate.

Mr. LEHLBACH. Mr. Chairman, I call for the reading of the bill.

Mr. COLTON. Mr. Chairman, I ask unanimous consent to extend my remarks, which I made upon this subject, in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

> *Be it enacted, etc.*, That the Personnel Classification Board created by the act entitled "The classification act of 1923," approved March 4, 1923, be, and the same is hereby, abolished.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. What the gentleman from New Jersey [Mr. LEHLBACH] said can not make any of you gentlemen believe that the gentleman from Illinois [Mr. MADDEN], chairman of the Committee on Appropriations, does not know what he is talking about when he made his statement to you. He is the man who passes upon these salaries finally, when he puts them in the appropriation bills. Do you men think that the gentleman from Tennessee [Mr. BYRNS], who has been on this committee all these years, does not know what he is talking about? Here are the facts, and the gentleman from New Jersey will not deny them. Congress has fixed certain classes and grades for employees and has fixed the salaries for those classes and grades. What this board does is to fit men into those grades and classes.

Mr. LOZIER. To put pegs into holes.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Not now. The gentleman will not deny what I say when I get through. Let us take an employee who is drawing, say, $2,500 a year.

Now, this present board, or if you pass this bill, the Civil Service Commission, fits that man into a grade or class that draws $3,000. This Classification Board, regardless of its personnel, will fit that employee into a job that would draw either $2,750 or $3,250 or $3,500 or $4,500, as it sees fit. No one will deny that. So after all, do not they fix the salaries? If the board can take a man from his present $2,500 position and put him in the class and grade that draws $3,000 or $4,000 or $5,000, does not the board raise the salary for that particular individual? Why, of course, and that is the main reason now for making the change.

Now, I am inclined to believe that a Federal board composed of a member of the Budget Committee, I say again, who is a direct personal representative of the President, that believes in economy, that stands for economy, that seeks economy, and another member of the board, a member of the Bureau of Efficiency, that seeks to bring about the greatest amount of efficiency possible in the service of employees—I believe that a personal board like that which is directly under the thumb and the supervision of the President, I believe that it will do right by the employees and the people more than the civil service will, that has nothing to do with efficiency, that has nothing to do with economy, that only has to do with the placing of employees in certain positions of the Government. Now, it is up to you gentlemen to vote on this matter, but I want to repeat what I said in the beginning.

that whenever you pass this present bill here you are putting your stamp of disapproval and condemnation on the personal and direct representative of the President. The gentleman read what Mr. Bailey said about getting off this board. I do not blame him. I know what it means to be cursed when you stand up in front of and stop somebody's bill that it is desired to pass. Every time a man stands in front of another man's bill that they want to pass he gets cursed, and that is the position of Mr. Bailey, and he wants to get out of that position.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUDSON. Mr. Chairman and gentlemen of the committee, you would think that our colleague from Texas [Mr. BLANTON] was a modern bootlegger by the smoke screen he usually puts up in his arguments. The crux of the matter before us in this bill is this: That Congress passed a law creating a board to create a better service and satisfaction and harmony among the employees of the Government and for economy and efficiency. The board disregarded absolutely the law enacted by the Congress.

Mr. MADDEN. Will the gentleman yield?

Mr. HUDSON. This bill repeals that board. That is the crux of the whole matter. It is not a question of salaries fixed by this board. The board does not fix the salaries, and the Civil Service Commission, if Congress turns it over to them, will not fix the salaries.

Mr. MADDEN. I want to ask the gentleman a question.

The CHAIRMAN. The gentleman declines to yield.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. The gentleman would not yield. And I want to deny the statement made by the gentleman from Michigan [Mr. HUDSON] to the effect that the board has violated the law. I deny that. The board has maintained the law. [Applause.] But there is dissatisfaction everywhere among the Government employees because one crowd of men have gone into a higher grade than the other. That is what is the matter, and——

Mr. HUDSON. They admit in the hearings——

Mr. MADDEN. I do not yield. They want to fix the board that fixes the salary and allocates them, and it is not fair. There is a public interest here, and that public interest must be protected. It must be protected by those who are here speaking for the public or not at all. Now the question is, Are we going to protect the public interest or are we going to take the mandate of those who are on the Government pay roll as to what the public interest is? That is the question. That is the only question that is before us. Now are we going to do our duty or are we going to be driven from the purpose for which we are here? Are we going to observe the oath we took when we took office that we would preserve and protect the law?

Mr. CELLER. Will the gentleman yield at that point?

Mr. MADDEN. I do not yield. We are here, if we are here for anything, to speak for all the people, to do justice to everyone and to see that no injustice is done to anyone, and I maintain that if we permit those who are on the Government pay roll to dictate the Federal governmental policy that we no longer have any right here.

Mr. LEHLBACH. Will the gentleman yield for a question?

Mr. MADDEN. No; I do not yield. The gentleman would not yield to me some time ago, when I asked him.

Mr. LEHLBACH. But I had only two minutes.

Mr. MADDEN. Now the question is, gentlemen, Have you got the courage to do your simple duty?

Mr. CELLER. Will the gentleman yield to me? I did not refuse to yield.

Mr. MADDEN. I will not yield to anybody just now. The question I am asking is, Have we got the courage to do our duty? That is the question that confronts us. What is our duty, to abrogate or assign our duty to assert the rights we are exercising on behalf of the people who can not be here for themselves? It is up to you, the responsibility is yours. You can either cast your vote for all the people or only a few people, and if you cast your vote for all the people you will vote to amend the bill that is before us by creating a commission of three and refusing under any circumstances to turn this great responsibility over to the Civil Service Commission, which body is already overloaded with public duties. [Applause.]

Mr. LEHLBACH. Mr. Chairman, I move to strike out the last two words. I want to call the attention of the gentleman from Illinois to the fact that I yielded to him of my time in general debate in order that he might have an opportunity to oppose this bill, but he says I did not yield to him and refused to yield to me on that ground. I do not think he appreciates exactly the situation. I want to ask the gentleman from Illinois to answer me two questions.

Mr. MADDEN. I will answer them.

Mr. LEHLBACH. Does the classification act of 1923 provide that a classification of the employees of the Government shall be made?

Mr. MADDEN. It certainly does.

Mr. LEHLBACH. Has a classification been made?

Mr. MADDEN. It has, as to the District of Columbia; and that is all that the law provides.

Mr. LEHLBACH. The representative of the Bureau of Efficiency, on page 72 of the hearings, admitted that no classification had been made, and said it was not necessary to make a classification in order to allocate men for the purpose of fixing their salaries. In other words, they disobeyed the plain mandate of the law?

Mr. MADDEN. I am not answering the question as to the Bureau of Efficiency in making my answer to the gentleman from New Jersey. The gentleman can not hide behind the skirts of the Bureau of Efficiency in response to the answer I gave to his question.

Mr. LEHLBACH. The gentleman from Illinois says that a classification has been made, but the people who were charged with that duty admit that it has not been made.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin moves to strike out the last word.

Mr. COOPER of Wisconsin. It has been stated here many times that salaries have not been fixed in the law. But this is an utter mistake. Take section 13 of the law; I can not read it all, but it fixes definitely all the rates of compensation. For example, grade 1:

> The annual rates of compensation for positions in this grade shall be $1,860, $1,920, $2,000, $2,100 $2,300, and $2,400.

Then, referring to grade 2, the law provides:

> The annual rates of compensation for positions in this grade shall be, $2,400, $2,500, $2,600, $2,700, $2,800, $2,900, and $3,000.

As to grade 3 the law provides:

> The annual rates of compensation for positions in this grade shall be $3,000, $3,100, $3,200, $3,300, $3,400, $3,500, and $3,600.

Mr. LEHLBACH. And the salary that each man in each grade is to receive is fixed in the law itself, as to which of these salaries he shall receive.

Mr. COOPER of Wisconsin. Yes.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Wisconsin. No; the gentleman will please excuse me.

It has been said here with much earnestness that no employees of the Government ought to be allowed to fix their wages. Well, nobody makes any proposal of that kind. There is not in the pending bill, there is not in the law, which it proposes to amend, any such proposition. And if there ever has been in the House of Representatives a deliberate setting up of a man of straw in order, incidentally, to talk about the taxpayers, this pretense about employees fixing wages, is one most easy to see through. There is no proposition in the pending bill that employees shall fix their wages. On the contrary, the compensation in all the grades is specifically fixed in section 13 of the law.

The only question before us is this: Shall a body of men, one of whom admitted in the hearings that no classification had been made, and admitted also that the law required the classification to be made—in other words admitted that there had been deliberate disobedience to law—be allowed longer to ignore their plain duty?

This Committee on the Civil Service, a splendid committee, urges the passage of this bill and I shall vote for it.

Mr. LEHLBACH. Mr. Chairman, I want to move to close debate.

Mr. BLACK of Texas. Mr. Chairman, I want five minutes.

Mr. LEHLBACH. I move that all debate on this question and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. BLACK of Texas. Mr. Chairman, it has been stated that the classification act itself fixes the salaries. Well, now, of course, as a matter of law it does fix the salary scale. We all know that.

Mr. DALLINGER. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. DALLINGER. It also fixes the duties of each class and grade?

Mr. BLACK of Texas. Yes; it does that. But, of course, every member of the committee knows and every Member of the House knows that in the administration of the act and in the allocation of employees a very great difference can be made in the charge upon the Government Treasury. No one knows that better than the distinguished chairman of this committee, the gentleman from New Jersey [Mr. LEHLBACH]. I am not, of course, questioning his good faith in the support of the Civil Service Commission as the classification agency. But he knows, as every Member of the House knows, that if that act is not fairly and justly administered, both to the Government and to the employees, there would be opportunity for great dissatisfaction. I simply do not regard the Civil Service Commission as a proper classification agency.

As I stated in my statement in opposition to the rule, while I had not opportunity as a member of the committee to investigate the criticism that had been made of the Personnel Classification Board, I did know, because of my former membership on the committee, that the aggregate cost of classification will be all and more than had been estimated for before our committee; and no one knows it better than the gentleman from Illinois [Mr. MADDEN]. In fact, Members of the House have been criticizing the Committee on Appropriations because of the largeness of the increase of some appropriations for salaries over those of last year, and the distinguished gentleman from Illinois and the distinguished gentleman from Tennessee [Mr. BYRNS] have been offering a correct explanation, to wit, that they are bound by the classification which has been made under the classification act. They have stated the facts correctly.

Now, I was on the committee which framed the law, and I think the law is a good law; not all of it, not every section of it——

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. In a moment. I helped in my humble way in framing that law, and it was well understood that the purpose of it was to continue the basic salaries plus the temporary increase of $240 given during the war and the immediate years following the war, and that in addition to those two things there would be a correction of inequalities which existed and that this correction would involve an increase of about 5 per cent in the aggregate of appropriations for salaries. I will ask the gentleman from Illinois, chairman of the Appropriations Committee, who, because of his position, has made a closer study than I, Has there not been more than 5 per cent increase over the so-called bonus and basic law?

Mr. MADDEN. Yes. It is about 7 per cent. As it looks to me it will cost, as far as I have been able to figure it out, about $15,000,000 above the present appropriations for the current year.

Mr. LEHLBACH. Will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. LEHLBACH. Were not the schedules, as they passed the House, increased in the Senate, and if the schedules had remained in the bill as it passed the House would it not have been 5 per cent?

Mr. BLACK of Texas. The gentleman is correct about that. In fact, if the series of amendments which I offered on the floor of the House reducing the higher salaries by a uniform reduction of 10 per cent, and which the House overwhelmingly adopted, had been retained in the bill, there would have been very little, if any, additional cost. But the Senate struck out these amendments of mine, substituted the increased scale of salaries, and that fact accounts for the increased appropriations.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLACK of Texas. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The time has been fixed. The gentleman from Indiana [Mr. WOOD] is recognized for five minutes.

Mr. WOOD. Mr. Chairman and gentlemen of the committee, I wish to say, in answer to the assertions which have been made that the law has not been complied with, that the Attorney General of the United States on the 1st day of February rendered a decision in which he held that the reclassification law has been complied with. [Applause.]

The trouble with this whole business has arisen by reason of the fact that one member of this board has tried to comply with the law, another member of it has not tried to comply with the law, and the other member has been wabbling between the two. That has been the trouble.

Now, gentlemen, let us not be deceived by what the purpose of this bill is. This bill has for its purpose the breaking down of the law. The desire of the gentlemen who are back of this measure is to place this responsibility with the Civil Service Commission, so that that commission will have two members on the board. That is the first step. The second step is to take the responsibility for efficiency away from the heads of the various departments, so that they will have no voice whatever in determining whether a man shall be fired or not, and whenever you have done that thing you have absolutely undermined every bureau in this Government of ours.

Who is best calculated to know whether one of a hundred employees is discharging his duties as he ought to discharge them? Somebody who is charged with that responsibility as the head of the bureau can best do it. The Civil Service Commission, which is far removed and knows nothing about what is actually going on can not do it.

Mr. CELLER. Will the gentleman yield?

Mr. WOOD. No; I can not yield now. That is the real purpose of this attempt, so far as abolishing this classification board is concerned. I dare say the individual members of it would be very glad to be discharged, but the responsibility is on the Congress of the United States. If there is anything to be done there should be a reclassification board entirely apart from the Civil Service Commission. You are not only going to destroy the purpose of this reclassification by lodging the responsibility in the Civil Service Commission, but you are going to undermine the function of the Civil Service Commission itself. That commission has quite enough to do now in finding the people who are qualified to serve in these various positions without being the guardian over their conduct when they go into the various places of action. That responsibility should be lodged in the head of the bureau or division that has supervision over the employees, the man who is responsible, if you please, to his chief or to his Cabinet member.

The greatest mistake we can commit, in the first place, is to transfer this responsibility to the Civil Service Commission, thus making it a clearing house for what? Why, the complaints of every one of these men and every one of these women who are more or less dissatisfied with their present wage and with their present environment. That responsibility should not be in the Civil Service Commission. The prime purpose of the Civil Service Commission is to inquire into the fitness and qualification of the civil-service applicants. Then their duty should cease. The responsibility after that time, so far as reclassification is concerned, should be lodged in some independent commission or bureau, and the responsibility for efficiency at no time should ever be taken away from the head of the division or bureau who is responsible, if you please, to the Government and to those who are his superiors for the conduct of his division and for the conduct of the work in his division.

So do not let us be fooled. There are a number of gentlemen who are doing nothing else than trying to undermine, if you please, the functions of this body. They are trying to put into our mouths what we shall say and what we shall do. They are trying, if you please, to legislate and have a government inside of a government, to which they are not responsible and to which they do not even have to respond.

If this Congress is to be what the people intended it should be—representative of the interests of all the people—it will assume all of that responsibility and will not allow it to be delegated to a few self-serving people who care but little as to the efficiency of performance. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

The Clerk read as follows:

SEC. 2. That the powers, duties, and functions by said classification act of 1923 vested in said Personnel Classification Board be, and the same are hereby, transferred to the United States Civil Service Commission.

Mr. McKEOWN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Page 1, line 8, after the words "transferred to," strike out the words "the United States Civil Service Commission" and insert "a board of three members, not now employees of the Government and nonresidents of the District of Columbia, appointed by and their compensation fixed by the President."

Mr. McKEOWN. Gentlemen, I discussed this amendment awhile ago in general debate. I am willing to risk the President of the United States to select a body of men who will be fair to the employees of the Government as well as fair to the people of the United States, who pay the taxes. [Applause.] I have discharged my full duty, just as you will have discharged yours when you have voted on this proposition.

My amendment provides that this board shall be appointed by the President of the United States and that the members of the board shall not now be employees of the Government and not be residents of the District of Columbia. They will not be influenced by their residence in the city of Washington; they will be willing to do what is right, because the President can select three good men. I am willing to change the present rule, because there is great dissatisfaction among the employees of the Government, and we shall get nowhere by leaving the employees dissatisfied and feeling that injustice has been done to them.

Mr. HUDSON. Will the gentleman yield for a question?

Mr. McKEOWN. I yield to the gentleman.

Mr. HUDSON. You believe the present board ought to be abolished because it has not rendered satisfactory service?

Mr. McKEOWN. I believe the present board ought to be abolished for the reason that the employees all seem so dissatisfied, and you can not get proper service from dissatisfied employees. The gentleman knows that.

Mr. HUDSON. The committee agrees with the gentleman that they ought to be abolished.

Mr. DALLINGER. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. DALLINGER. If the gentleman wants the present board abolished, why is not the Civil Service Commission, which under the law now fixes the ratings of all civil-service employees and determines their promotions and examines them—why is not that the logical board under the law to put them under as to the proper class and and grade to which they should belong?

Mr. McKEOWN. Because they can hardly allocate proper persons now for the Government satisfactory to the heads of departments and to the taxpayers, and they are employees of the Government now.

Mr. TINCHER. Will the gentleman yield?

Mr. McKEOWN. I yield to the gentleman.

Mr. TINCHER. As I understand it, you think we ought to change the system, but in the interest of economy, because the Civil Service Commission is so busy, we ought to create a new board with unlimited salaries.

Mr. McKEOWN. I am willing to trust the President of the United States, who is of the same political faith as the gentleman, to fix salaries. He has not indicated any desire to be extravagant so far in his conduct. [Applause.]

Mr. TINCHER. No; and I think he would want to leave it to the board already established.

Mr. BROWNING. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. BROWNING. Is the gentleman's objection to the Civil Service Commission the fact that they are already employees of the Government?

Mr. McKEOWN. I do not know what the gentleman's experience with the Civil Service Commission has been, but my experience with them is that they have not made any great record in allocating proper persons to positions in the service of the United States, much less giving them the power to also fix the salaries. They do not represent the people of the United States except in the way of employees, and they will have all kinds of influences thrown around them.

Mr. BROWNING. If a new board is created, they will also be employees of the Government.

Mr. McKEOWN. They will be employed like the Budget Bureau. They will have special employment, so that the rights of the taxpayers of the United States will be cared for as well as the rights of the employees of the United States.

Mr. BROWNING. Yes; and I will call the gentleman's attention to the fact that one member of the Budget is one reason for this predicament we are in to-day.

Mr. McKEOWN. Yes; but if the President of the United States appoints these three men, he will be able to get three good men who can be fair to these employees. You gentlemen know that the Government can not be run in the same economical way that private business is conducted, because under our form of government there is too much influence, there is too much pull and too much opportunity for the fellow below the man above him to do as he wants to do, and the man above him can not make him do what he ought to do. I will tell you now that there is too much laxity in all this business.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. LEHLBACH and Mr. CHINDBLOM rose.

The CHAIRMAN. Does the gentleman from New Jersey desire recognition?

Mr. LEHLBACH. Mr. Chairman, I ask unanimous consent that all debate on this section close in 13 minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. CHINDBLOM. Mr. Chairman, I shall support the amendment offered by the gentleman from Oklahoma. I will say that I have given this matter a great deal of thought and have had considerable correspondence with employees of the Government with reference to the proposed change. We are confronted, as has been said in a well-known phrase, by a condition, not a theory. If we could legislate upon this proposition according to theory, I think we would place the work of this classification board in the Bureau of Efficiency. I think that is the only existing Government body now where it would logically belong, but there are well-known reasons why it would not be practicable, and probably not beneficial to the public service, to place this work at this time in the hands of the Bureau of Efficiency.

I do not believe the Civil Service Commission should be charged with these additional duties. You would find that the members of the Civil Service Commission would be spending much of their time upon this question of classification. They would be importuned at every moment by employees who would be dissatisfied with their classification and who would be seeking their help in getting new or different allocations.

I have no doubt—in fact, I think the proof is overwhelming—that the present system has proved unsatisfactory. We must make a change. Placing this work in the hands of a new board, putting it directly under the control and responsibility of the President, will give us at least an opportunity to try a new method which we may have reason to hope will prove successful.

Mr. GARRETT of Tennessee. Will the gentleman yield for a question?

Mr. CHINDBLOM. Yes.

Mr. GARRETT of Tennessee. I would like to ask the gentleman if he does not think that if the amendment should prevail it should be amended so as to eliminate the part providing for the President to fix the salary.

Mr. CHINDBLOM. Yes; I think the amendment should be perfected, without intending to find any fault with the proponent—I think the proponent of this amendment has found it necessary, as have most of us, to formulate his plan in considerable haste, and I will concede that the amendment probably ought to be perfected, but the plan that is proposed in this amendment I believe to be the best one suggested.

Mr. CELLER. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. CELLER. The gentleman knows that the administration has the Personnel Classification Board and that the bureau is entitled to clerical work——

Mr. CHINDBLOM. I wish the gentleman would not make his question so long—if we put the work on the Civil Service Commission we will require them to get more employees to do the work. The members of the Civil Service Commission can not do the work alone, they can not do it with the personnel that they have, and we will have to increase the appropriation for that commission and give them more employees. I think the only real additional expense of the new board will be the salaries that are to be paid them; they will need about the same number of employees and other appropriations that will be needed by the Civil Service Commission. The Civil Service Commission exists for the purpose of securing employees; their work is largely theoretical; they act largely on the papers that are filed with them. I would like to have something of a personal element, something of a personal contact in the work of the Classification Board. I think we ought to take into account the coming together, going into the departments, walking around and ascertaining facts about the employees which such an independent board could undertake. The personal contact with the employees is very important in this proposition.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. COLTON. Mr. Chairman and gentlemen of the committee, if we admit for the sake of argument that the present Classification Board has not done its duty would not that rather be a point in favor of the amendment offered by the gentleman from Oklahoma rather than an argument for the original bill?

Now let us get back to the law again. I have not yet heard the question propounded by the gentleman from Illinois [Mr. MADDEN] answered. If you give to the Civil Service Commission this authority, and you have given it to the Classification Board in the past and by this act transfer it to the Civil Service Commission, then you do give them the authority to fix salaries.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. COLTON. Yes.

Mr. CHINDBLOM. The gentleman from Illinois suggested the objection when he said that the work is not done by these officers—the Director of the Budget, the chairman of the Civil Service Commission, but by substitutes. That is the objection.

Mr. COLTON. The gentleman is correct, but I want to read the law:

The board may from time to time designate classes within the several grades and may combine, divide, alter, or abolish existing classes.

What more would you want, what broader power could be given to a board or by this act could be given to the Civil Service Commission? Now, gentlemen, as I called attention in my opening remarks, do you want to embark on a policy which gives to the Civil Service Commission the right to fix the salaries of Government employees? It was created for an entirely different purpose. Its duty was to inquire into the qualifications and fitness of candidates for various Government positions and service. This act would give them the right to say which grade an employee belongs to, and to alter, combine, or abolish classes entirely and thereby fix the salaries as easily and completely as if it is said in so many words the commission could do so.

Mr. BROWNING. Will the gentleman yield?

Mr. COLTON. Yes.

Mr. BROWNING. Does not the law fix the salaries, and all they would do would be to classify?

Mr. COLTON. No; they would have the right to alter, combine, or abolish the classes altogether. Suppose they had a class with low salaries and wanted to abolish it entirely. They could abolish it and fix the salary in the higher class by a new allocation or by designating a new class.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEHLBACH. Mr. Chairman, the work of preparing a classification is a highly technical work that can be performed only by those who have made an intensive study of personnel matters. The law defines what a class shall be.

The term "class" means a group of positions established under this act sufficiently similar in respect to the duties and responsibilities thereof that the same requirements as to education, experience, knowledge, and ability are demanded of incumbents, the same tests of fitness are used to choose qualified appointees, and the same schedule of compensation is made to apply with equity.

The law provides for a classifying agency which, if the bill passes, will be the Civil Service Commission, shall subdivide the grades into classes, shall issue statements for the heads of departments showing the duties and reponsibilities involved in the classes to be established within the several grades, the minimum qualifications required for the satisfactory performance of such duties, and the titles given to said classes.

That is exactly the work which the Civil Service Commission does when it prepares entrance examinations. It must know the duties and qualifications of the position before it can draw up examinations which will be responsive to the needs of that position. It is that information and that knowledge and has nothing to do with placing this man or that man in a position with a salary; it is only the qualifications. When the classification is prepared and published it is given to the department heads, and they take the employee and put the man doing that kind of work in the class described as doing that kind of work. The department head does that and not the Civil Service Commission nor the Classification Board. All the Civil Service Commission or any other commission does is to review, and it may revise the classification in case of manifest error. You have the classification, and the rest goes automatically.

Now, as I said in the beginning in general debate, this system is not a new system. We have it in a number of States and in the Dominion of Canada and in European countries, and in every single instance the department that prepared the duties and qualifications for the position, saying whether the man is fitted to go into the service, is also the same agency that prepares the duties and classifications in which they serve, and all the department head does is to determine in what class the employee shall go. [Applause.]

That is all there is to it. There is nothing here about the fixing of salaries by the Civil Service Commission, and to come here and create a new board of outside people who do not know the duties and the qualifications of the service, who do not know anything about personnel matters in Government, who have not the knowledge, the experience, or education, or training to do this work, is rank folly.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. MADDEN. Mr .Chairman, I offer the following amendment to the amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. MADDEN to the amendment offered by Mr. McKEOWN: Strike out the words "and their compensation fixed" and insert after the word "President" the following: "at a salary at the rate of $7,500 each per annum."

Mr. McKEOWN. Mr. Chairman, I accept that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois to the amendment offered by the gentleman from Oklahoma.

Mr. MORTON D. HULL. Mr. Chairman, may we not have it reported so that we will know how it will read if the amendment be adopted?

The CHAIRMAN. Without objection, the Clerk will report the amendment as it would be modified by the amendment of the gentleman from Illinois.

The Clerk read as follows:

Page 1, line 8, after the words "transferred to," strike out "United States Civil Service Commission" and insert "a board of three members, not now employees of the Government and nonresidents of the District of Columbia, appointed by the President at a salary at the rate of $7,500 each per annum."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois to the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. MADDEN) there were—ayes 76, noes 82.

Mr. McKEOWN. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MADDEN and Mr. LEHLBACH to act as tellers.

The committee again divided; and the tellers reported—ayes 62, noes 87.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

Mr. LEHLBACH. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SANDERS of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 6896, and had directed him to report the same back to the House with the recommendation that it do pass.

The SPEAKER. The previous question is ordered by the rule. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. McKEOWN. Mr. Chairman, I offer the following motion to recommit, which I send to the desk.

The Clerk read as follows:

Mr. McKEOWN moves to recommit the bill H. R. 6896 to the Committee on Civil Service Reform with instructions to report the same back to the House immediately with an amendment on page 1, line 8, after the words "transferred to," insert "a board of three members who are not now employees of the Government and nonresidents of the District of Columbia appointed and their compensation fixed by the President at a salary not to exceed $7,500 per annum."

Mr. LEHLBACH. Mr. Speaker, I make the point of order against the amendment on the ground that there is no such committee of the House to which the bill could be recommitted.

The SPEAKER. The Chair sustains the point of order.

Mr. McKEOWN. Mr. Speaker, I reoffer the amendment modifying it to substitute the words "Reform in the Civil Service" for the words "Civil Service Reform."

The SPEAKER. The gentleman from Oklahoma reoffers the amendment substituting the proper name of the committee, which, without objection, will not be again reported.

There was no objection.

The SPEAKER. The question is on the motion to recommit offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. McKEOWN) there were—ayes 41, noes 103.

Mr. BLANTON. Mr. Speaker, I object to the vote and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and eighteen Members present, a quorum.

Mr. MADDEN. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Illinois demands the yeas and nays. Those in favor of ordering the yeas and nays rise and stand until counted. [After counting.] Twenty-six Members have risen, not a sufficient number, and the yeas and nays are refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 172, noes 26.

Mr. MADDEN. Mr. Speaker, I make the point of order that there is no quorum present, and object to the vote.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and twenty-four Members present, a quorum.

So the bill was passed.

On motion of Mr. LEHLBACH, a motion to reconsider the vote by which the bill was passed was laid on the table.

AMENDING EMPLOYEES' COMPENSATION ACT

Mr. SNELL. Mr. Speaker, I call up H. Res. 245, a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York calls up a resolution from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

House Resolution 245

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 7041. That after general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and a minority member of the Judiciary Committee, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House, with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. BLANTON. Mr. Speaker, I make a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. That it is beyond the jurisdiction of the Committee on Rules to report a rule that prohibits opposition to a measure. The bill does not say that the opposition shall be in control of a member of the Judiciary Committee who is against the bill. The bill provides that it shall be controlled by a minority——

The SPEAKER. The Chair overrules the point of order. If the House desires to make such a rule it can.

Mr. SNELL. As far as the Committee on Rules is concerned we are willing to divide it any way that is satisfactory to Members of the House. Mr. Speaker, I notice, page 1, line 6, it says "two hours." It was the intention of the committee that that should be one hour, and I ask unanimous consent that in line 6 to strike out "two" and insert "one."

The SPEAKER. The gentleman from New York asks unanimous consent to amend the rule by striking out "two" and inserting "one." Is there objection?

Mr. BLANTON. Mr. Speaker, I object.

Mr. SNELL. Mr. Speaker, I move to amend the rule in line 6 by striking out "two" and inserting "one."

Mr. BLANTON. Mr. Speaker, I make the point of order that such a motion is out of order; when the Rules Committee brings in a rule the chairman has no authority to change it.

The SPEAKER. Any Member of the House can always offer an amendment, the Chair supposes. The Chair overrules the point of order. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. SNELL. Mr. Speaker, this bill simply refers to the ruling of the Comptroller General in two specific cases. The first is that the Comptroller General has the right to review the findings of the United States employees' commission;

And, second, that persons contracting so-called occupational diseases not due to accident or to the happening of a particular event can not be brought within the terms of the United States employees' compensation act of 1916. Now, Congress and the Attorney General have taken one view of this act and the Comptroller General another and this bill is for the purpose of making clear and distinct what the intent of the Congress was in passing this act. That is all the bill does, it simply refers to those two rulings and not to the rulings of the Comptroller General in regard to propositions that come before him. I yield the gentleman from New York [Mr. O'CONNOR] five minutes.

Mr. O'CONNOR of New York. Mr. Speaker, this measure while small in print is of vital importance to us and to the people whom we represent. A situation arose some months ago whereby the Comptroller General, a mere bookkeeper, it might be said, in the make-up of the Government, was overruling an official body, the Compensation Commission, and where they would make awards in certain cases of disability he would act superior to them and overrule their award. So that probably in the district of every Member of this House there were any number of cases where great injustice was done to beneficiaries entitled to awards under the compensation act. By the mere fact that in the bill as enacted previously the words "or accountants" were not inserted as inclusive of those who could not review the decisions of this board, the Comptroller General insisted on his right. The Attorney General said he was wrong and that he could not review them. Congress never intended that he could review them, but he insisted as disbursing officer, controlling the accounts of the Government, that the awards could not be paid, and after several months of hardship, pressure sufficient was brought on him temporarily to permit payment of these awards until this bill passes this House. By reason of an emergency a rule was granted, for if this bill does not pass this House hundreds of people, widows, industrial workmen, and that class of employees entitled to compensation for disability suffered in the Government service, will be denied their compensation.

Mr. STEVENSON. Will the gentleman yield?

Mr. O'CONNOR of New York. I do.

Mr. STEVENSON. There was also a dispute between the Navy Department and the Comptroller General. Does this correct that dispute?

Mr. O'CONNOR of New York. I have not the honor of knowing personally the gentleman you refer to, but I understand he is one of the most controversial gentlemen in the District. He has set himself up as an appellate court. It is unfortunate there is no judicial review of the decision of the Compensation Commission. In the great State of New York when either party to an award is dissatisfied they can go to an appellate court.

This bill also, in addition to depriving the Comptroller General of this arbitrary power, which he usurped, also takes care of occupational diseases. He ruled arbitrarily without any rhyme or reason that no person suffering from occupational diseases could recover any award, and this bill takes care of that unjust decision. I assure you, gentlemen, that in the consideration which the Committee on Rules gave to this measure we were all convinced that it was one of the most meritorious measures we could pass, and because of the emergency existing that it should have immediate action by this House. [Applause.]

Mr. SNELL. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, the Comptroller General was created by this Congress and made independent of political influences. He is a Republican and I am a Democrat. He is a creature of the Republican administration but I want to say that he has my indorsement 100 per cent. He is the most valuable man we have in Washington. He is the one great man who has stood foursquare for the people in the protection of their Public Treasury. He has done it without fear and without favor.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. I can not in five minutes. Mr. Speaker, I happen to know because I investigated some of the work that he was doing. In the first seven months after this Congress put General McCarl in office, in the one little item of transportation alone, he caused to be paid back into the Public Treasury over $600,000 which had been wrongfully paid out.

That is one of the most valuable features of your Government service, an office of that kind. He is absolutely independent of influence here. I say he is a Republican who is acting for the Republican administration. But just because he has done his duty to the people you are going to spank him. You are now going to say, "You have been doing your duty, and to repay you we are going to put condemnation upon you" in this bill that you are going to pass.

Gentlemen, if you do this, you are going to get men after awhile who will not do their duty. You are going to get men in public office hereafter who will do as you are doing—who will seek the path of least resistance. They will act with the crowd. They will refuse to stand up for what they believe to be right because they are criticized for it. Comp-

troller General McCarl has been criticized because he stood up and said to people "No" when "No" should be said. He said "No" to the Secretary of War, and made the Secretary of War mad. He said "No" to the Secretary of the Navy and made the Secretary of the Navy mad. He has said "No" to other Cabinet Secretaries, and he has made them mad. And now a Republican Congress is asked to condemn an honest Republican administrator of the law because he has done his duty. I am a Democrat, standing here and defending him. That is all I have got to say. [Applause.]

Mr. SNELL. Mr. Speaker, I yield two minutes to the gentleman from Illinois [Mr. MADDEN].

The SPEAKER. The gentleman from Illinois is recognized for two minutes.

Mr. MADDEN. Mr. Speaker, I am sure it is not worth wasting time and breath in talking for the public interest here after what has just happened, but I can not forego the privilege of doing my duty as I see it.

There is one line or two in this bill that I can not help but notice. Let me read them to you:

> In the absence of fraud or mistake in mathematical calculation the finding of facts in, and the decisions of the commissions upon, the merits of any claim presented under or authorized by this act shall not be subject to review by any other administrative or accounting officer, employee, or agent of the United States.

Now, what are we doing here? We are taking away from the Comptroller General, the man selected to pass upon the eligibility of accounts and expenditures, the power to do it. All that he would have the power to do, if this bill passes, is to add up the figures and say if they are correct or not. If that is an audit and it satisfies you, all right. But if we allow that thing to be done, God help the people of the United States! Is there any place anywhere in the Government anybody that is willing to protect the interests of the United States Government?

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes; I yield.

Mr. O'CONNOR of New York. Would the gentleman say that the Comptroller General's rulings on occupational diseases is just adding up figures?

Mr. MADDEN. I say this bill prohibits doing anything but adding up the figures. It limits his action to that. If that is all you want the auditor and the man who is charged with the responsibility of protecting the United States to do, pass the bill. It makes no difference to me. I can stand it as long as you can.

But this bill ought not to pass; it ought not to pass. If you want to extend the right of the compensation commission to new cases, all right. Extend it. I have no objection to that. Specify the new powers that you want to give the commission. But do not take away from the guardian of the Public Treasury the right to audit the bills that are to be paid out of the Public Treasury which your constituents and mine are taxed to meet. [Applause.]

Mr. SNELL. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. GRAHAM].

The SPEAKER. The gentleman from Pennsylvania is recognized for five minutes.

Mr. GRAHAM of Pennsylvania. Mr. Speaker and gentlemen of the House, I have listened to the last two addresses with considerable interest. The gentleman from Texas [Mr. BLANTON] has indulged in praise of the Comptroller General and his watchfulness. I have no controversy whatsoever with that. The gentleman from Illinois [Mr. MADDEN], for whose opinion I have the highest respect and regard, has altogether mistaken the purpose of this bill.

This bill was considered by the Committee on the Judiciary, after full notice to the Comptroller General, and after a full discussion of it with everyone that was interested in it, and it involves two points. One is whether or not the Comptroller General is correct in interpreting the act of Congress passed by you, which says, and was intended to say, that occupational diseases springing out of an employment of a man are included as the subject of compensation, and that in the face of an opinion of the Attorney General or the Department of Justice construing the act as including that class of occupational diseases. Now, why the Comptroller General should attempt to overrule the other two departments of the Government without check or hindrance, I am at a loss to explain or understand. [Applause.]

The other point is this, that he takes to himself the right to review every finding of the Compensation Board ab initio; in other words, that he can take and retry the case. I want to say to the gentleman from Illinois this does not take away from him any legitimate power or duty, but on those two points we ought, as a unit, to say to him that Congress intended that this class of injury should be compensated for, and that he has no right to retry a case when you have placed in a board the power to try it and the right to find the facts. [Applause.]

Mr. SNELL. Mr. Speaker, I yield three minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

The SPEAKER. The gentleman from Massachusetts is recognized for three minutes.

Mr. UNDERHILL. Mr. Speaker, this bill does more than any one yet has told the House. This bill practically establishes health insurance for public employees.

Now, that has been considered almost the acme of the Socialist program throughout the length and breadth of this land. There is not a State that has yet gone far enough to even consider health insurance. None of your Government officials has suggested health insurance. And yet by the terms of this bill here you would leave it to the head of the Compensation Board to decide what occupational diseases are, or whether an injury causing sickness, was contracted in course of employment. In other words, a man is employed down here in the navy yard on a rainy day like this, his work took him out in the yard, and he got damp or wet. He went home; he had a bath, changed his clothes, and took such other precautions as necessary to prevent contracting a cold. But he may not have taken them, and he may contract a cold which develops into pneumonia or into tuberculosis, and the head of the board may decide that he is entitled to all the compensation benefits as though he had been injured in the performance of his duty. He may contract cold going to or from his work, and then it depends upon the head of the board to say whether that is an occupational disease and that he contracted it in the performance of his duty.

It is the establishment of a new principle in health insurance, and I think you want to consider it pretty seriously before you put the Government into the business of health insurance, especially when you consider the opportunities for fraud and malingering and all of those things which go with them. You have got to consider the public, the people who pay the taxes, who pay for retirement, who pay for all this sort of thing, and they themselves never get a single, solitary one of such benefits.

Mr. STEVENSON. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. STEVENSON. Does not the Compensation Commission, which has to find as to the facts and make the award, represent the public?

Mr. UNDERHILL. No.

Mr. STEVENSON. In determining these matters does not the Compensation Commission represent the Government the same as the Comptroller General is appointed to represent the Government?

Mr. UNDERHILL. That is what it is supposed to do; but, on the other hand, its chief function is, and should be, to represent the employees of the Government.

Mr. STEVENSON. I do not think so. What is the difference between its representation of the public and the Comptroller General's representation of the public?

Mr. UNDERHILL. If the gentleman will allow me, just this difference: That the Comptroller General decided that an occupational disease, such as I have mentioned—that of contracting a cold—was not an accident and was not compensable by the terms of the compensation law, and the head of the board decided that it was.

Mr. STEVENSON. But he was the head of a board constituted by Congress for that purpose and to represent the Government in finding that fact.

Mr. UNDERHILL. The Comptroller General represented the people, but the head of the board represented the employees.

The SPEAKER. The time of the gentleman has expired.

Mr. O'CONNOR of New York. Will the gentleman from New York [Mr. SNELL] yield to the gentleman from Massachusetts one minute in order that I may ask him a question?

Mr. SNELL. I yield the gentleman from Massachusetts an additional minute.

Mr. O'CONNOR of New York. Will the gentleman state whether or not he is in favor of compensation for real occupational diseases?

Mr. UNDERHILL. Yes; I am.

Mr. O'CONNOR of New York. Will the gentleman state the reason he has for believing that the Compensation Commission would make an award for any disease which was not incurred in connection with the employment?

Mr. UNDERHILL. I will state that very thing has been done.

Mr. O'CONNOR of New York. One more question. Does the gentleman know of any advanced workmen's compensation law in any of the States which does not include occupational diseases?

Mr. UNDERHILL. There may be some, but I hope not.

Mr. VAILE. Does not the gentleman know that the Massachusetts compensation act has been construed as it is proposed to construe it here?

Mr. UNDERHILL. No.

Mr. VAILE. I will cite the gentleman to several cases.

The SPEAKER. The time of the gentleman from Massachusetts has again expired.

Mr. SNELL. Mr. Speaker, I simply want to say that no man in the House has a higher opinion of the work of Comptroller General McCarl than I have, and I know the entire Rules Committee feel the same way. We do not feel this reflects on him or anything he is doing. This is simply defining the status of two definite projects which have been defined in the law itself, but a question has arisen between the Comptroller General, the House, and the Attorney General, and we think this bill straightens it out, makes it entirely plain, and that there will be no further contention. I move the previous question on the rule.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the purpose of considering H. R. 7041, to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7041, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of H. R. 7041, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 7041) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916

Be it enacted, etc., That the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, be amended as follows:

That section 37 of said act is amended to read as follows:

"SEC. 37. That if the original claim for compensation has been made within the time specified in section 20, the commission may, at any time, on its own motion or on application, review the award, and, in accordance with the facts found on such review, may end, diminish, or increase the compensation previously awarded, or, if compensation has been refused or discontinued, award compensation. In the absence of fraud or mistake in mathematical calculation, the finding of facts in, and the decision of the commission upon, the merits of any claim presented under or authorized by this act shall not be subject to review by any other administrative officer, employee, or agent of the United States. Any award made by the Compensation Commission under the act of September 7, 1916, for disability or death resulting from a personal injury sustained prior to the passage of this act, shall be valid, if such award would be valid if made in respect to an injury sustained after the passage of this act."

SEC. 2. That section 40 of said act is amended to read as follows:

"SEC. 40. That wherever used in this act—

"The singular includes the plural and the masculine includes the feminine.

"The term 'employee' includes all civil employees of the United States and of the Panama Railroad Co.

"The term 'commission' shall be taken to refer to the United States Employees' Compensation Commission provided for in section 28.

"The term 'physician' includes surgeons.

"The term 'monthly pay' shall be taken to refer to the monthly pay at the time of the injury.

"The term 'injury' includes, in addition to injury by accident, any disease proximately caused by the employment.

"The term 'compensation' includes the money allowance payable to an employee or his dependents and any other benefits paid for out of the compensation fund."

With the following committee amendments:

Page 2, line 12, after the word "administrative," insert the words "or accounting."

Page 3, line 11, after the word "fund," insert the words "*Provided, however*, That this shall not in any way reduce the amount of the monthly compensation payable in case of disability or death."

Mr. GRAHAM of Pennsylvania. Mr. Chairman, the time is one hour, half of it to be administered on this side and half on the other side. The gentleman from Virginia [Mr. MONTAGUE] will dispense time to those opposed to the measure, if there are any in opposition.

Mr. BEGG. Mr. Chairman, that can not be done in Committee of the Whole.

Mr. MONTAGUE. The rule provides that.

Mr. SNELL. The rule itself provides that there shall be general debate of one hour, with the understanding that it is to be divided among those favoring and opposing the bill.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I would like to be notified when I have consumed 15 minutes.

Mr. BLANTON. Will the gentleman from Pennsylvania advise us to whom we are to go to get time in opposition to the bill?

Mr. GRAHAM of Pennsylvania. To the gentleman from Virginia [Mr. MONTAGUE].

The CHAIRMAN. The Chair will recognize the gentleman from Virginia [Mr. MONTAGUE] in due time, unless informed to the contrary.

Mr. MONTAGUE. I will say to the Chair, in order to be perfectly candid, that I favor the bill. Whether that conflicts with the rights of those in opposition to the bill or not, the Chair must determine.

The CHAIRMAN. It does not.

Mr. MONTAGUE. So far as I am concerned, I am very willing to give a portion of the time to some one opposed to the bill. I do not wish to take any advantage of the committee in any way.

Mr. SNELL. I think the gentleman from Virginia will apportion the time satisfactorily.

The CHAIRMAN. The Chair will recognize the gentleman from Virginia in due time, unless otherwise ordered by the committee.

Mr. GRAHAM of Pennsylvania. Mr. Chairman and gentlemen of the committee, I have already in discussing the adoption of the rule outlined the purpose of this measure. I wish only to add to what I said then and emphasize the fact that this is not intended as any criticism or blow delivered to the Comptroller General, but it is intended to bring order out of confusion and to have some one with authority determine these two questions. If the House thinks our committee is right, they will adopt this bill. If they think our committee's report is wrong, they will reject this bill.

There are two points involved in this discussion, and one is whether or not the comptroller can take a case that has been decided by the Compensation Board and try it over again to determine whether or not there shall be any award or allowance made to the applicant.

I call your attention to the language of the law creating this commission:

The commission is authorized to make necessary rules and regulations for the enforcement of this act and shall decide all questions arising under this act.

You have clothed the commission with the right and power to decide all questions arising under this act. Section 36 of the same act provides:

The commission upon consideration of the claim presented by the beneficiary and the report furnished by the immediate superior and the completion of such investigation as it may deem necessary shall determine and make all finding of facts thereon, and make an award for or against payment of the compensation provided for in this act. Compensation when awarded shall be paid from the employees' compensation fund.

That is the law under which the Compensation Board operates. You passed that law. You clothed the board with this power. You are now asked to confirm that act and to say that the Compensation Board is in the exercise of just and proper rights.

Mr. BEGG. Will the gentleman yield for a question which I would like to have explained?

Mr. GRAHAM of Pennsylvania. Gladly.

Mr. BEGG. What does it mean, on page 2, where it says, "Any award made by the Compensation Commission under the act of September 7, 1916, for disability or death resulting from a personal injury sustained prior to the passage of this act"? Does that open up all injuries back indefinitely, say in 1900?

Mr. GRAHAM of Pennsylvania. No.

Mr. BEGG. What is the interpretation of that?

Mr. GRAHAM of Pennsylvania. The interpretation of that language is this: When this difference arose between the comp-

troller and the Compensation Board the comptroller arbitrarily disallowed a number of claims, and this language is intended to validate those claims which had theretofore been passed upon by the Compensation Board.

Mr. MOORE of Virginia. Will the gentleman allow me to ask a question?

Mr. BEGG. Could I ask just one more question on that same point? If this bill becomes a law, all the decisions rendered by the Comptroller General prior to this date will be invalidated. Is that the full purpose of the paragraph?

Mr. GRAHAM of Pennsylvania. Any decision disallowing a claim which had been allowed by the Compensation Board would, by virtue of the adoption of this act, be restored and placed in position for payment.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. I want to yield first to the gentleman from Virginia.

Mr. MOORE of Virginia. I only wanted to ask this question: What provision of existing law does the Comptroller General vouch as a warrant for his exercise of appellate authority in a case where so much has been allowed and he thinks that a less amount ought to have been allowed?

Mr. GRAHAM of Pennsylvania. Or whether any allowance should be made at all.

Mr. MOORE of Virginia. Or whether any allowance should be made at all.

Mr. GRAHAM of Pennsylvania. I will say to the gentleman from Virginia that he has pointed out no statute, act of Congress, or law that clothes him with that power other than his right to audit and have an accounting; but, on the other hand, he has based his standing upon an interpretation of the language of the act of 1916. I will revert to that in a moment.

I now yield to the gentleman from Illinois.

Mr. GRAHAM of Illinois. The only part of this bill which gives me any trouble at all is on page 3, lines 7 and 8, in the definition of the term "injury." Evidently that is framed to include occupational diseases. Does the gentleman think it was the intent of Congress in the original act to include occupational diseases?

Mr. GRAHAM of Pennsylvania. I will say to the gentleman from Illinois that in looking over the various acts I find that occupational diseases were distinctly intended to be included in the language of the law, and may I quote just a paragraph or two from the report of the committee? The report on this bill, under which the Compensation Commission is now acting, was prepared by our former colleague, Mr. Gard, and in it he says:

> The protection of the life and health of employees against injury sustained while in the performance of duty is to-day recognized as one of the very vital principles in the scheme of government.
>
> So large have become the works of industry, so great has been their development through improved machinery and appliances, so numerous have become employees required to carry on these great works, that the necessity of safeguarding them has long been manifest.
>
> It should be the purpose of all employers of labor to give to their employees the most complete protection possible against injuries resulting from their employment and from diseases having their origin in improper working surroundings.

When the bill was on its passage our late colleague, Mr. Mann, made the inquiry why the committee omitted from the bill the provision for occupational diseases which had been contained in the bill as reported in 1914. In answer to this question Mr. Volstead, the then chairman of the Committee on the Judiciary, stated the position of the committee in the following language:

> We had hearings on this particular question and in those hearings it developed that there was considerable difficulty in defining the term "occupational disease," and it was also called to our attention that in quite a number of cases in a number of States the court held this language which we have in the bill would cover occupational diseases in certain cases—at least a number of them—and for that reason, I think, it was left out, or that was one of the chief reasons why it was left out.

Mr. GRAHAM of Illinois. Has the comptroller been ruling that that does not include occupational diseases?

Mr. GRAHAM of Pennsylvania. He has, and insisted on that, although the language in this act was submitted to the Department of Justice and the decision rendered by the Attorney General holding that the language of this act covered, under the decisions and rules of true interpretation of it, occupational diseases. That is to say any disease which proximately came from the employment—not a disease that was caught from the air or outside, but anything that was caused by the employment where the man in the exercise of the duty devolving upon him contracted a disease that was the result directly and proximately of his employment—that that was included.

The Comptroller General in his decision relies upon sections 15, 16, and 17 of the act, which provide that the injured employee shall give notice of the hour that his injury occurred, and so forth, as proof that "occupational disease" was not intended to be covered. This contention, however, is overcome by the fact that the bill reported to the House in 1914, H. R. 15222, expressly mentioning "occupational disease," carried exactly the same provisions as are included in the present law, with reference to notice.

This is also true of the bills considered by the committee in the Sixty-fourth Congress—H. R. 476 and H. R. 13621—both of which carried provisions for relief in case of "occupational diseases" and also carried the provisions requiring notice, and so forth.

That shows the basis on which the Comptroller General fixes his opinion.

Mr. EDMONDS. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. I will.

Mr. EDMONDS. I would like to call the attention of the gentleman to the word "proximately," page 3. Does the gentleman think that is a good word in there?

Mr. GRAHAM of Pennsylvania. I can only say that that is the legal word used when you want to make the cause and effect meet and not be remote; it must be the proximate cause. In damage cases, cases of negligence, the court construes that word—that it must be the proximate cause of the injury, otherwise there could be no recovery.

Mr. EDMONDS. Does not the gentleman think it would be better to leave it out altogether?

Mr. GRAHAM of Pennsylvania. I would think not. I think the word "proximate" is a check on the indiscriminate allowance, and therefore we ought to retain it in the bill.

Mr. EDMONDS. I would like to call the gentleman's attention to a case we have before the Claims Committee where a sailor in the wreck of his ship got pleurisy and two or three years afterwards—he worked in the meantime—he had tuberculosis. The bureau said that if he had not been two months late they would have paid it. Under the circumstances I think it would be a mistake to open up such a case as that.

Mr. GRAHAM of Pennsylvania. This does not open up any case of that kind. The gentleman will find that the use of the word "proximate" limits it to these cases that spring immediately from the employment.

Mr. BOYCE. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. I will.

Mr. BOYCE. I would like to inquire whether or not the language in lines 7 and 8, on page 3, "the term 'injury' includes in addition to injury by accident any disease proximately caused by the employment" is an enlargement of the language employed in the act of 1916?

Mr. GRAHAM of Pennsylvania. It is not; it is the interpretation put upon the language of the act by the committee.

Mr. BOYCE. Is it the intention that the language embraced in this proposed amendment shall be applied to cases on which the comptroller rendered his decision?

Mr. GRAHAM of Pennsylvania. Yes; it certainly is. Now, there are only two new portions of the bill. One is from line 7 down to line 18 on the second page, and the other is from line 7 to 14 on the third page. These comprise the whole of what the committee recommends to be written into the law. It seems to me, my colleagues, that we can not have in the Government two authorities to settle any one question unless it be in the course of an appeal from a lower to a higher court. Here is an absolute breach between the Comptroller General and the Compensation Board. There is no way to heal it except by this act passed by the Congress.

The CHAIRMAN. The gentleman has occupied 15 minutes.

Mr. GRAHAM of Pennsylvania. I will take two minutes more. Now that this is the contention of the Comptroller General appears on the letters addressed to the committee. He claims the right to try the case de novo without having the machinery, and unless you are going to construct machinery at vast expense for a retrial with experts he is going to retry the case from the bottom up if he sees fit.

In the other case he proposes to rule out occupational diseases. Although the Comptroller General—and I say this in fairness to him as well as to ourselves—was notified to come before the committee and consult on this measure, with no antagonism upon the part of the committee or any member of it, he failed to come, but simply wrote letters; and then afterwards I found that he had issued the statement which I propose to put into the RECORD, without signature, which he passed

to the chairman of the Committee on Rules and to Members of this House. Why did he not bring those matters to the attention of our committee? He recites 10 or 12 cases in which he says that the Compensation Board made erroneous decisions and wrongfully allowed compensation to people. I ask that that be put into the RECORD as a part of my remarks, and also the reply from the Board of Compensation which covers every one of the cases thus cited anonymously by him and which completely answers him and shows that the work of the Compensation Board was just and proper.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The communications referred to are as follows:

UNITED STATES EMPLOYEES' COMPENSATION COMMISSION,
Washington, April 5, 1924.

MY DEAR MR. GRAHAM: Reference is made to a memorandum which you handed to me on the 2d instant, without date or signature or other statements showing its source, with regard to 12 cases of employees of the Government said to have been injured while in the performance of duty for which payments are said to have been made by the commission "violently disregarding the clear intent of the law and the decisions of the Comptroller General." From the subject matter of the memorandum it is assumed that it is from the office of the Comptroller General. You have requested a statement in regard to each one of the cases referred to in this memorandum.

The commission is, of course, very glad to furnish a statement of its findings in each one of these cases, because it is obvious that the statement furnished by the Comptroller General's office is incomplete, and unless clearly understood to be incomplete will give a wholly erroneous impression of the commission's practice. Thus, in three cases the impression is given that the commission has made awards for venereal disease as if the commission had held that such disease was by itself the basis of an award under the compensation law. In these cases especially the commission welcomes the opportunity to make a statement, because these cases are probably the basis of reports which have been circulated that the commission had been making awards on account of venereal disease, a statement which is without basis in fact.

The Comptroller General's memorandum refers to the fact that the cases named will serve to show that the "commissioner was violently disregarding the clear intent of the law and the decision of the Comptroller General." It is not reasonable to say that the commission was "violently disregarding the clear intent of the law," when the commission's construction of the law has been in accord with the opinion of the Attorney General and two reports of the Committee on the Judiciary of the House of Representatives. The statement that these cases are evidence of the commission's disregard of the decisions of the Comptroller General is also not warranted, because the date of the injury in the latest of the cases named in which favorable action was taken was September, 1921, while the first decision of the Comptroller General's office upon any question involved in any one of these cases was July 5, 1922. Summaries of the cases which are named in the Comptroller General's memorandum are as follows:

1. Kate E. Parker, an employee of the Treasury Department, who was treated for arthritis of the left wrist, was injured by accident on March 21, 1919, when she fell and sprained her left wrist, injuring the lower end of the radius and necessitating the putting of the wrist in a splint. As is not unusual in such cases, arthritis developed and delayed recovery sufficiently to permit resumption of work. The commission held that the arthritis was the direct result of the accidental injury and that treatment for the arthritis was necessary to terminate the disability which resulted from the injury. Whether or not some arthritis existed before the accidental injury it is not possible to say. It is, however, known that there was no trouble prior to the accidental injury which interfered with the full performance of the employee's work.

2. Isaiah D. Cawlson, an employee of the Federal Board for Vocational Education, is said to have been treated for cancer of the left eye. This employee sustained an accidental burn on the left side of the nose just below the left eye on March 24, 1921. The report of the attending physician showed that an infection resulted from this burn, and later when it showed signs of being carcinomatous he referred the employee to a specialist in skin diseases. This specialist prescribed radium treatment, which apparently resulted after a short period in a cure. The employee lost no pay on account of the results of the injury, and the only expenditure from the compensation fund was that for medical examination and treatment. The commission found that there was an accidental injury which resulted in infection with a failure to heal, which suggested the possibility of the development of a skin cancer. Since the trouble began immediately following the burn, without any healing from the results of the burn, and continued until it yielded to the radium treatment, the commission held that the entire disability was the result of the accidental injury and the expenses for medical examination and treatment were expenses properly allowable under the compensation act.

3. Nannie E. Meigs (this case is erroneously referred to in the Comptroller General's memorandum as Mrs. Minnie E. Meigs, a nurse, said to have been treated for syphilis). This claimant was a charwoman in the service of the Treasury Department at Los Angeles, Calif. She sustained an accidental injury on October 25, 1920, when while in the performance of her duties she received a blow on the left leg resulting in contusion and the breaking of the skin. The injury was immediately reported. A varicose ulcer resulted at the point of injury and, as is not uncommon in such cases, was very slow in healing. When the healing seemed unduly delayed, an examination of the blood was made and disclosed the existence of an old syphilis. Treatment for this syphilis was accordingly instituted because experience had shown that such treatment would be likely to expedite the healing of the ulcer which resulted from the original injury and enable the employee to resume work at an earlier date. This treatment was authorized by the commission and, after this authorization, was given by the Public Health Service, with a successful result so that no compensation has been claimed since shortly after the treatment for syphilis was begun. The commission found that this employee had been employed for four years prior to her injury; that during this period she had been absent on account of sickness for only two days; that an accidental injury had been sustained and was immediately reported; that the wound caused by this injury had failed to heal after protracted treatment by the usual methods; that an old syphilis which had apparently been latent for a long time prior to the injury was retarding the healing of the wound and the complete recovery from the disability which it caused. The commission held that it was reasonable that any treatment necessary to cure the results of the accident and restore the employee to her former earning capacity should be given both in fairness to the employee and as a measure of economy because compensation was payable so long as the disability continued.

4. Paul R. Oliver, said to have been treated for a disease diagnosed as lues (existing at birth). This claimant, an employee of the Philadelphia Navy Yard, was injured by accident on April 20, 1920, when a pipe weighing some 300 pounds dropped on his shoulder and back of head. The immediate result was unconsciousness for half an hour and the immediate diagnosis was intracranial injury, concussion, contusion of left shoulder, while the later examination disclosed a broken clavicle and possible fracture of skull. The employee was immediately and continuously disabled for work, especially because of concussion of brain and possible fracture of skull. He was subject to frequent epileptic attacks to which, according to the report, he had not been subject during his employment at the navy yard or prior thereto. He also suffered from severe headaches and dizziness, all this entirely apart from the disability due to the fracture of the clavicle. When the trouble with the head would not yield to treatment a complete examination was made and finally a diagnosis of syphilis was established, 16 months after the accident. Treatment for the syphilis was thereupon authorized by the commission and was instituted in the hope that any adverse influence that this disease might be asserting to prevent complete recovery might be diminished or removed by antisyphilitic treatment. It was not and could not be assumed after a concussion of the brain with possible fracture that syphilis, heretofore latent, was the cause of the epilepsy or of the frequent attacks of dizziness, although it might have been a contributory factor. A considerable number of cases of concussion and apparently slight fracture or suspected fracture have been followed by precisely similar symptoms, when a careful examination has disclosed no symptoms suggesting the existence of any syphilitic infection. The claimant was continuously under the care of the Public Health Service at Philadelphia and the specialist consultants of that service. These physicians advised the commission that the claimant's original injury to his head was the exciting factor in bringing about the disability which he had. The commission accordingly held that an accidental injury was sustained causing immediate disability for work, and that the disability which was prolonged was the result of this accidental injury complicated and possibly prolonged by a syphilis which was latent prior to the accidental injury. The treatment for syphilis was authorized as a proper allowance under the compensation law because a necessary and reasonable measure to hasten or bring about the greatest possible degree of recovery from the disability resulting from the accident.

In the four cases above summarized the fact of accidental injury is clearly established and, therefore, in no one of them does the question which has been raised in the Comptroller General's written decisions, namely, the question of an award for disease alone, as distinguished from an award for the results of an accidental injury, occur. However, the Comptroller General's office has recently, in demands made upon the commission in personal conferences, required that the commission should submit to him cases in which there is involved the question of disability or death which is the result of an accidental injury aggravating a disease already existing.

but not disabling, or lighting up a disease which was before latent or unknown. The above four cases are of this character. In the first two there is the possibility of a latent disease not before known being lighted up by an accident. In the third and fourth cases the histories show a preexisting disease, latent before the accidents but retarding recovery and, perhaps, made somewhat active as the result of the accidents.

It is a well-established rule under the workmen's compensation laws in practically all American States and in English-speaking countries that the employer takes the workman as he finds him, and that compensation is payable for all the direct consequences of an accident, including the aggravation and acceleration or activation of a preexisting disease. There are numerous decisions showing the application of this rule by the highest courts in Great Britain and under many of the State workmen's compensation laws. A leading case in which syphilis is involved, followed by practically all courts to-day, is a Massachusetts case (In re Crowley, 111 N. E. 786), in which the court said:

> "The material evidence before the committee on arbitration warranted the findings that the employee had a preexisting constitutional disease, known as syphilis, which, being dormant, left his ability to perform the arduous work for which he was hired unimpaired, and that because of the nature of the accident arising out of and in the course of the employment his nervous system suffered a shock sufficiently severe to aggravate and accelerate his condition, until general paresis or insanity resulted, depriving him of all capacity for work in the future. The statute prescribes no standard of fitness to which the employee must conform, and compensation is not based upon any implied warranty of perfect health or immunity from latent and unknown tendencies to disease, which may develop into positive ailments if incited to activity through any cause originating in the performance of the work for which he is hired.
>
> "What the legislature might have said is one thing, what it has said is quite another thing, and in the application of the statute the cause of partial or total incapacity may spring from and be attributed to the injury just as much where undeveloped and dangerous physical conditions are set in motion, producing such results, as where it follows directly from dislocations, or dismemberments, or from internal organic changes capable of being exactly located."

In a Michigan case in which the same preexisting disease was involved (Hills v. Oval Wood Dish Co., 158 N. W. 214) the court held:

> "We agree with the industrial accident board that, under the circumstances of this case, the act does not contemplate any such apportionment of disability as respondents ask for. Assuming that such disability is being prolonged by the disease, there is yet no point at which the consequences of the injury cease to operate. It is the theory of the respondents not that the consequences of the injury cease but that they are prolonged and extended. There is no part of the period of disability that would have happened, or would have continued, except for the injury. The consequences of the injury extend through the entire period, and so long as the incapacity of the employee for work results from the injury it comes within the statute, even when prolonged by preexisting disease."

Again, in another case involving the same disease the Supreme Court of Louisiana (Behan v. Honor, 78 Southern, 569) held:

> "The evidence leaves no doubt that the plaintiff's physical disability resulting from the accident is worse than it would be if he had not been diseased at the time of the accident. But the accident was, none the less, the proximate cause of the present disability. We are not aware of a decision of this court on the subject, but it is well settled in jurisprudence elsewhere that the fact that a person was already afflicted with a dormant disease that might some day produce physical disability is no reason why he should not be allowed damages or compensation for a personal injury that causes the disease to become active or virulent and superinduces physical disability."

Many other decisions involving the same question and the same disease may be cited, among which are New York, Finkleday v. Heide (193 App. Div. 338); Indiana, Indianapolis Abattoir Co. v. Coleman (65 App. 369; 117 N. E. 502); Utah, Pinion Queen Mining Co. v. Industrial Commission (204 Pac. 823); Iowa, Hansen v. Dickinson (176 N. W. 823).

Precisely the same principle is involved in many cases of accidental injury lighting up or aggravating latent or nondisabling tuberculosis, either of the bones or of the lungs. This is illustrated in numerous decisions of the commissions and of the highest State courts; thus, a decision of the Indiana Supreme Court in re Colan (116 N. E. 842), where an employee afflicted with Potts's disease, or tuberculosis of the spine, received a blow and as a result became totally and permanently disabled. The court held that a preexisting disease had been excited into activity by accident and should be considered a disability attributable to the accident and not to the preexisting disease. (See also New York, Van Keuren v. Dwight, Divine & Sons (179 App. Div. 509); Massachusetts, Glennon's Case (128 N. E. 942); Indiana, Republic Iron & Steel Co. v. Markiowicz (129 N. E. 710).

5. Laura A. P. Sansbury: This claimant was a physiotherapy aid of the Public Health Service at Mount Alto Hospital. In the performance of her duty there she treated a patient who was ill with typhoid fever. Shortly after this she was disabled by an illness which was diagnosed as typhoid fever. The official report from the hospital expressed the opinion that the infection was directly traceable to service at the hospital and exposure to a case of typhoid fever while in the performance of duty. When investigation appeared to establish the absence of any other exposure to the infection, the commission held that the typhoid fever having been found to be the result of contact with a typhoid case while in the performance of duty was a personal injury within the meaning of the compensation act, and a favorable award was accordingly made.

6. Charlotte V. Arnold: This claimant was employed as a reconstruction aid in occupational therapy by the War Department and worked in various Army camps and hospitals, where she became disabled from tuberculosis contracted or made active and disabling prior to June 28, 1919. The claimant was examined and found in good health just prior to the beginning of her employment. Witnesses also have testified to her apparent good health when entering upon duty. She was assigned to bed patients in a tuberculosis hospital, and there apparently her disease first became active. The work which she was called upon to do required much and continuous overtime, and the living conditions were greatly overcrowded and were otherwise unfavorable to health, facts which seem to be well established. A tuberculosis specialist who reviewed the history of the case and made an examination of the claimant expressed the opinion that there was no doubt that her work as reconstruction aid caused the development of the pulmonary tuberculosis. The commission held that the disability from tuberculosis was the result of a personal injury proximately caused by the conditions of employment, and awarded compensation and the medical and hospital treatment provided by the compensation act.

7. Lucy M. Murtha: This claimant was employed as a nurse in Public Health Service hospitals and claim was made for compensation for disability due to conditions of employment prior to December 31, 1919. Investigation disclosed that the claimant had a severe attack of influenza while caring for influenza patients in a Public Health Service hospital in October, 1918. Following this attack, convalescence was very slow, cough, weakness, and severe headaches continuing. She returned to work in care of tuberculous patients in the Public Health Service hospital, not fully recovered, and continued in the care of such patients for about three months. In August, 1919, trouble with her throat persisted and the tonsils were removed under a general anæsthetic. She was at that time transferred to another hospital of the Public Health Service, but the cough, weakness, and loss of weight continuing, a diagnosis of chronic tuberculosis with effusion was soon made. The commission held that the breakdown from tuberculosis was probably due to the conditions to which the claimant was exposed, namely, influenza contracted from the care of influenza patients and exposure to tuberculosis in the care of tuberculous patients before she had recovered completely from the effects of influenza. The removal under general anæsthetic of the tonsils was also a decidedly unfavorable influence. The commission held that the facts established constituted a personal injury due to the conditions of employment. The authorization of dental work in this case was based upon the recommendation of the attending physician that the dental work was necessary to afford the best chance for recovery and to shorten the period during which compensation would be payable. The report of the physician and of the dentist indicated very serious conditions of the teeth and a number of badly abscessed teeth so that it was clear that dental work could not safely be deferred.

8. Minnie Pruissner: This claimant was employed in the Bureau of War Risk Insurance and made a claim for compensation for disability from tuberculosis which she believed to be due to the conditions of her employment prior to October 30, 1920. It was alleged that she was required to work in rooms without heat for a period of about 10 days and for a long time in a room adjoining elevators and stairway so that the openings of doors which was constantly occurring caused heavy drafts described by one of the claimant's official superiors as "strong enough to blow your hat off." The working conditions described were investigated by a representative of the commission and the report confirmed the allegations of the claimant. The statement of these conditions was fully supported by a number of the officials in the employee's place of employment. When the statement of the employee was submitted to the Director of the Bureau of War Risk Insurance he wrote to the commission substantially confirming the claimant's statements and added that the conditions had then been remedied in part. The commission thereupon approved the claim in the belief that the employee's disability was due directly to the conditions of employment.

9. Charles E. French: This claimant was an employee of the Shipping Board, and made a claim for compensation on account of physical and mental breakdown due to excessive overtime and the strain of his

work prior to October 4, 1920. The employee's official superior in his report attributed the breakdown to conditions extending over a considerable period of time. He said the employee worked excessive overtime during the war and for a time thereafter, and that his health broke down as a result. He cited the fact that the overtime work had occurred frequently, extending to 12 and 1 o'clock at night. As a result of this the claimant's health, which formerly had been good, became impaired by the strain of work and by the excessive hours, ending in complete breakdown. An investigation made by the commission disclosed evidence in support of the allegations of the claimant and the report of the official superior. In behalf of the claim the opinions of two specialists who examined the claimant were presented. Dr. Ross M. Chapman expressed the opinion that the conditions of the claimant's work with the Shipping Board were materially responsible for his mental breakdown, while Dr. D. Percy Hickling expressed the opinion that the conditions of work acted as an exciting or precipitating cause of the mental condition. When the commission, after a consideration of the evidence, including the opinion of the specialists, considered the evidence insufficient to warrant favorable action, a full statement of the evidence in the case was submitted to Dr. William A. White for his opinion. When his opinion was found to be substantially in accord with that of Doctors Chapman and Hickling, the commission felt obliged to make an award in favor of the claimant, and this was accordingly done.

The foregoing cases, numbered 5 to 9, must be classed as cases of disease proximately due to the conditions of employment and not accidental in character. They are cases of a kind not ordinarily suggested by the term "occupational disease," which is usually associated with industrial employments, although sometimes arising under conditions of employment not to be classed as strictly industrial. The first of these cases, that of typhoid fever, does not differ in principle from cases upon which awards have been made under a number of the State compensation acts. Such are awards on account of typhoid fever, smallpox, scarlet fever, diphtheria, cases in which the exposure and contagion were traced directly and exclusively to the claimant's employment. The cases numbered 6 to 9 must be regarded as distinctly due to very unusual conditions surrounding employment during the period of the war and the period of reorganization and reconstruction which followed it. Such cases have been and would be expected to be very rare under normal conditions such as have prevailed during the past two years. The experience of this period would lead one to believe that such cases will rarely arise and be established as meritorious at any time in the future, although the possibility of cases of this character having strong merit can not be denied.

10. Patrick C. Gibson: This claimant was employed as a foreman in charge of certain construction work under the Mississippi River Commission at Point Pleasant, La., and while engaged in this river work succumbed to intermittent malarial fever, September 9, 1921, which was alleged to be due to the special exposure necessarily incident to the character of his duties. When the diagnosis of malaria was confirmed and it appeared from the evidence that the malaria was probably contracted at the place of employment because of the peculiar and special hazard of the employee's work, a favorable award was made allowing the claim. This, however, involved the payment of only one day's compensation and of medical and hospital bills. While this case was allowed in October, 1921, a later consideration of claims on account of malaria led the commission to modify its views and to consider that awards in malaria where the evidence is, as in the present case was, an error and not supported by sufficient evidence to distinguish the case from those cases of malaria which are common in certain localities. It is the present view of the commission, as it has been for more than two years, that no claim on account of malaria can be safely allowed unless there is conclusive evidence of special and extreme exposure which could not have occurred except for the requirements of the employee's duties.

11. Norrington A. Reed: This claimant, a tractor driver in the employ of the bureau of public roads, was reported to have sustained an injury on August 18, 1921, which was described as a strain occurring because of the lurching of the tractor in driving over extremely rough ground. The alleged result was a strain of the inguinal region, diagnosed as epididimytis, reported by the official superior and certified by the attending physician as due to strain as alleged. The official superior believed that an accidental injury had been sustained, and because of this he sent the claimant to a local physician and then to the public health service at Portland, Oreg., for examination and treatment. The commission, upon inquiry, found that the evidence indicated nothing more than a possible strain and that there was absence of any direct blow. It was held that the disability was not due to the injury, this conclusion being based upon the fact that it is the consensus of medical opinion that such a disability as found could not be caused by a strain, although it would be the natural result of a direct blow. Although irrelevant, in view of the foregoing facts, it may be noted that the medical examination disclosed no evidence of any venereal infection. This comment is made because a disability of this kind is known to be due not infrequently to such an infection as well as to a variety of innocent infections. No payment of compensation was made in this case, but medical bills covering the medical examination which was properly authorized by the official superior in view of his belief in the fact of an accidental injury and treatment during the period of examination were paid, because such service was authorized by the official superior under the regulations as necessary to assist the commission to reach a proper conclusion upon the merits of the case and for immediate relief during such period of examination. Upon appeal, the case was investigated by one of the commissioners fully confirming the commission's position.

12. Carl H. Baesgen: This claimant was a park policeman in Washington. The injury on account of which compensation was claimed was appendicitis contracted in line of duty December 9, 1921. No evidence of any definite injury bearing any causal relationship to the employment was found. Claim for compensation was accordingly disallowed. Payments on account of medical and hospital expenses which had been made erroneously to the surgeon and hospital were refunded.

The Comptroller General's formal decisions of July 5 and September 23, 1922, and of January 29, 1922, and subsequently, have clearly indicated that his sole purpose in reviewing the decisions of the commission was to exclude awards on account of disease which was not the result of an accidental injury because he had arbitrarily construed the law to be applicable only to accidental injuries, although this limitation had nowhere been made in the law by the perfectly simple and obvious method of stating that the law was limited to the results of accidental injuries. Notwithstanding the statements of the Comptroller General's formal decisions, his office has recently in conferences with the commission demanded that cases should be submitted to him for review in which the only question presented was whether compensation was properly payable under the law for the results of an accident when such results included the activation or aggravation of a preexisting disease which had before the accident not been disabling for employment. This demand was for no other purpose than for reviewing the commission's finding of fact with regard to the results of accidental injuries. It may be stated without qualification that a review of the findings of fact of the board or commission or commissioner under a workmen's compensation law by such an authority as the office of the Comptroller General would not be permitted in any English-speaknig country in the world.

The first paragraph of the Comptroller General's memorandum clearly indicates a view that any limitation upon his power of review of the commission's findings or decisions would serve as a precedent for a similar limitation in favor of other departments and establishments of the Government. Such a suggestion shows a misunderstanding of the character of a workmen's compensation law and of the method of administration which has become well-nigh universal in English-speaking countries. In American States all this legislation has been enacted since 1911 and although already in effect in 42 States is, because of its newness, not well understood by many otherwise well-informed lawyers and business men who have not had occasion to be interested in individual claims.

It is submitted that the questions arising under the Federal compensation act, just as those arising under any workmen's compensation act, can not reasonably be compared with those which go to the Comptroller General's office in connection with Government contracts and business claims involving vast sums of money and in connection with those which arise concerning the payments of salaries and innumerable administrative expenses of the Government. That the adjudication of claims under workmen's compensation acts is work of a special and peculiar character which ought not to be dealt with in the same manner as ordinary business claims is evidenced by the action of 42 States and many other English-speaking countries in the creation of boards or commissions or special agencies to adjudicate workmen's compensation claims. This is chiefly because the main purpose of workmen's compensation laws is to provide a sure means by which immediate relief may be secured to employees when injured and an equitable settlement of claims may be assured without delays and costs incident to the old methods of technical legal procedure. Too often the injured employee is too poor, too ignorant of his rights, or too inexperienced to press a claim properly. This legislation has accepted the view that an impartial agency is necessary, representing and safeguarding the interests of both the claimant employee and the employer, which under the Federal law means the Federal Government. The office of the Comptroller General, accustomed as it is, and probably necessarily so, to strict technical construction in practically all the questions which come before it, can not readily adapt itself to a liberal construction, such as is the established rule, with commissions and courts under workmen's compensation laws.

Under State workmen's compensation laws and also under foreign laws in English-speaking countries it is the established rule that the findings of fact of the administrative authority will not be reviewed by the courts, although limited appeal to the courts on questions of law is provided for.

An examination of the Federal compensation act is convincing that Congress in passing this law had in mind such procedure as is found under State workmen's compensation laws. It set up a special commission, devoting all its time to the administration of the law. It

provided for the procedure to be followed in making investigations and awards and in reviewing when necessary claims which had been either allowed or disallowed. It provided that the commission should decide all questions arising under the law. It is hardly reasonable to suppose that Congress, having provided such special agency for the adjudication of compensation claims, had any intention that the action of this special commission, whose sole duty was the consideration of compensation cases and the questions arising in connection therewith, should be the subject of review by a single individual unfamiliar with compensation questions and without the facilities for reviewing the commission's work, if such review were desirable and practicable.

It would be more consistent with the administration of justice under our form of government that any appeal or review which was desired should go to the courts. It is not believed that the Federal Government can consistently hesitate to intrust the claims of its own employees against it as an employer to an independent commission of its own selection when such a method has been imposed by law upon private employers in so many of the States. With these precedents the fairness of such a method of adjudication could hardly be questioned and the unfairness of such a review as is contemplated by the Comptroller General's office would seem to be obvious.

It seems proper to say here that it is greatly regretted that the Comptroller General did not accept the opportunity to bring to the attention of your committee at the time of its hearing on H. R. 7041 the cases referred to in his memorandum which you have brought to my attention. When one thinks of the purpose of such a hearing to be the obtaining of an honest understanding of the questions at issue for the use of your committee and the Congress, it is impossible not to think of the unfairness to the committee and to this commission of circulating the matter contained in this memorandum after the hearing and report of your committee, especially when it is remembered that all this information has been available in the Comptroller General's office for many months. Such action does not augur well for the fairness of a review of the commission's findings and decisions by the Comptroller General's office. It would have been possible to give to the Comptroller General and to your committee at the same time all of the facts in connection with these cases and the reason for the awards, from the commission's point of view. Such an explanation would have avoided some misunderstandings which have been the basis for the circulation of false statements with regard to what the commission has been doing. It would also have afforded the opportunity of calling attention to the principles which everywhere are accepted as the basis of action under workmen's compensation laws; and this opportunity, I am sure, would have made clear that nearly all the differences of opinion which have arisen with regard to the merits of the awards which have been made under the Federal compensation act are no more numerous and no more serious than are the differences of opinion which arise in connection with the administration of any law involving new principles and new questions.

Sincerely yours,

BESSIE P. BRUEGGEMAN,
Chairman.

Hon. GEORGE S. GRAHAM,
House of Representatives, Washington, D. C.

Mr. GRAHAM of Pennsylvania. This attempt of the chairman of the Federal Employees' Compensation Commission is in line with the general hostility of some of the executive departments and establishments to congressional control over expenditures. The Comptroller General decided that the Federal Employees' Compensation Commission had no authority to award compensation for disabilities not resulting from an injury in the performance of duty and capable of being referred to some particular event fixed in point of time as specified in sections 15, 16, and 17 of the act of September 7, 1916 (38 Stat. 746).

The commission had paid for the hospital and medical treatment of Patrick C. Gibson, an employee of the War Department, for malarial fever; of Katie E. Parker, an employee of the Treasury Department, for arthritis of the left wrist; of Paul Richard Oliver, an employee of the Philadelphia Navy Yard, for a disease diagnosed as lues—existing at birth; of Charles E. French, an employee of the United States Shipping Board, at a cost of over $500, for physical and mental exhaustion with paranoid symptoms; of Norrington A. Reed, an employee of the Agriculture Department, for ulcer of the skin and diagnosed as probably venereal; Charlotte V. Arnold, an employee of the War Department, at a cost of $500 for pulmonary tuberculosis; of Minnie Pruisner, an employee of the Treasury Department, for tuberculosis; Mrs. Minnie E. Meigs, a nurse, for syphilis; Laura A. P. Strausbury, an employee of the Treasury Department, for typhoid fever; Isaiah D. Cawlson, an employee of the Board of Vocational Education, for cancer of the left eye; and of Carl H. Baesgen for operation and hospital treatment for appendicitis; of Lucy H. Murtha for dental treatment at a cost of $248. She has since married a Mr. John Foley—was a tubercular patient at Saranac Lake, N. Y., and received $66.67 a month compensation. There are many similar cases, but these will serve to show that the commission was violently disregarding the clear intent of the law and the decisions of the Comptroller General.

Mr. BLANTON. Mr. Chairman, will the gentleman yield to answer a question for information?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. BLANTON. Do I understand that the distinguished chairman of the Committee on the Judiciary claims that the Comptroller General is bound by all opinions rendered by the Department of Justice concerning his own business?

Mr. GRAHAM of Pennsylvania. I think he is unless he makes a case that can be submitted to the courts for judicial determination, and that he has refused to do. He says, "I am independent; I am separate and distinct from the other machinery of the Government."

Mr. BLANTON. Is not the nature of his business such that he can not submit it to the courts?

Mr. GRAHAM of Pennsylvania. No.

Mr. BLANTON. His decisions are not for judicial determination.

Mr. GRAHAM of Pennsylvania. No; but they can be made so. I reserve the remainder of my time.

Mr. MONTAGUE. Mr. Chairman, referring to the sentence "any disease proximately caused by the employment," I would say that the word "proximately" therein used is a limitation rather than an enlargement of the obligation of the Government, or a limitation of the classes of injuries the Government would sustain. The word was employed purposely to restrict the liability rather than to expand the liability of the Government. In addition to that the word is one that is well known in our jurisprudence, and the word "occupational" as applied to diseases finds its way rather into the press and current literature than into the adjudications of the country. Therefore I think that we are on safer ground in using that term. I may say, moreover, that the terms of this statute are found, if my memory is correct, in several of the States, so that we are not traveling unbeaten ground. It has been construed, and we know what it means, and for that reason the committee adopted the language.

Mr. LOWREY. Mr. Chairman, will the gentleman yield?

Mr. MONTAGUE. Yes.

Mr. LOWREY. Will the gentleman give us the legal significance of the word "proximately"? Some of us do not have the misfortune to be lawyers. The gentleman says that it limits rather than enlarges.

Mr. MONTAGUE. Generally, when an employee contracts a cold in going from his home to his place of business, I would say that that was not a disease proximate to his employment, but if he contracts a disease by virtue of the actual work, say, in the operation of machinery or in the uses of certain fluids or chemicals, that that would be a proximate disease or result of his employment.

Mr. LOWREY. Somewhat of an equivalent to "immediately"?

Mr. MONTAGUE. Yes. It carries the idea more or less of immediate connection.

I do not desire to take up more time myself, and I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL], who opposes the bill.

Mr. UNDERHILL. Mr. Chairman, I want to be distinctly understood as being in favor of compensation for accident or occupational disease for all employees all over the land, but let me review briefly one of the reasons that led to this proposed change in the law. The chairman of the Compensation Board is a most estimable woman, with a woman's tender heart. I digress just for a moment to pay her a tribute of acknowledgement and appreciation for what she has done in assisting the Committee on Claims in adjudicating many, many of the questions which have come before that committee. I have no quarrel with her or with the board and no criticism of either. They are doing wonderful work, but she allowed her sympathies to go a little ahead of the law. One of the reasons this difference of opinion between the board and the bureau came about is the case of one of the employees in the navy yard who was engaged one day on a piece of heavy work. A door was open near him, and though it was a rather warm day, it was claimed that the breezes blowing through the shop while he was in a condition of perspiration gave him a cold that developed into pneumonia. Having a weakness in his lungs, subject more than most of us to tuberculosis, his cold developed in the direction of that malady. He made a claim for total disability, and the board allowed the claim. You can see the

length to which one department can go if given complete power in establishing under this bill health insurance. If we are going to have health insurance, let us pass a law covering the whole proposition, but do not give to one individual with a big, tender heart the power to define a disease contracted in the course of employment, because there is no way of proving it.

Mr. HUDSPETH. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. HUDSPETH. I would like for my friend to distinguish between an ordinary disease contracted as he stated this was contracted and an occupational disease. I fail to see the line of demarcation.

Mr. UNDERHILL. Lead poisoning is an occupational disease. A man who works with lead is bound sooner or later to become infected with lead poisoning. That is an occupational disease. Contracting a cold in the course of employment may result, through neglect, in tuberculosis, but it is not occupational.

Mr. HUDSPETH. Is not that the case just cited by my friend?

Mr. LAZARO. Will the gentleman yield for just one question?

Mr. VAILE. Will the gentleman yield?

Mr. UNDERHILL. There are other matters, and I guess I had better not yield because I want to go into them. Here is a clause in this bill to which I wish to call particular attention. Although I am not able to recommend a remedy I think the efficient chairman of the Committee on the Judiciary ought to change the wording. It is on page 2, line 13:

> Any award made by the Compensation Commission, under the act of September 7, 1916, for disability or death resulting from a personal injury sustained prior to the passage of this act, shall be valid, if such award would be valid if made in respect to an injury sustained after the passage of this act.

Why, gentlemen, that will open thousands of old Panama Canal claims.

Mr. MONTAGUE. Does not the gentleman know that is the present law, which we have not changed in this bill. That is the existing statute.

Mr. UNDERHILL. That is due to my ignorance of legal phraseology, but to a layman it looks like you were going back to many claims now before the Committee on Claims which, if we had the temerity to bring before the House, would be kicked out without any consideration whatever. Now, I want to say you can not establish by amending this compensation law health insurance covering all cases. There is going to be a great deal of injustice.

The CHAIRMAN. The time of the gentleman has expired.

Mr. UNDERHILL. May I have two minutes more?

Mr. MONTAGUE. I regret I have requests for all of my time.

Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, because the Creator gave us life and has the power to take it away when a man dies, we say, "The Lord hath given and the Lord hath taken away." It is a good deal that way with Congress creating this Comptroller General and giving him certain independent powers and then exercising its prerogative to take it away. Congress has the right to do it. There is no question about that. But is it wise for us to do it?

Here is a compensation commission with certain functions to perform, and I am here to commend it. It has performed them well. But, as the gentleman from Massachusetts has stated, through its warmness of heart it has gone beyond the pale of the law.

Mr. LAZARO. Will the gentleman yield?

Mr. BLANTON. I regret that I can not yield in five minutes. The Department of Justice has certain functions to perform. It enforces the laws of the country. But we have created a Comptroller General and given him independent power, independent of all the departments, independent of the President, if you please, independent of the Department of Justice and the Attorney General. He is responsible to Congress only. To no one else is he responsible; only to Congress. And because he has done his duty he has made certain high officials mad. Now, I want to tell you the beginning of all this trouble directed at the Comptroller General. When Mr. Secretary Denby was appointed, about one of the first important official acts he had to perform was to take a little cruise over to Japan to celebrate the birthday of some celebrated Japanese of whom he happened to be a classmate; and when he got back from that Japanese cruise, and just before he started on his round-the-world congressional cruise, he found out that certain of his chiefs in the Navy Department had been authorizing the payment of money which had been stopped by the Comptroller General, and he did not like it; and he issued an order that the Secretary of the Navy's order was superior to any order that could be issued by a little Comptroller General down here in the Treasury Department. He issued instructions to his chiefs to disregard any order that the Comptroller General might ask and to obey only the order of the Secretary of the Navy. But that did not stop the Comptroller General. He stopped those payments just the same.

The Treasurer of the United States would not pay them because the Comptroller General had stopped their payment. And then what happened? The distinguished chairman of the Committee on the Judiciary says that because the Department of Justice has issued an opinion that the Compensation Commission is correct and has authority to do what it did, that the Comptroller General should be bound by it. And so thought the Secretary of the Navy, for he went to the Department of Justice to get them to issue an opinion admitting that he was right and the Comptroller General was wrong, but when you read the opinion it was kind of dog fall, and the Comptroller General continued to operate just the same.

The Comptroller General continued to do his duty, as Congress intended, and the big Secretary of the Navy found out just what Congress intended that he should find out, namely, that there was an accounting officer here who had the power to go over his accounts and to stop payments where they were attempted to be made beyond the pale of the law. He stopped various payments, not only with respect to this Compensation Commission, but with respect to the Secretary of the Navy, and with respect to the Secretary of War. He has stopped payments, and thereby he has made men mad. They have their friends. They have appealed to them in Congress. They have come here with this bill, and they will come in with other bills whenever he exercises his power to stop unlawful payments, which power we gave him and which we intended to give him. When he exercises that power he makes some people mad, and they come here and try to have Congress take away that power from him, and you are to take away some of his power in this bill.

Mr. MONTAGUE. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. WOOD].

The CHAIRMAN. The gentleman from Indiana is recognized for five minutes.

Mr. WOOD. Mr. Chairman and gentlemen of the committee, I expect the query has been asked by Members of the House why this Compensation Commission should not be subjected to the rules and regulations, in so far as its actions are concerned, that all the other branches of the Government are subjected to? It has been admitted by the very introduction of this bill that under the law as it now is the Comptroller General has the right of review. If he did not have that right, then there would be no necessity for the enactment of this bill into law. And why should he not have this right?

Mr. MADDEN. Mr. Chairman, will the gentleman yield to me for a question?

Mr. WOOD. I have but little time.

Mr. MADDEN. I would like to make just a short statement at this time. The gentleman can get more time if he needs it.

Mr. WOOD. Go on.

Mr. MADDEN. What I would like to see this bill do, if it does anything at all, would be to extend the power of the commission over the class of cases that the Comptroller General rejected and not stop the Comptroller General from auditing the accounts.

Mr. WOOD. The trouble with this law is the same class of trouble that we have had in passing other laws. We have taken and delegated to this commission the right to make rules and regulations. In section 32 it is provided that the commission is authorized to make necessary rules and regulations under this act. Under that authorization they have the right to pass any character of regulation, amounting practically to legislation. In many instances it does amount to legislation, and because of that fact there is all the more necessity that their action be subject to the review of this general accounting officer.

This will be a very bad precedent if it is enacted into law, because it will be the beginning of the undoing of the General Accounting Office. It is the only agency that this Congress has to stand between it and various bureaus that have the expenditure of money and determine as to the disposition of that money.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield.

Mr. GRAHAM of Pennsylvania. I only want to call your attention to the fact that the paragraph that you are citing is found in the act that we are now operating under and not the new act. Is it not limited to carrying out of that act of 1916?

Mr. WOOD. Yes; and that is just the reason for my objection, and that is the reason why I think there ought to be this right of review.

Now the head of this division has declared in a radio speech that they are subject to the control of no power whatsoever; that the Supreme Court of the United States can not review their actions; that the Comptroller General had attempted to do it, but that they have "shown" him; and in defiance of the act creating them they took and stopped the payment of compensation for all accidents, about which there was no question at all, and sent notice of it to different Members of Congress who happened to have somebody in his district whose payments under this act were stopped. But they changed their minds when they were warned about violating the law, and they have made an apology for having done it.

But this only shows that there should be no arbitrary bureau or commission in this Government, but that all should be subject to the same character of revision and review. This Congress is making a great mistake if we take and establish bureaus with autocratic power whose action can not be reviewed by any other branch of this Government. If that is true, we will find here very soon every other bureau, one after another, coming here with this same character of a bill, asking that their action be not subject to review by any accounting officer; and if that is done, no bureau spending public money will be required to obey the law.

Mr. DYER. Did the gentleman hear that radio speech that he refers to?

Mr. WOOD. No; but I heard about it from several who did hear it.

Mr. DYER. The gentleman may be mistaken in his statement.

Mr. WOOD. Possibly; but I do not think I am.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I yield one minute to the gentleman from Missouri [Mr. HAWES].

Mr. HAWES. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

THE FARMER'S INTEREST

Mr. HAWES. Mr. Chairman, to intrude a subject foreign to the present discussion before the House must have some justification.

The matter I desire to present to your attention is the Barkley bill, no hearings upon which were held by any committee of the House, and in consequence no report could be made to the House, so that from time to time scattered information not properly collected by a committee is the only way of bringing the facts to the attention of the Members.

This is one illustration in itself of the dangerous precedent of taking a bill from a committee without hearings, especially when that committee had only had the bill in its possession for one month and upon which no hearings had been held.

If the House in its wisdom had directed the committee to hold hearings and present a report, and the House had had the benefit of these hearings and the testimony of witnesses, this piecemeal method of informing the House would not have been necessary.

Recently a petition was circulated to take from the Committee on Interstate and Foreign Commerce and bring upon the floor of the House a measure known as the Barkley bill.

This was done during my absence on sick leave, but since my return I have been informed that many of the Members who signed the petition of 155 names were under the impression that the committee had definitely decided not to consider the Barkley bill, in fact had refused to consider it.

The facts have been stated before and are not disputed but may bear repetition at this time because of the related matters which I desire to present to the House.

The Barkley bill was not introduced into the House until the 28th day of February.

The matter of its place on the program and the motion for its consideration was made on the 26th day of March, one month after its introduction.

At the time the Barkley bill appeared in the committee there were 276 bills before it; there were before the House 9,000 bills; there were on the Senate side over 3,000 bills and 892 resolutions.

Brought in at the late date of February 28, pushed into preference of over 276 bills in the committee and over 9,000 bills in the House, an attempt has been made to explain the reason for this.

There may be, and I think there are, bills in the Committee on Interstate and Foreign Commerce which should have been discussed and disposed of, some of them introduced long prior to the Barkley bill, some pending for over a year.

In its tentative program the committee took up, first, the Cooper bill, containing an appropriation of $200,000 for additional locomotive inspectors; second, the Hoch bill, providing for a general review of freight rates; and then, third, the Barkley bill was presented for consideration in that order, and I voted for its consideration.

Upon the defeat of the motion for its tentative consideration, I then moved that the committee take up 12 bills relating to what are known as "truth-in-fabric" and "misbranding" bills, and it is to these latter bills that I desire to call the attention of the House.

Having put upon the program the Cooper bill, of especial interest to union labor, and a bill of a general character of special interest to all those who wish to reduce freight rates, I had been requested by farming interests to vote for and move the consideration of what are called the "truth-in-fabric" and "misbranding" bills.

I made that motion, and they were made the next in order.

A deliberate attempt has been made to cause the impression that the "truth-in-fabric" bills did not have behind them any popular pressure for consideration, and that they were not supported by the great farming organizations of the country.

Their consideration was belittled, and it was intimated, if not directly stated, that the purpose of bringing up these bills was not responsive to a wide demand.

Yesterday, before the Committee on Interstate and Foreign Commerce, Mr. Gray Silver, speaking for the American Farm Bureau organization, with branches in 2,000 out of 3,000 counties in the United States and with an organization in 47 out of the 48 States, with a membership of 900,000, gave his testimony as to the importance of these bills in the estimation of the farmer.

He was followed by Mr. A. M. Loomis, representing the great national farm organization, the National Grange, who stated that the membership of his organization was between 800,000 and 1,000,000. This witness stated that he thought organized farmers of the Nation represented from one million and a quarter to one million and a half of our population.

Both these gentlemen are of unusual intelligence, and certainly they represent that portion of our community which is at the present time suffering the most and whose wishes have been considered the least.

For the information of the House, questions propounded to these representatives of organized farmers of the Nation follow.

I trust each Member will read them, because either these representatives do not speak with accuracy or the charge that there was no sentiment back of the consideration of these bills by our committee is untrue.

After reading the questions and answers, the Members of the House may determine the matter for themselves:

Mr. HAWES. Mr. Chairman, I had hoped not to ask questions of the witness until he had completed his statement, but apparently if I do not ask these questions now, I will not have the opportunity later. Mr. Silver, you are the representative, as I understand it, of the National Farm Bureau?

Mr. SILVER. The American Farm Bureau, which is the national association of farm bureaus of the Nation.

Mr. HAWES. How many farmers, approximately, does that represent?

Mr. SILVER. At our last accounting, which was the last annual report, there were nine hundred and some thousand. We would show many delinquents. Possibly that number does not reflect the real expression of the farm bureau, for in the local communities—I am speaking of both community centers and counties where there is an organization such as ours which is a service organization and not a trade organization—many people attend the meetings and participate who are not actually members.

The farmers' organizations are loosely tied and they attend, and in addition to that, the live, wide-awake farmer is usually the active person in the organization.

Mr. HAWES. How many States are represented in your organization?

Mr. SILVER. Forty-seven.

Mr. HAWES. What are the approximate annual dues of the members?

Mr. SILVER. They vary, so far as the overhead of the organization is concerned. It is 50 cents per member. In some States they charge all the way from $3 up, and in some States $5, and in others $10. That money is used in the county or in the States and does not come to the overhead organization.

Mr. HAWES. I did not want to know the exact amount. I wanted to know the size of the organization, and whether it was mere volume of numbers, or whether back of it there was not only a contribution of money but an active interest.

Mr. SILVER. Of course, the farm bureau is a voluntary membership organization. They have their facilities in a reasonable way, for studying those plans. They meet and determine, and when new questions arise, the question is referred in the main to community centers, of which there are some thirty-five or forty thousand. That is a less unit than the county. Then in counties, there are some 2,000 counties that are organized in the federation.

Mr. HAWES. Out of approximately 3,000 in the United States?

Mr. SILVER. Yes; out of approximately 3,000. In addition to the 2,000 that are organized, we have what we call agencies in almost 700 more. These agencies are the small organizations that are not yet completed. For instance, if we have an organization of 100 members, it is not yet called a farm bureau. It is just a farm bureau in the making.

Mr. HAWES. This organization has discussed the question of truth in fabrics and misbranding?

Mr. SILVER. It has.

Mr. HAWES. Before its various branches in the 2,000 organizations throughout the United States?

Mr. SILVER. It has.

Mr. HAWES. Has it passed resolutions on this subject in its national convention?

Mr. SILVER. It has on different occasions; certainly on three or four, in the last three or four annual meetings.

Mr. HAWES. You are here as the Washington representative of nine hundred and some thousand farmers with organizations in 2,000 counties out of 3,000 in the United States?

Mr. SILVER Correct.

Mr. HAWES. And when you speak on this subject of truth in fabrics you speak as the organization representative of these people who have studied this question and passed resolutions regarding it?

Mr. SILVER. Under direction by special resolution in their meetings.

Mr. HAWES. And you are satisfied that they understand the question?

Mr. SILVER. I am thoroughly convinced that they know what they are talking about and understand the question.

Mr. HAWES. So that if there is not a room full of farmers here present and woolgrowers from Idaho or Nebraska or other States it is because you are here to speak for them?

Mr. SILVER. Correct.

Mr. HAWES. Did you feel that the sentiment of this great organization was earnest and sincere in its demand for a hearing on this bill?

Mr. SILVER. No doubt on earth about it.

Mr. HAWES. There is no question about it?

Mr. SILVER. No question on earth. They have spoken in so many ways and so many times and you can not go to any part of the country and raise this question where they are not of one opinion.

Mr. HAWES. Mr. Silver, this committee on the 26th of March were confronted with the problem of taking up a certain bill, or taking up 12 different but related bills.

So that you will understand one of these bills was introduced by Mr. ROGERS. The object of the bill was to protect the public against fraud by prohibiting the manufacture, sale, or transportation in interstate commerce of misbranded, misprinted, or falsely described articles, to regulate the traffic therein, and for other purposes.

Another bill was introduced by Mr. JOHNSON of Washington to regulate the traffic in certain surgical materials, that they might be pure, so that sick persons might not be poisoned or injured.

Another bill is by Mr. RAKER, of California, to prohibit deceit and unfair prices that result from the unrevealed presence of substitutes for virgin wool, woven fabrics purporting to contain wool, and in garments or articles of apparel made therefrom, transported or intended to be transported in interstate and foreign commerce, and providing penalties for this deceit.

Another bill was by Mr. FRENCH to provide for the proper labeling of bottles, receptacles, containers of poison which are shipped in interstate commerce. The intent of that bill was to keep people from being poisoned, especially little children who were using innocently marked articles which could accomplish a deadly purpose.

Another bill was by Mr. FRENCH to prevent deceit and unfair prices that result from the unrevealed presence of substitutes for virgin wool in woven fabrics purporting to contain wool and in garments or articles of apparel made therefrom, manufactured, etc.

Another bill is by Mr. JOHNSON of Washington to prevent the manufacture or sale or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, liquors, and regulating that traffic.

This bill is to preserve the health of our people and to prevent deceit.

Another bill is to prohibit the manufacture, sale, or transportation in interstate commerce of misbranded articles; that is, where the manufacturer puts on a false brand to deceive the public.

Another bill is to protect the public against deceit and unfair prices resulting from the presence of other than leather, wool, or silk in clothing and articles of apparel purporting to be made of certain material.

Another bill intended to prevent deceit and sharp practice, to protect the consuming and wearing public.

Another bill by Mr. HAUGEN, chairman of the Agriculture Committee of the House, an act to regulate foreign commerce by prohibiting the admission into the United States of certain adulterated grains, seeds, unfit for seeding purposes. The evident intent of this bill is to prevent foreign seed manufacturers from selling to the farmers seeds which would not produce grain, dead seeds or improperly marked seeds, a measure of interest, as I assume to all the farmers in the United States. It was given to the chairman of that committee, because he was at the head of the great Agriculture Committee of this House.

Here is a bill by another Congressman, Mr. REECH, to safeguard the distribution and sale of certain dangerous caustic and corrosive acids and alkalis and other substances in interstate and foreign commerce. That is simply a bill intended to put upon the can or the jar the contents to prevent poisons, to prevent general injury to public health.

Here is a bill from the gentleman from North Dakota [Mr. BURTNESS] which demands the labeling of flour in interstate commerce, so that substitutes of flour should not be called flour and sold as flour.

Here is another bill by Doctor KINDRED, a Member of the House from New York, to provide for regulating traffic in certain clinical thermometers and for other purposes. He claims that thermometers for testing the temperature of people in hospitals are not properly marked, so that frequently because of this improper thermometer there is great loss of life, the patient suffers, and the doctor can not properly diagnose a case.

I was interested in knowing from you, who I consider to be a man of very unusual intelligence, representing, I believe, one of the largest organizations of its kind in America, just how earnest and how emphatic and how real was the demand of the farmer for these bills which would protect him in two ways:

First, one portion of the wool of the sheep sells for $1.50 and another portion, we will say, for 50 cents. The manufacturer puts the 50-cent wool in with the $1.50 wool and he gets the full $1.50 price, where the farmer only gets 50 cents. The farmer is interested when an article is sold as wool, which he produces, that the public should not be deceived in buying an article that is part wool and part cotton, eliminating entirely the question of whether it is all wool, a portion of it being virgin wool and a portion of it being shoddy.

How earnest is this great organization of yours in demanding the consideration of the House to these bills? Could you say something on that?

Mr. SILVER. You have enumerated quite a list of bills, and may I say that all bills pertinent to the welfare of agriculture are sent by me back not only to our Chicago office but the offices of the different States. We have our department of research and economics at Chicago, and these matters are gone through and my instructions come back.

After considering the different measures in which there is much merit as to the things they set out to do, after having passed on them by resolutions, they asked me to urge upon you the favorable consideration of the French-Capper truth in fabrics bill. That was, I believe, the first question.

As to how earnest they are, they are just as earnest in this measure as they have been in any measure before Congress at this time or in previous days; just as earnest as they were in the advocacy of the pure food law or any of the things that have to do with our health and well-being.

Why, think of the mother who goes out, as I illustrated a moment ago, to buy a wrapping for the little child, just as interested in the quality of the wrapping as she is in the welfare of the child, because the wrapping has to do with the life and health of the child. Nothing could be closer to it.

We can not have healthy, worth-while, grown-up people if while they are little babes they are exposed to unnecessary danger, to coughs and colds, pneumonia, and perhaps death. They come along, you know, as weaklings, not protected as strong, able people. It has to do with the welfare of grown people, with the citizenship of the Nation. It is hard to say that a group like ours is 100 per cent on any question, but it is as near 100 per cent on this measure as anything before Congress.

Mr. HAWES. I am asking you these questions in sincerity, because the statement has been made on the floor of the House—and it was

intimated when I made the motion to bring up the truth in fabrics bills and these bills relating to public health, honest seeds, and pure flour—that it was a political move, not made in good faith, but made for the purpose of displacing another bill, the so-called Barkley bill. I want to know whether there is a real, honest, sincere sentiment back of these bills.

Mr. SILVER. Let me say one more word.

So far as this Congress is concerned, there are three measures that are legislatively possible, in which the farmers are vitally interested. Muscle Shoals, which the House has kindly passed. Truth in fabrics, which you have under consideration, and the McNary-Haugen bill.

Those are the only three measures that, in a large way, affect agriculture that are in the legislative position to be able to come to a conclusion at this session. They can; they may not, but they can. They are in such a position that they can. They can come to it.

Our people are just as strongly advocating all three of those measures. I am discussing one, but I am mentioning the others to illustrate the point that all three of those measures be considered and determined, and I am here as their representative to urge upon you that not only you consider it in committee but that you report it and permit it to be disposed of on the floor.

Had there not been a lasting and worth-while interest in this bill, it would have flagged and been lost long ago. For 20 years and more they have stood by all the time, urging and advocating that this be done, and they see it, as I said before, just as common honesty, that they might have an opportunity of knowing what they should know.

I want to assure you gentlemen that they will be back here at the opening of the next Congress asking for this legislation.

Mr. HAWES. Mr. Chairman, may I ask for an unusual privilege so that this record may be connected. The representative of the National Grange is here waiting to testify. He has heard the questions that I have propounded. May I ask him a few questions?

The CHAIRMAN. If there is no objection. The Chair hears none.

STATEMENT OF MR. A. M. LOOMIS, REPRESENTING THE NATIONAL GRANGE

Mr. LOOMIS. I am Doctor Atkinson's assistant. He is Washington representative of the National Grange, and I have been here with Doctor Atkinson since the 1st day of February, 1919, carrying on this work of legislative representation of the farmers of the United States.

Mr. HAWES. May I ask just a few questions? I did not want at this time to occupy much time. How many members are there in your organizations?

Mr. LOOMIS. Between 800,000 and 1,000,000.

Mr. HAWES. Between 800,000 and 1,000,000?

Mr. LOOMIS. I might divert just a little at that point, as Mr. Silver did in relation to his organization.

Of those, there are a certain number that are active members, from whom we receive dues each year, which are transmitted to our treasury. So that we have a definite count of that number. That number will run between six and seven hundred thousand.

We always consider that there are a good 25 per cent of delinquent members.

Mr. HAWES. Doctor, has your organization taken up the various bills relating to truth in fabrics and misbranding and honest flour, drugs, etc.? Have they had those matters under discussion?

Mr. LOOMIS. Under the procedure which our organization follows, we adopt a legislative program at an annual meeting in November of each year. There has been no meeting of our organization since this large list of bills has come before Congress.

Therefore, there has been no action definitely on this list of bills which you have read. But there has been definite and repeated action for years on this particular truth-in-fabrics legislation, which is before the committee. I think I can say with absolute certainty that there is no bill pending in Congress which is so absolutely, uniformly, unanimously approved and asked for by the National Grange as this truth-in-fabrics legislation.

Mr. HAWES. That is all.

Mr. LOOMIS. I do not want to make any further statement. If I came on my own time, I would not have cared to say any more than I have said now.

The CHAIRMAN. Is there any duplication between your membership and that of the federation represented by Mr. Silver?

Mr. LOOMIS. I would say there is a considerable amount of duplication between the two organizations. I would say that the membership is duplicated to the extent that in comparing legislative programs between the two organizations ever since the American Farm Bureau Federation was organized we practically find no difference in the legislative program of the two organizations.

The CHAIRMAN. That is what I had in mind. I meant duplication of membership; that is, whether you are representing eighteen hundred thousand people or nine hundred thousand?

Mr. LOOMIS. In the States east of Louisiana there is a good-sized duplication of members. We have not a large membership west of Indiana, and consequently the memberships there largely do not duplicate the grange membership.

The CHAIRMAN. What do you think the average membership of the two organizations is?

Mr. LOOMIS. Combined?

The CHAIRMAN. Not the combined membership; the average.

Mr. LOOMIS. I do not quite get the question.

The CHAIRMAN. If you have a million people in the federation and a million people in the grange, that would be 2,000,000 people. But if 500,000 were on the rolls of both you would only represent a million and not two million people. What would you say it was?

Mr. LOOMIS. I would say the duplication would be two hundred and fifty or three hundred thousand of people belonging to both organizations.

Mr. HAWES. Doctor, just this other question: Then the joint statement presented by the grange and the farm bureau, you would state, represented an intelligent appeal and an understanding appeal of approximately how many farmers in the United States?

Mr. LOOMIS. A million and a quarter; a million and a half, perhaps.

I would say, in addition to that, I am sure it represents the opinion of more than 90 per cent of all the farmers in the United States who are taking any part or any interest in agricultural organizations.

It is quite possible that the gentlemen introducing the other bills which were in the tentative list of 12 taken up in the third order by the Committee on Interstate and Foreign Commerce were merely going through idle motions, and that they introduced their bills not for the purpose of being considered and passed but for the mere satisfaction of introduction; but looking over the names of the men and their service and standing in the House I can not believe this to be so.

If the motion made by the gentleman from Kentucky [Mr. BARKLEY] had given the Barkley bill preference to these 12 bills, apparently the circulation of the petition for 150 names would not have been undertaken.

The House, however, must understand that if his motion had prevailed—for which I voted—then the consideration of these other bills, including the bills the organized farmers of the Nation want discussed, would have been set aside.

This is a rather remarkable proceeding when we first consider that a bill introduced on the 28th of February is given preference to 276 bills referred to the committee prior to that time; that 9,000 bills were pending before the House; that there are 62 standing committees, in which undoubtedly there are numerous bills which have not been reported and which were introduced long prior to the Barkley bill.

Even the great bills revising the care of our sick and disabled soldiers, our wounded men now in hospitals and asylums, and seeking some improvement in their condition and surroundings and some change in the law to make it more humane were all pushed aside that 1 bill out of 13,000 should be taken from a great committee and given preference over all other bills.

If there was an emergency, none was stated. And it is a singular thing that the committee which had this matter under consideration is composed of 21 men coming from 20 States, and that of these 21 men only 4 signed the petition, leaving 12 Republicans and 4 Democrats who refused to sign.

What is the real reason that this extraordinary preference over all other legislation, over all other bills, over all other committees, and over all other subjects should be given to one bill introduced in the House as late as February 28, and the new rule invoked upon the very first date available under that rule?

There are some bills in the House upon which the rule might with propriety have been used, but no one has successfully shown the special reason why it should be employed in this case and the old traditions of the House from the time of Washington violated for the first time by a consideration of a bill which had never been heard before a committee of the House, in violation of the right of petition which, in its modern acceptance, is the right of hearing before committees.

Personally I have never expressed an opinion on the merits of the Barkley bill, either for or against it, either in public or in private.

But so long as I am a Member of this Congress I will not vote for the passage of any bill—unless it is a simple resolution—until both sides of a controverted measure have had the right of hearing given to them by either a special or a standing committee of this House.

I consider the denial of the right of hearing, of the right of discussion, and the benefit of reports of far greater importance than any single measure which may be presented to the House for its consideration.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. GREEN].

The CHAIRMAN. The gentleman from Iowa is recognized for five minutes.

Mr. GREEN of Iowa. Mr. Chairman, I do not care to enter into any of the disputes that the Comptroller General has had with other departments. My contention is simply that the Judiciary Committee is right in this particular instance as to the amendments which they have offered to the present law. The Comptroller General may have been right in the first instance in saying he had jurisdiction to review their decisions, and I am inclined to think he had; but the question now is whether he ought to be given that right.

I want to call the attention of the House to one matter which seems to have been overlooked with reference to the powers and duties of the Comptroller General. It is perfectly obvious that if we are going to permit the Comptroller General to review the findings of fact of every board created by Congress; in fact, I might go further, if we are to permit him to review every legal decision, then the Comptroller General must surround himself with a body of experts. In this particular case he must have a body of expert physicians, men familiar with this particular kind of work; in other cases he must have a board of competent lawyers to advise him and he must have a corps of auditors to attend to every provision we have with reference to matters anywhere in the Government.

Mr. BEGG. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. BEGG. If he does not have that power, why have the Comptroller General? Just for the simple-addition process?

Mr. GREEN of Iowa. Oh, no. The duties of the Comptroller General pertain to higher matters than reviewing small matters of fact. In civil cases a justice of the peace has absolute jurisdiction over minor cases, and all through our jurisprudence when we create a board or have a jury pass on matters of fact we make that final and we end the matter there.

These matters must end somewhere, and if the Comptroller General is to review all such matters as include those of the kind under consideration in this particular case you might just as well leave it to him in the first instance. In fact, you would have to set up the greatest department we would have here in Washington in order that the Comptroller General might have enough men to properly attend to it and have the right kind of experts. This would involve no end of duplication of the work of various boards and bureaus.

Mr. EDMONDS. Does not the gentleman think the Comptroller General was right when he refused to take up any cases that occurred before the date of the passage of this bill?

Mr. GREEN of Iowa. I have not any knowledge with reference to anything of that kind.

Mr. EDMONDS. Is it not the gentleman's own judgment that nothing before the passage of this bill should be taken up by the compensation board?

Mr. GREEN of Iowa. Is the gentleman speaking of this particular bill?

Mr. EDMONDS. The passage of the compensation bill of September 7, 1916, or whatever date it was?

Mr. GREEN of Iowa. That would be all right if that is what Congress wanted, but that is not what is being done.

Mr. EDMONDS. Would the gentleman want to go back and take up the cases that happened during the past 20 or 30 years?

Mr. GREEN of Iowa. No; I would not, and this bill does not provide for this being done.

Mr. EDMONDS. Certainly the gentleman would not, because we have passed a lot of those cases through the Committee on Claims, and other liability bills.

Mr. GRAHAM of Pennsylvania. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. GRAHAM of Pennsylvania. My colleague from Philadelphia is mistaken in saying that the compensation commission has done anything beyond this law. No question of that kind has arisen anywhere in all these proceedings.

Mr. GREEN of Iowa. I think the gentleman from Pennsylvania [Mr. GRAHAM] is entirely correct as to that matter, for when we observe the language of the bill it refers simply to cases for which compensation should be allowed under the provisions of the act.

Mr. EDMONDS. But happening prior to the passage of this act?

Mr. GREEN of Iowa. But would not that cover cases prior to the passage of the original act? I can not yield further to the gentleman.

Here we have this situation: The gentleman from Indiana [Mr. WOOD] has said that if we wanted to make the law broader we should enlarge the act, but the Attorney General has already said the act is broad enough. The Attorney General, in rendering his construction of this act and in giving his opinion, said that the act is broad enough now. So we need nothing more in the bill in order that it may cover compensation cases. But the decision of the board should be final and necessitated a change in the present law.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GRAHAM of Pennsylvania. May we not agree to end debate and not apportion any more time?

The CHAIRMAN. The Clerk will report the bill for amendment if there is no further debate.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, be amended as follows:

That section 37 of said act is amended to read as follows:

"SEC. 37. That if the original claim for compensation has been made within the time specified in section 20, the commission may at any time, on its own motion or on application, review the award, and, in accordance with the facts found on such review, may end, diminish, or increase the compensation previously awarded, or, if compensation has been refused or discontinued, award compensation. In the absence of fraud or mistake in mathematical calculation, the finding of facts in, and the decision of the commission upon, the merits of any claim presented under or authorized by this act shall not be subject to review by any other administrative officer, employee, or agent of the United States. Any award made by the compensation commission under the act of September 7, 1916, for disability or death resulting from a personal injury sustained prior to the passage of this act shall be valid if such award would be valid if made in respect to an injury sustained after the passage of this act."

With the following committee amendment:

After the word "administrative," in line 12, page 2, insert "or accounting."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I wish to offer an additional amendment. In line 13, page 2, after the word "award," so as to settle all question, insert the word "heretofore." This would make it read, "any award heretofore made by the compensation commission."

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Pennsylvania: Page 2, line 13, after the word "award," insert the word "heretofore."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BEGG. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. BEGG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and gentlemen of the committee, I do not want any remarks I make misunderstood. I am in entire sympathy with the intent of this bill, but I fear that we are about to do something that in a year we will regret. Not being an attorney, I can not be sure that my interpretation is accurate, but when I read "in the absence of fraud or mistake in mathematical calculation," the decision of the commission shall not be subject to review by any accounting officer, that evidently and without dispute means the Comptroller General.

Mr. GRAHAM of Pennsylvania. Will the gentleman pardon me a second?

Mr. BEGG. Gladly.

Mr. GRAHAM of Pennsylvania. That language has been introduced in the bill on the suggestion of the Comptroller General in his letter addressed to the committee.

Mr. BEGG. The only thought I want to be sure about is this: The very minute we make one exception to the Comptroller General's authority, within a six-months' period there will be some other dispute arise in some other department and they will come to Congress and say, "Well, you excepted the Compensation Commission from the authority of the Comptroller General to rule finally and we have just as good grounds for exception as they have."

Mr. DYER. Will the gentleman yield?

Mr. BEGG. As soon as I have finished my statement. If there is any likelihood of doing that in this case, it is the first

step in the destruction of the office of the Comptroller General, and I am of the opinion that if the only purpose of the Comptroller General was to add up and see whether the figures are right, it was a useless waste of money.

Mr. DYER. Will the gentleman yield?

Mr. BEGG. I will yield to the gentleman.

Mr. DYER. May I state to the gentleman that there are pending now in the Committee of the Judiciary two bills with reference to this matter, one introduced by Mr. MADDEN defining what is the authority of the Comptroller General in matters pertaining to his office, and the other is to provide that there shall be a review, if the President or a member of the Cabinet requests, by the Attorney General of the decision of the Comptroller General, and I think something of that kind will and ought to be adopted.

Mr. BEGG. I will not quarrel with the gentleman, and I am going to vote for the bill on the recommendation of the Judiciary Committee, but I say to you that I am voting with just a little fear that we are making a mistake.

I think this commission ought to have authority to handle and render decisions on the class of cases referred to, but suppose this commission exceeds the authority of law and exceeds all authority of reason and reasonable interpretation of the law, there is only one force in the world—and that is the Comptroller General—to review and hold them within bounds; and if we pass this law and do what I think we are doing and remove that authority, we are simply beginning to break down the institution that we boasted so much about in the previous Congress.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. BEGG. I will gladly yield.

Mr. CONNALLY of Texas. I want to suggest to the gentleman that General McCarl was before a committee of which I am a member a few days ago and testified that his chief function under the law, as he took it to be, was simply to determine the availability of appropriated funds for the use to which they are sought to be put.

Mr. BEGG. Absolutely; and I do not want to cast a ballot that will interfere with his right to do that for this commission or any other commission, and I simply make these remarks to emphasize that fact to the Judiciary Committee.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. UPSHAW. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. UPSHAW. I rise in opposition to the pro forma amendment.

Mr. Chairman and gentlemen, I should like to say, in the first place, that I have absolute faith in the honesty of the Comptroller General, and I have more than that. I have a tremendous admiration for his commanding ability. I said after a conference with him some time ago—remarking to somebody after I came out—that I believed in my soul that General McCarl was just about the smartest man I had talked to since I came to Washington; and I do not want to make any of my colleagues feel badly. [Laughter.]

But if General McCarl is to have the final word on every case that comes before this bureau you might as well abolish the bureau and let both the first word and the last be uttered by him. I think the trouble grows out of this fact. I have an idea somehow—and I think the country has—that these unfavorable decisions of his—these vetoes—have been predicated on the basis of a wrong concept, the concept that these awards should have been made only where people were injured by accident; but the words "by accident" do not appear in the law, and that is really our open door for passing this bill, it seems to me, so as to make clear the spirit and intent of the workmen's compensation law. It is certainly plain, or ought to be made plain by this bill, that whenever an employee of the Government is physically disabled, either by accident or other physical contact, he should be the beneficiary of this compensation act.

Take one case, for instance, and we see how absolutely necessary it is to accept the basis of occupational injury: In one case, on a ship, the water drunk by the employees resulted in an epidemic of typhoid fever. Now, if that bad water resulted in typhoid fever and resultant troubles, there is an inescapable obligation on the part of the Government because of that injury; or if an employee in the navy yard, as brought out by the gentleman from Massachusetts [Mr. UNDERHILL], has been serving his Government by the labor of his hands and the sweat of his brow, and he takes a cold, and as a result of that condition, produced by laborious devotion to his governmental duty, if that is true, and he has tuberculosis or any other resultant disability, I charge that the Government is just as responsible as if that man had started up a foot ladder and fallen and broken some part of his body. It is the spirit of the law we are trying to uphold; and I do not believe that anybody who has had a conference with the wonderful woman, Mrs. Bessie Brueggeman, who is chairman of the compensation bureau, will believe that she desires anything except to get justice for the men and women who have served their country faithfully. [Applause.]

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the paragraph in order to make a very brief statement in regard to the bill. There is much power and final discretion placed in the Vocational Board. But it must be somewhere; some body or some agency must pass upon the facts of each case. I appreciate the danger of this sort of legislation. This is an illustration of the situation into which we have gotten. Congress of necessity, by reason of the fact that there is an overload of the machinery of government, is compelled to create these bureaus one after another. The governmental responsibility that has been sent up to the Federal Government from the States has broken down the machinery of the Federal Government as originally constituted. As one gentleman has said, we have delegated to these bureaus legislative, executive, and judicial powers. They make rules, construe and enforce them. There is nothing peculiar about this bureau. The business of this board is to make investigations and determine whether or not under this law the individual is entitled to receive Federal compensation resulting from injury, including vocational diseases. The members of that board are agents of the Government clothed with that power. Some gentlemen seem to believe—and it may be that we will have to do it later—that a sort of duplicate inquisitorial power and duty, at least the right of review in each case, should rest with the Comptroller General. In the very nature of things with a Government like ours, with a vast number of bureaus, that would seem impractical as a general plan. Take these cases together—if the Comptroller General before any awards and payments are made should investigate each case it would seem that it would make it impossible for the various boards, departments, and bureaus properly to function.

Take the situation of the man who has contracted a vocational disease—if the Comptroller General after investigation and award by the commission is also to review and inquire into the facts in every case there would not only be duplication of machinery and expense but a postponement of aid to the person who has contracted the vocational disease. It would add to the red tape and possibly reduce the probability of recovery.

I recognize it is a bad situation, gentlemen, in which we find ourselves. It is a bad situation in which any people find themselves who are trying to run a bureaucratic government. But that is what we are trying to do. We have gotten ourselves into a governmental mess. But the people from the States demand of us that we shall function for them in the concentration of power here that ought to remain with the States. It is beyond human capacity to take care of this vast amount of governmental responsibility except through the aid of bureaus. We can not supervise these bureaus except through the agency of other bureaus, which mean more red tape, more delay, more expense, and the same possibility of inefficiency and extravagance. Of course we are uncertain as to what to do. We know that a bureau which no elected representative of the people can supervise is to handle this matter. If power and discretion are abused, we may find it out months afterwards, or we may never find it out. If we provide that the Comptroller General be given power to review in each case, we are afraid delay and duplicated expense will result. These are the penalties which a bureaucratic system of government imposed upon a people who are not willing to hold their governmental power and responsibility distributed but insist that Uncle Sam do everything. I think the best thing is to vote for this bill. If it does not work all right, we will have to repeal it.

Mr. ALLGOOD. Mr. Chairman, will the gentleman now yield?

Mr. SUMNERS of Texas. Yes.

Mr. ALLGOOD. Is not that a process by red tape methods?

Mr. SUMNERS of Texas. Yes; bureaus use much red tape.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 2. That section 40 of said act is amended to read as follows:

"SEC. 40. That wherever used in this act—

"The singular includes the plural and the masculine includes the feminine.

"The term 'employee' includes all civil employees of the United States and of the Panama Railroad Company.

"The term 'commission' shall be taken to refer to the United States Employees' Compensation Commission provided for in section 28.

"The term 'physician' includes surgeons.

"The term 'monthly pay' shall be taken to refer to the monthly pay at the time of the injury.

"The term 'injury' includes, in addition to injury by accident, any disease proximately caused by the employment.

"The term 'compensation' includes the money allowance payable to an employee or his dependents and any other benefits paid for out of the compensation fund."

With the following committee amendment:

Page 3, line 11, after the word "fund" insert a colon and the words: *Provided, however,* That this shall not in any way reduce the amount of the monthly compensation payable in case of disability or death.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I move that the committee do now rise and report the bill with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7041, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. The previous question has been ordered by the rule. Is a separate vote demanded upon any amendment? If not, the Chair will put them en grosse. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 73, noes 11.

So the bill was passed.

On motion of Mr. GRAHAM of Pennsylvania, a motion to reconsider the vote by which the bill was passed was laid on the table.

CONFERENCE REPORT—IMMIGRATION BILL

Mr. JOHNSON of Washington. Mr. Speaker, I desire to present a conference report on the bill H. R. 7995, the immigration bill.

The SPEAKER. The gentleman from Washington presents a conference report on the bill which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 7995) to limit immigration of aliens into the United States, and for other purposes.

Mr. BLANTON. If necessary, I reserve all points of order.

Mr. GARRETT of Tennessee. It is not necessary. I would ask the gentleman from Washington if it is the purpose to take up this report to-morrow?

Mr. JOHNSON of Washington. I believe it is the intention to call it up immediately after the disposition of business on the Speaker's desk to-morrow morning.

REMISSION OF CUSTOMS DUTY

Mr. GREEN of Iowa. Mr. Speaker, I present a privileged report from the Committee on Ways and Means.

The SPEAKER. The gentleman from Iowa presents a privileged report on a bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 9111) directing the remission of customs duty on certain property of the United States imported by the War Department.

The SPEAKER. Referred to the Union Calendar and ordered to be printed.

CONFERENCE REPORT—INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8233, the independent offices appropriation bill, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Indiana asks unanimous consent to take from the Speaker's table the bill H. R. 8233, disagree to the Senate amendments, and ask for a conference. Is there objection? [After a pause.] The Chair hears none. The Clerk will announce the conferees.

The Clerk read as follows:

WILLIAM R. WOOD, EDWARD H. WASON, and JOHN N. SANDLIN.

Mr. RAKER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RAKER. This morning I inquired with reference to the report on the immigration bill. I understood the Speaker to rule that a conferee would have no right to file his views when a conference report is presented. Was that correct?

The SPEAKER. The Chair holds there is no precedent for such action.

Mr. RAKER. Under the statement of the Chair I did not accept what I was told in the Senate I could do, but followed the Speaker's direction and will make a statement when the conference report comes up as to my objections to it.

LEAVE OF ABSENCE

By unanimous consent—

Mr. WILLIAMS of Texas was granted leave of absence indefinitely on account of important business.

Mr. DOWELL was granted leave of absence indefinitely on account of illness.

ADJOURNMENT

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 23 minutes p. m.), the House adjourned until to-morrow, Friday, May 9, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

466. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Supreme Court of the United States for the fiscal year ending June 30, 1924, for printing and binding, amounting to $4,000 (H. Doc. No. 269), was taken from the Speaker's table and referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SNYDER: Committee on Indian Affairs. H. J. Res. 258. A joint resolution creating a joint committee of three Members of the Senate and three Members of the House to investigate the administration of Indian affairs in the State of Oklahoma; with an amendment (Rept. No. 678). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTSON: Committee on Indian Affairs. H. R. 8086. A bill to amend the act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1915," approved August 1, 1914; with an amendment (Rept. No. 679). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 8210. A bill to fix the salaries of officers and employees of the Court of Appeals of the District of Columbia, the Supreme Court of the District of Columbia, the United States Court of Claims, and the United States Court of Customs Appeals; with amendments (Rept. No. 680). Referred to the Committee of the Whole House on the state of the Union.

Mr. SPROUL of Kansas: Committee on Indian Affairs. H. R. 8356. A bill to amend the law relating to timber operations on the Menominee Reservation in Wisconsin; without amendment (Rept. No. 681). Referred to the Committee of the Whole House on the state of the Union.

Mr. HUDSON: Committee on Indian Affairs. H. R. 6493. A bill conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Stockbridge Indians may have against the United States, and for other purposes; with amendments (Rept. No. 682). Referred to the Committee of the Whole House on the state of the Union.

Mr. WYANT: Committee on Interstate and Foreign Commerce. H. R. 8438. A bill granting the consent of Congress to the county of Allegheny, Pa., to construct a bridge across the Monongahela River from Cliff Street, McKeesport, to a point opposite in the city of Duquesne; without amendment (Rept. No. 683). Referred to the House Calendar.

Mr. McFADDEN: Committee on Banking and Currency. S. J. Res. 3. A joint resolution authorizing the Federal Reserve Bank of Kansas City to invest its funds in the construction of a building for its branch office at Denver, Colo.; with an amendment (Rept. No. 686). Referred to the House Calendar.

Mr. McFADDEN: Committee on Banking and Currency. S. J. Res. 51. A joint resolution authorizing the Federal Reserve Bank of Kansas City to invest its funds in the construction of a building for its branch office at Omaha, Nebr.; with an amendment (Rept. No. 687). Referred to the House Calendar.

Mr. GREENE of Massachusetts: Committee on the Merchant Marine and Fisheries. H. J. Res. 253. A joint resolution to provide for an investigation in respect of the suspension and determination of the suspension of the operation of the provisions of section 28 of the merchant marine act of 1920; without amendment (Rept. No. 689). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEN of Iowa: Committee on Ways and Means. H. R. 9111. A bill directing the remission of customs duties on certain property of the United States imported by the War Department; without amendment (Rept. No. 690). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BURDICK: Committee on Naval Affairs. H. R. 6436. A bill for the relief of Isidor Steger; with an amendment (Rept. No. 684). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H. R. 8961. A bill for the relief of Frank Stinchcomb; without amendment (Rept. No. 685). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9023) granting an increase of pension to William H. Grimes; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 9071) granting a pension to William C. Younce; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LOWREY: A bill (H. R. 9122) declaring a part of Tallahatchie River, in the State of Mississippi, to be a nonnavigable stream; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILLIPS: A bill (H. R. 9123) to provide for the purchase of a site and for the erection of a public building thereon at Ambridge, Beaver County, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. McKENZIE: A bill (H. R. 9124) authorizing the sale of real property no longer required for military purposes; to the Committee on Military Affairs.

By Mr. GRAHAM of Pennsylvania (by request): A bill (H. R. 9125) for the establishment of a national bureau of identification and information in the Department of Justice; to the Committee on the Judiciary.

By Mr. OLDFIELD: A bill (H. R. 9126) to permit rural letter carriers to act as agents or solicitors or engage in any other gainful occupation; to the Committee on the Post Office and Post Roads.

By Mr. GRAHAM of Pennsylvania: Resolution (H. Res. 303) for the immediate consideration of H. R. 8210, to fix the salaries of officers and employees of certain courts in the District of Columbia; to the Committee on Rules.

By Mr. McFADDEN: Resolution (H. Res. 304) for the consideration of the joint resolutions S. J. Res. 3 and S. J. Res. 51; to the Committee on Rules.

By Mr. GREENE of Massachusetts: Resolution (H. Res. 305) for the consideration of H. R. 8638, amending section 28 of the merchant marine act of 1920; to the Committee on Rules.

By Mr. EDMONDS: Resolution (H. Res. 306) to provide for the carrying out of the award of the National War Labor Board of July 31, 1918, in favor of certain employees of the Bethlehem Steel Co., Bethlehem, Pa.; to the Committee on Rules.

By Mr. TINKHAM: Memorial of the Legislature of the State of Massachusetts petitioning Congress to enact legislation to prevent shoes being manufactured in factories owned by the Federal Government; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNES of South Carolina: A bill (H. R. 9127) granting an increase of pension to David T. Kirby; to the Committee on Pensions.

By Mr. DYER: A bill (H. R. 9128) for the relief of Herman A. Lueking; to the Committee on Claims.

By Mr. RAGON: A bill (H. R. 9129) granting a pension to Alice E. Howsley; to the Committee on Invalid Pensions.

By Mr. ROACH: A bill (H. R. 9130) granting a pension to Frances Roe; to the Committee on Invalid Pensions.

By Mr. SULLIVAN: A bill (H. R. 9131) for the relief of Martha Janowitz; to the Committee on Pensions.

By Mr. VAILE: A bill (H. R. 9132) granting a pension to Dick Rutledge; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2698. By Mr. BARBOUR: Petition of the Federal Business Association, of Fresno, Calif., urging the enactment of legislation permitting and providing for, under proper regulations, the use by Federal departments of confiscated automobiles and boats; to the Committee on the Judiciary.

2699. By Mr. BURDICK: Petition of Wool Sorters' Union, of Providence, R. I., petitioning Congress to consider condition of poverty among New England textile workers and urging part of appropriation to relieve suffering in foreign countries be devoted to relief of suffering mill workers; to the Committee on Appropriations.

2700. By Mr. FULLER: Petition of the Illinois Agricultural Association, favoring the enactment of the McNary-Haugen bill; to the Committee on Agriculture.

2701. By Mr. GALLIVAN: Petition of headquarters, Department of Massachusetts, United Spanish War Veterans, Boston, Mass., urging passage of Bursum pension bill over President's veto; to the Committee on Pensions.

2702. Also, petition of Edward M. Cunningham Auxiliary No. 42, United Spanish War Veterans, Brighton, Mass., urging passage of Bursum pension bill over President's veto; to the Committee on Pensions.

2703. Also, petition of Roger Wolcott Camp, No. 23, Department of Massachusetts, United Spanish War Veterans, Roxbury, Mass., urging passage of Bursum pension bill over President's veto; to the Committee on Pensions.

2704. Also, petition of Kearsarge Association of Naval Veterans, Boston, Mass., urging passage of Bursum pension bill over President's veto; to the Committee on Pensions.

2705. Also, petition of Mrs. Mary F. Murphy, 43 Norton Street, Dorchester, Mass., urging passage of Bursum pension bill over President's veto; to the Committee on Pensions.

2706. By Mr. KING: Petition of Dorothy Quincy Chapter, Daughters of the American Revolution, Quincy, Ill., favoring Senate Joint Resolution 64; to the Committee on the Public Lands.

2707. By Mr. RAKER: Petition of Custer Camp, National Indian War Veterans, San Francisco, Calif., urging passage of Bursum bill over President's veto; to the Committee on Invalid Pensions.

2708. Also, petitions of Chamber of Commerce of the United States, Washington, D. C., and Metal Trades Manufacturers' Association of Southern California, G. A. Axelson, president, Los Angeles, Calif., protesting against the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2709. Also, petitions of Shipowners' Association of the Pacific Coast, F. J. O'Connor, president, San Francisco, Calif., opposing motion to take Howell-Barkley bill from committee; J. W. Llewellyn, Kennett, Calif., urging support of Howell-Barkley bill; and Philadelphia Bourse, Emil P. Albrecht, president, protesting against Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2710. By Mr. WINTER: Petition of Shop Employees' Association, Union Pacific system, Cheyenne, Wyo., protesting against Senate bill 2646 and House bill 7358, known as Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, *May 9, 1924*

(Legislative day of Monday, May 5, 1924)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Ferris	Ladd	Sheppard
Ashurst	Fess	Lodge	Shields
Ball	Fletcher	McKellar	Shipstead
Bayard	Frazier	McKinley	Shortridge
Brandegee	George	McLean	Simmons
Brookhart	Gerry	McNary	Smith
Bruce	Glass	Moses	Smoot
Bursum	Gooding	Neely	Spencer
Cameron	Hale	Norbeck	Stanfield
Capper	Harreld	Norris	Stephens
Colt	Harris	Oddie	Trammell
Copeland	Harrison	Overman	Underwood
Cummins	Heflin	Pepper	Wadsworth
Curtis	Johnson, Calif.	Phipps	Walsh, Mass.
Dale	Johnson, Minn.	Pittman	Walsh, Mont.
Dial	Jones, N. Mex.	Ralston	Warren
Dill	Jones, Wash.	Ransdell	Watson
Edge	Kendrick	Reed, Mo.	Weller
Ernst	Keyes	Reed, Pa.	Willis
Fernald	King	Robinson	

Mr. CURTIS. I wish to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I ask that the announcement may stand for the day.

The PRESIDENT pro tempore. Seventy-nine Senators have answered to the roll call. There is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that Mr. SUMMERS of Washington was appointed a manager, in the place of Mr. WASON (excused), on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8233) making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1925, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6896. An act to amend an act entitled "The classification act of 1923," approved March 4, 1923; and

H. R. 7041. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916.

PETITIONS

Mr. LADD presented a resolution adopted by Republicans of Nelson County in convention assembled at McVille, N. Dak., favoring the passage of the so-called McNary-Haugen export corporation bill, which was referred to the Committee on Agriculture and Forestry.

Mr. NORRIS. I ask unanimous consent to present a petition, and to have the heading of the petition printed in the RECORD without printing the names. It is signed by several hunderd citizens of Omaha, Nebr., and relates to a bill now pending before the Post Office Committee pertaining to the salaries of postal employees. I ask that the petition, together with the names, be referred to the Committee on Post Offices and Post Roads.

There being no objection, the petition was referred to the Committee on Post Offices and Post Roads, and the heading was ordered to be printed in the RECORD, as follows:

To the Members of the Congress:

We the undersigned clerks of Harney Station, Omaha, Nebr., urge the present Congress to give us relief from unnecessary night work. We are not asking for any relief from dispatching all mail dropped up to 6 p. m. But we do ask that after that hour only first-class mail be moved. We believe that if a period of 45 minutes be counted as one hour of time between 6 p. m. and 6 a. m. that the cheaper classes of mail will be handled on the day hours, bringing about a greater saving than by spreading the work and the men over the entire 24 hours.

REPORTS OF COMMITTEES

Mr. BALL, from the Committee on the District of Columbia, to which was referred the bill (H. R. 7962) to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended, reported it without amendment and submitted a report (No. 509) thereon.

He also, from the same committee, to which was referred the amendment relative to surplus revenues of the District of Columbia, submitted by Mr. PHIPPS and intended to be proposed to the bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes, reported favorably thereon and moved that it be referred to the Committee on Appropriations, which was agreed to.

He also, from the same committee, to which was referred the bill (S. 3220) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late George Mauger Burklin and the remains of the late Anton Lerch Burklin from Glenwood Cemetery, District of Columbia, to Fort Lincoln Cemetery, Prince Georges County, Md., reported it with an amendment and submitted a report (No. 510) thereon.

Mr. HARRISON from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 121) to create a body corporate by the name of the "Alien Property Trade Investment Corporation," reported it with amendments and submitted a report (No. 511) thereon.

Mr. REED of Pennsylvania, from the Committee on Military Affairs, to which was referred the bill (S. 3187) granting permission to certain officers and men of the United States Army to accept various decorations bestowed in recognition of services to the allied cause, reported it with amendments.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEPHENS:

A bill (S. 3272) declaring a part of Tallahatchie River, in the State of Mississippi, to be a nonnavigable stream; to the Committee on Commerce.

Br. Mr. SHORTRIDGE:

A bill (S. 3273) amending section 252 (a) of the revenue act of 1921, as amended by act of March 4, 1923, and further amended by the act of March 13, 1924; to the Committee on Finance.

By Mr. COLT:

A bill (S. 3274) granting an increase of pension to Sarah A. L. P. Campbell; to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 3275) for the relief of the owner of the American steam tug *O'Brien Brothers;* to the Committee on Claims.

A bill (S. 3276) authorizing the sale of real property no longer required for military purposes; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 3277) to prohibit the transmission of certain matter through the mails, and for other purposes; to the Committee on Post Offices and Post Roads.

A bill (S. 3278) to establish a council on universities and colleges in the District of Columbia, and for other purposes; to the Committee on Education and Labor.

AMENDMENTS TO TAX REDUCTION BILL

Mr. KING submitted sundry amendments intended to be proposed by him to House bill 6715, the tax reduction bill, which were ordered to lie on the table and to be printed.

PRESIDENTIAL APPROVAL

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on May 9, 1924, the President approved and signed the act (S. 1631) to authorize the deferring of payments of reclamation charges.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 6896. An act to amend an act entitled "The classification act of 1923," approved March 4, 1923; to the Committee on Civil Service.

H. R. 7041. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker of the House had signed enrolled bills and joint resolutions of the following titles, and they were thereupon signed by the President pro tempore:

S. 2392. An act authorizing an appropriation to indemnify damages caused by the search for the body of Admiral John Paul Jones;

S. 2998. An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico;

S. J. Res. 104. A joint resolution requesting the President to invite the Interparliamentary Union to meet in Washington City in 1925, and authorizing an appropriation to defray the expenses of the meeting; and

H. J. Res. 195. A joint resolution authorizing an appropriation for the participation of the United States in two international conferences for the control of the traffic in habit-forming narcotic drugs.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. SMOOT. Mr. President, yesterday I stated to the Senator from New Mexico [Mr. BURSUM] that this morning I would ask unanimous consent to lay aside the revenue bill temporarily for the purpose of considering the President's veto of the pension bill. Therefore, carrying out that promise, I ask that the unfinished business be now temporarily laid aside for the purpose of considering the President's veto of the pension bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah?

Mr. DIAL. Mr. President, last evening when the attempt was made to have a unanimous-consent agreement, I understood that we were fixing a time to vote on the tax bill and that also after we had fixed a time to vote on that we would take up the President's veto message. The latter part of the agreement, as I understood it, provided that the Bursum bill should be taken up at a certain hour. I objected to it, because it had the Bursum bill provision attached to it.

I have a bill pending increasing the pension of the disabled Spanish-American War veterans and I trust it will soon pass. I had no objection to fixing a time to vote on the tax bill just as early as possible. I think that is what we ought to do and let the country be at rest. We should as quickly as possible make a final disposition of the tax bill and get it into the hands of the conferees so that it may become a law. But because the unanimous-consent request included the Bursum bill I objected on last evening. I think we ought to proceed with the consideration of the tax bill. We are trying to reduce taxes instead of increasing taxes upon the people. When we come to a consideration of the President's veto of the Bursum bill I hope that the veto will be sustained. Everybody in favor of economy should vote that way.

I shall have to object at this time to taking up anything else besides the tax bill. The country wants to dispose of it and I hope we may be able to have a final vote to-day.

The PRESIDENT pro tempore. Objection is made to the request of the Senator from Utah. The question is upon the amendment proposed by the Senator from Ohio [Mr. WILLIS].

Mr. KING. Let the amendment be reported.

The PRESIDENT pro tempore. The amendment will be read.

The READING CLERK. On page 50, line 24, at the end of the line, insert in parentheses "including preventive and constructive service for relief, rehabilitation, health, character building, and citizenship," so as to read:

Any corporation, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable (including preventive and constructive service for relief, rehabilitation, health, character building, and citizenship), scientific, literary, or educational purposes, etc.

Mr. WILLIS. Mr. President, I introduced the amendment in order to draw the attention of the Senate to the dangerous situation in which the community-chest funds will be if the bill shall pass in its present form. Senators will observe that the bill provides, on page 50, line 22—and this is in the section which provides what deductions may be made by the taxpayer—as follows:

(B) Any corporation, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes,

I do not doubt that the committee had in mind the exemption of the various community-chest funds, or rather, permission of allowable deductions for those funds by the taxpayer; but here is the difficulty about the matter. The language in the bill is identical with the language in the present law. I have the law before me.

The present Commissioner of Internal Revenue has decided that under the existing law an allowance can not be made for gifts to a community chest unless those gifts shall be for the relief of the poor. That is a rather recent decision to which the attention of Senators may not have been drawn. It was made on the 8th of October, 1923, and is found in volume 2 of the Decisions of the Commissioner of Internal Revenue. Under that decision he holds that gifts to financial federations doing welfare work and social service other than relief to the poor would not be among the allowable deductions. It is to be noted that the decision is exactly contrary to a decision made by his predecessor, who held that deductions could be made for such gifts.

The particular point to which I wish to draw attention is the fact that these community chests are maintained in many of the large cities of the country. There are in the country some 168 cities that care for their benevolences in that way, cities with a combined populaton of 21,000,000. The purpose of the community-chest organization is not simply to relieve the poor, but it is to alleviate those conditions which make it inevitable that we shall have poor people.

In other words, here is the gist of the proposal: Under the decision of the Commissioner of Internal Revenue if a man makes a gift to a community chest fund and that community chest fund is devoted solely to the relief of the poor, all well and good. It is permissible for him as a taxpayer to have a deduction, but if that fund is used, as it ought to be, not only for the relief of the poor but for general welfare work, for the improvement of health conditions, so as to improve conditions and prevent poverty, then deduction can not be allowed.

It seems to me, Mr. President, the law ought not require that gifts shall be used only to alleviate poverty. It ought to be permissible to use them so, if possible, as to prevent poverty. This amendment is suggested to me by a number of community chest organizations. I submit the following amendment:

After the words "charitable," in line 24, page 50, to insert, in parentheses "(including preventive and constructive service for relief, rehabilitation, health, character building, and citizenship)."

Some criticism of the amendment has been made in private conversation because it is thought that language is too broad. I do not believe it is. One friend said, "Why, under that I might be permitted to make deduction for what I spend in sending my boy to college." Not at all. The amendment merely covers gifts which may be made to a community chest. I think we ought not to provide by law that community chest funds shall be used only in negative work, in alleviating poverty, but that we ought to make it possible that such funds may be used in constructive work to remove those conditions which lead to poverty. As is stated in one of the reports of these associations:

The commissioner interprets the word "charitable" as used in 231 (6) and in 214 (A) 11 as restricted to the narrow definition of "relief of the poor." This was not the accepted meaning of the word at the time of the passage of the act of 1918 and 1921, nor is it the accepted meaning of the word to-day when the National Legislature is considering a new law.

Almsgiving is now considered a necessary but undesirable form of charity and is utilized only as an expedient until through the exercise of other means of charity designed for the building up of body, mind, morals, and morale through agencies for health, education, ideals—re-

ligious and otherwise—and developing the capacity for enjoying constructive leisure-time pursuits, the individual becomes a self-sustaining and self-respecting citizen beyond the need of the attention of either the relief agencies or the courts.

That is the gist of what I wish to say. Mr. President, the law as it now stands, with the decision of the Commissioner of Internal Revenue as it has been rendered, does not permit any deduction for gifts to a community-chest fund unless that chest fund is used for the express purpose of relieving the poor. Those acquainted with the community-chest-fund idea know that it is not the purpose simply to relieve the poor, but rather to remove those distressing conditions which cause poverty, to improve health and social conditions.

I therefore trust, in the interest of these great humanitarian movements, that the amendment which I propose may be adopted.

Mr. SMOOT. Mr. President, I am unable to draw any conclusion as to what the end will be should the amendment offered by the Senator from Ohio be adopted. I do not know what "preventive and constructive service for relief" may be or where it would end. I do not know what "service for * * * rehabilitation" means. I do not know what it will include or for what purposes it may be employed. The same thing is true as to "health" and as to "character building." What is it, Mr. President? Who is to decide the question—the man who is interested in some scheme for this purpose or the Commissioner of Internal Revenue?

Mr. WILLIS. Mr. President——

Mr. SMOOT. "Citizenship," Mr. President, is so broad a term and may be construed in so many ways that I should dislike to impose upon any Commissioner of Internal Revenue the duty of trying to define what it is.

Mr. President, under the bill we have gone just as far, it seems to me, as we ought to go. We already include "any corporation, or community-chest fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes." No law in any country has gone so far as we have gone. I think that we have gone just as far as it is safe to go. Therefore I sincerely trust that the amendment proposed by the Senator from Ohio will not be agreed to.

Mr. WALSH of Massachusetts. Mr. President, has the Senator from Utah called attention to the committee amendment which was added on page 51?

Mr. SMOOT. There is such an amendment on page 51.

Mr. WALSH of Massachusetts. That amendment broadens the scope of the exemptions so as to include fraternal societies and covers gifts for charitable, religious, and other purposes. I think that amendment ought to be read into the RECORD in this connection. On page 51, under subparagraph (E), the following exemption is made:

or (E) a fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes or for the prevention of cruelty to children or animals.

That exemption would permit organizations like the Young Men's Christian Association, Masonic orders, the Knights of Columbus, and Jewish welfare organizations to be exempt from tax upon gifts devoted exclusively to "religious, charitable, scientific, literary, or educational purposes." The committee thought they were going pretty far when they inserted this paragraph and that they thereby included about every concession that could properly be made to moneys in the hands of any form of organization for the respective purposes mentioned.

Mr. SMOOT. I thank the Senator from Massachusetts for reminding me of that amendment to the House text. I had intended to call that to the attention of the Senate. I fully agree with all that has been said by the Senator from Massachusetts in relation to the broadening of the scope of the House provision. I must say to the Senator from Ohio that, in my opinion, it is dangerous to go any further. I do not know what effect his amendment will have upon the revenues of the Government.

Mr. WALSH of Massachusetts. Mr. President, I appreciate the motives and purposes of the Senator from Ohio in offering this amendment—and they are entirely commendable—but I think that the words "character building" and "citizenship" and "health" and "rehabilitation" are pretty elastic. I do not see why it would not be possible to include almost any form of gift of any kind or description under that language, especially in view of the words "character building." Any foreign society of any kind could claim that money that came into its hands by way of a gift went for "character building" or for "citizenship."

Mr. WILLIS. Not at all, unless it is given to a community chest. The Senator has misinterpreted the amendment. That is the whole point of the amendment. I understand what the Senator has read in clause (E). That will permit deductions on account of gifts to various fraternal societies and orders; but here is the point: If a gift is made for what are commonly called uplift purposes to a fraternal society or an order, then deductions can be made, but if that gift is made to a community chest deduction can not be made, and that is obviously unfair.

Mr. SMOOT. But, Mr. President, it can be deducted if it is to be used for charitable purposes.

Mr. WALSH of Massachusetts. Absolutely.

Mr. SMOOT. There is no doubt about that.

Mr. WILLIS. But, Mr. President, the Commissioner of Internal Revenue, in the decision which I have quoted, has decided that it is not for a charitable purpose unless it is for the relief of the poor. If it is for welfare work intended to eliminate poverty in the future, then deduction can not be made; if it is for constructive effort, then allowance can not be made for it; it has got to be a gift for the relief of the poor. My contention is that the law ought not to encourage gifts to alleviate poverty only, but ought to encourage gifts to prevent those distressing conditions that produce poverty, and the bill, as it is now drawn, does not do that.

Mr. WALSH of Massachusetts. The amendment does not stop at community chest funds; but, under it, any organization, fraternal or otherwise, seeking to uplift and build up character and citizenship will get the exemption if a community chest is to get it. Under the bill, as it stands, a community chest can get a deduction for the sums that are used for religious and charitable and educational purposes.

Mr. WILLIS. So can the fraternal orders; but the community chests, if the Senator will permit me, can not get it under the decision unless the money is used solely for the purpose of relieving the poor. If that is to be the law, it will have but one effect; it will practically break up the community chest idea throughout the country, because men will not give of their funds to the community chest when they know they will not be permitted to have deductions, and that when they make gifts to fraternal orders they will be allowed deductions. It will break down the community chest idea; that is inevitable, because an allowance is given when a man gives to a fraternal order, but he does not get an allowance or deduction when he gives to a community chest.

Mr. SMOOT. Mr. President, the Senator is mistaken in intimating that his amendment applies only to community chests. It applies to every corporation; it applies to every fund; it applies to every foundation. It seems to me, Mr. President, that we have properly limited the exemptions that ought to be allowed to gifts for religious, charitable, scientific, literary, or educational purposes. Now, if we are going virtually to use the word "welfare"—and that is what the Senator says his amendment means——

Mr. WALSH of Massachusetts. And character building.

Mr. SMOOT. And all the other objects mentioned in the amendment no human being can tell where it is going to end.

Mr. WILLIS. I do not want to be contentious about the matter, though I do think the committee of conference ought to give some consideration to the question; but would it remove the Senator's serious objection if I eliminate the word "citizenship"? Of course, I do not think it ought to be eliminated; but if that term is too general, I am willing to eliminate that portion of the amendment. What I am trying to get is the adoption of a provision under which allowances can be made for constructive gifts as well as for those gifts that simply undertake to relieve the poor.

Mr. WALSH of Massachusetts. I suggest to the Senator that on page 51, in line 11, after the words "lodge system," the words "community chest" be inserted. That will put a community chest in the same position as a lodge and allow the exemption on account of gifts to a community chest for the same purposes for which gifts to lodges are exempted, namely, religious, charitable, scientific, literary, and educational purposes, or for the prevention of cruelty to children and animals.

Mr. WILLIS. That would relieve the situation somewhat.

Mr. WALSH of Massachusetts. That will put them all on an equality.

Mr. WILLIS. But that will not change the decision of the Treasury Department. If the Senator will permit the amendment to go to conference, I shall be very willing to abide any decision that may be reached about it.

Mr. WALSH of Massachusetts. Will not the Senator accept the amendment I have suggested in line 11, on page 51?

Mr. WILLIS. I will ask the Senator to read it.

Mr. WALSH of Massachusetts. In line 11, page 51, amend so as to read:

A fraternal society, order, or association, operating under the lodge system, or a community chest, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

That would seem to be absolutely all the Senator can ask for.

Mr. WILLIS. I think that will be some improvement; and, if the Senator from Utah will accept that, I will modify my amendment.

Mr. SMOOT. I ask unanimous consent that the vote by which subparagraph (E) of paragraph 10 on page 51 of the bill was agreed to may be reconsidered.

Mr. WILLIS. That is all right; meanwhile, I withdraw my amendment.

The PRESIDENT pro tempore. The Senator from Ohio withdraws his amendment.

Mr. SMOOT. I have asked unanimous consent that the vote whereby the committee amendment was agreed to be reconsidered for the purpose of agreeing to the amendment of the Senator from Ohio.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote by which the amendment on lines 10 to 15 on page 51 was agreed to will be reconsidered. The question now is upon that amendment.

Mr. WILLIS. I now offer the following amendment: After the word "system" insert "or community chest."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The READING CLERK. On page 51, line 11, in the committee amendment, after the word "system" and the comma, insert "or community chest."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. KING. Mr. President, a day or two ago the Senate took action upon section 1000, on pages 235 to 237, inclusive, striking out certain provisions and inserting in lieu thereof certain matter. I invite the attention of the chairman of the committee and other members of the committee to a matter which received some consideration when the bill was before the Finance Committee.

There has been considerable complaint about the large number of employees of the department who, after they get the modus operandi of the department, after they "learn the ropes," so to speak, promptly resign and go out, and many solicit business and prosecute cases against the Government.

Mr. SMOOT. Mr. President, will my colleague yield?

Mr. KING. I yield.

Mr. SMOOT. This section has already been agreed to.

Mr. KING. I know it.

Mr. SMOOT. If the Senator wants to amend the section, I should like to have him reserve the right to offer the amendment when the bill reaches the Senate. It has already been agreed to in Committee of the Whole.

Mr. KING. I know it, and I was about to move to reconsider it; but I have no objection to presenting the amendment which I was about to offer in the Senate rather than in Committee of the Whole. I will complete my statement, however, because otherwise the record would be rather incomplete, and then I shall reserve the amendment until the bill reaches the Senate.

I was observing that many employees of the department, after obtaining full knowledge of the way in which the business is conducted, and many of them after learning of assessments which possibly might be reversed and large refunds made to taxpayers, will resign, get into communication with those taxpayers, solicit their business, obtain contracts, and in a few days be back in the department pressing claims for hundreds or thousands or millions of dollars against the Government.

Mr. ASHURST. Mr. President, in other words, having gotten the combination to the Government safe, they give it to their clients for a consideration.

Mr. KING. The Senator has expressed it very graphically, and his characterization is far better than any that I could offer.

Mr. ASHURST. That is what it means.

Mr. KING. Yes.

In the hearing which was recently conducted by a subcommittee of the Finance Committee we took some testimony which brought to light what I conceive to be many flagrant violations of the principles of ethics and morals and decency which ought to obtain. I do not think those employees ought to be permitted to practice in those particular tax units within two years after they leave the department, and it ought to be an offense for them to do so; and when the bill comes into the Senate I shall move to amend subdivision (c), line 6, by adding after the word "board" the words "or any employee of the Bureau of Internal Revenue." I make this statement so that Senators can be advised now of the character of the amendment.

The PRESIDENT pro tempore. On what page?

Mr. KING. On page 237; and by adding at the end of subdivision (c) the words:

Any violation of this provision shall be punishable by a fine not exceeding $5,000.

Pursuant to the suggestion of my colleague, I shall wait until the bill reaches the Senate before offering the amendment.

Mr. SMOOT. Mr. President, I simply want to add for the RECORD that the regulations and rules of the department do not allow any person to practice before the department in any case with which he has had anything to do, either within two years or three years or any other time; and if a case where such a a person has solicited a corporation to act as attorney is brought to the attention of the department, he is immediately barred from practice before the department to-day.

I want the Senator from Arizona [Mr. ASHURST] to know that the remark he has made does not apply to present conditions. It applies to conditions before 1921.

Mr. KING. Mr. President, I feel constrained to say that the evidence before the subcommittee showed that within the past year, and within a few months anterior to the hearing, men resigned from the Internal Revenue Department and were practicing before it, or were engaged in the presentation directly or indirectly of claims against the Government. The present Secretary of the Treasury, in a very commendable way, has sought to prevent the evil to which I have directed attention. There are more than 24,000 attorneys registered and having the right to appear before the Treasury Department. A considerable number of those, many of them quite recently, have been employees of the department in the tax units; and they appear directly or indirectly, many of them directly, in the prosecution of claims against the Government.

I shall have more to say about the matter when the bill comes before the Senate.

Mr. TRAMMELL. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The Senator from Florida offers an amendment, which will be stated.

The READING CLERK. On page 46, in line 6, after the word "war" and before the semicolon, it is proposed to insert the following:

or as a State pension for services rendered by the beneficiary or another for which the State is paying a pension.

Mr. SMOOT. I should like to have the Senator from Florida state what he has in mind. I could not follow the amendment upon hearing it read. This is a further exemption?

Mr. TRAMMELL. Yes; this comes under the head of the exemptions.

In the bill in its present form we provide for the exemption of compensation under the present acts providing for allowances to veterans of the Great War. We provide for the exemption of pensions paid by the Federal Government on account of services rendered by the beneficiary or by some one else. In the South a great many of the States grant what are known as Confederate pensions, as is known, of course, to all of the Senators. I am seeking to have the pensions paid by the States put in the same class of exemptions as war compensation or pensions allowed on account of the Civil War that are paid through the Federal Government. In addition to the fact that the bill provides for the deduction of these as exemptions we also are aware of the fact that in a State the salaries of all State officials, the salaries of county officials, and the salaries of school-teachers are exempt from any income tax. There are thousands and thousands and millions of dollars paid out on account of school-teachers' salaries in the different States. Because of those being funds that are paid by the State the Federal Government does not impose an income tax upon them. They are exempt.

Mr. SMOOT. That is on account of the Constitution.

Mr. TRAMMELL. That is on account of the Constitution. The Constitution has an inhibition against it; but this is practically the only class of payments made by the State governments for which the people of the State are taxed that is not allowed as a deduction. I do not think it will amount to a great deal, but it does seem to me that those receiv-

ing pensions in this way should be allowed a deduction just the same as those who are receiving pensions from the Federal Government. That is my object in proposing the amendment so that it will come under the head of exemptions.

I do not know that it will amount to a great deal, because while the States try to be just as liberal as they can with the Confederate soldiers, of course in amount the pension payments are nothing like those paid by the Federal Government. I propose the amendment, however, because I feel that these payments should be included, and I hope it will be adopted.

Mr. SMOOT. Mr. President, I can hardly see my way clear to accept this amendment. The beneficiary of the pension would not have to pay a single dollar of tax, if he is married, unless he has an income of over $2,500, and if he has a few children it would be $4,000. We are starting upon a new plan here, and I do not know just where it will lead. Perhaps this will not amount to very much.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

Mr. SMOOT. Yes.

Mr. TRAMMELL. Would not that same line of argument apply to a Federal pension? If the beneficiary of the pension has an income of less than $2,500, if he is a married man, he does not have to pay any income tax.

Mr. SMOOT. As far as dollars and cents are concerned, it would; but I think there is quite a different principle involved. The Federal pension is granted because of service to the Federal Government.

I hope the Senate will not agree to the amendment.

The PRESIDING OFFICER (Mr. MOSES in the chair). The question is on agreeing to the amendment proposed by the Senator from Florida.

The amendment was agreed to.

Mr. JONES of New Mexico. Mr. President, on behalf of the minority members of the Finance Committee I offer the following amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 274, after line 10, the Senator from New Mexico proposes to insert a new section to read as follows:

SEC. 1131. That the fifth sentence of subdivision (a) of section 6 of the Victory Liberty loan act, approved March 3, 1919, as amended, is amended to read as follows: "For the fiscal year beginning July 1, 1924, and for each fiscal year thereafter, until all such bonds and notes are retired, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes of such sinking fund, an amount equal to the sum of—

(1) 2½ per cent of the difference between the aggregate amount of such bonds and notes outstanding on July 1, 1920, and an amount equal to the par amount of any obligations of foreign governments held by the United States on July 1, 1920; and

(2) The interest which would have been payable during the fiscal year for which the appropriation is made on such bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years—

Less the sum of the following amounts:

(A) All payments of estate and inheritance taxes made during the fiscal year for which the appropriation is made, in such bonds or notes, under the provisions of section 14 of the second Liberty bond act as amended;

(B) All payments made to the United States out of the net earnings of Federal reserve banks and applied to the reduction of the outstanding bonded indebtedness of the United States by the purchase of such bonds or notes, in pursuance of the provisions of section 7 of the Federal reserve act, as amended; and

(C) All payments of interest or of principal, on account of the obligations of any foreign Government held by the United States, that may be made, during the year for which the appropriation is made, by any foreign Government in bonds and notes of the United States issued after April 6, 1917. The amount of such payments of interest or of principal shall be the sum of the par value of such bonds and notes and the interest accrued thereon at the time of payment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, this amendment involves the policy which we should pursue for the retirement of the public debt. The present law provides for a sinking fund of 2½ per cent upon what has been spoken of as the domestic war debt. This sinking fund increases from year to year through the purchase of bonds representing the funded indebtedness of the country. When those bonds are paid, the Government continues to pay interest on them, and that interest goes into this sinking fund and increases the sinking fund every year by the amounts of such bond purchases. I think that is a splendid plan. We adopted that when the second Liberty loan act was passed.

Since that time we have passed some other acts which permit retirement of that funded indebtedness under special circumstances. For instance, in the contract with Great Britain regarding the payment to this country of her indebtedness it was provided that Great Britain might make those payments either in cash or in bonds and securities of the United States at par, regardless of their exchange value in the general market. That has been done by Great Britain thus far. She has been purchasing those securities and turning them into the Treasury of the United States instead of cash, and the effect has been that instead of retiring the indebtedness of the country at the rate contemplated by the sinking fund the indebtedness has been retired at a much greater rate, and it has been retired by the purchase of what are called long-term securities of the United States first Liberty bonds, second Liberty bonds, and the fourth Liberty bonds, which could be purchased at less than par.

At the present time Great Britain will not do that, because all of those bonds are at par or above, and there would be no advantage to Great Britain in purchasing the bonds for the purpose of paying the indebtedness, and so long as the market value of our bonds remains as it is to-day the payments from Great Britain will come into the Treasury in cash and not in bonds. The effect of it is that the retirement of our funded indebtedness now is dependent not upon any fixed policy of our own Government but is dependent upon the contingent action of Great Britain.

Mr. President, I submit that that is an unsound policy. We ought to know just the amount by which this whole funded indebtedness will be retired. Under the sinking-fund provision that indebtedness is being retired at an accumulated rate, so that instead of retiring $250,000,000 of those bonds in one year, as the sinking-fund provision would make it, for the coming fiscal year the retirement from that sinking fund alone will amount to $310,000,000. It strikes me that that is a sufficient retirement of our bonded indebtedness, especially that part of the indebtedness which is represented by long-term bonds which have been distributed to the investing public and are held by individuals, as a rule, throughout the country. That part of the indebtedness is funded, so that we know just when it must be paid.

When the indebtedness was at its peak we had outstanding about $3,000,000,000 of what was called the floating debt, and it seems to me to be the wise policy, if we have any surplus funds coming in, any funds coming in from extraordinary sources, to apply those not to the long-term indebtedness of the country but to the floating debt. I have not the figures of that floating debt before me, but it amounts to two or three billion dollars; and that indebtedness, floating as it is, must be funded and refunded every few months. The result is that every three months, I think, the Secretary of the Treasury is issuing new certificates to be purchased by the public. Those certificates, representing the floating debt, are a charge upon the current bankable funds of the country.

Mr. McKELLAR. Are those the obligations on which the Secretary is now paying 5 per cent?

Mr. JONES of New Mexico. Some of them. I think the 5 per cents are either retired or are just about ready for retirement.

Mr. McKELLAR. It was stated here the other day by the Senator from Minnesota [Mr. SHIPSTEAD] that while our Treasury was paying 5 per cent on this money the British Government was borrowing money in a similar way at 3 per cent.

Mr. JONES of New Mexico. That may be. We have outstanding still quite a large amount of 4¼ per cent certificates and 4¼ per cent certificates; but those short-term certificates constitute a load upon the liquid assets of the country. They are purchased and held by banks and corporations which have temporary funds.

Mr. McKELLAR. Therefore there is just that much less to be loaned out to the business of the country?

Mr. JONES of New Mexico. Quite right. What I insist upon is that instead of retiring the 4¼ per cent bonds, which are long-term bonds, at a greater rate than we provided for when the bonds were issued, if we have any surplus funds they ought to be applied to this floating debt, which is a charge upon business and which amounts to a direct burden upon the liquid banking institutions of the country.

Moreover, the way those certificates are handled we are paying a larger rate of interest than the 4¼ per cent or even

the 4 per cent, for which I think some of the last certificates sold, than would be indicated by that, for this reason, that when there is a sale of certificates of half a billion dollars that money is not transferred to the Treasury at once; all of it is not used for the purpose of retiring indebtedness. It remains in the banks and is drawn upon by certain percentages of the amount of sale from time to time.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. JONES of New Mexico. I yield.

Mr. McLEAN. The Senator spoke of the short-term certificates and the advisability of retiring them. The last Treasury statement shows that we had outstanding for the year 1923 $4,600,000,000, and at the present time there are only $2,015,000,000. That is precisely what the Treasury is doing.

Mr. JONES of New Mexico. The Treasury has been doing that to the extent that there have been surplus funds. Whenever the receipts of the Government exceed the necessary expenditures of the Government, of course that surplus becomes automatically applied to the retirement of those certificates; but last year the total public indebtedness was retired to the extent of over a billion dollars, and about half that was in those floating certificates, to which the Senator from Connecticut has referred; but the other half of it was used to retire the fixed bonded indebtedness of the country. I agree that the Secretary of the Treasury has been doing just the right thing, so far as the application of the surplus receipts of the Treasury are concerned, and he has been following the mandate of the law as to the other retirements. So I am not attempting to criticize the Secretary of the Treasury to any extent whatever.

Mr. McLEAN. I was not in the Chamber when the Senator began his remarks upon this subject. Does the Senator propose an amendment requiring the Treasury to adopt a different course?

Mr. JONES of New Mexico. The amendment which I have proposed provides that when Great Britain pays any of her indebtedness in bonds, or when the Federal Reserve Board pays a franchise tax in bonds, or when bonds are paid in coming from the States, those receipts shall be credited against the sinking fund and leave free in the Treasury the amount of the sinking fund thus deducted to apply on the floating indebtedness of the Government. It seems to me that is a wise policy, because we know then just the amount by which the permanent fixed-term indebtedness will be retired. If we have any surplus funds, they will go to the retirement of the short-term Treasury certificates which constitute the load upon the current business interests of the country.

Mr. SHIPSTEAD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Minnesota?

Mr. JONES of New Mexico. I yield.

Mr. SHIPSTEAD. For instance, as to public securities that are used for the purpose of paying taxes, corporations now purchase the short-term certificates of indebtedness or Treasury notes. They put their surplus, or the money that is set aside for the purpose of paying taxes, into the purchase of those securities, and then use them for the purpose of paying taxes. Would the Senator also apply that part of the securities to the sinking fund?

Mr. JONES of New Mexico. Under the law those are not applicable to the sinking fund and so do not affect the funded indebtedness of the country.

Mr. SHIPSTEAD. They are used for paying indebtedness to the Government.

Mr. JONES of New Mexico. They are used for paying taxes to the Government, but there is no advantage, as the Senator of course knows, in paying taxes with those certificates, because they are worth par on the market, and I have not known of their sale at less than par. The convenience of using those certificates is that, until the actual date when they are required to pay taxes, they can draw interest on the certificates in which they have invested the money.

There is this basic principle, it seems to me, involved here, that of the funded indebtedness of the country we ought to know ourselves just the amount by which that indebtedness will be retired.

Mr. McLEAN. That is true, but the wisdom of the Senator's proposal at the present time would depend largely upon the rate of interest. If the short-term certificates were bearing a higher rate of interest than the funded debt it would be wise to retire them as fast as possible.

Mr. JONES of New Mexico. Does not the Senator likewise believe that the short-term indebtedness of the floating debt ought to be retired anyhow just as fast it can be?

Mr. McLEAN. I certainly do, because it is an indebtedness that is not absorbed by the people. The notes are held mostly by the banks and the large corporations, and as I have noted they have been decreased nearly $2,500,000,000 within the year. I think that is the wise policy to follow——

Mr. JONES of New Mexico. I certainly agree that it is wise.

Mr. McLEAN. Especially if the interest rate is higher than the interest on the bonds.

Mr. JONES of New Mexico. Mr. President, I may call attention to this circumstance. In the report of the Treasury the funded debt of the country was retired in the fiscal year 1922 by $422,000,000, in the fiscal year 1923 by $402,000,000. In 1924, the fiscal year for which has not quite closed yet, it is estimated that there will be retired $511,000,000, and for the fiscal year 1925, $482,000,000, a varying amount and an amount which we can not actually know. That all assumes that Great Britain will purchase bonds and turn them over to us instead of cash. I think that time has gone by because the bonds now are selling a little above par and of course Great Britain will not turn into us at par a bond which she can sell on the market at more than par. It is certain that that old funded debt will not be reduced by that amount during the fiscals year 1924 and 1925.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Utah?

Mr. JONES of New Mexico. I yield.

Mr. KING. It is the object of the Senator's amendment, and if it prevails and works out as he expects it would accomplish this result: First, it will, generally speaking, require the Treasury Department to utilize the funds derived from the source just indicated for the retirement of short-term obligations rather than the funded indebtedness which extends over a long period of time; and, secondly, it will render more certain the determination in advance of the amount which will be expended every year for the payment of our funded indebtedness as well as our short-term indebtedness.

Mr. JONES of New Mexico. The Senator grasps the thought precisely, and that is the only object we have. I think that instead of retiring long-term indebtedness we should use our surplus income for the purpose of retiring short-term indebtedness and relieve the financial world of that burden.

Mr. KING. May I make a further observation, with the Senator's permission?

Mr. JONES of New Mexico. Certainly.

Mr. KING. Of course, there ought to be some discretion in the hands of the Secretary of the Treasury, and I think the amendment offered by the Senator permits that discretion. The Senator can conceive of a case where a short-term certificate might be forced to a lower standard of interest than the long-term obligation. Some contingency might happen in the country by which money for an inconsiderable period, three or six months or a year, might be very much cheaper than our long-term obligations, and yet that is likely to happen, because our funded indebtedness, generally speaking, will bear a much lower rate of interest than the current obligation.

Mr. JONES of New Mexico. That is quite true, and the sinking fund can be invested in just that way. There is about $250,000,000 in actual liquid new funds to go to that purpose each year. That quarter of a billion dollars is a cumulative fund, because when the sinking-fund money is used for the purpose of purchasing those bonds the bonds themselves go into the sinking fund, and the Treasury from every source pays into that fund the interest upon those bonds. So the bonds have been purchased to such an amount already that with the regular 2½ per cent levy for the sinking fund, together with the additional interest, which now amounts to $310,000,000 for the next year, we will be retiring our long-term bonds to the extent of $310,000,000 for the next year.

Mr. McLEAN. Will the Senator permit another interruption?

Mr. JONES of New Mexico. Certainly.

Mr. McLEAN. Would not the Senator's proposal tend to retard the payment of the debt which other countries owe us?

Mr. JONES of New Mexico. The Senator from Connecticut of course realizes that that debt is all represented by our own bonds which are outstanding. We retire our own bonds, and not the obligations of a foreign country, because they are all our own. Of course, we used the money to loan to foreign countries and they owe us, but the indebtedness which we owe

is represented by the securities which we have sold to our own people, and it is that debt which we seek to retire.

I am quite certain the Senator from Connecticut is very familiar not only with finance in general but with the operations of the Treasury, and especially the Senator is quite convinced, I am sure, that the load of the floating indebtedness of the United States Treasury upon the banking facilities of the country is a thing which we ought not to have if we can avoid it. Until the time comes when we shall have no floating indebtedness to be cared for, it seems to me if we can in good faith to our bondholders apply these proceeds to the retirement of the floating indebtedness, it is better to do it than to have the retirement of the long-term indebtedness.

Mr. McLEAN. The Senator has stated that in the event our bonds go above par the British Government will pay us in cash.

Mr. JONES of New Mexico. Yes.

Mr. McLEAN. Where would the Senator apply that cash?

Mr. JONES of New Mexico. That cash would go into the Treasury as ordinary receipts and it would be used by the Treasury to retire the floating indebtedness.

Mr. McLEAN. But should it not be applied as a part of the sinking fund?

Mr. SMOOT. We would have no sinking fund if it is not so applied.

Mr. McLEAN. How would we maintain our sinking fund unless we used that cash payment for the purpose?

Mr. JONES of New Mexico. These payments are not used for the sinking fund. The sinking fund is kept up in the ordinary way by the appropriation of the 2½ per cent. I am not seeking to deplete the sinking fund by a dollar. What I am seeking to do is to have a policy of such character that we would know the amount by which long-term indebtedness is to be retired, that we shall not leave it to the option of Great Britain to say what class of our indebtedness shall be redeemed, that it shall not depend upon any contingency, but that we shall keep up a sinking fund of a fixed and definite amount.

Mr. KING. Mr. President, will the Senator yield again?

Mr. JONES of New Mexico. Certainly.

Mr. KING. Could the amendment which we are considering be construed as an inhibition upon the Secretary of the Treasury from appropriating funds which might come into the Treasury from any of the sources enumerated, either toward the retirement of the funded indebtedness or the short-term indebtedness, depending upon the advantages to the Government? That is to say, if it were clearly manifest that it would be an advantage to retire some of the funded indebtedness instead of the short-term indebtedness, is there a positive inhibition against that course?

Mr. JONES of New Mexico. There is no inhibition, but it would work out in a way that he would not have the option except as to the use of the sinking fund. I do not think that he should as long as there is a floating indebtedness. I think that should be retired and the load removed gradually from business.

Mr. KING. I agree with the Senator and still I wanted to be sure in regard to the point I just indicated. I can not conceive, however, of any condition which would arise unless there should be some catastrophic situation that none of us can anticipate which would warrant the retirement of the funded indebtedness because of financial benefits to be derived therefrom in preference to retirement of the short-term obligations.

Mr. JONES of New Mexico. I think the Senator's observation is good.

Mr. McLEAN. It seems to me that this is a pretty important matter.

Mr. JONES of New Mexico. It is indeed.

Mr. McLEAN. I am not certain that my recollection of the situation is accurate, but my impression is that if we are to maintain a sinking fund on that portion of the debt which is due to us, we must rely on the income we get from those countries; and if we use that income to retire the short-term certificates, we will have nothing to maintain that portion of the sinking fund.

Mr. JONES of New Mexico. Mr. President, as the Senator from Connecticut has said, this is an important matter.

Mr. McLEAN. I should hesitate to change existing conditions unless I were very certain that we should not be impairing or diverting the receipts which go to maintain the sinking fund for that portion of the debt which is owed us by foreign nations.

Mr. JONES of New Mexico. The Senator apparently overlooks for the moment that this proposal will not impair the sinking fund by a dollar. The only effect that it will have is this: It will fix the amount by which the funded indebtedness will be retired and not leave the question of the amount of that retirement dependent upon the action of a foreign country.

Mr. McLEAN. Has the Senator from New Mexico consulted the Treasury Department with regard to his amendment?

Mr. JONES of New Mexico. I have not consulted Mr. Mellon about it, but the problem is before us in his report.

Mr. McLEAN. It seems to me that in a matter of this importance we certainly ought to have the views of the Treasury Department; not that they should control, but it seems to me we ought to have a statement from the Secretary of the Treasury, because at a time like this it is very easy to make a mistake.

Mr. JONES of New Mexico. I do not think this involves any mistake at all.

Mr. McLEAN. I know the Senator does not, but I think it does.

Mr. JONES of New Mexico. It is so plain that he who runs may read.

Mr. SMOOT. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Utah.

Mr. SMOOT. The Senator is right in saying the amendment does not involve the 2½ per cent sinking fund that applies to $10,000,000,000 of our indebtedness, but it certainly does divert what we ought to have in order to retire the other $10,00,000,000 of indebtedness.

Mr. JONES of New Mexico. Right there let me ask the Senator, Will it change it if Great Britain should pay in cash and not in bonds?

Mr. SMOOT. If Great Britain should pay sufficient cash to take up the amount of the sinking fund which would be required to take care of the $10,000,000,000, then it would not do so; but if Great Britain should not do that, then it would. In other words, under the amendment which the Senator has offered a portion of the payment of the obligations of a foreign country, if it was so desired, could be applied upon the sinking fund of 2½ per cent on the $10,000,000,000 that we intended should be paid by the payment to us of foreign obligations. We also provided in the law that those payments should be in a certain way and for a certain purpose.

Mr. JONES of New Mexico. In what way and for what purpose?

Mr. SMOOT. I can read the law to the Senator.

Mr. JONES of New Mexico. The Senator from Utah knows what it is and he can state it briefly. The law simply provides that Great Britain may pay the amount either in bonds or in cash.

Mr. SMOOT. That is not the law which I had in mind at all; that has nothing whatever to do with the sinking fund, but has reference to the settlement made between the United States and Great Britain.

In that settlement we allowed Great Britain to pay either in cash or bonds, but there was not a single word in that settlement granting that privilege to Great Britain to the effect that if she did pay in bonds the payment could be applied in any other way than the law provided. When the Senator from New Mexico shall have concluded I shall call attention to the law which was passed when we issued those bonds. That law specifically provides how the money from the payment of foreign obligations shall be used.

Mr. JONES of New Mexico. I know just what the law is to which the Senator from Utah has referred, but we all understand that when the sinking fund of 2½ per cent was provided for we figured then that the sinking fund would retire the indebtedness, minus the foreign debt, within a given period of time. There is no question about that. We at the same time required the foreign governments to give us their obligations bearing the same rate of interest as the obligations which we issued and sold to our people. The Utopian theory on which the legislation was originally framed was that we would get foreign bonds bearing the same rate of interest and extending for the same period of time as our own bonds, and as the foreign bonds were paid and our bonds became due we would liquidate our indebtedness; but the Senator from Utah well knows that that Utopian theory has not worked out.

Mr. SMOOT. No; but the Senator from Utah also knows that if the interest upon the foreign obligations be now used for a different purpose we shall wind up owing $10,000,000,000, with no sinking fund to provide for its payment. That is all there is in this amendment. It does not interfere at all with the $10,000,000,000 and the sinking fund provided to pay that $10,000,000,000 in 33½ years; the amendment does not touch that at all; but if it is adopted there will be no provision whatever to provide a sinking fund and take up the other $10,000,000,000. In other words, Mr. President, we can take the inter-

est which will be paid upon foreign obligations and use it as a sinking fund, as Congress intended to provide, so that when the notes ultimately come due every dollar of the $10,000,000,000 will be paid. The Senator knows that that was the understanding of Congress, and the whole law was drawn on that basis. But if with that interest we do not purchase bonds or invest the money in order that the interest upon that interest shall ultimately within the 33½ years pay the full $10,000,000,000, we will wake up some day and find ourselves owing $10,000,000,000, while the foreign obligations will have been paid and used in another way.

Mr. JONES of New Mexico. The Senator from Utah must know that the indebtedness which is represented by the long-term bonds does not necessarily represent the money which we loaned to foreign countries. It was the floating debt which was finally left over that constituted a very large part of the funds which we loaned to foreign governments, and we continued to loan money to foreign governments after we had ceased to issue bonds.

Mr. SMOOT. We loaned some of it after the war closed.

Mr. JONES of New Mexico. We loaned some of it even after the war closed. If we apply the money which we get from Great Britain to the retirement of that indebtedness, are we not coming just as much within the spirit of the original act as can possibly be done?

Mr. SMOOT. No, Mr. President; it would not be within the spirit of the law. The spirit of the law was that the payments of interest and principal by foreign governments should be used just the same as if they were paid to some company by another company, and that by the interest upon the payments themselves within the period of 33½ years the whole indebtedness would be wiped out, just the same as it is figured that the 2½ per cent sinking fund within that period of time will take care of the $10,000,000,000 for which those bonds were issued by our Government.

Mr. GERRY. And then when we entered into a settlement of the British debt we changed the principle of that settlement.

Mr. SMOOT. We did not change the law providing how the payments should be used. The Senator will remember that Senators stood upon this floor when the bonus bill was under consideration and contended that we could use the interest from England for the payment of the bonus, when the law distinctly says that it shall not be used for that purpose. The law says just what it can be used for, namely, for the purpose of retiring the obligations of the Government of the United States, and it named them.

Mr. McKELLAR. That is in some of the bond acts but not in all of them.

Mr. JONES of New Mexico. The Senator from Utah must know that when we issued the bonds and when we loaned money to Great Britain we did not enter into any agreement with anybody; that if Great Britain should pay back that money in bonds we would retire that bonded indebtedness, but if she should pay it in cash, then we would retire some other kind of indebtedness. The Senator knows that no such agreement was ever entered into and was never thought of until long after all the bonds were issued.

Mr. SMOOT. But the Senator from New Mexico knows that the only change that was made when we made the settlement with Great Britain was to give her the privilege of paying the entire interest and the installments on the principal either in cash or in obligations of the United States at par.

Mr. GERRY. And we allowed Great Britain to pay us a less rate of interest than we were paying on the bonds upon which we borrowed the money.

Mr. SMOOT. There is not any doubt about that; that was thoroughly discussed at the time the settlement was made, and there is no need of spending time on it now.

I say that the settlement made with Great Britain was the best settlement that it was possible to make. I say that the terms of that agreement were harsh, particularly in view of the fact, in some ways, that, taking a period of 50 years preceding the war the average rate of interest that Great Britain paid on her obligations was 2½ per cent.

Mr. GERRY. I was not bringing up that point, Mr. President. The point I had in mind was that the original 32-year plan of payment to which the Senator referred was changed.

Mr. SMOOT. The only change that was made in the settlement was that, instead of the period being 33½ years, it will take a longer time, so far as the United States is concerned, in getting the interest. If, however, we still applied the 2½ per cent, if Great Britain paid that amount, it would work out exactly the same.

Mr. GERRY. The Senator must admit that they did change the plan; that is the point that I was stressing.

Mr. SMOOT. That is true.

Mr. JONES of New Mexico. Mr. President, I want to suggest another reason for the adoption of this amendment and which is the reason for offering it as an amendment to this bill.

The object can be accomplished by a separate bill, and if it is not put on to this bill, I intend to offer it as a separate bill, but I am proposing it here for the purpose of relieving the Senator from Utah and the Treasury Department from a very grave impending embarrassment.

The Senator from Utah, when he made his report on this bill, said that there was going to be a deficit of something like $50,000,000. Since that time we have passed other bills appropriating additional sums. Here is the pension bill, which means $58,000,000 more. There may be some other bills calling for additional appropriations; and here is the peculiar situation in which the chairman of the committee and the Secretary of the Treasury find themselves: If Great Britain pays this money in bonds they do not have the cash, but if Great Britain pays the $165,000,000 or $170,000,000 in cash it goes into the cash in the Treasury, and may be used and will be used for the payment of any of these additional appropriations. Does the Senator from New York want to leave the condition of the Treasury at the discretion of a foreign country?

Mr. FLETCHER. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. FLETCHER. I understand that the Senator from Utah insists that if payment is made of this amount of one hundred and sixty-odd millions a year, it shall be placed in the sinking fund and remain in the Treasury undisposed of.

Mr. JONES of New Mexico. No.

Mr. SMOOT. No; if the Secretary follows the law, every dollar of it will be used in the purchase of bonds of the United States. That is what the law says.

Mr. FLETCHER. The Senator means every dollar of the interest paid on the debts of foreign nations to the United States may be used by the Treasury to purchase outstanding bonds?

Mr. SMOOT. Bonds of the United States. If they pay in bonds they will not have to purchase them, but if they pay in cash they will have to purchase the bonds.

Mr. JONES of New Mexico. No.

Mr. SMOOT. Let me read the law and see what the law says.

Mr. JONES of New Mexico. The Senator can not find that in the law. It is merely permissive.

Mr. FLETCHER. I think we have reached the point now where we are getting some light. Instead of using this interest paid on obligations of foreign countries to the United States for the purchase of obligations of the United States, the Senator from New Mexico proposes that it may be used for current expenses? Is that the idea?

Mr. SMOOT. That is it.

Mr. JONES of New Mexico. Or the retirement of the floating indebtedness, if we have any. It will take the place of these short-term certificates.

Mr. SHIPSTEAD. Mr. President, may I ask the Senator a question?

Mr. JONES of New Mexico. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Is it the Senator's idea that he wants that money used for the purpose of purchasing these short-term securities that are now in the credit stream, instead of its being used for the purpose of buying outstanding long-term bonds of the Federal Government?

Mr. JONES of New Mexico. That is the real purpose.

Mr. SHIPSTEAD. I see.

Mr. JONES of New Mexico. The purpose is that if that money is turned into the Treasury of the United States and if there is a surplus in the Treasury, it shall go to the retirement of the short-term indebtedness, the floating debt of the Government, rather than to the retirement of the long-term fixed indebtedness of the Government.

Mr. BAYARD. Mr. President——

Mr. SMOOT. Mr. President, may I read the law? The Senator says there is none in relation to these payments. The law says:

and any payments made by foreign governments on account of their said obligations to the redemption or purchase at not more than par and accrued interest of any bonds of the United States issued under authority of this act; and if such bonds are not available for this

purpose the Secretary of the Treasury shall redeem or purchase any other outstanding interest-bearing obligations of the United States which may at such time be subject to call or which may be purchased at not more than par and accrued interest.

Mr. JONES of New Mexico. Mr. President, that specifically contemplates that the money shall be used in the purchase of the short-term indebtedness of the country.

Mr. SMOOT. The law says what the Secretary shall do with that money, and the purpose of it is to provide a sinking fund, through the purchase of Government obligations, to meet that ten billions of indebtedness. If they use the money for other purposes, that $10,000,000,000 will not be provided for. In the sale of the bonds of the Government that was a part of the law, and it is a violation of the law if it is not maintained.

Mr. BAYARD. Mr. President, may I ask the Senator a question?

Mr. JONES of New Mexico. Yes.

Mr. BAYARD. The Senator from Utah has just read the law pertaining to the refunding of the British debt; and, as I understood his reading of the law, it says that the Secretary of the Treasury shall make certain purchases, but in making those purchases he is given discretion as between the certificates of indebtedness and outstanding bonds of this country.

Mr. SMOOT. Certainly.

Mr. BAYARD. There is no doubt about that?

Mr. SMOOT. That is what the law says:

and if such bonds are not available for this purpose the Secretary of the Treasury shall redeem or purchase any other outstanding interest-bearing obligations of the United States which may at such time be subject to call or which may be purchased at not more than par and accrued interest.

Mr. BAYARD. Yes; that is perfectly true, but here is the point I am trying to make: The Secretary of the Treasury is not compelled under that act to utilize the cash coming in, if cash be paid by the international debtors, for the purchase of outstanding bonds of similar tenor and amount as the obligations evidencing the money loaned to the foreign nations?

Mr. SMOOT. The Senator has not reference to foreign obligations. The Senator has reference to the revenues coming in to the Goverment. In other words, if the revenues of the Government are more than the expenditures of the Government, then the Secretary of the Treasury, of course, would purchase any kind of obligations that might be had, and he would use his judgment. He has been purchasing short-time certificates with the money that was received.

Mr. BAYARD. If that be true, let me suggest this thought: Then the payment by the British—and they are the only nation that are paying off their debt—can not and will not be used to cancel that much of the debt which they pay off, in so far as it retires bonds which evidenced the erection of this debt in the first place.

Mr. SMOOT. It will be used under the law to purchase whatever obligations of the United States may be outstanding interest-bearing obligations, and then they are kept there as a sinking fund for the redemption of the $10,000,000,000, which will take place at the rate of 2½ per cent a year in 33⅓ years.

Mr. BAYARD. But there is still discretionary power in the Secretary of the Treasury.

Mr. SMOOT. Certainly; the law gives it to him.

Mr. BAYARD. I understand it does; but to that extent you get away from the proposition of canceling this outstanding debt.

Mr. SMOOT. Yes.

Mr. SHIPSTEAD. Mr. President——

Mr. JONES of New Mexico. I will yield the floor in just a moment. I want to make this statement:

I think the adoption of this amendment will relieve the Treasury Department of considerable embarrassment. I think the policy of it is good. I realize also, however, that the Senate is anxious to act upon this bill, and that if we do that to-day the time is perhaps too short to consider this kind of a question; and unless the chairman of the committee and the members of the majority of the committee care to have the amendment adopted and put it into conference I will not press it any further.

Mr. McLEAN. Mr. President, the Senator says he is sure his amendment will relieve the Treasury Department from serious embarrassment. I think we ought to have the view of the department on that subject before we adopt this amendment.

Mr. JONES of New Mexico. I shall not press it unless it is accepted by the majority of the Finance Committee.

Mr. SMOOT. I should very much prefer not to accept it.

Mr. JONES of New Mexico. Then I will withdraw the amendment.

The PRESIDENT pro tempore. The amendment is withdrawn.

Mr. KING. Mr. President, I invite the attention of the chairman of the committee. We have already considered subdivision (8), on page 196, and agreed to it. It is the provision with reference to coin-operated devices, coin-operated machines, and devices and machines operated by any substitute for a coin. I want to move to strike out the figures "10" and insert in lieu thereof the figure "5," and move to reconsider for that purpose.

Mr. SMOOT. Mr. President, I am perfectly willing to have a reconsideration of the amendment for that purpose, but I want to say to the Senate that I hope that amendment will not be agreed to. The vendors have always had an advantage under the present law. All we do is to put all slot machines of every kind and nature upon the same basis.

The way the law has been, it is unfair. They are used for the same purpose. They are used because of the fact that it is a financial advantage to anyone that uses them. The vending machines upon the street are for the purpose of making money, and wherever a street railroad or any other concern uses them it does so because it is a financial advantage to the concern; but I have no objection to the reconsideration of the vote by which the committee amendment was adopted, and then we can vote upon the amendment to it.

Mr. KING. I move to reconsider the vote by which the Senate adopted subdivision (8), page 196.

Mr. SMOOT. I have no objection to that, Mr. President.

Mr. McKELLAR. Mr. President, how much revenue does that produce?

Mr. KING. We are raising now about $130,000 a year from this source.

Mr. SMOOT. The estimated yield under this paragraph is $200,000 for 1924, as we estimated the amount that would be received under the provisions of the bill.

Mr. KING. Let the motion to reconsider be carried, and then I will offer the amendment.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent for the reconsideration of the vote by which the amendment on page 196, to strike out and insert, was agreed to. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. KING. Now, Mr. President, on line 23, page 196, subdivision (8), I move to strike out the figures "10" and to insert in lieu thereof the figure "5."

Mr. SMOOT. I sincerely hope that amendment will not be agreed to.

Mr. KING. Mr. President, I confess to no very great familiarity with this particular item. Indeed, there is very little information or data available. The gross revenue to the Government last year, as I recall, was $136,000. It cost nearly as much to collect the revenue as the amount received by the Government from the tax. I understand that there will be a considerable increase in the use of the various machines and devices embraced within the paragraph just referred to. Many of the telephone companies are now employing them, and more are being manufactured. In many of the street-car stations and depots they are establishing these little devices, nickel-in-the-slot machines, and in some of the various business establishments of the United States considerable use is being made of these particular machines.

My information is that with a 5 per cent tax we will collect very much more than has been obtained in the past, and it would seem to me that a 5 per cent sales tax upon these articles is a sufficient tax, and if experience shall demonstrate that it is inadequate, this bill is not a finality; many amendments will be projected within a few months to change provisions of the sections and schedules of the bill.

Mr. SMOOT. This is only 10 per cent upon the machine once in its whole lifetime. The imposition of a tax of 20 per cent would not deter people from buying it. It is only a question of collecting some money. We have already cut out of this bill so much money that I do not know what we are going to do, and I am going to call the Senate's attention to it before we get through. But let us not begin now to cut out any more where it is not absolutely necessary. This will not hurt anybody, and the 10 per cent ought to be retained.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the junior Senator from Utah to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is upon agreeing to the committee amendment.

The amendment was agreed to.

Mr. KING. Mr. President, I want to offer an amendment to the text of the bill, on pages 22 and 23. Apparently it will be three amendments, but in reality it is but one. On line 18, page 22, I move to strike out all of the paragraph after the word "year," to strike out all of paragraph (d) in lines 21, 22, 23, 24, and 25 on page 22, and lines 1 and 2 on page 23.

The purpose of this amendment is to restrict the benefits resulting from capital losses to two years instead of three. Under the terms of the bill as reported, if a person is engaged in business, for instance, as a grocer, and his gains are $100,000, upon which he pays his income tax, and in some extraneous occupation or speculation he loses two or three hundred thousand dollars, he is permitted to apply those losses in his speculation, or perhaps capital losses, not only to the extinguishment of the taxes which he would pay upon his $100,000 as income tax for the current year, but assuming the losses on the speculative venture to be $200,000, to carry over the $200,000 to the next year and to the third year, and apply them in extinguishment of or in reducing the payment of taxes upon his net income for the second and the third succeeding years.

Personally I think he ought not to be permitted to carry over those losses from those speculative or extraneous enterprises. Give him the deduction for the current year, but do not permit the carrying forward into the future of those losses for the purpose of diminishing or reducing the taxes that would arise in the next succeeding year. However, my amendment does not go as far as I think it ought, because I know there would be no support for it if it did. I have restricted it, therefore, to two years—that is, the current year and the year following—so that if my amendment is adopted the credits which a taxpayer would be allowed in the form of deductions would be confined to the current year and to the next succeeding year. It does seem to me there can be no element of justice in the proposition that speculative losses in ventures, and capital losses, may be carried forward two years beyond the current year, with the result of depriving the Government of taxes upon incomes and upon business in which the taxpayer was engaged.

Mr. SMOOT. Mr. President, this question was thrashed out in the consideration of the revenue bill in 1921. Before 1921 there was no limit upon the amount of capital gains. The business of the country fell to almost nothing. We got no revenue. There were no transactions. Business was at a standstill, and that is the reason that in 1921 a limitation to 12½ per cent of whatever gains there might be was inserted.

If this is removed, the same condition would come again. The committee thrashed it out thoroughly, and all I can do is to say that I hope the amendment will not be agreed to.

Mr. KING. Mr. President, I concede that the committee did give some consideration to this subject. I brought the matter to the attention of the committee, of which I am a member. But I feel constrained to say that, in my opinion, there was not given to it that due and deliberate consideration which the importance of the question demanded.

This bill, I believe, is drawn too much, in many of its provisions, in the interest of the taxpayer, and permits too many advantages and losses and deductions, and that is particularly true of corporations. For instance, though this is not quite germane to the matter under discussion, the corporations of the United States are permitted billions of dollars in credits and deductions for interest upon funded indebtedness. More than $3,000,000,000 in 1921 were allowed upon the funded indebtedness of corporations, which funded indebtedness was capital. In my opinion that is wrong. It is an advantage to the corporations which may not be justified in morals or in sound fiscal policy.

Two men engage in business. One puts in $100,000 in cash; another puts in $50,000 in cash and borrows $50,000 for the purpose of making up his capital investment of a hundred thousand dollars. The latter is permitted the deduction of all the interest which he pays upon that borrowed capital. He gets full deduction of interest upon capital in the payment of his taxes. The first person to whom I referred has no such advantage. He does not get any interest deductions, but he has to pay his taxes upon the net income which he derives upon his $100,000 capital; whreas the other individual, his competitor in the same business, is permitted a deduction of the interest charge upon his indebtedness, which is assumed for the purpose of making up his capital.

Corporations are also permitted, by way of deductions, nearly $3,000,000,000 for depreciation; and I think an examination of the records of the Treasury Department as they have been published and the reports of investigations which have been made with respect to the activities of corporations will demonstrate quite conclusively that much of that so-called depreciation is purely fictitious, and the allowances which are made, or deductions, or credits, whatever they may be denominated, go to swell the undistributed profits or are distributed in the form of dividends to the stockholders.

So I repeat, this bill has been very tender, in many respects of corporations and of individuals, in its deductions, in its allowances, in its writing off for depreciation, and for other things. In harmony with this policy of too much generosity we have inserted into the bill the provision concerning which my amendment is offered.

I can only repeat that if you permit the credit resulting from the losses to be carried forward beyond the current year for one year, the Government has been more than magnanimous, and to go further would be a great injustice not only to those engaged in legitimate business but to the Government itself.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the junior Senator from Utah [Mr. KING].

On a division, the amendment was rejected.

Mr. SMOOT. I offer, by request, the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 19, after line 10, subdivision (c) of section 204, insert the following:

Discoveries shall include minerals discovered or proven in an existing mine or mining tract by the taxpayer after February 28, 1913, not included in any prior valuation.

The amendment was agreed to.

Mr. TRAMMELL. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The Senator from Florida offers an amendment, which will be read.

The READING CLERK. On page 54, strike out lines 23, 24, and 25, and on page 55 strike out lines 1 to 13, inclusive, being paragraph (c), and in lieu thereof insert:

(c) In the case of a single person, a personal exemption of $2,000, or in the case of the head of a family or a married person living with husband or wife, a personal exemption of $3,000, unless the net income is in excess of $5,000, in which case the personal exemption shall be $2,500. A husband and wife living together shall receive but one personal exemption. The amount of such personal exemption shall be $3,000, unless the aggregate net income of such husband and wife is in excess of $5,000, in which case the amount of such personal exemption shall be $2,500. If such husband and wife make separate returns, the personal exemption may be taken by either or divided between them. In no case shall the reduction of the personal exemption from $3,000 to $2,500 operate to increase the tax, which would be payable if the exemption were $3,000, by more than the amount of the net income in excess of $5,000.

Mr. TRAMMELL. Mr. President, I think the amendment should be agreed to. The purpose and object of it is to increase the exemption of the head of a family to $3,000 instead of $2,500 and for a single person from $1,000 to $2,000, as contemplated under the provisions of the bill as it stands at present. I have always felt that it was never the purpose and object of an income tax to inflict its burdens upon a citizen until that citizen had at least had exempted a sufficient amount of his earnings to enable him to have a reasonably fair living. Yet during the war, in our desperation to raise revenue, Congress allowed the amount of the exemption to drop below a sum necessary for a person to have the ordinary subsistence, reducing it to $1,000 for a single person and $2,000 for a married person or head of a family. We did, however, in the last tax law increase the exemption for the head of a family to $2,500.

I am proposing in my amendment that the head of a family shall have an exemption of $3,000 and that a single person shall have an exemption of $2,000. Of course, under the provisions of the bill as it now stands, in addition to the fixed amount of $3,000 exemption as proposed by the amendment, the head of a family would also have an exemption of $400 for each minor child, therefore making the exemption $3,400 in the case of one child and $3,800 in the case of two children. I do not think we should tax incomes until a person at least has a reasonable amount upon which to live. The whole purpose and object of the amendment is to try to correct the hardship as imposed by the present law and as contemplated by the pending measure.

A single person making $1,200 or $1,400 a year has great difficulty to live upon that amount in Washington or in any other city throughout the country. Yet Congress would impose a tax upon them before their income is sufficient for them to

live on and require them to pay a tax on all over $1,000. Two thousand five hundred dollars is not sufficient for the average married man or head of a family under the present high cost of living, when considering expense for rent, and so forth, and the expenditures necessary for the clothing and schooling of children. Yet the bill in its present form would impose the tax on him before he has sufficient from his earnings upon which to live and support his family in reasonable comfort and to educate his children. I think there are ample other sources from which we might obtain revenue to support the Government without imposing a tax upon persons with small incomes, and I have proposed an amendment which I hope will correct that condition.

Mr. SIMMONS. Mr. President——

Mr. TRAMMELL. I yield to the Senator from North Carolina.

Mr. SIMMONS. I wish merely to suggest to the Senator that upon the first $4,000 in excess of the exemption allowed he would only have to pay a tax of $60 under the provisions of the bill.

Mr. TRAMMELL. He would not have to pay very much; that is true; but if we are going to take $60 from every person that has not got $60 because he has not sufficient earnings to support himself and his family and educate the children, how can we justify ourselves? Where is the justice in requiring some young man or some young woman in this city or any other city in the country, or one who lives in the country, who is only making $1,200 or $1,400 a year, not receiving a sufficient income to support themselves in reasonable comfort, to pay to the Government a tax upon that small income before they have ample funds upon which to live? Where is there any justice or equity in requiring the head of a family to contribute a tax in the way of an income tax before he has sufficient earnings to support his family and to educate his children and give them a reasonable opportunity in life? I think the principle and policy is all wrong, and that we should adopt the amendment providing exemptions in the amount suggested by me.

It was ably argued by the Senator from Georgia [Mr. HARRIS] that the tax does not amount to very much in the net aggregate on account of the great volume of returns and the work connected with them, yet it is quite an imposition upon a person not making sufficient to support himself and family and then pay the tax in addition.

I desire to submit the matter to the Senate for such action as may be deemed proper. I very heartily believe in the policy of giving an exemption to the head of a family sufficient to enable him to support his family. It never was contemplated that an income tax should be imposed until such an amount had been exempted.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Florida.

The amendment was rejected.

Mr. WALSH of Massachusetts. Mr. President, on page 198 I move to strike out section 702.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 198, the Senator from Massachusetts moves to strike out section 702, as follows:

SEC. 702. There shall be levied, assessed, collected, and paid, in lieu of the tax imposed by section 902 of the revenue act of 1921, upon sculpture, paintings, statuary, art porcelains, and bronzes, sold by any person other than the artist, a tax equivalent to 5 per cent of the price for which so sold. This section shall not apply to the sale of any such article (1) to an educational or religious institution or public art museum, or (2) by any dealer in such articles to another dealer in such articles for resale.

Mr. WALSH of Massachusetts. The Senator from Alabama [Mr. UNDERWOOD] is interested in this amendment, and I ask that he be sent for.

Section 702 puts a sales tax upon art. The petitioners for the repeal of this tax represent a very large body of influential citizens and influential organizations. They are the American Federation of Art, the Council of the National Academy of Designs of New York City, the National Arts Club of New York City, the Fine Arts Federation, the League of New York Artists (Inc.), and many other like bodies. The Fine Arts Federation includes some 15 other organizations throughout the country.

The brief which these organizations have filed is a very exhaustive one and a very able one. They point out the fact that art is not a luxury, and that the imposition of a tax upon art is akin to the imposition of a tax upon science or education or religion. To be sure, the provisions of section 702 do exempt sales of works of art to educational or religious institutions or public art museums or by dealers in such articles to another dealer where there is a resale, but the remaining provisions of the section impose a sales tax upon every dealer when he sells a piece of art to any private citizen. The history of the purchase and sale of art shows that practically every purchase made by private citizens ultimately finds its way into a public museum or into an educational institution.

The amount of money collected from this tax is trivial. It has been constantly diminishing. It is argued forcibly by the petitioners that the reason why it is diminishing is that this tax is discouraging art in the country. Here are the figures: During the fiscal year 1921 the entire tax collected was $1,116,637.62, not much more than enough to pay for the cost of collection. Of that sum $819,000 was paid by dealers in the city of New York, where of course all the principal sales of art are made. In 1922 the total amount collected was but $582,800, a loss of nearly 50 per cent from the preceding year, a reduction in income to the Government from $1,116,000 to $582,800. For the following year, 1923, the revenue derived was $837,831, but in the five months of the present fiscal year ending November 3, 1923, the total revenue received was only $221,568. Upon this basis the revenue derived for the entire fiscal year may be less than half a million dollars. This is a nuisance tax; it is a tax that falls directly and entirely upon the consumer; and it does not seem to me, in view of the trivial amount collected, that the tax ought to be retained in the bill.

There is already a very heavy tax upon art which is imported into this country for resale. This section proposes, in addition to the importation tax, to put a tax upon sales made by dealers in art.

Mr. WALSH of Montana. Mr. President, I understood the Senator to say that works of art are taxed under the tariff law. I am under the impression that they are admitted free.

Mr. WALSH of Massachusetts. When they are purchased for an educational, public, or a religious institution they are admitted free.

Mr. UNDERWOOD. I will say to the Senator that that clause was put in the tariff law subsequently to the Democratic tariff act. The tariff act of 1913 contained a clause for the first time exempting from taxation original works of art, but copies and replicas made purely for purposes of commerce were taxed.

Mr. WALSH of Massachusetts. And the latter class constitute the great bulk of such importations.

Mr. UNDERWOOD. That is true, but as to original art or ancient art the act of 1913 placed them on the free list.

Mr. WALSH of Massachusetts. The Senator from Alabama will correct me if I may not state the facts, but according to my recollection there was no sales tax in any previous revenue law since 1913 upon art until the act of 1921. Am I correct about that?

Mr. UNDERWOOD. I think that is correct.

Mr. WALSH of Massachusetts. Mr. President, art is educational and cultural. All of the arguments are in favor of the removal of the tax and none against it. Art is not a luxury like jewelry or sporting goods or perfumes and cosmetics or musical instruments or fancy dresses and furs or automobiles and pleasure yachts or wines or liquors and cigars. Art is no more a luxury than education is a luxury, or than religion is a luxury, or than science is a luxury.

As education and science are not taxed, and should not be taxed, so art should not be taxed. To tax art is in effect to tax institutions engaged in educational work. Art knows no country and its cultivation should be as free as can possibly be made.

Since its imposition the tax has operated so very injuriously in the sale of art objects as to greatly reduce the amount of business done. Evidence was given even two years ago of the ruin it had wrought during the first three months of the operation of the tax, showing that six of the largest art houses in the United States had suffered a loss of three-quarters of their business, while smaller firms showed a corresponding decrease. So harmful has the tax been to them that the Government not only realized but a very small amount therefrom but actually endangered a legitimate industry. Thus from both points of view—that of decreased revenue according to the Government, and the art welfare of the Nation—the tax has been destructive in its effect. The English and French Governments were wiser, for not only during the war but even afterwards they encouraged and protected art, and the evidence is that these Governments have considered such a tax hurtful, impracticable, and not sufficiently productive of revenue.

In all matters of taxation the question should be not merely how many dollars are involved but the nature of the occupation proposed to be taxed.

Hundreds of millions of dollars a year are expended in this country on education and science. It would be a monstrous thing to tax education and science. It would be a barbarous thing because it would be a tax upon science, a tax upon culture, a tax upon civilization.

Mr. UNDERWOOD. Mr. President, if I may have the attention of the Senate for a few moments, I should like to say a few words in favor of the motion made by the Senator from Massachusetts, to strike this clause from the pending bill. I recognize, of course, that every government must raise revenue in order that it may live, but we exercise a discretion in the levying of taxation. Any Senator who would rise in his seat on the floor of the Senate and propose to levy a tax on education would be driven from the floor by the scorn of his colleagues. We realize that the onward march of civilization must go forward sustained by the education of the youth of the land, and instead of taxing education we make great appropriations, and properly make them, to advance the education of the masses of the American citizenship.

Education does not consist solely in teaching a child how to read and to write and to figure in arithmetic, nor does it consist solely in pursuing those branches of education to the higher degrees of learning. Moral education is taught at the knee of the mother. Education is taught in the clearing house and in the streets. The high morals of a nation do not come out of schoolbooks, and neither, as a rule, does the advance in science or in art come from the schoolroom or the schoolbook. We teach the child, it may be, in the schoolroom the principle on which science may be based and instruct him as to the learning of the past; but we know that many of the great advances in science have come from the discoveries of men who did not have collegiate educations. Opportunity to see and learn and visualize is education.

We are a new Nation. We have carved our way within two centuries out of a trackless forest. The conditions that confronted our ancestors in the early days of this country were the battle of life, the battle against the wilderness, the battle against privation. It is only in recent decades that we have reached the period in the world's history where we have the time, the leisure, and the opportunity to rise to the high degrees of education that ancient Egypt and ancient Greece and ancient Rome attained century on century ago. It was but yesterday that a great archæologist delivered a lecture in Washington displaying pictures of the art of ancient Egypt taken from the tomb of a king who had not seen the light of day for 3,300 years. There were displayed specimens of art in the working of gold enamel that would rival anything that could be accomplished by the goldsmith to-day. There we saw—and I had the opportunity and pleasure myself last spring of seeing the objects after they were taken from that tomb—great alabaster vases carved from a single block of marble that have not their equal in the craftsmanship of modern times.

We know that the architecture of to-day has found nothing new in the last century except in convenience; that in ideals of beauty and development nothing new has come to us. We find that the ideals from which we have constructed this great, magnificent building and from which the buildings of modern Europe are constructed are adapted from the Greek civilization of centuries and centuries ago. How does that happen? It comes from generations of people that had opportunity and time and education to study works of art and in the pictures which they saw to dream of beauty and to portray the God-given works of nature itself for the education and upbuilding of the civilization of man.

The development of a love of art in a man's soul is not purely a fad or a fancy; it is not something that is for the rich alone; nor is art something merely for decorative purposes. The man who realizes and feels what art is builds his soul to the higher ideals of living. The great artist never committed murder; the great painter is not a man who would be guilty of theft. His soul has risen to the higher levels, and he appreciates the rules that God Almighty established in this world for the upbuilding of the soul, the heart, and the spirit of man.

How can we expect a generation to learn art and develop along the beautiful pathways of art if we are going to close the door of opportunity and not give it a chance to visualize the great works which artists have made and on which art is developed?

I remember once, many years ago, I was standing in the Louvre in Paris admiring an ancient picture, a great work of art. It was placed in rather a dark alcove. I looked around and I saw a little street urchin from the streets of Paris standing there absorbed and enrapt in the beauties of that great picture, breathing into his soul an inspiration that might make him a great artist when he grew up. We can not develop art only in the houses of the rich. The rich man's son often has other things to think about instead of the development of art. We can not develop art by selecting a particular class to enjoy it and study it. One man is born a great mechanic, another a great engineer, another a great statesman, and another a great artist.

It is in his soul. God Almighty planted the genius in his heart. Man can not make it, but we can afford the aspiring soul the opportunity to find the way to become a great artist and to lead his country and his people to the high ideals of art and civilization.

Mr. President, when I had the honor of being chairman of a great committee of the House of Representatives, more than a dozen years ago, and was engaged in writing a tariff bill, I advocated and joined my colleagues in putting into that bill for the first time a provision placing art on the free list—not commercial art, but allowing great pictures and great statuary to be brought into this country without taxation. In answer to what was then proposed it was said, "You are not taxing the rich; they are the ones who buy works of art." History, however, has taught us, Mr. President, that the rich man may buy the picture or the statue and bring it into this country for his private home, but always within two generations it finds its way into the public libraries and public museums and public art galleries of the country, where the urchin from the street may stand and visualize art and take the initial steps in an education leading to the development of his talent.

The Committee on Finance again comes before the country with a proposal to put a tax on art, because it is hunting dollars for taxation—very ineffectively, however, because the Senator from Massachusetts has already demonstrated to the Senate that the revenue derived from this tax is infinitesimal. The tax amounts to nothing but a barrier against art education, a barrier against the opportunity in the end for the masses of the people of America to acquire an education which will enable them to rise to the high ideals of civilization and life. I think it is a travesty on legislation that any legislative body or any party should find itself so hard driven to conduct the Government that it must put a tax on education—for that is what a tax on art amounts to, a tax on the opportunity for the development of the child of the coming generation—in order to obtain the money with which to conduct the Government. I sincerely hope that this clause proposing to tax art will be stricken from the pending bill.

Mr. SMOOT. Mr. President, I want to call the attention of the Senate to the provisions of this section:

> There shall be levied, assessed, collected, and paid, in lieu of the tax imposed by section 902 of the revenue act of 1921, upon sculpture, paintings, statuary, art porcelains, and bronzes, sold by any person other than the artist, a tax equivalent to 5 per cent of the price for which so sold. This section shall not apply to the sale of any such article (1) to an educational or religious institution or public art museum, or (2) by any dealer in such articles to another dealer in such articles for resale.

Mr. President, under those conditions this 5 per cent tax is not going to stop one single, solitary man or woman in the United States from purchasing these articles—not one. The artist that creates the article can sell it, and he does not pay any tax whatever. A dealer in such articles may sell them to another dealer once, twice, three times, or a dozen times, and he pays no tax. The tax applies only to the dealer who finally sells the article.

I want to say to the Senate now that the information that I receive is that these articles are sold from dealer to dealer; and most of them, tapestries and paintings, find their way ultimately into the homes of the rich, and I agree with the Senator from Alabama that within two generations those articles will be found in some public institution, and they will be found there just the same under the provisions of this law. It is only a 5 per cent tax.

Mr. FLETCHER. How much revenue does it yield?

Mr. SMOOT. The estimated revenue for 1924 is $750,000.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. Yes; I yield.

Mr. COPELAND. Is not this, in effect, a sales tax on art?

Mr. SMOOT. Just the same as the other taxes of this class.

Mr. COPELAND. It is only right for me to say to the Senator that I have had a great many communications from my constituents about this proposed tax.

Mr. SMOOT. I have not any doubt about that. We get them about every tax in this bill. If we took notice of letters

received from our constituents, there is not an item in the bill but that would be stricken out. We might as well just strike out all after the enacting clause and insert nothing, if we listened to those communications.

I know that it is a mighty easy thing to get up on the floor of the Senate and ask that taxes be eliminated from the bill because somebody wants to be relieved of taxation. I know it is popular, but we have to raise taxes.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. I yield.

Mr. SIMMONS. I want to say that while the Senator from Utah is sometimes wrong, and I am afraid the majority of times he is wrong, he is right in this statement.

Mr. SMOOT. Why, I have in my office now half a room full of letters, I think, and there is not one of them asking that the writer be taxed. Every letter asks that the writer be relieved of all taxation.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. I yield.

Mr. COPELAND. I had understood that the sentiment of the country was unanimous for the Mellon bill.

Mr. SMOOT. Yes; because it is a reduction of taxes.

Mr. COPELAND. I am surprised that the Senator has had a large number of letters protesting against the bill.

Mr. SMOOT. I did not say that. This is not the Mellon bill by a long, long way.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. SMOOT. I do.

Mr. WALSH of Massachusetts. Is it not a fact that this is the only provision in this bill that imposes a tax upon sales by a retailer? Do not all the other provisions impose the tax upon the manufacturer?

Mr. SMOOT. Why, no.

Mr. WALSH of Massachusetts. What other section of this bill imposes a tax on the dealer?

Mr. SMOOT. The jewelry section imposes a tax upon the final sale.

Mr. WALSH of Massachusetts. Is there any other section than jewelry and this?

Mr. SMOOT. I can not call them off just now.

Mr. WALSH of Massachusetts. But nearly all of the excise taxes are imposed on the manufacturer. Is not that true?

Mr. SMOOT. Yes; in substance. There may be a few other items that I can not call to mind just now, but I do recall the jewelry section.

Mr. REED of Missouri. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Missouri?

Mr. SMOOT. I do.

Mr. REED of Missouri. The Senator has in substance stated that there has been great unanimity of opinion in favor of the Mellon plan. Nevertheless, I want to ask the Senator if it is not true that while in his opinion there was great unanimity for the plan, nevertheless the individual who was going to be taxed under that plan protested just about as loudly as he does now?

Mr. SMOOT. That is what I have already said.

Mr. REED of Missouri. He was willing to have the Mellon plan, provided he was not in it.

Mr. SMOOT. I have been a member of the Finance Committee for 14 or 15 years, and I want to state that I have never seen a tax imposed at the request of any taxpayer.

Mr. REED of Missouri. Mr. President, I should like to be permitted in a word to express my views regarding this section.

It is true, as said by the Senator from Utah, that the bill as drawn does not levy a tax upon the artist who sells his own picture to some one in this country, and it does not levy a tax upon the dealer who sells to a dealer in this country. It does levy a tax upon any dealer or owner of a picture in Europe or elsewhere who sells to any private citizen of this country.

The effect of the bill is to place an embargo upon the purchase of works of art by American citizens who buy directly in Europe either in person or through an agent or a friend.

It is a great mistake to assume that only rich people acquire works of art by purchase in Europe. It is true that very wealthy people, in making art selections, may employ an agent to go through the capitals and cities of Europe and buy very expensive pictures, and in those cases they nearly always buy from collections that have been gathered by art dealers. Occasionally they may buy from the artist directly. In many instances, of course, they buy through some American dealer; and if they buy through an American dealer they escape the payment of this tax.

When Mr. Frick was making his remarkable collection, which he afterwards gave to the public, I am glad to say, if he saw fit to buy his pictures through an American dealer he did not have to pay any tribute in order to import those works of art into America; but if he sent an art dealer over there to make the selections for him and that art dealer purchased them over there, they would be brought in free of duty under the terms of this bill. My opinion is that the very rich, in buying these pictures, are the ones that are least likely in the end to pay a tariff.

We have now, however, tens of thousands, hundreds of thousands of our people constantly crossing the ocean—not the very rich, but people of very moderate means, people who want to enlarge their horizon by travel. Many thousands of them are going to Europe because the soil of Europe has been stained with the blood of their sons or their brothers or their husbands; and as people go about Europe and see some work of art—it may be small, but may be something that is beautiful and attractive to them—when they come to the customhouse they must pay a tribute in order to bring it in.

Mr. SMOOT. Mr. President, they do not pay the tax at the customhouse.

Mr. REED of Missouri. Oh, yes.

Mr. SMOOT. Oh, no.

Mr. REED of Missouri. A work of art that is brought in here, unless it is purchased from the artist——

Mr. SMOOT. But this has nothing to do with the importation of works of art. This refers to works of art sold in the United States. This does not change the tariff on works of art.

Mr. REED of Missouri. Very well. I think the Senator's correction is right. Then that particular part of my remarks is inaccurate; but if they go down to a dealer who has made these selections and buy from him, then this tax must be paid. It is just that much of an embargo upon good taste.

Mr. President, no man excels me in admiration for the great American people, which is in process of being amalgamated into a great American race—a race that will combine the bloods of all the members of the white people of the world. I should like to see that race, in the process of its development, have every advantage which can be gained from the learning, the skill, or the culture of the entire world. I would not tax the scientific work which gives to the youth of this land the learning of the savants of the world. Nay, Mr. President, if it were necessary I should be willing to appropriate the public funds to bring that learning into our country for free distribution; and in a sense we do that through our public-school systems, which are supported by general taxation.

But if scientific work is to be brought in, why should you draw the line at work that is the result of artistic genius? Why should not that be placed before the eyes of all of our people, and particularly before the eyes of the children of this land? Why should we not encourage our people to place in the niches of their homes the choicest works of artistic genius which their wealth will enable them to command? Why should we say to the father of a family or the mother of a family, "Before you can hang upon your walls the chiseled dream of some great Italian or French master, you must pay a tax to the Government"? Why should that parent be required to pay a tax for the privilege of placing that object of art in his home where his children can look upon it?

Instead of placing an embargo of any kind upon art and its distribution, it would be more in consonance with our system of civilization and race development if we were to spend money to encourage the distribution of works of art so that something besides cheap chromos and abortive attempts at art might be found in more homes of America.

Mr. SMOOT. Mr. President, I am perfectly willing that the amendment may be agreed to, and that it may go to conference.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still in Committee of the Whole and open to amendment. If there be no further amendment as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

The PRESIDING OFFICER. The following amendments have been reserved——

Mr. SIMMONS. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Fernald	Ladd	Shields
Ashurst	Ferris	Lodge	Shipstead
Bail	Fess	McKellar	Shortridge
Bayard	Fletcher	McKinley	Simmons
Borah	Frazier	McLean	Smith
Brandegee	George	McNary	Smoot
Brookhart	Gerry	Mayfield	Spencer
Broussard	Glass	Moses	Stanfield
Bruce	Gooding	Neely	Stephens
Bursum	Hale	Norbeck	Sterling
Cameron	Harreld	Norris	Swanson
Capper	Harris	Oddie	Trammell
Caraway	Harrison	Overman	Underwood
Colt	Heflin	Pepper	Wadsworth
Copeland	Howell	Phipps	Walsh, Mass.
Cummins	Johnson, Calif.	Pittman	Walsh, Mont.
Curtis	Johnson, Minn.	Ralston	Warren
Dale	Jones, N. Mex.	Ransdell	Watson
Dial	Jones, Wash.	Reed, Mo.	Weller
Dill	Kendrick	Reed, Pa.	Willis
Edge	Keyes	Robinson	
Ernst	King	Sheppard	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. There is a quorum present.

The Chair desires to state the amendments which have been reserved.

Mr. REED of Missouri. I desire to offer an amendment in the Senate.

The PRESIDING OFFICER. The point has not yet been reached where amendments may be offered. The Senator will be recognized a little later.

Amendments have been reserved, on page 31, beginning in line 23; on page 34, page 52, page 174, page 195, and page 231.

Mr. KING. Mr. President, this morning while the bill was in Committee of the Whole I offered an amendment to a committee amendment found on page 237, and the chairman of the Finance Committee suggested that he would be glad if I would not press it then, but offer it when the bill reached the Senate, and I agreed to do so. I desire to have the right reserved to offer that amendment.

The PRESIDING OFFICER. It will be in order after action on the amendments made as in Committee of the Whole. Without objection, the amendments agreed to as in Committee of the Whole and not reserved will be concurred in. The question now is upon the first amendment reserved, which the Secretary will state.

Mr. SMOOT. I ask unanimous consent that we vote first upon the telegraph and telephone message tax, which was reserved, found on page 174, for the reason that following action on that amendment five or six hundred changes will have to be made in enrolling the bill, and if we vote upon it at this time the enrolling clerk can go right on with his work. All I ask now is that we first vote on the telegraph and telephone message amendment.

Mr. SIMMONS. So that there may be notice to Senators who are interested in other amendments, I ask now that immediately after we take a vote on the telegraph and telephone message amendment the amendment relating to the surtaxes be the next one considered.

Mr. SMOOT. That is all right.

Mr. SIMMONS. I ask unanimous consent that the second vote be upon the surtax amendment.

The PRESIDING OFFICER. Is there objection to that request? The Chair hears none. The Senator from Utah offers an amendment, which the Secretary will report.

The READING CLERK. On page 174, after line 21, insert:

TITLE IV.—TAX ON TELEGRAPH AND TELEPHONE MESSAGES

SEC. 400. There shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 500 of the revenue act of 1921—

(a) In the case of each telegraph, telephone, cable, or radio dispatch, message, or conversation, which originates within the United States, and for the transmission of which the charge is more than 14 cents and not more than 50 cents, a tax of 5 cents; and if the charge is more than 50 cents, a tax of 10 cents: *Provided*, That only one payment of such tax shall be required, notwithstanding the lines or stations of one or more persons are used for the transmission of such dispatch, message, or conversation; and

(b) A tax equivalent to 10 per cent of the amount paid to any telegraph or telephone company for any leased wire or talking circuit special service furnished. This subdivision shall not apply to the amount paid for so much of such service as is utilized (1) in the collection and dissemination of news through the public press, or (2) in the conduct, by a common carrier or telegraph or telephone company, of its business as such;

(c) No tax shall be imposed under this section upon any payment received for services rendered to the United States or to any State or Territory or the District of Columbia. The right to exemption under this subdivision shall be evidenced in such manner as the commissioner, with the approval of the Secretary, may by regulation prescribe.

(d) Under regulations prescribed by the commissioner, with the approval of the Secretary, refund shall be made of the proportionate part of the tax collected under subdivison (c) or (d) of section 500 of the revenue act of 1918 on tickets or mileage books purchased and only partially used before January 1, 1922.

SEC. 401. The taxes imposed by section 400 shall be paid by the person paying for the services or facilities rendered.

SEC. 402. (a) Each person receiving any payments referred to in section 400 shall collect the amount of the tax, if any, imposed by such section from the person making such payments, and shall make monthly returns under oath, in duplicate, and pay the taxes so collected to the collector of the district in which the principal office or place of business is located.

(b) Any person making a refund of any payment upon which tax is collected under this section may repay therewith the amount of the tax collected on such payment; and the amount so repaid may be credited against amounts included in any subsequent monthly return.

(c) The returns required under this section shall contain such information, and be made at such times and in such manner, as the commissioner, with the approval of the Secretary, may by regulation prescribe.

(d) The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector, at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax interest at the rate of 1 per cent a month from the time when the tax became due until paid.

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBINSON. Is this a committee amendment or is it an individual amendment proposed by the Senator from Utah?

The PRESIDING OFFICER. It is a committee amendment which was defeated in Committee of the Whole and is now proposed in the Senate by the Senator from Utah. It was originally reported by the Committee on Finance.

Mr. SMOOT. The amendment which I now offer was a committee amendment originally and is existing law word for word. It produces $34,000,000 of revenue.

Mr. SMITH. Is the entire amendment a reproduction of existing law?

Mr. SMOOT. Word for word.

Mr. REED of Missouri. Mr. President, I recognize the fact that we need revenue, and I appreciate the motive which inspired the chairman of the committee to propose to reinsert into the bill the provision laying a tax upon telephone and telegraph messages which the House had struck out of the old law.

A tax upon means of communication between the people of the United States is about the last thing that we ought to levy. Unless we are forced to levy it by necessity we should not levy such a tax. Telegraph rates are high enough now. When a man has to pay 10 cents in addition to the present rate, it becomes a burden upon communication, a burden upon the dissemination of knowledge, a direct burden upon business. The House of Representatives believed that we could get along without this tax. I would like to see it taken out. I would like to see the tax taken off of every avenue of transportation in the United States including not only the transportation of ideas, but the transportation of articles and of individuals.

It seems to me that taxes of this character are the most burdensome and the most irksome that are made. Telegrams are not matters of luxury. They are practically always matters of necessity and generally of some acute necessity. The truth of the matter is, in my judgment, that the telegraph companies ought to be compelled to reduce their rates or they ought to be compelled to pay the tax.

Mr. BORAH. How would the Senator do that?

Mr. REED of Missouri. We could reduce the rate very easily if we had nerve enough to do it, but we seem never to have had it. We can take off the tax now proposed, and that would amount automatically to that much of a reduction to the people of the United States who have to use the telegraph. It would not, of course, put the revenue into the Treasury which the Senator in charge of the bill thinks is necessary and which the House of Representatives thought was not necessary.

I think we can get along without this tax. When a man has to pay 50 cents for a telegram a short distance in the country and we add 10 cents tax on top of that, I believe we are putting on an unnecessary burden. In the rapid interchange of ideas and the rapid transaction of business the telegraph is becoming more and more essential. We ought to make it easy and cheap and give the people the benefit of this convenience if it is possible to do so without burdening them with this tax. I think it would be much better if we would get our revenue from some other source rather than from a tax on telegrams.

The PRESIDING OFFICER. The question is upon agreeing to the amendment proposed by the Senator from Utah. The Chair will state that a vote "yea" means to put the tax upon telegraph and telephone messages, and a vote "nay" means to take it off. The yeas and nays have been ordered, and the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. JONES of Washington (when Mr. LENROOT's name was called). I was requested to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent on account of illness.

The roll call was concluded.

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from Vermont [Mr. GREENE] and vote "yea."

Mr. NORRIS. I have been requested to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on account of illness. If present, he would vote "nay."

Mr. GERRY. I wish to announce that the senior Senator from Oklahoma [Mr. OWEN] is paired with the senior Senator from Illinois [Mr. MCCORMICK].

The result was announced—yeas 23, nays 61—as follows:

YEAS—23

Borah	Ernst	Lodge	Spencer
Brandegee	Fess	McLean	Stanfield
Bursum	Fletcher	Pepper	Wadsworth
Colt	Gooding	Phipps	Warren
Cummins	Jones, Wash.	Reed, Pa.	Watson
Curtis	King	Smoot	

NAYS—61

Adams	Frazier	McKellar	Shields
Ashurst	George	McKinley	Shipstead
Ball	Gerry	McNary	Simmons
Bayard	Glass	Mayfield	Smith
Brookhart	Hale	Moses	Stephens
Broussard	Harreld	Neely	Sterling
Bruce	Harris	Norbeck	Swanson
Cameron	Harrison	Norris	Trammell
Capper	Heflin	Oddie	Underwood
Copeland	Howell	Overman	Walsh, Mass.
Dale	Johnson, Calif.	Pittman	Walsh, Mont.
Dial	Johnson, Minn.	Ralston	Weller
Dill	Jones, N. Mex.	Ransdell	Willis
Edge	Kendrick	Reed, Mo.	
Fernald	Keyes	Robinson	
Ferris	Ladd	Sheppard	

NOT VOTING—12

Caraway	Elkins	Lenroot	Shortridge
Couzens	Greene	McCormick	Stanley
Edwards	La Follette	Owen	Wheeler

So Mr. SMOOT's amendment was rejected.

The PRESIDING OFFICER. Under the unanimous-consent agreement the next question is upon agreeing to the amendment to the surtax section on page 34, line 4, which the Secretary will report.

The READING CLERK. On page 34, strike out lines 5 to 24, inclusive, strike out all of pages 35, 36, 37, and on page 38, lines 1 to 8, inclusive, and insert in lieu thereof section 211 (a).

Mr. SMOOT. Mr. President, as a substitute for the amendment agreed to in Committee of the Whole, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Utah offers a substitute for the amendment as agreed to in Committee of the Whole, which the Secretary will report.

The READING CLERK. It is proposed on page 34 to strike out lines 5 to 24, inclusive, all of pages 35 to 37, inclusive, and lines 1 to 8, inclusive, on page 38, and insert in lieu thereof the following:

SEC. 211 (a) In lieu of the tax imposed by section 211 of the revenue act of 1921, but in addition to the normal tax imposed by section 210 of this act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a surtax equal to the sum of the following:

"One per cent of the amount by which the net income exceeds $10,000 and does not exceed $12,000;

"Two per cent of the amount by which the net income exceeds $12,000 and does not exceed $14,000;

"Three per cent of the amount by which the net income exceeds $14,000 and does not exceed $16,000;

"Four per cent of the amount by which the net income exceeds $16,000 and does not exceed $18,000;

"Five per cent of the amount by which the net income exceeds $18,000 and does not exceed $20,000;

"Six per cent of the amount by which the net income exceeds $20,000 and does not exceed $22,000;

"Seven per cent of the amount by which the net income exceeds $22,000 and does not exceed $24,000;

"Eight per cent of the amount by which the net income exceeds $24,000 and does not exceed $28,000;

"Nine per cent of the amount by which the net income exceeds $28,000 and does not exceed $32,000;

"Ten per cent of the amount by which the net income exceeds $32,000 and does not exceed $36,000;

"Eleven per cent of the amount by which the net income exceeds $36,000 and does not exceed $40,000;

"Twelve per cent of the amount by which the net income exceeds $40,000 and does not exceed $44,000;

"Thirteen per cent of the amount by which the net income exceeds $44,000 and does not exceed $48,000;

"Fourteen per cent of the amount by which the net income exceeds $48,000 and does not exceed $52,000;

"Fifteen per cent of the amount by which the net income exceeds $52,000 and does not exceed $56,000;

"Sixteen per cent of the amount by which the net income exceeds $56,000 and does not exceed $60,000;

"Seventeen per cent of the amount by which the net income exceeds $60,000 and does not exceed $64,000;

"Eighteen per cent of the amount by which the net income exceeds $64,000 and does not exceed $68,000;

"Nineteen per cent of the amount by which the net income exceeds $68,000 and does not exceed $72,000;

"Twenty per cent of the amount by which the net income exceeds $72,000 and does not exceed $76,000;

"Twenty-one per cent of the amount by which the net income exceeds $76,000 and does not exceed $80,000;

"Twenty-two per cent of the amount by which the net income exceeds $80,000 and does not exceed $84,000;

"Twenty-three per cent of the amount by which the net income exceeds $84,000 and does not exceed $88,000;

"Twenty-four per cent of the amount by which the net income exceeds $88,000 and does not exceed $92,000;

"Twenty-five per cent of the amount by which the net income exceeds $92,000 and does not exceed $96,000;

"Tenty-six per cent of the amount by which the net income exceeds $96,000 and does not exceed $100,000;

"Twenty-seven per cent of the amount by which the net income exceeds $100,000 and does not exceed $150,000;

"Twenty-eight per cent of the amount by which the net income exceeds $150,000 and does not exceed $200,000;

"Twenty-nine per cent of the amount by which the net income exceeds $200,000 and does not exceed $250,000;

"Thirty per cent of the amount by which the net income exceeds $250,000 and does not exceed $300,000; and

"Thirty-two per cent of the amount by which the net income exceeds $300,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. SMOOT. Mr. President, just a word. This amendment is a substitute for the amendment which has been agreed to as in Committee of the Whole, which was offered by the Senator from North Carolina [Mr. SIMMONS]. The maximum rate imposed is 32 per cent. The Senate has already voted on a 25 per cent rate and has rejected a maximum rate of 25 per cent. In the amendment I now offer the tax is so arranged in brackets that it will raise the same amount of revenue as would the House provision. I do not think that I care about going into a discussion of the amendment any further.

Mr. SMITH. What is the maximum rate imposed?

Mr. SMOOT. It is 32 per cent. It will do no good to discuss the question all over again. I think there has been sufficient debate upon it, and I ask for a yea-and-nay vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah.

Mr. JONES of New Mexico. Mr. President, I was unable to follow the proposal of the Senator from Utah. The Senator has stated that this amendment, if adopted, will raise the same amount of revenue as would the House provision.

Mr. SMOOT. Yes.

Mr. JONES of New Mexico. On what brackets does the amendment propose to raise the additional amount, and on what brackets is the revenue proposed to be reduced?

Mr. SMOOT. The increase begins after the income gets above $64,000. Between the bracket of $64,000 and $92,000 there is very little increase. When the income reaches $92,000 the rate advances to 25 per cent, the same as the Mellon rate on the highest brackets, and between $96,000 and $100,000 it is 26 per cent, which is 1 per cent increase; between $100,000 and $150,000 there is 1 per cent increase; between $150,000 and $200,000 there is a 1 per cent increase; between $200,000 and $250,000 there is a 1 per cent increase; between $250,000 and $300,000 there is a 1 per cent increase; and there is a 1 per cent increase on all over $300,000.

Mr. ROBINSON. Mr. President, I desire to ask the Senator from Utah if his amendment has been printed?

Mr. SMOOT. No.

Mr. ROBINSON. Are there copies of it available for examination?

Mr. SMOOT. I will hand the Senator the copy I have.

Mr. ROBINSON. I think the amendment should have been printed, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah.

Mr. SIMMONS. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. NORBECK. Mr. President, I gave notice yesterday of my intention to offer this farm-relief measure, the so-called McNary-Haugen bill, as an amendment to the pending revenue bill, which was known as the Mellon plan before the many changes were adopted by the Senate. I explained at that time that it was the only prompt way we could get a vote on such a farm-relief measure as is proposed by the Senator from Oregon [Mr. McNARY], because that measure embraces a tariff feature; in other words, it is classed as a revenue bill, which, under the Constitution, must originate in the House of Representatives. Therefore, if the bill is to be considered in the Senate in its present form, it must be considered as an amendment or a rider to this revenue bill; otherwise, it must have first consideration in the House. It is a proper subject, however, to come before the Senate when we have revenue measures pending; it is perfectly logical to attach it to a bill like this. It is strictly within the rules and is within the established customs of the Senate to do so. I wish now to address the Senate briefly on the measure which I propose to offer as an amendment—or rider—to the pending revenue bill. I must offer the amendment before the final vote is taken on the bill.

Mr. President, the question is often asked, "Why should the farmer have something special?" We often hear it said, "The law of supply and demand should regulate all these inequalities in prices." We all agree that it should; there is no sounder declaration than that the law of supply and demand should regulate, but if it fails to regulate, then what is the answer? We have seen many articles in newspapers and magazines written by men, experts in their line—men of standing in the business world—attempting to show that the McNary-Haugen bill is not founded on a sound policy. You will notice those articles always start with the premise that the law of supply and demand should govern. If the premise is wrong, the whole argument falls. These articles are written without admitting the plain outstanding and well-known facts with which every Northwest farmer is familiar—facts of which every intelligent person should take notice.

LAW OF SUPPLY AND DEMAND NULLIFIED

Does the law of supply and demand regulate the freight charges on the farmer's shipments? Does this law regulate the price of his farm implements? If so, how does it happen they are at the peak prices now, when the demand is the lowest? Does the law of supply and demand regulate the price of gasoline and other petroleum products, or of coal, or of steel?

Mr. President, every Senator here recognizes and admits the fact that the law of supply and demand has been set aside by strong business organizations that fix prices arbitrarily, without regard to the wish or welfare of consumer or producer. Organized labor has not been able to resist the temptation of taking a good many things into its own hands. It also has an many cases set aside the law of supply and demand. Human nature is very much alike in all groups, but even the Government itself, through laws and regulations, has entered the price-fixing field, especially in its dealings with the transportation problem, and also in its tariff legislation.

TARIFF HELPS A FEW FARMERS

It is true that some incidental effort has been made to include the farmer in tariff legislation, and the tariff has been helpful to the woolgrower, the flax grower, and a few others. But the producer of the staple products of the land has only been benefited in a very small degree by the so-called protective tariff, because in most cases he sells his surplus abroad and comes into competition with world prices. He competes with the cheap labor and the cheap land of the world. If it is a sound principle that American labor shall not be compelled to compete with the cheaper foreign labor, then it is just as sound to say that the American farmer shall be protected against the same unfair competition. If we have been right in our effort to provide a higher standard of living for the American citizen than others, why should the farmer be excluded from those blessings and benefits?

The law of supply and demand does function as to what the farmer sells, but it exerts no important influence upon what he purchases. He sells in a cheap market and buys in a high market. His dollar is below par. Conditions are not normal as long as he can not exchange a day's labor with anybody.

The pre-war purchasing power is about two-thirds of what it was in the so-called normal times before the war. We have lately been advised that it is on the rise. This conclusion is reached by comparing the average value of all farm products, and owing to a temporary high price of cotton the average has risen a little. But the cotton section comprises only a small part of this country, and owing to the attack by the boll weevil the production has been greatly diminished.

WASHINGTON'S REPLY TO FARMERS

Two or three years ago Washington was quite perplexed as to what reply to make to the farmer when he asked Congress to give attention to his situation. There was no ready reply at that time, but Washington is ingenious also. It was quite important to reply to this request in some diplomatic and plausible way. A stock answer has been developed. When the farmer now turns to Washington for relief he is told: "This is an easy matter; we have it already for you—the answer is cooperative marketing. It is the cure for all your ills, and you can do it yourself, so why bother us with it when it is all in your hands?" This statement is supported by the argument that cooperative organizations and cooperative marketing have in many instances been of value to the producer, as, for instance, producers of fruits on the west coast and the tobacco growers in the Central States, but these are commodities of limited production. The cooperative organizations have controlled not only the marketing but also the production. The areas covered have been comparatively small. The problems have not been international nor even nation-wide in their scope; they have really been local in their character.

COOPERATIVE MARKETING

We overlook the fact that even among farmers generally there have been cooperative organizations and cooperative marketing for generations, more or less successful, but successful in a small way—successful in getting a trifle more for the product by cutting in two the charges of the middleman. This does not necessarily result in a fair price for the producer.

Cooperative buying is by no means unknown on the Great Plains. Hundreds of organizations have been formed. Many of them have been successful, but successful in a small way, as the possibilities of great savings were not within their reach.

Can anyone tell me how cooperation is going to restore the farmer's pre-war purchasing power? In fact, no one has been bold enough yet to assert that it would. Let us not waste our time on the minor and less important matters. Let us consider the whole question in a broad and in a fair way.

I do not want to minimize the importance of farm organizations, and especially cooperative organizations, for I think much good will come from them. Maybe the most important of all is that the farmer learns to study the producing and marketing problems—learns gradually to adapt his production to the need of the market. It will lead him to produce less wheat, of which there is a surplus; more wool and more flax, large quantities of which are imported from foreign lands. But everybody concedes that nation-wide cooperative organizations will develop more slowly in this country than in Europe, not only on account of the great size of the country but the sparse settlement and the distance between individual farms is also a retarding influence, not to mention the fact that the American farmer is more of an individualist than the European farmer. We admire him for this; it is one of the qualities that has made him courageous, progressive, and self-reliant but it also makes the European kind of cooperation much more difficult to reach.

Those who insist that cooperation will solve all these troubles ignore the well-known traits of human nature and the plain facts that are so outstanding that no one needs to be misled. The McNary-Haugen bill has been brought forth in an effort to have the Government help the farmers cooperate in the sale of his products, in an effort to secure for him a pre-war ratio price.

It would also be fair to state that the McNary-Haugen bill aims at giving the farmers the same benefit of the Republican protective tariff policy as is given to other citizens of the country—no more, no less. Can anyone say that this request is unfair?

Cooperative marketing and cooperative organizations are promising. The adjustment of our production to meet the domestic market is also important, but relief along these lines will come too slow to prevent the disaster that is near at hand.

Mr. President, I share the view so often expressed by public men, that the American farmer can not exist in a free-trade or in an unprotected market. We have gone through two periods

of this kind within my memory. I do not agree with the men who belong to that school of political thought, that it is to the farmer's advantage to do his trading in a foreign market. This plan was fairly successful in the earlier history of our country. Crops were raised on virgin soil that was highly protected. The cost of operation was low in the days when farm labor was poorly paid and living a miserable existence. Agriculture did survive under that policy and made considerable progress, but the situation is different now. There was, of course, some advantage in buying our manufactured goods from a cheap foreign market, but we afterwards came to realize that it was of more importance to have a domestic market; that it was to our advantage to have the manufactured goods produced at home in order that the producer and the consumer would be closer together. Great encouragement was given to industrial developments. They have added greatly to the wealth and population of this country. But a different condition exists than even 10 years ago; new problems have arisen that must be met courageously. It is no answer to say in criticism of this bill that it ventures into new fields, for the bill is intended to meet conditions that are entirely new. Of necessity new remedies are proposed.

There is one outstanding difficulty that this bill seeks to remedy. It recognizes the plain fact that the farmer does not share in the prosperity of the country; that he does not get the same for his service as others. He can not exchange a day's labor with the factory hand, with the store clerk, with the railroad engineer, the conductor, nor with the section boss; no, not even with the section hand. He gets less for a day's work than his own hired help or the domestic help employed in his home, for they get a living.

FARMER'S ANNUAL INCOME $600

The average farmer has been running behind for three years. The cost of producing his commodities is greater than what his sales amount to. I repeat conditions are not normal as long as the farmer can not exchange a day's labor with anybody. Naturally you ask to what extent is he handicapped? To what extent does he fall behind? I took the question up with the Census Bureau more than a year ago. I inquired as to what the farmer's earnings really were, and I received the following reply:

Hon. LEIER NORBECK,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Replying to your letter of July 27, the Bureau of the Census does not compile statistics of individual incomes.

The only general statistics of income which are published by the Government are those issued by the Commissioner of Internal Revenue, based on reports concerning personal income tax, and these, of course, relate only to incomes large enough to be subject to the tax.

Concerning the farmers' income, in 1916 there was prepared and issued by the Office of Farm Management, Department of Agriculture, a bulletin (No. 746) on the Farmers' Income by Dr. E. A. Goldenweiser. This bulletin showed that the wages of the average farmer are about $600, composed of about $200 in cash and about $400 supplied by the farm. This is the best thing I know of on that subject.

Regretting that I am unable to refer you to any more recent or complete statistics, I am,

Very truly yours,

JOSEPH A. HILL,
Assistant to the Director.

This, of course, is not the average for any one State; it is the average for all the States, or, rather, for all the farmers in the United States. It shows that when the farmer has paid his taxes, his hired help, his insurance, paid for his fuel and other supplies, that he has left $200. But you will note the bureau designates the income as $600, because they say there is an advantage of living on the farm. They have charged the farmer up with $400 for the privilege of living on the farm. They find that he has free water, out of his well; that is true, and the people in the cities pay for their water. He has free house rent, living in his own home. He gets something out of his garden; he kills a fowl or a pig once in a while. The Government has compiled statistics on thousands and thousands of cases; it has figured out that when it is all told that this direct benefit is worth $400 to the farmer. Therefore, while his cash income is $200 his earnings are only $600. Is that too much? What do you say? Why, Mr. President, all that the McNary-Haugen bill attempts to do is to put the farmer back to that basis. That is all that American agriculture is asking for in this measure. The farmer wants to get back to a point where he and his family can have $200 for a year's labor and $400 advantage out of occupying the farm. If we get back to that, we are back to normal, because these statistics were gathered in normal times.

Mr. WADSWORTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from New York?

Mr. NORBECK. I do.

Mr. WADSWORTH. Were those statistics gathered in 1921?

Mr. NORBECK. No; the date of the investigation was 1916, as shown by the letter; the figures are based upon the year 1909. I have investigated this matter and I find that prices in 1909 correspond very closely to the average for the period 1905 to 1914; in other words, the pre-war period. It is only two points lower than 1913—two points, which would approximate a couple of per cent. Therefore it is those very conditions that we are trying to bring back by the adoptfon of the proposed McNary-Haugen bill.

GOVERNMENT TOOK BILLIONS AWAY FROM THE WHEAT FARMER

But, Mr. President, the northwestern farmer has an extra claim, for when the war was on, he was discriminated against very closely by his own Government. They did not go to the cotton farmer of the South and say, "We are going to bring down the price of cotton and hold it down." They did not go to the sugar producer of the West and say, "We are going to do that to you." They did not go to the Corn Belt and say, "We are going to bring down the price of corn." They did not go to the manufacturer of the East and say, "You will have to put a lower price on your product." But they went to the wheat farmer of the Northwest and said, "You will have to do two things to help win the war: "You will have to take a lower price and you will have to produce more." So it happened that under the threat of Government price fixing wheat dropped from $3.45 in May, 1917, to $2.72 on the 30th of August. Then again a drop of 52 cents a bushel on September 1, when the Government price went into effect. A price was established at $2.20 for certain high grades in the central market. This meant approximately $2 per bushel to the average farmer.

How much did they take away from the wheat farmer? Nobody knows, because we do not know to what height the price would have gone had it been permitted the same free play in the American market that was given to the commodities of other sections. But I have made an estimate that the loss to the wheat farmer was around $6,000,000,000. This is just an estimate, of course. But we have another basis for fixing the loss. We can take the difference between the price fixed by the Government and the price that prevailed on the market previous to the price fixing, and you will have a couple of billion dollars which you all will admit this Government owes to the wheat farmer.

The unfairness of the Government was carried even further, for when a Government corporation was formed for the purpose of handling the wheat it became practically impossible to deal elsewhere. We found that this Government monopoly operated at a great profit. They admit having made a profit of more than $50,000,000. This large sum of money was taken away from the American farmer and put in the Treasury of the United States. It was in effect an extra and unlawful tax upon that farmer who was already working under the unfair and arbitrary price regulations of his own Government.

NORBECK-BURTNESS BILL

Mr. President, a few weeks ago there was before this body for consideration the so-called Norbeck-Burtness bill, more properly known as the "Coulter plan." It originated with the farmers of the Northwest, especially North Dakota, Minnesota, and Montana.

No class in the whole country responded more readily to the appeal of our Government than did the wheat farmer. He understood his farming conditions well; he needed no tutor. He was not only aware of the benefits of diversification, but he realized its absolute necessity. He had already substantially reduced his wheat area and materially increased his livestock holdings in the years preceding the war, as will be shown in the table on page 139 of the hearings before the Senate Committee on Agriculture and Forestry. But the Government said, "more wheat," so he sold his hogs, he sold his cattle, he sold his sheep. He invested the money in plows, harrows, binders, tractors, and trucks. His compliance with the Government suggestion was 100 per cent.

Neither did the farmer complain of the fact that an effective propaganda was inaugurated to reduce the domestic consumption of wheat.

The Government succeeded in weaning our people away from wheat. Had it not been for the increased acreage and the decreased consumption, due directly to governmental orders, we would not now be exporting a surplus product. The farmer would have been selling all his products in a protected mar-

ket, for he would be supplying the domestic market only. He would be selling his wheat at a profit instead of at a loss.

The Norbeck-Burtness bill did not provide that the $6,000,000,000 that the farmer lost by the Government refusing him a free and open market, when every other industry was accorded one, should be paid back to him. Nor did it provide that he should be reimbursed for the $2,000,000,000 that was lost on account of the Government lowering the price of his wheat from the actual market to a lower fixed price. It did not even provide that the more than $50,000,000 abstracted from him by the Government Grain Corporation should be returned to the farmer's pocket. The bill simply provided that the money taken away from the farmers in the form of profit by the Grain Corporation should be loaned to them on five years' time at 6 per cent interest for the purpose of helping them get back to the diversification they enjoyed before the Government interference.

But the Members in this Chamber said, "No; this is venturing into new fields. It is theoretically unsound—let the law of supply and demand take care of the farmers." This was the answer he received when he came before this Congress and asserted that there was not one bank in fifty that could loan him a few hundred dollars with which to buy some milk cows—no; not even to those farmers who had ample security to put up.

I want to say to the Members on the Republican side of the Chamber that the worst times we knew of in the Northwest were along in the nineties—1894 and 1895—when we hauled our wheat to market and sold it at 48 cents a bushel. That has been a nightmare with us ever since. We speak of those times as the "Grover Cleveland times," and we hope they will never come back. But in those days we could take a hundred bushels of that cheap wheat to town and buy a wagon with it. To-day it takes nearly 150 bushels to buy a wagon, and other prices are in proportion. There is no use in talking to the farmer of the West about bad times he had 30 years ago. I say to you frankly that they were bad, but present times are worse, because the purchasing power of the farmer's dollar has almost vanished on account of the high cost of every commodity and every service.

Mr. President, a great many objections have been raised to this bill—most of them by selfish interests, which enjoy some advantage under existing conditions, but sometimes by well-intentioned theorists, who find that this bill does not fall in line with their preconceived ideas of what is sound; so many of them express concern that it will not be to the advantage of the farmer. They say it will lead to overproduction and lower prices in the world market, and thereby defeat its very purpose. But if it does this, who will suffer but the American farmer, for whose benefit it is designed? But Doctor Brand, the consulting specialist in marketing, Department of Agriculture, has convinced me that there is a very slight danger of an increased production in wheat. Very little additional acreage is available, and the average production per acre keeps falling off from year to year. It would, however, be easy to place a provision in this bill that would avoid this very danger. If you feel there is any danger on this score you can guard against it by giving the governing board, provided for in the bill, the right to discriminate against—or, in other words, to penalize those individuals, those communities, or those States that increased the production by increased acreage. This is very simple and would have the hearty cooperation of the farmer when he knew that an effective plan was proposed.

Another objection has been raised, namely, that we can only dispose of a certain quantity of our farm products in the world market; and that if we attempted more, it might be resented and lead to retaliation in the form of high import duties by foreign countries. There is no serious danger connected with this, for it is entirely within the discretion of the governing board how much to export. They have authority to adopt and follow sensible and businesslike plans. It is not to the farmer's advantage to market an unusual large crop in a very short time, nor not even necessary in 12 months. If in some year a crop is exceptionally large, it can be and will be held in warehouses at the risk of the American farmer, whose money is invested in same. The surplus can be distributed gradually. There will be no need of dumping. If any Senator feels that the bill does not sufficiently guard against that, it can easily be strengthened.

The objection is also raised that it takes money out of the Treasury. It need not take a dollar out of the Treasury, for authority can be given the governing board to borrow the money on the credit of the Government. But, anyhow, there was $50,000,000 in the Treasury which rightfully belonged to the American farmer—and which would have been there yet had this sum not been used for other purposes. This reimbursement to the farmers will take care of a considerable percentage of the necessary capital.

Then, again, others object to doing anything, for they say the troubles of the farmer are of his own making—that he has speculated in high-priced land during the inflation period and that therefore he should pay the penalty. The fair way to state this matter would be to say that some farmers did speculate and that they have paid the penalty; the percentage is small. I am thoroughly familiar with conditions in my own State and am certain that not over one-fifth of the farmers come in that class. They have already paid the penalty—there is not much we can do for them; therefore, let us talk about the other 80 per cent who are now asking for our attention.

Mr. President, the other day I saw an article by a Washington correspondent discussing this subject. The statement was made that the implement dealers favored the McNary-Haugen bill because they were anxious to collect for imprudent sales made during the peak of prices. If the correspondent meant that all creditors are always anxious to collect, he stated a well-known fact. That argument has been used against every request of labor for a better wage. It is as old as business and, I might say, as old as history. But if anybody thinks that implement dealers are going to be able to collect for imprudent sales made to the farmer several years ago, they are badly mistaken. The debts have been compromised or canceled, or the bankruptcy courts have taken care of that. It is really now a question whether the farmer's earnings will be such that he will be able to keep the American factories going and keep American labor employed, for a large percentage of our factories depend on his income for their very success.

Strenuous objection has been raised to making this bill an amendment or rider to another bill. Suddenly that idea has become offensive to Senators who have never previously protested. It was not offensive in the closing days of the last Congress, when three bills, two of which were called agricultural credit bills, were bunched into one without much regard to the subject matter. They came out of conference the last day of the session. The Members of this Chamber admitted that it was impossible to study the question or to know much about it. They had relied on a few so-called experts to prepare the legislation. They were assured that there were several good things in the composite bill. The idea was offensive to me at that time, but I was the only Senator in this Chamber who was offended in the least; it got every vote but mine. There was no protest against it because it had riders, not even when it was the kind of farm relief that was purely a joke. I heard no protest when a camouflage farm relief bill was solemnly adopted by the Senate. It was all right to have riders, and lots of riders, on the bill then, but when we now propose something that will be of value to the farmer the objection is raised that it is a rider.

Mr. President, in the case of the revenue bill, yesterday innumerable riders were injected every few minutes. There was not a protest from a single Senator on either side of the Chamber; no one thought it was improper. Why make the objections now?

TOO MANY AUTOMOBILES

We often hear complaint that the farmer has too many automobiles. When the city resident motors through the country with a high-priced car he meets the farmer in a jitney—for which he paid $400 some five or six years previous—on his way from his farm, 10 or 15 miles distant, to the railroad station. The jitney is loaded down with milk cans and egg cases. The city man says, "The farmer must be prosperous; look at him driving to town in an automobile."

When Washington's avenues are made impassable by automobiles owned by Government employees, whose homes are on street-car lines giving ample service, we hear no criticism of this.

If anyone in the United States has a genuine business reason for having an automobile it is the farmer. His distances are so great that the time saved in a single year will easily pay for half the cost of the kind of machine that farmers generally own. They use their machines from three to six or eight years. But these critics of the farmer need not worry. He has quit automobiles, as the price of automobile stocks on the New York Stock Exchange will easily prove. The Automobile Chamber of Commerce of the United States not long ago got out some figures that show very vividly how the farmer has been driven from the automobile market. The following tabulation shows how, in a few farming States, since

1920 the number of automobiles per thousand persons has decreased:

State	1920 rank	1921 rank	1922 rank	1923 rank
South Dakota	1	3	4	7
North Dakota	6	8	14	16
Minnesota	8	13	9	14
Idaho	13	17	17	27
Montana	17	20	26	33

These figures show the rank from year to year and not the number of machines per thousand persons. My own State of South Dakota in 1920 ranked first and has dropped to seventh. I predict that its showing next year will be a further reflection of the agricultural panic that we have been going through. I have no doubt that if you could separate the farming sections from the industrial sections of the States of the Union you would find a condition similar to that which is illustrated by the five given above. This much is certain: The 11 Southern States are the most purely agricultural States in the Nation. They have always been at the foot of the rank in the ownership of automobiles. If agriculture is so prosperous, and if the better price of cotton that has prevailed recently is so significant, it is remarkable that the cotton growers of the South have not indulged themselves in more of the things city people now consider indispensable. The fact of the matter is that while the cotton price has been high, except in a few favored territories, the yields have been low on account of the boll weevil and the average yield of the whole Cotton Belt has been low, so that the total purchasing power of the South has not been what a mere consulting of the cotton price would indicate.

FARM INSOLVENCIES

The Federal reserve bank out in our district, located at Minneapolis, has said that legislation can not help the farmer. They also have overlooked the fact that the high costs of transportation, of manufactured goods and of service are largely the result of governmental actions. And still this reserve bank found in 1923 that 17.7 per cent of the farmers in Montana had either passed through bankruptcy, were in course of bankruptcy proceeding, or were about to go into bankruptcy, while in North Dakota the percentage they published was 10.5 and in South Dakota 7.3. These conditions are not confined to the Dakotas and the other Northwestern States. They have in the last 12 months penetrated more and more into the final diversified sections of the Corn Belt, which indicates that while diversification is highly desirable and in the long run will be a help to American agriculture, it needs now some more definite relief measure aimed at the very thing that is causing the trouble.

BANK FAILURES

Last Saturday one of the big banks in our country failed for over $5,000,000—the Capital Trust & Savings Bank of St. Paul—a bank that has loaned money on farms conservatively and helpfully for many years, a bank whose leading director has been so able as to have been made a member in the past of the Federal reserve bank. This week, out at the other end of the United States, at El Paso, Tex., the El Paso National Bank has failed for over $4,000,000. And so the story goes from week to week, with dozens of smaller banks failing all the time, of which the newspapers no longer even make mention outside of the local community where the injury and loss and grief is acutely felt. There have been more bank failures in the last 4 years than there were in the previous 15, in spite of the fact that that period included three city panics.

Many other things show what the situation is. Farm labor is 62 per cent above pre-war. Interest charges on mortgage and personal debt during recent years have consumed between three-sevenths and four-sevenths of the total farm income. The annual tax bill of the American farmer is estimated at something like $678,000,000. This is more than the farm value of the whole wheat crop for taxes alone. The high taxes are, of course, largely a reflection of the higher cost levels. Farmers, farm laborers, farmers' sons, are leaving the farm at a rate that can only mean gravely reduced production and a future high cost of living. Farmhouses all over the United States are standing vacant and deteriorating rapidly, so that probably before they can be put into use again they will become uninhabitable, to the great loss of the Nation. At the same time cultivated lands are being thrown out of production which will be needed again shortly, when it will require years to again subdue them and clean out the weeds that so seriously reduce the efficiency of production.

Mr. President, immigration laws, whose desirability we do not question, have artificially reduced the supply of labor, so that wages are from 150 to 220 per cent of pre-war, varying for different trades and industries. Just at the time the Federal Reserve Board ordered farm deflation, its powerful connections used every influence with the Interstate Commerce Commission and as a result freight rates on most farm products were increased so that they are now from 55 to 75 per cent above pre-war rates.

Not only are freight rates inordinately high, farm wages so high that very few farmers can afford to hire, but the price of practically everything the farmer uses is far above the pre-war level, while practically everything he sells, except cotton and wool, is down to or below the pre-war level. Dimension lumber, which in 1914 and 1915 cost $30 per thousand feet, now costs $50; shingles that cost $4, now cost $6.50; salt that cost $1.50, now costs $3.24; Illinois coal that cost $5 a ton, now costs over $10. And so on with everything else, varying with the length of haul and other circumstances.

The farm price of wheat, which in 1914 was around 85 cents, is now only 90 cents. In fact, by reason of a dry season in 1923 the average price is far below that figure. Oats are only a few cents more than they were in 1914. The difference is more than eaten up by the mere increase in freight rates.

OPPOSITION TO FARM RELIEF

It is a striking fact, Mr. President, that practically all of the opposition to farm relief comes from the grain exchanges, certain elements in the regular grain trade, the millers, and to some extent the packing industry. As one grain dealer recently put it, who has been opposed to the McNary-Haugen bill:

> When you brush aside all the foolish arguments the grain men and millers advance against this bill you expose the fact that they are afraid their business is going to be hurt, and that while they profess an interest in the farmers' welfare, that interest is lost sight of if they fear their own interests are threatened.

Remember, that this is what a grain man says who opposed the bill until it was explained to him.

When the Committee on Agriculture and Forestry had this bill under consideration, everybody was invited to come in and criticize or make suggestions. There appeared numerous representatives of farm organizations from all over the country. Millers, grain gamblers, and exporters were all given an opportunity to be heard.

The grain exporters who came before the committee protested that this was undue interference with business on the part of the Government. They said it might injure the business of the exporter and work to the detriment of his numerous employees. This witness was asked how many people were employed by the grain exporters. He repeatedly insisted that he did not know how many, but said the number was large. Inasmuch as he showed his unwillingness to give any information along this line, he was asked how many people he employed, and he admitted it was only six or seven—that, as a matter of fact, the export trade required the employment of very few people.

I have heard Members of this Chamber give as their reason for opposing this bill that the farmers "are not all broke." Fortunately they are not all broke yet; when that point is reached, industry will be at a standstill, labor will be idle, and profits in any line of activity will be unknown. Let us hope that no such condition will ever arrive. One man who protested against the bill wrote me saying that he "knew of numerous farmers who pay their bills and pay their taxes." He might have gone further and said he knew many of them who wore shoes in winter and even in summer. They have not all gone to the poorhouse, nor is there room for them in such a place.

The question is whether the farmer is entitled to a fair wage; it is not simply a question of whether some of them are getting along. They get along by passing up the luxuries and many of the necessities of life. They get along by using the old machinery from year to year, instead of keeping up with the times. They get along by carefully avoiding every expense possible. They refrain from painting the buildings or adding any improvements to the place. They economize on medical service and avoid dental bills. They tell the good wife that she can take no trips, not even go and visit her old mother. They get along by keeping the children out of school during the active seasons on the farm. They get along in this way or that, and we are proud of the fact that they are willing to make the sacrifice and meet such hard conditions successfully. But is that the answer to the question of the farmer who says, "Am I not entitled to as much for 14 hours' work as the other man is for 8 hours?" His wife works for nothing, his children work for nothing, and he is wondering whether he is not entitled to a fair wage.

In listening to the arguments on the agricultural situation one might be led to believe that it was only in the Northwest that the farmer is in danger. It is true that the Northwest suffers the most, partly on account of the long distance from central market and the high cost of transportation, partly on account of the high interest rates prevailing, the limited credit conditions existing that make it impossible to even buy a few cows, and in some cases it is impossible to secure the necessary seed grain in the spring, as no one has the money to loan.

But I wish to read here an editorial from the Philadelphia North American under the title—

A FARM IS SOLD

A family of city dwellers last week bought a farm in Chester County comprising the following items:

Seventy-five acres of fertile, tillable land, watered by five never-failing springs.

A 3-story, 14-room stone house of mansion proportions, with running water.

Commodious barn, with quarters for 25 cows and half a dozen horses, a granary and spacious loft, and supply of running water.

Springhouse and other outbuildings.

The price was $9,500.

This farm lies within one hour by train or automobile from the center of Philadelphia, within half a mile of one railroad station and within 2 miles of three others, all reached by improved roads. The house is only a few rods from a concrete highway, with an hourly bus service. Hardly more than five minutes' ride away is West Chester, one of the most beautiful towns in the State, with churches, modern business facilities, and a normal school and other educational equipment.

The seller of the place is an energetic young farmer, thoroughly conversant with land values in the vicinity. He was not obliged to sell on account of financial distress; he offered the property through a regular real-estate agency and received approximately the price he asked.

On the day the deal was closed, while piloting a small group of business men over the farm, he outlined its history during the last three-quarters of a century. The house was built just before the Civil War by a Pennsylvania German who was well known throughout the county as a solid, successful farmer. The land was worked by him and his descendants until two years ago, when it was bought by the young man who disposed of it last week.

Stopping on a rise in a field carpeted with the green of young wheat, the sturdy plants telling of rich soil and good tillage, the visitors surveyed the farm and discussed the transaction from various points of view. One of them, who has had wide experience in building and real estate, asserted that the buildings could not be replaced for less than $25,000; when they were erected, he said, they cost more than the price paid last week for the entire property. During a large part of the last half century the farmers on either side probably would have been glad to pay $75 to $100 an acre for available portions of the land, without any buildings. The barn alone, said the expert, could not be built now for the purchase price of the whole establishment. Estimating the buildings at only one-half of the total value, the land brings less than 50 per cent of its market worth a generation ago.

During the period of this decline real estate values in West Chester, 2 miles away, have doubled, and in the immediate outskirts of the town probably have quadrupled. Real estate men say many property values in Philadelphia have doubled within the last 10 years, and suburban property has advanced 150 per cent. The $9,500 paid for this 75-acre farm, with its substantial buildings, would barely buy a two-story dwelling on a 16-foot lot in an attractive residential district of Philadelphia or its suburbs.

One member of the party suggested that the startling and growing discrepancy between the market values of urban and rural property, of which so striking an example was under observation, signified a social change of far-reaching significance to the Nation.

Farming, he said, is the oldest and most basic of all industries. Upon this foundation civilization has rested since its beginnings, and must find therein its chief support to the end of time. Were all other industries to be suspended or destroyed, agriculture would still sustain the human race; were agriculture to fail, the earth would be depopulated.

Our forefathers found on this continent a virgin soil incomparably fertile, which nature had been preparing throughout the ages for the advent of man. And essentially it is out of the soil that there have sprung our mighty industries and our great cities and our national wealth; for the country's rapid rise to industrial supremacy was made possible by abundance of cheap food. Without this there could have been no such development of natural resources, despite the powers of American inventive genius, mechanical skill and business ability.

During the colonial period and long afterwards the people of the sparsely settled land were engaged almost wholly in agriculture; such manufactures as could not be produced in the homes had to be imported from Europe. Alexander Hamilton, one of the greatest constructive statesmen the country ever produced, perceived that if the Nation was to attain security and greatness it must develop industries which would make it independent of Europe and would also establish an economic balance, providing consumers for the products of the soil.

That policy laid the foundations of industrial America. For nearly a century every factory erected was regarded as a blessing, a contribution to the Nation's material and cultural welfare. During recent years, however, the ablest students of affairs have raised the question whether our industrial development has not proceeded so far as to destroy the economic balance and threaten grave dangers to the social structure.

Americans not long past middle life can recall a time when the census figures showed the population of the United States two-thirds rural and one-third urban. The census of 1920 disclosed the startling fact that more than half of the inhabitants of the country were living in cities or towns; and there are abundant indications that the movement cityward has been accelerated since then. With the army of food consumers constantly growing and the number of food producers steadily decreasing, it is obvious that within the next generation or two the Nation will face the approach of a food shortage, presenting a problem more serious than any imaginable threat of armed invasion.

With a vast surplus of wheat bringing less than a dollar a bushel, and the prices of other grains almost as low, it may appear to some readers that the trouble with agriculture is overproduction rather than underproduction. Such an assumption is unsound. The deplorable situation of the farmers of the West, which has caused widespread depression in several great States, is one of the results of the abnormal conditions of the war period. The American farmer has always raised a surplus of wheat; for many years this constituted the country's chief item of export and made it possible to maintain a fairly stable rate of exchange. Since the war the European market has been closed, because of the impoverishment of the masses and the depreciation of their currency.

When the American farmer was told that "food will win the war," he speeded up production and increased his output to the utmost; this was a patriotic contribution to the national cause, although the farmer expected, and had a right to expect, that the product of his heavy toil would yield him a fair return. Under that stimulus the acreage of wheat was greatly enlarged. But while the farmer was growing more wheat, he could not govern the price, which is fixed by the demand and supply at Liverpool, where the surplus stocks from all parts of the world are sold. Deprived of his foreign market, he had to sell his wheat in the overloaded home market at prices fixed in Liverpool.

But the western farmer is not the only sufferer; in all parts of the country agriculture is in decline. This is shown by the tens of thousands of farm mortgages foreclosed each year; by the increasing number of abandoned farms, especially in the East; by the rapid spread of tenant farming, and by the falling values of farm lands, as witnessed by the Chester County transaction the other day. Another recent sign of the times is the closing of a Minnesota bank, as the result of the tying up of its resources in farm loans which had become "frozen assets."

Analysis of the prevailing agricultural depression discloses many causative factors. But when all the others have been taken into account there is one which exerts an overshadowing influence in making farming an unprofitable industry and in undermining the market value of farm lands. That is the scarcity and excessive cost of labor.

The stimulation of industry and the consequent growth of cities have steadily depleted the rural regions of the man power necessary to carry on the diverse tasks of the farms. A strong argument can be made for the proposition that when the labor unions raise wages and shorten hours of work they bring about a general social advance. When Henry Ford establishes a minimum wage of $5 or $6 for a day's work, setting a standard which competing enterprises must follow, he is hailed as a benefactor of society. But upon the farmer the effect of such movements is disastrous, for they make it more and more difficult for him to obtain help. With $7.50 the daily wage for common labor in the unionized bituminous mines, what chance has he to compete?

These conditions explain the sacrificing of the Chester County farm. It was for years a profitable dairy farm; with modern methods it could support 75 cows, or pay handsomely as a plant for intensive agriculture. Lack of help compelled the owner to raise wheat and oats and hay, which require a minimum of human labor. But at best, farming of that kind pays only where land is cheap and operations are on a large scale. With soil adapted to the most valuable crops, with the best of transportation facilities and with markets for foodstuffs close by, the owner was helpless to make use of his equipment, and had to retire from the struggle.

Such an incident, duplicated innumerable times, signifies a process of agricultural depletion which is of the utmost gravity. Farming is an occupation requiring exceptional qualifications of knowledge and skill. Efficient industrial labor can be more quickly trained, workers in the professions can be more quickly educated than a competent farming class could be created. For one farmer to leave the soil means a

heavier economic loss to the country than would the vanishing of a dozen of the most skillful industrial workers.

If the farmers were to pay the industrial scale of wages the cost of food would be so high that revolution would be in the air. To avert catastrophies threatened by food scarcity and high prices the Government would be compelled to seek supplies in other parts of the world; thereby it would be forced into competition with other countries, would have to increase its naval power to protect its communications, and would be in constant danger of involvement with its rivals.

Prophecies made familiar by repetition picture the United States of the future as a Nation of two or three hundred millions, politically free, economically secure, and socially enlightened. If this forecast is to be realized—if, indeed, our national existence is to be preserved at all—there must be wrought a revolutionary improvement in the condition of agriculture, the main power plant of our system of civilization.

Viewed superficially, the sale of that Chester County farm is merely a minor transaction in real estate. To anyone who studies the circumstances with understanding it is a danger signal as ominous as would be the shadow of oncoming war or pestilence; and this is in old Pennsylvania.

A Senator from one of the New England States told me the other day that conditions were not at all prosperous with New England farms; that he knew of a recent sale of two dairy cows bringing only $35 each.

THE MCNARY-HAUGEN BILL

In this bill the successful plan of stabilization so long followed by the manufacturer is used as a model. The manufacturer aims to produce only what the market will absorb; but if he has a surplus, he disposes of it to the best possible advantage—generally to those who are not his regular customers. In other words, he sells his surplus in foreign lands. Sometimes he makes a little profit or he comes out even; but again he may take a substantial loss—but whether at a profit or a loss, he disposes of it just the same, to get it out of the way so it will not compete with next year's output. By this method he maintains a fairly steady price at home, which is his main market and from which he derives his principal profit.

In the case of products like wool or flax, of which we have no exportable surplus, a fair domestic market is maintained by proper tariff legislation; but in the case of wheat, beef, pork, and cotton, of which there is a surplus, a different problem is presented.

It has been suggested that through cooperation the farmer can dispose of his surplus abroad each year, so as not to depress the American market. But the difficulties in the way of organized cooperation on the part of farmers scattered over the whole continent are almost insurmountable. Farmers must cooperate, but it is necessary that there be an agency to assist them in carrying out the program. It is therefore provided in this bill that the Government shall become this agency without expense to the Public Treasury, except that the Government will furnish the initial revolving fund of $200,000,000; otherwise, the plan is expected to be self-supporting. This agency will deal only in those commodities, the present price of which is below the pre-war or "ratio" price.

Mr. President, the outstanding features of the bill are: First, its purpose is to establish a "ratio" price in the American market for the staple products of the American farmer, and to make this price high enough to get the farmer the same exchange or proportionate value for his products as he had before the war. It is estimated that at the present time this price would be $1.50 per bushel for wheat in South Dakota. Second, there may be a loss on the exportable surplus, which loss every producer of such surplus must share proportionately.

The creation of a commission is provided for in order to determine what a fair price of a given commodity in the American market should be. This price is determined by comparing the pre-war price of a certain commodity with its pre-war exchangeable value for other goods. In other words, the commission determines what is generally described as the "ratio" price. It is suggested that the basis of this price shall be determined from tabulation made by the Bureau of Statistics now in operation, covering some 400 articles in common use.

Let us assume that the "ratio" price for wheat would be $1.65 in Chicago, or about $1.50 at Redfield, S. Dak., instead of 95 cents. The commission, having determined that $1.50 is a fair price according to the ratio calculation, must provide some method by which the wheat farmer, who gets the benefit of this, takes his share of the loss on any surplus marketed abroad.

Let us also assume that we raise 800,000,000 bushels of wheat, and that 12½ per cent of it, or 100,000,000 bushels, is surplus, and therefore must be exported. The procedure under this bill would be about as follows:

The farmer who sells 800 bushels at $1.50 theoretically gets $1,200; but he must stand the loss on 100 bushels, which is his pro rata share of the exportable surplus, which may be worth only 75 cents per bushel, or $75. In the end, therefore, there would be a deduction of $75, more or less, from his gross sale.

The Government export corporation, formed for the purpose of handling the exportable surplus, will each year also determine the minimum price in the domestic market and will so notify the elevators. This corporation will advise the elevators to pay 75 per cent of the maximum price in cash and 25 per cent in scrip. The scrip is evidence of sale; and if there is a refund, it will be made in proportion to the amount of scrip the farmer holds. There would be a refund if the loss was less than 75 cents per bushel. The scrip will probably have no present value, but the corporation at the end of the year will figure how much it has lost by selling its surplus abroad and what it expended in operation, and will then declare a dividend accordingly. Inasmuch as all the money from the sale of the scrip goes to the corporation, it will have sufficient cash on hand to pay for its losses abroad, its expenses, and a dividend. In other words, the Government corporation will cash the scrip at the end of the year at a discount sufficient to reimburse its losses on export sales.

Under this plan the farmer will receive 75 per cent of $1.50, or $1.12½ in cash at time of sale, the balance in scrip. But the grain purchaser has paid out in cash $1.50 for the wheat, for he has been compelled to buy the scrip from the Government at face value through the local post office which has it for sale.

For example, the farmer who has sold 800 bushels will therefore receive $900 in cash and $300 in scrip. If, when the surplus wheat is sold, it should be found that his proportionate loss on the surplus exported is $75, and that his share of expense in operating the Government grain corporation is, say, $20 upon settlement, when the farmer turns in his $300 in scrip, he will receive $205 in cash for same, after $95, covering these items of loss and necessary expense, has been deducted from the face value of the scrip. Of course, the amount of cash he would receive for the scrip necessarily depends on the amount of loss.

From this it will be noted that instead of receiving 95 cents a bushel, or $760 for 800 bushels, the prevailing price, he will receive $1,105, or an average of $1.38 per bushel.

As will be seen, the bill is intended to apply only to agricultural products which have an exportable surplus, the market price of which is below the "ratio" price to be established by the commission. We export large quantities of cotton, but the present price is above the pre-war exchange value or "ratio" price; therefore cotton would not be handled by the export corporation unless the price drops. The present price of wheat is less than the pre-war value of the exchange, and therefore it would be handled by the export corporation unless a greatly increased price came from some cause.

The House Committee on Agriculture has proposed certain changes. I do not think they are destructive to the bill. On the other hand, I believe many of the proposed amendments will prove the wisdom and good judgment of the committee.

HOW MUCH WOULD THE FARMERS OF CERTAIN STATES HAVE BEEN BENEFITED HAD THE MCNARY-HAUGEN BILL BEEN IN SUCCESSFUL OPERATION IN 1923?

Let me begin with my own State of South Dakota and give you some comparisons based on the values of wheat, corn, and hogs marketed in 1923. In this connection remember that we had a bad wheat crop but a good corn crop, which is the same as saying that the warm, dry summer that gives the finest corn yields reduces the wheat yield and thus decreases the danger of overproduction which many people make so much of.

South Dakota, 1923

APPROXIMATE INCREASE IN WHEAT VALUE IF RATIO PRICES HAD BEEN IN EFFECT

Wheat	$6,756,000
Corn	20,383,000
Total	27,139,000
Hogs	21,802,000
Total	48,941,000

There is a certain amount of complication in the above, as statistics do not show how much corn is marketed and how much is converted into pork. But no allowances have been made for other grains, so it is perhaps fair to say that South Dakota's loss from an unfair price ratio is $50,000,000 annually. The Members of this body well realize that such an injustice can not be removed by some credit scheme that will lend the farmers of South Dakota a few million dollars.

More than 90 per cent of the bank failures are explainable on the basis that the farmer who was a good borrower a few

years ago becomes a poor risk after several successive years of losses. The depositors need the money and the farmer is unable to pay as fast as the deposits are being checked out. Restore to the farmer a ratio price and the banks will take care of themselves.

Now, we have in South Dakota—or did have at the time of the last census, and there are fewer now—74,637 farms. If wheat and corn alone had brought the same exchange value as they had on the average from 1905 to 1914, each farmer would have received $363 more for his year's work than he actually received. If the bill had been applied to hogs as well, each farmer would have received $655 more than he actually received.

Now, take North Dakota and what would have been the situation there, remembering always that North Dakota had a very poor wheat crop, very much below her average for a period of years:

Wheat	$15,639,000
Corn	4,113,000
Total	19,752,000
Hogs	3,938,000
Total	23,690,000

North Dakota had 77,690 farms in the last census year, so that a fair exchange value for her wheat and corn alone would have given her $254 more per farm compensation for the year, and including hogs the additional compensation would have been $305 more.

The average North Dakota wheat crop for the past five years was 80,000,000 bushels, but the 1923 crop was only 58,000,000 bushels.

The figures for North and South Dakota show another significant fact to which I wish to direct your attention, namely, that South Dakota is a great corn-producing State and that last year at least her corn exceeded in importance North Dakota's wheat crop and far exceeded the importance of wheat in our own State of South Dakota.

The facts as to Iowa and Minnesota are also of great interest because of the unquestionable greatness of those States in an agricultural sense. The ratio price would have added the following values in 1923:

Minnesota

Corn	$25,478,000
Wheat	6,121,000
Total	31,599,000
Hogs	24,006,000
Total	55,605,000

The increased earning per farm on the two grain crops for the year would have been $177. The increased earning on the three farm products would have been $311, as there are in Minnesota 178,478 farms.

The additional value to Iowa would have been:

Corn	$72,022,000
Wheat	5,100,000
Total	77,121,000
Hogs	102,228,000
Total	179,359,000

There are in Iowa 213,439 farms, so the average increased earning per farm on the grains would have been $361 and on grains and hogs combined $840.

Everyone presses on wheat and our Northwestern States, ignoring the fact that the Corn Belt is also in bad shape, particularly the hog producer. The purchasing power of wheat, using 1913 as a basis, was 84 per cent of all commodities in March, while hogs had 59 per cent of 1913 purchasing power.

Of the most important farm commodities, including cotton, corn, wheat, hay, potatoes, beef cattle, swine, eggs, butter, and wool, only cotton and wool were high enough in price during March so that a unit could be exchanged for all commodities at an advantage. While the wholesale prices of all commodities in that month stood 50 per cent above 1913, the purchasing power of farm products stood 26 per cent below.

The future traders are against it because country elevator men and millers will not need to hedge so much and because the ordinary speculators will not be attracted to the market, because it will be a more stable market when speculators can not make money by reason of daily shop fluctuations.

In the year 1921 the Chicago Board of Trade alone traded in over 12,250,000,000 of futures; in other words, the Chicago Board of Trade alone—ignoring Minneapolis, Kansas City, and other future trade organizations—traded in more than fifteen times the total amount of the whole 1921 crop. I am not trying to pass on whether this trading is legitimate or not. I am merely calling attention to the prefectly human opposition of the grain exchanges against the twelve and one-fourth billion bushels of future contracts set for the amount of wheat actually received in Chicago—45,700,000 bushels. In the 67 years from 1855 to 1921 the Chicago market received only 1,868,000,000 bushels of wheat. In other words, in a single year between five or six times as much wheat was traded in in the form of futures as was delivered on the spot in 67 years. Naturally these men do not wish to lose their income due to this enormous trading in contracts, but shall that be permitted to prevent needed and justly owed farm relief?

The opposition of the millers is harder to understand, except that we seem to have come to a time in the development of the United States when no trade or industry is willing to take suggestions from anyone, not even from the progressive, farseeing, and ablest men among its own members. Everything must be "let alone" to "work itself out," and other expressions of this kind are merely meaning that the weakest organized element in the population has to stand the brunt of the whole storm. Labor is protected by immigration laws and has been protected by the war Labor Board, which it now wishes to do away with. This is a little hard to understand, unless possibly labor's wise leaders foresee less prosperous times and realize that it will take longer to bring wages down to a parity with other things when each railroad has to deal with its own men than when a central board can put in an order to be enforced on all railroads. If I were a leader in the ranks of labor I would certainly consider that its self-interest was best served by doing away with anything that promised to take away my high earning power. Industry is protected by the tariff; banking has its Federal reserve system; the railroads have the transportation act and high freight rates; when the farmers' prices have been positively ruinous.

It is only justice that something should be done for the farmer. Farm people compose over 31,000,000 of our population; and if they are to be kept in poverty by conditions beyond their control, prosperity can not last long in the United States. The trouble with the situation is that other costs and prices are pretty thoroughly pegged, but farm prices fluctuate with world prices. Particularly is this true of the export products of the farm, which constitute so large a part of our total farm value. Other nations help their growers; why not our Nation? We can not long continue with growing agricultural poverty and false and artificial industrial and labor prosperity.

FARMERS' RELATION TO LABOR

One of my farmer constituents wrote me that he thought he was now up to date, as he had adopted the eight-hour-day schedule—eight hours for the forenoon and eight hours for the afternoon. He is one of those millions of farmers who want to get back to a normal basis where he can again average $600 a year—$200 cash and $400 indirect benefit from living on the farm. This was the condition we had before the war.

For a long time preceding this period, labor, as a rule, was underpaid, and they were demanding better wages. The public, and especially the farmers, supported them in all these demands. Their requests were granted consideration; public sentiment demanded it. When the coal miners struck for better wages they won, and we paid more for coal. When the men in the lumber mills went through the same thing, we gave them our support. They won their strike, and we paid more for lumber, but we did not complain. We believed then and we believe now that these working people were entitled to better living conditions. That meant higher wages.

When factory employees made their demands they had no more loyal supporters than the farming population. The result was the same—higher-priced goods—but we heard no complaint from the farmer. He was getting his $600 a year and was going along on an even keel.

In the presidential campaign of 1916 the railroad men made new and revolutionary demands upon the Government. They insisted that Congress depart from old traditions and pass laws which in their nature were really Government price fixings of wages. Mr. McAdoo, realizing the political importance of being in harmony with such a large and compact organization, comprising several hundred thousand men, was quick to respond. He gave them what they asked for, and he gave them more. The political effect was marvelous!

It was again demonstrated that a large group of competent voters can make demands and have these demands respected, especially in election years. When it was all over, we found that the increased labor cost in operating the railroads was approximately $2,000,000,000 annually—a sum almost equal to the value of the cotton crop and the wheat crop in normal years. But this additional burden did not ruin the farmer; he could

have carried that load, and he was not unwilling to carry it either. He realized that many of the railroad boys were entitled to a part or all of the increases granted. But much of the increased cost of operation resulted from innumerable rules approved by the Government—rules that in many cases required the employment of three or four men to do the work that was formerly done by one. This was especially true in the shops.

New rules of classification were adopted. The former "handy" man, such as we have always had, and now have in our garages and other shops, became unknown in the railroad shops. In his place would be installed one man classified as an electrician, another one as a blacksmith, a third one as a boiler maker, and the fourth one under some other classification. The public did not complain about the wage increase, but the plan of creating additional jobs was subject to severe criticisms. It became an additional burden upon transportation and was reflected in the increased transportation rates. But the $2,000,000,000 wage increase was a load that could have been carried.

Ida Tarbell said once that "in politics as in chemistry the by-products are sometimes the more important." So it turned out with McAdoo railroading—the by-products were the more important.

It was soon discovered by all working people that railroad wages were higher than the general level. Next, we found clerks in mercantile establishments insisting that they were entitled to as good wages also. They got it, and the cost was added to the prices of merchandise. Then followed the factory employees, and they were equalized in accordance with the higher demands, and the prices of goods were marked up accordingly. The farm hand insisted that he should have as much or more. His demands had to be complied with, but he had to have more because his day was longer.

Finally we heard from the patient school-teacher, who said, "There is a new standard of wages in the land—are we not to partake in same?" We apologized and increased their salaries, so it now costs two or three times as much to maintain the little red schoolhouse as it did a few years ago. Next came the employees of State and municipalities, and in each case we yielded to their pleas to bring them up to the same level as others.

Neither laborers, clerks, nor school-teachers can work for former wages. In a small percentage of cases municipalities or school districts have gone in for extravagance, the same as certain individuals have, but these comprise a small minority. Higher taxes have come as the result of higher wages, higher building material, higher salaries, higher cost of living. The same influence that destroyed the par value of the farmer's dollar also changed the appearance of his tax receipt.

When we pay our taxes it is all reflected. When we look at our tax receipt we wonder if there is something wrong with the Government. We find our taxes more than twice as high as they were a decade ago. We are astonished and mystified. We become ready to accept any old proposition that is advertised as "tax reduction," and we wonder if the "Mellon plan" might not help a little toward reducing our school taxes. Anyhow, it is the only patent medicine that is advertised to cure, so we look with favor upon it.

Little do we realize that we have permitted the law of supply and demand to be interfered with. Little do we realize that the same influence that makes high-priced clothing and high-priced food, high-priced transportation and high-priced fuel also makes high taxes. At every session we vote a bonus to Government employees, recognizing the fact that the schedules established before the war are, under present conditions, entirely inadequate. The Government, however, that has been so liberal in fixing wages for railroad employees, has persistently refused to bring its own employees up to a similar level, hoping against hope and hoping against reason that the inequalities for which it is so largely responsible would be self-adjusting.

BACK TO NORMAL OR FORWARD TO EQUALITY

There are only two courses open—either we must get back to normal, and this is a long and treacherous route, because it means the reduction of wages, and there will be many hardships accruing, for labor did not profit from that wage increase to the extent they had hoped for. It brought in its wake the higher price levels and the higher cost of living. If we can not get back to normal, maybe we can go forward to equality by putting the farmer on a basis similar to that of other people. If we are to have an artificial standard for laboring men, for manufacturers, for transportation companies, and other lines of business, why not also give the farmer a staff to lean on?

AGRICULTURAL RELIEF ALREADY GRANTED

The question is often asked, "Why is the farme still clamoring for more relief?" "Hasn't the Government done a great deal for him?" Well, let us look into that matter fairly.

During the last Congress we voted $10,000,000 famine relief for Russia; there were two reasons given for this—first, we wanted to save its starving people; but, second, and this point was highly emphasized at that time, it would help the market for the American farmer. But Congress did not take any money out of the Treasury—not a cent—it was taken out of the farmers' wheat fund.

Mr. STERLING. Twenty million dollars, was it not?

Mr. NORBECK. Fifty million in all; but the last bill was for ten million. I find that Congress has extended relief to half a dozen different countries in Europe, and in each case has taken it out of the farmers' wheat instead of out of the Treasury. Some people thought we spent liberally from the Treasury, but we did nothing of the kind; we took it all out of the farmers' fund, the profit turned into the Treasury by the Government Grain Corporation. That is where we got the money, and we call it "farm relief." Then, we have a credit legislation.

The able Secretary of Agriculture came before committees of Congress and advocated a new credit scheme. He reminded us that the credit system of the country was not adapted to the farmer's needs—that the Federal reserve system contemplated short commercial loans, but that the farmer must borrow on one to three years' time. He also emphasized the fact that interest rates were so high as to be an unwarranted burden upon agriculture. He told us that a reduction in the interest rate of one-half to 1 per cent would be equal to a freight reduction of 20 per cent on agricultural commodities.

Many bills looking toward the establishment of a better credit system for agriculture were introduced. Two of these were, in the closing days of the session, consolidated with a third bill and secured the almost unanimous vote of the Senate. Both sides of the Chamber supported it. The leaders on the Democratic side and the leaders on the Republican side claimed their share of the credit; they said: "See what we have done for the American farmers." There was a coalition at that time—no party rivalry. I regretted very much that I could not share the views expressed, but those who boosted the most at that time have been silent ever since on the merits of the legislation adopted. Some trifling relief has been secured through one of the measures embodied in the composite bill, but it is of very little practical value, as it compels the farmer to get his loan through the banks, which were either unwilling or unable to take on the additional burden. This situation is especially true in the Northwest.

Now, as to the other plan incorporated in the joint bill, I find that after being on the statute books for more than one year not a single loan has been made, and this was widely advertised by party leaders—both parties—as an agricultural relief measure granted by the Sixty-seventh Congress.

How did it come that both sides of the Chamber were so enthusiastic for this measure? The very unwillingness to meet the agricultural situation squarely resulted in our leaders getting together. Later, we found that the additional offices created were divided fairly between the two parties. The Republican President said in effect to the Democratic Members: "You are entitled to part of the plums, and here they are."

No, I have not forgotten about the War Finance Corporation. This did some good. The revival of its activities was a timely relief—not only for the Northwest; but also the South and Southwest; it was helpful not only in the Dakotas but also in Texas, Iowa, and Illinois. It partially relieved an acute credit situation; also checked the slump in prices of farm products due to forced marketing, forced by banks that were compelled to force collections in order to pay the demands of their depositors and other creditors.

The credit extended checked the panicky selling of agricultural products and restored a more normal condition. But the whole Northwest understands that this legislation was not secured on account of the demands of the farmer nor of the small banks. Congress acted only when the demand came from the large banks in the commercial centers. The loans meant something to the Northwest, and it meant more to the banking centers for it permitted our bankers to borrow from the War Finance Corporation with which to pay what they owed the city banks. It prevented disaster in some of the financial centers, but turned out to be of less importance to the agricultural districts. It did, however, delay the threatened crash for a couple of years.

It is self-evident that the loaning of $14,000,000 through South Dakota banks—one-half of which was promptly repaid and the balance now in process of collection—could not fill a gap caused by a slump in the prices of agricultural products amounting to several hundred million dollars. In fact, no credit scheme is a substitute for earning power; borrowing postpones the evil day but seldom prevents its coming.

We are frequently reminded of these loans extended to the South Dakota farmer or the South Dakota banker, though it could just as properly be called "an act to aid the central banks." We are reminded that it was the taxpayers' money that was loaned, though this was unnecessary, for the act itself provided that the money could be borrowed in the open market. All the act contemplated was a little use of the Government credit. The agricultural loans made by this Government department have been conservative. Not only will the principal be repaid, but the actual expense of operation and the losses incurred will be only a small part of the interest charged. Nevertheless, our people appreciate the little assistance that was given, but do not think we should be singled out as having been especially favored when we recall the fact that the War Finance Corporation loaned more money to a street-car system in New York City than it did for agricultural credit in my State. We are paying back. The loan to the street-car company is admittedly of doubtful value. It may prove to be a loss to the Treasury, though admittedly of some benefit to the people of New York, who manage to maintain a 5-cent car-fare when people in other cities have had to stand for an increased rate.

I want it understood that I am not criticizing the War Finance Corporation for the making of this loan, for I do not know under what circumstances it was made. I refer to it only as a matter of comparison with the so-called aid extended to the people of my State.

I have already referred to the fact that the so-called "Coulter plan" failed, which was simply a request from the wheat farmers to lend them back their own money on five years' time at 6 per cent interest as an aid to diversification.

Mr. President, we now get information from officials and financial sources that many benevolently inclined business organizations have made up a pool of $10,000,000 with which to rehabilitate the Northwest and especially the agricultural Northwest. We are told that it will prevent many bank failures, that it will result in reopening many of the banks that have already closed. We are told that it will furnish the necessary credit for agriculture and that it will also undertake the making of livestock loans proposed under the "Coulter plan." I, therefore, can not refrain from referring to the last so-called money pool for the aid of the West. This was the much advertised cattle-loan pool, which was actually subscribed some three years ago. Great things were promised; it raised the hopes of our people only to be followed by severe disappointment. When the loans were completed, a report was issued showing that the poor, downtrodden farmers of South Dakota had been taken care of to the extent of $400,000. This was only a drop in the bucket, but the figures nevertheless seemed large.

I knew of no farmer and no banker in the State who had participation in the benefits of this much-advertised undertaking, so I made inquiry and learned that about 99 per cent of the allotment for South Dakota had been loaned to a resident of Pennsylvania, who does his banking in Chicago and who owns 20,000 head of cattle on an Indian reservation in my State. This loan was no doubt helpful to the borrower and especially helpful to the Chicago bank in the matter of collection. But why ask the farmers of South Dakota to show their appreciation over an act of this kind? Can more be done with the present $10,000,000 pool than was previously done with the $26,000,000 pool, and will it be used any more fairly? At best, the sum that will be allotted to any one State is so small as to be of little consequence.

It is admitted that we have had a great deal of sectional legislation and that the welfare of one section, to wit, the Northwest section, has often been overlooked. The fathers who founded this Government did not intend this to be a sectional Government; they did not intend that it should ever be governed by populous centers; they provided checks and balances against that very thing. In their wisdom they provided for an apportionment in the House of Representatives upon the basis of population, but counterbalanced that by providing that every State in the Union shall have the same number of Senators. As we all know Wyoming has only 1 Member in the House against New York's 44, but in the Senate the voting strength of Wyoming, or any other State, is the same as that of New York.

I am much at a loss to understand why so many of our northwestern Senators are insisting that the farm relief measure should originate in the House. Do they feel that the Representatives of the industrial districts are better qualified to work out an agricultural relief measure than they themselves are? Do they know more about the situation than the Senators from the agricultural States?

The Representatives in Washington from the Northwest continue to deal carelessly and indifferently with a problem that concerns every citizen of those States. Again and again they have followed the rule of first letting others have what they wanted, and even to-day I find Senators from the great wheat-producing States of the Northwest admitting that they are so concerned about the revenue reduction bill, the so-called Mellon tax-reduction plan—tax reduction for the East—that they will vote against the farm relief measure if it is attached to the same bill as a rider. The Northwest must learn to look after its own affairs with the same diligence that Representatives from other sections look after theirs. The question must be fairly presented, and the game must be played squarely to the disadvantage of no section. When we learn this we will be near to victory. We do not seem to be near the goal yet.

In the past we have sent Democrats to Congress from the Northwest, who have followed their party regardless of the welfare of our section of the country. We have sent Republican conservatives, who believed that all wisdom comes from the industrial and financial centers. We have sent so-called radicals, who were so little concerned about the basic industry of the country that it got scant consideration. But the farmers of the Northwest realize the true situation as they never have before, and I warn you Republicans on this side and Democrats on the other side of the Chamber that your attitude is being watched much more closely than ever before. If there be failure, the responsibility for failure will be placed where it belongs.

I am at a loss to understand why the West should object to combining the farm relief measure with the much amended and less objectionable revenue bill. It seems to me a composite bill embodying some tax reduction for the industrial East, together with a ratio price for the agricultural products of the West, would be one satisfactory measure on which both sections of the country might unite. The fate of the bill is in the hands of our Senators from the Northwest. Are they still going to insist that they will not consider this measure but that it must be worked out by the House? And they are even unfavorable to a vote on same in the Senate unless it first meets with the approval of the House.

Mr. DILL. Mr. President, will the Senator yield?

Mr. NORBECK. I yield.

Mr. DILL. I may say that I favor the Senator's bill, but I want to ask the Senator's opinion as to the current report that the revenue bill will be vetoed if it is put through in its present form. Does the Senator think it is wise to trust the fate of the McNary-Haugen bill to the fate of the revenue bill?

Mr. NORBECK. That is a matter that should be considered. I have heard another rumor that it is less likely to be vetoed if the agricultural relief bill is attached to it. Perhaps putting it on the revenue bill will save the farm-relief proposition.

Mr. DILL. I simply wanted to get the Senator's view.

Mr. NORBECK. But suppose it is vetoed, there are three weeks of the session ahead of us, and farm-relief legislation can be taken up afterwards and put through separately. The President has stated that he is in favor of affording some kind of relief to agriculture.

SUMMARY

Mr. President, the farmers of this country, and especially the farmers of the great Northwest, know that the disparity of the value of their dollar grows largely out of conditions brought about while the Democrats were in power. It resulted largely from interference with the law of supply and demand. Organized business was unrestrained; they exacted enormous prices without regard to the ability of the farmer to survive. Organized labor made many demands; some were fair and proper, others were unfair and unreasonable. When plasterers and bricklayers get as much for a day's work as other labor gets in a week, and as the farmer gets in a month, the economic balance has been upset.

When the Government gives its O. K. and actually encourages the things that continue to reduce the farmer's purchasing power, so that the farmer can not exchange a day's labor with anybody, the farmer finds himself facing ruin. He knows of no place to turn but to the Government that has added so heavily to his burden. He does not want charity; he resents the word "relief" being used. All he wants is equity. He wants to get back to his pre-war status. You can not expect him to approve of a policy of the Government that guarantees the wages of one group and the dividends of the other group. The farmer has been left out of the deal and he knows it. He is surprised that the industrial, financial section of the country does not realize that his depreciated purchasing power will endanger their welfare and the future prosperity of the entire country. He is hopeful that organized labor will see the justice of his appeal.

The farmer is not advocating the reduction of wages or stagnation of business; he is simply asking that he be put on the same level as others. There are only two courses open: One is to get back to normal by wage reduction, business depression, and business ruin; the other is to go forward to equality and put the farmer on the same basis as others by guaranteeing him also a reasonable return for a day's wage. He does not ask anything special; he just asks that he be put in the same class as others.

Mr. President, the argument that an increase in the price of wheat will mean higher-priced bread is far-fetched and not well founded, for bread sells as high to-day, when wheat is $1, as it did when wheat was $2 a bushel. There has been no proportionate reduction in the prices of pork or beef since the prices of cattle and hogs went down.

The question is one of equity. It is a question whether this great Government will deal as fairly with one question as with another. If the Government made a mistake in creating an artificial situation that has proven of great injury to agriculture, will not the Government give its ear to the farmer, who asks that the evil be undone, or that something be done to offset it, so we can get back on an equitable basis?

I still plead that it is a good time for the Senate to express its views on the McNary-Haugen bill, and I think Senators from the Northwest should consider that feature very carefully now, instead of going home a month later and saying, "We slipped a cog again in not bringing our measures up for consideration at the proper time."

Mr. EDGE. Mr. President, I come from that section of the country to which the Senator from South Dakota very good-naturedly referred when he asked that the other sections recognize the problem of the farmer. I am free to admit that I am not as familiar with the farmer's problems as the able Senator from his close personal contact naturally would be, but I want to assure him that I sympathize with his problems and further assure him the people in the section of the country which I represent do likewise.

I feel, however, that the Senator from South Dakota is unfair to the measure which he sponsors in attempting to bring it to a vote at this time, if that is his intention. He discussed with force the problems they are facing in his section of the country and, I presume, in most sections of the country where agriculture is the leading industry. He speaks, however, for the bill known as the McNary-Haugen bill, and while I listened to him very attentively, he in no way outlined the provisions of that bill. I have looked over the bill, and to me it is most complicated in its machinery. It is complicated and difficult, I presume, to understand because it is a new and novel experiment. It is something, in other words, that has not yet been tried, and naturally a proposition of that kind would make any Senator, whether he represents the agricultural section or the industrial section, wary and careful because of its possible failure.

I rose, however, primarily to draw the attention of the Senator from South Dakota to the fact that we in the East have not been entirely oblivious to their problem, but have endeavored to contribute somewhat to its solution. I recently received a clipping from a New Orleans newspaper detailing the activities of the Federal International Banking Co., located in New Orleans, incorporated under an act which I had the pleasure personally of sponsoring in the Senate some four or five years ago as an amendment to the Federal reserve act. The act provided for the formation of banks for the specific purpose of financing exports from this country. This bank was organized under that law. Its stockholders, as I recall, are the banks of that section of the country, in seven or eight Southern States. As I remember, its capital is $7,000,000, representing several hundred small banking institutions in that section, which, in effect, means it represents all the people of those States. Its report of activity is most interesting, and I ask permission to have it inserted in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article is as follows:

[New Orleans Times-Picayune, February 24, 1924]

INTERNATIONAL BANK LOSES BUT $9,000 ON LOANS OF $100,000,000—FEDERAL INSTITUTION IN NEW ORLEANS FINANCES $200,000,000 EXPORTS TO 30 FOREIGN COUNTRIES, INCLUDING GERMANY AND RUSSIA—DOING GREAT WORK FOR ENTIRE SOUTH—STABILIZED COTTON MARKET IN 1921 AND IS DEVELOPING WORLD TRADE IN FARM PRODUCTS AND MANUFACTURES

(By Bernard L. Krebs)

You can do business with an honest merchant anywhere in the world and under any reasonable conditions.

This is the experience of the Federal International Banking Co., of New Orleans, which in three years has financed the export of commodities conservatively valued at $200,000,000, and which has loaned on these commodities $100,000,000, with a loss from bad accounts of only $9,000.

It may be that in shipping cotton and similar commodities to countries such as Germany and Russia, the bank has felt it necessary to insist on more than ordinary safeguards; but even at that, a loss of only 9 cents in every $1,000 of business is almost phenomenal.

In the year 1923, for instance, when German currency lost whatever fractional value it may have possessed, and when the German Government was practically bankrupt, half of the business of the Federal International Banking Co. was done with Germany. The German cotton spinners, it is true, paid for their raw material with gold deposited in neutral countries; but in a business done across 4,000 miles of ocean and with foreign agencies, the factor of personal honesty is of great importance, even on this basis.

DEALS WITH 30 COUNTRIES

Because of the Federal International Banking Co., cotton, sugar, oil, lumber, grain, and other commodities flow from the South to some 30 countries around the world. Some of these commodities would move anyway, but not in such volume; and equally as important, the banking profits in connection with this export movement would go to New York and other eastern centers, which have been built up financially in marketing the crops and raw material.

The bank has a capitalization of $3,150,000, and the stock is owned by some 1,200 banks in the Cotton Belt. But despite its enormous business it is little known to the average resident of the city. It is upstairs in the Whitney-Central Building. It has no imposing front or banking rooms; it possesses no vaults and receives no deposits. Yet it plays a vital part in the commerce of the port of New Orleans and of the South.

Outside of New York, it is the only bank in the country organized under the Edge law. The charter was granted by the Federal reserve bank, and it operates under the supervision of the Reserve Board. Its activities are closely related to member banks of the reserve system.

FOUNDED THREE YEARS AGO

"The organization of the Federal International Banking Co.," said T. J. Caldwell, vice president, yesterday, in discussing the report of three years of activity, "grew directly out of the demoralized condition of the cotton market during the latter part of 1920 and early part of 1921, with the resulting depression throughout the South.

"Although the cotton market has long since recovered and the South generally has shown substantial improvement, the bank has demonstrated it can be of great service to Southern interests at all times, and that there is a permanent place in the Southern business and financial world for such an institution. Much of the cotton it has financed might not otherwise have found financial accommodation under favorable terms.

"During three years the bank has done more than $100,000,000 of financing in connection with imports and exports, of which about 80 per cent has covered the movement of cotton. Because the loans of the institution are used in many cases as a revolving fund, the volume of commodities actually financed in this period has been far in excess of the total financing, and amounts probably to $200,000,000.

BIG HELP TO SOUTH

"The South has always been more interested in international trade than any other section of the country, because cotton has always been the greatest export commodity. Before the war the cotton movement from America to Europe was financed by foreign banks, principally English. Demoralized conditions brought about by the war forced the financing back on American banks, and because of their lack of experience the demoralization in the cotton-exporting business was materially aggravated.

"American banks have made remarkable strides in the past few years in handling this business, but most of it has been done by New York. Southern banks are just beginning to realize the importance of this branch of financing, and through membership in the Federal International Banking Co. they are afforded a fine opportunity to learn the financing of cotton exports from this side of the water instead of from Europe."

Mr. EDGE. From this practical illustration I am sure the Senator from South Dakota and Senators from other leading agricultural States will recognize that we are interested in their problems; that we thoroughly appreciate that the country can only be prosperous if all sections of the country are prosperous; that the industrial East can not otherwise enjoy that measure of prosperity that is only made possible when the agricultural West is also prosperous. Two hundred million dollars is a pretty fair turnover for one bank in the interest of the farmer. I always deplore any talk on the floor of the Senate or elsewhere of sectional consideration of great national problems. We in the industrial East recognize what the West has gone through in the last few years. We, of course, are not as intimate with the conditions as the Senator from South

Dakota [Mr. NORBECK], the Senator from Kansas [Mr. CAPPER], the Senator from Idaho [Mr. GOODING], or other Senators from the West. We want to help them, and I am sure every Senator representing an industrial State desires to help solve their problems. I think, however, the way to do it is to consider the problem on its own merits in connection with legislation designed to meet it.

As I said at the outset, the machinery of the McNary-Haugen bill, complicated as it is, has not even been outlined. We can not vote with intelligence on the amendment which is to be offered to the tax bill by the Senator from South Dakota. For farmers' relief, properly and economically sound? Yes; we will gladly vote for that.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. EDGE. I yield.

Mr. SHIPSTEAD. The Senator said something about not being able to vote intelligently on the bill.

Mr. EDGE. Yes; I used that term.

Mr. SHIPSTEAD. After observing the work of the Senate during the last two days and after having studied the rules of the Senate I would ask the Senator from New Jersey if he knows of any rule of the Senate that requires a Senator to vote intelligently on any bill?

Mr. EDGE. I must admit there is a great deal in what the Senator has suggested, but speaking personally—and I can only speak for myself—when the responsibility is facing me of voting for or against the authorization of machinery designed to fix prices—and, of course, it is freely admitted that is the design of the McNary-Haugen bill—it is an innovation in the consideration of which we at least should have the facts in order to use as much intelligence as we are capable of using.

Mr. President, even if we should adjourn, as has been suggested, in the early part of June, we have a full month before us. We have inaugurated night sessions, I think, and very properly. The tax bill is apparently nearing a final vote. I sincerely hope so, as I am sure every other Member of the Senate likewise does. Presumably we can dispose of that bill to-day. Even if we should adjourn on the 7th of June, as has been suggested, we have a full month before us. So far as I am concerned, I hope that it is the unanimous decision of this body that we shall face this great responsibility of agricultural relief before adjournment. Certainly in 30 days, working day and night if necessary, with the advocates of various bills prepared to explain them in detail and not put them up to us to vote "yes" or "no" without even an explanation, the Senate will meet the problem.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from Idaho?

Mr. EDGE. I yield to the Senator.

Mr. BORAH. Let me ask, Mr. President, what is the particular amendment which is now before the Senate?

The PRESIDENT pro tempore. The amendment before the Senate is the amendment proposed by the Senator from Utah [Mr. SMOOT] relating to surtaxes.

Mr. SMOOT. I ask for the yeas and nays, Mr. President.

The PRESIDENT pro tempore. The yeas and nays have been ordered.

Mr. EDGE. The Senator from New Jersey still has the floor.

The PRESIDENT pro tempore. The Senator from New Jersey has the floor.

Mr. SMOOT. I beg the Senator's pardon.

Mr. EDGE. Mr. President, I thoroughly recognize the desire of the Senate to vote on the pending amendment, and I can assure the Senate that I have no desire to delay it; but in view of the fact that the Senator from South Dakota has announced his determination to introduce this important question, I felt that there should, at least, be some protest to its consideration at this time. So, with due apologies to the Senate for the 15 minutes I have consumed, I will permit the Senate to vote on the pending amendment.

SEVERAL SENATORS. Vote! Vote!

Mr. BORAH. Mr. President, I am going to let the Senate vote just as soon as I know what we are to vote on. As I understand, the vote now is upon the amendment offered by the Senator from North Carolina [Mr. SIMMONS] to the bill as it came from the other House.

Mr. SMOOT and Mr. FERNALD. No.

Mr. ROBINSON. The vote to be taken is on an amendment proposed by the Senator from Utah making the maximum surtax rate 32 per cent.

The PRESIDENT pro tempore. The yeas and nays have been ordered on the amendment offered by the Senator from Utah. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. CURTIS (when the name of Mr. EDWARDS was called). I have been requested to announce the unavoidable absence of the Senator from New Jersey [Mr. EDWARDS]. If he were present, he would vote "yea."

The roll call was concluded.

Mr. NORRIS. I desire to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE], who, as I have previously stated, is detained from the Senate on account of illness, would vote "nay" if he were present.

Mr. GERRY. I desire to announce that the senior Senator from Kentucky [Mr. STANLEY] is paired with the junior Senator from Kentucky [Mr. ERNST]. If present, the senior Senator from Kentucky would vote "nay."

I also desire to announce that the senior Senator from Oklahoma [Mr. OWEN] is necessarily absent. He is paired with the Senator from Illinois [Mr. MCCORMICK]. If present, the Senator from Oklahoma would vote "nay."

Mr. CURTIS. I desire to announce the absence of the junior Senator from Wisconsin [Mr. LENROOT] on account of illness.

The result was announced—yeas 36, nays 47, as follows:

YEAS—36

Ball	Curtis	Keyes	Reed, Pa.
Bayard	Dale	Lodge	Smoot
Borah	Edge	McKinley	Spencer
Brandegee	Fernald	McLean	Sterling
Bruce	Fess	McNary	Wadsworth
Bursum	Gooding	Moses	Warren
Cameron	Hale	Oddie	Watson
Colt	Harreld	Pepper	Weller
Cummins	Jones, Wash.	Phipps	Willis

NAYS—47

Adams	Gerry	McKellar	Shields
Ashurst	Glass	Mayfield	Shipstead
Brookhart	Harris	Neely	Simmons
Broussard	Harrison	Norbeck	Smith
Caraway	Heflin	Norris	Stephens
Copeland	Howell	Overman	Swanson
Dial	Johnson, Calif.	Pittman	Trammell
Dill	Johnson, Minn.	Ralston	Underwood
Ferris	Jones, N. Mex.	Ransdell	Walsh, Mass.
Fletcher	Kendrick	Reed, Mo.	Walsh, Mont.
Frazier	King	Robinson	Wheeler
George	Ladd	Sheppard	

NOT VOTING—13

Capper	Ernst	McCormick	Stanley
Couzens	Greene	Owen	
Edwards	La Follette	Shortridge	
Elkins	Lenroot	Stanfield	

So Mr. SMOOT's amendment to the amendment made as in Committee of the Whole was rejected.

The PRESIDENT pro tempore. The question now is upon concurring in the amendment made as in Committee of the Whole.

Mr. SMOOT. In other words, the question now is on concurring in the amendment offered by the Senator from North Carolina [Mr. SIMMONS] as against the House provision. The maximum rate carried by the amendment of the Senator from North Carolina is 40 per cent and the maximum rate contained in the bill as passed by the House is 37½ per cent. Senators who desire to vote for the House rate will vote "nay" and those who desire to vote for the Simmons rate will vote "yea."

Mr. HEFLIN. Let us have the yeas and nays, Mr. President.

Mr. SMOOT. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. SIMMONS. A vote "yea" is in favor of the minority amendment, which is characterized as the Simmons amendment, and a vote "nay" is in favor of the House text.

Mr. SMOOT. That is correct.

The PRESIDENT pro tempore. The Senator from North Carolina has stated the question correctly.

The reading clerk proceeded to call the roll.

Mr. CURTIS. (when the name of Mr. EDWARDS was called). I have been requested to announce the absence of the junior Senator from New Jersey [Mr. EDWARDS]. Were he present, he would vote "nay."

Mr. NORRIS (when Mr. LA FOLLETTE's name was called). The senior Senator from Wisconsin [Mr. LA FOLLETTE] if present, would vote "yea."

The roll call was concluded.

Mr. GERRY. I desire to make the same announcement as to the pair of the senior Senator from Kentucky [Mr. STANLEY], and to state that if he were present he would vote "yea."

I also desire to state that the Senator from Oklahoma [Mr. OWEN] is paired with the Senator from Illinois [Mr. MCCORMICK], and that if the Senator from Oklahoma were present he would vote "yea."

The result was announced—yeas 46, nays 39, as follows:

YEAS—46

Adams	Gerry	Mayfield	Shipstead
Ashurst	Harris	Neely	Simmons
Brookhart	Harrison	Norbeck	Smith
Broussard	Heflin	Norris	Stephens
Caraway	Howell	Overman	Swanson
Copeland	Johnson, Calif.	Pittman	Trammell
Dial	Johnson, Minn.	Ralston	Underwood
Dill	Jones, N. Mex.	Ransdell	Walsh, Mass.
Ferris	Kendrick	Reed, Mo.	Walsh, Mont.
Fletcher	King	Robinson	Wheeler
Frazier	Ladd	Sheppard	
George	McKellar	Shields	

NAYS—39

Ball	Curtis	Keyes	Shortridge
Bayard	Dale	Lodge	Smoot
Borah	Edge	McKinley	Spencer
Brandegee	Fernald	McLean	Sterling
Bruce	Fess	McNary	Wadsworth
Bursum	Glass	Moses	Warren
Cameron	Gooding	Oddie	Watson
Capper	Hale	Pepper	Weller
Colt	Harreld	Phipps	Willis
Cummins	Jones, Wash.	Reed, Pa.	

NOT VOTING—11

Couzens	Ernst	Lenroot	Stanfield
Edwards	Greene	McCormick	Stanley
Elkins	La Follette	Owen	

So the amendment made as in Committee of the Whole was concurred in.

Mr. SMOOT. Mr. President, I reserved the right to take a separate vote in the Senate on the normal tax of individuals. The Senate having already voted for the surtax, I see no reason for asking for a yea-and-nay vote upon the normal tax. Therefore I ask merely for a viva voce vote upon it.

Mr. WALSH of Massachusetts. May the amendment be stated, please?

The PRESIDENT pro tempore. The Secretary will state the amendment about to be voted upon.

The READING CLERK. On page 31, line 23, strike out lines 23, 24, and 25; all of page 32; and lines 1, 2, 3, and 4 on page 33, and insert:

SEC. 210. (a) In lieu of the tax imposed by section 210 of the revenue act of 1921—

And so forth.

Mr. SIMMONS. Mr. President, the amendment that is now to be voted on is the substitute amendment offered by myself. I understand that those who are in favor of that amendment will vote "yea," and those who are opposed to it will vote "nay."

Mr. ROBINSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. ROBINSON. A record vote was taken on the amendment while the bill was before the Senate as in Committee of the Whole, was it?

The PRESIDENT pro tempore. Yes.

Mr. ROBINSON. Very well; then I see no necessity for it now.

Mr. SMOOT. This goes along with the surtax.

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendment made as in Committee of the Whole?

Mr. BRUCE. Mr. President, by whom was this amendment offered?

Mr. WALSH of Massachusetts. By the Senator from North Carolina [Mr. SIMMONS], in Committee of the Whole.

The PRESIDENT pro tempore. Senators who favor this amendment, offered originally as in Committee of the Whole by the Senator from North Carolina [Mr. SIMMONS], will say "aye." [A pause.] Those opposed will say "no." [A pause.] The "ayes" have it, and the amendment made as in Committee of the Whole is concurred in in the Senate. The Secretary will state the next amendment reserved.

The READING CLERK. On page 52, beginning in line 19, interest deduction, the Senate as in Committee of the Whole struck out——

Mr. SMOOT. Mr. President, I want to ask a question in relation to the amendment as it will be if the Senate rejects the committee amendment.

The Senator from Colorado [Mr. ADAMS] offered an amendment to the House provision, inserting the words "in the calculation of the surtaxes." Do I understand that in taking the vote, the Senate having stricken out the whole provision, those who vote for the striking out of the amendment will vote "yea," and those who want the House provision will vote "nay," but if they vote "nay" will there have to be an amendment made to the House text to carry out the amendment that was offered by the Senator from Colorado and agreed to while the bill was in Committee of the Whole?

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendment made as in Committee of the Whole?

Mr. REED of Missouri. Mr. President, I am sure there is confusion in the minds of some of the Senators—there is in mine—as to the exact proposition we are voting on. I wish the Senator who offers the amendment will give the page where the amendment is to be inserted.

The READING CLERK. On page 52, line 19, the Senate, in Committee of the Whole, struck out lines 19, 20, 21, 22, 23, 24, and 25, and lines 1 and 2 on page 53. Before agreeing to the amendment, on motion of the Senator from Colorado [Mr. ADAMS], the Senate inserted after the word "deductions," on line 23, the words "in the calculation of the surtaxes." Thereupon the amendment striking out the paragraph was agreed to.

Mr. SMOOT. Mr. President, just a word.

A vote was taken in the Committee of the Whole, and the House provision, with the amendment, was agreed to, and that strikes out the provision limiting the deduction of certain tax-exempt securities in making out returns. The action of the Senate deprives the Government of the United States, as estimated by the actuary, of $35,000,000 of revenue. In other words, we are $35,000,000 short. I reserved the right for a vote in the Senate, and I sincerely hope that the Senate will vote against the action of the Committee of the Whole and leave the House provision as it was, with the amendment offered by the Senator from Colorado [Mr. ADAMS] included. Then it will apply only to surtaxes, and it will not apply in any way to the normal tax.

Mr. ADAMS. Mr. President, I think it might be well to add a word of explanation in reference to the amendment which I have offered to this clause, and which is now in the proposed amendment.

As the amendment originally stood, it tended to eliminate entirely deductions of interest paid by a taxpayer to the extent that he was the recipient of any interest upon wholly tax-exempt securities, State or national. It was an effort to meet the situation made obvious by the estate of William Rockefeller, where, by borrowing money and owning tax-exempt securities, he was enabled to evade absolutely his entire tax upon his income. He borrowed such an amount that the interest which he paid would exactly offset the interest which he received upon taxable securities, and consequently he saved not only the normal tax but the surtax. The income from the taxable securities would have been taxed in his case 58 per cent—8 per cent normal tax, and 50 per cent surtax—and so, by borrowing, he offset an interest payment aggregating about 5½ or 6 per cent against what would have produced to the Government a tax payment of 58 per cent.

The other alternative, as originally presented, would leave tax-exempt securities wholly denied an opportunity for exemption, and would take away from the State, from the cities, and from the counties a power which belongs to them, in substance—the power to issue tax-exempt securities and to have a proper market for them. The amendment which I suggested was in an effort to meet this condition fairly from both sides, to prevent evasion of surtaxes and at the same time to preserve the right of public corporations to deduct for the purpose of protecting their securities. In other words, the denial of the right on the part of the State or the city to issue tax exempts would be an attack on the sovereignty of the State, and of that I could not approve.

To grant this power to Congress asked for originally would be to open it to gross abuses, which would put the States at the mercy of Congress, as the power to tax includes the power to destroy. In other words, if Congress can have that power it can go the whole way. So my suggestion was that the income from tax-exempt securities be treated from income-tax standpoints in the same way that dividends from corporations are treated. For the purpose of the normal tax, the interest paid upon an indebtedness might be offset by tax-exempt securities, but for the purpose of surtaxes such offsetting would not be permitted. In other words, a tax-exempt security would be of no greater value in the hands of the man paying a surtax than in the hands of a man paying only a normal tax, reducing the benefit of the ownership to the tax-exempt security to an equality, rather than have the present condition of inequality, where it may be worth a 50 per cent reduction in one man's hands and a 4½ or 5 per cent reduction in another man's hands.

It seems to me that that compromise between the two extremes does preserve the rights of the State, the county, and

the district, so far as they are entitled to be preserved. They are not entitled to issue certificates for the purpose of aiding tax evasion. They are not entitled to have a market provided for them based upon tax evasion. They are entitled to the right to issue their securities at the lowest possible rate which they can obtain and not be compelled to pay Federal taxes, and this does preserve that market for them.

Mr. REED of Pennsylvania. Will the Senator yield for a question?

Mr. ADAMS. Certainly.

Mr. REED of Pennsylvania. Would it not be the effect of the House provision, that where a citizen has two kinds of income, taxable and nontaxable, this provision applies these deductions first to the tax-exempt income, and only the surplus is applied to the taxable income, instead of the present method, by which all the deductions come off the taxable income? Is not that in substance what it would do?

Mr. ADAMS. That is the situation. I really was taking the floor from the Senator from Missouri.

Mr. REED of Missouri. I asked the Senator a question.

The PRESIDENT pro tempore. There is an amendment offered to this amendment, as the Chair understands. The question, therefore, is on concurring in the amendment made in Committee of the Whole.

Mr. ASHURST. The amendment was amended as in Committee of the Whole, was it not?

Mr. SMOOT. The whole provision was stricken out.

Mr. ASHURST. I do not want to take up any time, but I think it would be well to have read for the information of the Senate the amendment as it is proposed to be inserted or stricken out.

The PRESIDENT pro tempore. Possibly the Chair may state the parliamentary situation. The Senate committee reported an amendment striking out these lines. Before that amendment was voted upon the Senator from Colorado offered an amendment, which was agreed to, and then the amendment of the committee as amended by the Senator from Colorado was agreed to.

Mr. ASHURST. What I ask is this: What is the language offered by the Senator from Colorado? May not that be supplied?

The PRESIDENT pro tempore. The Secretary will state the language of the amendment.

The READING CLERK. The Senator from Colorado has inserted the words "in the calculation of the surtaxes" after the word "deductions," so as to make the paragraph read:

(c) The amount of the deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, and the amount of the deduction provided for in paragraph (5) of subdivision (a) shall be allowed as deductions in the calculation of the surtaxes only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title.

Mr. REED of Missouri. Mr. President, as amended, was the section adopted, or was it all stricken out, including the amendment?

The PRESIDENT pro tempore. The action of the Senate as in Committee of the Whole was to strike out the entire paragraph as amended.

Mr. REED of Missouri. Being stricken out, it is now reserved to be voted upon as amended?

Mr. SMOOT. The question is on concurring in the action of the Senate while the bill was in Commitee of the Whole.

Mr. REED of Missouri. Of course, it is the old question we discussed the other day, as to whether we are going to undertake to tax tax-exempt securities, or to place them under a disability.

Mr. SMOOT. That is the question.

Mr. WALSH of Montana. Mr. President, I understand the question then is, Will the Senate concur in the action taken by the House?

Mr. SIMMONS. Oh, no.

Mr .WALSH of Montana. The question is, Shall the Senate concur in the action taken as in Committee of the Whole?

Mr. SIMMONS. That is the question.

Mr. WALSH of Montana. Then, if the Senate now decides not to concur in the action taken as in Committee of the Whole, will the Senate then have an opportunity to consider the provision as it came to us from the House? Will the question then be to concur in the provision as it came to us from the House as amended by the amendment offered by the Senator from Colorado?

Mr. SMOOT. The provision then will be open to amendment.

Mr. BORAH. As I understand, if we concur in the action of the Senate as in Committee of the Whole, we strike out the entire section. On the other hand, if we do not concur, we leave the whole section in, with the amendment offered by the Senator from Colorado attached to it.

Mr. WALSH of Montana. Without any further action by the Senate.

Mr. SMOOT. It would still be open to amendment. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ADAMS. Mr. President, I may be a bit obtuse, but I have not the matter quite clear in my mind as yet. I would like to have a restatement, so that I may definitely know how I should vote.

Mr. SMOOT. If the Senator from Colorado desires to disagree with the House provision, then he will vote "yea," and nothing more will come of it; it will have to go to conference. If the Senator from Colorado desires to have the House provision retained with his amendment attached to it, then he will vote "nay."

The PRESIDENT pro tempore. The yeas and nays have been ordered, and the Secretary will call the roll.

The reading clerk called the roll.

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from West Virginia [Mr. ELKINS], and vote "nay."

Mr. LODGE (after having voted in the negative). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the senior Senator from Vermont [Mr. GREENE], and allow my vote to stand.

The result was announced—yeas 40, nays 45, as follows:

YEAS—40

Bayard	Ferris	Jones, N. Mex.	Reed, Mo.
Brookhart	Fletcher	Kendrick	Robinson
Broussard	Frazier	McKellar	Sheppard
Bruce	George	McNary	Shields
Bursum	Gooding	Mayfield	Simmons
Caraway	Harris	Neely	Smith
Copeland	Harrison	Overman	Stanfield
Cummins	Heflin	Pittman	Stephens
Dale	Howell	Ralston	Swanson
Dial	Johnson, Minn.	Ransdell	Trammell

NAYS—45

Adams	Fernald	McLean	Sterling
Ashurst	Fess	Moses	Wadsworth
Ball	Gerry	Norbeck	Walsh, Mass.
Borah	Glass	Norris	Walsh, Mont.
Brandegee	Hale	Oddie	Warren
Cameron	Harreld	Pepper	Watson
Capper	Jones, Wash.	Phipps	Weller
Colt	Keyes	Reed, Pa.	Wheeler
Curtis	King	Shipstead	Willis
Dill	Ladd	Shortridge	
Edge	Lodge	Smoot	
Ernst	McKinley	Spencer	

NOT VOTING—11

Couzens	Greene	Lenroot	Stanley
Edwards	Johnson, Calif.	McCormick	Underwood
Elkins	La Follette	Owen	

So the amendment made as in the Committee of the Whole was nonconcurred in.

Mr. SMOOT. The Senator from Massachusetts gave notice that he would renew an amendment on page 195, which was defeated, as in Committee of the Whole.

Mr. WALSH of Massachusetts. I now offer again my amendment on page 195.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. The junior Senator from Massachusetts [Mr. WALSH] moves, on page 195, line 19, after the word "tires," to insert the word "and," and after the word "tubes," to strike out "parts, or accessories or any of the articles enumerated in subdivision (1) or (2)."

Mr. WALSH of Massachusetts. That is the amendment to the amendment of the committee which was voted on last night and lost. Some Senators who voted under a misapprehension desire an opportunity to vote on it again. I ask for the years and nays.

Mr. WALSH of Montana. Will the Senator explain the purport of the amendment?

Mr. WALSH of Massachusetts. The present law provides for a tax of 5 per cent upon pleasure automobiles. That provision of the law is retained in the House bill and the Senate committee amendment. The present law provides for a tax of 3 per cent upon commercial motor vehicles, and that provision is retained in the bill with the exemption that where a chassis is valued at less than $1,000 and the body at less than $200,

there is no tax in the case of commercial motor vehicles. But if the value of the chassis is over $1,000, it is taxed the full value, and if the body is over $200, it is also taxed the full value.

The tax on pleasure cars and commercial vehicles is paid by the manufacturer or assembly company.

The present law also provides for a tax of 5 per cent on tires, inner tubes, parts, and accessories. The House reduced that tax from 5 per cent to 2½ per cent. The Senate Finance Committee accepted this reduced rate. Forty-one million dollars was raised last year under this section. The reduction made by the House to 2½ per cent and approved by the Finance Committee of the Senate would reduce the income from this source to $21,000,000.

My amendment seeks to strike out that part of the tax of 2½ per cent that is proposed to be levied upon parts and accessories. It is a tax upon repairs that I seek to repeal. Perhaps every Senator here received through the mail a little automobile with a damaged wheel, attention being called to the fact that when a man breaks a wheel and goes to a garage to have a new part inserted, he has to pay a tax. It is bad enough to have to pay a tax on the original purchase of the automobile, but under this provision every time a man has to replace a part—a radiator, a spark plug, a nut, a screw, a bolt, a horn, or anything of that kind that is a part of an automobile—he has to pay an increased price for that part because it bears a tax. That tax falls especially upon the local dealer, the garage man, the man who has the misfortune to have to have repairs made and required to purchase replacements of parts or accessories. I do not know of any class of people upon whom it falls heavier than the farmer, who constantly has to be buying parts for his truck and farm motor vehicle, because after all the great volume of automobiles are owned by those who can not be classed as wealthy.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I will yield in just a moment. The amount of the tax that would be removed by reason of the elimination of parts and accessories is comparatively small. The $21,000,000 that we raised from the tax upon tires, inner tubes, parts, and accessories chiefly and largely comes, as everybody can understand, from tires and tubes. The tax upon parts and accessories is a nuisance and replacement tax affecting 15,000,000 people in the country who have to buy parts to make necessary repairs. The amount of depreciation in our revenues if we remove this misfortune tax, in my opinion, will be comparatively small.

I now yield to the Senator from Ohio.

Mr. WILLIS. As I understand the Senator's amendment, it proposes to exempt parts or accessories only from the tax.

Mr. WALSH of Massachusetts. That is all.

Mr. WILLIS. Then I submit this question to the Senator: Upon what theory should parts or accessories be exempt from taxation if tires and inner tubes are not exempt? It seems to me they ought all to be taxed or none of them ought to be taxed.

Mr. WALSH of Massachusetts. Personally, I would be glad to see the exemption carried so far as to remove tires and inner tubes from taxation; but tires and tubes are a source of a great deal of revenue, and it is comparatively easy for the manufacturer who sells to retailers and to local garages to keep a record of the tax upon tubes and tires. But the tax upon every little nut and bolt and screw and ring that goes into a car is simply a nuisance tax, not only on the manufacturer of parts but upon the little man that may be in a small way making a special part or parts for automobiles.

Mr. GLASS. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Virginia.

Mr. GLASS. Will the Senator state just how he figures out that the tax on an automobile chassis is paid by the manufacturer, whereas this tax will be paid by the little man? Everybody who wants to escape taxes now brings in the farmer and the little man. I want to know how that happens.

Mr. WALSH of Massachusetts. In the first instance, the tax is paid by the assembly factor in the case of the sale of automobiles.

Mr. GLASS. But invariably he puts it on the man who buys the automobile.

Mr. WALSH of Massachusetts. Oh, Mr. President, we are not in a primary school. The Senator knows and everybody knows that the tax falls upon the man who ultimately buys the automobile.

Mr. GLASS. But the Senator did not say so. The Senator said one tax was paid by the manufacturer and the other was paid by the little fellow.

Mr. WALSH of Massachusetts. I say that under the operation of this tax the assembly man pays the tax upon the new automobile. Under the third section of the committee amendment the tax is paid by the manufacturer of parts, who has to keep track of the tires and tubes and parts and accessories that he sells, not to the assembly man, but to the little garage keeper and to the little local dealer. That is the distinction in where the tax falls. The assembly manufacturer may absorb it in part, but not the retail dealer in parts. Of course it always goes to the consumer, but here is a direct tax that the manufacturer of tubes and tires has to pay on the tires and tubes that he sells to the local garage dealer, while the other tax is paid by the assembly man. Ford, for illustration, pays the tax in the case of automobiles and commercial vehicles, but in the case of parts the tax in the first instance is paid by the manufacturer, be he making only one part or many parts, or be he making only in one community a few parts for a machine that is to be repaired in that community. That tax reaches out further and affects everybody who makes any kind of parts for a machine. Parts and accessories should not be taxed. It is bad enough to tax automobiles and trucks, tires and tubes, without levying a tax on every part that is required after the original purchase.

Mr. SMOOT. Mr. President, I thought we went far enough in cutting off one-half of the tax in this paragraph. We took off $21,000,000 from the other items in the existing law, but now we are asked to take out from this provision parts and accessories, the very things on which the highest profit is made. A man can buy parts and accessories for an automobile, we will say a Ford automobile, and if he buys them as individual parts and accessories and assembles them into a complete automobile, it would cost him as much as a Rolls-Royce would cost. Now, they are going to try to take the tax off of those parts and accessories, whereas the tires and tubes are sold on the basis of a comparatively small profit, but are not to be taken out. The parts and accessories, on which a profit of 200 and 300 per cent is made, are to escape taxation. I am ready to vote. I ask for the yeas and nays.

Mr. WALSH of Massachusetts. Let us have the yeas and nays.

Mr. BROOKHART. I would like to inquire what is the parliamentary situation. How do we vote in order to vote for the tax?

The PRESIDENT pro tempore. A vote "yea" is a vote in favor of the Walsh amendment.

Mr. SMOOT. A vote "yea" is for the Walsh amendment and a vote "nay" is against it.

The PRESIDENT pro tempore. The roll will be called on agreeing to the amendment to the amendment as in Committee of the Whole.

The reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. ERNST. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. JONES of Washington (after having voted in the negative). Has the senior Senator from Virginia [Mr. SWANSON] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. JONES of Washington. I agreed to take care of him, and he is temporarily absent. I find I can transfer my pair with him to the junior Senator from California [Mr. SHORTRIDGE]. I do so, and will allow my vote to stand.

Mr. FLETCHER (after having voted in the negative). I have a general pair with the Senator from Delaware [Mr. BALL], who appears to be absent. I therefore withdraw my vote.

The result was announced—yeas 43, nays 38, as follows:

YEAS—43

Adams	George	McKellar	Sheppard
Ashurst	Gerry	McNary	Shields
Bayard	Harreld	Mayfield	Shipstead
Brookhart	Harris	Moses	Simmons
Broussard	Harrison	Neely	Stephens
Bruce	Heflin	Norbeck	Trammell
Capper	Johnson, Calif.	Overman	Walsh, Mass.
Copeland	Johnson, Minn.	Pittman	Walsh, Mont.
Edge	Jones, N. Mex.	Ralston	Weller
Ferris	Kendrick	Ransdell	Wheeler
Frazier	Ladd	Robinson	

NAYS—38

Borah	Ernst	Lodge	Smoot
Brandegee	Fernald	McKinley	Spencer
Bursum	Fess	McLean	Stanfield
Cameron	Glass	Norris	Sterling
Caraway	Gooding	Oddie	Wadsworth
Colt	Hale	Pepper	Warren
Cummins	Howell	Phipps	Watson
Curtis	Jones, Wash.	Reed, Mo.	Willis
Dial	Keyes	Reed, Pa.	
Dill	King	Smith	

NOT VOTING—15

Ball	Elkins	Lenroot	Stanley
Couzens	Fletcher	McCormick	Swanson
Dale	Greene	Owen	Underwood
Edwards	La Follette	Shortridge	

So the amendment of Mr. WALSH of Massachusetts to the amendment was agreed to.

The PRESIDING OFFICER. The question now is upon agreeing to the amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next reserved amendment.

The next reserved amendment was, on page 231, beginning in line 3, to insert:

5. Drafts or checks (payable otherwise than at sight or on demand) upon their acceptance or delivery within the United States, whichever is prior, promissory notes, except bank notes issued for circulation, and for each renewal of the same, for a sum not exceeding $100, 2 cents; and for each additional $100 or fractional part thereof, 2 cents.

This subdivision shall not apply to a promissory note secured by the pledge of bonds or obligations of the United States issued after April 24, 1917, or secured by the pledge of a promissory note which itself is secured by the pledge of such bonds or obligations: *Provided*, That in either case the par value of such bonds or obligations shall be not less than the amount of such note.

Mr. DIAL. Mr. President, I move to strike out all of the amendment beginning in line 3 and going down to line 16, on page 231.

The amount which it will raise, if the amendment be agreed to, is $2,150,000 only. The tax was put on, I believe, during the World War. It is a stamp tax on notes and it is strictly a nuisance tax and is paid by the borrower. In my State we have a State law requiring notes to be stamped; therefore this would constitute a double nuisance.

This source of income ought to be left to the States. We have taken off the tax on yachts, which are not a necessity; we have taken off the tax on sport boots; we have taken off the tax on brass knuckles, with which criminals kill people. We have taken the tax off carpets, a luxury which a great many of the people can not enjoy. We have also taken the tax off telephone and telegraph messages, and very properly so. Other similar objects we have relieved of taxes. This is a tax that is passed on to the consumer. It costs him a little something, but the main objection is the trouble that it entails upon the banks.

I wish to say that there is no organization in our country that does more free work than the country bank. It takes care of small deposits for the people of the neighborhood; it cashes drafts; it transfers funds without pay; it takes care of the umbrellas and blankets that the country customers bring in; it takes care for its customers of the express packages as they arrive; it affords a general place to entertain people who come in; it furnishes stationery free; it advises the people free about money matters; it is accommodating in the matter of overdrafts; it advises customers about complicated tax returns; and in a hundred ways, Mr. President, the little country bank serves the people without pay.

If the Senate will excuse the reference, I was interested in some country banks for a third of a century and I know the great benefits they render to the people of the neighborhood and the great accommodation they afford to their customers and to the public generally.

There is very little profit in the activities of such banks. Many of them in the country have failed during the last few years, as we have noticed, and even within the last few months many of them have failed. In my section of the country they have made no money for several years. I venture to say that taken as a whole they have not made a cent above a small dividend. They are organized in that section not so much to make profit as to accommodate the public.

If the Senate will excuse a further personal allusion, I have practically no interest in banks at the present time. I organized two or three little banks in years gone by and was president of one of them until a few years ago, but I resigned and disposed of practically all my stock. I caused a couple of small banks to consolidate because they could not make any money individually; but I have practically no personal interest in banks now. I thought I had disposed of all of such stock, but I remember I have a few shares only. So it is not a matter of personal interest to me, of course, but I am speaking generally for the people of the country and in behalf of the borrower.

It is troublesome and bothersome to be compelled to place on a note a Federal stamp, particularly when the State requires a stamp under its own law. Then, when the note comes due the maker perhaps wants a few days of grace but does not want to renew the note, because of the cost of extra stamps and extra work. I know of nothing that angers the people or troubles them as much as this little matter. Certainly the vexation is altogether out of proportion to the revenue derived. I feel that the time has come when this tax ought to be abolished. I am sorry the Senate committee saw its way clear to try to restore it. I hope the chairman of the committee will agree to strike it out.

Mr. TRAMMELL. Mr. President, will the Senator yield?

Mr. DIAL. I yield with pleasure to the Senator from Florida.

Mr. TRAMMELL. This tax is paid by the person who seeks the loan when he gets the loan from the bank and not by the bank.

Mr. DIAL. Certainly; it is in the nature of additional interest which the borrower has to pay.

Mr. TRAMMELL. In other words, the person who does business with the bank is more interested in having the tax repealed than the bank is interested.

Mr. DIAL. Of course; it costs the bank nothing, except a great deal of trouble, for the borrower of the money pays the stamp tax. In that respect it merely adds that much more interest that he is required to pay to get the small accommodation.

I hope the Senator from Utah will see his way clear to accept my amendment, if not, I hope the Senate will vote to strike out the provision for this tax. We ought to reduce taxes and relieve the people of as many of the nuisance taxes as possible. I repeat, I hope the Senate will vote to strike this tax from the bill.

Mr. BRUCE. Mr. President, I do not desire to discuss this amendment, but I do wish to return my hearty thanks to the Senator from South Carolina for the very ingratiating picture he has given of the banks in his State. So far as I recollect, he is the only individual of whom I know in the course of my life who has ever had a good word to say for banks.

A great many years ago, shortly after the adoption of the Federal Constitution, that strict constructionist, John Taylor, of Caroline, a Virginia statesmen, who entertained an extreme distrust of the money power in every form, spoke in one of his political letters or speeches—I forget which—of bank capital as being a vulture that was in the habit of flying from place to place seeking its prey.

I recollect, during the first campaign of Mr. Bryan for the Presidency, a gentleman telling me that he was coming over from Baltimore to Washington, and that there were two young men sitting in the seat just in front of him who were very much interested in the coming presidential election. He said it was impossible for him not to overhear some of the things they said to each other, and as he narrated the story he said that one of these young men faced around to the other and said: "Well, times are becoming pretty exciting now, aren't they?" He said: "I expect that the banks will begin to break pretty soon." The other young man, who was sitting beside him, said: "Yes; I expect they will, and the sooner they break the better it will suit me."

Since that time, of course, we have all, on one occasion or another, heard more or less shallow and demagogic observation made upon banks. I rise simply for the purpose of saying that it affords me the sincerest pleasure to know that in one State of the Union, at least, a bank is a sort of benevolent, eleemosynary institution, and I hope that as time goes on and enlightenment becomes more and more generally diffused throughout the United States, the attitude of some of our other public statesmen toward banks will be as friendly as that of the Senator from South Carolina.

Mr. BROUSSARD. Mr. President, I think this amendment is a very objectionable one. The theory and the only justification that the Congress has for imposing a tax of this kind is that it shall be imposed upon anyone who has made money. The individual who makes money is taxed in this bill; so

is the corporation and the partnership; but when we come to impose a tax upon an individual who makes a loan from a bank, I think we are absolutely overstepping all boundaries in time of peace.

Such taxes have always been enforced as war measures for the purpose of raising revenue; but if an individual is forced to go to a bank and borrow $100, and he must take from that $100 just borrowed an amount to pay a tax to the Government, I think we are going beyond all reason.

I do hope that this amendment will not be adopted. Of course, it brings a whole lot of trouble to the bank. The bank deducts this tax from the borrower; and it is the people who borrow, the people who have no cash, upon whom this tax is imposed. For that reason I shall vote against it and hope it will not prevail.

Mr. McKELLAR. Mr. President, I rise merely for the purpose of expressing my opposition to this tax. I think it is a nuisance tax, pure and simple. It brings in very little money, comparatively speaking, and it ought not to be in this bill. The war is over, and there is no reason for imposing this kind of a tax, which is exceedingly troublesome and exceedingly irritating to the public and falls on a class of people that are not able to bear it.

Mr. SMOOT. Mr. President, of course it is very proper to take out this tax, and I know that it is very popular. I know that it will be done to get votes. Some people have no idea of the amount of money the Government requires to pay its obligations. That is entirely lost sight of in this bill.

Of course, it was very proper to cut out the radio tax of $10,000,000. It was very proper indeed to cut out the tax on telegraph and telephone messages. It was very proper indeed to reduce the second-class postal rates, I do not know how much. It was very popular indeed to take out the tax on parts and accessories of automobiles. Of course it is popular, and it is very proper.

Senators speak about the banks paying this tax. The banks do not pay a cent of it. It is the same as the existing law. There is no more reason why this tax ought to be taken out than any other tax in the bill. This is not a tax on checks that are drawn on demand.

I am content with a vote, Mr. President.

Mr. ASHURST. Mr. President, may the question be stated, please?

The READING CLERK. The question is on concurring in the amendment agreed to as in Committee of the Whole, on page 231, after line 2, to insert:

5. Drafts or checks (payable otherwise than at sight or on demand) upon their acceptance or delivery within the United States—

And so forth.

Mr. SMOOT. Mr. President, those who desire to approve of the provision for taxing drafts other than those payable at sight or on demand will vote "yea." Those who are opposed will vote "nay." I call for the yeas and nays, Mr. President.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. ERNST. Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

The result was announced—yeas 31, nays 47, as follows:

YEAS—31

Ball	Ernst	McLean	Smoot
Brandegee	Fernald	McNary	Spencer
Bursum	Gooding	Moses	Stanfield
Cameron	Hale	Oddie	Wadsworth
Colt	Jones, Wash.	Pepper	Warren
Cummins	Keyes	Phipps	Watson
Curtis	King	Reed, Pa.	Willis
Dale	Lodge	Shortridge	

NAYS—47

Ashurst	Fletcher	McKellar	Sheppard
Bayard	Frazier	McKinley	Shields
Borah	George	Mayfield	Shipstead
Brookhart	Glass	Neely	Smith
Broussard	Harreld	Norbeck	Stephens
Bruce	Harris	Norris	Sterling
Capper	Harrison	Overman	Swanson
Caraway	Heflin	Pittman	Trammell
Copeland	Johnson, Calif.	Ralston	Walsh, Mont.
Dial	Johnson, Minn.	Ransdell	Weller
Dill	Jones, N. Mex.	Reed, Mo.	Wheeler
Ferris	Ladd	Robinson	

NOT VOTING—18

Adams	Fess	La Follette	Stanley
Cougens	Gerry	Lenroot	Underwood
Edge	Greene	McCormick	Walsh, Mass.
Edwards	Howell	Owen	
Elkins	Kendrick	Simmons	

So the amendment made as in Committee of the Whole was nonconcurred in.

The PRESIDENT pro tempore. The amendments made as in Committee of the Whole, and which were reserved, have now been disposed of. The bill is in the Senate and open to amendment.

Mr. REED of Pennsylvania. I send to the desk an amendment, and ask that it be read.

Mr. NORRIS. Before any amendment is taken up, I ask the Chair if all amendments of the committee not reserved have been acted on by the Senate?

The PRESIDENT pro tempore. All the amendments agreed to as in Committee of the Whole and which were reserved for a separate vote have been disposed of.

Mr. NORRIS. The question I ask is, Have all amendments agreed to as in Committee of the Whole and not reserved been acted upon?

The PRESIDENT pro tempore. The remaining amendments, agreed to as in Committee of the Whole, were concurred in en bloc.

Mr. NORRIS. That is what I wanted to have announced.

Mr. SIMMONS. A parliamentary inquiry, Mr. President.

The PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. SIMMONS. As I understand, we have acted upon all the reserved amendments. If it is desired to move to reconsider one of the votes taken in the Senate on one of those amendments, does it have to be made before we have entered upon the consideration of amendments from the floor that have not been reserved, or can it be made at any time?

The PRESIDENT pro tempore. The Chair is of the opinion that such a motion may be made at any time.

Mr. SIMMONS. That is all right.

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from Pennsylvania.

The READING CLERK. The Senator from Pennsylvania moves to insert a new paragraph on page 42, after line 19, as follows:

There shall also be included in gross income the interest upon securities issued after the date of the enactment of this act by (1) the United States, (2) any State, Territory, or possession of the United States, (3) the District of Columbia, or (4) any political subdivision or governmental agency of any of the foregoing.

Mr. REED of Pennsylvania. Mr. President, this is a matter which has been argued so often that I realize the futility of any extended argument now, and I do not mean to detain the Senate more than five minutes.

It seems to me that the question of taxing future issues of what are called tax-exempt bonds really is a test of the sincerity of Congress in the high tax rates which it has established. It seems to me it is a futile thing, a hypocritical thing, an insincere thing to establish a schedule of high surtaxes, to proclaim that by those high surtaxes we are trying to compel the wealthy capitalists of the country to pay an income taxation according to their ability, and at the same time to leave open to them resort to the $12,000,000,000 now outstanding in absolutely tax-exempt bonds.

I realize the unfairness of making such a provision as this retroactive, and that is why I have not drawn this amendment so as to reach these twelve billions now outstanding; but the process of issuing tax-exempts must stop or there will be no tax paid by wealthy men under this law.

Mr. BORAH and Mr. SHIPSTEAD rose.

Mr. REED of Pennsylvania. I will ask Senators to indulge me until I finish. It will not take me more than five minutes to conclude. I know perfectly well that there is a legal question involved, and I will speak of that very briefly before I finish.

First, I want to speak about the fairness of the thing. We have seen several instances in the estates of very wealthy men who have died recently, and the most conspicuous I suppose is that much-mentioned estate of William Rockefeller. I say that it is almost a shameful thing for Congress to burden down the producers of the country, the men who by their toil are creating wealth, with these huge tax burdens, from which they can not escape, and, at the same time, allow the man who has wealth safely garnered in to have these exemptions to which he flies for refuge.

At the present time the wealthy man has these tax-exempts; he has the privilege of charging off these imaginary losses that he registers at the end of each year. He has the privilege of charging off liberal depreciation on his factory buildings and all his establishments. He has the various resorts like that to which he can fly, but the man who works for his living has no resort like that. He has to pay on the last penny

that he earns, and there are no deductions for him. You have not any tax-free brains, although you have these tax-free bonds. You have not any allowance for the depreciation that goes on in the brain and the body of the man who works, although you are liberal enough in allowing depreciation for factories and machinery. You have not any way of registering off the losses that the creator of wealth suffers when he falls ill, but you have left the man who has a bond in his strong box all the methods of registering off losses, and you know how they are abused.

You treat the man who earns his income more severely than you treat the man whose income is everlasting. The man with bonds finds his income coming in whether he is sick or well, alive or dead, and yet the creator of wealth finds his income stopping with illness or death, or bad luck of one sort or another. His is an ephemeral income, and if we are going to do justice we ought to tax it much more lightly than we tax invested income. Yet we are doing just the reverse. The amendment which I have sent to the desk is the first step necessary, in my judgment, to the correction of that inequality.

Now, a word about the legality of the matter. The sixteenth amendment started here in the Senate, and as it was introduced and went to the Finance Committee it did not contain the words "from whatever source derived." The amendment as it was introduced gave Congress power to lay and collect direct taxes on incomes without apportionment, and in that form it went to the Finance Committee. They amended it in the committee to make it read as we all remember it now, so that when it was finally passed by Congress it read as follows:

> The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

Everybody recognizes that the purpose of the sixteenth amendment was to correct what had been done by the Supreme Court in the old Pollock case, where they held two things: First, that an income tax was a direct tax which could not be imposed without apportionment. That they held. Next, that a tax could not be imposed on the bonds of a municipality or of a State, because that was an impairment of the function and governmental authority of the State. I do not know anything in the amendment itself which would justify us in saying that the purpose of the amendment was to reach only the first principle decided by the Supreme Court, and I think the action of the Finance Committee in adding the words "from whatever source derived" made it plain that they at least were trying to reach the second point which the Supreme Court had ruled on, namely, that it was an impairment of the functions of the State.

Mr. BORAH. Mr. President——

Mr. REED of Pennsylvania. I yield to the Senator.

Mr. BORAH. Was it not within the power of Congress to levy a tax on income from whatever source derived prior to the sixteenth amendment, if it was apportioned?

Mr. REED of Pennsylvania. I believe not; and I believe that the court so held in the Pollock case, that they could not tax the income or interest on State bonds. That is one of the two things ruled.

Mr. BORAH. Precisely, but not because of any language in the Constitution. The Supreme Court held over and over again prior to the adoption of the sixteenth amendment that there was no limitation upon the levy of an income tax on account of the source from which derived, so far as any provision in the Constitution was concerned.

The limitation arose, as they said, out of this proposition, that there were two distinct sovereignties; that one sovereignty could not tax the instrumentalities of another sovereignty, not because the Constitution, as Marshall said, limited the source, but because it was an effort of one sovereignty to tax the instrumentalities of another sovereignty. That is what the Supreme Court held in the Pollock case.

Mr. REED of Pennsylvania. Precisely.

Mr. BORAH. But they held it because it was the taxing of an instrumentality of another sovereignty, not because there was any limitation upon the source from which the tax was derived.

Mr. REED of Pennsylvania. Mr. President, it seems to me to be very clear that what was held in the Pollock case was that the coexisting sovereignties in the Government created by our Constitution could not impinge upon one another's activities by taxing the instrumentalities of each other.

Mr. BORAH. Exactly. That is what they held, and the sixteenth amendment did not change it.

Mr. REED of Pennsylvania. That is the question I am trying to debate.

Mr. BORAH. Here is the proposition: There was no limitation in the original Constitution upon the source from which the tax had to come in order to be legal. The Supreme Court said that the taxing power of the Congress was full, complete, and plenary, so far as the property was concerned. The only thing the sixteenth amendment changed was the question of apportionment.

Mr. REED of Pennsylvania. That is precisely the question I am trying to argue. I say that in the Pollock case they did decide that apportionment was necessary, because it was a direct tax, and we all agree that the sixteenth amendment corrected that.

I say further that in the Pollock case they decided that the Federal Government could not interfere with the sovereignty of the States by taxing the interest on State bonds; that the taxing power of the United States could not reach income derived from that source.

Mr. BORAH. And the sixteenth amendment did not change that.

Mr. REED of Pennsylvania. The sixteenth amendment, in my opinion, did change it because of the insertion of the words "from whatever source derived."

Mr. BORAH. But that source must be within the sovereignty of the power levying the tax. When it goes beyond that it has not any more power to levy it than if it was in Canada.

Mr. REED of Pennsylvania. The power of the Government to tax arises entirely from the Constitution. If the Constitution says that from any source their income may be taxed, then I think the power is given it by the Constitution just as clearly as the other express powers of the Federal Government are given. I believe that conclusion is forced upon us by the well-recognized principle that the Constitution does not use superfluous words.

Mr. GEORGE. Mr. President——

Mr. REED of Pennsylvania. I yield to the Senator from Georgia.

Mr. GEORGE. I do not wish to interrupt the Senator's argument, but it is quite true that in the Pollock case the Supreme Court held there had to be an apportionment among the States, and it is also quite true that the Supreme Court held that the municipal securities or State securities were not subject to Federal taxes. But they did not hold that those securities were not subject to a Federal tax because of any want of power under the Constitution or because of any restrictive terms in the Constitution denying the Federal Government the authority to impose that tax. They so held precisely for the reason the Senator from Idaho [Mr. BORAH] has suggested, to wit, that we have two separate sovereignties, and therefore, however broad the language of the sixteenth amendment may be, it was for no lack of broadness of language or broadness of power that the Federal Government could not in the first instance and before the sixteenth amendment impose a tax upon a State security. Therefore, however broad the power or the language of the sixteenth amendment, the question is left wholly unaffected by the sixteenth amendment. I think the Supreme Court has even held it so.

Mr. BORAH. Since the adoption of the sixteenth amendment.

Mr. GEORGE. Yes; since the adoption of the sixteenth amendment.

Mr. REED of Pennsylvania. The Senator and I are not in the least in disagreement about the want of power that was decided in the Pollock case. I think we all recognize the fact that what was decided in the Pollock case was that the power to tax those securities was wanting, not because of any negation in the Constitution, but was wanting because under the scheme of government created by the Constitution the two sovereignties were equal.

Mr. GEORGE. Then, is it the Senator's idea that the sixteenth amendment destroys the concept of the two sovereignties under our Constitution?

Mr. REED of Pennsylvania. Precisely. It is my opinion that the sixteenth amendment cut down to that extent the immunity of the State sovereignty from this power of Federal attack.

Mr. GEORGE. If that could be established, of course the Senator's argument would be sound.

Mr. REED of Pennsylvania. It is difficult to establish it by the Socratic method we follow here in the Senate, but I believe if I might finish my statement perhaps we would reach some conclusion more quickly.

It is my idea that the State power was cut down by the sixteenth amendment, and the plain language of the sixteenth amendment, in just the same way that the State power was cut down by the eighteenth amendment. It is my idea that the situation as to the cutting down of State sovereignty is precisely analogous to what the Supreme Court has held was done by the eighteenth amendment. That amendment, as Senators will recall, was opposed before the Supreme Court upon the theory that the nonassenting States were having taken from them a large part of their sovereignty over a matter which until that time had been indisputably a matter exclusively within the sovereignty of the States.

It was agreed that the Constitution did not give power to a majority of the States to take from the others, the nonassenting States, a part of the sovereignty which was left them in the original creation of our Government. The court disposed of that contention with a sweeping decision and held that it was within the power of the majority of the States, by amendment to the Constitution, to cut down the sovereignty of the individual States, and that it had done so by the eighteenth amendment.

Mr. OVERMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. REED of Pennsylvania. I am glad to yield to the Senator.

Mr. OVERMAN. A few days ago the Senator from Pennsylvania gave me a very able document containing notations and criticisms and an entire review of all the cases upon this great subject. I am sorry to tell him that the result of it is that the distinguished professor of law of Columbia University in that pamphlet said:

> In the face of this very overwhelming evidence, it seems strange that anyone should have the temerity to advise Congress to go ahead and tax an income from State securities without waiting for any new constitutional authorization.

He also quotes from the Chief Justice of the United States in a celebrated case in which he said:

> It was settled that the provisions of the sixteenth amendment conferred no new power of taxation, but simply prohibited the previous complete and plenary power of income taxation possessed by Congress from the beginning from being taken out of the category of indirect taxation to which it inherently belonged, and being placed in the category of direct taxation subject to apportionment by a consideration of the sources from which the income was derived.

In other words, it added no new subject of taxation. It just was an occasion against the apportionment by direct taxation. In considering all the cases in this pamphlet which the Senator gave me, he said there is no question but what it has been decided directly by the Supreme Court, notwithstanding I said to the Senator that I believed the decision in the case of Evans against Gore was mere dicta and that in many cases there is dicta. Quoting from the Chief Justice's opinion and taking all these decisions in view, he said he could not understand how anybody has the temerity to argue that we can tax State securities without further constitutional amendment.

Mr. REED of Pennsylvania. If the gentleman who wrote that brief can not understand it, I am sorry that it should affect his understanding; but the Senator will find in the same pamphlet—which, by the way, was printed by the Finance Committee, being a collection of briefs for and against the proposition——

Mr. OVERMAN. But the brief also of Professor Anderson, of the University of Wisconsin, said the same thing.

Mr. REED of Pennsylvania. That is true; and there is a brief there by Professor Corwin, professor of jurisprudence at Princeton, which shows very plainly that he can not understand how anybody could doubt the power of Congress to do it. So if the action of the Senate is to be determined by the failure of these various gentlemen to understand one another, I am afraid we are not going to get anywhere.

It is true the Supreme Court has mentioned the subject in its opinions. It is equally true that the point has never been squarely raised before the Supreme Court nor has it ever been squarely decided. It has never been fairly argued, even, before the Supreme Court. While we can find scattering sentences here and there to the effect that the amendment added no new subject of taxation to the Federal power, those things are capable of explanation and they are only obiter dicta anyway. So that it is not correct to say that in the case of Evans against Gore, or any other case, has the precise point at issue been decided. It is not going to be decided until Congress develops the courage to pass some such legislation as that which is suggested in the amendment.

Mr. FLETCHER. Mr. President, I would like to go into the subject quite fully; I have collected quite a lot of material, but it would take me some hours to discuss it, and I would not venture to impose upon the Senate to that extent at this time. But I do want to suggest very briefly some response to the thought of the Senator that this sort of a proposal would be constitutional. In my judgment, it is clearly unconstitutional. I think it would be a great mistake to experiment with it, particularly on a bill like the pending measure.

I call attention especially to a work which is very interesting—Our Changing Constitution, by Charles W. Pierson. It is a recent publication. He expresses conclusions on the subject that are so emphatic and material that I would not attempt in any way to improve on them. At page 95 he said:

> By far the most important and interesting of the implied limitations of the Federal taxing power remains to be noticed. That is the limitation which prohibits the National Government from burdening by taxation the property or revenues or obligations of a State, or the emoluments of a State official, or anything connected with the exercise by a State of one of its governmental functions. In other words, while the National Government may tax income from bonds issued by England or France, or their cities, it is powerless to tax the income from bonds of Rhode Island or the smallest of its towns.
>
> This implied limitation, nowhere categorically expressed, but enunciated in a series of decisions of the Supreme Court, has not always met with acquiescence from the executive and legislative branches of the Government. In fact, Congress is now engaged in an effort to do away with it, at least in so far as concerns the right to tax the income from State and municipal bonds. To-day, however, it still stands as one of the most striking and unique characteristics of our governmental system. It will be discussed more at length in the next chapter.

He was referring to the proposed amendment recently defeated by some 8 or 10 votes in the House and the effort being made similar to that now proposed by the Senator from Pennsylvania.

On page 98 he said:

> The founders of this Republic established a form of government wherein the States, though subordinate to the Federal Government in all matters within its jurisdiction, nevertheless remained distinct bodies politic, each one supreme in its own sphere. In the famous phrase of Salmon P. Chase, pronouncing judgment as Chief Justice of the Supreme Court:
>
> "The Constitution in all its provisions looks to an indestructible Union, composed of indestructible States."
>
> In a later case another eminent justice (Samuel Nelson, of New York) put the matter thus:
>
> "The General Government and the States, although both exist within the same territorial limits, are separate and distinct sovereignties, acting separately and independently of each other, within their respective spheres. The former, in its appropriate sphere, is supreme; but the States within the limits of their powers not granted or, in the language of the tenth amendment, "reserved," are as independent of the General Government as that Government within its sphere is independent of the States."
>
> It follows that the two Governments, National and State, must each exercise its powers so as not to interfere with the free and full exercise by the other of its powers. To do otherwise would be contrary to the fundamental compact embodied in the Constitution; in other words, it would be unconstitutional.
>
> This proposition was affirmed at an early day by Chief Justice John Marshall in the great case of McCulloch *v.* The State of Maryland, which involved the attempt of a State to tax the operations of a national bank. That case is one of the landmarks of American constitutional law. While it did not expressly decide that the Federal Government could not tax a State instrumentality but only the converse—i. e., that a State could not tax an instrumentality of the Nation—the court has held in many subsequent decisions that the proposition enunciated by the great Chief Justice works both ways. For example, it has declared that a State can not tax the obligations of the United States, because such a tax operates upon the power of the Federal Government to borrow money, and, conversely, that Congress can not tax the obligations of a State for the same reason (Mercantile Bank *v.* New York, 121 U. S. 138); that a State can not tax the emoluments of an official of the United States, and conversely that the United States can not tax the salary of a State official; that a State can not impose a tax on the property or revenues of the United States, and conversely that Congress can not tax the property or rev-

enues of a State or a municipality thereof (United States v. Railroad Co., 17 Wall. 322).

The Supreme Court has said (and many times reiterated in substance) that the National Government "can not exercise its power of taxation so as to destroy the State governments or embarrass their lawful action." (Railroad Co. v. Peniston, 18 Wall. 5.) One of the most distinguished writers on American constitutional law—Thomas M. Cooley, chief justice of the Supreme Court of Michigan, and afterwards chairman of the Federal Interstate Commerce Commission—has said:

> "There is nothing in the Constitution which can be made to admit of any interference by Congress with the secure existence of any State authority within its lawful bounds. And any such interference by the indirect means of taxation is quite as much beyond the power of the National Legislature as if the interference were direct and extreme."

The question as to the right of Congress to levy an income tax on municipal securities came up squarely in the famous Income Tax cases, involving the constitutionality of the income tax law of 1894. While the Supreme Court was sharply divided as to the constitutionality of other features of the law, it was unanimous as to the lack of authority in the United States to tax the interest on municipal bonds.

That was the Pollock case, to which the Senator has referred. The author continues:

The decision in those cases is the law to-day—except in so far as it has been changed by the recent sixteenth amendment—with one possible limitation.

I will get to that in a moment.

It has been held that State agencies and instrumentalities, in order to be exempt from national taxation, must be of a strictly governmental character; the exemption does not extend to agencies and instrumentalities used by the State in carrying on an ordinary private business. This was decided in the South Carolina Dispensary case. (South Carolina v. United States, 199 U. S. 437.)

That is the only limitation.

The State of South Carolina had taken over the business of selling liquor and the case involved a Federal tax upon such business. The court, while reaffirming the general doctrine, nevertheless upheld the tax on the ground that the business was not of a strictly governmental character. This decision suggests the possibility that if an attempt were made to tax State and municipal bonds, the court might draw a distinction based on the purpose for which the bonds were issued, and hold that only such as were issued for strictly governmental purposes were exempt.

It remains to consider the effect of the sixteenth amendment.

Now we come to the constitutional amendment which the Senator from Pennsylvania believes is broad enough to give such authority as he proposes. The author says:

After the Supreme Court had held the income tax law of 1894 unconstitutional on the ground that it was a direct tax, and had not been apportioned among the States in proportion to population, the sixteenth amendment to the Constitution was proposed and ratified. This amendment provides that "the Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration."

When the amendment was submitted to the States for approval some lawyers apprehended that the words "incomes from whatever source derived" might open the door to the taxation by the Government of income from State and municipal bonds. Charles E. Hughes, then Governor of New York, sent a special message to the legislature opposing ratification of the amendment on this ground.

Other lawyers, notably Senator Elihu Root, took a different view of the scope of the amendment, holding that it would not enlarge the taxing power but merely remove the obstacle found by the Supreme Court to the income tax law of 1894, i. e., the necessity of apportionment among the States in proportion to population. This latter view has now been confirmed by the Supreme Court. In a case involving a tax on income from exports the court said (Peck v. Lowe, 247 U. S. 165):

> "The sixteenth amendment * * * does not extend the taxing power to new or excepted subjects, but merely removes all occasion which otherwise might exist for an apportionment among the States of taxes laid on income, whether it be derived from one source or another. * * *."

In a case decided a little earlier the court, speaking through Chief Justice White, had said:

> "By the previous ruling (i. e., in Brushaber v. Union Pacific Railway Co., 240 U. S. 1) it was settled that the provisions of the sixteenth amendment conferred no new power of taxation * * *."

From what has been said it will be evident that the doctrine of exemption of State and municipal bonds from Federal taxation is firmly embedded in our law and has not been affected by the sixteenth amendment.

Whether it is a doctrine suited to present-day conditions is a question outside the scope of this paper.

The fear of Federal encroachment, so strong in the minds of the makers of our Constitution, has become little more than a tradition. To many it doubtless will seem that any rule of law which operates to prevent the Nation in the great exigency of war from taxing a portion of the property of its citizens is pernicious and should be changed.

If this be the view of a sufficient number, the change can and will be made. Lawyers think, however, that it will have to be done by the orderly method of constitutional amendment, not by passing taxing statutes which a reluctant court will be obliged to declare unconstitutional.

Just now the tide of popular sentiment is setting strongly toward such a change. It was advocated in a recent presidential message. The immunity enjoyed by State bond issues is coming to be regarded less as a safeguard of State rights than as a means whereby the rich escape Federal income surtaxes. One is tempted to predict that the next formal amendment of the Constitution will deal with this subject.

We will deal with the proposed amendment when it comes up. The author continues:

If so, another inroad will have been made by the General Government on the failing powers of the States.

Mr. President, I will not take the time to enlarge upon this question, but I think I ought to refer to an extract from a letter of the Secretary of the Treasury to Hon. JAMES A. FREAR, under date of January 8, 1924. Referring to this very subject, he says:

If your bill were passed promptly, it would affect income received in 1924, which is returned for taxation in 1925. Some time later a decision would be obtained from the Supreme Court. In the meantime, the doubt of the law's validity would completely destroy the market for all State and municipal bonds, because the investor would be unwilling to purchase bonds at a price justified by their tax-exempt feature, and the States and the municipalities would be charged with negligence if they sold their bonds on the basis of not being tax-exempt.

You may recall that a similar situation arose a few years ago, when there was no market for Federal farm-loan bonds for several years until the Supreme Court passed upon the constitutionality of the tax-exempt feature. This condition of uncertainty would exist, irrespective of what might ultimately be the decision.

If ultimately the Supreme Court should determine that the act was unconstitutional—and you seem to be practically alone in believing that any other result will follow—then you would have accomplished nothing and you would have to start over with the constitutional amendment. At that time the Government would have to refund enormous sums of money which it had collected on the tax-exempt income and which was wrongfully withheld from the owners, together with interest on these sums. The effect on the Government's Budget in making repayment of the amounts which it would then have spent, and which it had no right to collect or hold, would be most serious.

That is one of the principal objections to this amendment. Suppose that it were written into the law and taxes were collected based on it, and afterwards it should turn out to be unconstitutional, as I am sure it would, then the Government would have to refund all the sums collected under it, and the whole Budget would be thrown into confusion.

Mr. President, I am hurrying along, but I have here an admirable article discussing this very question which I think I can use. I have not conferred with Mr. Gregg about it, but I think I can use it. Mr. Gregg, who is one of the experts of the Treasury Department, prepared for the Ways and Means Committee a digest of decisions and arguments bearing on the power of Congress to levy a tax upon the income from securities issued by States or political subdivisions thereof. Mr. Gregg's advices to Chairman GREEN in the matter were made public on January 8, at the time of the introduction by Representative GREEN of his resolution proposing the constitutional amendment. Mr. Gregg's letter, dated January 4, 1924, I will not read, but it relates to a very important question, and I ask to have it incorporated in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

TREASURY DEPARTMENT, *January 4, 1924.*

Hon. W. R. GREEN,
Chairman Ways and Means Committee,
House of Representatives.

MY DEAR MR. CHAIRMAN: Prior to its adjournment before the holidays, the committee requested that I prepare for the assistance of the committee a digest of the decisions and arguments affecting the question of whether Congress has the power to levy a tax upon the income from securities issued by States or political subdivisions thereof. In accordance with that request the following is submitted:

Two questions will be considered: (1) Whether the Federal Government has the general power to lay a tax upon income derived from securities issued by States or political subdivisions thereof; (2) in the event that Congress may not lay a tax upon income from all such securities, whether the income from obligations issued by States or political subdivisions thereof may be taxed by the Federal Government.

The earliest decision of the Supreme Court upon the question of the power of the United States to tax State instrumentalities is the Collector *v.* Day (1870) (11 Wall. 113). Under the Civil War income tax acts, a tax was assessed on the salary of Hay, a probate judge in Massachusetts. He paid the tax under protest and brought action to recover it. It was held by the Supreme Court that Congress had no power to impose a tax upon the salary of a State judicial officer.

The court cited Dobbins *v.* Commissioners (1842) (16 Peters, 435); McCullough *v.* Maryland (1819) (Wheaton, 316); and Weston *v.* Charleston (1829) (Second Peters, 449) as establishing the proposition "that the State governments can not lay a tax upon the constitutional means employed by the Government of the Union to execute its constitutional powers," and concluded that on the same principle the United States can not tax the means and instrumentalities employed by the States for carrying on their governmental operations.

The court's reasoning is indicated in the following passage (pp. 125, 187):

> "It is admitted that there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation; as any government whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government.
>
> "The means and instrumentalities employed for carrying on the operations of their governments, for preserving their existence, and fulfilling the high and responsible duties assigned to them in the Constitution should be left free and unimpaired, should not be liable to be crippled, much less defeated, by the taxing power of another government."

This decision was followed in the cases of a judge of the Superior Court of New York City (Freedman *v.* Sigel, 1875, Federal case 5989), and of a State's attorney in Maryland (United States *v.* Ritchie, 1872, Federal case 16168).

In the case of Pollock *v.* Farmers' Loan & Trust Co. (1895, 157 U. S. 429), a bill by a shareholder to enjoin the defendant corporation from paying an income tax under the act of August 15, 1894 (28 Stat. 309), it was urged that the act was unconstitutional on the grounds: (1) That in imposing a tax on the income or rents of real and personal property it imposed a direct tax upon the property itself, which was void, because not apportioned among the States; (2) that in imposing indirect taxes it violated the constitutional requirements of uniformity; (3) that in imposing a tax upon income received from State and municipal bonds it exceeded the constitutional powers of the Federal Government.

With reference to this third point Chief Justice Fuller said (p. 585):

> "It is contended that although the property or revenues of the States or their instrumentalities can not be taxed, nevertheless the income derived from State, county, and municipal securities can be taxed, but we think the same want of power to tax the property or revenues of the States or their instrumentalities exists in relation to a tax on the income from their securities, and for the same reason, and that reason is given by Chief Justice Marshall in Weston *v.* Charleston (2 Pet. 449, 468), where he said:
>
> "'The right to tax the contract to any extent when made must operate upon the power to borrow before it is exercised and have a sensible influence upon the contract. The extent of this influence depends on the will of a distinct government. To any extent, however inconsiderable, it is a burden on the operations of government. It may be carried to an extent which shall arrest them entirely. * * * The tax on Government stock is thought by this court to be a tax on the contract, a tax on the power to borrow money on the credit of the United States, and consequently to be repugnant to the Constitution.'
>
> "Applying this language to these municipal securities it is obvious that taxation on the interest therefrom would operate on the power to borrow before it is exercised, and would have a sensible influence on the contract, and that the tax in question is a tax on the power of the States and their instrumentalities to borrow money, and consequently repugnant to the Constitution.
>
> "It is clear, therefore, that prior to the adoption of the sixteenth amendment Congress had no power to levy a tax, directly or indirectly, upon securities issued by States or a political subdivision thereof. There remains to be considered the effect of the sixteenth amendment.
>
> "The sixteenth amendment provides that 'the Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.'"

At the time the sixteenth amendment was being considered by the legislatures of the several States it was urged by various writers and public men that the proposed amendment gave Congress the power to tax the salaries of officers and employees of the States and the income from State municipal securities. See Foster, "Income Tax," page 78 et seq.; Minor, "The proposed income tax amendment," 15 Virginia Legal Register, 737, 753; Hubbard, "The sixteenth amendment," 33 Harvard Law Review, 794. The contrary view was urged with equal strength. See CONGRESSIONAL RECORD, volume 45, pages 1694–1699, 2245–2247, 2539, 2540, and Ritchie, "Power of Congress to tax State securities," 5 American Bar Association Journal, 602.

In the first case which arose under the sixteenth amendment, the case of Brushabor *v.* Union Pacific Railroad Co. (240 U. S.), the Supreme Court committed itself on the question of whether or not the sixteenth amendment gave to Congress any new power of taxation. This case was a suit by a stockholder to restrain the defendant corporation from paying an income tax imposed by the tariff act of 1913, on the ground that it was unconstitutional. Chief Justice White, in the course of upholding the validity of the act, said (pp. 17, 18, 19):

> "It is clear on the face of this text that it (the amendment) does not purport to confer power to levy income taxes in a general sense—an authority already possessed and never questioned—or to limit and distinguish between one kind of income taxes and another, but that the whole purpose of the amendment was to relieve all income taxes when imposed from apportionment from a consideration of the source whence the income was derived."

Indeed, in the light of the history which we have given and of the decision in the Pollock case and the ground upon which the ruling in that case was based, there is no escape from the conclusion that the amendment was drawn for the purpose of doing away for the future with the principle upon which the Pollock case was decided; that is, of determining whether a tax on income was direct, not by a consideration of the burden placed on the taxed incomes upon which it directly operated, but by taking into view the burden which resulted on the property from which the income was derived, since in express terms the amendment provides that income taxes, from whatever source the income may be derived, shall not be subject to the regulation of apportionment.

Indeed, from another point of view, the amendment demonstrates that no such purpose was intended and, on the contrary, shows that it was drawn with the object of maintaining the limitations of the Constitution and harmonizing their operation. * * * The purpose was not to change the existing interpretation except to the extent necessary to accomplish the result intended; that is, the prevention of the resort to the sources from which a taxed income was derived in order to cause a direct tax on the income to be a direct tax on the source itself and thereby to take the income tax out of the class of excise duties and imposts and place it in the class of direct taxes.

Again, in Stanton *v.* Baltic Mining Co. (1916), 240 United States, 103, an action in form similar to the Brushabor case, Chief Justice White said in upholding the constitutionality of the same note (p. 122):

> "But aside from these obvious errors of the proposition, intrinsically considered, it manifestly disregards the fact that by the previous ruling it was settled that the provisions of the sixteenth amendment conferred no new power of taxation but simply prohibited the previous complete and plenary power of income taxation possessed by Congress from the beginning from being taken out of the category of indirect taxation, to which it inherently belonged, and being placed in the category of direct taxation, subject to apportionment by a consideration of the sources from which the incomes were derived; that is, by testing the tax not by what it was—a tax on income—but by a mistaken theory deduced from the origin or source of the income taxed.
>
> "But, of course, in saying this we are not here considering a tax not within the provisions of the sixteenth amendment—that is, one in which the regulation of apportionment or the rule of uni-

formity is wholly negligible—because the tax is one entirely beyond the scope of the taxing power of Congress, and where, consequently, no authority to impose a burden either direct or indirect exists."

Similar dicta occur in Eisner v. Macomber (1920; 252 U. S. 189, 204) and in Pack & Co. v. Lowe (1915; 247 U. S. 165).

Although it appears that in none of these cases was it necessary to pass upon the issue, it is significant that the court saw fit to announce in each of them that the amendment did not extend the taxing power of Congress to cover any new subjects.

The opinion in Evans v. Gore (1920; 233 U. S. 245) throws a more direct light upon the views of the Supreme Court regarding the scope of the sixteenth amendment. The action therein was brought by a United States district judge, appointed in 1899, to recover a tax paid upon his salary under the revenue act of 1918 (40 Stat. 1062). His chief contention was that the effect of the act in imposing a tax on his salary was to diminish his compensation, and that to this extent it was repugnant to the third article of the Constitution, providing that his salary should not be diminished during his continuance in office.

The court came to the conclusion that the prohibition prevented diminution by taxation, and the court, after reciting the history of the adoption of the sixteenth amendment, concluded:

"True, Governor Hughes, of New York, in a message laying the amendment before the legislature of that State for ratification or rejection, expressed some apprehension lest it might be construed as extending the taxing power to income not taxable before; but his message promptly brought forth from statesmen who participated in proposing the amendment such convincing expositions of its purpose, as here stated, that the apprehension was effectively dispelled and ratification followed.

"Thus the genesis and words of the amendment unite in showing that it does not extend the taxing power to new or excepted subjects, but merely removes all occasion otherwise existing for an apportionment among the States of taxes laid on income, whether derived from one source or another. And we have so held in other cases."

In conclusion, then, it is evident that since the ratification of the sixteenth amendment the Supreme Court of the United States in dicta and decision has consistently adhered to the view that the amendment does not extend the taxing power of Congress to new or excepted subjects.

Prior to the adoption of the sixteenth amendment it was established that, in general, income from State and municipal bonds was exempt from taxation by the Federal Government. In view of these two lines of decisions it appears evident to me that in the absence of a constitutional amendment a tax upon the income derived from State and municipal securities would be held by the Supreme Court to be beyond the constitutional powers of Congress.

There remains for further consideration the question of whether this exemption of the income from State and municipal securities applies to all such securities or only those issued in the courts of the governmental operations of the State or municipality.

As was stated by the court in the leading case of Collector v. Hay, supra, there is no express prohibition against taxation by the Federal Government of the activities of the States; accordingly, any exemption from Federal taxation must be grounded on the necessary implications from the Constitution. The court in that case granted this exemption from taxation to the "means and instrumentalities employed for carrying on the operations of their governments, for preserving their existence, and fulfilling the high and responsible duties assigned to them in the Constitution."

What are these "means and instrumentalities" which can not be burdened with a tax? Are all activities in which a State or municipality may choose to engage ipso facto removed from the sphere of Federal taxation?

CONSISTENT POLICY FOLLOWS

The Supreme Court has followed a consistent policy in the series of cases involving this question, which will be indicated by extracts from the decisions. In Bank of United States v. Planters' Bank of Georgia (1824) (9 Wheat. 904), Chief Justice Marshall said (p. 907):

"It is, we think, a sound principle that when a Government becomes a partner in any trading company it divests itself, so far as concerns the transactions of that company, of its sovereign character and takes that of a private citizen. Instead of communicating to a company its privileges and prerogation, it descends to a level with those with whom it associates itself, and takes the character which belongs to its associates and to the business which is to be transacted."

This distinction between the so-called proprietary functions of a municipality or State and its governmental functions has been further brought out in a series of cases involving Federal taxation. In Salt Lake City v. Hollister (1865) (118 U. S. 296) action was brought by the city to recover taxes paid the Federal collector of internal revenue on spirits distilled by the city.

It was held that a municipal corporation engaged in a business of distilling spirits was subject to internal-revenue taxation under the laws of the United States. In the leading case upon the subject—South Carolina v. United States (1905) (199 U. S. 437)—Justice Brewer brings out clearly the distinction noted in the earlier cases between proprietary and governmental functions of a State. The facts were these:

The State of South Carolina established dispensaries for the wholesale and retail sale of liquor and prohibited sales by others. The United States demanded license taxes from the dealers, which the State paid. The dispensers had no interest in the sales and received no profits thereon. Later the State protested against the payment of the Federal license taxes and sued to recover amounts already paid.

In upholding the power of the United States to levy the license tax, Justice Brewer, after citing Collector v. Hay, supra, and McCulloch v. Maryland (1819) (4 Wheat. 316) said (pp. 456, 457, 459):

"There is something of a conflict between the full power of the Nation with respect to taxation and the exemption of the State from Federal taxation in respect to its property and a discharge of all its functions. The exemption of the State's property and its functions from Federal taxation is implied from the dual character of our Federal system and the necessity of preserving the State in all its efficiency.

"In order to determine to what extent that implication will go, we must turn to the condition of things at the time the Constitution was framed. Looking, therefore, at the Constitution in the light of the conditions surrounding at the time of its adoption, it is obvious that the framers, in granting full power over license taxes to the National Government, meant that that power should be complete, and never thought that the States, by extending their functions, could practically destroy it.

"It is also worthy of remark that the cases in which the invalidity of a Federal tax has been affirmed were those in which the tax was attempted to be levied upon property belonging to the State or one of its municipalities or was a charge upon the means and instrumentalities employed by the State in the discharge of its ordinary functions as a Government."

The court then cites Veazie Bank v. Fenno (8 Wall. 533), Collector v. Hay (11 Wall. 113), United States v. Railroad Co. (17 Wall. 322) to the same effect and continues (p. 461):

In Ambrosini v. United States (187 U. S. 1), in which the Federal war revenue tax act providing for stamp taxes on bonds was held inapplicable to bonds required from licenses under the dram shop act of Illinois, the court declared:

"The question is whether the bonds were taken in the exercise of a function strictly belonging to the State and city in their ordinary governmental capacity, and we are of the opinion that they were, and that they were exempted as no more taxable than the licenses.

"The decisions, while not controlling the question before us, indicate that the thought has been that the exemption of State agencies and instrumentalities from national taxation is limited to those which are of a strictly governmental character, and does not extend to those which are used by the State in the carrying on of an ordinary private business."

The court then refers to the distinction in the law of torts between suits against a city for acts done in its public capacity and for acts in its private character, and goes on (p. 463):

"It is reasonable to hold that while the former may do nothing by taxation in any form to prevent the full discharge by the latter of its governmental functions, yet whenever a State engages in a business which is of a private nature that business is not withdrawn from the taxing power of the Nation."

ANOTHER CASE IN POINT

In the case of Flint v. Stone-Tracy Co. (1911), (220 U. S. 107), the court quoted South Carolina v. United States with approval, and added (p. 157):

"The cases unite in exempting from Federal taxation the means and instrumentalities employed in carrying on the governmental operations of the State. The exercise of such rights as the establishment of a judiciary, the employment of officers to administer and execute the laws, and similar governmental functions can not be taxed by the Federal Government. (Collector v. Hay, 11 Wall. 113; United States v. Railroad, 17 Wall. 322; Ambroshini v. United States, 187 U. S. 1.)

"But this limitation has never been extended to the exclusion of the activities of a merely private business from the Federal taxing power, although the power to exercise them is derived from an act of incorporation by one of the States. See also Vilas v. Manila (220 U. S. 345); Lynch v. City of Springfield (1899), (174 Mass. 430, 54 N. E. 871); Bullmaster v. City (1897), (70 Mo. App. 60); City v. Babbitt (1794), (8 Tex. Civ. App. 432, 28 S. W. 702); City v. Kelly (1882), (36 Ohio St. 50); Western Saving Fund Society v. City (1858), (31 Pa. St. 175); City v. Corey (1861), (9 Mich. 165); see also Mayor v. Birmingham Water Works Co. (1903), (139 Ala. 531, 36 So. 614); State v. Barker (1902), (116 Iowa 96, 89 N. W. 204.)"

In view of these decisions it must be regarded as established that there is a consistently recognized distinction between the strictly governmental functions of a State or municipality on the one hand and its proprietary or private activities on the other; and, further, that the implied exemption from Federal taxation applies only to the former and does not apply to the latter.

It should be noted, however, that the line between the governmental activities and the private activities of the States and the political subdivisions thereof has not been definitely drawn. In view of the gradual extensions of States and municipalities into many fields formerly regarded as private or proprietary, it would be most difficult, if not impossible, prior to a decision on each point by the Supreme Court, to segregate the governmental activities of a State or municipality from its private or proprietary activities.

A provision in the statute taxing State or municipal securities issued to carry on the private or proprietary activities would accomplish little toward abolishing the evil of tax-exempt securities, would be most difficult to administer, and would be the subject of immediate and repeated attacks in the courts. The application of such a section to each case would be settled only after the consideration and decision of the case by the courts.

The conclusions reached herein represent only my own personal views and do not in any way commit the Treasury Department to any position.

In accordance with the further request of the committee, I am transmitting herewith eight copies of the opinion of the Attorney General holding that the salaries and wages of State officials and employees are not subject to the income tax imposed by the revenue act of 1918.

Respectfully,

A. W. GREGG.

Mr. FLETCHER. Without referring to the effect of the proposed action as set forth in some of the arguments made in support of the proposal to have no tax-exempt securities at all and doing away with tax-exempt features of State and Government issues, I say it can not be successfully contended that there can be collected by way of an income tax anything approaching the difference in interest between a 4 per cent and a 5 per cent bond. It is impossible to ascertain what is collected as income tax on interest on taxable Government bonds. The nearest approach to that information is given in the letter to me, dated January 29, 1924, and the accompanying statement of the Undersecretary of the Treasury, which I ask to have printed in the RECORD.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

THE UNDERSECRETARY OF THE TREASURY,
Washington, January 29, 1924.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: For the Secretary of the Treasury, I acknowlege receipt of your letter of January 26, 1924, regarding the amount of income tax collected on taxable Government bonds. In reply I am sending you a table compiled from statistics of income from 1921 returns, showing the estimated surtax on incomes from Government obligations not wholly exempt from tax. You understand, of course, that the statement shows estimated surtax due on the basis of returns filed from the particular year and not actual collections. Actual income-tax collections are not segregated according to the sources of the income from which they are derived. To classify actual receipts in this manner would require a much more elaborate accounting system in each collector's office, and the expense would not be justified by the results.

Very truly yours, GARRARD B. WINSTON,
Undersecretary of the Treasury.

(1 inclosure)

Estimated surtax due on incomes from Government obligations not wholly exempt from tax, 1921 returns

Income class	Interest on Government obligations not wholly exempt from tax	Rate of surtax	Amount of surtax
		Per cent	
$5,000 to $6,000	$2,356,831	1	$23,563
$6,000 to $8,000	4,384,000	2	87,680
$8,000 to $10,000	3,366,752	3	101,003
$10,000 to $12,000	2,505,537	4	100,221
$12,000 to $14,000	2,198,467	5	109,923
$14,000 to $20,000	4,633,687	7	324,358
$20,000 to $30,000	4,929,944	11	542,294
$30,000 to $40,000	3,327,779	16	532,445

Estimated surtax due on incomes from Government obligations not wholly exempt from tax, 1921 returns—Continued

Income class	Interest on Government obligations not wholly exempt from tax	Rate of surtax	Amount of surtax
		Per cent	
$40,000 to $50,000	$2,078,863	21	$436,561
$50,000 to $60,000	1,479,083	26	384,562
$60,000 to $70,000	1,277,342	31	395,976
$70,000 to $80,000	990,970	36	356,749
$80,000 to $90,000	675,741	41	277,054
$90,000 to $100,000	453,729	46	208,715
$100,000 to $150,000	1,614,910	52	839,753
$150,000 to $200,000	878,643	56	492,040
$200,000 to $300,000	1,257,874	60	754,724
$300,000 to $500,000	1,194,312	63	752,417
$500,000 to $1,000,000	330,409	64	211,462
Over $1,000,000	347,872	65	226,117
Total	40,281,245		7,157,357

Mr. FLETCHER. I also ask to have printed in the RECORD an article by Mr. Frederick Juchhoff, which appeared in Public Affairs of the issue of May, 1924. Mr. Juchhoff is professor of economics at the American University, and the article is entitled "Why tax-exempt securities?"

The PRESIDING OFFICER. In the absence of objection, the article will be printed in the RECORD.

The article referred to is, as follows:

WHY TAX-EXEMPT SECURITIES

[By Frederick Juchhoff, professor of economics, American University]

[In the April number of Public Affairs Doctor Juchhoff discussed the proposed constitutional amendment to abolish tax-exempt securities and pointed out that there are, after all, two sides to the question. Although numerous arguments were advanced in favor of the plan there are, perhaps, equally strong reasons why it should not be adopted. The vote in Congress cut across party lines and factional lines as well; progressives and conservatives were found on both sides. In this article Doctor Juchhoff shows some of the consequences that would follow the adoption of the proposed amendment.]

The abolition of tax-exempt securities continues to be urged in certain quarters with unabated vigor. The average citizen and taxpayer may well ask the question, Why this sudden deep concern on the part of certain politicians and periodicals about alleged tax evasion by the very wealthy?

It seems more than a coincidence that many opponents of heavy surtaxes and excess profits taxes, which fall primarily upon large incomes, are also opposed to the continuance of tax-exempt securities.

A careful examination of the facts leaves some doubt as to whether those who are behind the propaganda to tax all securities advocate this change because of a desire to force the wealthy to bear a just share of the burden of taxation, or whether it is perhaps in some cases from motives of self-interest. There are, more or less clearly defined, three distinct groups who would benefit very materially by the passage of the proposed amendment to tax all securities issued in the future.

PRESENT SECURITY HOLDERS WOULD BENEFIT

The first of these groups consists of the present holders of outstanding tax-exempt securities. This group is composed largely of private individuals and financial institutions, certain of whose funds are required by law to be invested in State or municipal securities now tax exempt and not affected by the proposal to tax future issues.

According to the admission of the Assistant Secretary of the Treasury, the market value of the present outstanding tax-exempt securities, amounting in round numbers to about $12,300,000,000, would be increased by the passage of the bill by one-eighth, or about $1,500,000,000

If the taxpayers are honest about making out their income-tax returns, it would take a good many years to pay into the Treasury of the United States in income taxes the sum of $1,500,000,000, as much as would in one instant be put into the pockets of those who own tax-exempt bonds.

The second and third groups are composed of the farm-mortgage bankers and the public utilities. While the proposed change would not as immediately and directly increase the value of securities held by these groups as in the case of the first group, both groups would be greatly benefited because of the handicap which would be placed upon competing interests.

FARM MORTGAGES AND LAND BANKS

The total amount of farm mortgages in the United States outstanding at the present time may be conservatively estimated in round numbers at about $7,850,000,000. Of these loans $1,271,986,058 are

carried by the Federal land banks and joint stock land banks, whose securities are free from taxation, and are made to the farmer at not to exceed 6 per cent interest, while the rates charged by others upon similar security range from 7 to 8 per cent and higher.

These Federal farm loan banks and joint stock land banks exist under the Federal farm loan act, which became a law on July 17, 1916. The general purposes of this act were to lower and equalize interest rates on first-mortgage farm loans; to provide long-term loans with the privilege of repayment in installments through a long or short period of years, at the borrower's option; to assemble the farm credits of the Nation to be used as security for money to be employed in farm development; to stimulate cooperative action among farmers; to make it easier for the landless to get land; and to provide safe and sound long-term investments for the thrifty.

While all of these things have been accomplished in a general way, the operation of the banks organized under the act has made very serious inroads into the business of the dealers in farm mortgages and investment bankers, who no longer enjoy an unrestricted monopoly in the farm-loan field.

PUBLIC UTILITIES ALSO INTERESTED

Under the terms and conditions of the law the maximum rate of interest which may be charged by the banks organized thereunder is 6 per cent. These banks are financed by the issuance of bonds which are sold to the investing public at an interest rate of from 4½ to 5 per cent, and while the rate which may be charged to the farmer can not exceed 6 per cent, it also can not exceed 1 per cent in excess of the interest paid on the bonds of the bank.

The removal of the tax exemption on these bonds would make necessary an interest rate thereon of from 5½ to 6 per cent. This would have the effect of either suspending the operation of the farm loan and joint-stock land banks entirely or a revision of the law which would permit an interest charge of not less than 6½ to 7 per cent.

The public utilities interests are primarily interested in restricting the issuance of tax-exempt securities by the municipalities and other public subdivisions of the several States. They are alarmed by the present tendency toward municipal operation and control of public utilities. They believe that many municipalities would hesitate to engage in private enterprises of a public nature if the interest rate of the securities issued by them to undertake such municipal operation is increased. To tax the securities of municipalities would tend to raise the necessary interest rates on such securities from the present average of about 4.20 per cent to 5.20 per cent, which would bring the rate to nearer that now paid by the public utilities, which is about 5.55 per cent.

Mr. FLETCHER. I also ask to have printed in the RECORD an editorial from the Manufacturers' Record of March 27, 1924, discussing the amendment which was then proposed against tax-exempt securities and saying—

The amendment against tax-exempt securities would be fundamentally wrong.

The PRESIDING OFFICER. Without objection, the editorial will be printed in the RECORD.

The editorial referred to is as follows:

THE AMENDMENT AGAINST TAX-EXEMPT SECURITIES WOULD BE FUNDAMENTALLY WRONG

A recent survey of the Birmingham school situation reports that existing buildings are overcrowded to the extent of nearly 16,000 scholars and that 19 new school buildings are needed. Several years ago Baltimore faced a similar condition, except on a much larger scale, and has been busy spending $20,000,000 in the erection of new school buildings. New York has relatively worse conditions even than either Baltimore or Birmingham and is spending many millions on new buildings in order to accommodate children who are seeking an education. Similar conditions exist throughout the entire country. Public schools, private institutions of learning, colleges, and universities, are all overcrowded. In 1923 this country spent $1,100,000,000 on school buildings, or about one-fifth of our entire building outlay.

Every dollar expended for the erection of new school buildings is more productive than any dollar expended for the extension of railroads or the building of factories, in proportion as the raw materials of boyhood and girlhood are superior to the raw materials on which industries are built. In vain shall we seek to utilize our raw materials of iron and coal and copper and all the wide variety of things which enter into the manufacturing enterprises or into the building of railroads, if we fail to utilize to the largest possible extent the raw material in the youth of the land. And yet the advocates of the proposed amendment against the issuing of tax-exempt securities are claiming that the country is spending the money secured through the sale of such securities on "unproductive" enterprises, instead of putting it into what they call "productive" enterprises.

Though the proposed amendment has been defeated in the House, it is well to remember that if it ever should be adopted, every community in this country would find it more difficult to raise money for the building of schools, for the building of highways, the improvement of streets, and the construction of waterworks and sewerage systems.

Tax exemption enables communities and States to secure at a lower rate of interest the money needed for all of these enterprises than would be possible if this exemption privilege were abolished.

The argument that the money which States and communities are spending for municipal improvements, including schools, is unproductive as compared with the money expended for industrial and public-utility enterprises, is utterly without foundation. In effect it says that these material things are superior to the brain and the soul, which are developed by education, and also to the health which is maintained by better sanitary conditions and better streets. The money expended in this way is of all money the most profitable, yielding the largest results for the good of the people everywhere. But more than that, if the proposed amendment should be adopted it would add to the cost of every dollar of money loaned by the joint-stock land banks and the Federal loan banks to the farmers of the country. And if this amendment should ever be adopted by the country the Federal Government could then destroy the last vestige of State rights and hold a dominating power over every municipal and State improvement, over the building of schools and the development of highways and all kindred activities, whenever those in authority at Washington wanted to curb these activities in one section or advance them in another.

It is inconceivable to the Manufacturers' Record how the advocates of this amendment can be so easily misled by the cry that rich men are putting their money into tax-exempt securities. That argument is so specious and so begs the whole question as to be unworthy of consideration in the light of the evils that would be wrought by its adoption. Let us find some other way to make the rich man pay his share of taxation, and not cut off our nose to spite our face, even if the face has offended us.

Mr. FLETCHER. I have numerous other material, consisting of letters and articles and authorities in support of our contention that, in the first place, it would be unconstitutional to attempt to legislate in a way whereby the Federal Government would be given any power or authority to tax State securities or securities issued by authority of the States; but even a constitutional amendment that would accomplish that object would, in my judgment, be unwarranted and disastrous.

Mr. President, I hope before we are through that an effort will be made to reconsider the vote whereby we have to a certain extent, although to a less degree than was proposed by the House, in the provisions of this bill destroyed the tax-exempt features of farm-loan bonds. We have done that by the action taken to-day with respect to the amendment regarding the deduction of interest.

Mr. SIMMONS. Mr. President, I wish to say to the Senator that this proposition of the Senator from Pennsylvania contemplates taxing future issues, while the other amendment which we acted upon this evening, also sponsored by the Senator from Pennsylvania, contemplates reaching the interest upon bonds that have already been issued.

Mr. FLETCHER. Precisely. I am glad the Senator mentioned that; that is quite true. The effect of that vote was to undertake to tax bonds that are by law exempt from taxation to-day.

Mr. SIMMONS. Mr. President, I should like to say to the Senator that I know as a fact that a great many Senators, especially on the other side of the Chamber, voted for that proposition upon a misunderstanding.

Mr. FLETCHER. So I am advised. I hope a motion will be made to reconsider that vote, and I hope the Senate will refuse absolutely and stand firmly now and forever against opening the door whereby these farm-loan bonds may be taxed. Agriculture is getting the benefit of that feature in those bonds, and it was done for the purpose of aiding agriculture and meeting the agricultural needs of the country. This is simply the beginning of an attack which was launched against that feature of those bonds primarily by the land-mortgage bankers in the West, and we ought to reconsider that vote.

I do not want to take the time of the Senate unnecessarily, but I think what I have submitted here ought to go into the RECORD. I have not the slightest idea that the Senator from Pennsylvania will be able to get sufficient votes to put through his amendment.

Mr. BORAH. Mr. President, I do not know that I disagree with the Senator from Pennsylvania [Mr. REED] as to his policy or what he desires to accomplish. I should consider that more seriously if I thought the constitutional question were out of the way. I do not believe that it is within the power of the Congress to levy a tax upon State bonds, municipal bonds of the State, State instrumentalities of any kind, or the salaries of State officials.

As I view it, the sixteenth amendment did not change the taxing power of the National Government in any particular except to remove the necessity of apportionment. It conferred upon the National Government no power in addition to that which it already possessed; it made no change in the power of Congress, except that it enabled it to lay direct taxes without apportionment.

Prior to the adoption of the sixteenth amendment, so far as the provisions of the Constitution were concerned, the power of Congress to levy a tax was full and complete. As one of the decisions of the Supreme Court said, it was plenary and indefinite. Congress could lay a tax upon any property or any species of property, provided it was apportioned; and the lack of power to tax State bonds and State instrumentalities did not arise by reason of any limitation in the Constitution of itself, but, as Marshall said, in effect, it arose out of the proposition that we have two sovereignties, and that the full and complete power conferred upon Congress must always have subtracted from it the fact that one sovereignty can not tax another sovereignty or the instrumentalities of another sovereignty.

Mr. WALSH of Montana. Mr. President——

Mr. BORAH. I yield.

Mr. WALSH of Montana. I do not recall, but the Senator from Idaho doubtless will, whether there was any discussion in either House of Congress in connection with the adoption of the joint resolution out of which the sixteenth amendment grew of the necessity or the desirability of having an amendment to the Constitution under which the Federal Government could tax State securities.

Mr. BORAH. No, Mr. President; I do not recall that upon the floor of the Senate or the floor of the House there was any urging of any desire or necessity for taxing State instrumentalities; and no one contended, so far as I recall, that that was what they were seeking to do or desired to do. I do wish to say, however, that after the sixteenth amendment passed the Congress and went to the States the then Governor of the State of New York, Mr. Hughes, sent a message to the legislature against ratification, and in that message he said:

> I am in favor of conferring upon the Federal Government the power to lay and collect an income tax without apportionment among the States according to population * * *. But the power to tax incomes should not be granted in such terms as to subject to Federal taxation the incomes derived from bonds issued by the State itself or those issued by municipal governments organized under the State's authority * * *. You are called upon to deal with a specific proposal to amend the Constitution * * *. This proposal is that the Federal Government shall have the power to lay and collect taxes on incomes "from whatever source derived."

And the governor of the State, Mr. Hughes, advised against the ratification of the amendment because, in his opinion, the language "from whatever source derived" might enable the National Government to tax State bonds, and so forth.

That gave rise immediately to a discussion here upon the floor and elsewhere as to the power which was conferred upon the National Government by reason of the sixteenth amendment; and very generally, I think, it was contended that it did not confer any such power as the governor claimed. His State legislature went ahead and ratified it, notwithstanding the views expressed.

I discussed the subject myself in the Senate in answer to Governor Hughes's contention upon the 10th day of February, 1910; and that led to an extended debate upon the subject, but that debate took place after the amendment was submitted. However, the authors of the amendment, those who drew the amendment, expressed themselves as to what they had in mind; and I think those who desire to consult those who drew the amendment will find that they did not contemplate granting any additional power to the National Government. The sole object in mind was to eliminate the necessity of apportionment with reference to a direct tax.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. BORAH. Yes.

Mr. REED of Pennsylvania. In saying that the authors of the amendment did not adopt the construction for which I have been speaking, the Senator must have forgotten what was said at that time by Senator Brown, who was the proponent of the income-tax resolution.

Mr. BORAH. Yes; but I do not think he drew the amendment.

Mr. REED of Pennsylvania. It was he who introduced it; was it not?

Mr. BORAH. Yes; but he did not draw the amendment.

Mr. REED of Pennsylvania. Does the Senator know who did draw it?

Mr. BORAH. Yes.

Mr. OVERMAN. My recollection is that the Senator from Idaho drew it.

Mr. REED of Pennsylvania. Would the Senator mind telling us who did draw the amendment?

Mr. BORAH. I think perhaps the party most responsible for it was Attorney General Wickersham. There were others who had a part.

Mr. REED of Pennsylvania. Can the Senator tell us whether he drew it with or without the words "from whatever source derived"?

Mr. BORAH. My understanding is that he drew it with those words incorporated. I am speaking, however, from memory, which runs back over more than 10 years, and, of course, I would not want to quote a man going back that far; but I am satisfied that if the Senator will communicate with Attorney General Wickersham he will find that I am not in error.

Mr. REED of Pennsylvania. Mr. President, the amendment as introduced did not have those words in it. They were added in the Finance Committee. I wondered if the omission was Mr. Wickersham's or whether the addition was the Finance Committee's.

Mr. COPELAND. Mr. President——

Mr. BORAH. I yield to the Senator from New York.

Mr. COPELAND. I simply want to say that Mr. Wickersham told me that he wrote the amendment, and his view is the same as that held by the Senator from Idaho. I say that rather reluctantly, because I wanted him to give a different opinion in the matter.

Mr. BORAH. I want to quote from two or three decisions of the Supreme Court as to the power of Congress prior to the adoption of the sixteenth amendment.

The court a number of times said that the only limitation upon the power of Congress was that of apportionment.

In the case of Pacific Co. v. Soule (7 Wallace, p. 433) the court said:

> The taxing power is given in the most comprehensive terms. The only limitations imposed are that direct taxes, including the capitation tax, shall be apportioned; that duties, imposts, and excises shall be uniform, and no duty shall be imposed upon articles exported from any State. With these exceptions the exercise of the power is in all respects unfettered.

Again, in the case of Veazie v. Fenno (8 Wallace), the court says:

> Nothing is clearer from the discussions in the convention and the discussions which preceded final ratification by the necessary number of States than the purpose to give this power (to levy taxes) to Congress as to the taxation of everything except exports in its fullest extent. * * * More comprehensive words could not have been used. * * * The words used certainly describe the whole power, and it was the intention of the convention that the whole power should be conferred.

The words "from whatever source derived" did not add one particle of power to Congress. In other words, if the Constitution had said that "the Congress shall have power to levy a tax upon incomes," it would have had the same fullness of power that it has when it says "from whatever source derived," because if you could lay a tax upon incomes, and there was no limitation, you could lay it upon any income that the National Government could find; and the words "from whatever source derived," so far as constitutional power is concerned, were purely superfluous.

Again Mr. Pomeroy says:

> Because the Nation is thus paramount its taxing power is supreme; it may be applied to all subjects; it may be exerted upon all individuals, and upon every species of property.

Chief Justice Marshall, when he came to deal with this question, was unable to find any limitation in the provisions of the Constitution prohibiting or restraining the National Government from levying a tax upon State instrumentalities, but this is the language which the Chief Justice used:

> There is no express provision [of the Constitution] for the case, but the claim—

That is, that these bonds are exempt from taxation—

> has been sustained on a principle which so entirely pervades the Constitution, is so intermixed with the materials which compose it, so interwoven with its web, so blended with its texture as to be incapable of being separated from it without rending it into shreds.

In other words, as I said a moment ago, while the national sovereignty was given unfettered and unlimited power to tax, as Marshall said in the McCulloch case, you must nevertheless

take into consideration the fact that here are two sovereignties, and the full and plenary power given to the national sovereignty must at all times take into consideration the fact that under our dual system of government one sovereignty can not tax the other sovereignty, because the power to tax is the power to destroy, and such a course would place in the hands of one sovereignty the power to destroy the other sovereignty.

Mr. Hare, in the discussion of the Constitution, says:

The taxing power of the United States is subject to an implied restraint arising from the existence of the powers in the State which are obviously intended to be beyond the control of the General Government.

Tucker, in his constitutional discussions, says:

This clause with reference to taxation is without any express restriction except that already referred to and explained—uniformity and apportionment and exports in the State. Despite this it has been decided that the United States can not tax the salary of a State officer or a State municipal corporation or process of State courts or a railroad owned by a State. This decision rests upon the strong ground that the power of Congress—even under this full grant as contained in the language of the Constitution—to pass a tax law is restricted to a law which is necessary and proper to carry its taxing power into effect; and as taxation of a State franchise by the Federal Government is an infringement upon the reserve power and autonomy of the State, and as the power to tax without limitation is the power to destroy, execution by the United States of a power which involves the total destruction of State functions was not only not proper but radically improper.

I cite one more authority, and then I will not detain the Senate with a long list of the authorities which might be cited. In the case of Collector *v.* Day (11 Wallace), the court said:

Such being the separate and independent condition of the States in our complex system as recognized by the Constitution and the existence of which is so indispensable that without them the General Government itself would depart from the family of nations, it would seem to follow as a reasonable if not a necessary consequence that the means and instrumentalities employed for carrying on the operations of their government, or preserving their existence and fulfilling the high and responsible positions assigned to them in the Constitution should be left free and unimpaired, should not be liable to be crippled by the taxing power of another government, which power acknowledges no limits but the will of the legislative body imposing the tax. * * * In respect to the reserve powers the State is as sovereign and independent as the General Government.

Then it said:

It is admitted there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of a State, nor is there any prohibiting the State from taxing the means and instrumentalities of the Government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation, as any government whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government.

So, Mr. President, the sixteenth amendment conferred no additional power upon the National Government. It took away the necessity of apportionment. It had the full power and the complete power to levy a tax upon incomes from whatever source derived prior to that time, the same as it has now. Under the act of 1864 the Congress specifically undertook to levy a tax upon incomes from State bonds, and while the Supreme Court sustained the law of 1864, as it levied upon all other kinds of income, it held specifically that owing to the limitation upon one of the sovereignties levying a tax upon another, it could not levy a tax upon State bonds.

The same question practically arose in the Pollock case. There was an effort in the Pollock case to levy a tax upon incomes, some of which came from State bonds. In the Pollock case the income tax law of 1894 was involved. The statute of 1894 had incorporated in it almost the identical language which is found in this amendment, to wit, "from whatever source derived," covering property of every kind, and incomes from whatever source. The law was passed upon in the light of the general taxing power of Congress.

It was brought to the attention of the court that included in some of the incomes was income from State bonds. There were two things upon which the court in the Pollock case were not divided: First, that there was no limitation upon the power of Congress as contained in the clause of the Constitution construed as to what kind of property could be taxed and what should not. The entire court agreed in the Pollock case that there was no limitation upon the power of Congress to levy this tax so far as the provisions of the Constitution were concerned.

The second proposition was that, notwithstanding the full power conferred upon Congress, it could not pass an act which would tax the salaries of State officers or municipal or State bonds. Then they proceeded to say that the reason why Congress could not do so was not by reason of any limitation of power in the Constitution, but because, as Marshall said, here are two sovereignties, one of which can not tax the other, and all provisions of the Constitution must be construed at all times as conferring power to do that which is within the sovereign power of the particular sovereign to do, and not to interfere with the sovereign power of another Government.

I undertake to say that we can no more levy a tax upon the State instrumentalities and State bonds than we could levy a tax upon property in Canada, because it is a part of the sovereignty of a distinct sovereign from that which is levying the tax.

Mr. President, I ask to have incorporated in the RECORD in connection with my remarks the remarks which I made in the Senate on the 10th of February, 1910, when the Senate had under consideration a proposed amendment along this line.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

SPEECH OF HON. WILLIAM E. BORAH, OF IDAHO, IN THE SENATE OF THE UNITED STATES, FEBRUARY 10, 1910

The Senate having under consideration a resolution submitted by Mr. BORAH on the 8th instant, as follows:

"*Resolved*, That the Committee on the Judiciary be, and is hereby, directed to report to the Senate as early as may be practicable whether, in the opinion of the committee, the proposed amendment to the Constitution of the United States, as submitted to the States for ratification at the special session, would, if adopted, authorize Congress to lay a tax upon incomes derived from State bonds and other municipal securities, or would authorize Congress to tax the instrumentalities or means and property of the State or the salary of State officers"—

Mr. BORAH. Mr. President, a few weeks ago one of our most distinguished and justly celebrated of public men, Governor Hughes, of New York, sent a message to the New York Legislature recommending against the ratification of the proposed amendment to the Constitution providing for levying an income tax without apportionment. It has been assumed by the public press since the message of the governor that it would be impossible, in view of his declaration, to secure the enactment of the amendment. So firm a hold has the Governor of New York upon the public mind and so high is the esteem in which he is held as a lawyer that it was regarded as in a nature conclusive against the amendment. After some considerable consideration of the matter it occurs to me that there are at least two sides to the controversy, and, in my own opinion, the grounds stated for the rejection are not such as should prevail against the amendment. The governor stated in his message as follows:

"I am in favor of conferring upon the Federal Government the power to lay and collect an income tax without apportionment among the States according to population * * *. But the power to tax incomes should not be granted in such terms as to subject to Federal taxation the incomes derived from bonds issued by the State itself or those issued by municipal governments organized under the State's authority * * *. You are called upon to deal with a specific proposal to amend the Constitution * * *. This proposal is that the Federal Government shall have the power to lay and collect taxes on incomes '*from whatever source derived.*'"

The contention of the governor being that if this proposed amendment should be adopted it would confer upon the Government the power to levy an income tax upon incomes derived from State and municipal bonds; and it would follow, although he does not so state, as a matter of logic and a matter of law, that it would confer the power to levy an income tax upon the salaries of State officers, executive, judicial, and legislative. In other words, the position of the governor is that it would confer upon the National Government the power to tax the instrumentalities and means of State government, and for that reason he opposes it.

It is curious to observe, Mr. President, that this is precisely the same objection that was urged to the language contained in the taxing power of the National Constitution at the time of its submission to the 13 States for ratification. It was contended upon the part of those who opposed its adoption that the language of the National Constitution was such as to enable the National Government to impose a tax upon the instrumentalities and means of State governments, to thereby embarrass the State governments, and in the end to practically destroy them as independent and separate sovereignties. The argument was based in those days upon the plenary power which was given to the National Government to tax, it being contended that the language conveyed power to tax all property of whatever kind or from what-

ever source derived, and that this would give the power to tax the instrumentalities and means of the State.

When Mr. Hamilton came to answer that argument in his Federalist articles he did not recede from the proposition that full power had been given to the Federal Government to tax. He stated that the power of the Federal Government to tax was without limit, unqualified, plenary, and that it should be so; that it was intended to be so; and that that was the only reasonable construction which could be placed upon it. He gave his reasons in the following statement, quoting from the thirty-first number of the Federalist:

> "A government ought to contain in itself every power requisite to the full accomplishment of the objects committed to its care and to the complete execution of the trusts for which it is responsible, free from every other control but a regard to the public good and to the sense of the people.
>
> "As the duties of superintending the national defense and of securing the public peace against foreign or domestic violence involve a provision for casualties and dangers to which no possible limits can be assigned, the power of making that provision ought to know no other bounds than the exigencies of the Nation and the resources of the community.
>
> "As revenue is the essential engine by which the means of answering the national exigencies must be procured, the power of procuring that article in its full extent must necessarily be comprehended in that of providing for those exigencies.
>
> "As theory and practice conspire to prove that the power of procuring revenue is unavailing when exercised over the States in their collective capacities, the Federal Government must of necessity be invested with an unqualified power of taxation in the ordinary modes."

I am not going to assume that the effect of this tax would be any other than that which Governor Hughes suggests. For the purpose of the remarks I propose to make to-day I shall assume that it would have the effect for which it is contended without discussing that question.

The amendment which has been submitted reads as follows:

> "Congress shall have power to lay and collect taxes on incomes from whatever source derived without apportionment among the several States and without regard to any census or enumeration."

The words upon which the governor lays stress are "from whatever source derived," he believing them to include incomes from the sources I have suggested.

I submit for the consideration of the Senate, first, that this amendment, if adopted, will add nothing to the power of the National Government to lay and collect taxes in the way of power; that the power of the National Government at the present time, as I have said, is full, complete, unlimited, and unfettered, save as to exports from the States, which has nothing to do with the argument here.

It is true that there are two rules with reference to the manner in which the Congress shall exercise the power—that of uniformity and that of apportionment—but as to the power itself, putting aside for the moment the manner of its exercise, I submit that the power is at the present time vested in Congress without any limitation, unfettered in every sense of the term.

Secondly, I invite the attention of the Senate to the proposition that the words "from whatever source derived" add nothing to the force or strength of the amendment itself. When the Constitution says that the Congress shall have power to lay and collect taxes, it conveys all the power that it would convey if it said "shall have power to lay and collect taxes upon property from whatever source derived." If we should have said in this amendment that Congress shall have power to lay and collect taxes upon incomes without apportionment, it would necessarily, in constitutional parlance, include all incomes of whatever nature or from whatever source derived.

I reason from this basis: We find in the Constitution at the present time this power that Congress shall have power to lay and collect taxes, and the court has held that it includes taxes upon all kinds of property and from whatever source it may be derived. Therefore the adding of the words "from whatever source derived" does not amplify the power conferred or make it mean any other than it would mean if the words had been entirely omitted from the amendment.

Third, the amendment did not deal, does not purport to deal, and was not intended to deal with the question of power. It intended to deal and does deal, alone with the manner of exercising that power which is already complete, that which is already without any limit. The sole obstacle to be removed by those who sought to change the Constitution was that of apportionment. No one has ever contended that it was not within the power of Congress to lay a tax upon incomes. That power has belonged to Congress from its organization, under the original taxing power of Congress. Whether apportioned or unapportioned was a matter of discussion and concerning which courts and lawyers differed; but the power to impose an income tax upon all property, "from whatever source derived," was never doubted, so far as I know, by either court or lawyers in this country.

As a basis, therefore, of my argument to-day I desire to show that the power of Congress to tax is at the present time unlimited and has been so construed; that, so far as express provisions of the Constitution are concerned, there is no reason why we could not impose a tax upon State bonds and municipal bonds or upon the salaries of State officers at the present time. If the governor were asked why we do not impose a tax upon State bonds at the present time, to what provision of the Constitution would he direct our attention? If the governor were asked what limitation is there upon the taxing power of Congress, to what provision of the Constitution or language therein would he direct our attention?

If the governor were asked upon what principle the Supreme Court has held that you can not tax the instrumentalities of the State, to what principle would he direct our attention? If he were asked what change is being made by this amendment in that principle upon which the court has held that you can not tax the income from State bonds, what change could he possibly suggest?

In other words, Mr. President, the principles upon which the Supreme Court has held that notwithstanding the completeness of the taxing power now in Congress you can not tax the instrumentalities of a State are principles which are imbedded in, interwoven with, and a part of the texture of the whole instrument, are in no sense changed by this amendment, nor could they be by any words which are contained in it.

The Supreme Court of the United States, in Pacific Co. *v.* Soule (7 Wallace, p. 433), said:

> "The taxing power is given in the most comprehensive terms. The only limitations imposed are that direct taxes, including the capitation tax, shall be apportioned; that duties, imposts, and excises shall be uniform, and no duty shall be imposed upon articles exported from any State. With these *exceptions*"—

That is, uniformity and apportionment and exports from States—

> "*the exercise of the power is in all respects unfettered.*"

It will be conceded that the question of exports is not involved in this controversy, and can not be. Then, if we apportion an income tax at this time, under what prohibition or limitation of the Constitution are we inhibited from laying it upon State bonds? I ask that question so as to disclose more fully as I proceed that the reasoning is based upon principles which are not affected by this amendment, and which can not possibly be so, because of the language employed.

Again the Supreme Court said in Veazie *v.* Fenno (8 Wallace):

> "Nothing is clearer from the discussions in the convention and the discussions which preceded final ratification by the necessary number of States than the purpose to give this power [to levy taxes] to Congress as to the taxation of everything except exports in its fullest extent. * * * More comprehensive words could not have been used. * * * The words used certainly describe the whole power, and it was the intention of the convention that the whole power should be conferred."

In Mr. Pomeroy's work on the Constitution, volume 1, page 188, he says:

> "Because the Nation is thus paramount its taxing power is supreme; it may be applied to all subjects; it may be exerted upon all individuals, and upon every species of property."

That is the announcement by a constitutional writer of the principle which has been embedded in the decisions of the Supreme Court of the United States from the time the great Chief Justice Marshall first took hold of the taxing clause and construed it. Yea, more, it has been a part and parcel of the accepted jurisprudence of this country since Alexander Hamilton interpreted the Constitution in the articles known as the "Federalist."

I ask, if to-day under the present taxing clause of the Constitution we can tax all property of whatever species, from whatever source derived, what inhibition is there against our taxing every State bond of the State of New York and the municipal bonds of New York at the present time, so far as the provision of the Constitution is concerned? Certainly no one will contend that the present taxing clause is not full enough to cover all property, of whatever kind and from whatever source derived.

It has always been so construed. If it were to be construed alone, it would undoubtedly be sufficient to enable us to tax State bonds. But it can not be construed standing alone; neither could this amendment. The rules of construction which control this present unlimited taxing clause would control in the same way and for precisely the same reasons the proposed amendment.

In the case of Nichol *v.* Ames (173 U. S. p. 515) the Supreme Court said:

> "It [Congress] has power from that instrument [the Constitution] to lay and collect taxes, duties, imposts, and excises in order to pay the debts and provide for the common defense and general welfare, and the only constitutional restraint upon the power is that all duties, imposts, and excises shall be uniform throughout the United States, and that no capitation or other direct tax shall be laid unless in proportion to the census or enumeration directed to be taken, and no tax or duty can be laid on articles exported from any State. Thus guarded, the whole power of taxation rests with Congress."

Again, in Bank v. Billings (4 Pet. p. 514), Chief Justice Marshall said:

"The power of legislation and, consequently, of taxation operates on all persons and property belonging to the body politic."

Mr. Hamilton, in his Report on Manufactures, said:

"The National Legislature has express authority to lay and collect taxes, duties, imposts, and excises; to pay the debts and provide for the common defense and general welfare, with no other qualifications than that all duties, imposts, and excises shall be uniform throughout the United States; that no capitation or other direct tax shall be laid unless in proportion to numbers ascertained by a census or enumeration taken on the principle prescribed in the Constitution; and that no tax or duty shall be laid on articles exported from any State. These three qualifications excepted, the power to raise money is *plenary* and *indefinite*."

Thus the whole power of taxation rests with Congress. When you exclude exports from States and conform to the rule of uniformity and of apportionment, there is no limitation upon the taxing power of the National Government as it exists at the present time. I submit that it would be difficult to find language which would convey more than the full and complete power which is now conferred by the Constitution.

I say, therefore, that already Congress is given absolute power; and if the reasoning of the distinguished governor were correct, the language being full and complete, conveying all power, we could tax State bonds and municipal securities and State salaries at the present time.

But there is another controlling reason why we can not do so, which reason is omitted in the message and which is not affected by this amendment in any manner. The first time the question arose as to power of one sovereignty to tax the means or instrumentalities of another sovereignty was in the case of McCulloch v. Maryland. In that case, as all lawyers well remember, there was an attempt on the part of the State of Maryland to tax the stock of the United States Bank. The United States Bank having been organized as an instrumentality of the National Government to carry out certain functions of granted power, it was held that it was not a taxable article. In that case Chief Justice Marshall considered this question and gave us the basis upon which has been built the entire structure of law which prevents one nationality from taxing the instrumentalities and means of another.

In the first place, it was admitted by the Chief Justice that there was no provision of the Constitution which controlled the subject matter. It was stated by the Chief Justice that there was neither any limitation nor grant of power which prevented the States from taxing the instrumentalities of the National Government, and he stated in his decision that, therefore, the taxing power of the National Government being complete, the inhibition had to be found somewhere other than that of the taxing clause itself. He said, in McCulloch v. Maryland (4 Wheat.):

"There is no express provision (of the Constitution) for the case, but the claim—

That is, the exemption from taxation—

"has been sustained on a principle which so entirely pervades the Constitution, is so intermixed with the materials which compose it, so interwoven with its web, so blended with its texture, as to be incapable of being separated from it without rending it into shreds."

Upon what principle, stated a little more fully but never more comprehensively, did the Chief Justice argue that you could not tax the instrumentalities of government? Upon the theory that the Constitution as a whole created two separate and distinct sovereignties independent of each other in their specific and reserved powers, and that however full the grant of power of taxation might be in the Constitution, there must always be subtracted from that power the right of the different sovereignties to perform their functions as such. In other words, said the Chief Justice, to construe it otherwise would be to rend the whole fabric into shreds.

It was not, therefore, because of the fact that the taxing clause of the Constitution had any limitations, either express or implied, in its language; it was not because the language failed to convey all the power of the National Government to tax, but because of the universal rule that every component part of the Constitution must be construed in the light of every other part of it, and that it all must be construed as a whole in the light of the designs and purposes and objects to be accomplished when the instrument was written.

Those designs and purposes were to create a National Government in its own sphere, independent and separate and distinct from the State governments, and to create the State sovereignties, which in their reserved powers are separate, distinct, and independent of the National Government.

There is one thing that we overlook in arguing this question, and it seems to me to be the vice of the distinguished governor's argument. It is that the State governments, in their separate and independent sovereignties, in their reserved powers, are just as much beyond the jurisdiction and control of the National Government as the National Government in its sovereignty is beyond the control and jurisdiction of the State governments.

In a later case, in Railroad Co. v. Peniston (18 Wallace, p. 31), the Supreme Court said:

"The States are, and they must ever be, coexistent with the National Government. Neither may destroy the other. Hence the Federal Constitution must receive a practical construction. Its limitations and its implied prohibitions must not be extended so far as to destroy the necessary powers of the State or prevent their efficient exercise."

Again, the court, in United States v. Ry. Co. (17 Wall. 327), said:

"The right of the States to administer their own affairs, through their legislative, executive, and judicial departments, in their own manner, through their own agencies, is conceded by the uniform decisions of this court and by the practice of the Federal Government from its organization. This carries with it an exemption of those agencies and instruments from the taxing power of the Federal Government."

I call attention also to the following citations and authorities, all bearing out the same line of reasoning:

"The taxing power of the United States is subject to an implied restraint arising from the existence of the powers in the State which are obviously intended to be beyond the control of the General Government. (Hare on the Constitution, vol. 1, p. 265.)

"This clause with reference to taxation is without any express restriction except that already referred to and explained—uniformity and apportionment and exports in the State. Despite this, it has been decided that the United States can not tax the salary of a State officer or a State municipal corporation or process of State courts or a railroad owned by a State. This decision rests upon the strong ground that the power of Congress—even under this full grant as contained in the language of the Constitution—to pass a tax law is restricted to a law which is necessary and proper to carry its taxing power into effect; and as taxation of a State franchise by the Federal Government is an infringement upon the reserve power and autonomy of the State, and as the power to tax without limitation is the power to destroy, execution by the United States of a power which involves the total destruction of State functions was not only not proper but radically improper." (Tucker.)

The revenue act of 1898 (United States v. Owen, 100 Fed. Rep. 70) provided that a stamp tax of 50 cents should be imposed upon "all bonds of any description except such as may be required in legal proceedings not otherwise provided for in this section." It was held that a tax could not be required upon a saloon keeper's bond required by the statutes of the State, notwithstanding this law. The court said:

"These cases establish the principle that the great law of self-preservation, the inherent attribute of sovereignty, exempts any and all means and instrumentalities of State government from Federal taxation."

Rules of construction, from Mr. Story:

"1. The first and fundamental rule in the interpretation of all instruments is to construe them according to the sense of the instrument and the intention of the parties.

"2. There may be obscurity as to the meaning from the doubtful character of the words used, from other clauses in the same instrument, or from inaccuracy or repugnancy between the words and the apparent intention derived from the whole structure of the instrument or its avowed object.

"3. In construing the Constitution of the United States, we are in the first instance to consider what are its nature and objects, its scope and design as apparent from the structure of the instrument viewed as a whole and also viewed in its component parts.

I desire especially to call attention to the language in the case of Collector v. Day. This is the case where the question first arose as to the power of the National Government to tax the instrumentalities of the State. The case of McCulloch was a case where the State was undertaking to tax the national instrumentalities. This was where the National Government undertook to tax the State instrumentalities; and the argument upon which the court rests its conclusion controls this proposition clearly and distinctly in the face of any language contained in this amendment. The court said in Collector v. Day (11 Wallace):

"Such being the separate and independent condition of the States in our complex system as recognized by the Constitution, and the existence of which is so indispensable that without them the General Government itself would depart from the family of nations, it would seem to follow as a reasonable if not a necessary consequence that the means and instrumentalities employed for carrying on the operations of their Government, for preserving their existence, and fulfilling the high and responsible positions assigned to them in the Constitution should be left free and unim-

paired, should not be liable to be crippled by the taxing power of another government, which power acknowledges no limits but the will of the legislative body imposing the tax. * * * In respect to the reserve powers the State is as sovereign and independent as the General Government."

We are discussing now the question of taxing the State means.

"It is admitted there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of a State, nor is there any prohibiting the State from taxing the means and instrumentalities of the Government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation, as any government whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government."

What were the conditions under which this decision was rendered, and what were the facts? In the first place, Congress had passed a statute specifically covering the salaries of all officers. Congress had passed the act under a power in the Constitution which had been held, and was held in that case, to be without limitation.

We have, therefore, the lawmaking body of the Government exercising the power conferred upon it by the Constitution to tax property of all kinds, and from whatever sources, specifically taxing, in so many words, the property which was exempted by the decision of the court, and not exempted because the language of the Constitution failed to cover the property, not exempted because the court found somewhere in the language a lack of power to put a tax upon this particular kind of property, but exempted for the reason, as said by the court in practically so many words, that there must be subtracted from this unlimited power the right of the State government to exist and perform its functions.

That being true, when we should have this amendment adopted, what would we have? We would have the unlimited power of the National Government to tax still unimpaired. We will assume that it does convey all the power to the Government that could be conveyed for the purpose of taxing, nevertheless we would fall back upon the principles enunciated in the McCulloch case and in Collector *v.* Day, upon the principle that it is not within the jurisidiction of the National Government to exercise control over the State functions or the functions of a separate and individual sovereignty; that unlimited power to tax covering property or incomes from whatever source derived will never be construed, so long as we have an indestructible union of indestructible States, so as to embarrass or destroy each other. The fullest taxing power must be construed in the light of the objects, designs, purposes, and schemes of the Constitution as a whole.

But it seems to me that this question has been even more definitely determined and decided. The income tax law of 1864 specifically provided for the laying of a tax upon salaries, also to tax incomes derived from any kind of property. The language was quite as broad and comprehensive as the language of the proposed amendment in which we are at present interested. The Supreme Court held unanimously that this income tax of 1864 was constitutional, and it said over and over again that there was positively no limitation upon the power of the National Government to tax; that all property was subject to taxation. So under this constitutional power to tax everything, Congress passes an act specifically taxing salaries and property from whatever source derived.

Now, if the constitutional provision was unfettered, and Congress, under this unfettered power, specifically laid a tax upon salaries and incomes from whatever source derived, were they not in as strong a position to assert the right to tax State officers' salaries as they would be were this amendment passed? Yet, notwithstanding this express provision of Congress under this full taxing power of the Constitution, it was held that you could not tax the State instrumentalities. In other words, that while the language was unequivocal and unambiguous and the power was unquestioned, so far as the taxing provision alone was concerned, such provision and such act of Congress must be construed in the light of the fact that we are a dual Government.

The internal revenue act of 1864 also provided that no instrument or document should be admitted into any court until the requisite stamps should be affixed. The term "any court" covered all courts, and it was quite clear that the lawmakers intended it to apply to all courts. Notwithstanding the language of the statute, notwithstanding its broad and comprehensive language, it was construed in the light of relationship between the State and the National Government and it was held this could not apply to State courts. (Carpenter *v.* Snelling, 97 Mass. 457; Green *v.* Holway, 101 Mass. 243; Barber *v.* Gale, 43 N. Y. 40; Bank *v.* Hill, 43 Tenn. 325.)

But, Mr. President, it seems to me that the question has been brought nearer to the present hour and more definitely presented in the famous Pollock case itself. We remember that in the Pollock case the income tax law of 1894 was involved. The statute of 1894 had incorporated in it almost the identical language which is found in this amendment, covering property of whatever kind and incomes from property of whatever kind.

That law was passed upon in the light of the general taxing power of Congress. It was brought to the attention of the court that included in some of the incomes was income from State bonds. There were two things upon which the court in that case was not divided. The first was that there was no limitation upon the power of Congress, as contained in the clause of the Constitution, as to what kind of property should be taxed and what should not.

On the first proposition it was held that the power was unlimited. The second proposition was that, notwithstanding that fact, Congress could not pass an act which would cover the incomes derived from State bonds or salaries of State officers. I desire to read a quotation from both the affirmative and the dissenting opinion. Mr. Fuller, Chief Justice, said in the Pollock case:

"The power of Congress to tax is a very extensive power. It is given in the Constitution with only one exception and only two qualifications. Congress can not tax exports, and it must impose direct taxes by the rule of apportionment and indirect taxes by the rule of uniformity. Thus limited, and thus only, it reaches every subject and may be exercised at discretion."

Mr. Justice White said:

"The words 'duties, imposts, and excises,' in connection with the reference to direct taxes, adequately convey the power of taxation to the Federal Government. * * * It is unquestioned that the provisions of the Constitution vest in the United States plenary powers of taxation; that is, all powers which belong to the Government as such, except that of taxing exports. * * * In deciding, then, the question of whether the income tax violates the Constitution, we have to determine not the existence of a power, but whether an admittedly unlimited power to tax—the income tax not being a tax on exports—has been used according to the instruction as to method. Not power, it must be borne in mind, but the manner of its use is the only issue presented in this case."

The basis of the court's opinion rested upon the proposition that there was an admittedly unlimited power, and under this unlimited power Congress had passed an act covering this specific kind of property. It would be interesting to go back and read the act of 1894 to observe with what fullness the statute covers the same kind of property which we are seeking here to tax; and yet, notwithstanding the fact that the court started in on its reasoning upon the basis that there was no limit in Congress to tax, and that Congress had under its full power exercised its privilege to tax, it fell back to the case of Collector against Day, and argued that you could not construe a component part of the Constitution in disregard of the instrument as a whole. Without repeating here what I have said, the court adopted and accepted to its full extent the reasoning in the case of Collector against Day and again announced that the doctrine must prevail that one sovereignty could not interfere with the instrumentalities of another.

In other words, Mr. President, when this amendment says "from whatever source derived," that must be a source within the jurisdiction and taxing power of the nationality which lays the tax.

I undertake to say, without fear of successful contradiction from the authorities, that the National Government has no more jurisdiction as a governmental fact over the functions of a State government than it has over the property across the line in Canada as a territorial fact. They are not within its power or control. Until we revise the Constitution as a whole, take the instrument up and revise it and definitely announce that these separate and independent sovereignties are no longer to be so, no court will ever hold that you can interpret the taxing clause of the Constitution so as to destroy those sovereignties. As Judge Nelson said in one case:

"The General Government and the States, although both exist within the same territorial limits, are separate and distinct sovereignties, acting separately and independently of each other within their respective spheres. The former in its appropriate sphere is supreme. But the States within the limit of their power as granted, or in the language of the tenth amendment preserved, are as independent of the General Government as that Government within its sphere is independent of the States."

And again he says:

"In respect to the reserve powers the State is as sovereign and independent as the General Government."

Justice Brewer in a noted case said:

"The States are in many respects sovereign and independent."

Chief Justice Marshall, in laying down the rule of taxation in the case to which I have already called attention, says in another part of the decision:

"All subjects over which the sovereign power of a State extends are objects of taxation. But those over which it does not extend are, upon the soundest principles, exempt from taxation. This proposition may almost be pronounced self-evident. Sovereignty

of a State extends to everything which exists by its own authority or is introduced by its permission; but does it extend to those means which are employed by Congress to carry into execution the powers conferred on that body by the people of the United States. We think it demonstrable that it does not."

Take this ruling of the Chief Justice, which has been repeated in substance and in principle so often since, put it down by the side of the proposed amendment to the Constitution, and construe that amendment in the light of that principle, that only those things over which each sovereignty has jurisdiction and control are subject to taxation, what possible fear can there arise in the mind of any man that the Supreme Court will say that out of the words "from whatever source derived" comes the power to do as Marshall said, "rend the whole fabric into shreds"?

These words must always be construed in the light of these principles; that is, as expressing authority which belongs to the jurisdiction which undertakes to lay the tax.

In conclusion, on this phase of the subject, I submit:

First. That the proposed amendment adds nothing to the taxing power of the National Government. This power was complete, unfettered, plenary before. It can be no more than that should this proposed amendment be adopted.

Second. The proposed amendment does not deal or purport to deal with the question of power which is already complete, but simply with the manner and method of exercising and using that power.

Third. No one has ever questioned the power of the National Government to lay an income tax, for, as was held by Justice White, the question has always been "whether an admittedly unlimited power to tax has been established according to the instruction as to the method," and it was to remedy the method alone that the amendment was submitted.

Fourth. The words "from whatever source" add nothing to the force of the amendment. It would, in constitutional parlance, be just the same if it said "to lay and collect taxes on incomes without apportionment," for who could then say that you would not have the right to lay taxes upon all incomes? The present taxing power would not be a particle stronger if it stated "to lay and collect taxes upon all property from whatever source."

Fifth. To construe the proposed amendment so as to enable us to tax the instrumentalities of the State would do violence to the rules laid down by the Supreme Court for a hundred years, wrench the whole Constitution from its harmonious proportions, and destroy the object and purpose for which the whole instrument was framed.

Sixth. To construe it to cover those incomes from sources within the jurisdiction and control of the sovereignty laying the tax is to construe it in harmony with the principles given us by Marshall and followed from that hour to this.

Mr. President, the history of the income tax since 1894 has not been one which any citizen can recite with pride. For nearly 100 years the construction of the Constitution as established by the men who helped to write it had received the approval of an undivided court time and time again. During that period there sat upon the bench of the Supreme Court some of the greatest lawyers of that or any other period of this or any other country.

During that period wealth had not become so domineering and so powerful and so determined to have its own way. During that period this Government had the power to impose the burdens and expenses of government upon consumption and upon all forms of wealth, and we did so. In 1894–95 these precedents were overturned. This Constitution received a construction unknown to its makers. In the face of two powerful dissenting opinions, assented to by two other judges, the startling and astounding doctrine was announced that the framers of the Republic had made it impossible to levy a tax upon some forms of wealth even in time of war; that the builders of this Government had made it impossible to dispose and divide the burden of government between consumption and the different forms of wealth. At the last session we were called upon to express our assent to that interpretation of the Constitution, by express act to declare our acceptance of it. Under majority rule there was submitted this amendment to cover and eliminate that supposed hideous defect in the fundamental law.

Now, Mr. President, the scheme and plan is to defeat that amendment. Having, as a legislative body, solemnly declared our acceptance of this construction of the Constitution, thereby making it practically impossible to again appeal to the courts, if this amendment can now be defeated this Government of the people, for the people, and by the people will stand alone among all the civilized nations of the earth shorn of the power to divide the burden of government between consumption and the different forms of wealth. This is the scheme and the plan; and, unfortunately, the great Governor of New York has given much aid and comfort to the cause by reason of his high standing among the people of the country.

Mr. President, no one ever saw this country in just the condition in which it is to-day. Never since this Government was launched has there been such a universally restless spirit among the masses of the people, such persistent inquiries, such ugly questioning. No part of the Government seems above challenge or criticism, and it is fast becoming popular in some parts of this country to scoff at the Constitution itself. A restless, unquiet, dissatisfied, and—worst of all—a suspicious public mind is the public mind of to-day.

You can defeat this amendment; and I fear, from the men who are gathering to the crusade, that it will be defeated. Some of those who are proposing to encompass its defeat will not stop on the hither side of most disreputable means to accomplish their purpose. They are vitally involved. But when you shall have accomplished your purpose and the people shall have ascertained how their rights have been manipulated away, it will go far toward exciting to renewed force and strength that feeling of wrath and class hatred which is already too strong in this country. When those who are ill able to bear the burden of government see the expenses of the Government constantly increasing, when they see the creation of larger navies and larger armies, the burden of expenses increasing everywhere, and learn that, after all, this entire burden must be borne by what they eat and what they wear, and that certain forms of wealth which breed luxury, idleness, and idiocy go untaxed they will not listen to you when you are called upon to plead with them against radical changes in our form of government which will be submitted to this country within the next 50 years.

I hope, therefore, Mr. President, that the governors of the States and the legislatures of this country will do their duty and see that this amendment is adopted; that they will meet this matter, whether there is a division among them or not as to when it should be exercised, upon the basis that it is a power that ought not to be taken away from the Government.

The people should bestir themselves upon this vital matter before it is too late. It would be nothing less than a catastrophe for this amendment to be defeated if we are, out of a false idea of courtesy, to be deprived of appealing to the court. It is the people's fight, and no one should be misled by the utterly unfounded proposition that this amendment contains the power to embarrass and destroy the States and "rend the whole fabric into shreds."

Mr. REED of Pennsylvania. Mr. President, just a word in answer to the Senator from Idaho.

I believe that even he will admit that it is competent for the people of the United States, by clear expression of their intent in the Constitution, even to abolish the States in their entirety. A constitutional amendment utterly abolishing the existence of the States would be within the power of the people of the Nation if they saw fit to adopt it.

Mr. ASHURST. Will the Senator yield?

Mr. REED of Pennsylvania. Certainly.

Mr. ASHURST. That would require a unanimous vote of all the States.

Mr. REED of Pennsylvania. That was the argument when the eighteenth amendment was under consideration, that it was cutting down the sovereignty of the States in their police power, and that it could not be done against the dissent of any State.

Mr. ASHURST. The Constitution specifically says that you can not deprive a State of its representation in the Senate except upon its own consent, and it would require the consent of every State to abolish the States.

Mr. REED of Pennsylvania. Very good; but in a case that arose under the eighteenth amendment the Supreme Court held that an amendment of the Constitution could cut down the power of the States. Of course, as long as the language remains in the Constitution about representation in the Senate, that is the supreme law of the land, but it can be changed. That is what the Supreme Court held in the case under the eighteenth amendment. So I say that in the sixteenth amendment they did cut down the sovereignty of the States to this extent.

Granting that the people of the Nation can express their will by constitutional amendment, and that that will when expressed is invincible and irresistible, and we must all admit that they can do that, then they could not possibly find more apt words to do it with than those they use in the sixteenth amendment.

Mr. BORAH. May I ask the Senator a question?

Mr. REED of Pennsylvania. Certainly.

Mr. BORAH. Suppose the Congress were levying an income tax under the Constitution prior to the adoption of the sixteenth amendment, and suppose it complied with the law of apportionment, then could it not under that provision of the Constitution have levied a tax upon incomes from whatever source derived?

Mr. REED of Pennsylvania. No.

Mr. BORAH. Why not?

Mr. REED of Pennsylvania. Because of the implied prohibition resting in this idea of equal sovereignty.

Mr. BORAH. But the court had held, nevertheless, that if it were apportioned there was no limitation in the Constitution against the levying of a tax upon incomes.

Mr. REED of Pennsylvania. They used that general language, but in the same opinion they specifically pointed out that they could not impinge upon the authority of the States.

Mr. BORAH. If the Constitution says that the Congress has a right to levy an income tax, it may levy an income tax upon any income it finds, may it not?

Mr. REED of Pennsylvania. No; not unless there is some expression in the Constitution which shows the national will to be that one sovereignty may be interfered with by the other.

Mr. BORAH. If you were going to tax another sovereignty, you would have to have some language which indicated that you were departing from the express provisions of the Constitution as they had been theretofore construed.

Mr. REED of Pennsylvania. Precisely, you would; I grant you that.

Mr. BORAH. The court had held a number of times in considering the taxing power that there was no limitation as to the source from which the income came.

Mr. REED of Pennsylvania. On the contrary, they had held there was a limitation on the taxing power as to the source, if the source was a municipal or a State bond.

Mr. BORAH. Not by reason of any limitation in the Constitution. That limitation arose out of the fact of two sovereignties existing, and one sovereignty could not tax the other without express authority to do so.

Mr. REED of Pennsylvania. Precisely; I grant you that. But the limitation was there, and it was recognized. I say the limitation was taken away by the plain language of the sixteenth amendment, because admittedly a State which borrows money is the source of income to the owner of the obligation. Granting that it is a source, granting that the people of the Nation had the power to change this balance between the sovereignties, I say that they have used apt language to do it, and the presence of those words in the amendment can not be explained on any other theory than that of the intention to do it.

I agree with what the Senator said about his expressions in the course of this inquiry after the amendment had passed Congress; I know he then expressed himself just as he has done now; but at that very time, speaking of Governor Hughes's interpretation of the amendment—and the Governor of New York at that time interpreted the amendment just as I am trying to interpret it now—Senator Brown, who introduced the resolution for the amendment of the Constitution, said in the Senate at that time:

> It does not follow that the amendment should be rejected. On the contrary, it follows that it should be ratified, because under that interpretation all the incomes would be treated alike.

He said further:

> That the man whose income arises from investments in State and municipal bonds should be exempt from the income tax is, on the face of it, a proposition which ought not commend itself. It does not square with the doctrine of equal rights. It is hateful to every sense of justice. It can not be defended in principle nor can it be used successfully. In my judgment, to defeat the amendment.

That is the language of the Senator who introduced in the Congress the resolution embodying the sixteenth amendment.

Mr. REED of Missouri. Mr. President, my examination of the original provision of the Constitution and of the sixteenth amendment, taking into consideration the history of the sixteenth amendment and the purposes then sought to be accomplished, would lead me to the conclusion that it was not the intention to confer upon the Federal Government the right to wipe out the States of the Union by taxing their securities. If any such purpose had been in mind, it would have been covered by an expression quite different from the one referred to by the Senator from Pennsylvania, and which is embraced in the words "from whatever source derived."

I agree with the Senator from Idaho that those words are purely surplusage. When you grant to a man a power of attorney to act for you in all matters you do not enlarge that power by adding the words "whatsoever," or "of any kind or nature."

Those are expressions we constantly use and which generally mean nothing. The right of Congress to tax was absolutely unlimited under the original Constitution, except, as has been said, that the taxes must be apportioned among the States. The sixteenth amendment wipes out that restriction, and I do not think there is much doubt about the ultimate decision of the courts.

Mr. President, I did not rise to repeat the arguments that have been so well made, though I am not so much concerned for the moment in the question of whether under the Constitution we are restrained from making a levy upon the securities or bonds of sovereign States and of the municipalities thereof as I am with the merits of the question itself. There seems to be a thought lately indulged to a great extent in the Senate, and perhaps in both branches of Congress, that Congress ought to do anything it can do that the Constitution will permit it to do. In other words, if we have power to do an act, we ought immediately to plunge forward and do it.

If this legislative body were to be controlled by any such idea and we had no Constitution, I wonder what would become of American liberty? I wonder how long we would continue to maintain a stable government, such as has been maintained in Great Britain for centuries where they have no written Constitution, but where the lawmaking powers have regard to the great fundamental principles underlying English liberty. I utterly abominate the theory that it is the business of Congress to plunge forward and do everything that it has power to do, regardless of the right and wrong involved in the proposition.

If we had the power to-day to levy taxes upon all the securities emitted by the various States of the Union and if we could gather thereby a very great revenue, if there was no constitutional inhibition whatever prohibiting such action, I would protest against any attempt to tax the securities of the several States and municipalities, because to do so would be to destroy completely their sovereignty and to subject them to burdens which it would be unwise to lay. I think if we were confronted with that question and stopped to give it due consideration we would all say, regardless of any constitutional provision whatever, that the integrity of the Union and the integrity of our scheme of government demanded the maintenance of the integrity and independence of the several States of the Union.

But, Mr. President, I venture to repeat very briefly the argument that was made here a day or two ago. These securities are not tax-exempt securities. These securities are securities which are compelled to pay taxes every year. The taxes are collected, if you please, at the source, and instead of describing them as tax-exempt securities they ought to be described as the only kind of securities which inevitably pay taxes to Government. When ordinary money is 6 per cent, money that pays taxes, the State can borrow money at 4 per cent because the bonds are not taxed. Every year when the interest comes due the man who holds the securities has discounted his rate of interest to the municipality or to the State to the extent of 2 per cent. I am using that for illustrative purposes. It is not always 2 per cent.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

Mr. REED of Missouri. I will yield when I finish this statement. In other words, if the State of Pennsylvania issued $100,000,000 of bonds and sold them at 6 per cent because they are taxable, it must collect $6,000,000 from its taxpayers every year to pay the interest upon those bonds. But if it can sell them at 4 per cent, it collects only $4,000,000 every year and $2,000,000 is left in the pockets of the taxpayers of the State. In other words, the State is in exactly the same position as though it had sold its bonds at 6 per cent and then had collected $2,000,000 of taxes. The bonds bear the burden of taxation in that way.

I now yield to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. In the Finance Committee we made a very careful study of the value of tax-exemption features to the borrowing community. We found that it had reached about three-fourths of 1 per cent. That is to say, the community that now pays 5 per cent on its tax-free borrowings would have to pay 5¾ per cent in order to be able to sell its bonds at the same price on their original schedule. The value of a tax-exempt bond paying 5 per cent to a rich man in the highest surtax clause is the same as a taxable bond paying 11.9 per cent. So the Senator can see that what he would do in order to sell a tax-free bond would give the borrowing community the advantage of three-fourths of 1 per cent, while the lending rich man would get the advantage of 6.2 per cent.

Mr. REED of Missouri. That is the most remarkable set of figures that any man, even a man named Reed, ever produced. Of course you can take the man in the highest bracket of surtaxes and figure almost any result you want, but that is not a fair figure. You can also by taking another extreme case get the result of 3½ per cent. But this much we do know, that before the war, when everything ran on an even scale, a good State bond could be sold for 4 or 4½ per cent and some-

times for less and at the same time money in that same State was bringing 6 per cent.

Mr. REED of Pennsylvania. That was true before the income tax amendment was passed, was it not?

Mr. REED of Missouri. Yes.

Mr. REED of Pennsylvania. Before there was any value in the tax-free privilege?

Mr. REED of Missouri. Absolutely; but there was the benefit of the tax-exempt bond; and, of course, bonds also had another advantage—and always will have—that they run for a long time and are very secure. But that was one of the benefits.

Now, I will repeat what I said the other day, and I repeat it very briefly: Not only is the argument sound that I have made but the taxes, if we levy them upon the bonds, will necessarily be all collected from the people who issued the bonds. The bonds then may be held in distant States or distant communities, and when the tax is paid there it does not revert back to the benefit of the community that issued the bonds, and its people are compelled to pay a heavy rate of taxation upon a bond that pays taxes of some kind in some remote part of the country, and those people who are engaged in systematically escaping taxation always find out the community or State where the rate of levy is smallest. There could be no greater mistake made than to enact a law which would impose upon the people of the several States an additional burden of taxation in order to make up the interest upon their securities in the vain hope that the Government, by taxation, would get that money all back. The difference never would be gotten back in the world.

Mr. JONES of New Mexico. Mr. President, will the Senator yield?

Mr. REED of Missouri. I yield.

Mr. JONES of New Mexico. I think it would be advisable to make a statement just in connection with the Senator's remarks as to the tax which they get now from those bonds which we have issued and which are not exempt from surtaxes. Out of nearly a billion dollars of interest which the Government pays out, a much larger share of that is on the bonds which are not exempt from surtaxes. The Government gets back in taxes not more than $5,000,000.

Mr. REED of Missouri. That is a good illustration. The safe thing to do is to allow the States and municipalities to issue a security that bears a very low rate of interest and let the taxpayers of the States and municipalities keep the money in their pockets or contribute it in the form of a direct tax so their States and communities get the benefit.

There is another consideration which applies to the proposed amendment and applies to the one which we had under consideration to-day and which I hope may be reconsidered. That is the impairment of the obligation of contracts. No government can afford to impair the obligation of its contract. Whenever that is done the most expensive thing a government can indulge in has been performed.

There is nothing so valuable to a State or nation as the certainty that every obligation will be redeemed to the letter. If this country should ever engage in another great war that war will be settled and every other great war in the future will be settled by the financial resources of the nations engaged; and about 90 per cent of the financial resources of a nation consists of its credit.

Let it never be said to any man who in the future may be offered a Government bond in the hour of some national peril that this Nation may thereafter seek to avoid the obligations of that contract. Let him and all the world know that when this Government issues its securities it will never, by direction or indirection, impair the obligation of that contract but will keep it to the letter.

I venture to repeat what I said a day or two ago, that England never did a single act more calculated to give her strength for the future than when she came forward and honorably settled her obligations with our Government. I may complain that she drove a hard bargain; I may complain that our representatives did not fully protect the United States; but England did, to use a common expression, "toe the mark," and did sign a contract which our people accepted.

France has never made a greater mistake in her recent history than by, in substance and effect, saying to the world that she proposes, if not to repudiate, at least to treat lightly, her obligations to this country. So of every other country that has refused to come forward and settle.

If to-morrow or next year or next century France and England were to be engaged in a life and death struggle in which we stood neutral, and they came here to borrow money, which of them do you think would get the money—the nation that repudiates its obligations or the nation that keeps its faith? So of Italy; so of Belgium; so of every country that borrowed money from us in the hour of their extremity and adversity.

Let us keep our obligations; let us not impair them because a man named Rockefeller worked out a device by which he escaped the payment of some of his taxes. If such a case as that exists, let us meet that kind of case, that kind of subterfuge, that kind of device by a positive and direct law, and not by destroying the obligations of a contract or forfeiting the faith of a nation.

I have an amendment to offer to the section which we recently adopted. I hope the vote by which that section was agreed to will be reconsidered, for under it, to a certain extent, at least, even as amended, we do impair the obligation of contracts. I believe my amendment will completely reach the case of Mr. Rockefeller or any other tax dodger who invests his money in tax-exempt securities and then engages in business and borrows enough money in his business so that the interest on his obligations balanced against his tax-exempt securities exempts him from all taxation. I will offer the amendment in due course, but I venture to read it now. On page 52, after the word "if," in line 24, I propose to add this language:

Such indebtedness was incurred in good faith for the purpose of carrying on a business and not in pursuit of a plan or device to evade or escape taxation.

The words are quite meaningless unless read in connection with the text, but read in connection I believe they will cover the case.

Mr. NORRIS. Will the Senator again tell us just where his amendment comes in?

Mr. REED of Missouri. It comes in after the word "if," on line 24, page 52. The language may not be perfect, but I am absolutely convinced that if this language, which I hastily drafted, does not cover the case, proper language may be devised to meet the case of every tax dodger there is in this country. No device of a rascal who wants to defraud his Government need to be defeated by the Government repudiating the obligation of its contracts and taxing its securities when an individual is escaping by such a scheme as Rockefeller is said to have employed; that is, by borrowing money, and then being allowed deductions on account of his borrowed money. Always a court, always a proper tribunal, can look back of a pretense of that kind and get at the real purpose of its author, and can reach him if we will pass an appropriate statute conferring proper authority upon the courts.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Pennsylvania [Mr. REED].

Mr. WALSH of Massachusetts. Mr. President, I favor the amendment of the Senator from Pennsylvania. I supported the amendment when it was offered in the Finance Committee but failed of approval. It is quite evident that the Senate is still opposed to levying a tax on this class of securities, but Congress must act some day.

An attempt was made in 1921, when the last revenue bill was before the Senate, to levy a tax on this class of securities. The method suggested at that time by an amendment offered by me was to tax tax-exempt securities separately from other securities when they passed from the decedent into his estate at death. I proposed a special tax of 15 per cent upon the tax-exempt securities transmitted by death to an estate. The securities were to be segregated from all other property and taxed by a special estate tax. That proposal failed. At that time it was pointed out by the Secretary of the Treasury that the two main methods employed to escape taxation upon the part of the extremely large taxpayers were, first, the making of gifts, and, secondly, investment in tax-exempt securities. During the discussion of this question in 1921 the Saturday Evening Post published a series of articles showing the extent to which this evil had crept into our taxation system. The articles were headed "Capital gone on strike," and they gave illustration after illustration of the extent to which capital was being invested in tax-exempt securities for the purpose of escaping taxes on incomes.

The chief argument I have heard made against taxing the income of tax-exempt securities or of reaching them through some form of taxation when they pass to a beneficial interest at the time of death is that the Government, the States, and municipalities receive a benefit by reason of the low rate of interest paid on such securities because of the tax-exempt feature. I do not believe that is necessarily true. I believe such securities would sell bearing almost as small an interest rate as at present if they were sold directly by the States and by the National Treasury to all the people. The method now

employed is to sell them to large financial institutions, which in turn sell them to their customers, their customers being those of large fortune who have a great deal of money to invest. The people of small means rarely get a chance to buy these securities at favorable prices.

I do not propose to sit with folded hands and allow such fortunes to go into tax-exempt securities without making a protest and without endeavoring to find some way of taxing them. It is a growing evil that we must stop or continue to lose large sums of revenue from the wealthy class of taxpayers. The evil is not that some escape taxes but that others must pay the taxes of those that escape.

Only a few days ago I read in a newspaper article that a taxpayer who had $100,000 of income from productive industries sold all his securities, invested them in tax-exempt securities, has now an income of $100,000 a year, but does not pay a dollar of taxes. We all know this is happening. Are we impotent to check it?

Mr. President, I want to see something done to bring revenue into the Public Treasury from tax-exempt securities. Four billion dollars a year are going into tax-exempt securities. It has recently been calculated that because of the tremendous amount of money that has gone into tax-exempt securities, those who pay income taxes are paying 46 per cent of the expenses of our Government, because of this tremendous volume, amounting to $30,000,000,000, of tax-exempt securities now held by investors.

In 1916 the number of persons who reported to the Government having an income of over a million dollars was 206. In 1921 the number of persons who reported an income of over a million dollars was 211 persons. The number of persons who have an income of over a million dollars has not decreased but has greatly increased. But the people with a million-dollar income or more have withdrawn their money from productive sources and from stocks and securities that must bear an income tax, and have invested the same in tax-exempt securities, so that the burdens of Government are constantly being shifted from the rich to the poor-salaried classes who can least of all afford to pay taxes. The fortunes of the rich are dwindling away for all tax purposes because of tax-exempt securities. One of the leading citizens of New York State when the matter of revising our tax laws was under consideration in 1921 said he did not in the least care what Congress did, for he was going to invest his money in tax-exempt securities. That is the attitude of these tax dodgers, and the abuse has become extensive. In the little discussion I have had with my fellow citizens, business men, members of chambers of commerce, and others, I have not heard so unanimous response in favor of any other tax measure as that of proposals to reach and tax by some method tax-exempt securities.

Mr. President, there is a great deal more that might be said, but I rose simply to again express the views voiced by me in 1921 when I sought to tax by a different method tax-exempt securities.

Mr. REED of Pennsylvania and Mr. SIMMONS called for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). Transferring my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Vermont [Mr. GREENE] I vote "yea."

Mr. McLEAN (when his name was called). I inquire if the junior Senator from Virginia [Mr. GLASS] has voted.

The PRESIDENT pro tempore. That Senator has not voted.

Mr. McLEAN. I have a pair with that Senator. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. TRAMMELL (when his name was called). I have a pair with the senior Senator from Rhode Island [Mr. COLT]. In his absence I transfer that pair to the junior Senator from Montana [Mr. WHEELER] and will vote. I vote "nay."

The roll call was concluded.

Mr. McLEAN (after having voted in the affirmative). I transfer my pair to the senior Senator from West Virginia [Mr. ELKINS] and will let my vote stand.

Mr. CURTIS. I desire to announce that the junior Senator from Kentucky [Mr. ERNST] is paired with the senior Senator from Kentucky [Mr. STANLEY].

Mr. DIAL. I have a pair with the Senator from Colorado [Mr. PHIPPS]. Being unable to obtain a transfer, I shall have to withhold my vote. I understand that if the Senator from Colorado were present he would vote "yea"; and if I were at liberty to vote I would vote "nay."

Mr. JONES of New Mexico (after having voted in the negative). I have a general pair with the Senator from Maine [Mr. FERNALD]. I understand that he has not voted. I am unable to obtain a transfer, and therefore withdraw my vote.

Mr. FLETCHER (after having voted in the negative). I have a pair with the Senator from Delaware [Mr. BALL], who is absent. I transfer that pair to the Senator from Utah [Mr. KING] and will let my vote stand.

The result was announced—yeas 14, nays 59, as follows:

YEAS—14

Ashurst	Lodge	Smoot	Weller
Cummins	McLean	Walsh, Mass.	Willis
Harreld	Pepper	Warren	
Keyes	Reed, Pa.	Watson	

NAYS—59

Adams	Fess	Ladd	Robinson
Bayard	Fletcher	McKellar	Sheppard
Borah	Frazier	McKinley	Shields
Brandegee	George	McNary	Shipstead
Brookhart	Glass	Mayfield	Simmons
Broussard	Gooding	Moses	Smith
Bursum	Hale	Neely	Spencer
Cameron	Harris	Norbeck	Stanfield
Capper	Harrison	Norris	Stephens
Caraway	Heflin	Oddie	Sterling
Curtis	Howell	Overman	Swanson
Dale	Johnson, Calif.	Pittman	Trammell
Dill	Johnson, Minn.	Ralston	Wadsworth
Edge	Jones, Wash.	Ransdell	Walsh, Mont.
Ferris	Kendrick	Reed, Mo.	

NOT VOTING—23

Ball	Edwards	Jones, N. Mex.	Phipps
Bruce	Elkins	King	Shortridge
Colt	Ernst	La Follette	Stanley
Copeland	Fernald	Lenroot	Underwood
Couzens	Gerry	McCormick	Wheeler
Dial	Greene	Owen	

So the amendment of Mr. REED of Pennsylvania was rejected.

Mr. SMOOT obtained the floor.

Mr. JONES of New Mexico. Mr. President, will the Senator yield to me for just a moment? I have been trying to get through some rather formal amendments, and they will not require more than just a minute.

Mr. ROBINSON. Why may not those amendments go over until to-morrow?

Mr. JONES of New Mexico. All right.

Mr. SMOOT. Mr. President, I ask unanimous consent that the Senate take a recess until 11 o'clock a. m. to-morrow, and that not later than 2 o'clock to-morrow the Senate shall proceed without further debate to vote upon the bill and all pending amendments.

Mr. SIMMONS. Does the Senator mean that we shall take a recess right now?

Mr. SMOOT. Right now.

Mr. SIMMONS. Or that when we do take a recess it shall be until 11 o'clock?

Mr. SMOOT. No; that we shall take a recess now.

Mr. SIMMONS. There are some little matters that I thought we might dispose of to-night. We are all here now.

The PRESIDENT pro tempore. The Senator will send the proposed unanimous-consent agreement to the desk so that the Secretary may state it.

Mr. SIMMONS. I am addressing myself to the Senator from Utah about the proposed agreement. I should be glad if the Senator would arrange it so that before we take a recess we can adopt one or two amendments.

Mr. ROBINSON. Mr. President, there can be no agreement unless a recess is taken now or very soon.

Mr. SIMMONS. Very well.

Mr. SWANSON. If we do not take a recess now, let us go on until 11 o'clock to-night.

Mr. ROBINSON. Certainly; and finish the bill.

Mr. SMOOT. I make the unanimous-consent request as I have already stated it.

Mr. NORBECK. Mr. President, I am anxious to have the final vote on this bill put over until to-morrow. There are many representatives in the city who are here from the Northwest advocating the enactment of the McNary-Haugen bill. They have been canvassing the situation over in the House, with a full realization that that legislation must originate there if it is a separate bill. They advised me just a little while ago that the House Rules Committee will meet at 10.45 o'clock to-morrow and will then consider the question of voting out a rule so as to bring the matter up for early action in the House. That is the reason why I have asked that a final vote be delayed until to-morrow.

The PRESIDENT pro tempore. The Chair will suggest that there must be a roll call before this unanimous-consent request is acted upon.

Mr. SIMMONS. But, Mr. President, with reference to whether or not we can have this agreement, there are two matters that must be acted upon outside of the McNary-Haugen bill.

Mr. SMOOT. There are three hours.

Mr. SIMMONS. Yes. There is an amendment that I must offer fixing the exemptions, and there is a proposition that the Senator from Minnesota [Mr. SHIPSTEAD] desires to present, to reconsider a very important vote; and that is going to take some time. If we are going to recess now the Senator must change that hour to a later time than 2 o'clock, because otherwise we shall not have time to consider those amendments, and they must be considered.

Mr. MOSES. Why recess now? Why not go on with these things?

Mr. NEELY. Mr. President, I make the point of order that it is not in order to debate a unanimous-consent request, and I demand the regular order.

The PRESIDENT pro tempore. The point of order is well taken, and it is the duty of the Chair to order the roll to be called.

Mr. SIMMONS. If the Senator will fix it at 3 or 4 o'clock I shall be satisfied. That will give us time.

Mr. ROBINSON. Mr. President, I suggest to the Chair that there is no occasion for calling the roll if it is apparent that an objection is going to be made.

Mr. SMOOT. If the hour is fixed at 3 o'clock, will that be satisfactory to everyone?

Mr. HARRISON. I am going to object if it is 3 o'clock.

Mr. SMOOT. The Senator is satisfied with 2 o'clock?

Mr. HARRISON. Yes.

Mr. SIMMONS. Mr. President, if I can be assured that I shall have an opportunity in the morning to present the amendment with reference to the exemptions and that the Senator from Minnesota [Mr. SHIPSTEAD] will have an opportunity to present his motion to reconsider the vote that was taken this evening upon the tax-exempt securities, then I am perfectly willing to enter into this agreement, but I want that assurance.

Mr. SMOOT. It has been suggested that we meet at 10 o'clock in the morning.

Mr. SIMMONS. Make it 10 o'clock then.

Mr. SMOOT. Is there any objection to making the hour of meeting 10 o'clock in the morning?

Mr. ROBINSON. Not a bit.

Mr. NORRIS. Yes, Mr. President; there is objection to 10 o'clock.

Mr. JONES of New Mexico. Mr. President, I see no reason why we should take a recess now if we can go on for an hour or two or three hours.

Mr. ROBINSON. I will state to the Senator from New Mexico that it will be impossible to keep a full attendance here. The Senate can, of course, continue in session by a majority vote, but I have investigated the matter, and a number of Senators are going to leave, and it will be a practical impossibility to maintain a full attendance.

Mr. MOSES. They can be reached by the Sergeant at Arms.

Mr. ROBINSON. If the Senate wants to proceed, we can proceed indefinitely with that understanding; but I will not be responsible for the vote.

Mr. SMOOT. I think we would like to get rid of the bill to-morrow, and we can finish it to-morrow between 11 and 2. I ask that the roll be called, Mr. President.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Adams	Fletcher	McKinley	Shields
Ashurst	Frazier	McLean	Shipstead
Bayard	George	McNary	Simmons
Brandegee	Glass	Mayfield	Smith
Brookhart	Hale	Moses	Smoot
Broussard	Harreld	Neely	Spencer
Bursum	Harris	Norbeck	Stanfield
Cameron	Harrison	Norris	Stephens
Capper	Heflin	Oddie	Sterling
Caraway	Johnson, Minn.	Overman	Swanson
Copeland	Jones, N. Mex.	Pepper	Trammell
Cummins	Jones, Wash.	Pittman	Wadsworth
Curtis	Kendrick	Ralston	Walsh, Mass.
Dale	Keyes	Ransdell	Walsh, Mont.
Dial	King	Reed, Mo.	Warren
Edge	Ladd	Reed, Pa.	Watson
Ferris	Lodge	Robinson	Weller
Fess	McKellar	Sheppard	Willis

The PRESIDENT pro tempore. Seventy-two Senators having answered to their names, a quorum is present. The Secretary will state the proposed unanimous-consent agreement.

The reading clerk read as follows:

It is agreed by unanimous consent that the Senate take a recess until 11 o'clock a. m. to-morrow, and not later than 2 o'clock to-morrow shall proceed without further debate to vote upon the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, and all pending amendments thereto.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection, and the unanimous-consent agreement is entered into.

In pursuance of the unanimous-consent agreement, the Senate (at 6 o'clock and 45 minutes p. m.) took a recess until to-morrow, Saturday, May 10, 1924, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

FRIDAY, *May 9, 1924*

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We look up unto Thee, O God, our Father in heaven, out of our failures and wants, with a desire to know Thee better and to learn more of the infinite heights and depths of Thy wisdom. O gratify those desires which mark us most divine. Life has many hard lessons to learn, but impress us that they are good lessons to him who has wisdom enough to learn. Be our shield when temptation is nigh; be our support when affliction is heavy; be our guide when the way is difficult and uncertain, and give us the spirit that accepts Thee when in kindness or rebuke, when in sternness and in blessing. Stoop to our needs, O God, and be the guest of each and the Saviour of all. Amen.

The Journal of the proceedings of yesterday was read and approved.

NO QUORUM—CALL OF THE HOUSE

Mr. WINGO. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Arkansas makes the point of order that there is no quorum present. Apparently there is no quorum present.

Mr. JOHNSON of Washington. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Goran	Madden	Sears, Fla.
Andrew	Gilbert	Martin	Stalker
Bacharach	Graham, Pa.	Michaelson	Stengle
Byrnes, S. C.	Greene, Mass.	Miller, Ill.	Strong, Pa.
Byrns, Tenn.	Howard, Okla.	Montague	Sullivan
Canfield	Huddleston	Morin	Sweet
Clark, Fla.	Hull, Tenn.	Morris	Swoope
Connolly, Pa.	Hull, William E.	Mudd	Taylor, Colo.
Cooper, Ohio	Jacobstein	O'Brien	Tinkham
Corning	Jeffers	Park, Ga.	Tydings
Crowther	Johnson, Ky.	Penvey	Vare
Curry	Kahn	Phillips	Ward, N. Y.
Deal	Kurtz	Ransley	Ward, N. C.
Dempsey	Langley	Reed, W. Va.	Wason
Dominick	Larson, Minn.	Reid, Ill.	Welsh
Dowell	Lehlbach	Rogers, N. H.	Williams, Tex.
Drane	Lilly	Rosenbloom	Williams, Ill.
Edmonds	McDuffie	Rouse	Winslow
Evans, Mont.	McFadden	Sanders, N. Y.	Winter
Fish	McLeod	Scott	Wurzbach
Funk	McNulty	Sears, Nebr.	Zihlman

The SPEAKER. Three hundred and forty-eight Members have answered to their names—a quorum.

Mr. LONGWORTH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its chief clerk, announced that the Senate had insisted upon its amendments to the bill (H. R. 8233) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1925, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon and had appointed Mr. WARREN, Mr. JONES of Washington, and Mr. OVERMAN as the conferees on the part of the Senate.

APPOINTMENT OF A CONFEREE

Mr. WOOD. Mr. Speaker, I ask unanimous consent that the name of Mr. SUMMERS of Washington be substituted for that of Mr. WASON as a conferee on the independent offices

appropriation bill, Mr. WASON being unable to serve on account of illness.

The SPEAKER. The gentleman from Indiana asks unanimous consent that the name of the gentleman from Washington [Mr. SUMMERS] be substituted in place of Mr. WASON as a conferee on the independent offices appropriation bill, on account of the illness of Mr. WASON. Is there objection?

There was no objection.

IMMIGRATION

Mr. JOHNSON of Washington. Mr. Speaker, I call up the conference report on the bill H. R. 7995, the immigration bill.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 7995) to limit the immigration of aliens into the United States, and for other purposes.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent that the statement accompanying the conference report be read in lieu of the report.

The SPEAKER. The gentleman from Washington asks unanimous consent that the statement be read in lieu of the report. Is there objection?

Mr. RAKER and Mr. WATKINS rose.

Mr. SABATH. Mr. Speaker, I reserve the right to object. I desire to know from the gentleman from Washington if he does not believe that the entire report should be read, in view of there being so many provisions in the report?

Mr. JOHNSON of Washington. I do not think anything could be gained from that. The report is here, and the text is printed also in the RECORD, where it can be read by the Members. It would be very hard to follow the reading of it from the desk.

Mr. SABATH. If unanimous consent is given that the statement be read in lieu of the report, would it be necessary, Mr. Speaker, for me to reserve a point of order on the conference report now, or later?

The SPEAKER. The Chair thinks the gentleman should make the point of order now.

Mr. SABATH. Then, Mr. Speaker, I make a point of order against the report.

The SPEAKER. The gentleman from Illinois makes a point of order against the report. Is there objection to the request that the statement be read instead of the report? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Speaker, should the gentleman from Illinois state his point of order at this time?

The SPEAKER. The gentleman has made his point of order, and the Chair will consider the point of order in detail after the statement is read.

Mr. JOHNSON of Washington. Did the gentleman from Illinois state his point of order?

Mr. GARRETT of Tennessee. The gentleman from Illinois will state it after the statement is read.

The SPEAKER. The Chair suggests it would be better to have the statement read first.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7995) to limit the immigration of aliens into the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate amendment insert the following:

"That this act may be cited as the 'immigration act of 1924.'

"IMMIGRATION VISAS

"SEC. 2. (a) A consular officer upon the application of any immigrant (as defined in section 3) may (under the conditions hereinafter prescribed and subject to the limitations prescribed in this act or regulations made thereunder as to the number of immigration visas which may be issued by such officer) issue to such immigrant an immigration visa which shall consist of one copy of the application provided for in section 7, visaed by such consular officer. Such visa shall specify (1) the nationality of the immigrant; (2) whether he is a quota immigrant (as defined in section 5) or a nonquota immigrant (as defined in section 4); (3) the date on which the validity of the immigration visa shall expire; and (4) such additional information necessary to the proper enforcement of the immigration laws and the naturalization laws as may be by regulations prescribed.

"(b) The immigrant shall furnish two copies of his photograph to the consular officer. One copy shall be permanently attached by the consular officer to the immigration visa and the other copy shall be disposed of as may be by regulations prescribed.

"(c) The validity of an immigration visa shall expire at the end of such period, specified in the immigration visa, not exceeding four months, as shall be by regulations prescribed. In the case of an immigrant arriving in the United States by water, or arriving by water in foreign contiguous territory on a continuous voyage to the United States, if the vessel, before the expiration of the validity of his immigration visa, departed from the last port outside the United States and outside foreign contiguous territory at which the immigrant embarked, and if the immigrant proceeds on a continuous voyage to the United States, then, regardless of the time of his arrival in the United States, the validity of his immigration visa shall not be considered to have expired.

"(d) If an immigrant is required by any law, or regulations or orders made pursuant to law, to secure the visa of his passport by a consular officer before being permitted to enter the United States, such immigrant shall not be required to secure any other visa of his passport than the immigration visa issued under this act, but a record of the number and date of his immigration visa shall be noted on his passport without charge therefor. This subdivision shall not apply to an immigrant who is relieved, under subdivision (b) of section 13, from obtaining an immigration visa.

"(e) The manifest or list of passengers required by the immigration laws shall contain a place for entering thereon the date, place of issuance, and number of the immigration visa of each immigrant. The immigrant shall surrender his immigration visa to the immigration officer at the port of inspection, who shall at the time of inspection indorse on the immigration visa the date, the port of entry, and the name of the vessel, if any, on which the immigrant arrived. The immigration visa shall be transmitted forthwith by the immigration officer in charge at the port of inspection to the Department of Labor under regulations prescribed by the Secretary of Labor.

"(f) No immigration visa shall be issued to an immigrant if it appears to the consular officer, from statements in the application or in the papers submitted therewith, that the immigrant is inadmissible to the United States under the immigration laws, nor shall such immigration visa be issued if the application fails to comply with the provisions of this act, nor shall such immigration visa be issued if the consular officer knows or has reason to believe that the immigrant is inadmissible to the United States under the immigration laws.

"(g) Nothing in this act shall be construed to entitle an immigrant to whom an immigration visa has been issued to enter the United States if upon arrival in the United States he is found to be inadmissible to the United States under the immigration laws. The substance of this subdivision shall be printed conspicuously upon every immigration visa.

"(h) A fee of $9 shall be charged for the issuance of each immigration visa, which shall be covered into the Treasury as miscellaneous receipts.

"DEFINITION OF 'IMMIGRANT'

"SEC. 3. When used in this act the term 'immigrant' means any alien departing from any place outside the United States destined for the United States, except (1) a government official, his family, attendants, servants, and employees, (2) an alien visiting the United States temporarily as a tourist or temporarily for business or pleasure, (3) an alien in continuous transit through the United States, (4) an alien lawfully admitted to the United States who later goes in transit from one part of the United States to another through foreign contiguous territory, (5) a bona fide alien seaman serving as such on a vessel arriving at a port of the United States and seeking to enter temporarily the United States solely in the pursuit of his calling as a seaman, and (6) an alien entitled to enter the United States solely to carry on trade under and in pursuance of the provisions of a present existing treaty of commerce and navigation.

"NONQUOTA IMMIGRANTS

"SEC. 4. When used in this act the term 'nonquota immigrant' means—

"(a) An immigrant who is the unmarried child under 18 years of age, or the wife, of a citizen of the United States who resides therein at the time of the filing of a petition under section 9;

"(b) An immigrant previously lawfully admitted to the United States, who is returning from a temporary visit abroad;

"(c) An immigrant who was born in the Dominion of Canada, Newfoundland, the Republic of Mexico, the Republic of Cuba, the Republic of Haiti, the Dominican Republic, the Canal Zone, or an independent country of Central or South America, and his wife, and his unmarried children under 18 years of age, if accompanying or following to join him;

"(d) An immigrant who continuously for at least two years immediately preceding the time of his application for admission to the United States has been, and who seeks to enter the United States solely for the purpose of, carrying on the vocation of minister of any religious denomination, or professor of a college, academy, seminary, or university; and his wife, and his unmarried children under 18 years of age, if accompanying or following to join him; or

"(e) An immigrant who is a bona fide student at least 15 years of age and who seeks to enter the United States solely for the purpose of study at an accredited school, college, academy, seminary, or university, particularly designated by him and approved by the Secretary of Labor, which shall have agreed to report to the Secretary of Labor the termination of attendance of each immigrant student, and if any such institution of learning fails to make such reports promptly the approval shall be withdrawn.

"QUOTA IMMIGRANTS

"SEC. 5. When used in this act the term 'quota immigrant' means any immigrant who is not a nonquota immigrant. An alien who is not particularly specified in this act as a nonquota immigrant or a nonimmigrant shall not be admitted as a nonquota immigrant or a nonimmigrant by reason of relationship to any individual who is so specified or by reason of being excepted from the operation of any other law regulating or forbidding immigration.

"PREFERENCES WITHIN QUOTAS

"SEC. 6. (a) In the issuance of immigration visas to quota immigrants preference shall be given—

"(1) To a quota immigrant who is the unmarried child under 21 years of age, the father, the mother, the husband, or the wife of a citizen of the United States who is 21 years of age or over; and

"(2) To a quota immigrant who is skilled in agriculture, and his wife, and his dependent children under the age of 16 years, if accompanying or following to join him. The preference provided in this paragraph shall not apply to immigrants of any nationality the annual quota for which is less than 300.

"(b) The preference provided in subdivision (a) shall not in the case of quota immigrants of any nationality exceed 50 per cent of the annual quota for such nationality. Nothing in this section shall be construed to grant to the class of immigrants specified in paragraph (1) of subdivision (a) a priority in preference over the class specified in paragraph (2).

"(c) The preference provided in this section shall, in the case of quota immigrants of any nationality, be given in the calendar month in which the right to preference is established, if the number of immigration visas which may be issued in such month to quota immigrants of such nationality has not already been issued; otherwise in the next calendar month.

"APPLICATION FOR IMMIGRATION VISA

"SEC. 7. (a) Every immigrant applying for an immigration visa shall make application therefor in duplicate in such form as shall be by regulations prescribed.

"(b) In the application the immigrant shall state (1) the immigrant's full and true name; age, sex, and race; the date and place of birth; places of residence for the five years immediately preceding his application; whether married or single, and the names and places of residence of wife or husband and minor children, if any; calling or occupation; personal description (including height, complexion, color of hair and eyes, and marks of identification); ability to speak, read, and write; names and addresses of parents, and if neither parent living, then the name and address of his nearest relative in the country from which he comes; port of entry into the United States; final destination, if any, beyond the port of entry; whether he has a ticket through to such final destination; whether going to join a relative or friend, and, if so, what relative or friend and his name and complete address; the purpose for which he is going to the United States; the length of time he intends to remain in the United States; whether or not he intends to abide in the United States permanently; whether ever in prison or almshouse; whether he or either of his parents has ever been in an institution or hospital for the care and treatment of the insane; (2) if he claims to be a nonquota immigrant, the facts on which he bases such claim; and (3) such additional information necessary to the proper enforcement of the immigration laws and the naturalization laws as may be by regulations prescribed.

"(c) The immigrant shall furnish, if available, to the consular officer, with his application, two copies of his 'dossier' and prison record and military record, two certified copies of his birth certificate, and two copies of all other available public records concerning him kept by the Government to which he owes allegiance. One copy of the documents so furnished shall be permanently attached to each copy of the application and become a part thereof. An immigrant having an unexpired permit issued under the provisions of section 10 shall not be subject to this subdivision. In the case of an application made before July 1, 1924, if it appears to the satisfaction of the consular officer that the immigrant has obtained a visa of his passport before the enactment of this act, and is unable to obtain the documents referred to in this subdivision without undue expense and delay, owing to absence from the country from which such documents should be obtained, the consular officer may relieve such immigrant from the requirements of this subdivision.

"(d) In the application the immigrant shall also state (to such extent as shall be by regulations prescribed) whether or not he is a member of each class of individuals excluded from admission to the United States under the immigration laws, and such classes shall be stated on the blank in such form as shall be by regulations prescribed, and the immigrant shall answer separately as to each class.

"(e) If the immigrant is unable to state that he does not come within any of the excluded classes, but claims to be for any legal reason exempt from exclusion, he shall state fully in the application the grounds for such alleged exemption.

"(f) Each copy of the application shall be signed by the immigrant in the presence of the consular officer and verified by the oath of the immigrant administered by the consular officer. One copy of the application, when visaed by the consular officer, shall become the immigration visa, and the other copy shall be disposed of as may be by regulations prescribed.

"(g) In the case of an immigrant under 18 years of age the application may be made and verified by such individual as shall be by regulations prescribed.

"(h) A fee of $1 shall be charged for the furnishing and verification of each application, which shall include the furnishing and verification of the duplicate, and shall be covered into the Treasury as miscellaneous receipts.

"NONQUOTA IMMIGRATION VISAS

"SEC. 8. A consular officer may, subject to the limitations provided in sections 2 and 9, issue an immigration visa to a nonquota immigrant as such upon satisfactory proof, under regulations prescribed under this act, that the applicant is entitled to be regarded as a nonquota immigrant.

"ISSUANCE OF IMMIGRATION VISAS TO RELATIVES

"SEC. 9. (a) In case of any immigrant claiming in his application for an immigration visa to be a nonquota immigrant by reason of relationship under the provisions of subdivision (a) of section 4, or to be entitled to preference by reason of relationship to a citizen of the United States under the provisions of section 6, the consular officer shall not issue such immigration visa or grant such preference until he has been authorized to do so as hereinafter in this section provided.

"(b) Any citizen of the United States claiming that any immigrant is his relative, and that such immigrant is properly admissible to the United States as a nonquota immigrant under the provisions of subdivision (a) of section 4 or is entitled to preference as a relative under section 6, may file with the Commissioner General a petition in such form as may be by regulations prescribed, stating (1) the petitioner's name and address; (2) if a citizen by birth, the date and place of his birth; (3) if a naturalized citizen, the date and place of his admission to citizenship and the number of his certificate, if any; (4) the name and address of his employer or the address of his place of business or occupation if he is not an employee; (5) the degree of the relationship of the immigrant for whom such petition is made, and the names of all the places where such immigrant has resided prior to and at the time when the petition is filed; (6) that the petitioner is able to and will support the immigrant if necessary to prevent such immigrant from becoming a public charge; and (7) such additional information necessary to the proper enforcement of the immigration laws and the naturalization laws as may be by regulations prescribed.

"(c) The petition shall be made under oath administered by any individual having power to administer oaths, if executed in the United States, but, if executed outside the United

States, administered by a consular officer. The petition shall be supported by any documentary evidence required by regulations prescribed under this act. Application may be made in the same petition for admission of more than one individual.

"(d) The petition shall be accompanied by the statements of two or more responsible citizens of the United States, to whom the petitioner has been personally known for at least one year, that to the best of their knowledge and belief the statements made in the petition are true and that the petitioner is a responsible individual able to support the immigrant or immigrants for whose admission application is made. These statements shall be attested in the same way as the petition.

"(e) If the Commissioner General finds the facts stated in the petition to be true, and that the immigrant in respect of whom the petition is made is entitled to be admitted to the United States as a nonquota immigrant under subdivision (a) of section 4 or is entitled to preference as a relative under section 6, he shall, with the approval of the Secretary of Labor, inform the Secretary of State of his decision, and the Secretary of State shall then authorize the consular officer with whom the application for the immigration visa has been filed to issue the immigration visa or grant the preference.

"(f) Nothing in this section shall be construed to entitle an immigrant, in respect of whom a petition under this section is granted, to enter the United States as a nonquota immigrant, if, upon arrival in the United States, he is found not to be a nonquota immigrant.

"PERMIT TO REENTER UNITED STATES AFTER TEMPORARY ABSENCE

"SEC. 10. (a) Any alien about to depart temporarily from the United States may make application to the Commissioner General for a permit to reenter the United States, stating the length of his intended absence, and the reasons therefor. Such application shall be made under oath, and shall be in such form and contain such information as may be by regulations prescribed, and shall be accompanied by two copies of the applicant's photograph.

"(b) If the Commissioner General finds that the alien has been legally admitted to the United States, and that the application is made in good faith, he shall, with the approval of the Secretary of Labor, issue the permit, specifying therein the length of time, not exceeding one year, during which it shall be valid. The permit shall be in such form as shall be by regulations prescribed and shall have permanently attached thereto the photograph of the alien to whom issued, together with such other matter as may be deemed necessary for the complete identification of the alien.

"(c) On good cause shown, the validity of the permit may be extended for such period or periods, not exceeding six months each, and under such conditions as shall be by regulations prescribed.

"(d) For the issuance of the permit and for each extension thereof there shall be paid a fee of $3, which shall be covered into the Treasury as miscellaneous receipts.

"(e) Upon the return of the alien to the United States the permit shall be surrendered to the immigration officer at the port of inspection.

"(f) A permit issued under this section shall have no effect under the immigration laws, except to show that the alien to whom it is issued is returning from a temporary visit abroad; but nothing in this section shall be construed as making such permit the exclusive means of establishing that the alien is so returning.

"NUMERICAL LIMITATIONS

"SEC. 11. (a) The annual quota of any nationality shall be 2 per cent of the number of foreign-born individuals of such nationality resident in continental United States as determined by the United States census of 1890, but the minimum quota of any nationality shall be 100.

"(b) The annual quota of any nationality for the fiscal year beginning July 1, 1927, and for each fiscal year thereafter, shall be a number which bears the same ratio to 150,000 as the number of inhabitants in continental United States in 1920 having that national origin (ascertained as hereinafter provided in this section) bears to the number of inhabitants in continental United States in 1920, but the minimum quota of any nationality shall be 100.

"(c) For the purpose of subdivision (b) national origin shall be ascertained by determining as nearly as may be, in respect of each geographical area which under section 12 is to be treated as a separate country (except the geographical areas specified in subdivision (c) of section 4), the number of inhabitants in continental United States in 1920 whose origin by birth or ancestry is attributable to such geographical area. Such determination shall not be made by tracing the ancestors or descendants of particular individuals, but shall be based upon statistics of immigration and emigration, together with rates of increase of population as shown by successive decennial United States censuses, and such other data as may be found to be reliable.

"(d) For the purpose of subdivisions (b) and (c) the term 'inhabitants in continental United States in 1920' does not include (1) immigrants from the geographical areas specified in subdivision (c) of section 4 or their descendants, (2) aliens ineligible to citizenship or their descendants, (3) the descendants of slave immigrants, or (4) the descendants of American aborigines.

"(e) The determination provided for in subdivision (c) of this section shall be made by the Secretary of State, the Secretary of Commerce, and the Secretary of Labor, jointly. In making such determination such officials may call for information and expert assistance from the Bureau of the Census. Such officials shall jointly report to the President the quota of each nationality, determined as provided in subdivision (b), and the President shall proclaim and make known the quotas so reported. Thereafter such quotas shall continue with the same effect as if specifically stated herein and shall be final and conclusive for every purpose except (1) in so far as it is made to appear to the satisfaction of such officials and proclaimed by the President that an error of fact has occurred in such determination or in such proclamation, or (2) in the case provided for in subdivision (c) of section 12. Such proclamation shall be made on or before April 1, 1927. If the proclamation is not made on or before such date, quotas proclaimed therein shall not be in effect for any fiscal year beginning before the expiration of 90 days after the date of the proclamation. If for any reason quotas proclaimed under this subdivision are not in effect for any fiscal year, quotas for such year shall be determined under subdivision (a) of this section.

"(f) There shall be issued to quota immigrants of any nationality (1) no more immigration visas in any fiscal year than the quota for such nationality, and (2) in any calendar month of any fiscal year no more immigration visas than 10 per cent of the quota for such nationality, except that if such quota is less than 300 the number to be issued in any calendar month shall be prescribed by the Commissioner General, with the approval of the Secretary of Labor, but the total number to be issued during the fiscal year shall not be in excess of the quota for such nationality.

"(g) Nothing in this act shall prevent the issuance (without increasing the total number if immigration visas which may be issued) of an immigration visa to an immigrant as a quota immigrant even though he is a nonquota immigrant.

"NATIONALITY

"SEC. 12. (a) For the purposes of this act nationality shall be determined by country of birth, treating as separate countries the colonies, dependencies, or self-governing dominions, for which separate enumeration was made in the United States census of 1890; except that (1) the nationality of a child under 21 years of age not born in the United States, accompanied by its alien parent not born in the United States, shall be determined by the country of birth of such parent if such parent is entitled to an immigration visa, and the nationality of a child under 21 years of age not born in the United States, accompanied by both alien parents not born in the United States, shall be determined by the country of birth of the father if the father is entitled to an immigration visa; and (2) if a wife is of a different nationality from her alien husband and the entire number of immigration visas which may be issued to quota immigrants of her nationality for the calendar month has already been issued, her nationality may be determined by the country of birth of her husband if she is accompanying him and he is entitled to an immigration visa, unless the total number of immigration visas which may be issued to quota immigrants of the nationality of the husband for the calendar month has already been issued. An immigrant born in the United States who has lost his United States citizenship shall be considered as having been born in the country of which he is a citizen or subject, or if he is not a citizen or subject of any country, then in the country from which he comes.

"(b) The Secretary of State, the Secretary of Commerce, and the Secretary of Labor, jointly, shall, as soon as feasible after the enactment of this act, prepare a statement showing the number of individuals of the various nationalities resident in continental United States as determined by the United States census of 1890, which statement shall be the population basis for the purposes of subdivision (a) of section 11. In the case of a country recognized by the United States, but for

which a separate enumeration was not made in the census of 1890, the number of individuals born in such country and resident in continental United States in 1890, as estimated by such officials jointly, shall be considered for the purposes of subdivision (a) of section 11 as having been determined by the United States census of 1890. In the case of a colony or dependency existing before 1890, but for which a separate enumeration was not made in the census of 1890 and which was not included in the enumeration for the country to which such colony or dependency belonged, or in the case of territory administered under a protectorate, the number of individuals born in such colony, dependency, or territory, and resident in continental United States in 1890, as estimated by such officials jointly, shall be considered for the purposes of subdivision (a) of section 11 as having been determined by the United States census of 1890 to have been born in the country to which such colony or dependency belonged or which administers such protectorate.

"(c) In case of changes in political boundaries in foreign countries occurring subsequent to 1890 and resulting in the creation of new countries, the Governments of which are recognized by the United States, or in the establishment of self-governing dominions, or in the transfer of territory from one country to another, such transfer being recognized by the United States, or in the surrender by one country of territory, the transfer of which to another country has not been recognized by the United States, or in the administration of territories under mandates, (1) such officials, jointly, shall estimate the number of individuals resident in continental United States in 1890 who were born within the area included in such new countries or self-governing dominions or in such territory so transferred or surrendered or administered under a mandate, and revise (for the purposes of subdivision (a) of section 11) the population basis as to each country involved in such change of political boundary, and (2) if such changes in political boundaries occur after the determination provided for in subdivision (c) of section 11 has been proclaimed, such officials, jointly, shall revise such determination, but only so far as necessary to allot the quotas among the countries involved in such change of political boundary. For the purpose of such revision and for the purpose of determining the nationality of an immigrant, (A) aliens born in the area included in any such new country or self-governing dominion shall be considered as having been born in such country or dominion, and aliens born in any territory so transferred shall be considered as having been born in the country to which such territory was transferred, and (B) territory so surrendered or administered under a mandate shall be treated as a separate country. Such treatment of territory administered under a mandate shall not constitute consent by the United States to the proposed mandate where the United States has not consented in a treaty to the administration of the territory by a mandatory power.

"(d) The statements, estimates, and revisions provided in this section shall be made annually, but for any fiscal year for which quotas are in effect as proclaimed under subdivision (e) of section 11, shall be made only (1) for the purpose of determining the nationality of immigrants seeking admission to the United States during such year, or (2) for the purposes of clause (2) of subdivision (c) of this section.

"(e) Such officials shall, jointly, report annually to the President the quota of each nationality under subdivision (a) of section 11, together with the statements, estimates, and revisions provided for in this section. The President shall proclaim and make known the quotas so reported and thereafter such quotas shall continue, with the same effect as if specifically stated herein, for all fiscal years except those years for which quotas are in effect as proclaimed under subdivision (e) of section 11, and shall be final and conclusive for every purpose.

"EXCLUSION FROM UNITED STATES

"SEC. 13. (a) No immigrant shall be admitted to the United States unless he (1) has an unexpired immigration visa or was born subsequent to the issuance of the immigration visa of the accompanying parent, (2) is of the nationality specified in the visa in the immigration visa, (3) is a nonquota immigrant if specified in the visa in the immigration visa as such, and (4) is otherwise admissible under the immigration laws.

"(b) In such classes of cases and under such conditions as may be by regulations prescribed, immigrants who have been legally admitted to the United States and who depart therefrom temporarily may be admitted to the United States without being required to obtain an immigration visa.

"(c) No alien ineligible to citizenship shall be admitted to the United States unless such alien (1) is admissible as a nonquota immigrant under the provisions of subdivision (b), (d), or (e) of section 4, or (2) is the wife, or the unmarried child under 18 years of age, of an immigrant admissible under such subdivision (d), and is accompanying or following to join him, or (3) is not an immigrant as defined in section 3: *Provided*, That this subdivision shall not take effect as to exclusion until March 1, 1925, before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject.

"(d) The Secretary of Labor may admit to the United States any otherwise admissible immigrant not admissible under clause (2) or (3) of subdivision (a) of this section, if satisfied that such inadmissibility was not known to, and could not have been ascertained by the exercise of reasonable diligence by, such immigrant prior to the departure of the vessel from the last port outside the United States and outside foreign contiguous territory, or, in the case of an immigrant coming from foreign contiguous territory, prior to the application of the immigrant for admission.

"(e) No quota immigrant shall be admitted under subdivision (d) if the entire number of immigration visas which may be issued to quota immigrants of the same nationality for the fiscal year has already been issued. If such entire number of immigration visas has not been issued, then the Secretary of State, upon the admission of a quota immigrant under subdivision (d), shall reduce by one the number of immigration visas which may be issued to quota immigrants of the same nationality during the fiscal year in which such immigrant is admitted; but if the Secretary of State finds that it will not be practicable to make such reduction before the end of such fiscal year, then such immigrant shall not be admitted.

"(f) Nothing in this section shall authorize the remission or refunding of a fine, liability to which has accrued under section 16.

"DEPORTATION

"SEC. 14. Any alien who at any time after entering the United States is found to have been at the time of entry not entitled under this act to enter the United States, or to have remained therein for a longer time than permitted under this act or regulations made thereunder, shall be taken into custody and deported in the same manner as provided for in sections 19 and 20 of the immigration act of 1917: *Provided*, That the Secretary of Labor may, under such conditions and restrictions as to support and care as he may deem necessary, permit permanently to remain in the United States, any alien child who, when under 16 years of age was heretofore temporarily admitted to the United States and who is now within the United States and either of whose parents is a citizen of the United States.

"MAINTENANCE OF EXEMPT STATUS

"SEC. 15. The admission to the United States of an alien excepted from the class of immigrants by clause (2), (3), (4), (5), or (6) of section 3, or declared to be a nonquota immigrant by subdivision (e) of section 4, shall be for such time as may be by regulations prescribed, and under such conditions as may be by regulations prescribed (including, when deemed necessary for the classes mentioned in clauses (2), (3), (4), or (6) of section 3, the giving of bond with sufficient surety, in such sum and containing such conditions as may be by regulations prescribed) to insure that, at the expiration of such time or upon failure to maintain the status under which admitted, he will depart from the United States.

"PENALTY FOR ILLEGAL TRANSPORTATION

"SEC. 16. (a) It shall be unlawful for any person, including any transportation company, or the owner, master, agent, charterer, or consignee of any vessel, to bring to the United States by water from any place outside thereof (other than foreign contiguous territory) (1) any immigrant who does not have an unexpired immigration visa, or (2) any quota immigrant having an immigration visa the visa in which specifies him as a nonquota immigrant.

"(b) If it appears to the satisfaction of the Secretary of Labor that any immigrant has been so brought, such person, or transportation company, or the master, agent, owner, charterer, or consignee of any such vessel, shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $1,000 for each immigrant so brought, and in addition a sum equal to that paid by such immigrant for his transportation from the initial point of departure, indicated in his ticket, to the port of arrival, such latter sum to be delivered by the collector of customs to the immigrant on whose account assessed. No vessel shall be granted clearance pending the determination of the liability to the payment of such sums, or while such sums remain unpaid, except that clearance may

be granted prior to the determination of such question upon the deposit of an amount sufficient to cover such sums, or of a bond with sufficient surety to secure the payment thereof approved by the collector of customs.

"(c) Such sums shall not be remitted or refunded, unless it appears to the satisfaction of the Secretary of Labor that such person, and the owner, master, agent, charterer, and consignee of the vessel, prior to the departure of the vessel from the last port outside the United States, did not know, and could not have ascertained by the exercise of reasonable diligence, (1) that the individual transported was an immigrant, if the fine was imposed for bringing an immigrant without an unexpired immigration visa, or (2) that the individual transported was a quota immigrant, if the fine was imposed for bringing a quota immigrant the visa in whose immigration visa specified him as being a nonquota immigrant.

"ENTRY FROM FOREIGN CONTIGUOUS TERRITORY

"SEC. 17. The commissioner general, with the approval of the Secretary of Labor, shall have power to enter into contracts with transportation lines for the entry and inspection of aliens coming to the United States from or through foreign contiguous territory. In prescribing rules and regulations and making contracts for the entry and inspection of aliens applying for admission from or through foreign contiguous territory due care shall be exercised to avoid any discriminatory action in favor of transportation companies transporting to such territory aliens destined to the United States, and all such transportation companies shall be required, as a condition precedent to the inspection or examination under such rules and contracts at the ports of such contiguous territory of aliens brought thereto by them, to submit to and comply with all the requirements of this act which would apply were they bringing such aliens directly to ports of the United States. After this section takes effect no alien applying for admission from or through foreign contiguous territory (except an alien previously lawfully admitted to the United States who is returning from a temporary visit to such territory) shall be permitted to enter the United States unless upon proving that he was brought to such territory by a transportation company which had submitted to and complied with all the requirements of this act, or that he entered, or has resided in, such territory more than two years prior to the time of his application for admission to the United States.

"UNUSED IMMIGRATION VISAS

"SEC. 18. If a quota immigrant of any nationality having an immigration visa is excluded from admission to the United States under the immigration laws and deported, or does not apply for admission to the United States before the expiration of the validity of the immigration visa, or if an alien of any nationality having an immigration visa issued to him as a quota immigrant is found not to be a quota immigrant, no additional immigration visa shall be issued in lieu thereof to any other immigrant.

"ALIEN SEAMEN

"SEC. 19. No alien seaman excluded from admission into the United States under the immigration laws and employed on board any vessel arriving in the United States from any place outside thereof, shall be permitted to land in the United States, except temporarily for medical treatment, or pursuant to such regulations as the Secretary of Labor may prescribe for the ultimate departure, removal, or deportation of such alien from the United States.

"SEC. 20. (a) Upon the arrival (after the expiration of four months after the enactment of this act) of any vessel in the United States, it shall be the duty of the owner, agent, charterer, consignee, or master thereof to deliver to the immigration officer in charge at the port of arrival, in respect of each alien seaman employed on such vessel, a landing card in triplicate, stating the position such alien holds in the ship's company, when and where he was shipped or engaged, and whether he is to be paid off and discharged at the port of arrival, and such other information as may be by regulations prescribed, and having permanently attached thereto a photograph of such alien.

"(b) If the alien seaman after examination (which examination in all cases shall include a personal physical examination by the medical examiners) is found to be temporarily admissible to the United States, he shall be permitted to land during the stay of the vessel in port, or temporarily for the purpose of reshipping on board any other vessel bound to a place outside the United States, and the immigration officer shall cause the fingerprints of the alien to be placed upon each copy of the landing card, and indorse upon each copy the date and place of arrival, the name of the vessel, and the time during which the landing card shall be valid. Thereupon one copy of the landing card shall be delivered to him by the immigration officer, one copy shall be transmitted forthwith to the Department of Labor under regulations prescribed under this act, and the third copy shall be retained in the immigration office at the port of arrival for such length of time as may be by regulations prescribed. It shall be unlawful for any alien seaman to remain in the United States after the expiration of the validity of his landing card.

"(e) Any alien who has received a landing card under this section and who departs from the United States shall, prior to his departure, surrender such card to the master of the vessel, who shall, before the departure of the vessel, deliver such card to such individual as may be by regulations prescribed.

"(d) An alien seaman who departs from the United States temporarily at frequent intervals in the pursuit of his calling, or who is employed on a vessel touching at more than one port of the United States in the course of a continuous voyage, may be admitted to the United States, under such regulations as may be prescribed, without the requirement of a landing card in respect of each entry into the United States.

"(e) Landing cards shall be printed on distinctive safety paper prepared and issued, under regulations prescribed under this act, at the expense of the owner, agent, consignee, charterer, or master of the vessel. The Secretary of Labor, with the cooperation of the Secretary of State, shall provide a means of obtaining blank landing cards outside the United States.

"(f) The owner, agent, consignee, charterer, or master of any vessel who violates any of the provisions of this section shall pay to the collector of customs for the customs district in which the port of arrival is located the sum of $1,000 for each alien in respect of whom the violation occurs; and no vessel shall be granted clearance pending the determination of the liability to the payment of such fine, or while the fine remains unpaid, except that clearance may be granted prior to the determination of such question upon the deposit of a sum sufficient to cover such fine, or of a bond with sufficient surety to secure the payment thereof approved by the collector of customs.

"SEC. 21. (a) The owner, charterer, agent, consignee, or master of any vessel arriving in the United States from any place outside thereof who fails to detain on board any alien seaman employed on such vessel until the immigration officer in charge at the port of arrival has inspected such seaman, and delivered to him a landing card (in cases where a landing card is required), or who fails to detain such seaman on board after such inspection or to deport such seaman if required by such immigration officer or the Secretary of Labor to do so, shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $1,000 for each alien seaman in respect of whom such failure occurs. No vessel shall be granted clearance pending the determination of the liability to the payment of such fine, or while the fine remains unpaid, except that clearance may be granted prior to the determination of such question upon the deposit of a sum sufficient to cover such fine, or of a bond with sufficient surety to secure the payment thereof approved by the collector of customs.

"(b) Proof that an alien seaman did not appear upon the outgoing manifest of the vessel on which he arrived in the United States from any place outside thereof, or that he was reported by the master of such vessel as a deserter, shall be prima facie evidence of a failure to detain or deport after requirement by the immigration officer or the Secretary of Labor.

"(c) If the Secretary of Labor finds that deportation of the alien seaman on the vessel on which he arrived would cause undue hardship to such seaman he may cause him to be deported on another vessel at the expense of the vessel on which he arrived, and such vessel shall not be granted clearance until such expense has been paid or its payment guaranteed to the satisfaction of the Secretary of Labor.

"(d) Section 32 of the immigration act of 1917 is repealed, but shall remain in force as to all vessels, their owners, agents, consignees, and masters, and as to all seamen arriving in the United States prior to the enactment of this act. Sections 33 and 34 of such act are repealed, to take effect after the expiration of four months after the enactment of this act, but the provisions of such section 34 shall thereafter remain in force in the case of any alien seaman who has landed in a port of the United States before such repeal becomes effective.

"PREPARATION OF DOCUMENTS

"SEC. 22. (a) Permits issued under section 10 shall be printed on distinctive safety paper and shall be prepared and issued under regulations prescribed under this act.

"(b) The Public Printer is authorized to print for sale to the public by the Superintendent of Public Documents, upon prepayment, additional copies of blank forms of manifests and crew lists to be prescribed by the Secretary of Labor pursuant to the provisions of sections 12, 13, 14, and 36 of the immigration act of 1917.

"OFFENSES IN CONNECTION WITH DOCUMENTS

"SEC. 23. (a) Any person who knowingly (1) forges, counterfeits, alters, or falsely makes any immigration visa, landing card, or permit, or (2) utters, uses, attempts to use, possesses, obtains, accepts, or receives any immigration visa, landing card, or permit, knowing it to be forged, counterfeited, altered, or falsely made, or to have been procured by means of any false claim or statement, or to have been otherwise procured by fraud or unlawfully obtained; or who, except under direction of the Secretary of Labor or other proper officer, knowingly (3) possesses any blank permit, (4) engraves, sells, brings into the United States, or has in his control or possession any plate in the likeness of a plate designed for the printing of landing cards or permits, (5) makes any print, photograph, or impression in the likeness of any immigration visa, landing card, or permit, or (6) has in his possession a distinctive paper which has been adopted by the Secretary of Labor for the printing of immigration visas, landing cards, or permits, shall upon conviction thereof be fined not more than $10,000 or imprisoned for not more than five years, or both.

"(b) Any individual who (1) when applying for an immigration visa or permit, or for admission to the United States, personates another, or falsely appears in the name of a deceased individual, or evades or attempts to evade the immigration laws by appearing under an assumed or fictitious name, or (2) sells or otherwise disposes of, or offers to sell or otherwise dispose of, or utters, an immigration visa, landing card, or permit, to any person not authorized by law to receive such document, shall, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than five years, or both.

"(c) Whoever knowingly makes under oath any false statement in any application, affidavit, or other document required by the immigration laws or regulations prescribed thereunder, shall, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than five years, or both.

"BURDEN OF PROOF

"SEC. 24. Whenever any alien attempts to enter the United States the burden of proof shall be upon such alien to establish that he is not subject to exclusion under any provision of the immigration laws; and in any deportation proceeding against any alien the burden of proof shall be upon such alien to show that he entered the United States lawfully, and the time, place, and manner of such entry into the United States, but in presenting such proof he shall be entitled to the production of his immigration visa, if any, or of other documents concerning such entry, in the custody of the Department of Labor.

"RULES AND REGULATIONS

"SEC. 25. The Commissioner General, with the approval of the Secretary of Labor, shall prescribe rules and regulations for the enforcement of the provisions of this act; but all such rules and regulations, in so far as they relate to the administration of this act by consular officers, shall be prescribed by the Secretary of State on the recommendation of the Secretary of Labor.

"ACT TO BE IN ADDITION TO IMMIGRATION LAWS

"SEC. 26. The provisions of this act are in addition to and not in substitution for the provisions of the immigration laws, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws not inapplicable shall apply to and be enforced in connection with the provisions of this act. An alien, although admissible under the provisions of this act, shall not be admitted to the United States if he is excluded by any provision of the immigration laws other than this act, and an alien, although admissible under the provisions of the immigration laws other than this act, shall not be admitted to the United States if he is excluded by any provision of this act.

"STEAMSHIP FINES UNDER 1917 ACT

"SEC. 27. Section 9 of the immigration act of 1917 is amended to read as follows:

"'SEC. 9. That it shall be unlawful for any person, including any transportation company other than railway lines entering the United States from foreign contiguous territory, or the owner, master, agent, or consignee of any vessel to bring to the United States either from a foreign country or any insular possession of the United States any alien afflicted with idiocy, insanity, imbecility, feeble-mindedness, epilepsy, constitutional psychopathic inferiority, chronic alcoholism, tuberculosis in any form, or a loathsome or dangerous contagious disease, and if it shall appear to the satisfaction of the Secretary of Labor that any alien so brought to the United States was afflicted with any of the said diseases or disabilities at the time of foreign embarkation, and that the existence of such disease or disability might have been detected by means of a competent medical examination at such time, such person or transportation company, or the master, agent, owner, or consignee of any such vessel shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $1,000, and in addition a sum equal to that paid by such alien for his transportation from the initial point of departure, indicated in his ticket, to the port of arrival for each and every violation of the provisions of this section, such latter sum to be delivered by the collector of customs to the alien on whose account assessed. It shall also be unlawful for any such person to bring to any port of the United States any alien afflicted with any mental defect other than those above specifically named, or physical defect of a nature which may affect his ability to earn a living, as contemplated in section 3 of this act, and if it shall appear to the satisfaction of the Secretary of Labor that any alien so brought to the United States was so afflicted at the time of foreign embarkation, and that the existence of such mental or physical defect might have been detected by means of a competent medical examination at such time, such person shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $250, and in addition a sum equal to that paid by such alien for his transportation from the initial point of departure, indicated in his ticket, to the port of arrival, for each and every violation of this provision, such latter sum to be delivered by the collector of customs to the alien for whose account assessed. It shall also be unlawful for any such person to bring to any port of the United States any alien who is excluded by the provisions of section 3 of this act because unable to read, or who is excluded by the terms of section 3 of this act as a native of that portion of the Continent of Asia and the islands adjacent thereto described in said section, and if it shall appear to the satisfaction of the Secretary of Labor that these disabilities might have been detected by the exercise of reasonable precaution prior to the departure of such aliens from a foreign port, such person shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $1,000, and in addition a sum equal to that paid by such alien for his transportation from the initial point of departure, indicated in his ticket, to the port of arrival, for each and every violation of this provision, such latter sum to be delivered by the collector of customs to the alien on whose account assessed.

"'If a fine is imposed under this section for the bringing of an alien to the United States, and if such alien is accompanied by another alien who is excluded from admission by the last proviso of section 18 of this act, the person liable for such fine shall pay to the collector of customs, in addition to such fine but as a part thereof, a sum equal to that paid by such accompanying alien for his transportation from his initial point of departure indicated in his ticket, to the point of arrival, such sum to be delivered by the collector of customs to the accompanying alien when deported. And no vessel shall be granted clearance papers pending the determination of the question of the liability to the payment of such fines, or while the fines remain unpaid, nor shall such fines be remitted or refunded: *Provided*, That clearance may be granted prior to the determination of such questions upon the deposit of a sum sufficient to cover such fines or of a bond with sufficient surety to secure the payment thereof, approved by the collector of customs: *Provided further*, That nothing contained in this section shall be construed to subject transportation companies to a fine for bringing to ports of the United States aliens who are by any of the provisos or exceptions to section 3 of this act exempted from the excluding provisions of said section.'

"SEC. 28. Section 10 of the immigration act of 1917 is amended to read as follows:

"'SEC. 10. (a) That it shall be the duty of every person, including owners, masters, officers, and agents of vessels of transportation lines, or international bridges or toll roads, other than railway lines which may enter into a contract, as provided in section 23, bringing an alien to, or providing a means for an alien to come to, the United States, to prevent the landing of such alien in the United States at any time or place other than as designated by the immigration officers. Any such person, owner, master, officer, or agent who fails to comply with the foregoing requirements shall be guilty of a misdemeanor and on conviction thereof shall be punished by a fine in each case

of not less than $200 nor more than $1,000, or by imprisonment for a term not exceeding one year, or by both such fine and imprisonment; or, if in the opinion of the Secretary of Labor, it is impracticable or inconvenient to prosecute the person, owner, master, officer, or agent of any such vessel, such person, owner, master, officer, or agent shall be liable to a penalty of $1,000, which shall be a lien upon the vessel whose owner, master, officer, or agent violates the provisions of this section, and such vessel shall be libeled therefor in the appropriate United States court.

"'(b) Proof that the alien failed to present himself at the time and place designated by the immigration officers shall be prima facie evidence that such alien has landed in the United States at a time or place other than as designated by the immigration officers.'

"GENERAL DEFINITIONS

"SEC. 29. As used in this act—

"(a) The term 'United States,' when used in a geographical sense, means the States, the Territories of Alaska and Hawaii, the District of Columbia, Porto Rico, and the Virgin Islands; and the term 'continental United States' means the States and the District of Columbia;

"(b) The term 'alien' includes any individual not a native-born or naturalized citizen of the United States, but this definition shall not be held to include Indians of the United States not taxed, nor citizens of the islands under the jurisdiction of the United States;

"(c) The term 'ineligible to citizenship,' when used in reference to any individual, includes an individual who is debarred from becoming a citizen of the United States under section 2169 of the Revised Satutes, or under section 14 of the act entitled 'An act to execute certain treaty stipulations relating to Chinese,' approved May 6, 1882, or under section 1996, 1997, or 1998 of the Revised Statutes, as amended, or under section 2 of the act entitled 'An act to authorize the President to increase temporarily the Military Establishment of the United States,' approved May 18, 1917, as amended, or under law amendatory of, supplementary to, or in substitution for, any of such sections;

"(d) The term 'immigration visa' means an immigration visa issued by a consular officer under the provisions of this act;

"(e) The term 'consular officer' means any consular or diplomatic officer of the United States designated, under regulations prescribed under this act, for the purpose of issuing immigration visas under this act. In case of the Canal Zone and the insular possessions of the United States the term 'consular officer' (except as used in section 25) means an officer designated by the President, or by his authority, for the purpose of issuing immigration visas under this act;

"(f) The term 'immigration act of 1917' means the act of February 5, 1917, entitled, 'An act to regulate the immigration of aliens to, and the residence of aliens in, the United States';

"(g) The term 'immigration laws' includes such act, this act, and all laws, conventions, and treaties of the United States relating to the immigration, exclusion, or expulsion of aliens;

"(h) The term 'person' includes individuals, partnerships, corporations, and associations;

"(i) The term 'Commissioner General' means the Commissioner General of Immigration;

"(j) The term 'application for admission' has reference to the application for admission to the United States and not to the application for the issuance of the immigration visa;

"(k) The term 'permit' means a permit issued under section 10;

"(l) The term 'landing card' means a landing card issued under section 20;

"(m) The term 'unmarried,' when used in reference to any individual as of any time, means an individual who at such time is not married, whether or not previously married;

"(n) The terms 'child,' 'father,' and 'mother' do not include a child or parent by adoption unless the adoption took place before January 1, 1924;

"(o) The terms 'wife' and 'husband' do not include a wife or husband by reason of a proxy or picture marriage.

"AUTHORIZATION OF APPROPRIATION

"SEC. 30. The appropriation of such sums as may be necessary for the enforcement of this act is hereby authorized.

"ACT OF MAY 19, 1921

"SEC. 31. The act entitled 'An act to limit the immigration of aliens into the United States,' approved May 19, 1921, as amended and extended, shall, notwithstanding its expiration on June 30, 1924, remain in force thereafter for the imposition, collection, and enforcement of all penalties that may have accrued thereunder, and any alien who prior to July 1, 1924, may have entered the United States in violation of such act or regulations made thereunder may be deported in the same manner as if such act had not expired.

"TIME OF TAKING EFFECT

"SEC. 32. (a) Sections 2, 8, 13, 14, 15, and 16, and subdivision (f) of section 11, shall take effect on July 1, 1924, except that immigration visas and permits may be issued prior to that date, which shall not be valid for admission to the United States before July 1, 1924. In the case of quota immigrants of any nationality, the number of immigration visas to be issued prior to July 1, 1924, shall not be in excess of 10 per cent of the quota for such nationality, and the number of immigration visas so issued shall be deducted from the number which may be issued during the month of July, 1924. In the case of immigration visas issued before July 1, 1924, the four-month period referred to in subdivision (c) of section 2 shall begin to run on July 1, 1924, instead of at the time of the issuance of the immigration visa.

"(b) The remainder of this act shall take effect upon its enactment.

"(c) If any alien arrives in the United States before July 1, 1924, his right to admission shall be determined without regard to the provisions of this act, except section 24.

"SAVING CLAUSE IN EVENT OF UNCONSTITUTIONALITY

"SEC. 33. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby."

And the Senate agree to the same.

ALBERT JOHNSON,
WILLIAM N. VAILE,
BIRD J. VINCENT,
Managers on the part of the House.

DAVID A. REED,
THOMAS STERLING,
HENRY W. KEYES,
WILLIAM H. KING,
WM. J. HARRIS,
Managers on the part of the Senate.

I do not agree to the insertion of the proviso at the end of subdivision (c) of section 13.

WM. J. HARRIS.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes on the Senate amendment to H. R. 7995, a bill to limit the immigration of aliens into the United States, submit the following written statement explaining matters agreed upon by the conference committee and recommended in the text of the conference report.

The Senate disagreed to the entire text of the House bill, offered its bill as an amendment thereto, and voted for a conference. The House disagreed to the Senate amendment and agreed to a conference. The conferees therefore found the entire subject of immigration open, and the bill is now offered with an amendment which strikes out the Senate amendment and offers in lieu thereof the text printed in the conference report.

The greater part of the amendment is in effect the original House bill, considerably tightened as to its restrictive features.

The managers on the part of the Senate accepted the nonquota feature of the House bill, but reduced these by striking out the skilled-labor nonquota classification, by changing the contiguous territory clause so that it applies only to those born in such territory, and by limiting the "relative" clause to wives and children of American citizens.

Fathers and mothers are given a preferential right within quotas, together with bona fide farmers, their wives and small children, up to 50 per cent of all quotas which are more than 300.

The minimum age for students is made 15 years, and safeguards are provided for the maintenance of the status as students at accredited and designated schools.

The definition of an "immigrant" is reduced from the Senate proposal to the original House provision.

The House conferees accepted words by which "immigration certificates" are designated as "immigration visas."

The plan in the Senate amendment for determination of quotas by national origins was accepted by the House managers after it had been rewritten and perfected.

The quota plan of the House—2 per cent based on the 1890 census (with a minimum quota of 100)—stands for three years, after which the following quota plan goes into effect:

"The annual quota of any nationality for the fiscal year beginning July 1, 1927, and for each fiscal year thereafter, shall be a number which bears the same ratio to 150,000 as the number of inhabitants in continental United States in 1920 having that national origin (ascertained as hereinafter provided in this section) bears to the number of inhabitants in continental United States in 1920, but the minimum quota of any nationality shall be 100."

Provisions for working out this plan are carried in paragraphs (c), (d), and (e) of section 11, including a provision for putting this plan into operation by proclamation of the President, under certain conditions.

The effect of section 11, broadly speaking, is that for three years the quota shall be based on a percentage of the foreign born in the United States in 1890, and thereafter the quota percentage shall be based upon the whole white population of the United States, with due regard for the national origin of that population.

Another important change in this bill as it went from the House is the addition of a proviso (shown here in italics) to paragraph (c) of section 13, page 23, the exclusion section, as follows:

"(c) No alien ineligible to citizenship shall be admitted to the United States unless such alien (1) is admissible as a nonquota immigrant under the provisions of subdivision (b), (d), or (e) of section 4, or (2) is the wife, or the unmarried child under 18 years of age, of an immigrant admissible under such subdivision (d), and is accompanying or following to join him, or (3) is not an immigrant as defined in section 3: *Provided, That this subdivision shall not take effect as to exclusion until March 1, 1925, before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject.*"

It appeared that in order properly to conduct our foreign relations it was necessary to extend somewhat the date upon which exclusion should become effective. This provision gives eight months beyond the time provided in the original House draft in order to adjust our diplomatic relations on this subject in a friendly way and to provide for notice through proper diplomatic channels that Congress has enacted legislation which brings to an end at a date certain the present understanding with Japan. This provision does not invite the making of a treaty, the exclusion being effective on March 1, 1925, or, in other words, bringing exclusion into full force and effect before the expiration of this Congress.

For the period between July 1, 1924, and March 1, 1925, Japanese immigration will be limited to 80 persons by the quota provision of the immigration bill, in addition to those who may come under the exemptions provided for students, ministers, and teachers of all countries.

H. R. 7995 is so written that the postponement to March 1, 1925, of the effective date of the clause relating to exclusion of persons ineligible to citizenship does not automatically continue in force after July 1 the terms of the "gentlemen's agreement."

The extension of time does not affect the countries of the Far East, for exclusion from them is effected by other laws which are not repealed by this bill.

The charge for viséing and registering the certificate and passport of an immigrant has been reduced from $11 to $10 to make it conform to other passport fees.

The fee for a permit for an outgoing alien who expects to return is reduced from $6 to $3.

A new paragraph is added to section 22, page 34, as follows:

"The Public Printer is authorized to print for sale to the public by the Superintendent of Public Documents, upon prepayment, additional copies of blank forms of manifests and crew lists to be prescribed by the Secretary of Labor pursuant to the provisions of sections 12, 13, 14, and 36 of the immigration act of 1917."

The alien seamen's provisions of the House bill remain, although perfected in some details.

The Senate provision permitting about 30 to 40 defective children, admitted under bond, to remain in the United States if one parent is an American citizen is retained, the main reason being that there is no place to which to deport the majority of these unfortunates.

ALBERT JOHNSON,
WILLIAM N. VAILE,
BIRD J. VINCENT,
Managers on the part of the House.

Mr. SABATH. Mr. Speaker, though I am familiar with the ruling of the former Speaker on the question, nevertheless I feel it is my duty to raise this point of order and submit it to the Chair.

Mr. Speaker, the conferees have exceeded their authority in several instances, but in the main I desire to call the Speaker's attention to the violation in section 10 of the House bill and section 13 of the new bill. This refers to an alien ineligible to citizenship, or the Japanese provision.

Under the House bill the act would have gone into effect July 1, 1924, while under the Senate bill it would have gone into effect immediately. The conferees have exceeded their authority in extending the time when the law should go into effect by agreeing to the following proviso:

Provided, That this subdivision shall not take effect as to exclusion until March 1, 1925, before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject.

Now, as I have stated, I fully appreciate the fact that the former Speaker, in the Sixty-fifth Congress, ruled that where either House strikes out all after the enacting clause and the bill then goes to conference, that the conferees have wide latitude. But later on I note this:

In the House of Representatives, in the later practice, the Speaker may rule——

The SPEAKER. From what page is the gentleman quoting?

Mr. SABATH. Page 231, the second paragraph, paragraph 540.

The SPEAKER. The Chair has it before him.

Mr. SABATH. Reading from that section:

In the House of Representatives, in the later practice, the Speaker may rule out a conference report if it be shown that the managers have exceeded their authority.

I think that was the ruling of Speaker Clark in the Sixty-fifth Congress. I have had no chance or opportunity to examine the ruling, relying on that provision. I believe, without further investigation on my part, the Speaker has authority to rule a conference report out of order where the conferees have exceeded their authority, as they have in this instance. I think it is clear they have gone way beyond what the Senate or the House voted upon and what either of the bills provided for.

Mr. CRAMTON. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. CRAMTON. Leaving out of consideration the question as to all after the enacting clause having been stricken out, and referring to the time when this provision would become effective under the Senate bill, the gentleman says it would would become effective immediately?

Mr. SABATH. Yes.

Mr. CRAMTON. I understand it does not mention any date. It does not say the 1st of May or the 1st of June, 1924, but leaves it to become effective when the law becomes effective. If the law did not become effective until the expiration of this Congress the latest date would be the 4th of March, 1925. This provision would not become effective until the 4th of March, 1925, if the law itself did not become effective until that time. That is correct, is it not?

Mr. SABATH. Well, if the gentleman is of the opinion that there is any danger of the law not going into effect until such time, all right, but I doubt very much whether that was the intention of the Senate.

Mr. CRAMTON. What I suggest is that the date fixed by the Senate was an indefinite date that might happen any time between now and the 4th of March, 1925.

Mr. SABATH. I am of the opinion that when there is no date set the act goes into effect immediately when the bill is finally signed and becomes a law.

Mr. RAKER. Mr. Speaker——

The SPEAKER. The Chair will hear the gentleman from California.

Mr. RAKER. Mr. Speaker, I desire to make the point of order that the conferees have exceeded their authority in adding the following part of a proviso, subdivision (c) of section 13, and I want to make it clear to the Speaker that I only refer to that part where the President is requested—

to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject.

For the reason, first, that it is not germane to either bill as passed by the two Houses; second, it is not within the jurisdiction of the conference; third, it is legislation outside of both bills; and, fourth, it is a waiver of the jurisdiction of the House to legislate on immigration.

I want to discuss, if the Speaker will permit, the point of order made by the gentleman from Illinois [Mr. SABATH]. I have read the decisions—including the latest one referred to as made by Speaker Clark—on the question of dates.

Provision (d) of section 12 of the House bill and subdivision (c) of section 10 of the Senate bill were identical. The Senate provision placed that subdivision in operation on the taking effect of the act. The House provision placed it in effect on the 1st of July, 1924.

I take it for granted that the conferees of the two Houses, recognizing the rule, did not attempt to violate it. It was clearly before them.

Now, arguing against the point of order of the gentleman from Illinois; first, because I want to get this clearly before the Speaker and before the House; recognizing that rule, the conferees kept within the rule as laid down and adopted a conference report that subdivision (c) of section 13, the entire section, is operative and in force on the 1st of July, 1924, and the conferees therefore did not exceed their authority.

To make my point plain I want to call the Speaker's attention to section 32 on page 19 of the conference report, which reads as follows:

SEC. 32. (a) Sections 2, 8, 13, 14, 15, and 16, and subdivision (f) of section 11 shall take effect on July 1, 1924.

The SPEAKER. What page is the gentleman reading from?

Mr. RAKER. Page 19 of the conference report.

Mr. JOHNSON of Washington. Page 45 of the bill.

Mr. RAKER. These are practically the same in both Houses except as to the date—

except that immigration visas and permits may be issued prior to that date, which shall not be valid for admission to the United States before July 1, 1924. In the case of quota immigrants of any nationality, the number of immigration visas to be issued prior to July 1, 1924, shall not be in excess of 10 per cent of the quota for such nationality, and the number of immigration visas so issued shall be deducted from the number which may be issued during the month of July, 1924. In the case of immigration visas issued before July 1, 1924, the four-month period referred to in subdivision (c) of section 2 shall begin to run on July 1, 1924, instead of at the time of the issuance of the immigration visa.

(b) The remainder of this act shall take effect upon its enactment.

The House bill, specifying those subdivisions and subdivision 12, which is identical with subdivision 13 of the present act, said that they should take effect July 1, 1924, and the remainder of the act shall take effect upon its enactment.

The Senate bill reads as follows:

Sections 2, 11, 12, 13, subdivision (b) of section 8, and subdivisions (a) and (b) of section 10 shall take effect on July 1, 1924—

leaving subdivision (c) of section 10 of the Senate amendment, which is identical with subdivision (d) of section 12 of the House bill, to take effect immediately.

Now, Mr. Speaker, taking this bill by its four corners and reading it, section 13 of the bill, which is the conference report, the whole act takes effect on July 1, 1924, as provided therein.

Every rule of statutory construction that has been laid down holds that when there are two conflicting provisions in the same act, the last provision controls, and this act would take effect on July 1, 1924, as to subdivision (c) of section 13 beyond all question, and as illustrating the argument, I would call the Speaker's attention to this matter which further applies to the point.

It is an old and well-settled rule that when two laws upon the same subject, passed at different times, are inconsistent with each other, the one last passed must prevail. So it has always been the rule that where different provisions of a statute, all passed at the same time, can not be reconciled, the one that came last in point of position must prevail; and this was upon the theory that effect should always be given to the latest rather than to an earlier expression of the legislative will, the presumption being that the latter part of the statute was last considered. (73 Calif. 258.)

In Thirty-sixth Cyc. 1130, we find the following rule:

c. Conflicting provisions: In the consideration of conflicting provisions in a statute, the great object to be kept in view is to ascertain the legislative intent, and all particular rules for the construction of such provisions must be regarded as subservient to this end. *In accordance with the well-settled principle that the last expression of the legislative will is the law, in case of conflicting provisions in the same statute or in different statutes, the last enacted in point of time prevails; and, on the same principle, if both were enacted at the same time, the last in order of arrangement controls.* As a corollary to this latter rule, a proviso in an act repugnant to the purview thereof is not void but stands as the last expression of the legislative will. Where the conflict is between words and figures, the words will be given effect. Where general terms or expressions in one part of a statute are inconsistent with more specific or particular provisions in another part, the particular provisions will be given effect as clearer and more definite expressions of the legislative will. But a particular expression in one part of a statute not so large and extensive in its import as other expressions in the same statute will yield to the larger and more extensive expressions, where the latter embody the real intent of the legislature.

Mr. CRAMTON. Will the gentleman yield for a very brief question?

Mr. RAKER. I would like to get this thought before the Speaker first.

So, therefore, Mr. Speaker, the conferees having this document before them as one document, taking up the whole thing, the last thing they did was to say that section 13 of this bill should take effect on July 1, 1924, and the subdivision is in direct conflict with subdivision (c) of section 13. Therefore, the last expression by the conferees in coming to their conclusion is effective, and turning back to subdivision (c) of section 13, the only thing remaining is, namely, the point of order which I make, because we must take the last expression of the conferees in determining the matter. So that the subdivision to which I make the point of order is the one wherein the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present agreement on this subject.

My contention is that it is not germane to either bill passed by the House or the Senate. It is entirely new legislation engrafted upon this conference report, and not germane to either; and, beyond all question, it is a yielding of the power of the House to legislate upon this question and is turning over its function of legislating in regard to immigration to the President of the United States relative to an agreement, when there can be no such thing as a gentleman's agreement between the President and a foreign country. There never has been an agreement by the President. The only thing talked of as a gentleman's agreement is that which was entered into by the Secretary of State of the United States and the foreign ambassador of Japan in various correspondence which all concede was beyond the treaty-making power. But by this act, Congress is asked to recognize an agreement beyond the constitutional power of the President, beyond the constitutional power of the House, and now to come in and yield and turn the subject over to the President of the United States to negotiate upon a question that is absolutely beyond his power and beyond his jurisdiction.

So clearly neither House had that matter before it. Neither House had an opportunity to pass it. This House at no time ever said it would yield its power to legislate on immigration. This House never said at any time that it would surrender its power to legislate on a domestic question of this kind. It is almost inconceivable that the House at the present time—and that is the only thing I am presenting to the Speaker, making no objections to any other features of the bill—that the House ever surrendered its power to legislate on immigration. It is a domestic question pure and simple.

Mr. LONGWORTH. Mr. Speaker, I make the point of order that the gentleman is not discussing the point of order.

Mr. RAKER. I am trying to suggest and submitting that the point of order relative to the date is not before the Speaker because the conferees have not exceeded their authority as to the date, and the whole part of section 13 is operative on July 1, 1924. Then we come down to the last point I make in regard to exceeding the powers of the conferees, and therefore I say that the point of order should be sustained and the conference report sent back to the conferees.

Mr. GARRETT of Tennessee. Mr. Speaker, as I understand the ruling of various occupants of the chair, where parliamentary situations have arisen such as confronts the Chair and the House at this time, namely, where the Senate has stricken out the whole of the House bill and inserted a new measure and that measure goes to conference, the whole subject is before the conferees and they are clothed with wide powers in reaching an agreement. Indeed, it has been held in numerous decisions that their powers are broad enough to write a new measure.

It has been ruled that where the rates of a revenue bill are involved, when that bill came in under circumstances similar to this, that the conferees were not limited between the figures originally agreed upon by the House and those agreed upon by the Senate but they may go below or above those figures. It has been ruled in at least one instance where the

question of dates was involved that the conferees were not confined between the two dates fixed by the respective bodies. So it seems to me that this point of order will turn upon the question of germaneness submitted by the gentleman from California [Mr. RAKER]; that is to say, if the conferees have inserted matter not germane to the House bill or to the Senate bill, then the point of order will lie. It seems to me, Mr. Speaker, that the language beginning in line 3, on page 24, with the word "before," and reading—

before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject—

is not germane. It would not be germane if offered as an original proposition in the House. It is a request to the Executive to exercise a purely executive power in so far as that power may be exercised under the Constitution. It is in no sense a legislative proposition. It does not clothe the President with authority to do anything that he has not now the power to do. It involves no element or item of legislation which is in any way binding on the Executive or upon the law-enforcing department of the Government. Not being legislative, therefore, I respectfully submit that it can not be germane to legislation.

Mr. CELLER. Mr. Speaker, I rise in support of the point of order on the ground that the words read by the gentleman from Tennessee [Mr. GARRETT] as to the President negotiating with the Japanese Government in relation to the abrogation of the present arrangement is tantamount to asking the House of Representatives to legislate on a matter which is entirely within the province of the President and the Senate, in the sense that it refers to the treaty-making power under the Constitution which is delegated to the President and the Upper Chamber of Congress and concerning which the Lower House has no concern whatever.

Mr. JOHNSON of Washington rose.

The SPEAKER. The Chair is ready to rule, but he will hear the gentleman from Washington.

Mr. JOHNSON of Washington. Mr. Speaker, I only want to make one suggestion. Section 32 provides when the law shall go into effect, including section 13, and then section 13 carries its own date of going into effect. I think there is nothing to that point of order.

The SPEAKER. The Chair is ready to rule. The first point made by the gentleman from Illinois, it seems to the Chair, is thoroughly disposed of by the decision of Speaker Clark, quoted in the Manual to which the gentleman from Tennessee refers. It says:

And it has been held so often and so far back and by so many Speakers that where everything after the enacting clause is struck out the conferees have carte blanche to prepare a bill on that subject, that it seems to the Chair that question is no longer open to controversy.

The Chair on that ground overrules the point of order. That leaves the other point of order made by the gentleman from California [Mr. RAKER] and discussed by the gentleman from Tennessee [Mr. GARRETT], that the provision asking the President to negotiate with the Japanese Government in relation to the abrogation of the present arrangement is not germane.

But it seems to the Chair that inasmuch as this report terminates the understanding referred to on July 1, this provision extending it to March 1, 1925, and at the same time asking that the President meanwhile shall negotiate to abrogate it, which may possibly terminate it sooner, that that makes it clearly germane to the subject, and the Chair overrules the points of order.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent that debate in regard to this conference report be limited to two hours.

The SPEAKER. The gentleman from Washington asks unanimous consent that debate on the conference report be limited to two hours. Is there objection?

Mr. MACLAFFERTY. Mr. Speaker, reserving the right to object, just how is that time to be apportioned?

Mr. JOHNSON of Washington. The rule I believe provides one hour, and I am asking for an extension of one hour more.

Mr. MACLAFFERTY. Can I be provided with 10 minutes of that time?

Mr. JOHNSON of Washington. I would like to have the control of the hour for those opposing the conference report to be with the ranking member of the committee.

Mr. RAKER. Mr. Speaker, it seems to me there ought to be some time that I might have to discuss the conference report. Can we not enter into an agreement to make it three hours?

Mr. JOHNSON of Washington. I do not think I could go any further with my request. I think two hours is all the time needed to discuss the matter thoroughly. While it is an important question, the debate should be keen and to the point.

Mr. RAKER. I suggest to the gentleman from Washington that the gentleman from Illinois [Mr. SABATH], have half an hour and that I may have half an hour, while the gentleman from Washington would control one hour.

Mr. LAGUARDIA. What is the time under the rule?

The SPEAKER. The gentleman from Washington, of course, has the floor, and at the expiration of one hour he may move the previous question, which would end debate. The Chair understands that the gentleman desires to extend the time for debate to two hours, instead of one.

Mr. LAGUARDIA. But if the gentleman's motion for the previous question is voted down, then the conference report will be open for debate, and every Member who was recognized would be entitled to an hour.

The SPEAKER. The gentleman from Washington asks unanimous consent that there be two hours of debate, of which one hour shall be controlled by himself. Does the gentleman from Washington agree to the division suggested by the gentleman from California, that the gentleman from Illinois should have half an hour and the gentleman from California half an hour?

Mr. JOHNSON of Washington. Does the gentleman from Illinois prefer it in that way?

Mr. SABATH. I am in this position: I have already assured Members on the other side some time, and I should not like to find myself in a position without having at least a few minutes for myself.

Mr. LONGWORTH. Mr. Speaker, will the gentleman from Washington yield to me?

Mr. JOHNSON of Washington. Yes.

Mr. LONGWORTH. Will he add to his request that the previous question shall be considered as ordered at the end of the two hours?

Mr. JOHNSON of Washington. Certainly. I shall modify my request in that respect, Mr. Speaker.

Mr. RAKER. Mr. Speaker, reserving the right to object, will the gentleman make his request that he have 1 hour, that the gentleman from Illinois have 30 minutes, and that I may have 30 minutes?

Mr. JOHNSON of Washington. Yes; with the understanding that I be permitted to close debate, and that at the end of the two hours the previous question shall be considered as ordered.

The SPEAKER. The gentleman from Washington asks unanimous consent that the debate be limited to two hours, at the end of which time the previous question shall be considered as ordered, and that 1 hour of that time shall be controlled by himself, 30 minutes by the gentleman from Illinois, and 30 minutes by the gentleman from California. Is there objection?

Mr. MACLAFFERTY. Mr. Speaker, reserving the right to object, I want 10 minutes on the floor from somebody, and if I do not get it I am going to object.

Mr. LONGWORTH. The gentleman should realize that if he objects there will be only one hour of debate.

Mr. LINEBERGER. Mr. Speaker, may I ask the gentleman from Washington a question? Does the gentleman propose to allot any time whatever to Members on this side?

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the time be extended to two hours and a half, and that these gentlemen from the Pacific coast have the other half hour that they desire.

Mr. BACON. Mr. Speaker, I object to that.

Mr. JOHNSON of Washington. Mr. Speaker, I modify my request and make it for 2 hours and 20 minutes, of which I shall control 1 hour, 10 minutes of which shall be given to one gentleman from California and 10 minutes to the other, and that the third gentleman from California [Mr RAKER] shall have one-half hour and the gentleman from Illinois [Mr. SABATH] one-half hour.

The SPEAKER. Is there objection?

Mr. LAGUARDIA. Mr. Speaker, I object.

The SPEAKER. Is there objection to the original request of the gentleman from Washington?

Mr. LAGUARDIA. Mr. Speaker, I object.

The SPEAKER. The gentleman from Washington is recognized for one hour.

Mr. LINEBERGER. Mr. Speaker, a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. LINEBERGER. What is the status of the time?

The SPEAKER. The gentleman from Washington is recognized for one hour. Objection was made as to any agreement in respect to time.

Mr. MACLAFFERTY. Mr. Speaker, I ask the gentleman from New York [Mr. LAGUARDIA] to withdraw his objection.

Mr. LAGUARDIA. Mr. Speaker, my colleagues do not seem to be clear upon this matter. At the end of the hour to which the gentleman from Washington is entitled, if he moves the previous question and the motion be voted down, do not the rules of the House provide that any gentleman then recognized is entitled to the floor for an hour.

The SPEAKER. That is correct.

Mr. BLANTON. But you can not vote down the previous question.

Mr. LAGUARDIA. Mr. Speaker, I withdraw the objection.

Mr. GARRETT of Tennessee. Mr. Speaker, a parliamentary inquiry. A motion to recommit is in order after the previous question is ordered?

The SPEAKER. It is. Is there objection to the request of the gentleman from Washington that there be 2 hours and 20 minutes of debate upon the conference report, that the gentleman from Washington shall control 1 hour, that the gentleman from Illinois shall control 30 minutes, and the gentleman from California [Mr. RAKER] shall control 30 minutes, the other 20 minutes to go to the two other gentlemen from California, and that the previous question shall be considered as ordered at the end of that debate? [After a pause.] The Chair hears none, and it is so ordered.

Mr. JOHNSON of Washington. Mr. Speaker and gentlemen, with so much time for debate it would seem we might possibly look carefully and without rancor into this particular provision which seems for the moment likely to jeopardize the final enactment of the immigration bill which had recently the vote of a large majority of the membership of this House. I am convinced that the way to make sure that we absolutely secure Japanese exclusion is to allow the eight months' grace requested by the President and by the Secretary of State. If Members will be good enough to remember that this bill was introduced on the first day of this session, December 5, and it had then in it the exclusion clause to go into effect July 1, they will see that we meant then to allow several months for the clause to go into effect. Your Committee on Immigration and Naturalization held hearings every day throughout the Christmas holidays. We thought we could have the bill out and on the calendar by the 8th or the 10th of January and that it would be among the first measures passed by the House. We were not able to work quite so fast. There are many interests against it, as you know. They catch at every straw. We got the bill on the calendar, I believe, on the 10th of February. Then it was rewritten, and the result is that it is now the 9th of May, and no exclusion act. Every time that this bill has been printed we had July 1 as the date for the exclusion act to take effect.

Gentlemen, the bill is so written that the allowance of the eight months does not mean a Japanese influx at all. A few will come before July 1. But the minute you put the extension on you also put on the quota provision; so that for eight months, or up to March 1, you will have a quota for Japan. That quota in this bill is a minimum of 100 per year, with a limitation of 10 per cent per month. So the whole number of extra Japanese who could come to the United States if they got the necessary permit from the United States consul during the limited time this proviso would run, would be 80, and no more.

Mr. FREE. Will the gentleman yield for a question?

Mr. JOHNSON of Washington. In addition to those who might come in properly under the treaty clause, which we grant to all nations alike, the nonquota class—students, teachers, and ministers. That is all there is to the proposition——

Mr. FREE. If this is true——

Mr. JOHNSON of Washington. Is is absolutely true.

Mr. FREE. I say if it is true, then why do you insert in the bill a proviso that the President will enter into negotiations to do away with the gentlemen's agreement; if it is done away with, why should the President negotiate any treaty——

Mr. JOHNSON of Washington. Well, does the gentleman want to be kind and decent to another nation, or just hit him on the head?

Mr. FREE. I want to see a menace to the United States stopped and do not want to see this influx of a nation which now would threaten us as it has done for 20 years. [Applause.]

Mr. JOHNSON of Washington. If the gentleman had been a little more active earlier in the session we might be a little more sure of it now.

Mr. WATKINS. Will the gentleman yield?

Mr. JOHNSON of Washington. Not now, I will yield later. I desire to read the proviso. See how mild it is. I ask you, gentlemen, in an occasion like this, dealing with other nations, dealing with a matter that runs a little beyond the Committee on Immigration and Naturalization, a little beyond the Committee on Foreign Affairs—a situation which runs in a combination of the House, the Senate, and the Chief Executive, do you suppose that I would come here and offer to jeopardize the bill I have worked on for five solid years?

Mr. RAKER. Will the gentleman yield?

Mr. JOHNSON of Washington. I think we ought to approach this properly and correctly, and it seems to me as if the whole immigration bill——

Mr. RAKER. Will the gentleman yield?

Mr. JOHNSON of Washington. I can not yield.

Mr. RAKER. I will yield the gentleman one minute of my time if he will yield.

Mr. JOHNSON of Washington. In just a minute. Now, what hurts is this: If California people will be only patient. I live on the Pacific coast; there are three States on that coast—California, Oregon, and Washington.

The district which I represent is just as much interested in this as any of the California districts. It is just as big a question to us in the district I represent as to any other coast district.

Gentlemen, I am trying to be absolutely fair about it. It is not fair to have telegrams coming pouring from out the West to the effect that if we defer the date it will open up a big influx of Japanese from now to March 1. I have some California telegrams here; they are not fair; they are not correct. Perhaps it is a misunderstanding. I do not blame the people of California for being a little afraid because they feel they have been tricked in the past, perhaps through misunderstanding and perhaps for other reasons.

Mr. CARTER. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. CARTER. What law provides for the keeping of this Japanese immigration down to 80?

Mr. JOHNSON of Washington. The quota section of this bill. The quota goes for the eight months, and that ends it. The minute we make the extension of time the ineligible class, the nonadmissibles—the minute that is postponed the Japanese will have come on the quota, if at all. The extension is from July 1 to March 1, and during that time of extension they come on the quota, and we are protected. It may be, for all I know, that the Japanese so-called gentlemen's agreement is at this moment abrogated. In the Senate the other day on the amendment there was a big vote, which was in the nature of an abrogation of this agreement. You understand that was not a paper or an order; nothing but a so-called gentlemen's agreement. Japan made it; Japan claims to have kept it; we think not, but her claim is our reason for showing a few months' grace.

Mr. MILLER of Washington. Mr. Speaker, will the gentleman yield for a question?

Mr. JOHNSON of Washington. Yes.

Mr. MILLER of Washington. If this is the way to bring about exclusion of the Japanese, why did you not discover it before and put it into the original House bill, so that the House could consider it? [Applause.]

Mr. JOHNSON of Washington. Because the bill has been running along all the time with the thought that it would be passed much earlier than now, and with the idea that the exclusion would be established on July 1, and that there would be time for the President and the Secretary of State to properly tell the Japanese Government in official letters that the Congress of the United States had willed that whatever is the agreement, whatever it may pretend to be, is by the will of Congress, over. Also, because our committee did not care to recognize by words in this act treaties or agreements relating to immigration, which we did do in the quota act. There is nothing here now that calls for a treaty; nothing whatever; and if this bill became the law to-morrow and was signed by the President to-morrow, what is there to prevent the President and the Secretary of State, if they so will, to begin the negotiation of a treaty? They would not, of course; but what is there to prevent, or what can there be in an act of Congress?

Mr. MILLER of Washington. If the gentlemen's agreement is permitted by this bill and the Japanese are put under a quota, what in God's name is the use for the President to negotiate anything further about the Japanese? [Applause.]

Mr. JOHNSON of Washington. If the gentleman will be kind enough to read this provision carefully he will find that the President is to negotiate for the end of this peculiar situation.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. DYER. This is the first time they have been put under a quota?

Mr. JOHNSON of Washington. Yes; they were exempted under the present quota law. They would now go under the quota for eight months from July 1. That prevents an influx. Read this provision. It says:

Provided, That this subdivision shall not take effect as to exclusion until March 1, 1925, before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject.

We call it an "arrangement." We do not say agreement.

Now, then, gentlemen, if there is anything to this gentlemen's agreement—it has been running on for 17 years—if there is anything to it, is not this Nation big enough; is not this Congress big enough to feel that it can afford to give sufficient time, six or eight months, especially when it is all in the lifetime of this very Congress, with four days to spare, before the 4th day of March? This is an international matter. I am just as vitally interested in it as any man that ever came from California. I am not afraid to stand here and say so, because I want to be sure to save the whole immigration bill and guarantee the exclusion provided in the bill, which is the exclusion of all orientals.

Mr. OLIVER of New York. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. OLIVER of New York. Will the President veto this bill if this provision is not in it? Is that what the gentleman means to convey?

Mr. JOHNSON of Washington. I do not want to take a chance of a veto. We have a fair bill. It takes care of all our relations with the nations of the world. It protects every treaty with all of the nations of the world. It is absolutely fair. Why slam Japan alone?

Mr. WATKINS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. WATKINS. The gentleman says only 80 or 100 would be admitted. But under section 4, subdivisions (a), (b), (d), and (e), could not the children, the wives, students, instructors, and ministers come in, because under the nonquota provision Japan will be on the same basis as all other nations between July 1, 1924, and March 1, 1925, and these classes of other nations can enter without number?

Mr. JOHNSON of Washington. What does that mean—fathers and mothers and parents of American citizens?

Mr. WATKINS. Under the nonquota provision these can come in. You are right, perhaps, as to the quota.

Mr. JOHNSON of Washington. Certainly I am right.

Mr. WATKINS. Every student can come in, and every preacher, student, and instructor; not only that, but every Japanese a citizen of the United States can go over there and bring back a wife.

Mr. VAILE. No. Read the language.

The SPEAKER pro tempore (Mr. GRAHAM of Illinois). The time indicated by the gentleman from Washington has expired.

Mr. JOHNSON of Washington. I beg three minutes.

The SPEAKER pro tempore. The gentleman is recognized for three minutes more.

Mr. JOHNSON of Washington. Gentlemen, let us be calm about this. We have deliberately provided here in this immigration restriction bill that the students of the world may come to the United States under certain tight conditions. We have made the age for students 15 years or over in order to conform with a treaty which permits Chinese students to come in at that age. We give all nations the same provisions. We have greatly tightened the regulations as to where and how they maintain the status of students.

It is a nonquota provision, and that provision will stand, whether or not you have this proviso allowing eight months in which to blow a kiss to Japan; and it is exactly the same with the other nonquota provisions.

Gentlemen, we pride ourselves upon the fact that this bill treats all the nations alike. We have not picked out a single nation for assault by the United States. Certain people are not eligible to citizenship. We have a Supreme Court decision to that effect, and now we are trying to get our laws adjusted in harmony with that fact. It is claimed by many that Japan has lived up to its agreement for 17 years. Nearly all the Pacific coast people have denied that. But we want Japan to be gracefully notified as to the decision of Congress.

Mr. SUMMERS of Washington. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Washington. Yes; certainly.

Mr. SUMMERS of Washington. If the Japanese are put on a quota basis, does not the gentleman believe it will be just as objectionable to them to take them off that basis?

Mr. JOHNSON of Washington. No. This law would indicate what the treaty would have to be, and I do not believe it is possible to even propose on this side or on that side a treaty; and if it were, and it was possible in any way, there is still a Senate, which by its vote has shown it would not agree to such a treaty; but even if it should, which is not possible, there still remain four days in which to have a three-line resolution put through to extend the barred zone of present immigration laws.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. BANKHEAD. Regarding this as a purely domestic question, why should it take a period of eight months for the President to notify Japan of the passage of an act of Congress?

Mr. JOHNSON of Washington. I would have preferred an earlier date, but we have done the best we could. I would have preferred January 1. It would mean 60 Japanese coming in. March 1 would be 10 months. When you get down to the last analysis with a few Congressmen and Senators acting as conferees and trying to be exactly fair to the Senate and to the House and to the Executive you can not stop to split hairs.

The SPEAKER pro tempore. The time of the gentleman from Washington has again expired.

Mr. JOHNSON of Washington. I now yield 10 minutes to the gentleman from Ohio [Mr. BURTON].

Mr. BURTON. Mr. Speaker, I have rarely felt more anxiety about any measure pending before the Congress than about the one pending to-day. The whole question is involved of our observance of agreements with other countries and of our attitude of friendliness or unfriendliness toward other peoples of the earth.

I wish to say at the very outset that I regard the question of immigration, as well as of citizenship, in the United States as more properly and naturally one of legislation for the Congress to determine, but the status of those coming from other countries presents a problem of such delicacy that diplomacy must have to do with the subject of the admission or the exclusion of immigrants. It is also within the treaty-making power to agree upon their admission. I would say, further, that the Japanese Government has said to us, through her ambassador, that they regard the question of immigration as one within the control of our own people as a matter of domestic policy and that they do not wish to send here from their nationals those who will be objectionable to us. In justification of a policy of restriction or exclusion I am compelled to say that if there is any one feature that I have noticed in traveling about in the last 30 years, notwithstanding closer relationships, and notwithstanding the increase of trade, it is the growth of race repulsion.

However reluctant I may be to enact legislation offensive to a great many peoples of the earth, we are nevertheless justified in passing such a bill as this. It is not a reflection upon Japan. As I said here a couple of weeks ago, no country on the globe has made greater progress in the last 60 years in all that makes for political power and for advancing civilization than Japan. We are far greater, but our growth has not been more rapid in the last 60 years. They have come into the very forefront of civilization; they have shown great military power on land and on sea; growth in the arts, in sanitary provisions, and in all the activities which characterize a progressive people. But nevertheless they are of a different racial type. There is much in what a Chinese minister one time said to our Secretary of State, "You are asking to exclude us not because of our vices but because of our virtues."

What are the virtues of the Japanese? Untiring industry; economy; thrift; loyalty to their country, to their ruler; and readiness to imitate and adopt the best to be found in other portions of the world. We may say, as Mr. Webster did of one of our States, "There is Japan. Look at her." It is no disparagement to them or their civilization that we desire to adopt such a law as this. The plain truth is, in the first place, that in competition in many lines of endeavor they surpass us, because they are more industrious, more constant in their labor, and more economical in their habits of living. But they have different standards from ours; they are out of line with us; and thus we are justified in adopting such a policy.

But how shall we go about it? Shall we slap a friendly nation in the face? Shall we adopt a provision that is entirely unnecessary to carry out the object we have in mind? Shall we say to Japan, "We will utterly disregard our agreements

with you and ruthlessly pass a measure which is intended as an insult to you"? That is the way it is now taken in Japan, and I verily believe it will be so taken in the future.

Mr. MacLAFFERTY. Will the gentleman yield?

Mr. BURTON. I can not yield. The gentleman will have his own time in which he can speak, and he can take as long as he wants.

This is what it is proposed to do to-day, and this is what this bill would do without such a reservation as that agreed upon by the conferees.

I ask my fellow Members in this House to pause before they take such action against a nation which is more friendly to us, probably, than to any other nation in the world. We were with them in their beginnings. They took up our methods. They adopted many of our forms of administration, our post-office management, our postal system. They have been largely engaged in trade with us from the beginning; they have welcomed our public men, our professors, with a hospitality nowhere surpassed; and let me repeat there is no country in the world that is making more progress than they. They have been the victors in three wars; they have taken up the problems of modern politics and solved them with an ingenuity and a grasp which nations of the western world might well emulate.

It is not a great concession that is made by this brief clause. It merely postpones until the 1st of March, 1925, the full operation of this law.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. BURTON. Yes.

Mr. GARRETT of Tennessee. Of course, it goes further than that. It requests certain Executive action. Would the gentleman favor suggesting Executive action or requesting Executive action, with all that implies, with regard to the immigration question with all nations?

Mr. BURTON. No. What is the objection of this provision?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. JOHNSON of Washington. I yield the gentleman five minutes more.

The SPEAKER pro tempore (Mr. GRAHAM of Illinois). The gentleman from Ohio is recognized for five additional minutes.

Mr. BURTON. It is placing Japan in a preferred position. However, this means nothing more than a brief postponement and an adjustment in a friendly, orderly way. There they are among the other Asiatics. They are more advanced; our relations with them are closer; their susceptibilities are keen; they are proud of their progress and why should they not be?

Mr. LONGWORTH. Will the gentleman yield?

Mr. BURTON. Yes.

Mr. LONGWORTH. Is it not a fact that Japan went further, perhaps, than any other nation in meeting us during the Conference on the Limitation of Armaments?

Mr. BURTON. In concurring with us; yes. They are ready and they are willing to follow the example of other nations of the earth. If we seek for peace, for the betterment of humanity, for the limitation of armaments, Japan has been as ready as any country of the world to acquiesce and follow our lead.

What you are proposing to do to-day is to visit an unnecessary affront upon them, the result of which will be felt for years to come.

Mr. CHINDBLOM. Did we not ourselves place them in a preferential class years ago by the gentlemen's agreement?

Mr. BURTON. We certainly did, and they have maintained it in good faith.

Mr. LINEBERGER. But the gentlemen's agreement has no standing in law.

Mr. RANKIN. Is it not a fact, with regard to the disarmament conference, that agreements were reached first by the United States and Great Britain, and then Japan reluctantly followed?

Mr. BURTON. Oh, no; of course I do not mean to disparage the most excellent cooperation of the British Government.

Mr. RANKIN. That is my recollection of it.

Mr. BURTON. I have but a minute more and I can not yield further. A nation, like an individual, has a mission to perform. We claim to be in the vanguard of civilization leading in that which makes for progress in free government, the advancement of the individual and in material resources, but we have duties to perform to the rest of the world. What are those duties? To hold out a helping hand to the weak of every nation and of every race, to meet the strong, like Japan, on a footing of justice, of generosity, and of fairness.

Let us not take this hasty step and offend a friendly people. Let us proclaim to the world that we have regard for the feelings of other people. Let us recognize that among the varied races of the earth all have their excellencies. We can not claim, by any manifestation of conceit, that all of them belong to us. Japan has many traits which are worthy of the highest regard, and to the remotest bounds of the earth peoples have their excellencies. Let our relations with everyone be on a foundation of friendliness, manifesting that we in America seek leadership not merely in those things that make for power and for wealth, but in those finer qualities of generosity, justice, and regard for the feelings of all. It is especially important that we maintain scrupulous regard for all our engagements.

I can not too strongly impress upon my fellow Members the importance of what they are doing to-day and the ill will which may be promoted by our action if we pass this bill without reservation. The addition by the conferees does not in any way hamper the operation of the immigration policy proposed. It does not even continue the gentlemen's agreement. There is no provision here in this exception for a new treaty. It is merely a method of trying in a graceful manner, without giving unnecessary offense, to close this incident. While we proclaim to Japan that we have certain rules in regard to our citizenship and those that may come here, we nevertheless desire to enforce these rules in a spirit of friendliness and good will which we hope may last not merely to-day but for all the years to come. [Applause.]

Mr. SABATH. Mr. Speaker and gentlemen of the House, many of you, I take it, must be under the impression that the Japanese question is the only question that is involved in this report. I admit that that is an important question, but I feel I am in honor bound to bring home to you the other provisions that have been embodied in the bill since it left the House. I do this because I do not believe you have had the time to familiarize yourselves with what has actually occurred in conference.

In addition to the Japanese question, which will be explained to you thoroughly by the gentlemen from the Pacific coast and by others, the conferees have embodied also in this bill the so-called national-origin scheme that was defeated on the floor of the House. They have embodied the Simmons amendment, which was not considered on the floor at all and is an amendment of great importance. The conferees have cut down the number of nonquota nearly 50 per cent, and they also cut off the skilled-labor provision.

I admit, Mr. Chairman and gentlemen, that in many respects the bill has been improved upon by the adoption of certain administration provisions, in many instances simplifying the requirements and also making it easier of operation and enforcement.

I hesitate to say anything on the Japanese proposition, but the members of my committee and the conferees will agree, and must admit, that I have not utilized that proposition in any way, shape, or form so that I could perhaps bring about the defeat of this unreasonably harsh immigration bill.

Lest I forget, I desire to call your attention to the fact that I have noticed in the papers to-day a statement as to the Japanese proposition showing that under this provision 240,000 Japanese could come in by March 1, 1925. Gentlemen, that statement is on a par with a great many other statements that have been made by restrictionists for the purpose of creating prejudice in the minds of the American people. That statement was made by Mr. McClatchey, of California; and though I do not agree with the gentleman from California, of course there would be a certain number that could come in by extending the time when the bill should go into effect to March 1, 1925, but I can not agree to any such wild statement that 240,000 will come.

However, what I desire is to explain to you the provisions which from my point of view, I believe, are of greater importance to America and to us than the Japanese provision.

Many of you gentlemen have voted for the bill and many of the restrictive features and for 2 per cent of the 1890 census because you were made to believe that ample provision has been made in the bill whereby the so-called newer immigration will receive certain advantages in the nonquota provision whereby, under the nonquota provision, the wives and the children, the husbands, the fathers, and mothers of American citizens will be permitted to come outside of the quota; and, lo and behold, after the bill leaves here, notwithstanding the assurance that has been given you, the conferees recede from the House position and wipe out the provision for the husbands of American citizens. They wipe out the provision for the parents of American citizens, so that neither of them can come in as nonquota immigrants, but will now be placed as quota immigrants.

What does this mean? It means that many of these American citizens will be unable to reunite their families and bring their fathers and mothers to this country when they are more than competent to take care of them and provide for them. Oh, yes; in another provision they are given a so-called prefer-

ential status, but in the same provision they give preference to so-called skilled agriculturalists, and they give full power to our consular officers to ascertain and grant that preference. I am of the opinion that these young $1,800 men, who will be clothed with czarlike power, will do as they please, being far away from home, in giving exemptions to those that they wish to, and may, and I know that some will, discriminate against the parents and husbands of American citizens, to say nothing of the fact they refused to make exemptions or to permit the coming in of the wives of American soldiers who offered their lives for our country and for our flag.

Yes; there are other provisions in this bill besides the Japanese proposition. For instance, there is the Reed amendment, or the so-called national-origin scheme. How many of you know what that means and how far-reaching it is, gentlemen?

I will briefly explain to you what that means. It means that the limitation on immigration after 1927 will be 150,000, this to be divided under the so-called national-origin scheme. I have utilized some of my colleague's figures, as well as those of the gentleman on the other side of the Capitol from Pennsylvania; and do you know what these figures mean? It means that Great Britain will receive under the national origin more than three-fifths of the entire immigration, and that is not taking into consideration Canadian immigration. That is outside of it. All the rest of Europe will have less than two-fifths and Great Britain alone will have above three-fifths of the immigration. So such countries as Germany, France, Czechoslovakia, Belgium, Scandinavia, Holland, Poland, in fact all the other nations of Europe will be discriminated against and their quota cut nearly to nothing. I wish you would look over these figures, as time will not permit me to read them. I put them in the RECORD yesterday, and if you will examine the small number that will be admitted under the scheme of the various nationals of the different countries you will agree with me that it can not be defended by anyone; that it is manifestly wrong, unjust, unfair, and discriminatory.

Quotas

Nationality or country	Present law	2 per cent of 1890 with minimum of 100	National origins under the 150,000 limit proviso
Albania	288	100	100
Armenia	230	100	100
Austria	7,342	990	1,840
Belgium	1,563	609	280
Bulgaria	302	100	100
Czechoslovakia	14,357	1,873	1,320
Danzig	301	233	100
Denmark	5,619	2,782	1,092
Esthonia	1,348	102	221
Finland	3,921	145	498
Fiume	71	100	100
France	5,729	3,878	2,763
Germany	67,607	50,129	22,018
Great Britain and Ireland	77,342	62,458	91,111
Greece	3,063	100	536
Hungary	5,747	488	1,259
Iceland	73	100	100
Italy	42,057	3,889	5,878
Latvia	1,540	117	253
Lithuania	2,622	302	444
Luxemburg	97	100	100
Netherlands	3,692	1,657	2,669
Norway	12,205	6,453	2,433
Poland	30,979	8,872	4,509
Portugal	2,465	474	275
Rumania	7,419	631	386
Russia	24,405	1,792	4,002
Spain	912	124	141
Sweden	20,042	9,561	3,707
Switzerland	3,752	2,081	734
Yugoslavia	6,426	735	602
Other Europe	86	125	100
Palestine	57	100	100
Syria	882	100	163
Turkey	2,654	100	110
Other Asia	92	100	100
Africa	104	100	100
Egypt	18	100	100
Atlantic Islands	121	100	134
Australia	279	120	100
New Zealand	80	100	100
Japan			
Total	357,801	161,990	150,903

And by this legislation we will offend every nation of the world outside of Great Britain.

Now, with the position we are going to take with Japan, we are again playing into the hands of England. If Great Britain's representative had prepared this bill they could not have done any better than has been done by the conferees. I say to you examine closely before you vote on this proposition.

There are other provisions in this bill, but I have not the time to explain them. I say to you that it is my firm belief that it is the duty of Congress, if we have the interest of our country at heart, to refuse an approval of this conference report. Let us send it back, not only with instructions on the Japanese proposition, but with instructions to strike out the objectionable feature, the Reed amendment. I am of opinion that that is the least thing we can do, although there are other provisions in the bill that have no right to be there. They are unfair, un-American, and can not be justified by any man who believes in fair play, who believes in justice, who believes in maintaining friendly relations not only with Japan but with all the countries of Europe.

Mr. RAKER. Mr. Speaker——

The SPEAKER pro tempore. The gentleman from California is recognized for 30 minutes.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LINEBERGER. Mr. Speaker, I think we ought to have more Members of the House here to listen to the gentleman from California, and I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from California makes the point of order that no quorum is present. Evidently there is not a quorum here.

Mr. TINCHER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Sergeant at Arms was directed to bring in the absentees, the Clerk called the roll, and the following Members failed to answer to their names:

Allgood	Gilbert	Madden	Seger
Anderson	Greene, Mass.	Michaelson	Smithwick
Andrew	Greenwood	Miller, Ill.	Snyder
Bacharach	Griffin	Montague	Stalker
Black, Tex.	Harrison	Moore, Ill.	Stengle
Brand, Ga.	Howard, Okla.	Morin	Sullivan
Byrnes, S. C.	Jacobstein	Morris	Swoope
Canfield	Jeffers	Mudd	Taylor, Colo.
Clark, Fla.	Johnson, Ky.	O'Brien	Taylor, W. Va.
Connery	Kahn	O'Connor, N. Y.	Thatcher
Connolly, Pa.	Kerr	Park, Ga.	Tydings
Cooper, Ohio	Kiess	Peavey	Ward, N. Y.
Corning	Kopp	Phillips	Ward, N. C.
Curry	Kurtz	Rainey	Wason
Deal	Langley	Ramsey	Welsh
Denison	Larson, Minn.	Reed, W. Va.	Williams, Tex.
Dominick	Lilly	Reid, Ill.	Winter
Dowell	Little	Rogers, N. H.	Wolff
Drane	McClintic	Rosenbloom	Wurzbach
Edmonds	McDuffie	Rouse	Young
Fish	McFadden	Sanders, N. Y.	Zihlman
Fitzgerald	McKenzie	Scott	
Funk	McNulty	Sears, Nebr.	
Goran	McSweeney	Sears, Fla.	

The SPEAKER pro tempore. On this call 339 Members have answered to their names, a quorum.

Mr. TINCHER. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were reopened.

Mr. RAKER. Mr. Speaker, I desire to make a statement of facts as to what is before us and my objection to the conference report, which goes to the life of it, namely, the proviso to subdivision (c) of section 13.

On May 6, 1924, at about 5.30 p. m., the conferees of the two Houses having under consideration H. R. 7995, had come to a full and complete agreement; that immediately thereafter the conference doors were thrown open and the public press invited to enter, and the chairman of the conferees, Senator REED of Pennsylvania, advised the public of the full and final agreement of the conferees on the above-named bill, stating the substance of such conference; that thereafter, on May 7, 1924, the President of the United States invited the conferees of the majority party to the White House, and a conference between said conferees and the President was had. The President then—as it was thereafter made public—submitted a proposed amendment to the bill, stating in substance that if it was allowed the bill would be signed, and if not agreed to the bill would be vetoed, the amendment proposed by the President being as follows:

Provided, That this subdivision shall not take effect as to exclusion until March 1, 1925, before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject.

And thereafter, on May 7, 1924, at 3 p. m., the conferees met for the purpose of signing the report that the conference had theretofore finally and fully agreed upon on the evening of

May 6, 1924; and as it now appears from the conference report filed the conferees accepted and adopted the President's proposed amendment to subdivision (c) of section 13.

Immigration is purely a domestic question, solely within the control of Congress through its legislative power, the President having no control save and except in vetoing or approving legislative acts.

The President of the United States has no constitutional authority or right with reference to legislative matters, except by advice, by message to the Congress, or by action of approval or disapproval of final legislative action, and therefore a transfer of the control of the immigration to the United States to the treaty-making power excludes the House of Representatives from any right or control of the terms of said treaty, is contrary to our form of government, and a yielding of the rights of the House to deal with immigration hereafter. This must not be.

Mr. Speaker, I respectfully and courteously request that I be not interrupted, as I shall not yield.

For 15 years I have labored upon this question of immigration with the Committee on Immigration, first with Mr. Burnett as chairman, and for the last five years and over with the gentleman from Washington [Mr. JOHNSON]. I have given my undivided time and attention to the legislation pending before that committee, at times neglecting practically every other thing, because I consider this one of the most important questions before as well as affecting the American people. After months of labor the committee brought out an immigration bill, and the records will show that many, many of the provisions of that bill were those that were penned by myself and adopted by the committee, and that those were provisions that gave the bill real teeth. Upon the floor of the House, when the bill came up for consideration, I did what I could to see that it passed as it was reported by the committee. There was but one amendment, and that was but a variation between the committee's report and what was offered and what passed. The bill passed the House with 323 Members voting for it and 71 against it. It went over to the Senate, and practically the same words, with some amendments, were passed by the Senate by a vote of 62 yeas and 6 noes. The bill went to conference and I was appointed one of the members of the conference committee, which consisted of five Members from the Senate and five Members from the House. We met and worked practically every day in an effort to adjust the differences between the House and the Senate. After continual labor, notwithstanding the newspaper reports and comments, at about half past five o'clock, on the 6th day of May, 1924, the conferees of the House and Senate came to a full and final agreement relative to the conference report. It was ordered printed, because there were some matters that were yet to get into proper shape.

After the conferees finished their work the question came up as to who would give to the public what had been done by the conferees. The door was thrown open, and the newspaper correspondents, who were thick on the outside, were invited to enter. They did enter, and, under a private agreement between the conferees, the Senator from Pennsylvania [Mr. REED] was to give a statement of what was the agreement of the conferees. Senator REED then gave that statement, and the papers of the morning of the 7th carried it broadcast that the conferees had agreed upon a conference report, which was an adoption of subdivision (c) of section 13, relative to ineligible citizens, and that it was to take effect on the 1st day of July, 1924.

The conferees adjourned, to meet at 3 o'clock on the afternoon of May 7, 1924, for the sole purpose of signing the conference report which had been agreed upon and had been printed. When 3 o'clock arrived there were three small typographical corrections to be made so that it would read properly, and we supposed then that the matter was through. The press then published, and the record shows now before the committee, that on the morning of May 7 the President had called the majority members of the conferees in council at the White House. It was then reported, and reported to Members of the House before I got to the conference committee at 3 o'clock that afternoon—I was told that Members of the House had the information before I ever heard it as a member of the conference committee—that the President himself had drawn this proviso on subdivision (c) of section 13, and we were then advised that the President would sign the bill if that was agreed to, and that he would veto it if it was not. Then and thereafter the record shows, as has been presented to the committee here on the conference report, without any violation of confidence, that the conferees did then and there adopt the President's amendment to the conference report, which had been adopted the day before by the conferees, all that was left being to sign it. I agreed to the conference report on the day of May 6. I participated in the work of what the committee desired, what the House had voted by 323 to 71, what the Senate had voted by 62 to 6; but when we came back on that afternoon to sign the conference report we find the President of the United States sending an amendment in his own language, written on his own typewriter, to the conferees, with the direction that the bill would be vetoed if we did not yield and put on what he desired.

Mr. JOHNSON of Washington. Mr. Speaker, the gentleman does not want to make a misstatement.

Mr. RAKER. I am not. I am speaking now of what is in my files on the public print.

Mr. JOHNSON of Washington. The gentleman does not say, surely, that any such word was sent in typewriting or in any other way to the conferees?

Mr. RAKER. I am talking about what the public print says.

Mr. JOHNSON of Washington. The gentleman from California talks of official records when he means only public prints.

Mr. RANKIN. The gentleman said that the amendment was in his typewriting.

Mr. RAKER. Yes, the amendment. The point is that after we had agreed upon the conference report, after the labor that many of us had given to that bill, we are compelled on our honor as Members of the House, elected by the people, to refuse and decline to sign a report that had been our labor for years, because a foreign government desired to so dictate to us what should be done about domestic legislation. [Applause.] While I am as anxious as anyone in the House to see legislation passed, and I believe that every feature of the bill outside of the proviso to subsection (c) of section 13 ought to be enacted into law, yet I believe I would stultify myself as a representative of the people, and that I ought to resign if I should now yield my rights and duty as a representative of the American people. What we hope to do is to recommit the bill with instructions to the conferees to refuse to agree to the proviso. Gentlemen of the House, this is not a question of any politics, one side or the other.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. RAKER. I can not yield. My friends on the other side are smiling. Did you read the report of the committee originally, when every member signed this report; and now, while the chairman of the committee is present here in the Hall, I ask him if he ever heard or if there was ever, so far as the members are concerned, any politics in the Committee on Immigration regarding this legislation? I yield to him to confirm or deny that. If he does not, I shall proceed.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. RAKER. I will.

Mr. JOHNSON of Washington. I want to say now I have been on the committee for about 12 years. Judge RAKER has worked night and day for this exclusion provision. There has been no politics. I sat seven years at the feet of one dear old Democratic chairman, the dead Chairman Burnett, trying to get this restriction and exclusion, and it grieves me now to tears to see this thing split this way just when we have got it at our hands. I do not want to see Californians fighting as to who brings home the bacon. Be patient, keep your shirts on, and we shall get the Japanese exclusion and the whole immigration restriction all guaranteed, Mr. JOHN RAKER, and I give you full credit. [Applause.] However, he did not write quite every line in the bill. He does not claim that. But Judge RAKER knows and I know that there is a right way and there is a wrong way. I will not strike the Japanese when he is down and when we have won.

Mr. RAKER. Now, gentlemen, to confirm the matter, there are no politics in the question; it becomes now a higher and more important question than parties, either one side or the other——

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. RAKER. I will yield to the gentleman.

Mr. GARRETT of Tennessee. I am sure there has been no politics injected; and since it is not a political question, does the gentleman have any idea why the President sent only for the members of his own political party when he desired to consult on this important international question?

Mr. JOHNSON of Washington. He did not send; I asked.

Mr. RAKER. Because, while I may not have much sense, I may not have much judgment, but by the eternal gods I never yielded to any man when I knew I was right. [Applause.] And I present my argument and insist upon proper legislation, notwithstanding Mr. Hughes to the contrary. That is the situation. Now, it has led itself to a higher proposition than politics; but here is a question involved in this amendment,

namely, that we ask the President ourselves as Members of the House to negotiate with the Japanese Government. On what? The gentleman from Washington has said this morning, to my surprise, that the gentlemen's agreement would be ended the 1st of July, 1924. What will you enter into? What is the purpose of it? Every newspaper and every correspondent has given information from the White House that it is for the purpose of entering into a treaty relating to restriction of immigration. Now, are the Members of the House of Representatives, as a part of the legislative branch of the Government, provided for in the Constitution, namely, the House, the Senate, and the President, to yield to the treaty-making power provided for by the same Constitution, namely, the President and the Senate?

Is the House to yield to the power when our Supreme Court has said that even the treaty-making power can not be granted or used to waive the right of the Federal Government in regard to immigration and in regard to the rights and the sovereignty of this country, and that we, the American people, through those rights alone have the sovereign rights of the people, and if the Congress should attempt to yield by saying that a foreign government, like Japan, could participate and say who shall participate in making and providing a law, the Supreme Court would hold it unconstitutional as well as against the sovereign power of the Government? The same way with a treaty. The President has no power to enter into a treaty in regard to immigration whereby he may say that a foreign country can determine who to consult as to how immigration shall come to this country, because it is the yielding of sovereign power. The American people alone have the power to say who shall come and who shall stay away, and not under any circumstances to take into consideration the voice of the foreign country. If they did, we have yielded, we have waived the sovereign right of a sovereign nation to stand for itself. [Applause.] Further, this matter requests the President to enter into negotiations. What kind? He can not enter into a gentlemen's agreement. It is not provided for in the Constitution. The only right the President of the United States has is to enter into a treaty provided by the Constitution to be submitted by him to the Senate and be confirmed by a two-thirds vote. What is he going to deal with in the next 10 months? He can not enter into a gentlemen's agreement. It must be a treaty. The people of the United States, the Members of the House, all know that in the history of this country there have been but two treaties in regard to immigration, and they have been both repealed by the Congress of the United States, and those treaties related to China.

Mr. JOHNSON of Washington. Let us have that exact and correct. Of course, there is a saving clause in the law that takes care of those entitled to be taken care of by the treaty. That is where so many misunderstand the Chinese treaty.

Mr. RAKER. My construction is that the Congress has repealed all of the immigration treaties between the United States and China. Some think it is the other way. But never to this day has the President ever assumed the jurisdiction of treaties to control immigration to the United States; none on the statute books; none entered into; and now we are asked to appeal to the President as the Congress to waive our rights and have him enter into a treaty in regard to Japanese immigration, and after having entered into a treaty with Japan, with the advice and consent of the Senate, after the House had waived its right, can anybody rise and tell me how can we, under any circumstances, ever refuse to yield the same right to all the other countries of the world when they say that they will not be bound by the laws passed by the Congress, but that they want to enter into a treaty with regard to immigration?

Mr. LINEBERGER. Will the gentleman yield? We not only waive them, but we request that they be taken away from us.

Mr. RAKER. Yes; absolutely. It means we waive; that it is a relinquishment; it is getting down on the knees and getting the President to enter into a treaty that we may waive our rights; that we may fail to do our duty; that we may violate the Constitution; that we might become subservient to a foreign country; that we are afraid to enact the laws and enforce them that we have sworn we would do in regard to the sovereign rights of our country. [Applause.]

Mr. MILLER of Washington. And also put the House of Representatives in a position where it never can express itself.

Mr. RAKER. Absolutely; there can be no question about it.

Mr. SINNOTT. Will the gentleman yield?

Mr. RAKER. I will.

Mr. SINNOTT. I desire to know whether or not the statement contained in the statement of the managers is correct, that between July 1, 1924, and March 1, 1925, Japanese immigration will be limited to 80 persons by the quota provision of the immigration law. Is that a correct statement?

Mr. RAKER. With due regard to the gentleman who wrote it, I think it is wrong. I think it opens the door to Japan, and as the Department of Labor tells me this morning, it opens the door to China and to India and to all the other Malay countries—opens the door into the United States. [Applause.] The department called me up this morning early and Second Assistant Secretary White, of the Department of Labor——

Mr. JOHNSON of Washington. Mr. Speaker, will the gentleman yield?

Mr. RAKER. Yes.

Mr. JOHNSON of Washington. Let us get that right. Do not let us make a mistake about that. This law that we are passing here is in addition to, and not in substitution for, all existing immigration laws. We have a Chinese exclusion law enacted by Congress. We have a geographical boundary exclusion. This thing is air-tight. Why make such a misstatement?

Mr. RAKER. Second Assistant Secretary White, of the Department of Labor, called me up this morning early and said that all his legal force had gone into the matter, and added: "If the matter is placed there by the President as suggested, all of us believe it would open the floodgates to the Chinese and the Hindus and all the other Malays." We do not want that.

Mr. JOHNSON of Washington. And you do not get it in any shape, manner, or form. I guarantee that all I ask is the right and honorable way.

Mr. RAKER. And the gentleman from Washington told me on the evening of March 6 that by the eternal gods he would stand according to the conferees' report. With all these secret meetings, this desire on the part of the Executive branch to control Congress, and after the conferees have agreed, it is folly to say, "Come on, boys, you do not know what you are doing; yield your rights and agree to the Executive branch," which up to the present time has demonstrated that they have ignored every bill enacted by Congress in regard to immigration except one, which President Harding signed, regarding the 3 per cent law. [Applause.]

The following language of the Supreme Court of the United States bears out what I have just stated:

> The right to exclude undesirable persons from coming to the United States is as fundamental as the right to receive desirable ones. The Nation can protect itself as well as benefit itself. The power of excluding foreigners being an incident of sovereignty belonging to the Government as a part of those sovereign powers delegated by the Constitution, the right to its exercise at any time when in its judgment the interests of the country require it, can not be surrendered by the treaty-making power. (Chinese exclusion case, 130 U. S. 581.)

I received a telegram from Attorney General Webb, of California, against the President's proposed amendment to subdivision (c) of section 13 of the conference report. Attorney General Webb stands at the head of the legal profession in the West, knows the Japanese situation, and wrote the alien land laws of California, and is a staunch Republican. No one can deny either of these statements. This telegram of Attorney General Webb is in words and figures following:

SAN FRANCISCO, CALIF., *May 8, 1924.*

Hon. JOHN E. RAKER,

House of Representatives, Washington, D. C.:

Deferring the effective date of ineligible alien exclusion until March, 1925, beautifully provides for a 10 months' open season for the influx of Japanese. In view of the substantially unanimous action of Congress and the reported declaration of the President that he favors exclusion, the decision reached yesterday by the conference committee to defer effective date 10 months is incomprehensible. The exclusion of ineligibles, if right, should not be deferred; if wrong, should not be contemplated. It is a domestic question, wholly within the jurisdiction and province of the Congress, and it would seem that action should be taken with dignified firmness and not with vacillating weakness. It would be, indeed, a disaster if the Congress should be cajoled, persuaded, or threatened into a final action upon this question unapproved by its judgment. The action of the conference committee of yesterday reversing its action of the day previous, all following the reported declaration from the White House that the President favors the exclusion of ineligible aliens, has caused in the Pacific Coast States the most widespread alarm. Is it too much to hope for action that will preserve the interests of our own people rather than action destructive of our own rights and interests, but taken confessedly at the behest and insistence of another nation? If the entire effort is one to avoid shocking the sensibilities of a people, let us not forget that our own people still have sensibilities. It is probable that in its final action the Congress will have to determine whether its action will be so framed

as to please and satisfy the people of another nation or preserve the interests of this Nation. In such event the decision should not be long delayed, not difficult to reach.

U. S. WEBB.

The Native Sons of California have expressed their views through Clarence M. Hunt, editor of the Grizzly Bear. No more loyal and patriotic organization exists in the United States than the Native Sons of the Golden West. They stand for their State and the Nation, first, last, and all the time. They know the conditions and what is the correct remedy. The provisions of the House bill, subdivision (b), section 12, meets their full approbation and desires. The telegram from Mr. Hunt reads as follows:

[Western Union telegram]

LOS ANGELES, CALIF., *May 7, 1924.*

Hon. JOHN E. RAKER,
House of Representatives, Washington, D. C.:

In interest California strongly protest against agreement postpone date operation exclusion bill to March next year. If Congress American will insist on immediate exclusion. Agreed delay means surrendering Pacific coast to orientals, and such legislation disgrace to those enacting. We want protection now.

CLARENCE M. HUNT,
Editor Grizzly Bear.

The following telegram is from Mr. Morgan Keaton, department adjutant of the American Legion in California, reading as follows:

[Western Union telegram]

SAN FRANCISCO, CALIF., *May 8, 1924.*

Hon. JOHN E. RAKER,
House of Representatives, Washington, D. C.:

The legionnaires in California urge you be present when immigration bill comes up on floor as reported by conferees, and want you to know that we are standing behind you 100 per cent in your fight to make this coast a white man's country. To defer effective date of ineligible alien exclusion until March, 1925, is to provide open season for influx of Japanese. If the entire effort is one to avoid shocking sensibilities of the people of another nation, let us not forget that our own people still have sensibilities. It is probable that in its final action Congress will determine whether its action will be so framed as to please and satisfy people of another nation or preserve the interests of this Nation. In such event the decision should not be long delayed, not difficult to reach. Let us have dignified firmness and not vacillating weakness. Kindest regards.

MORGAN KEATON.

The Seattle people, through their forward-looking and patriotic citizens, know what they want and what is necessary. They sent me a telegram, which they sent to Chairman JOHNSON, also editorial of the Seattle Times, which telegram and editorial are as follows:

SEATTLE, WASH., *May 2, 1924.*

Hon. ALBERT JOHNSON,
House of Representatives, Washington, D. C.:

Earnestly urge you impress upon President and your colleagues importance to Republican Party of settling Japanese exclusion immediately and by statute, as advocated by Republican county and State convention. People this State in no mood for treaty or compromise in any form. President should sign bill in present form or veto it and give Congress opportunity to enact it over his veto. Evasions or postponement of issue will be disastrous, particularly any attempt to take matter out of hands of Congress. We want no repetition or continuation of gentlemen's agreement.

EWING D. COLVIN.
THOMAS N. SWALE.
HENRY A. WISE.
W. M. INGLIS.
ROBERT M. JONES.
E. J. EIVERS.
PAUL EDWARDS.
E. P. WHITING.
PHILIP TINDALL.
JOHN J. SULLIVAN.

SEATTLE, *Thursday, May 1, 1924.*

CONGRESS MUST NOT SURRENDER ITS POWERS

President Coolidge is seeking to have Congress postpone the effective date of the Japanese exclusion law to July 1, and in the meantime negotiate a treaty with Japan which shall supersede the law.

If Congress permits this to be done it will be a fatal surrender of its constitutional powers. The question of immigration is purely a domestic question in which neither Japan nor any other country has any right to interfere; and even to discuss the matter with her would be to admit her right to interfere in any of our internal affairs she sees fit. Next she will be demanding that we grant to Japanese in this country full rights of voting, land ownership, and intermarriage. And if we concede these rights to Japan it will be only a short time when Rumania, Persia, Egypt, and Abyssinia will be demanding the same rights as we grant Japan. Even more important, China, with its population of 400,000,000, can not be expected indefinitely to acquiesce in the discrimination against her people in favor of Japan with its population of only 60,000,000. Some day a powerful, stable government will be established in China and a reckoning will be demanded.

Congress should give careful thought to these possibilities before it surrenders its powers.

Received the following telegrams and letters on this subject, which shows the desires of the people on this question of prohibition of further oriental immigration, particularly those ineligible to citizenship, which telegrams and letters are as follows:

BERKELEY, CALIF., *April 30, 1924.*

Congressman JOHN E. RAKER,
Washington, D. C.:

Fifty thousand farm bureau members of California are alarmed over the possibility of the alien land law immigration bill as passed by Congress failing in signature by the President. Farmers are insistent that exclusion feature as adopted in subdivision, section 12, House bill, and indorsed by SHORTRIDGE in Senate be not destroyed nor changed in any particular.

CALIFORNIA FARM BUREAU FEDERATION.

SUISUN, CALIF., *April 30, 1924.*

Hons. CLARENCE LEA, ARTHUR M. FREE, JOHN E. RAKER, ALBERT JOHNSON, CHARLES CURRY, JULIUS KAHN, JAMES H. MACLAFFERTY, HIRAM JOHNSON, SAMUEL SHORTRIDGE,
Washington, D. C.

GENTLEMEN: On behalf of the American Legion and the Native Sons of the Golden West I have been instructed to advise that we are expecting every Congressman and Senator to fight to the last ditch to stop Japan's ambition. Feeling is running high here; we expected something of President Coolidge, he has failed to deliver.

We also want the Johnson immigration bill passed; it is time we were using a little judgment in selecting immigrants. Character is the essential element; to-day Americans carry their blankets in California; foreigners do the work. Let the plea of cheap labor go by; let's make the word quality, and close the melting pot. Assuring you our sincere appreciation for your good work, we are,

Sincerely,

REAMS POST AMERICAN LEGION,
SOLANO PARLOR NATIVE SONS,
(Signed) JOHN J. MCCARRON, *Secretary.*
ASA SCARLETT, *President.*

Telegrams were sent to the commissioners of immigration at the ports of San Francisco and Seattle as to the number of Japanese entering said ports. The telegrams sent and the replies thereto are as follows:

WASHINGTON, *D. C., April 26, 1924.*

Hon. J. D. NAGLE,
Immigration Commissioner, San Francisco, Calif.:

Will you kindly furnish me with the latest data on the arrival and landing of Japanese at the port of San Francisco? What is going on now, and how has it been for the past 10 months? How as to anticipated arrivals? Telegraph answer. Rush.

JOHN E. RAKER, M. C.

[Western Union telegram]

SAN FRANCISCO, CALIF., *April 29, 1924.*

Hon. JOHN E. RAKER, M. C.,
Washington, D. C.:

Referring yours 26th instant, during past 10 months, July, 1923, to April, 1924, inclusive, 3,454 Japanese admitted; 1 debarred; subdivided, 2,149 male, 1,306 female; subdivided, 1,862 former residents, 991 parents, wives, and children of resident, 602 others; subdivided, 1,033 laborers, 2,422 nonlaborers. During this month 635 admitted; subdivided, 402 males, 233 females; subdivided, 329 former residents, 184 parents, wives, and children of residents, 122 others; subdivided, 191 laborers, 444 nonlaborers. Anticipated arrivals indicate an increase. Shipping Guide schedules 5 arrivals during May on vessels touching at Japanese ports; 4 during June.

JOHN D. NAGLE.

WASHINGTON, D. C., *April 26, 1924.*

COMMISSIONER OF IMMIGRATION,
Seattle, Wash.

Will you kindly furnish me with the latest data on the arrival and landing of Japanese at the port of Seattle? What is going on now and how has it been for the past 10 months. How as to anticipated arrivals. Telegraph answer. Rush.

JOHN E. RAKER, M. C.

[Western Union Telegram]

Seattle, Wash., April 28, 1924.

JOHN E. RAKER, M. C.,
Washington, D. C.:

Answering telegram 26th, total Japanese arrivals, Seattle, nine months ending March 31, immigrants, 703; nonimmigrants, 567. April estimate: Immigrants, 181; nonimmigrants, 119. Authentic information from steamship agents and other sources indicates many Japanese admissible under present law, particularly wives and children of those domiciled in United States, will immigrate before proposed law becomes effective. Further information obtainable from Commissioner General of Immigration, Washington, D. C.

LUTHER WEEDIN, *Commissioner.*

The following will show what was done by the conferees:

[H. R. 7995]

On April 12, 1924, the House passed the above-named bill—323 yeas, 71 nays. (Page 6257, April 12, 1924.)

The bill was reported to the Senate, April 14 (calendar day), 1924, and printed.

On April 18 (calendar day), 1924, the bill passed the Senate by a vote of 62 ayes and 6 noes. (CONGRESSIONAL RECORD, p. 6649, April 18, 1924.)

The Senate struck out all after the enacting clause and inserted one amendment as a new bill.

The provisions of the House bill as passed and the Senate amendment as passed are in most regards the same.

The Senate having passed the House bill with an amendment asked for a conference with the House and appointed the following conferees: Senators REED of Pennsylvania, STERLING, KEYES, KING, and HARRIS.

The bill was presented to the House on April 19, 1924.

On the 19th day of April the bill H. R. 7995 was called up with the request that the House disagree to the Senate amendment and appoint conferees, which was agreed to and the following conferees appointed: JOHNSON of Washington, VAILE, VINCENT of Michigan, SABATH, and RAKER.

Thereafter, on April 19, the chairman of the House conferees, Mr. JOHNSON, called a meeting of the House conferees for Sunday morning April 20, 1924, at 10.30 a. m., later continued to 3.30 p. m., at which time the conferees of the House met in the committee room of the Committee on Immigration and Naturalization, when and where the bill H. R. 7995 as thus passed by the two Houses was considered.

Thereafter, on April 22, 1924, Senator DAVID A. REED of Pennsylvania, chairman of the conferees committee on behalf of the Senate, called a meeting of the conferees of the two Houses to meet in the Commerce Committee room on the gallery floor of the Senate wing of the Capitol at 11 a. m., Friday, April 25, 1924.

Thereafter, on Friday, April 25, 1924, at 11 o'clock a. m., the conferees of the two Houses met, at which the conferees were all present.

The conferees proceeded to consider the bill, H. R. 7995, as passed by the two Houses.

The conferees adjourned, to meet on Saturday, April 26, 1924, at 10 a. m.

On Saturday, April 26, 1924, at 10 a. m., the conferees met and continued their work until 1.30 p. m., and reconvened at 3.30 p. m., continuing until later in the day, when an adjournment was taken until Tuesday, April 29, 1924, at 10 a. m.

On Tuesday, April 29, 1924, at 10 a. m., the conferees met. Consideration of the bill was had, and at about 5.30 p. m. adjourned until Wednesday, April 30, 1924, at 10 a. m.

On Wednesday, April 30, 1924, at 10 a. m., the conferees met pursuant to adjournment. Consideration of the bill was had and continued practically all day, when adjournment was taken until Thursday, May 1, 1924, at 10 a. m.

On Thursday, May 1, 1924, at 10 a. m., the conferees met pursuant to adjournment and continued in session practically all day, until they adjourned until Saturday, May 3, at 10 a. m.

Pursuant to adjournment, conferees met on Saturday, May 3, 1924, at 10 a. m. Continued work on bill practically all day, when an adjournment was taken until Tuesday, May 6, 1924, at 10 a. m.

Pursuant to adjournment, conferees met on Tuesday, May 6, 1924, at 10 a. m. and continued in session until about 5.30 p. m.

At about 5.30 p. m. on Tuesday, May 6, 1924, conferees came to a full and complete agreement between the two Houses, and the conferees' report was ordered to be presented to the two Houses to the end that the House recede from the Senate amendment and agree to a Senate amendment with amendment, which was concurred in by the Senate conferees.

The amendment as thus agreed to was ordered to be printed (Print No. 5) and was so done.

The conferees then adjourned until Wednesday, May 7, 1924, at 3 p. m., for the purpose of signing the conference report, which had been fully and finally agreed thereto as above stated.

At the conclusion of the conferees' work and after having come to the agreement as above stated, the doors of the conference room were thrown open and the press permitted to enter.

Thereupon and on behalf of the committee, the chairman of the conferees, Senator REED of Pennsylvania, gave a statement to the press that the conferees had come to a full, final, and complete agreement. This statement was carried in the evening papers of May 6 as well as the morning papers of May 7.

The provisions of section 12, subdivision (b), of the House bill and subdivision (c) of section 10 of the Senate amendment were the same. These subdivisions relate to the exclusion of aliens ineligible to citizenship.

Before May 1, 1924, the public press carried an item that the President desired an amendment to the bill relating to Japanese exclusion and also carried the amendment thus desired by the President, which was as follows:

Between the letter (b) and "no," in line 6 of page 19 of the House bill as printed in the Senate, add the followinig: "On and after March 1, 1926," and then add the following amendment to the end of said subdivision (b) of section 12 of the House bill:

"*Provided, however,* That the provisions of this paragraph shall not apply to the nationals of those countries with which the United States, after the enactment of this act, shall have entered into treaties by and with the advice and consent of the Senate for the restriction of immigration."

So that subdivision (b) of section 12 as the bill passed the House would read as follows:

"(b) On and after March 1, 1926, no alien ineligible to citizenship shall be admitted to the United States unless such alien (1) is admissible as a nonquota immigrant under the provisions of subdivision (b), (d), or (g) of section 4, or (2) is the wife, or the unmarried child under 18 years of age, of an immigrant admissible under such subdivisions (d), and is accompanying or following to join him, or (3) is not an immigrant as defined in section 3: *Provided, however,* That the provisions of this paragraph shall not apply to the nationals of those countries with which the United States, after the enactment of this act, shall have entered into treaties by and with the advice and consent of the Senate for the restriction of immigration."

The public press carried the information that the conferees had not agreed to the President's proposals, but had adopted subdivision (b) of section 12 of the House bill as it passed the House, and the provisions of section 31 of the House bill which made effective subdivision (b) of section 12 on July 1, 1924.

Thereafter the public press carried the information on Saturday, May 3, that President Coolidge announced to White House callers his indorsement of the proposal that aliens ineligible to citizenship should be excluded from the United States.

This continued to be carried in the public press on May 3, 4, 5, and 6, and, as above stated, the chairman of the conferees at about 5.30 p. m. on May 6 gave the information to the press that the House provision in regard to exclusion was adopted without change; that is, subdivision (b) of section 12 of the House bill as it passed the House, and to take effect on July 1, 1924, as provided in section 32 as it passed the House.

The press carried the information and the Members of the House were advised during the fore part of May 7 that the President had invited the majority conferees to meet him at the White House; that the majority-party conferees met the President at the time stated, May 7, 1924, in the forenoon; conference was had and an amendment to subdivision (c) of section 13 of the Senate amendment as agreed to by the conferees May 6—which was in identical language with subdivision (b) of section 13 of the House bill—which amendment proposed by the President was as follows:

At the end of subdivision (c), section 13, add the following:

Provided, That this subdivision shall not take effect as to exclusion until March 1, 1925, before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject.

Pursuant to adjournment of the conference committee on May 6, at 5.30 p. m., the conferees met on May 7, 1924, at 3 p. m. for the purpose of signing the conference report as theretofore agreed upon May 6, at which time instead of signing the conference report theretofore agreed upon, motion was made to reconsider subdivision (c) of section 13 of the conference report, which was against objection and thereupon and thereafter conferees agreed to the President's amendment to

subdivision (c) of section 13 and as thus amended, the conferees ordered the same to be reported to the two Houses.

The conference report was submitted to the House as thus amended by Mr. JOHNSON, chairman of the House conferees, on May 8, 1924, at 5 p. m., and ordered to be printed.

As the bill passed the House, subdivision (b) of section 12 of the House bill under the provisions of section 32 of the House bill took effect on July 1, 1924.

As the bill passed the Senate, subdivision (c) of section 10, which is identical with subdivision (d) of section 12 of the House bill, also took effect upon its enactment.

These provisions in the conferees report became subdivision (c) of section 13 and under the provisions of section 32 of the conferees' report, section 13 is to take effect on July 1, 1924.

I therefore contend that—

The President's proposed amendment as agreed upon by the conferees to subdivision (c) of section 13 of the conferees report leaves the matter in the position that before March 1, 1925, the House requests the President to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject.

This is new matter not contemplated by the bill as it passed the House or as it passed the Senate; not germane to either bill or the subject under consideration—

(2) A waiver of the House right to legislate on immigration, and

(3) The surrendering of its power and the power of Congress to legislate on immigration and turning it over to a treaty-making power, which provisions are contrary and repugnant to the provisions of the Constitution, and

(4) A direct interference by the executive branch of the Government with the legislative branch and a coercion by the executive branch of the legislative branch in matters pending before the legislative branch and under consideration by it.

Mr. Speaker, I reserve the balance of my time.

Mr. JOHNSON of Washington. Mr. Speaker, I yield myself five minutes.

The SPEAKER. The gentleman from Washington is recognized for five minutes.

Mr. JOHNSON of Washington. Now that we are at the crux of the matter, let us get it right. I am sure that the House of Representatives wants to get this right. We desire to act with dignity and with honor. I have an abiding faith that when this body understands it we will be right, no matter what may happen at the other end of the Capitol.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Washington. No; I can not yield; I am sorry.

If this law is not in addition to and not in substitution for the other immigration laws that we have, then it is all wrong. But it is in addition, and it is so tightly drawn that you can not divorce this law from the other immigration laws. Make no mistake about that. The statement that the President is to negotiate a treaty is all wrong. All that the President has asked is that, if possible, offense be not given to a friendly nation. I make no secret of his request. I am proud of what he has done. I am honored in the opportunity to state as best I can his views, which are fair and right. I can state that in the original writing and preparation of this bill at the beginning there was no consultation either with the Secretary of State or the Secretary of Labor; yet as we got along with this bill, weighing every word, we received many valuable suggestions from both distinguished Secretaries. When Congress attempts to set up as big a piece of machinery as this bill contemplates, we want it to be in harmony with the best views of the Secretaries who will execute it; we want it to suit the Chief Executive, too, if possible.

President Coolidge said he favored exclusion. He has said so within a week. He has also said that, inasmuch as he favored exclusion, he desired to give the least possible offense to a friendly nation. No conference committee, consisting of five Representatives and five Senators, will dare say that the President gave a thought to the action of the primaries in California, as suggested in the newspapers. The President disregarded the primaries.

Mr. VAILE. That statement is true.

Mr. JOHNSON of Washington. The President acted upon each step as he received word from the conference committee, regardless of what happened elsewhere in the world. The President is not dictating to or attempting to direct Congress. The President, however, is President of the United States of America. He made two suggestions to the conferees, one of which we accepted. I believe his later suggestion to have been wise and proper. Otherwise I assure you, gentleman, I would not have offered it to this House in my capacity as a conferee. We dare not ask this House to waive its rights in the handling of immigration, nor do we authorize the making of a treaty. We could not do that if we wanted to. That is preposterous. What we have agreed to as conferees guarantees and saves the whole legislation, in my humble opinion. It saves the dignity of the United States also. It is fair to the President. It is fair to the Secretary of State.

Mr. MOORE of Virginia. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Washington. Yes; certainly.

Mr. MOORE of Virginia. In reply to the statement of the gentleman from California [Mr. RAKER], am I right in assuming that this bill would be satisfactory to you and to all who stayed with you if this proviso in section 13 were omitted?

Mr. JOHNSON of Washington. We will take what we can get.

Mr. MOORE of Virginia. Then the only suggestion here is with reference to this proviso?

Mr. JOHNSON of Washington. Yes; and how gracefully and properly to get rid of something with Japan that we do not understand and do not like.

Mr. MOORE of Virginia. There is nothing involved in it about opening the floodgates to immigration from Japan?

Mr. JOHNSON of Washington. No; absolutely no. There has always been much misinformation in the United States about everything Japanese. I have studied all the statements put out in years and know of the exaggerations, if you can trust me. The gentleman from California [Mr. RAKER] and myself have each been on the Immigration Committee about 12 years. During the whole eight years of the administration of the gentleman's party he was unable to take home the bacon. He has worked hard for it. I have been for five long years chairman of that committee, and now, through my party, Hon. JOHN A. RAKER can go home with the Japanese bacon under his arm—a thing he could not get during all the years of the administration of his party, neither he nor his Senators. I will give him the full credit, if no one else will, for this exclusion provision. And yet if this House can not show the respect to the President to which he is entitled in his effort to have the United States play the gentleman's part, there is something wrong. California may get a victory with aid from everyone who would break this immigration bill, but President Coolidge will get the credit for acting with dignity, with fairness, and with honor, mark those words.

Mr. MOORE of Virginia. The only thing to do, the only thing in this matter that the House is asked to do, is to prevent bringing about a situation where the President can abrogate the law?

Mr. JOHNSON of Washington. Yes. It is to avoid anything possible in the name of or in imitation of or in the pretense of a treaty; that is all. Coolidge is right. We exclusionists can win. We Japanese exclusionists can win. We will win, but there is a right way and a wrong way. What more can I say?

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. JOHNSON of Washington. Will somebody on that side use some of his time?

Mr. MACLAFFERTY rose.

The SPEAKER. The gentleman from California is recognized.

Mr. MACLAFFERTY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MACLAFFERTY. I am very glad to have heard it so clearly stated here, and so well agreed upon, that this is not a political question. I myself well know it is not a political question. I want my position here thoroughly understood. I am not here to flaunt anybody—not at all. But this whole question is so fundamental with me that before I would change on this now I would allow myself to be cut to pieces by inches right before your eyes. [Laughter and applause.]

I am here, gentlemen, to talk for Americans who are coming along 25 and 30 years from to-day. I am here to talk for the little children, the little American children who are yet unborn but who will be born upon the Pacific coast of North America. I am here to warn you of the great danger to our civilization. I have more interest and belief in the good qualities of the Japanese people than my friend from Ohio [Mr. BURTON] has, for I know their good qualities. He tells us they have patterned after us, thereby paying us a great compliment, in the matter of our post-office administration and in other matters; but he did not tell you that they boast of the fact that they

have organized their military institutions with Germany as their patron saint. I have had more than one Japanese tell me that.

I do not decry the right of the Japanese to have his own national aspirations and ambitions; but if the American Congress now, through an altruistic feeling in their hearts toward these good people, waives the right to hereafter control matters of legislation respecting immigration, you are doing one thing to undermine the institutions of this Republic.

Gentlemen, what is the gentleman's agreement? Is there a man in this room who can rise and tell me what it contains? Do I know what it is? Do any of you know what it is? No. Is it like a treaty? No. Was it indorsed and ratified by the United States Senate? No. But it is an agreement which never should have been made. It was made for the purpose of preventing an increase of Japanese immigration into this country, but it has been a rank failure in that regard.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. MACLAFFERTY. I will yield if the gentleman will give me another minute of time.

Gentlemen, if there is going to be an affront given in this matter, it has already been given. The Japanese people, after we have paid them the compliments we have on this floor, are not worthy of our insisting now that they are fools. The Japanese people know that America is almost solidly for exclusion, not because they are Japanese but for biological reasons and for economic reasons, and the great question with them is: Shall exclusion become an absolute fact? They do not want us to insult their intelligence by saying, "Well, we are going to give you a chance by treaty to negotiate for the wiping out of this agreement." I believe it is wiped out now. I read dispatches from the Tokyo papers yesterday and this morning which stated that fact clearly, that while the newspapers over there use headlines in describing what is going on now the people there have very little interest in it, because they realize it is going to result in exclusion anyway.

I want to put into this RECORD some things that I have not the time to read. I want to show you the statements some of the great men of Japan have made. I want to show you that Japan believes her national destiny is to control this world, and that it is all right for her to do it if she can do it. She believes that the American people some day should be her slaves. That is what she believes. I do not care whether all the Japanese of Japan were sitting in these galleries hearing me say this. They know it is true, and they believe it is the divine law of their god that that should be true.

Why, my friends, if you could only understand this question as we understand it, you would feel differently from the way some of you do feel. I want you to read the extension of my remarks which I will put in the RECORD, because I can not bring all the facts before you.

But to show you how the people on the Pacific coast are feeling let me read you a telegram:

We are standing behind you 100 per cent in your fight to make this coast a white man's country. To defer effective date of ineligible alien exclusion until March, 1925, is to provide open season for influx of Japanese. If the entire effort is one to avoid shocking sensibilities of the people of another nation, let us not forget that our own people still have sensibilities. It is probable that in its final action Congress will determine whether its action will be so framed as to please and satisfy people of another nation or preserve the interests of this Nation. In such event the decision should not be long delayed nor difficult to reach. Let us have dignified firmness and not vacillating weakness.

And the end of another telegram.

Mr. TINCHER. Will the gentleman yield right there?

Mr. MACLAFFERTY. No; I have not the time.

Any exclusion postponment compromise should provide exclusion to all Japanese from this date. Japan has violated, thereby abrogating, gentleman's agreement by waiving military service to Japanese returning to Japan for brides and issuing passports, prohibited by agreement, evidenced over 100,000 Jap laborers now in California and overflow bookings all returning steamers from Japan.

Since the passage of this bill a few weeks ago there have been about 1,000 Japanese bachelors who have gone back to Japan in order to bring back brides and get in here before July 1. There are more than 40,000 Japanese bachelors in California now. They can not leave and get back because there are not ships enough. But for every Japanese woman who comes back it means five children. In my State 1 child out of 11 born last year was a Japanese child.

For God's sake, you men who know what the colored problem means, not only to the white man but to the colored man, stand by us in this. We will not forget you if you do. [Applause.]

There are over 40,000 Japanese bachelors in this country, according to Japanese authorities, every one of whom could bring from Japan within the period referred to, if the present agreement be in effect, a kankodan bride whose duty it would be to become the mother of the average family of five children. There would be then a potential increase within a few years of Japanese population to the extent of 240,000, in addition to the increase to be expected from birth rate among those already here.

What Japan's policy would be under those circumstances is clearly indicated by what she is doing or permitting now. The Japanese newspapers of San Francisco report that during the preceding three months—February, March, and April—2,000 Japanese bachelors left San Francisco for Japan for the purpose of securing kankodan brides and returning with them before July 1, when it was expected the exclusion measure would become operative. The Government of Japan directly encourages this element of immigration by allowing such searchers for brides three months' stay in Japan, while if they come for business or pleasure they would be limited to 30 days, or compelled to remain and perform their military duties.

In addition to the kankodan brides, the Japanese now here are sending for all the relatives for whose passage they can pay and whose admission is permitted under the Government's present interpretation of the gentlemen's agreement. To extend for a year more the time during which such relatives can come would be to invite the admission of a large number.

The gentlemen's agreement, as explained by President Roosevelt, was made for the express purpose, indorsed by Japan, of preventing an increase of Japanese population in continental United States. That purpose has been steadily violated by the manner in which the agreement has operated.

OAKLAND, CALIF., *May 7, 1924.*

J. H. MACLAFFERTY, M. C.,
Washington, D. C.:

Nichi Bei, San Francisco Japanese newspaper, publishes to-day that 6,000 kankodan brides and relatives of California Japanese awaiting transportation from Japan to California exclusive. Four hundred Japanese males sailing on President Wilson May 2 instead of waiting for Japan steamer sailing May 12. Reason latter sailing preventing return before July 1, with so-called brides who become colaborers breeding like pestilential flies. This evasion so-called gentlemen's agreement. Delay means 30,000 more Japanese here by March 1 and 50,000 more Japanese-American children. Compromise crucifies California. Should provide immediate exclusion of these hordes ineligible trouble breeders. Southern statesmen realizing California's problem will help us upon request.

J. M. PERKINS.

OAKLAND, CALIF., *May 8, 1924.*

Hon. J. H. MACLAFFERTY, M. C.,
House of Representatives, Washington, D. C.:

Any exclusion postponement compromise should provide exclusion of all Japanese from this date. Japan has violated, thereby abrogating, gentlemen's agreement by waiving military service to Japanese returning to Japan for brides and issuing passports prohibited by agreement, as evidenced by over 100,000 Jap laborers now in California and overflow bookings on all returning steamers from Japan.

J. M. PERKINS.

SAN FRANCISCO, CALIF., *May 8, 1924.*

Hon. JAMES H. MACLAFFERTY,
House of Representatives, Washington, D. C.:

The legionnaires in California urge you be present when immigration bill comes up on floor as reported by conferees and want you to know that we are standing behind you 100 per cent in your fight to make this coast a white man's country. To defer effective date of ineligible alien exclusion until March, 1925, is to provide open season for influx of Japanese. If the entire effort is one to avoid shocking sensibilities of the people of another nation, let us not forget that our own people still have sensibilities. It is probable that in its final action Congress will determine whether its action will be so framed as to please and satisfy people of another nation or preserve the interests of this Nation. In such event the decision should not be long delayed nor difficult to reach. Let us have dignified firmness and not vacillating weakness. Kindest regards.

MORGAN KEATON.

QUOTATIONS FROM JAPANESE WRITERS

[From "Mastery of the Pacific," brochure published in 1909 and quoted in Literary Digest, November 13, 1909, by Satori Kato, admiral of the Japanese Navy and one of the writers of the four-power treaty at disarmament conference]

In the event of war Japan could, as if aided by a magician's wand, overrun the Pacific with fleets manned by men who have made Nelson

their model and transported to the Far East the spirit that was victorious at Trafalgar. Whether Japan avows it or not, her persistent aim is to gain the mastery of the Pacific. Although peace seems to prevail over the world at present, no one can tell how soon the nations may be engaged in war. It does not need the English alliance to secure success for Japan. That alliance may be dissolved at any moment, but Japan will suffer no defeat. Her victory will be won by her men, not by armor plates—things weak by comparison.

[From the Tokyo Hochi, paper published in summer of 1919 and quoted in Literary Digest July 5, 1919, p. 31, by Count O'Kuma, deceased, leader of the Genro]

That age in which the Anglo-Japanese alliance was the pivot, and American-Japanese cooperation an essential factor of Japanese diplomacy, is gone. In future we must not look eastward for friendship, but westward. Let the Bolshevik of Russia be put down and the more peaceful party established in power. In them Japan will find a strong ally. By marching then westward to the Balkans, to Germany, to France, and Italy, the greater part of the world may be brought under our sway. The tyranny of the Anglo-Saxons at the Peace Conference is such that it has angered both gods and men. Some may abjectly follow them in consideration of their own petty interests, but things will ultimately settle down as has just been indicated.

[From a Japanese imperialist pronouncement written in 1916 and quoted in The Rising Tide of Color, by Lothrop Stoddard, pp. 49, 50, 51, 52, 53]

Fifty millions of our race wherewith to conquer and possess the earth! It is indeed a glorious problem! To begin with, we have China; China is our steed. Far shall we ride upon her! Even as Rome rode Latium to conquer Italy, and Italy to conquer the Mediterranean; even as Napoleon rode Italy and the Rhenish States to conquer Germany, and Germany to conquer Europe; even as England to-day rides her colonies and her so-called allies to conquer her robust rival, Germany—even so shall we ride China. So becomes our 50,000,000 race 500,000,000 strong; so grow our paltry hundreds of millions of gold into billions! How well have done our people! No mistakes! There must be none now. In 1895 we conquered China; Russia, Germany, and France stole from us our booty. How has our strength grown since then—and still it grows! In 10 years we punished and retook our own from Russia; in 20 years we squared and retook from Germany; with France there is no need for haste. She has already realized why we withheld the troops which alone might have driven the invader from her soil. Her fingers are clutching more tightly around her oriental booty; yet she knows it is ours for the taking. But there is no need for haste; the world condemns the paltry thief; only the glorious conqueror wins the plaudits and approval of mankind. We now are well astride our Chinese steed; but the steed has long roamed wild and is run down; it needs grooming, more grain, more training. Further, our saddle and bridle are as yet mere makeshifts; would steed and trappings stand the strain of war? And what would be that strain? As for America, that fatuous booby with much money and much sentiment, but no cohesion, no brains of government; stood she alone we should not need our Chinese steed. Well did my friend speak the other day when he called her people a race of thieves with hearts of rabbits. America, to any warrior race, is not a foe, but an immense melon, ripe for the cutting. But there are other warrior races—England—Germany—would they look on and let us slice and eat our fill? Would they? But using China as our steed, should our first goal be the land? India? Or the Pacific, the sea which must be our very own, even as the Atlantic is now England's? The land is tempting and easy, but withal dangerous. Did we begin there, the coarse white races would too soon awaken and combine, and forever immure us within our long-since-grown intolerable bounds. It must, therefore, be the sea; but the sea means the western Americas and all the islands between; and with those must soon come Australia, India. And then the battling for the balance of world power, the rest of North America—once that is ours we own and control the whole world, a dominion worthy of our race! North America alone will support a billion people; and that billion shall be Japanese with their white slaves. Not arid Asia, nor worn-out Europe (which with its peculiar and quaint relics and customs should, in the interests of history and culture, be in any case preserved), nor yet tropical Africa, is fit for our people—but North America, that continent so succulently green, fresh, and unsullied—except for a few chattering mongrel Yankees—should have been ours by right of discovery; it shall be ours by the higher, nobler right of conquest.

Mr. DICKSTEIN. Mr. Speaker, it seems to me that the only interest taken so far by the Members on this floor is in the Japanese question. They do not care much about what was inserted in the provisions of the conference report after the bill left this House, and if some of my good friends with whom I do not agree on this whole immigration policy would only think of other nationals as much as they think of the Japanese proposition, we could more easily come to a conclusion to satisfy the question now before this House.

I am compelled to vote against the report because I am against the entire bill. This conference report should be sent back not only on the Japanese question but on other questions which were inserted in the conference report which take away the nonquota relief. When this bill left this House you had assured the American people that citizens of the United States were to be permitted to bring into this country their fathers and mothers, but that was taken away, and in place thereof you will find on page 16 of the bill, committee print No. 6, that they provided for an origin proposition that after July 1, 1927, and for each fiscal year thereafter shall be a number which bears the same ratio of 150,000——

Mr. CABLE. Will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. CABLE. They did provide that wives of American citizens could come in outside of the quota in addition to the unmarried children under 18 years of age. In other words, half a loaf is better than none.

Mr. LAGUARDIA. And is it not true, in reply to the gentleman from Ohio, that they have refused to grant applicants naturalization because their wives were on the other side?

Mr. CABLE. Let me reply to the gentleman that that is not true in Ohio.

Mr. LAGUARDIA. They do that in New York.

Mr. DICKSTEIN. In answer to my friend, let me state to you now that when the bill left the committee room you voted for a provision with reference to the nonquota. You told us about uniting the family and what a wonderful American piece of legislation you were enacting for the citizens of the United States. When it came on the floor of this House you supported that proposition. When it went into conference they reported out a different proposition, and what did they insert in place thereof? You are going to provide for an origin quota. After 1927 you are going to abandon the 1890 census and then you are fixing a maximum of 150,000 under the origin basis of 1920 in spite of the fact that there are more people entitled to come under the origin basis of the 1920 census.

Mr. CABLE. Will the gentleman yield?

Mr. DICKSTEIN. No; my time is very short. This conference report further destroys the very essence of the bill that left this House. You almost can not recognize the provisions of the bill that was voted by this House if you will be good enough to read this bill. It practically destroys everything that we fought for—that you men fought for. It practically destroys every humane feature in uniting the families.

Oh, my friend, the gentleman from Ohio [Mr. BURTON] asks, "Shall we slap the friendly nations in the face?" Why, you have slapped every one of them in the face except England, the so-called Nordics. You have slapped Italy in the face, you have slapped Russia in the face, you have slapped every civilized white nation in the face. Oh, you have been slapping all the time, and I say to you that this report is full of discrimination. I only hope that when you vote you will not only consider the Japanese question but also consider the other inhumane provisions that were put in this conference report which are unworkable, unjust, and un-American. [Applause.]

In order to further point out the policy adopted by the conference report No. 688, it seems to me that the conferees have gone beyond the rights of this House who, after long debate, voted the 1890 census as a basis for a quota—although that was admittedly discriminatory—but the conferees, not satisfied with the discrimination already dealt out to our allied nations, went a step further by further restriction which clearly proves to me that the conferees did not represent the American sentiment but represented the British Government, which seems to get a very large quota under this proposed new scheme of origin quota.

This is one of the many harsh destructions of the House bill, as I have not the time to point them all out, relevant to the Reed national-origin scheme adopted by the Senate, but which when presented on the floor of the House during the consideration of the immigration bill was defeated by a large majority. This so-called national scheme—and this is the only way I can designate and characterize it—reads as follows:

SEC. 11. (b) The annual quota of any nationality for the fiscal year beginning July 1, 1927, and for each year thereafter, shall be a number which bears the same ratio to 150,000 as the number of inhabitants in continental United States in 1920 having that national origin (ascertained as hereinafter provided in this section) bears to the number of inhabitants in continental United States in 1920, but the minimum quota of any nationality shall be 100.

Both the Director of the Census, Mr. Steuart, and Doctor Hill, who appeared before the managers, declared that they would be obliged to adopt arbitrary methods to arrive at the proper basis upon which allocation will be based. This provision which is to go into effect July 1, 1927, limits the number of European immigrants to 150,000 annually, and from tabulations prepared by the proponents of this scheme and utilized on the floor of the House by the gentleman from Colorado [Mr. VAILE] and in the conference meeting by the Senator from Pennsylvania, reduced to actual understandable figures, based upon the limitation of 150,000, will give the various countries the following totals of permissible immigration as shown by the table:

Quotas

Nationality or country	Present law	2 per cent of 1890 with minimum of 100	National origins under the 150,000 limit proviso
Albania	288	100	100
Armenia	220	100	100
Austria	7,342	990	1,940
Belgium	1,563	509	200
Bulgaria	302	100	100
Czechoslovakia	14,357	1,873	1,920
Danzig	301	228	100
Denmark	5,619	2,782	1,002
Esthonia	1,348	102	221
Finland	3,921	145	498
Fiume	71	100	100
France	5,729	3,878	2,763
Germany	67,607	50,129	22,018
Great Britain and Ireland	77,342	62,458	91,111
Greece	3,063	100	336
Hungary	5,747	488	1,239
Iceland	75	100	100
Italy	42,057	3,889	5,878
Latvia	1,540	117	253
Lithuania	2,622	302	444
Luxemburg	97	100	100
Netherlands	3,602	1,637	2,669
Norway	12,205	6,453	2,433
Poland	30,979	5,872	4,509
Portugal	2,465	474	275
Rumania	7,419	631	386
Russia	24,405	1,792	4,002
Spain	912	124	141
Sweden	20,042	9,561	3,707
Switzerland	3,752	2,081	781
Yugoslavia	6,426	735	602
Other Europe	86	125	100
Palestine	57	100	100
Syria	982	100	142
Turkey	3,654	100	119
Other Asia	92	100	100
Africa	104	100	100
Egypt	18	100	100
Atlantic Islands	124	100	134
Australia	279	120	100
New Zealand	80	100	100
Total	357,801	161,990	150,903

Now I call your attention to the quota of Great Britain. You will find in the schedule the present quota of 3 per cent based on the 1910 census for Great Britain would be 77,342. The proposed 2 per cent of the 1890 census debated by the House would give Great Britain 62,458. The so-called national-origin scheme under the 150,000 proviso would give Great Britain 91,111 out of a total of 150,908, leaving the balance of 59,792 to be divided amongst the remaining countries of Europe. If this is not a pernicious piece of legislation which favors one as against all, what is? And yet they tell us on the floor of the House that they have given this matter careful study and consideration. You are practically abandoning the 1890 census and fixing something which you do not know anything about. Instead of adopting the latest census, which was taken in 1920, and fixing a proper quota based thereon and provide an equal and fair distribution of a quota which will meet with the approval of the American people, we are simply stubborn and arbitrary and without reason pursuing a policy which our forefathers fought against.

Now, again, as pointed out a few moments ago, you have by this report removed from the nonquota class the father and mother of a citizen of the United States and placed them in a preference class. What is this so-called preference? Do you know that the preference, if any is given, comes within the 2 per cent, whether it be of the 1890 census or any other census, and do you know that this so-called preference to the father and mother is no preference at all? If you will analyze section 6, subdivisions (a) and (b), you will note that this preference, if there is a quota left open, the consuls may give such preference to a limit of 50 per cent to any nationality. Now, then, that same preference is granted also to persons skilled in agriculture, and his wife and children under 16 years of age, and for the purpose of my argument I shall present to you a state of facts in a few words.

Italy under the 2 per cent of 1890 census would receive 3,889. The consul then may give a preference to fathers and mothers and also to skilled agricultural men, together with their wives and children, leaving a quota for the immigrants of Italy in the amount of 1,944. Now, then, who shall be the judge of the preference? Will the consul favor the father and mother of the relative citizen of the United States who seeks his own flesh and blood to join him or will he consider the skilled agricultural laborer and his family? And there will be many of these persons who will even commit perjury in order to get a preference.

Look at the dangers to which you are subjecting these people. Now, again, if that 50 per cent should be exhausted and the consul should favor the skilled agricultural laborer to the extent of 90 per cent and allow just 10 per cent of the fathers and mothers, can not you see what a miscarriage of justice would be done? Not alone that, but you can reverse the situation and you will find that if the 50 per cent under section 6, subdivision (b), is exhausted and an American citizen seeks to bring into this country his mother, and God knows we only have one, whom we ought to protect and provide for her every comfort in life, by this legislation you are practically destroying the very essence of humanity by depriving the American citizen of uniting his family and mother whom he may not have seen for many years, and so one hardship upon another is set forth by many changes in the proposed bill which is simply incorporated by a few fanatics, and some of our good Members of this House do not seem to realize that the origin scheme and other provisions which we may find incorporated in this new conference bill, print No. 6, supported by Report No. 688, is but a blind and has no basis of calculation and should not be made a law.

I do not intend to sit in this House and legislate for one class as against another. I can not sit here and see how one injustice after another is done in order to carry out certain plans behind the restrictionists who assume much power derived from encouragement given them by Members of this House and the Senate who think they are legislating for the best interests of the American people. If we are going to legislate, why not do so on a fair and equal basis? Let us be able to say to the world that we have discriminated against no one nationality as against the other; that we have treated them all alike, whether the quota is large or small. This is not a question for the foreigner to say. It is for the American Congress to say what the quota shall be, and, having said that, the least it can do is not play favoritism to anyone in particular, as has been pointed out by me, as it will do for Great Britain and a few other nations as against the entire civilized world.

So I say to you men from California who are so absorbed in your Japanese question—and speaking about the Japanese question, I want to say right now that I have the highest regard for them as a nation, as they have shown great progress and I believe they are coming around and advancing in civilization as a nation—that you must give some consideration to the European question too. I do not believe that they should be discriminated against, but in view of the fact that they are ineligible for citizenship and in view of the fact, as I gather from you Members of the House who come from the South and West, that the gentlemen's agreement has been violated, I say you have the right to abrogate the gentlemen's agreement or treaty or whatever you may call it, but in doing so do not be selfish. Examine your entire bill and see what other new provisions have been inserted after this bill left this House, and in reading the proposed conference committee report, print No. 6, which is the conference proposed bill, do not stop after your personal interest in your Japanese domestic trouble has been satisfied, but look into the whole of the conference report and see whether the new matter therein contained is germane to the provisions of a report in matters of this kind, whether the matters incorporated would do the right thing by the American people, and when you have done that you can then see that you have legislated for the American people and the interest of America. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. RAKER. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker, there may be many objectionable features to the bill as reported by the con-

ferees. It is impossible to bring in an immigration bill that would not be objectionable in part to many Members.

But there is one objection which seems to me to be so fundamental in character that we ought to pause and consider carefully before we commit ourselves to its adoption, and that is the provision put in at the instance of the President of the United States, as has been repeatedly stated, to the effect "that before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject." That is the subject of exclusion.

I am puzzled to know why the President wishes that language to be inserted. If it lie now within the constitutional power of the President to negotiate a treaty upon immigration, he has the power to act without any request on the part of Congress. If it does not lie within his power under the Constitution then nothing that this Congress can say will give him the power.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes; briefly.

Mr. JOHNSON of Washington. I will tell you very briefly exactly why. It seems that the Japanese, no matter how we regard this agreement, regard it as a portion of their treaty and think they have kept it honorably and faithfully, and they think they should be notified——

Mr. GARRETT of Tennessee. I beg the gentleman's pardon. I do not think that is the expression of the Japanese Government. That may be the idea of some Japanese people as distinguished from the Japanese Government, but, as I read the letter of the ambassador from Japan recently sent to the Senate of the United States, he did not insist that it was any part of a treaty.

The gentleman from Virginia, who is accustomed to analyzing legal language, made some remarks from which I judge he thought this insertion was only for the purpose of giving an opportunity to the President to abrogate this agreement. I do not so interpret this language. Read it with care; read it, too, in the light of the first request upon the subject which the President of the United States made to the Congress, or at least to one body of the Congress. That was that they insert:

Provided however, That the provisions in this paragraph (the exclusion paragraph) shall not apply to nationals of those countries with which the United States after the enactment of this act shall have entered into treaties by and with advice and consent of the Senate for the restriction of immigration.

That indicates the presidential mind on this subject. If it is merely to abrogate the gentleman's agreement—if that is the sole purpose—how is this alleged offense against the sentiment of the Japanese to be remedied? If that is all there is to it, how are you going to remove the offense by simply saying that the President can talk to them about what Congress has done? If the purpose is more than that, then ponder well, my fellow Members, before you surrender the right of the Congress of the United States, before you take the initial step in surrendering the exclusive right of the Congress of the United States to control immigration into this country. [Applause.]

I do not wish to offend the feelings or sensibilities of Japan or any other nation on the earth; but as between surrendering constitutional rights of the people of my own country in order to avoid wounding the sensibilities of other countries, I shall have to choose to stand by my own people. [Applause.]

Mr. LINEBERGER. Mr. Speaker and gentlemen of the House, I am sure it is far from my desire to rise in my place on this floor and oppose the conferees on my own side of the House and the President of the United States, but in the issue before us to-day there is something more vital, greater, and grander, if you please, than the personalities or partisanship, and that issue, as I see it, is whether we shall yield a fundamental right of the American people to regulate immigration, a purely domestic matter, to any other than the legislative representatives of the people, the Congress of the United States.

This proposition seems to me to resolve itself purely into a question of fundamentals; and one of the fundamental questions involved is that we by this procedure recommended by the conferees recognize the right of a foreign government to be heard and negotiated with when we propose to exclude their ineligibles to citizenship from our shores. Another fundamental question involved is that we for the first time in our history are admitting a principle with reference to Japan, after having refused it to our historical friend, China. I recognize the fact that a period of seven months may seem of small importance to the conferees and may seem short to the President of the United States and his responsible adviser in foreign affairs, the Secretary of State, for both of whom I have always had great admiration, but I say that when you violate a fundamental, it is just as reprehensible whether you violate it for a week, a month, or a year as it is if you violate it for a decade or century for that matter.

Now the praises of my friend, Senator BURTON, which have been voiced here to-day in the interest of the Japanese people and their virtues I do not rise to question or deny. I believe, along with the fundamental principles involved and which I consider to have been violated, that we as Members of Congress on our oaths have a fundamental obligation which we can not escape, and that obligation is to the American people and to the American people only, for these same American people when they sent us here made us their trustees, and I for one propose to hold that trust sacred. If we once recognize the right of a foreign government to enter into the consideration of a purely domestic matter like the immigration question, if we establish this precedent, it will rise to plague us in generations yet to come, and therefore, Mr. Speaker, as much as I regret to do so, under the circumstances, I must say to the House and to the country that I feel it my duty to oppose the acceptance of the conference report with all the energy which I possess. [Applause.]

The conferees—and I say this with all respect to them—are merely the agents and trustees of this House. We are those to whom they owe their allegiance and their responsibility is to us, and to no other department of the Government; and we in turn are responsible to the people who sent us here. If a public office is a public trust, as I hold it to be, this theory of responsibility must be maintained. When gentlemen yield to any influence, no matter how highly placed, be this influence either foreign or domestic, I say that they have lost contact, for the moment at least, with the agency which they represent, and the trusteeship of the Congress and people which has been confided to them is in unsafe hands. I am proud to say that there was one member of that conference committee who comes from my State and who did not yield. Luther Burbank, the plant wizard, has produced a wonderful variety of cactus out in California which we call spineless cactus; but, thank God, in the person of JOHN E. RAKER we did not produce a spineless conferee. [Applause.] California should feel proud of him to-day. There is no question about the validity of the fundamental principles which I have tried to outline. Such authorities as the distinguished Senator from Massachusetts, Senator LODGE, a statesman known not only in America but throughout the world for his experience and sagacity in foreign affairs, had this to say in the Senate of the United States yesterday.

On page 8088 of the RECORD of yesterday I read these remarks from a speech by Senator LODGE; he was speaking of the power of Congress to regulate immigration matters. He said:

In my judgment, only the Congress of the United States, and, of course, acting with Congress, the President of the United States, has that power—that is, the entire legislative body of the United States must say to the rest of the world, "We alone have the power to say who shall come into the United States as immigrants."

I repeat what I said the other day, from that decision so made there is no appeal. I have the utmost respect and admiration for the President. I believe in him thoroughly, but I venture to think that this brief amendment goes further than was perhaps realized by the conference committee.

Senator LODGE, in his utterances yesterday, never gave voice to a more statesmanlike view or propounded a sounder American doctrine. Such sentiments, I am sure, were applauded by 100 per cent Americans from coast to coast and from Canadian to Mexican border. [Applause.] I have here two brief telegrams which are to the point, and which, I think, sink to the very heart of this whole question. I shall read them to you:

LOS ANGELES, CALIF., *May 8, 1924.*

Hon. WALTER LINEBERGER,
House of Representatives, Washington, D. C.:

Conference agreed exclusion legislation would disgrace Congress and America. Means surrender Pacific coast to unwanted unassimilable aliens. In fact, invitation orientals complete peaceful invasion. Does Americanism or Japanism hold sway there? Employ all means bring about immediate exclusion and thus keep West white.

CLARENCE M. HUNT,
Editor Grizzly Bear.

SAN FRANCISCO, CALIF., *May 8, 1924.*

HON. WALTER F. LINEBERGER,
House of Representatives, Washington, D. C.:

The legionnaires in California urge you be present when immigration bill comes up on floor as reported by conferees and want you to know that we are standing behind you 100 per cent in your fight to make this coast a white man's country. To defer effective date of ineligible alien exclusion until March, 1925, is to provide open season for influx of Japanese. If the entire effort is one to avoid shocking sensibilities of the people of another nation let us not forget that our own people still have sensibilities. It is probable that in its final action Congress will determine whether its action will be so framed as to please and satisfy people of another nation or preserve the interests of this Nation. In such event the decision should not be long delayed nor difficult to reach. Let us have dignified firmness and not vacillating weakness. Kindest regards.

MORGAN KEATON,
Department Adjutant, American Legion.

Gentlemen of the House, this is not only a proposition which affects us on the Pacific coast but it affects every man, woman, and child in these United States, and more than that, generations yet unborn. Our forefathers who crossed the continent and who converted a wilderness into one of the garden spots of the universe were from old American pioneer stock, the best the country ever produced, and came from every State and every section of this great and glorious common country of ours. Your flesh and blood there are facing this great problem, and the problem is creeping farther eastward every day. There is no man in the world who desires peace more strongly than I do, for I know what the strife of war means; but there is a price which even for peace and good will among nations we as American citizens can not afford to pay and still be worthy of that precious heritage which was handed down to us by those that have gone before, and that is to permit any nation or any individual in the executive or any other department of the Government to determine for us, the representatives of the people, when and where and how we shall regulate a matter which is purely a matter of domestic legislative policy. [Applause.] I am not one of those who believe this July 1, 1924, exclusion will promote strife and ill will, particularly if we meet the situation at the earliest possible moment. To meet a situation fairly and squarely, eyes to the front and without evasion or subterfuge, is the surest way to promote peace; and, after all, it is the American way. Let us not desert it. [Applause.]

Mr. TINCHER. Mr. Speaker, will the gentleman yield?

Mr. LINEBERGER. If the gentleman will get me another minute I will be very glad to yield.

Mr. TINCHER. I can not do that, of course.

Mr. LINEBERGER. I am sorry I can not yield, then, as my time is about to expire.

The SPEAKER. The time of the gentleman from California has expired. [Applause.]

Mr. JOHNSON of Washington. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. MOORE].

Mr. MOORE of Virginia. Mr. Speaker, it is not agreeable to a Member to differ with a very large majority of his party associates, as probably I am doing in this instance, but at least I have the satisfaction of knowing that in the vote which I cast I shall be doing that which I deeply believe is for the best interests of the country, and that I shall express the conviction I have so often declared here that the things of primary importance is to do what may be done without sacrifice of the real welfare of this country, to avoid controversy, and to promote peace and tranquillity so far as this Nation is concerned, and so far as other nations are concerned.

My distinguished friend from Tennessee [Mr. GARRETT] and the gentleman who has just taken his seat, the gentleman from California [Mr. LINEBERGER], have said something about fundamentals. They have discussed this matter as if the sole power of dealing with the subject of immigration rested with the Congress. Of course that is a mistake. If a Massachusetts Senator expressed that view yesterday, he forgot a decision of the Supreme Court, the opinion in which was delivered by a justice who was appointed from Massachusetts, and perhaps other gentlemen entertaining that view forgot a decision in a Federal court by Mr. Justice Fields, of California, to the effect that the power to deal with the subject of immigration rests with Congress, but that it also may be exercised under the treaty-making provisions of the Constitution. Therefore, I think the only inquiry that we have to make is whether it is expedient and judicious or not to do what is proposed by this bill; that is to say, to put all of the provisions of the bill into effect at a very early date, with the single proviso that the President shall have a certain time within which to bring about an abrogation of the so-called gentlemen's agreement with Japan.

Mr. WILLIAMS of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Virginia. I regret that I can not do so now. That agreement perhaps ought never to have been negotiated. It has been in effect a long time, however, and until now I have not seen any great excitement in reference to it manifested by my friends from the Pacific coast. I have been here for nearly five years, and more than once I have interrogated members of the Committee on Immigration relative to that agreement, and they have said in substance, "Do not speak of that now, wait." Yet now we are told by the same gentlemen with great vehemence that we can not afford to wait for a period of less than 12 months for the action contemplated by this bill to become effective.

Mr. Speaker, I am not of the President's party. Of course, he has never talked with me about the bill, nor has the Secretary of State, nor have I ever discussed it with any of the leaders on the Republican side of the House. It is needless for me to say that I have never attended any breakfasts at the White House. I am not one of the autocrats of that breakfast table. [Laughter.] I submit, however, and I am liable to contradiction by those who have more information than I if in error, that we are dealing with a simple proposition. The gentlemen's agreement is in force. It has been in force for so long that Japan naturally regards it as having the status of a treaty. Japan takes the position that if it is nullified immediately and without notice that will constitute an affront. The President and his Secretary, of course, are in immediate contact with the representatives of Japan here, and what I understand to be the position of the President is this, and nothing more than this: He is as much for exclusion as is the gentleman from Washington [Mr. JOHNSON], the chairman of the committee, or the gentleman from California [Mr. RAKER], and he does not propose to do anything in his conference with the Japanese that can weaken this law as it is drawn, but that in the time that remains between now and the 1st of March, 1925, he will bring about the abrogation of the agreement.

Mr. BOX. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Virginia. Yes.

Mr. BOX. Is there anything in the law or in the Constitution which would prevent him from doing that, anyway?

Mr. MOORE of Virginia. Nothing; but have we not upon our side stood here time and again contending that it was very proper for us to make requests of the President as to his foreign policy?

I have tried myself to write into bills—naval appropriation bills and Army appropriation bills—requests of that sort, and many of you gentlemen upon my side of the House have concurred.

Mr. EVANS of Montana. Will the gentleman yield?

Mr. MOORE of Virginia. I will.

Mr. EVANS of Montana. I desire to ask a question for information. Whether under this bill this clause will go into effect on the 1st of March of next year whether or not any abrogation of the gentlemen's agreement is made?

Mr. MOORE of Virginia. Undoubtedly. The clause is so drawn that if the President should remain inactive, if he should be so disabled that he could not act between now and the 1st of March, 1925, the law would go into effect.

Mr. STEVENSON. Suppose, instead of remaining inactive, he could negotiate a treaty and allow the Japanese to come in between now and then, would not that supersede this law if it were ratified?

Mr. MOORE of Virginia. Frankly, I will say to my friend, I think it would; but am I not to have enough confidence in the President of the United States to believe that he will keep the promise which we understand he has made? [Applause.] I hope the day has not come, nor will ever come, when I shall hesitate to accept the almost openly promulgated pledge of the President as to what he will do. [Applause.]

Mr. NELSON of Wisconsin. I am inclined to agree with the gentleman, but what bothers me is that this affront on March 1, 1925, will still remain.

Mr. MOORE of Virginia. Japan says, no.

Mr. WATKINS. When did she say it?

Mr. MOORE of Virginia. According to the best information we can obtain, Japan says, "We are affronted by this threatened action because it is taken without notice to us and we think we are in fairness entitled to notice."

The SPEAKER. The time of the gentleman has expired.

Mr. JOHNSON of Washington. I yield the gentleman three minutes more.

Mr. MACLAFFERTY. Will the gentleman yield?

Mr. MOORE of Virginia. I will yield to my friend.

Mr. MACLAFFERTY. Do I understand the gentleman to say that Japan has said this or simply some newspapers have said it?

Mr. MOORE of Virginia. Japan has substantially taken that attitude according to the chairman of the committee. That such is the attitude of Japan is to be inferred from what the President of the United States has given out, and should the President not act consistently with that well-warranted assumption, he would be faithless to the American people and would not be accorded their further toleration and respect.

Mr. JOHNSON of Washington. If the gentleman will permit, I will also say further I have been to the White House, and though I am not the spokesman for the President, the gentleman has stated better than I can what occurred. I want to say this further: The Secretary of State has been greatly embarrassed in dealing with the House Committee on Immigration. We are not the Committee on Foreign Affairs; we are not the Senate. These matters that come to this committee have to go into the record. It has not been a pleasant matter.

Mr. MOORE of Virginia. Gentlemen need not be frightened, for even if the President were inclined to do what he has stated he will not do, the Senate would check his attempted exercise of power. [Applause.]

Mr. RAKER. Will the gentleman yield for a question?

Mr. MOORE of Virginia. Certainly.

Mr. RAKER. Has the gentleman noticed the public print of a week ago, Thursday, that the President was against exclusion, and also that the public print carried the fact that the conferees had agreed upon the House amendment and then the President gave an interview he was in favor of exclusion, and it was sent out broadcast?

Mr. MOORE of Virginia. I will say to my friend there are so many public prints it is impossible to keep up with them, but since the newspaper announcements as to the President's intention, as I have outlined it, is confiremd by the statements of his advisers here and elsewhere——

Mr. WATKINS. But the gentleman will not dispute Japan did say officially after we passed the bill with this section in it that grave consequences would occur, did she not?

Mr. MOORE of Virginia. That was said by the Japanese ambassador, who soon wrote a lengthy letter explaining that he had been misunderstood.

Mr. JOHNSON of Washington. I will say that if there is a man on this floor who knows exactly what happened in Japan, China, Mongolia, and Manchuria, let him stand up and say something about it.

Mr. WATKINS. I do not notice anybody over there standing up.

Mr. MOORE of Virginia. It is said here that Japan should not be affronted, that Japan should not feel aggrieved by action without conference or notice. The reply to that which we can make as a Nation that is unafraid and that should be supremely anxious to maintain the peace of the world is that everybody knows that throughout history difficulties of most serious sort have arisen and armed conflicts have occurred because the sensibilities of some nation have been offended, even where no offense may have been intended. [Applause.]

The SPEAKER. The time of the gentleman has again expired.

Mr. RAKER. I yield four minutes to the gentleman from Texas [Mr. Box].

Mr. JOHNSON of Washington. I yield two minutes to the gentleman from Texas [Mr. Box].

Mr. BOX. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none.

Mr. BOX. Mr. Speaker and gentlemen of the House, this is not suddenly sprung on Japan.

It was discussed widely in America and Asia years ago. It was discussed by President Roosevelt. It was one of the live topics of discussion when I became a member of this committee five years ago. It was considered by the Immigration Committee. The question was widely discussed almost the world over five years ago. It has been discussed in this House. It has been discussed every year and almost every week and almost every day; and now for Japan to say that it has been suddenly sprung is very remarkable, and for those who would apologize for the action of the conference committee in acting on such a claim, if that is any excuse at all, is to show how hard pressed they are for an excuse.

This proviso means something or it means nothing. If it means anything it means that the President is invited to exercise some power in dealing with Japan by treaty controlling Japanese immigration. If it means anything at all it means that. It is said that this act goes into effect on the 1st of March, 1925, regardless of the proviso. If that is going to be the result anyhow, why this proviso? It must serve some purpose, or it must serve none. If it serves any, it means to invite the President to continue to control this problem by agreements or treaties. If it does not mean that, it does not mean anything. If it means nothing, it ought not to be put in the law.

Mr. CABLE. Mr. Speaker, will the gentleman yield?

Mr. BOX. Yes.

Mr. CABLE. Does the gentleman understand that it could have any legal effect anyway? The President could act anyway?

Mr. BOX. Yes; the gentleman from Ohio is right. This is an absurd thing.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. BOX. Yes.

Mr. STEVENSON. This is a legislative recognition of a void agreement?

Mr. BOX. Yes. That goes to a primary question, the recognition of an informal Executive agreement made with a foreign power as prevailing law, hindering the freedom of Congress.

Now, Mr. Speaker and gentlemen of the House, the primary question is whether or not the great, fundamentally important question of regulating immigration is to be handled by Congress, this House participating, or whether it is to be by the Executive and foreign powers. This House has been giving imperfect but more or less apt and prompt expression of the public desire for protection against those whose coming does not promise good for the country. Since I have been here I have noticed that opponents of restriction have been moving steadily forward in the effort to get this subject out from the control of Congress and get it into a forum where the Executive and foreign powers would control it. Foreign powers have conflicting interests with ours. No member of the House Committee on Immigration and Naturalization can have failed to recognize the fact that I have seen and feared this movement and sought to combat it. Whether or not any of them have shared in that fear, they know that I have felt it almost from the day I came here. Vitally involved in this question is the question whether our Government will control this problem in its own interests and its own way, or whether other countries shall have a voice in it. We are asked to have the President say to an Asiatic nation, "We will consult you about how many of your people will come." When Italy asks the same privilege can we consistently say, "No." She has asked it. You will find it in a communication from the Italian Government of September 15, 1921, to our State Department. They are asking the same privilege. Are we to say to Japan, "Yes; you have a voice in that question; because of your peculiar sensibilities we will consult your feelings." Italy says that this law discriminates against her and has already asked for the same privilege in discussing the immigration from Italy. How can we go forward like a dignified Nation taking care of our affairs and dealing with all other countries alike, with a realization of the important interests involved, and give to Japan this privilege and not allow it to other nations?

Japan, if she asks it, is not merely asking that she be treated as other countries are treated. She is asking that she be treated as we do not treat anybody else; but other nations will certainly ask that the same privilege be conceded to them after we concede it to Japan.

This controversy involves the question whether hereafter this problem is to be controlled by the Congress of the United States or by the treaty-making power arguing in a forum when foreign voices are equal to ours. The Presidents have rarely seen this problem as this Congress has seen it. Practically all restriction in immigration legislation has had to be passed over the President's veto. I could cite many instances covering the whole history of the legislation for 40 years. But for the passage of such legislation, some of which, much of which, abrogated treaties, China's millions would have poured in here. A long line of presidential vetoes marks the progress of all this necessary legislation. Where would the country be now if the will of Presidents Hays, Arthur, Cleveland, Taft, and Wilson as to immigration had prevailed?

In spite of all our restrictions and safeguards we have already imperiled our racial character and the stability and permanence of our institutions by the number and character of the immigration admitted. Now, if we turn it over to the President, whose views are usually different from those of Congress and

the country, and foreign governments whose interests conflict with ours, we will do a foolish, a ruinous thing.

Japan says she wants no voice in this domestic question. She seems to want it controlled by treaty or agreement made with her. She will have a voice in the treaty or agreement, will she not? If the treaty or agreement controls our policy and she has a voice in the agreement or treaty, will she not have a voice in this country's policy? [Applause.]

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. BOX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. OLIVER].

The SPEAKER. The gentleman from New York is recognized for three minutes.

Mr. OLIVER of New York. Mr. Speaker and gentlemen, I shall vote against the conference report, because I believe it is a fraud upon itself and I believe it is a fraud upon diplomacy.

I have listened with a great deal of attention to the statement of the distinguished chairman of the committee, the gentleman from Washington [Mr. JOHNSON], when he said that the delay in the date of the exclusion of the Japanese to March 1 was put in there so that the United States could blow a kiss to Japan. That was his expression.

I hope we are going to blow a cool, calculating kiss to Japan. He is sending us out on a romantic mission of gaining the friendship of Japan, or keeping what friendship we have. He wants to have Japan believe that we are blowing her a nice, cool, calculating kiss without knowing we are reserving for her at the same time a nice, cool kick due March 1; first, blow a kiss at her, and if the kiss does not land where we aim it, then to throw at her a nice, swift kick.

What fine diplomacy this is! What will the Japanese say? How many of them can we fool by this process?

The gentleman from Washington [Mr. JOHNSON] said he was saving the bill by putting this provision in. From whom can he save it? The only man who can put this bill in peril is the President of the United States. So he meant by that, I take it, in reason, that the President would veto it if this provision was not in it.

Mr. JOHNSON of Washington. I hope I did not make any threat.

Mr. OLIVER of New York. But the gentleman made that statement, and I am drawing the inference that a jury would draw from a statement made by so distinguished a gentleman as the gentleman from Washington that the only man who could put it in peril is the President of the United States. The President of the United States blew a kiss to the people of California and then a little while after, according to the gentleman from Washington, he threatened the bill with a swift kick. Kisses and kicks seem to be the rule of diplomacy and politics to-day.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. OLIVER of New York. No; I will not yield.

Mr. JOHNSON of Washington. The gentleman does not favor any part of the bill anyway, does he?

Mr. OLIVER of New York. No; I do not favor any part of the bill, but I am commenting on the diplomacy of the gentleman from Washington, who did not know, from the first day of this session until he went up to the conference with the President of the United States, that there was a diplomatic question before the United States of America. [Applause.] He has just learned it. I heard the debate on this bill, but not a word was said by the gentleman about the friendship we owe to Japan and about the great diplomatic situation we might create. Oh, no. But when he ate White House food he learned something about the diplomatic situation. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. JOHNSON of Washington. I yield three minutes to the gentleman from Kansas [Mr. TINCHER].

The SPEAKER. The gentleman from Kansas is recognized for three minutes.

Mr. TINCHER. Mr. Speaker and gentlemen of the House, in my judgment the proposition before the House is plain and not at all complicated. The Congress has decided that we will have Japanese exclusion, but our relations with Japan have not been the same as they have been with other countries. For instance, we objected to Japanese immigration when we had an open door for Italy; so we had, it seems, an arrangement which would preclude Japanese from coming to this country. That has been called the "gentlemen's agreement," by which we have had a very limited Japanese immigration into the country.

The bill as introduced would not have taken effect for several months, but it has taken so long for its consideration that if we had July 1 as the date when it becomes effective that will abrogate the gentlemen's agreement rather abruptly.

The Secretary of State and the Executive, having to deal with a foreign power, have said they thought it would be fair to defer the taking effect of a law supplanting the gentlemen's agreement until March 1, 1925; that we treat Japan in a fair way, and call upon them for a meeting, not to make a treaty but to abrogate the agreement. There is nothing complicated in that proposition.

Three classes are opposing the adoption of this conference report. First, and the most enthusiastic, the gentlemen who are against any immigration law; second, some Members from the west coast who are prejudiced whenever the word "Japan" is mentioned; and, third, those ill-advised people who think they can get something on Calvin Coolidge by turning down this report. That is the proposition. [Laughter on the Democratic side.] You can laugh all you want to, but that is true, and you are trying to drag this into politics to that extent.

Mr. LINEBERGER. Will the gentleman yield?

Mr. TINCHER. No; not under the circumstances. Let me suggest further that no Member of this House has a right to vote against this conference report and claim he is friendly to a law regulating immigration. [Laughter.] I do not understand that there ought to be any objection to the few kind remarks I am making going into the RECORD. It has been suggested that Calvin Coolidge could not have carried California if it had not been for the people thinking he was for Japanese exclusion, and I think the morning paper had that thing about right. There is nobody in the United States against Coolidge but HIRAM JOHNSON, and Hiram ought to find it out some time. [Laughter and applause.]

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. JOHNSON of Washington. Mr. Speaker, I yield one minute to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Speaker, I yield the one minute to the gentleman from California [Mr. LEA]. [Applause.]

Mr. LEA of California. Mr. Speaker, the original request of the Secretary of State that Congress waive its right to settle the Japanese immigration question and authorize the Secretary of State to adjust the matter by treaty had some merit. That suggestion at least had the merit of furnishing substantial grounds for mollifying the feeling of Japan. If the United States committed itself to a Japanese immigration policy by a plan which could be established only with the consent of Japan, no doubt it would temporarily appease that country. A plan even so unworthy of an American Congress would at least have the poor merit of temporarily appeasing that nation, to whom we would have assigned a function of the American Congress.

But the plan now before us is devoid of even the poor merit of the plan first suggested. It is now proposed that we postpone Japanese exclusion until March 1, 1925; that we request the President to negotiate with Japan in relation to our immigration question. It is claimed that the object of the proposed negotiations is to abrogate the so-called gentlemen's agreement. That agreement is void. It was entered into without authority. Japan knows and everybody else knows it was never binding upon either party, because not entered into by persons having authority to make it or according to the requirements of our Constitution.

Congress can not perform its duty, it can not preserve its self-respect, if it ratifies that void agreement, made without authority, and the terms of which are still unknown to the American people. Shall we solemnly request the President of the United States to conduct negotiations for the purpose of abrogating a void agreement, the terms of which have never been exposed to the light of day?

Immigration is the domestic problem of America. For one, I shall not be responsible for a course of action that concedes to any nation the right of being party to the settlement of our immigration problems.

It is declared that the failure to adopt the provision in question will hurt the feelings of Japan and largely undo the good feeling and friendly relations created by the disarmament conference. This contention suggests the importance of dealing candidly and fairly with our international problems.

We entered into a conference with Japan, admittedly for the purpose of settling causes of irritation and dispute and pro-

moting peaceful relations founded on understanding. Everybody in America knew; everybody in Japan knew; every intelligent man in the world knew, that the most irritating question between the United States and Japan was the question of immigration. In the disarmament conference, we lacked candor; we lacked courage. Instead of settling, or attempting to settle, the primary source of irritation between these two countries, we evaded the question. We ignored the one question the settlement of which, above all others, was essential to the peace and understanding of these two nations. We contented ourselves by confining the agreement to questions of little controversial importance between this country and Japan. We looked the other way and declared our problems settled.

The same sort of diplomacy, the diplomacy of evasion, of expediency, of temporary convenience, is to-day dictating the policy in reference to this bill. Shall we be candid, courageous, and fair, adopt a policy that will be the definite final policy of America, or shall we shift, evade, promote the continuation of the irritation between these two nations and postpone until some more unfortunate day the time when this great question shall be settled?

I believe in settling the question now, courageously, candidly, honestly, not in hate for Japan but in justice to America and her future.

I do not concede that this provision could ever be adopted as the deliberate judgment of this House. We invite the President of the United States to negotiate a treaty with Japan. For what? To make a new law, or change the law that Congress shall this day adopt, in reference to immigration from Japan? The gentleman from Virginia [Mr. MOORE] says "no." If you agree with his "no," then you have reduced this proposition to an absolute absurdity. The only reason then advanced for negotiating this treaty with Japan is to mollify her feelings. Such an argument is a reflection upon the intelligence of Japan. [Applause.]

Is the pride, the spirit, and intelligence of Japan so dull that she will be appeased by inviting her to negotiate the abrogation of an agreement we have already abrogated? Is such an invitation a peace offering? Does it indicate good will, consideration, or respect? Would it not be trifling with a great nation? By this very bill you adopt a policy of Japanese exclusion to go into effect on the 1st day of next March. Then you propose to mollify the feelings of the people of Japan by inviting them to help determine the policy you have already adopted. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

Mr. LINEBERGER. Mr. Speaker, I make the same request.

Mr. SABATH. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from California [Mr. LEA], the gentleman from California [Mr. LINEBERGER], and the gentleman from Illinois [Mr. SABATH] ask unanimous consent to revise and extend their remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. SABATH. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. LAGUARDIA].

The SPEAKER. The gentleman from New York is recognized for two minutes.

Mr. LAGUARDIA. Mr. Speaker, the gentleman from Kansas [Mr. TINCHER] has made the startling discovery that gentlemen who are opposed to a bill vote against it. I am going to vote against this conference report, and I will say to the Committee on Immigration that in their eagerness to write an immigration bill, instead of basing it on logic and the economic condition of the country, you have based it on passion, religious hatred, and racial prejudices, and you have gotten yourselves so balled up you will not be able to get out of your difficulties. [Applause.]

Mr. JOHNSON of Washington. That makes the gentleman happy, does it not?

Mr. LAGUARDIA. It makes me happy because I am one who still has a heart; and I am not ashamed to say it. When you wrote your report the chairman of the committee knows that he put all the hatred he could in it, and because Japan peeped you crawled. [Applause.] But when little Rumania protested, you did not say a word. My advice to Rumania is to go down to J. P. Morgan and negotiate a loan, and then, perhaps, when Rumania protests you will heed. [Applause.]

Gentlemen, the suggestion was made and the offer was made to study this immigration problem carefully, to appoint a commission to ascertain the economic needs of the country, the labor and social conditions, and to write your bill accordingly, but you refused to do that. We were willing to go with you to any length on restriction that the requirements of the country needed.

We were charged on the floor of this House with desiring to have the doors wide open. Such is not the case. My opposition to the bill was purely to provide against the vicious intentional discriminations. These discriminations were not denied. A reading of the debate on the floor of this House proves beyond a doubt that the mathematics of the bill were worked out in order to discriminate against certain races. We were willing to go along with the committee on any percentage that would meet the economic condition in the country, always bearing in mind the necessity of assimilation, but you refused to do it. Gentlemen, you will recall that every humane amendment that was offered on the floor of the House was ruthlessly voted down. You come before us now with the bill not strengthened, but hardened; not made better, but worse. Even the relative provision which was in the House bill is now taken out and you leave an extra quota provision only for the wives of American citizens. How can this wife get over here? Judges now are refusing naturalization to applicants until their wives arrive, on the ground that perhaps their wives may not be eligible to admission, and they say they do not want to divide a family. That is growing to be the practice. You will recall that when this bill was being sponsored on the floor of this House you made a personal appeal through the Representatives of the Pacific coast. You took pride in it; you boasted of it, that finally a provision was written into the immigration law that would permanently stop the entrance of Asiatics. Now you find opposition from the very Members from whom you sought and received support.

I am going to vote for a motion to recommit. I am going to vote to send this bill back to conference. I will vote for anything which will compel the authors and sponsors of this bill to take time to deliberate, to consider, to study, and to bring in a bill in this House that the American people need not be ashamed of. I still believe that if this House desires to limit immigration on a quota basis that the quota should be one that is fair and impartial to all. I believe that it is proper at this time to ask the conferees to reconsider the humane provisions offered and to reinstate in the bill the provision permitting the entrance outside of the quota of wives, mothers, fathers, and children of residents. It seems to me that when an alien has arrived in this country and is making good and we know of his good character and his devotion to his new country it is not asking too much that he may have an opportunity to send for his immediate blood relatives.

I can understand the embarrassing situation in which the President of the United States finds himself; but the time to confer with the Committee on Immigration was before the bill was written and not now, and I submit, gentlemen, that if changes are to be made, then changes should be made along the line, and perhaps eventually a fair immigration bill may be written.

I am not deceiving myself one bit on the situation. I realize that the situation to-day will make a queer alignment. I appreciate that some of the gentlemen who are voting to recommit this bill are extreme restrictionists and would vote for any kind of a restriction bill. It is proper that we take advantage of the parliamentary situation and as a protest to the ruthlessness of the committee in ignoring, I might say, sneering at every amendment offered and voting down every suggestion, that now the bill be sent back and that they give it the careful study that should have been given when the bill was written. Yes, gentlemen, I repeat, had there been less hate and less prejudice, more logic and more kindliness, you would not find yourselves in this present plight. I shall vote to recommit the bill.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SABATH. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker and gentlemen, the works of Edmund Burke abound in many wise and terse sayings, but the designers of his monument, set up here in Washington at Twelfth Street and Massachusetts Avenue, preferred this one maxim, among them all, to adorn its pedestal: "Magnanimity in politics is not seldom the truest wisdom."

We have come now to a pass in the deliberations of this body where, waiving all partisanship aside, we can confirm and realize the truth of that maxim. The issue before us, however, does not call for magnanimity so much as politeness. Nations must be decent as well as men.

There are times when political minorities can be magnanimous, and this is such a time. I am not going to attack the President. On the contrary, I must say that I approve of his stand for wisdom and magnanimity and true statesmanship at

this moment, which may prove to be a turning point in our history. I realize the fascination in the idea of worrying the majority, but in matters of international moment a minority should rise above so mean a plane.

The temptation is also attractive to those who fought the bill as a whole to refuse the President's request, reject the conferees' amendment, and thus challenge the President to veto the measure. This would be a futile gesture, from which the opponents of the measure can hope to obtain only a temporary respite. Everyone knows that those who dangle this alluring prospect as a bait have their minds set on passing the bill, in such an eventuality, over the President's veto. In short, the opponents of the bill are asked to form a vain and purposeless alliance, justifiable neither in good morality nor in practical results. The President is to be commended, however much certain gentlemen in this House may take his rebuke to heart. We had no right, under the Constitution, to pass a measure so despicable and thoughtless, involving us, as it will, in international controversies, without giving the President an opportunity to exercise his treaty-making power under the Constitution.

This sectio —12b in the House bill and 13c in the Senate amended bill—should never have been written. It was a piece of futile meddlesomeness. The subject should have been left in the hands of the treaty-making power. "But," they say, "the agreement of 1907 has not been lived up to." If that were true, the answer is, "So will your statute be evaded. If a treaty can not be written strong enough to prevent evasion, how can you get better results from a statute?"

But the fact is that if more Japs come into our country than the quota agreed on, it is not with the consent or connivance of the Japanese Government. They slip over the border, and they would continue to do that, treaty or no treaty, statute or no statute.

As to Japan seeking to colonize America, no matter with what appearance of authority this charge may be advanced, I can not believe that any nation can be anxious to lose any material part of its wealth—and what greater asset can a nation have than its human assets, its producers?

We know this, that the American idea from the beginning has been that increase of population means an increase in the instrumentalities of production. And we would not look with approval upon any migratory movement which would tend to diminish our own population.

In fact, our chief boast has been our phenomenal increase in population and wealth. Do you suppose that the real psychology of other nations is different? A diminution of their population is just as serious a loss as it would be with us.

If there were not such a rumpus raised about exclusion, I do not think there is a country in the world that would be a bit concerned if we stopped immigration altogether; on the contrary, I think that they would be at heart glad to find a tempting field of immigration eliminated, so that they could keep their people, their wealth producers, at home.

Of course, when publicity is given to the fact that our proposed law contempalates invidious distinctions between races, from that moment race pride is aroused and concern for their own increase of population is forgotten.

WHEN IMMIGRATION IS NOT A DOMESTIC QUESTION

We have heard emphasized throughout this debate that immigration is a domestic question. So it is a domestic question—until you begin to discriminate among nations. If your law applies to all alike, you can make any limitations or restrictions you desire, but the moment you begin to discriminate, then it rises to the level of an international question.

Our fundamental right to keep immigration as a purely domestic question is incontestable. But our tariff is also a domestic question. There is no doubt we can fix any rate we please on imports. But suppose we should attempt to put in force discriminating rates favoring some nations and unfavorable to others. Is it not clear that our action would immediately involve us in international controversies?

It is a fundamental maxim of international law that all nations are entitled to equality of rights and privileges in commercial intercourse. Discriminating duties against the products of one nation in favor of others are necessarily tabooed, and any departure from that principle gives just cause for protest and complaint, and that, too, independent of any treaty we may have containing the most-favored-nation clause. This rests upon the primitive principle of natural justice underlying all international relations.

If it has application, as we must admit, to the products of nations, how much more must it apply to the flesh and blood of races? A nation can rightly protest against a tariff discrimination against its products. Is it not natural that it should feel even more deeply aggrieved when that discrimination is applied to its sons and daughters, particularly when that discrimination manifestly carries with it the implication of racial inferiority?

THE RIGHT OF CITIZENSHIP

The right of citizenship is a different matter. All nations have the right to regulate the conditions under which the franchise is granted and, so long as fundamental differences of races exist, each nation has the right to confine its citizenship, and even its population, within certain racial limits. This may be done without any imputation of inferiority, for, in truth, inferiority is a relative term involving many intricate factors of comparison.

EXCLUSION A DIPLOMATIC QUESTION

The question of exclusion, on the contrary, should be handled diplomatically by conference and treaty—never by a statutory enactment, with all its implications of racial inferiority published to the world. A statute is unilateral; it is what we say without compromise, delicacy, or mitigation. A treaty is bilateral; implies agreement, harmony, and mutual understanding. The burden of exclusion is put on the other party, and as the retention of a nation's nationals is a fundamental factor in its growth and prosperity, the preamble of such a treaty can very well say:

"The Government of ———, being desirous of conserving its productive force and preventing the depletion of its population by immoderate immigration, and the United States being desirous of respecting and upholding the aims of a friendly power in its control of emigration, do hereby agree that the Government of ——— shall confine the issuance of visas for immigration to the United States of ——— persons each year," and so forth.

We are in this quandary to-day because the Immigration Committee exceeded its authority and meddled with the executive functions of this Government, undertaking to abrogate a treaty without authority of law or precedent. Now they have to crawl, but I am glad to see that they have the courage to do it, and I am going to try to help them out of their embarrassment.

I have much to say upon this subject, Mr. Speaker, and I ask at this moment for leave to extend my remarks.

The SPEAKER. The gentleman from New York asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. GRIFFIN. Please do not misunderstand me. I am not in favor of admitting the Japanese to citizenship. Neither am I attached to the notion that they ought to be admitted under the quota. But that, I submit, would have been a simpler and less objectionable method of limiting their immigration than the expedient adopted in this bill of excluding them altogether.

If they had been put on the same plane as other nationalities and had been subjected to the restraints of the quota, the number admissible each year would have been so inconsiderable as to be negligible.

THE GENTLEMEN'S AGREEMENT

The proponents of Japanese exclusion have set up a straw man against which to hurl their thunderbolts. Those who have argued for moderation concede, as I concede, that the Pacific States should have the right to guard against submersion by unassimilable races. We are in perfect harmony with them on that proposition. We do not want to open the doors any wider than they are. We would even be content to have them closed entirely, but we do not want to see the doors slammed in the face of an honorable, highly civilized, and courteous race of people without warning or explanation. We owe that, I should think, to our own self-respect, as well as to theirs.

We have a treaty with them, or what is tantamount to a treaty, entered into, if you please, by President Roosevelt, and no one will dare assert that he was a mollycoddle. If that arrangement does not work satisfactorily, the proper course to pursue is to request the treaty-making power of the Government, under our Constitution, to secure its abrogation. It is hardly polite to throw it into the scrap heap—as this bill did before it was amended in conference—without a word of warning.

The amendment put in the bill in conference is perfectly sane, polite, and proper. I can not see the wisdom of laying the foundation for racial animosities which are bound to continue for generations and menace our posterity with continual rumors and threats of war.

MUNITION MAKERS ONLY ONES TO BE BENEFITED

No one is going to be benefited by this ruthless abrogation of the "gentlemen's agreement" with Japan but munition makers,

armor-plate concerns, shipbuilders, airplane manufacturers, war financiers, and war profiteers. Their stock in trade is war and the rumor of wars. We are foolishly playing into the hands of a pack of unmitigated rascals.

It is rather an odd coincidence that the Admiral Coontz "Revelations" as to the alleged inferiority of our Navy should come just at the moment when the Japanese question happens to be before Congress. If they are true their promulgation would be particularly inauspicious just at the moment that we were preparing to slap Japan in the face, and their publication at this time shows conclusively that they are not true. They will have accomplished their purpose if they stimulate another feverish return of war preparations. We can offset them and block the war speculators by helping the President to conduct the foreign relations of this Government with courtesy and wisdom.

No matter what I think of the bill as a whole, I believe it to be my duty as an American to support the limitation put in it at the instance of the President. In recommending that limitation he is acting as the President of the United States—and all the circumstances support the presumption that he is acting for the welfare of the entire country. He is entitled to our support irrespective of party, and I intend to uphold him by my voice and vote.

Mr. JOHNSON of Washington. Mr. Speaker, I yield four minutes to the gentleman from Colorado [Mr. VAILE].

Mr. VAILE. Mr. Speaker, I am sure our friends from California who have been stirring up all this opposition to this conference report because they do not get it just exactly the way they want it, what they have been asking for for 14 years, and what we are ready to hand them now—I am sure they must be very much gratified to have the support of everybody who is opposed to any restriction of immigration at all. It certainly should be a source of pride to them that they may succeed in defeating the whole cause of restrictive immigration by sending back this bill because they do not get it exactly as they want it.

Let us consider this gentlemen's agreement for a minute. It is an old sore. The gentlemen's agreement never should have been executed. I agree with all that has been said to that effect. It is an Executive agreement, never ratified by the Senate. You can not find out what it is to-day. If you call up the office of the Secretary of Labor, who is charged with enforcing it, you can not find out; but nevertheless that agreement does exist.

It has been recognized by our own statutes, it was recognized by the immigration act of 1921, in which we made an exception for treaties or agreements relating solely to immigration. It was recognized by an addendum to the treaty of 1911 we made with Japan. It has been recognized by Japan, and all that is asked now is that the Executive shall be given an opportunity to abrogate it. All that we say is that it is going to be abrogated; it is abrogated to take effect on March 1, 1925, and, Mr. President, if you wish to proceed to abrogate it before that time by Executive action, all the more power to your arm; but whether you succeed or not, it is going to be a thing of the past on March 1, 1925.

Let me call attention of Members of the House on this side, gentlemen who in every campaign recently have been denouncing the Republicans because we have been as you would say not sufficiently warm in our advocacy of some international schemes of peace, proposed by the last Democratic President, you surely should not object to our giving the President the first opportunity to handle an international situation on a basis of peace and good will when we fix a time limit beyond which the objectionable thing shall not in any event endure.

The great President, elected by your own party, Mr. Wilson, availed himself of this gentlemen's agreement which we concede should be abrogated, but which you will not even give a Republican President time to abrogate.

President Wilson sent Mr. Bryan to California to impress the California people with the right of Japan under the alleged gentlemen's agreement.

That is the peculiar situation in which we find ourselves with Japan. All we ask you to do is to be reasonable. We are giving you exactly what you want, and when we give it to you the gentleman from California [Mr. RAKER] can go back and say "I have won the fight I have been engaged in for 17 years"; but if you kick it over, the fault will not be ours. The fault will lie with the gentlemen who refused to take what they wanted because they could not get it in just their own way. [Applause.]

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Speaker and gentlemen of the House, the gentleman who just concluded, the gentleman from Colorado, stated that the gentlemen's agreement seeking to regulate Japanese immigration ought never to have been made by the President and that nobody now knows what it means or of what it consists, but concluded with a plea that this House, not knowing what the agreement is, an agreement that ought never to have been embraced, recognize by statute that such agreement exists, and that Congress should ask the President to enter into negotiations with the Japanese Government to abrogate it.

When you say "negotiate with Japan" you imply that Japan has the right to abrogate or refuse to abrogate; negotiation means mutual dealing back and forth. The Congress has power to exclude Japanese immigration and I favor the exercise of that power by this Congress.

Gentlemen of the House, I hope I may speak to-day without any hint of partisanship. This is a time for a Representative in the American Congress to speak as an American who respects the Constitution of his country and as a Representative who is willing, without shirking, to perform his duty under it. The issue is not simply the exclusion of a few hundreds or thousands of Japanese; the question is, shall the Congress perform the duties committed to it or surrender its powers to the President?

Gentlemen say that the gentlemen's agreement ought never to have been made. Why? Because it was an unauthorized act of the Executive and invaded the constitutional powers of Congress to regulate the domestic question of immigration. If that agreement ought never to have been entered into it ought to be terminated, not on the 1st of July, 1925, but it ought to be terminated now. [Applause.]

The fundamental objection to the statute as proposed by the committee is that it involves the abdication by this House of its constitutional power to legislate on the subject of Japanese exclusion and evidences a lack of desire to act by requesting the President to perform a function that we should ourselves perform. The Constitution was not made for fair weather alone. Most any form of government can protect the citizen when there is no turmoil and no strain, but the Constitution was made for times of stress and storms. It was not meant that the House of Representatives in the exercise of its constitutional powers should tremble and quiver when some question that is solemn and serious is presented for our deliberation. It was not intended that at such a time we should delegate our authority to the Executive. To-day, moved neither by passion nor prejudice, driven neither by fear nor threat as to the consequences which may follow our actions, this House ought to register now what it has already said was its solemn and sober judgment on this question. [Applause.]

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. JOHNSON of Washington. Mr. Speaker, I yield three minutes to the gentleman from Ohio [Mr. LONGWORTH].

Mr. LONGWORTH. Mr. Speaker, I have always found that in dealing with public as well as with private affairs it pays to be polite. This is a case in point. Shall we accomplish what we are seeking to accomplish gracefully, or shall we accomplish it ungracefully? Shall we do this thing politely or impolitely? That is this whole question. The executive department whose duty it is to administer our international affairs informs us that a great and friendly power has expressed concern if not resentment at the methods by which we do this thing which most of us agree should be done. Why should we imperil our friendship with a great and friendly nation? That she is great, no one doubts; that she is friendly has been proven in the past, and particularly during the Conference on the Limitation of Armaments. That she is valuable as a friend, by the same token, it stands to reason she might be dangerous as an enemy. Why imperil our friendship? You gentlemen from the Pacific coast have won your years' long fight for the exclusion of certain immigration. It detracts nothing from your victory if you postpone its taking effect within a reasonable time. As a matter of fact, you are postponing it in this conference report for no longer a time than was intended when this bill was first considered. Why then shall we imperil the success of the restriction of immigration? The country is in favor of immigration restriction, and to vote against this conference report makes a vote against the restriction of immigration. [Applause.] There are many gentlemen in this House who are in favor of leaving the doors against immigration wide open, and are willing to form any sort of a combination, no matter what, to bring it about.

Mr. RAKER. Mr. Speaker, will the gentleman yield right there?

Mr. LONGWORTH. No; I will not. We favor immigration restriction. Why imperil the success of the cause to which most of us are devoted? Let us stand firm and the victory is ours. [Applause.]

Mr. JOHNSON of Washington. Mr. Speaker, in conclusion I merely say that there is nothing to this charge which has been printed and sent in by telegraph that hundreds of Japanese may come in before March 1; nothing whatever. On the ordinary ship it takes about 17 days to come from Japan. Several hundred have hastened back in the last few days to try and get wives so as to get here by July 1. On July 1 Japan will go on a quota for eight months. That is all there is to that.

Next, I believe I have had something to do with the building up of this bill. For five solid years I have been chairman of this committee and at work on what is now this bill. For the last couple of years I have tried to find words by which we, the committee and the House, might direct the President to do away with this so-called treaty or agreement, and we did not want to use the positive direction and we did not want to use the word "treaty" or even "agreement." That was one trouble for the committee; that was one trouble for me as chairman. When the President himself suggested the words, how could I refuse to accept them when I myself had sought a way to find them? Many things are happening in the Far East and in Russia. Need I say more? I ask you to support the conference report.

The SPEAKER. The question is on agreeing to the conference report.

Mr. RAKER. Mr. Speaker, I offer the following motion to recommit.

Mr. SABATH rose.

The SPEAKER. Who is the senior member of the committee?

Mr. SABATH. I am.

The SPEAKER. The Chair will recognize the gentleman from Illinois.

Mr. SABATH. Mr. Speaker, I offer the following motion to recommit, which I send to the desk.

The Clerk read as follows:

Motion to recommit by Mr. SABATH: Mr. Speaker, I move to recommit the report to the committee of conference.

Mr. LONGWORTH. Mr. Speaker, on that I move the previous question.

Mr. GARRETT of Tennessee. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARRETT of Tennessee. If the previous question should be voted down, would it then be in order to offer an amendment to the motion to recommit?

The SPEAKER. The Chair does not need to inform the gentleman as to the correctness of that statement. The question is on ordering the previous question on the motion to recommit.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were—ayes 114, noes 159.

So the previous question was rejected.

Mr. RAKER. Mr. Speaker, I offer the following amendment in the nature of a substitute to the motion to recommit, which I send to the desk.

The Clerk read as follows:

Mr. RAKER moves to recommit the bill to the committee of conference with instructions on the part of the House not to agree to the proviso reported in the bill submitted by the conference committee, beginning in line 2, page 24, and reading as follows: "That this subdivision shall not take effect as to exclusion until March 1, 1925, before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject."

Mr. RAKER. Mr. Speaker, on that amendment I move the previous question.

Mr. SANDERS of Indiana. Mr. Speaker, I make the point of order against the amendment to the motion to recommit that is proposed by the amendment that it is not a proper motion to recommit to the conferees. The situation is this: The House passed a bill. The bill went to the Senate, and the Senate struck out all of the House bill and wrote an entirely new bill. We disagreed to that Senate amendment, which was an entirely new bill, and asked for a conference, which was agreed to. They went to conference. The conferees on the part of the House receded from their disagreement to the Senate amendment, which was an entire bill, and agreed to an amendment, which was an entirely new bill. A motion now to recommit again to the conferees is a different question than a motion to recommit to a committee of the House, because the House has complete authority and can direct a committee to do anything that it desires, but when we are instructing the conferees appointed by the House we can only instruct those conferees to do what they have the power to do and what they may do. The conferees appointed by this House can do but one thing. They can recede from their disagreement to the Senate amendment and agree to it. They can not agree to it with an amendment, because the Senate conferees might not agree to that. They can only do one of two things—disagree to the Senate amendment or agree to it with an amendment. When a bill is brought back here and a Senate amendment to the bill is submitted to the House, we very frequently recede from our disagreement. When the report from the conferees comes back we can not instruct our conferees to go back there and agree to an amendment which the Senate conferees may or may not agree to. We have not any power to give such instruction to our conferees. In other words, Mr. Speaker, if this motion to recommit is in order, we have not the right to tell our conferees what amendment they may write onto a Senate amendment. We have not any such power. It never has been done so far as a conference report is concerned.

Mr. TILSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TILSON. In what way does the motion to recommit offered by the gentleman from California take the place of the one offered by the gentleman from Illinois?

The SPEAKER. It is offered as an amendment.

Mr. TILSON. As an amendment to it?

The SPEAKER. Yes.

Mr. TILSON. Does it so state in the amendment?

Mr. GARRETT of Tennessee. Offered as a substitute.

Mr. TILSON. It is a substitute for the other?

The SPEAKER. The Chair will hear the gentleman from Tennessee.

Mr. GARRETT of Tennessee. Mr. Speaker, it seems to me that it would be going a long way from the particular parliamentary situation which exists to say that this matter has passed wholly from the conferees of the House of Representatives so long as the committee on conference——

The SPEAKER. That is not the trouble in the mind of the Chair. Of course, by proper amendment the result could be reached, but the point made by the gentleman from Indiana was that this instructed the conferees not to agree to a proviso. Now they have either got to disagree to the whole or agree with an amendment. And they can not disagree to the proviso, it seems to the Chair. However, the Chair will hear argument on that.

Mr. GARRETT of Tennessee. Mr. Speaker, of course the proviso was not put on in the Senate. That is part of the conference report.

The SPEAKER. Exactly.

Mr. JOHNSON of Washington. If the conferees are instructed not to agree to the proviso, the matter is then open between the Senate provision and the House provision. The whole matter was thrown open when the conferees met and it will open it up again.

Mr. GARRETT of Tennessee. You have another section of the bill that takes care of it.

Mr. LONGWORTH. What will be the effect of it, in the gentleman's opinion, if the conferees did disagree; what would happen?

Mr. GARRETT of Tennessee. I do not know what the Senate would do.

Mr. LONGWORTH. What would be the condition in the conference?

Mr. GARRETT of Tennessee. If the conferees disagreed?

Mr. LONGWORTH. If the House refused to agree to this proviso?

Mr. GARRETT of Tennessee. The effect would be for the time being to be out of conference so far as the House is concerned; but they would go back into conference again, I assume, and if they did not I assume the House would have a way to provide conferees who would go.

Mr. JOHNSON of Washington. In case this instruction be given and the other body has not acted on the conference report at all and we should ask for another conference would the other body act on the conference report before they acted on this?

Mr. GARRETT of Tennessee. That question would not be material.

The SPEAKER. The only question is whether the gentleman has taken the right way to obtain the end at which he aims. The Chair will hear argument.

Mr. CRISP. Mr. Speaker, I am not familiar exactly with the way the motion to recommit is written, but the whole matter seems to me to resolve itself into this simple proposition: The Senate struck out all after the enacting clause of the House bill dealing with the restriction of immigration and substituted an entirely new text as one amendment. Of course, a great part of the text was the same as the House bill. But the whole subject matter was in conference between the conferees. Now, under the rules of the House, where the conferees have met under this condition they were authorized to inject new matter that is germane as the Speaker, in my judgment, correctly ruled this morning. The conferees met on that amendment, they reached a complete agreement, and that was embodied in this conference report which is now up for consideration. Now, under the rules of the House, when either one of the bodies—the House or Senate—acts on a conference report, that discharges the conferees, and a motion to recommit to the conferees would not be in order, but until one of the bodies acts on a conference report the conferees are still in existence and it is in order to move to recommit to them.

The SPEAKER. Certainly; there is no question about that.

Mr. CRISP. While the House can not instruct the Senate conferees, the House can instruct its own conferees, who are its agents.

The SPEAKER. Of course.

Mr. CRISP. And, as I understand this amendment, it is to recommit the conference report to the conferees with instruction to the House conferees that in the future conference they must not agree to the provision set out in the amendment. Now, if it goes back to conference and the conferees can not agree, and nothing else is done, that ends the legislation. It does not come back for further consideration. It seems to me clear under those conditions the House can instruct its own conferees that in a further conference not to agree to any provision in a new conference report containing the provision set out in the motion to recommit, which they are instructed not to agree to.

The SPEAKER. There is no doubt that the House has a perfect right to instruct the House conferees, but the technical point of order is made whether the gentleman from California [Mr. RAKER] has gone about it in the right way. The impression of the Chair is that the point is good. This proviso is just one part of the general conference report, and why should they not be instructed—if in a further conference with the Senate conferees they agree at all—to agree to an amendment striking out that proviso? Something of that kind, in the Chair's opinion, would be a proper motion.

Mr. CRISP. Mr. Speaker, if the whole matter is before the conferees, is it not proper for the House to leave to the discretion of the conferees the rest of it, but to bind them as to that one provision, that in the further conference they can not agree to that particular proposition? That is the way it seems to me.

The SPEAKER. Inasmuch as it is purely technical and easily reached the Chair would take the chance that the conferees will be able to act in accordance with the will of the House, and overrules the point of order. The question is on agreeing to the amendment.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. RAKER. A division, Mr. Speaker.

The SPEAKER. A division is demanded.

The House was dividing, when—

Mr. LONGWORTH. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Ohio demands the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. As many as favor the amendment will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 189, nays 174, not voting 69, as follows:

YEAS—189

Abernethy	Blanton	Carew	Davey
Allen	Bloom	Carter	Davis, Tenn.
Allgood	Bowling	Casey	Deal
Almon	Box	Celler	Dickinson, Mo.
Arnold	Boylan	Clancy	Dickstein
Aswell	Brand, Ga.	Cleary	Doughton
Ayres	Briggs	Collier	Dowell
Bankhead	Browne, N. J.	Collins	Doyle
Barbour	Browning	Connally, Tex.	Drewry
Barkley	Buchanan	Connery	Driver
Beck	Bulwinkle	Cook	Eagan
Bell	Busby	Crisp	Evans, Mont.
Berger	Byrns, Tenn.	Croll	Fairchild
Black, N. Y.	Cable	Cullen	Favrot
Black, Tex.	Cannon	Cummings	Fisher
Fredericks	Kerr	Minahan	Sites
Free	Kincheloe	Mooney	Smithwick
Fulbright	Kindred	Moore, Ga.	Steagall
Fulmer	Knutson	Morehead	Stedman
Gallivan	Kunz	Morrow	Stevenson
Gardner, Ind.	LaGuardia	Nolan	Summers, Wash.
Garner, Tex.	Lanham	O'Connell, N. Y.	Sumners, Tex.
Garrett, Tenn.	Lankford	O'Connell, R. I.	Swank
Garrett, Tex.	Larsen, Ga.	O'Sullivan	Swing
Gasque	Lazaro	Oldfield	Tague
Glatfelter	Lea, Calif.	Oliver, Ala.	Taylor, W. Va.
Goldsborough	Lee, Ga.	Oliver, N. Y.	Thomas, Ky.
Greenwood	Lindsay	Parks, Ark.	Thomas, Okla.
Hadley	Lineberger	Peery	Tillman
Hammer	Linthicum	Pou	Tucker
Harrison	Logan	Prall	Underwood
Hastings	Lowrey	Quayle	Upshaw
Hayden	Lozier	Quin	Vinson, Ga.
Hill, Ala.	Lyon	Ragon	Vinson, Ky.
Hill, Wash.	McClintic	Rainey	Watkins
Hooker	McDuffie	Raker	Weaver
Howard, Nebr.	McKeown	Rankin	Wefald
Hudspeth	McReynolds	Rathbone	Weller
Hull, Tenn.	McSwain	Rayburn	Wilson, Ind.
Humphreys	McSweeney	Richards	Wilson, La.
James,	MacLafferty	Romjue	Wilson, Miss.
Jeffers	Major, Ill.	Rubey	Wingo
Johnson, Tex.	Major, Mo.	Salmon	Wolff
Johnson, W. Va.	Mansfield	Sanders, Tex.	Woodrum
Jones	Martin	Sandlin	Wright
Jost	Mead	Schall	
Keller	Miller, Wash.	Shallenberger	
Kent	Milligan	Sherwood	

NAYS—174

Ackerman	Fish	McLeod	Simmons
Aldrich	Fleetwood	MacGregor	Sinclair
Anthony	Foster	Madden	Sinnott
Bacon	Frear	Magee, N. Y.	Smith
Beedy	Freeman	Magee, Pa.	Snell
Beers	French	Manlove	Snyder
Begg	Frothingham	Mapes	Speaks
Bixler	Fuller	Merritt	Sproul, Ill.
Bland	Gibson	Michaelson	Sproul, Kans.
Boies	Gifford	Michener	Stephens
Boyce	Graham, Ill.	Mills	Strong, Kans.
Brand, Ohio	Green, Iowa	Moore, Ill.	Sweet
Britten	Griffin	Moore, Ohio	Taber
Browne, Wis.	Hardy	Moore, Va.	Taylor, Tenn.
Brumm	Hawes	Moores, Ind.	Temple
Buckley	Hawley	Morgan	Thatcher
Burdick	Hersey	Mudd	Thompson
Burtness	Hickey	Murphy	Tilson
Burton	Hill, Md.	Nelson, Me.	Timberlake
Butler	Hoch	Nelson, Wis.	Tincher
Campbell	Holaday	Newton, Minn.	Tinkham
Chindblom	Huddleston	Newton, Mo.	Treadway
Christopherson	Hudson	O'Connor, La.	Underhill
Clague	Hull, Iowa	Paige	Vaile
Clarke, N. Y.	Hull, Morton D.	Parker	Vestal
Cole, Iowa	Johnson, S. Dak.	Patterson	Vincent, Mich.
Colton	Johnson, Wash.	Perkins	Voigt
Cooper, Wis.	Kearns	Perlman	Wainwright
Corning	Kelly	Phillips	Watres
Cramton	Kendall	Porter	Watson
Crosser	Ketcham	Purnell	Wertz
Crowther	King	Ramseyer	White, Kans.
Dallinger	Kopp	Reece	White, Me.
Darrow	Kvale	Reed, N. Y.	Williams, Ill.
Davis, Minn.	Lampert	Roach	Williams, Mich.
Dempsey	Larson, Minn.	Robinson, Iowa	Williamson
Denison	Leatherwood	Robsion, Ky.	Winslow
Dickinson, Iowa	Leavitt	Rogers, Mass.	Wood
Dyer	Little	Sabath	Woodruff
Elliott	Longworth	Sanders, Ind.	Wyant
Evans, Iowa	Luce	Schafer	Young
Fairfield	McKenzie	Schneider	Zihlman
Faust	McLaughlin, Mich.	Scott	
Fenn	McLaughlin, Nebr.	Shreve	

NOT VOTING—69

Anderson	Graham, Pa.	Morin	Stengle
Andrew	Greene, Mass.	Morris	Strong, Pa.
Bacharach	Griest	O'Brien	Sullivan
Byrnes, S. C.	Haugen	O'Connor, N. Y.	Swoope
Canfield	Howard, Okla.	Park, Ga.	Taylor, Colo.
Clark, Fla.	Hull, William E.	Peavey	Tydings
Cole, Ohio	Jacobstein	Ransley	Vare
Connolly, Pa.	Johnson, Ky.	Reed, Ark.	Ward, N. Y.
Cooper, Ohio	Kahn	Reed, W. Va.	Ward, N. C.
Curry	Kiess	Reid, Ill.	Wason
Dominick	Kurtz	Rogers, N. H.	Welsh
Drane	Langley	Rosenbloom	Williams, Tex.
Edmonds	Lehlbach	Rouse	Winter
Fitzgerald	Lilly	Sanders, N. Y.	Wurzbach
Funk	McFadden	Sears, Fla.	Yates
Garber	McNulty	Sears, Nebr.	
Geran	Miller, Ill.	Seger	
Gilbert	Montague	Stalker	

So the amendment to the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kahn (for) with Mr. Funk (against).

Mr. Curry (for) with Mr. Andrew (against).

Mr. Tydings (for) with Mr. Kurtz (against).

Mr. Peavey (for) with Mr. Griest (against).

Mr. O'Connor of New York (for) with Mr. Connolly of Pennsylvania (against).

Mr. Howard of Oklahoma (for) with Mr. Greene of Massachusetts (against).

Until further notice:

Mr. Bacharach with Mr. Gilbert.

Mr. Graham of Pennsylvania with Mr. Williams of Texas.

Mr. Cole of Ohio with Mr. Rouse.

Mr. Lehlbach with Mr. Johnson of Kentucky.
Mr. Wurzbach with Mr. Geran.
Mr. McFadden with Mr. Taylor of Colorado.
Mr. Morin with Mr. Canfield.
Mr. Seger with Mr. O'Brien.
Mr. Ransley with Mr. Stengle.
Mr. Miller of Illinois with Mr. Reed of Arkansas.
Mr. Welsh with Mr. Byrnes of South Carolina.
Mr. Swoope with Mr. Lilly.
Mr. Reid of Illinois with Mr. Drane.
Mr. Vare with Mr. Jacobstein.
Mr. Stalker with Mr. Morris.
Mr. Strong of Pennsylvania with Mr. Dominick.
Mr. Ward of New York with Mr. Ward of North Carolina.
Mr. Fitzgerald with Mr. McNulty.
Mr. Langley with Mr. Clark of Florida.
Mr. William E. Hull with Mr. Rogers of New Hampshire.
Mr. Sears of Nebraska with Mr. Sears of Florida.
Mr. Winter with Mr. Park of Georgia.
Mr. Wason with Mr. Sullivan.
Mr. Edmonds with Mr. Montague.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is now on agreeing to the motion to recommit as amended.

Mr. LONGWORTH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. WINGO. Mr. Speaker, there has been so much confusion that I ask unanimous consent that the motion to recommit as amended be read.

The SPEAKER pro tempore. The gentleman from Arkansas asks unanimous consent that the motion to recommit as amended be read. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the motion to recommit as amended.

The Clerk read as follows:

Motion by Mr. SABATH to recommit the bill to the committee of conference, with instructions to the conferees on the part of the House not to agree to the proviso reported in the bill submitted by the conference committee, beginning in line 2, page 24, and reading as follows: "*Provided*, That this subdivision shall not take effect as to exclusion until March 1, 1925, before which time the President is requested to negotiate with the Japanese Government in relation to the abrogation of the present arrangement on this subject."

Mr. FREE. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FREE. As I understand, the other was offered as a substitute and not as an amendment?

Mr. LINEBERGER. It was offered as a substitute.

The SPEAKER. pro tempore. The Clerk read the Sabath motion as amended by the Raker substitute. The yeas and nays have been ordered, and the question is on agreeing to the motion to recommit as amended.

The question was taken; and there were—yeas 192, nays 171, not voting 69, as follows:

YEAS—192

Abernethy	Cullen	Jeffers	Nolan
Allen	Cummings	Johnson, Tex.	O'Connell, N. Y.
Allgood	Davey	Johnson, W. Va.	O'Connell, R. I.
Almon	Davis, Tenn.	Jones	O'Sullivan
Arnold	Deal	Jost	Oldfield
Aswell	Dickinson, Mo.	Keller	Oliver, Ala.
Ayres	Dickstein	Kent	Oliver, N. Y.
Bankhead	Doughton	Kerr	Parks, Ark.
Barbour	Dowell	Kincheloe	Peery
Barkley	Doyle	Kindred	Perlman
Beck	Drewry	Kunz	Pou
Bell	Driver	Kvale	Prall
Berger	Eagan	LaGuardia	Quayle
Black, N. Y.	Evans, Mont.	Lanham	Quin
Black, Tex.	Fairchild	Lankford	Ragon
Blanton	Favrot	Larsen, Ga.	Rainey
Bloom	Fisher	Lazaro	Raker
Bowling	Fredericks	Lea, Calif.	Rankin
Box	Free	Lee, Ga.	Rathbone
Boylan	Fulbright	Lindsay	Rayburn
Brand, Ga.	Fulmer	Lineberger	Reed, Ark.
Briggs	Gallivan	Linthicum	Richards
Browne, N. J.	Gardner, Ind.	Logan	Romjue
Browning	Garner, Tex.	Lozier	Rubey
Buchanan	Garrett, Tenn.	Lyon	Sabath
Buckley	Garrett, Tex.	McClintic	Salmon
Bulwinkle	Gasque	McDuffie	Sanders, Tex.
Busby	Goldsborough	McKeown	Sandlin
Byrns, Tenn.	Greenwood	McReynolds	Schafer
Cable	Hadley	McSwain	Schall
Cannon	Hammer	McSweeney	Schneider
Carew	Harrison	MacLafferty	Shallenberger
Carter	Hastings	Major, Ill.	Sherwood
Casey	Hawes	Major, Mo.	Sites
Celler	Hayden	Mansfield	Smithwick
Clancy	Hill, Ala.	Martin	Steagall
Cleary	Hill, Wash.	Mead	Stedman
Collier	Hooker	Miller, Wash.	Stevenson
Collins	Howard, Nebr.	Milligan	Summers, Wash.
Connally, Tex.	Hudspeth	Minahan	Sumners, Tex.
Connery	Hull, Tenn.	Mooney	Swank
Cook	Humphreys	Moore, Ga.	Swing
Croll	James	Morrow	Tague
Taylor, W. Va.	Underwood	Watkins	Wilson, La.
Thomas, Ky.	Upshaw	Weaver	Wilson, Miss.
Thomas, Okla.	Vinson, Ga.	Wefald	Wingo
Tillman	Vinson, Ky.	Weller	Woodrum
Tucker	Voigt	Wilson, Ind.	Wright

NAYS—171

Ackerman	Fitzgerald	McKenzie	Shreve
Aldrich	Fleetwood	McLaughlin, Mich.	Simmons
Anthony	Foster	McLaughlin, Nebr.	Sinclair
Bacon	Frear	McLeod	Sinnott
Beedy	Freeman	MacGregor	Smith
Beers	French	Madden	Snell
Begg	Frothingham	Magee, N. Y.	Snyder
Bixler	Fuller	Magee, Pa.	Speaks
Bland	Gibson	Manlove	Sproul, Ill.
Boyce	Gifford	Mapes	Sproul, Kans.
Brand, Ohio	Graham, Ill.	Merritt	Stephens
Britten	Green, Iowa	Michaelson	Streng, Kans.
Browne, Wis.	Griffin	Michener	Sweet
Brumm	Hardy	Mills	Taber
Burdick	Haugen	Moore, Ill.	Taylor, Tenn.
Burtness	Hawley	Moore, Ohio.	Temple
Burton	Hersey	Moore, Va.	Thatcher
Butler	Hickey	Moores, Ind.	Thompson
Campbell	Hill, Md.	Morehead	Tilson
Chindblom	Hoch	Morgan	Timberlake
Christopherson	Holaday	Mudd	Tincher
Clague	Huddleston	Murphy	Tinkham
Clarke, N. Y.	Hudson	Nelson, Me.	Treadway
Cole, Iowa	Hull, Iowa	Nelson, Wis.	Underhill
Colton	Hull, Morton D.	Newton, Minn.	Vaile
Cooper, Wis.	Hull, William E.	Newton, Mo.	Vestal
Corning	Johnson, S. Dak.	O'Connor, La.	Vincent, Mich.
Cramton	Johnson, Wash.	Paige	Wainwright
Crisp	Kearns	Parker	Watres
Crosser	Kelly	Patterson	Watson
Crowther	Kendall	Perkins	Wertz
Dallinger	Ketcham	Phillips	White, Kans.
Darrow	King	Porter	White, Me.
Davis, Minn.	Knutson	Purnell	Williams, Ill.
Dempsey	Kopp	Ramseyer	Williams, Mich.
Denison	Lampert	Reece	Williamson
Dickinson, Iowa	Larson, Minn.	Reed, N. Y.	Winslow
Dyer	Leatherwood	Roach	Wood
Elliott	Leavitt	Robinson, Iowa	Woodruff
Evans, Iowa	Little	Robsion, Ky.	Wyant
Faust	Longworth	Rogers, Mass.	Young
Fenn	Lowrey	Sanders, Ind.	Zihlman
Fish	Luce	Scott	

NOT VOTING—69

Anderson	Gilbert	Morin	Strong, Pa.
Andrew	Glatfelter	Morris	Sullivan
Bacharach	Graham, Pa.	O'Brien	Swoope
Boies	Greene, Mass.	O'Connor, N. Y.	Taylor, Colo.
Byrnes, S. C.	Griest	Park, Ga.	Tydings
Canfield	Howard, Okla.	Peavey	Vare
Clark, Fla.	Jacobstein	Ransley	Ward, N. Y.
Cole, Ohio	Johnson, Ky.	Reed, W. Va.	Ward, N. C.
Connolly, Pa.	Kahn	Reid, Ill.	Wason
Cooper, Ohio	Kiess	Rogers, N. H.	Welsh
Curry	Kurtz	Rosenbloom	Williams, Tex.
Dominick	Langley	Rouse	Winter
Drane	Lehlbach	Sanders, N. Y.	Wolff
Edmonds	Lilly	Sears, Fla.	Wurzbach
Fairfield	McFadden	Sears, Nebr.	Yates
Funk	McNulty	Seger	
Garber	Miller, Ill.	Stalker	
Geran	Montague	Stengle	

So the motion to recommit as amended was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Kahn (for) with Mr. Funk (against).
Mr. Curry (for) with Mr. Andrew (against).
Mr. Tydings (for) with Mr. Kurtz (against).
Mr. Peavey (for) with Mr. Griest (against).
Mr. O'Connor of New York (for) with Mr. Connolly of Pennsylvania (against).
Mr. Howard of Oklahoma (for) with Mr. Greene of Massachusetts (against).
Mr. Rouse (for) with Mr. Swoope (against).
Mr. Johnson of Kentucky (for) with Mr. Cole of Ohio (against).
Mr. Taylor of Colorado (for) with Mr. Vare (against).
Mr. Canfield (for) with Mr. Strong of Pennsylvania (against).

Until further notice:

Mr. Boies with Mr. Dominick.
Mr. Kiess with Mr. Glatfelter.
Mr. Fairfield with Mr. Jacobstein.
Mr. McFadden with Mr. Lilly.
Mr. Lehlbach with Mr. McNulty.
Mr. Morin with Mr. Rogers of New Hampshire.
Mr. Rosenbloom with Mr. Sumners of Texas.
Mr. Garber with Mr. Wolff.

The result of the vote was announced as above recorded.

PERMISSION TO ADDRESS THE HOUSE

Mr. WATSON. Mr. Speaker, I ask unanimous consent to address the House on Tuesday after the reading of the minutes and the disposal of the business on the Speaker's table for 15 minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for 15 minutes on Tuesday next. Is there objection?

Mr. LONGWORTH. Mr. Speaker, I hope the gentleman will not make that request.

Mr. WATSON. Mr. Speaker, there has been a different arrangement, and I withdraw the request.

IMMIGRATION

Mr. WEFALD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of immigration.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. WEFALD. Mr. Speaker, having obtained the right to extend my remarks on the immigration bill (now in conference) and which is to come before the House again on Thursday, May 15, I wish to call the attention of the membership of the House to some, in my mind, very serious weaknesses of the bill, which I hope will be remedied by again sending the bill back in conference with unmistakable instructions.

I was one of those who voted to send this bill back into conference with instructions to delete from the bill the extention of time for the exclusion of Japanese immigration to go into effect that had been written into the bill in conference at the request of President Coolidge.

I so voted because it was against the clearly expressed dictum of both House and Senate as the immigration bill came out of either House. I do not believe that a conference committee should write a new law, contrary to the expressed will of the majority. I did not vote as I did because I believed that the difference in time between July 1, 1924, and March 1, 1925, would spell such a grave danger to the country from the Japanese immigration.

I was one of those who whole-heartedly supported the bill on its discussion and passage in the House. I believe that as the bill was when it left the House it was fairly representative of the majority opinion of the country. As the bill came back from conference it is nothing short of a farce and a travesty on justice.

In the hubbub and excitement over the Japanese-exclusion section all else was lost sight of, but I dare say that the bill as it stood when brought out of conference had several other just as objectionable features in it as the Japanese question. These must be made right when the bill comes back to the House.

One of the worst features of the bill is the sections relating to the seamen.

It was not the intention of those who voted for this bill when it passed this House that they willingly lent themselves to the destruction of any organized labor force, yet such will be the effect of the bill on the organized seamen. The seamen were taken out of slavery by the passage of the La Follette seamen's act; this bill will, if not amended, put them back into slavery.

The president of the seamen's union, the most unselfish and high-minded labor leader in America, Mr. Andrew Furuseth, has vainly pleaded the cause of the seamen before both House and Senate Immigration Committee. Being a high-minded man and a patriotic American, he acquiesced in the immigration bill passing the House in the form it did, upon being told that any change in the seamen's provision from the way the bill was written would mean the defeat of the bill, as the interest of the country at large was greater than that of the seamen.

That condition has now changed. The only thing that now endangers the bill from becoming a law is those provisions that have been written into it in the conference.

In order that the membership of the House may know what to do to do justice to our seamen, I herewith submit to have printed in the RECORD a statement from Mr. Furuseth, president Seamen's Union. That, in clear and concise language, sets forth the case of the seamen. It reads as follows:

MEMORIAL ON IMMIGRATION BILL BY ANDREW FURUSETH ON BEHALF OF THE SEAMEN

Section 19 places the seamen under the immigration laws. Immigration laws are defined as all acts, treaties, and conventions, including this act, dealing with immigration, exclusion and expulsion of aliens, so that the seaman will, first, have to comply with all the provisions of the former immigration statutes, and in addition to that he must be capable of becoming a citizen of the United States under this proposed statute.

Section 21 provides that the master of a vessel must hold the seaman on board, first, until examined; second, until deported either by himself in the same ship or by order of the Secretary of Commerce in some other ship, unless the seaman shall be permitted to land. Having no immigration visé, of course, he can not land in the United States under the immigration laws, as they will be amended, if these two sections are adopted. The failure of the master to hold the seaman to the vessel carries with it a penalty of $1,000.

Section 4 of the seamen's act was passed (1) to liberate the seamen, (2) to induce Americans to go to sea, and (3) to equalize the wage cost of foreign and American merchant vessels. It gives to the seaman the right to demand one-half of the wages earned, and if that is refused to leave the vessel and apply to the courts for the payment of all the wages earned. This section of the seamen's act has been most seriously contested by foreign and domestic shipping companies. It finally came before the Supreme Court of the United States in the case of Dillon *v.* Strathearn (U. S. 252, p. 358). Great Britain appeared through amicus curiæ. The United States was represented through the Department of Justice, and the Supreme Court unanimously held this section to be valid law.

Sections 19 and 21 of the immigration bill and section 4 of the seamen's act can not operate together if the immigration laws and the seamen's act are both to be obeyed. If you do not desire to repeal section 4 of the seamen's act, sections 19 and 21 of this act must be deleted. The seamen were given a definite promise by the committees of both branches of Congress that no part of the seamen's act would be repealed.

Respectfully submitted. ANDREW FURUSETH.

WASHINGTON, D. C., *May 9, 1924.*

I understand that one of the members of the Committee on immigration will, when the bill comes back into the House on next Thursday, present amendments to the bill to straighten out the tangle on the seamen's sections. For that reason I now submit a memorandum containing proposed amendments that ought to be adopted if the seamen's act shall not be repealed by the passage of this bill.

Memorandum concerning changes which should be made in the seamen's sections of H. R. 7995, in order to make those sections fairly effective from the immigration standpoint, and in order that this proposed law shall not result in repealing any provisions of the seamen's act. (The print of the bill used in preparing this memorandum is Conference Committee Print No. 6, of May 8, 1924)

All provisions requiring the seamen to have landing cards and provisions relating to such landing cards should be eliminated from the bill in conference through the deletion of each and every paragraph of section 20 thereof. These suggestions proceed upon the premise that the landing-card arrangement will be definitely abandoned.

Section 19 of the bill—lines 15–22, page 29—should be stricken out, because the provisions thereof treating alien seamen as though "excluded from admission into the United States under the immigration laws" are in direct conflict with the fifth clause of section 3—lines 8–12, page 5—excepting from the "definition of immigrant" any alien who is "a bona fide alien seaman serving as such on a vessel arriving at a port of the United States and seeking to enter temporarily the United States solely in the pursuit of his calling as a seaman." And in order that the bill may clearly show the extent to which and the purpose for which alien seamen are to be examined there should be inserted as section 19 the following:

(a) Every alien employed on board of any vessel arriving in the United States from any place outside thereof shall be examined by an immigration inspector to determine whether or not (1) he is a bona fide seaman, and (2) he is an alien of the class described in subdivision (d), section 20 hereof; and by a surgeon of the United States Public Health Service to determine (3) whether or not he is suffering with any of the disabilities or diseases specified in section 35 of the immigration act of 1917.

(b) If it is found that such alien is not a bona fide seaman, he shall be regarded as an immigrant, and the various provisions of this act and of the immigration laws applicable to immigrants shall be enforced in his case. From a decision holding such alien not to be a bona fide seaman the alien shall be entitled to appeal to the Secretary, and on the question of his admissibility as an immigrant he shall be entitled to appeal to the Secretary, except where exclusion is based upon grounds nonappealable under the immigration laws. If found inadmissible, such alien shall be deported, as a passenger, on a vessel other than that by which brought, at the expense of the vessel by which brought, and the vessel by which brought shall not be granted clearance until such expenses are paid or their payment satisfactorily guaranteed.

(c) If it is found that such alien is subject to exclusion under subdivision (d) of section 20 hereof, the inspector shall order the master to hold such alien on board pending the receipt of further instructions.

(d) If it is found that, although a bona fide seaman, such alien is afflicted with any of the disabilities or diseases specified in section 35 of the immigration act of 1917, disposition shall be made of his case

in accordance with the provisions of the act approved December 26, 1920, entitled "An act to provide for the treatment in hospital of diseased alien seamen."

Strike out paragraph (a) of section 21 of the bill—line 11, page 32, to line 4, page 33—and insert in lieu thereof the following:

SEC. 20. (a) The owner, charterer, agent, consignee, or master of any vessel arriving in the United States from any place outside thereof who fails to detain on board any alien seaman employed on such vessel until such alien has been inspected pursuant to paragraph (a) of section 19 hereof, or until such alien has been placed in hospital pursuant to paragraph (d) of said section, or who fails to make provision for the deportation of any alien ordered deported pursuant to paragraph (b) of said section or pursuant to paragraph (c) of said section and paragraph (d) of this section, shall pay to the collector of customs of the customs district in which the port of arrival is located the sum of $1,000 for each alien in respect of whom any such failure occurs. No vessel shall be granted clearance pending the determination of the liability to the payment of such fine or while the fine remains unpaid, except that clearance may be granted prior to the determination of such question upon the deposit of a sum sufficient to cover such fine, or of a bond with sufficient surety to secure the payment thereof approved by the collector of customs.

Strike out paragraphs (b) and (c) of section 21—lines 5 to 19, page 33—and change the designation of what is now paragraph (d)—line 20, page 33—to (b).

Add to section 21 of the bill—after line 5, page 34—three paragraphs to be designated and to read as follows:

(c) All vessels entering ports of the United States manned with crews the majority of which, exclusive of licensed officers, have been engaged and taken on at foreign ports shall, when departing from the United States ports, carry a crew of at least equal number, and any such vessel which fails to comply with this requirement shall be refused clearance: *Provided, however,* That such vessel shall not be required when departing to carry in the crew any person to fill the place made vacant by the death or hospitalization of any member of the incoming crew.

(d) No vessel shall, unless such vessel is in distress, bring into a port of the United States as a member of her crew any alien who if he were applying for admission to the United States as an immigrant would be subject to exclusion under paragraph (c) of section 13 hereof, except that any ship of the merchant marine of any one of the countries, islands, dependencies, or colonies immigrants coming from which are excluded by the said provisions of law shall be permitted to enter ports of the United States having on board in their crews aliens of said description who are natives of the particular country, island, dependency, or colony to the merchant marine of which such vessel belongs. Any alien seaman brought into a port of the United States in violation of this provision shall be excluded from admission or temporary landing and shall be deported either to the place of shipment or to the country of his nativity, as a passenger, on a vessel other than that on which brought, at the expense of the vessel by which brought, and the vessel by which brought shall not be granted clearance until such expenses are paid or their payment satisfactorily guaranteed.

(e) If any alien seaman temporarily landed under the provisions of this act remains in the United States without shipping foreign for a period in excess of 60 days, such circumstances shall constitute prima facie evidence of abandonment of calling and becoming an immigrant, and such alien shall thereupon be taken into custody by immigration officials and examined as though he were an immigrant applying for admission; and unless such alien shows either that he has not abandoned his calling but is still a bona fide seaman, or that he is in all respects admissible under this act and the immigration laws, such alien shall be deported in the manner prescribed by sections 19 and 20 of the immigration act of 1917.

Further, I wish to state that section 4, paragraph (a), as it stood when the bill left the House should be restored to the bill. Parents over 55 and husbands of American citizens should be restored to the nonquota class. This should be done in the name of decency and morality; it is a crime to split a family asunder as under this bill, if a law, it may often happen.

Section 11 of the new bill should be rewritten, subdivision (b) should be stricken out, and everything in the bill pertaining to the so-called national origin amendment should be deleted. I charge the conferees with something akin to a breach of faith with the House majority in having agreed to this damnable proposition that was not contained in either House or Senate bill.

If the bill becomes a law with this provision in it, it will to all intents and purposes become a treaty with Great Britain, to the exclusion of entry as immigrants into the United States of people from other countries than Great Britain and Ireland. This proposal could not have been written into the bill in the House, and had it gotten into the bill the bill would have failed on final passage. Nothing but ignorance and bigoted race pride could have either dictated such an amendment or made anyone accept it.

The purpose of the passage of this immigration bill was said to be a desire to be in a position to select only the best material for citizens obtainable among the peoples like our own in racial traits. As the bill now stands, with the Canadian boundary open without any immigration restrictions, we will be in a position to have dumped upon us all that the slums of Great Britain and Ireland can possibly spare, or as much as they care to dump on us.

May I ask, Are the people from the British slums preferable to farmer lads and skilled laborers from the Scandinavian countries, Germany, and other countries?

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolutions of the following titles, when the Speaker signed the same:

H. J. Res. 195. Joint resolution authorizing an appropriation for the participation of the United States in two international conferences for the control of the traffic in habit-forming narcotic drugs;

S. J. Res. 104. Joint resolution requesting the President to invite the Interparliamentary Union to meet in Washington City in 1925, and authorizing an appropriation to defray the expenses of the meeting;

S. 2392. An act authorizing an appropriation to indemnify damages caused by the search for the body of Admiral John Paul Jones; and

S. 2998. An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico.

ADJOURNMENT

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 31 minutes p. m.) the House adjourned until to-morrow, Saturday, May 10, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

467. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State for the fiscal year ending June 30, 1925, for the General and Special Claims Commissions, United States and Mexico, $171,930 (H. Doc. No. 270), was taken from the Speaker's table and referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. VOIGT: Committee on Agriculture. H. R. 9033. A bill declaring an emergency in respect of certain agricultural commodities, to promote equality between agricultural commodities and other commodities, and for other purposes (minority views, part 2 of Rept. No. 631). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCE: Committee on the Library. H. J. Res. 257. A joint resolution providing for the procurement of a design for the use of grounds in the vicinity of the Mall by the United States Botanic Garden; without amendment (Rept. No. 691). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANSLEY: Committee on Military Affairs. H. R. 7731. A bill authorizing the Secretary of War to sell a portion of the Carlisle Barracks Reservation; with an amendment (Rept. No. 692). Referred to the Committee of the Whole House on the state of the Union.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 7014. A bill to permit the Secretary of War to dispose of and the Port of New York Authority to acquire the Hoboken shore line; with amendments (Rept. No. 694). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCE: Committee on the Library. H. J. Res. 259. A joint resolution establishing a commission for the participation of the United States in the observance of the one hundred and fiftieth anniversary of the Battle of Lexington and Concord, authorizing an appropriation to be utilized in connection with such observance, and for other purposes; without amendment (Rept. No. 696). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BOYLAN: Committee on Military Affairs. H. R. 5639. A bill for the relief of Walter Baker; with an amendment (Rept. No. 693). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Claims. H. R. 7122. A bill for the relief of the Eagle Pass Lumber Co.; with amendments (Rept. No. 695). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FITZGERALD: A bill (H. R. 9133) to amend section 3220 of the Revised Statutes; to the Committee on Ways and Means.

By Mr. GARBER: A bill (H. R. 9134) authorizing an appropriation for the construction of a highway within the Chilocco Indian School Reserve, Chilocco, Okla.; to the Committee on Indian Affairs.

By Mr. HUDSPETH: A bill (H. R. 9135) to establish an additional fish-cultural station in the State of Texas; to the Committee on the Merchant Marine and Fisheries.

Also, a bill (H. R. 9136) to establish an additional fish-cultural station in the State of Texas; to the Committee on the Merchant Marine and Fisheries.

By Mr. DALLINGER: A bill (H. R. 9137) to amend the act entitled "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909; to the Committee on Patents.

By Mr. GREEN of Iowa: A bill (H. R. 9138) to authorize the discontinuance of the seven-year regauge of distilled spirits in bonded warehouses, and for other purposes; to the Committee on Ways and Means.

By Mr. GREENE of Massachusetts: Resolution (H. Res. 307) to provide for an investigation in respect of the suspension and determination of the suspension of the operation of the provisions of section 28 of the merchant marine act of 1920; to the Committee on Rules.

By Mr. ANDREW: Memorial of the Legislature of the State of Massachusetts petitioning Congress in favor of the passage of legislation to prevent the manufacture of shoes in factories owned by the Federal Government; to the Committee on the Judiciary.

By Mr. TAGUE: Memorial of the Legislature of the State of Massachusetts favoring the passage of legislation to prevent the manufacture of shoes in factories owned by the Federal Government; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DYER: A bill (H. R. 9139) authorizing the President to reappoint Walter F. Martin, formerly a captain of Cavalry, United States Army, an officer of Cavalry, United States Army; to the Committee on Military Affairs.

By Mr. GREENE of Massachusetts: A bill (H. R. 9140) for the relief of the Ocean Steamship Co. (Ltd.); to the Committee on Claims.

Also, a bill (H. R. 9141) for the relief of the Carib Steamship Co. (Inc.); to the Committee on Claims.

Also, a bill (H. R. 9142) for the relief of Jens Samuelsen and B. Olsen; to the Committee on Claims.

Also, a bill (H. R. 9143) for the relief of the Atlantic & Caribbean Steam Navigation Co.; to the Committee on Claims.

By Mr. GRIFFIN: A bill (H. R. 9144) for the appointment of Master Sergt. George Mitchell Dusenbery as captain in the Signal Corps, United States Army; to the Committee on Military Affairs.

By Mr. KELLER: A bill (H. R. 9145) for the relief of G. A. Hoffmann; to the Committee on Claims.

By Mr. LITTLE: A bill (H. R. 9146) granting a pension to John W. Clark; to the Committee on Pensions.

Also, a bill (H. R. 9147) granting a pension to Charles Brown; to the Committee on Pensions.

Also, a bill (H. R. 9148) granting a pension to Sarah A. Hudson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9149) granting a pension to Willard W. Raymor; to the Committee on Pensions.

By Mr. LOZIER: A bill (H. R. 9150) granting a pension to Rachel Permelia McCartney; to the Committee on Pensions.

By Mr. MacLAFFERTY: A bill (H. R. 9151) granting a pension to Belle C. Lewis; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 9152) granting an increase of pension to Samuel F. Brown; to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 9153) granting a pension to Philip H. Louks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9154) for the relief of George W. Ponder; to the Committee on Claims.

By Mr. PRALL: A bill (H. R. 9155) for the relief of the father of Catharine Kearney; to the Committee on Claims.

By Mr. WOLFF: A bill (H. R. 9156) for the relief of John Poston, sr.; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2711. By Mr. BIXLER: Petition of Fredonia (Pa.) Young People's Branch, Woman's Christian Temperance Union, protesting against the weakening of the Volstead Act or destroying the eighteenth amendment; to the Committee on the Judiciary.

2712. Also, petition of Elk County citizens, protesting against the enactment of a law nullifying the eighteenth amendment and against legalizing 2.75 per cent beer; to the Committee on the Judiciary.

2713. By Mr. FULLER: Petition of the faculty and students of the Union Theological Seminary, opposing the Japanese exclusion provisions of the immigration bill; to the Committee on Immigration and Naturalization.

2714. By Mr. GALLIVAN: Petition of Brig. Gen. Jesse F. Stevens, the adjutant general, the Commonwealth of Massachusetts, urging early and favorable consideration of House bill 8689; to the Committee on Military Affairs.

2715. Also, petition of postal employees of Boston, Mass., urging early and favorable consideration of Resolution 290; to the Committee on Rules.

2716. By Mr. GRIFFIN: Petition of the Bootleggers' Union of the Atlantic Coast, protesting against the passage of the bill legalizing the sale of 2.75 per cent beer and light wines; to the Committee on the Judiciary.

2717. By Mr. KING: Petition of delegates of farm bureaus of Adams, Henry, Schuyler, Fulton, and Knox Counties (Ill.), in favor of the McNary-Haugen bill and in favor of House Resolutions 7110 and 6424, to amend the packers and stockyards act; to the Committee on Agriculture.

2718. By Mr. LAGUARDIA: Petition of the City Parliament of Community Councils of the city of New York, adopted May 6, 1924, petitioning Congress to investigate telephone rates and relations between the American Telephone & Telegraph Co. and its subsidiaries; to the Committee on Interstate and Foreign Commerce.

2719. By Mr. MacLAFFERTY: Petition of certain employees of the War Department asking for an increase in salaries; to the Committee on Appropriations.

SENATE

SATURDAY, *May 10, 1924*

(Legislative day of Monday, May 5, 1924)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Ferris	Ladd	Shields
Ashurst	Fess	Lodge	Shipstead
Ball	Fletcher	McKellar	Shortridge
Bayard	Frazier	McKinley	Simmons
Borah	George	McLean	Smith
Brandegee	Gerry	McNary	Smoot
Brookhart	Glass	Moses	Stanfield
Broussard	Gooding	Neely	Stephens
Bruce	Hale	Norbeck	Sterling
Bursum	Harris	Norris	Swanson
Cameron	Harrison	Oddie	Trammell
Capper	Heflin	Overman	Wadsworth
Caraway	Howell	Pepper	Walsh, Mass.
Colt	Johnson, Calif.	Phipps	Walsh, Mont.
Cummins	Johnson, Minn.	Pittman	Warren
Curtis	Jones, N. Mex.	Ransdell	Watson
Dial	Jones, Wash.	Reed, Mo.	Willis
Dill	Kendrick	Reed, Pa.	
Edge	Keyes	Robinson	
Ernst	King	Sheppard	

Mr. CURTIS. I wish to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I ask that the announcement may stand for the day.

The PRESIDENT pro tempore. Seventy-seven Senators have answered to their names. There is a quorum present.

INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT
(S. DOC. NO. 108)

Mr. WARREN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8233) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1925, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 6, 7, and 15.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 8, 9, 12, 13, and 14, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"No part of the moneys appropriated or made available by this act for the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation shall, unless the President shall otherwise direct, be used or expended for the repair or reconditioning of any vessel owned or controlled by the Government, if the expense of such repair or reconditioning is in excess of $100,000, until a reasonable opportunity has been given to the available Government navy yards to estimate upon the cost of such repair or reconditioning if performed by such navy yards within the limit of time within which the work is to be done: *Provided*, That this limitation shall only apply to vessels while in the harbors of the United States, and all expenditures in connection with such work are to be considered in estimating the cost."

And the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 4 and 10.

F. E. WARREN,
W. L. JONES,
LEE S. OVERMAN,
Managers on the part of the Senate.
WILL R. WOOD,
JOHN W. SUMMERS,
Managers on the part of the House.

Mr. WARREN. I ask for the adoption of the report.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wyoming for the present consideration of the conference report?

Mr. HARRISON. Reserving the right to object, may I inquire what was done with the amendment touching the sale of books at the Washington Monument?

Mr. WARREN. The Senator, I presume, alludes to the last amendment which went on the bill in the Senate extending the time for a lady to sell books in the monument. That was stricken out.

Mr. HARRISON. The House conferees would not agree to it?

Mr. WARREN. They would not.

Mr. DILL. What was the amendment, and was it agreed to or rejected, regarding the expenditure of money for naval repairs?

Mr. WARREN. The disagreement is not really in the sense that the two items were not agreed to. The two items have been agreed to so far as could be done, but they have to go back to the House under their rule.

Mr. DILL. What I want to know is with reference to the amendment referring to work to be done by private contract or in the Government navy yards.

Mr. WARREN. That has just been read. I think the Senator, perhaps, did not hear it read. As the amendment was made in the Senate, it did not seem to satisfy anybody, and an effort has been made in the conference to get something that would be agreeable to both Houses.

Mr. DILL. I heard the amendment read, but did not understand it. That is the reason why I asked about it. I did not understand what the effect now is.

Mr. WARREN. I understand that all the work will be done in the navy yards where it is possible to do it.

Mr. DILL. There was something in the amendment about a limitation of $100,000.

Mr. WARREN. That is the old limitation that has been in the law.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wyoming for the immediate consideration of the conference report?

Mr. HOWELL. I object to its consideration at this time. I should like to have a printed copy of the report for examination before it is considered.

The PRESIDENT pro tempore. Objection is made to the present consideration of the report. It will be printed and lie on the table.

PETITIONS AND MEMORIALS

Mr. WILLIS presented resolutions of the Trumbull County Central Labor Union, of Niles, and of the Central Federation of Labor, of Cleveland, both in the State of Ohio, favoring the passage of legislation granting increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

He also presented a resolution of the Miami Valley Traffic Club, in the State of Ohio, protesting against the passage of the so-called Howell-Barkley railway labor bill, which was referred to the Committee on Interstate Commerce.

Mr. LODGE presented the following resolution of the House of Representatives of Massachusetts, which was referred to the Committee on Foreign Relations:

THE COMMONWEALTH OF MASSACHUSETTS,
House of Representatives, May 6, 1924.

Whereas the House of Representatives of the Congress of the United States has recently voted to appropriate $10,000,000 of the money of the people of the United States, to be expended for the purchase of food for the relief of women and children said to be in need in Germany: Therefore be it

Ordered, That the House of Representatives of Massachusetts, of the year 1924, is opposed to any appropriation of the money of the people of the United States except for the necessary and legitimate expenses of government, and respectfully urges upon the Senate of the United States, before which body said appropriation is now pending, the wisdom of refusing the same; and be it further

Ordered, That copies of this order be sent by the secretary of the Commonwealth to the Presiding Officer of the United States Senate and to the two Senators from Massachusetts.

Adopted.

JAMES W. KIMBALL, *Clerk.*

OFFICE OF THE SECRETARY,
Boston, May 8, 1924.

A true copy.
Attest:

F. W. COOK,
Secretary of the Commonwealth.

Mr. JOHNSON of Minnesota. I present a resolution adopted by the Great Lakes-St. Lawrence Tidewater Commission of Minnesota at a meeting held in St. Paul on Wednesday, April 23, 1924, which I ask may be printed in the RECORD and referred to the Committee on Commerce.

There being no objection, the resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Whereas this day's dispatches from Washington report that the Rivers and Harbors Committee of the House of Representatives proposes a new survey to determine the best route for a ship canal connecting the Great Lakes with the Hudson River, and that such survey would occupy two years, and that the chairman of the committee and others who oppose the improvement to give the West its outlet to the sea by way of the St. Lawrence intend by this means to delay and hamper the undertaking: Therefore be it

Resolved, That we respectfully request our representatives in Congress to resist every dilatory measure; that they give due consideration to previous surveys and reports of this New York ship-canal route made in 1900 by the Deep Waterways Board, in 1920 by the Board of Engineers for Rivers and Harbors, and at several intervals between those dates, and that unless these surveys and reports are shown to be insufficient or defective or inapplicable no proposals be entertained for repetitious surveys and reports covering the Oswego-Hudson route.

A. H. COMSTOCK, *Chairman*,
A. O. MORREAUX, *Secretary*,
Minnesota Great Lakes-St. Lawrence Tidewater Commission.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3241) for the relief of soldiers who were discharged from the Army during the

World War because of misrepresentation of age, reported it without amendment and submitted a report (No. 512) thereon.

Mr. CAPPER, from the Committee on Military Affairs, to which was referred the bill (S. 1232) for the relief of Stephen A. Winchell, reported it without amendment and submitted a report (No. 516) thereon.

Mr. STANFIELD, from the Committee on Civil Service, to which was referred the bill (H. R. 6896) to amend an act entitled "The classification act of 1923," approved March 4, 1923, reported it without amendment.

Mr. WALSH of Massachusetts, from the Committee on Military Affairs, to which was referred the bill (S. 2525) for the relief of Henry Martin, submitted an adverse report thereon, and the bill was ordered to be placed on the calendar.

Mr. WADSWORTH, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 3171) for the relief of sufferers from earthquake in Japan (Rept. No. 513); and

A bill (S. 3248) providing for sundry matters affecting the Military Establishment (Rept. No. 514).

NATIONAL GUARD BUILDINGS AT CAMP PIKE, ARK.

Mr. WADSWORTH. From the Committee on Military Affairs I report back favorably with an amendment and with amendments to the preamble the joint resolution (S. J. Res. 89) authorizing and permitting the State of Arkansas to construct, maintain, and use permanent buildings, rifle ranges, and utilities at Camp Pike, Ark., as are necessary for the use and benefit of the National Guard of the State of Arkansas, and I submit a report (No. 515) thereon. I call the attention of the junior Senator from Arkansas [Mr. CARAWAY] to the joint resolution.

Mr. CARAWAY. I ask unanimous consent for the immediate consideration of the joint resolution, and I will state the reason for its passage. There is no objection to it at all. It authorizes the Secretary of War to permit the construction of permanent buildings at Camp Pike for the benefit of the National Guard. It will take but a minute to pass it.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The amendment was, on page 2, line 3, before the word "State," to insert "Secretary of War be, and he is hereby, authorized to permit the," and in the same line, after the word "Arkansas," to strike out "be, and is hereby, authorized and permitted," so as to make the joint resolution read:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit the State of Arkansas to erect, maintain, and use such permanent buildings, rifle ranges, and utilities at Camp Pike, Ark., within the areas most suitable, as are necessary for the use and benefit of the National Guard of the State of Arkansas: *Provided*, That no expense shall accrue to the United States by reason of this authorization.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

Mr. REED of Missouri. Mr. President, I wish to say now that I shall insist on going on with the revenue bill. We gave consent for its final disposition yesterday. I do not mean to stop the measure before us, but after it is passed I am going to insist that we shall proceed with the regular order.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The amendments to the preamble were, in the first line of the first whereas, to strike out "22d day of December" and insert "30th day of November"; in the same line to strike out the word "lease" and to insert "revocable license"; and in the first line of the second whereas to strike out the word "lease" and insert the word "license," so as to make the preamble read:

Whereas on the 30th day of November, 1922, a revocable license was executed by the United States by the Assistant Secretary of War, Hon. J. M. Wainwright, and the State of Arkansas by Hon. Thomas C. McRae, governor, conveying to the State of Arkansas certain portions of Camp Pike, Ark., including buildings, roads, walks, and utilities, for the use and benefit of the National Guard of Arkansas; and

Whereas under said license no permanent construction work can be placed on the reservation without specific authority of Congress; and

Whereas it has become necessary for the proper conduct and training of the National Guard of the State of Arkansas to construct, maintain, and use permanent buildings, rifle ranges, and utilities on said reservation.

The amendments were agreed to.

The preamble as amended was agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 3279) to establish in the Department of Agriculture a bureau of interstate cooperative association; to the Committee on Agriculture and Forestry.

By Mr. BALL:

A bill (S. 3280) to regulate in the District of Columbia the traffic in, sale, and use of milk bottles, cans, crates, and other containers of milk and cream, to prevent fraud and deception, and for other purposes; to the Committee on the District of Columbia.

By Mr. TRAMMELL:

A bill (S. 3281) for the relief of Ralph Ole Wright and Varina Belle Wright; to the Committee on Claims.

By Mr. ERNST:

A bill (S. 3282) to further amend section 227 of the Judicial Code relative to the distribution of Supreme Court reports; to the Committee on the Judiciary.

By Mr. FLETCHER:

A bill (S. 3283) to amend the transportation act, 1920; to the Committee on Interstate Commerce.

By Mr. LODGE:

A bill (S. 3284) granting a pension to Angie R. Hodge; to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 3285) to provide retirement for the Nurse Corps of the Army and Navy; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 3286) granting a pension to Isabel Smith (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 3287) to increase the limit of cost of the public building at Williamson, W. Va., and for other purposes; to the Committee on Public Buildings and Grounds.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. SHEPPARD submitted an amendment providing for a preliminary examination and survey of the Houston Ship Channel, Tex., with a view to determining the advisability and feasibility of extending the existing 30-foot project west of the present turning basin, etc., intended to be proposed by him to the bill (H. R. 8914) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

WORLD COURT OF INTERNATIONAL JUSTICE

Mr. LODGE. I ask that there may be printed a corrected copy of the joint resolution (S. J. Res. 122) requesting the President to propose the calling of a third Hague conference for the establishment of a World Court of International Justice, which was introduced by me a few days ago. There are a number of typographical errors in the joint resolution as printed which ought to be corrected, and I desire a new print.

The PRESIDING OFFICER (Mr. LADD in the chair). Without objection, it is so ordered.

INCREASE OF PENSIONS—VETO MESSAGE

Mr. BURSUM. Mr. President, I desire to give notice that on Tuesday next I shall move to take up Senate bill 5, which is known as the pension bill. I had intended to move to take up the bill on Monday next, but, on account of the desire of many Members of the Senate to attend the funeral of Mrs. Work, I shall not seek to bring up the bill before Tuesday. On Tuesday, however, I intend to urge the passage of the bill over the veto of the President.

EXTENSION OF RENT ACT FOR THE DISTRICT

Mr. BALL. Mr. President, I wish to make the announcement that on Monday next, at as early an hour as possible, I shall call up House bill 7962, extending the District of Columbia rents act for two years as passed by the House of Representatives. At that time I shall also make a report upon the investigation of the housing situation.

REDUCTION OF TAXATION

The Senate resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

The PRESIDENT pro tempore. The bill is in the Senate and is still open to amendment.

Mr. SHIPSTEAD. Mr. President, I move to reconsider the vote by which the Senate rejected the amendment reported by the Finance Committee, striking out subsection (c) of section 214 of the bill, beginning at line 19 on page 52. Action was taken on that provision of the bill on yesterday when there

was a great deal of confusion in the Chamber and several Senators on both sides of the aisle have told me that they voted under a misapprehension.

The PRESIDENT pro tempore. The Senator from Minnesota moves that the vote by which the Senate nonconcurred in the amendment on page 52, beginning on line 19, be reconsidered. The question is on that motion. [Putting the question.] The motion is agreed to, and the vote by which the amendment was nonconcured in is reconsidered. The question now is upon concurring in the amendment made as in Committee of the Whole.

Mr. REED of Missouri. Mr. President, as I understand the parliamentary situation, the clause proposed by the House of Representatives as printed and appearing in the bill as stricken out is now before the Senate to be voted upon?

The PRESIDENT pro tempore. The parliamentary situation is that the action of the Senate rejecting the amendment reported by the committee as amended by the proposal of the Senator from Colorado [Mr. ADAMS] has been reconsidered, and that portion of the bill proposed to be stricken out is open to any amendment which may be suggested.

Mr. REED of Missouri. That is, the clause as printed is open to amendment.

The PRESIDENT pro tempore. All that part of the bill as modified by the amendment of the Senator from Colorado remains.

Mr. WALSH of Montana. I desire to inquire if the Senator from Missouri is proposing to address himself to that portion of the bill affected by the motion of the Senator from Minnesota [Mr. SHIPSTEAD]?

Mr. REED of Missouri. Yes; and I am trying to find out what is before the Senate. The text as printed in the bill as it came from the House reads:

(c) The amount of the deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, and the amount of the deduction provided for in paragraph (5) of subdivision (a), shall be allowed as deductions—

Mr. SMOOT. There is where the amendment comes in.

Mr. REED of Missouri. That was amended.

Mr. SMOOT. The language proposed to be inserted is "in the calculation of the surtax."

Mr. REED of Missouri. It is proposed to be amended there by inserting after the word "deductions," the words "in the calculation of the surtaxes." The provision continues—

only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title.

The purpose advanced for the amendment as printed was that certain parties were investing their money in tax-exempt securities and borrowing money to conduct their business and then deducting the interest paid upon the money so borrowed to conduct their business and thus escaping taxation. In other words, certain individuals had devised a scheme for the manifest purpose of defeating the payment of taxes. It seems to me that that can be met in a very simple way—that is, by striking out all of subdivision (c) after the word "if," in line 24, the language to be stricken out being—

and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title—

And inserting in lieu of that phrase the words—

such indebtedness was incurred in good faith for the purpose of carrying on a business and not in pursuit of a plan or device to evade or escape taxation.

So that the section will read:

The amount of the deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, and the amount of the deduction provided in paragraph (5) of subdivision (a), shall be allowed as deductions in the calculation of the surtaxes only if such indebtedness was incurred in good faith for the purpose of carrying on a business and not in pursuit of a plan or device to evade or escape taxation.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. REED of Missouri. I do.

Mr. SMOOT. Mr. President, the same object is accomplished by a provision which the Senate has already put into the bill and has agreed to on page 47, paragraph 2. That covers exactly the same point that the Senator from Missouri has now raised. It provides:

All interest paid or accrued within the taxable year on indebtedness——

Mr. SHIPSTEAD. Mr. President——

Mr. SMOOT. Will the Senator wait until I have read the provision?

Mr. SHIPSTEAD. I wish to make a point of order. I should like to have quiet in the Chamber so that we may hear what the Senator from Utah is reading. There was so much confusion in the Senate yesterday when this provision was discussed that there was misunderstanding about it, and I hope we may have order to-day so that Senators may hear the discussion of this question.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. SMOOT. I undertook, Mr. President, to call the attention of the Senate to a provision in the bill that has already been agreed to which takes care of the situation proposed to be met by the amendment suggested by the Senator from Missouri [Mr. REED]. It is on page 47, paragraph 2, section 214, and reads as follows:

(2) All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this title.

Mr. REED of Missouri. No, Mr. President; that does not meet the object I have in view.

Mr. SMOOT. Then I do not understand what the Senator's amendment is. I heard the Senator read it and it impressed me as having exactly the same purpose as the provision which I have read.

Mr. REED of Missouri. I think not.

Mr. SMOOT. Will the Senator read the amendment again?

Mr. REED of Missouri. I will try to explain it. I may be in error, and if I am, I am anxious to be set right.

Mr. SMOOT. Will the Senator read his amendment again?

Mr. REED of Missouri. I will read it again for the Senator.

Mr. SMOOT. I will endeavor to follow it more closely.

Mr. REED of Missouri. Under the subheading "Deductions allowed individuals," appearing on page 47, is the clause read by the Senator from Utah.

Mr. President, I do ask for order in the Chamber. I decline to proceed when there is so much confusion.

Mr. TRAMMELL. I, too, ask for order. It is impossible for some of us to know what is going on. It seems to me that if Senators wish to carry on conversations they ought to retire to the cloakroom, because a few of us would like to know what is going on in the Senate Chamber.

The PRESIDENT pro tempore. The Senator from Missouri will wait until there is order in the Chamber.

Mr. SIMMONS. If we had had order yesterday when this provision was being considered, we would not be in the position in which we now are of having to reconsider it.

Mr. REED of Missouri. Mr. President, I am not criticizing Senators, for I indulge in what is complained of as much as anybody else, but there is a confusion here this morning that makes it impossible to be heard.

The clause to which the Senator from Utah called attention is under the heading of "Deductions allowed individuals" and appears on page 47, and is as follows:

(2) All interest paid—

That is, deductions shall be allowed for—

All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this title.

That language will exempt interest paid, provided it is not interest paid for the purpose of carrying these securities; but if it is interest paid on any other character of indebtedness than that, the deduction is to be allowed. Now, we are told that somebody has devised the plan of investing his money in tax-exempt securities, and, having thus exhausted his capital, he then proceeds to borrow money to carry on his business, and claims that he can be allowed a deduction on account of the money borrowed, not to carry the tax-exempt securities, as he will claim, but borrowed to carry on his business. That would be the construction he would contend for under the clause to which the Senator called my attention.

The clause I have undertaken to insert at line 24 of page 52 reaches the question in a different way. It denies an exemption on account of interest paid of any kind if the indebted-

ness was not incurred in good faith for the purpose of carrying on a business, but was a part of a plan or a device to evade taxation. So that if a man were to appear before the tax board and say: "I had a million dollars which I invested in tax-exempt securities; I then borrowed a million dollars to carry on my business," the tax board could very well say: "That is plainly a device to escape taxation, and, that being the case, you will not be entitled to exemption for money which you borrowed, which you nominally put in your business, but which you put there in pursuit of this plan in your mind to evade the taxes you owe the Government." So I think there is a distinct difference between the two, and I should like to see the section that has been so much discussed here amended as I have suggested; and it seems to me it will have a tendency, at least, to stop the practice which we all want to see stopped. I therefore offer the amendment.

Mr. SMOOT. Mr. President, will the Senator please read his amendment?

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from Missouri.

The PRINCIPAL CLERK. On page 52, line 24, after the words "only if," it is proposed to strike out the remainder of the paragraph and to insert—

such indebtedness was incurred in good faith for the purpose of carrying on a business, and not in pursuit of a plan to evade or escape taxation.

Mr. FLETCHER. Mr. President, I should be glad if the Senate would vote directly on the proposition whether they are going in any wise to tear down or destroy the tax-exempt feature of these securities.

The amendment of the Senator from Missouri [Mr. REED] would leave in the legislation that feature, and it might be that the department, with that provision in the act, would hold that in some wise they could tax the interest on these tax-exempt securities by disallowing it as a part of the deductions or in some other indirect way.

I do not believe the Congress is ready to impair the contract entered into between the Government and the people who have bought these tax-exempt securities and who intend to buy them by attempting now to go back and reach interest derived from investment in tax-exempt securities and tax the income derived in that way. That would not only be a species of bad faith, but it would seriously conflict with the object in view and always maintained to exempt from all taxation such securities as farm-loan bonds, Federal land bank bonds, joint-stock land bank bonds, and intermediate credit debentures. Let us stand squarely on that proposition; and if we do we will vote to sustain the action taken in the Committee of the Whole whereby this provision was entirely stricken out.

I think we ought to come face to face with that issue and determine whether we are going in good faith to carry out the contract which we have made with the public and with the people who have invested in these securities, or whether we are going to strike it down to a degree—not to the extent that was originally proposed in the House provision, now amended by the proposition of the Senator from Colorado, which has much improved the bill, I will say, but which still leaves in the bill the proposition that we propose in an indirect way to tax the income derived from tax-exempt securities.

Let us vote squarely on that proposition. If we are against it, then we will vote "yea" to sustain the action of the Committee of the Whole in striking out the whole provision.

Mr. BURSUM. Mr. President——

Mr. FLETCHER. I can not yield now.

The whole argument here is merely because Mr. Rockefeller invested some $40,000,000 in farm-loan bonds, and in some way managed to evade the tax which otherwise he would have been called on to pay, that we are therefore going to change our whole policy and destroy the principle which we have advocated in establishing here securities for the benefit of agriculture, giving a lower rate of interest to the borrowers throughout the land by reason of that feature in the bonds the proceeds of which are loaned to borrowing farmers. Because Mr. Rockefeller's estate managed in some way to evade taxation we are going to upset the whole policy, destroy the whole principle, and do just what is being urged by the land-mortgage bankers—destroy the tax-exempt feature of these securities.

Suppose Mr. Rockefeller did invest $40,000,000 in farm-loan bonds. Was that money locked up? Was it put into a vault? Was it hoarded in some way? No. That money was loaned to farmers. That money went to use. It was immediately put to constructive development and to use. Therefore I have not any very great fault to find with Mr. Rockefeller or with anybody else for buying farm-loan bonds. There is nothing in that argument. You might as well say that we should repeal the whole income-tax law because somebody evades paying taxes who ought to be required to pay taxes. It might as well be argued that because the law is violated, or because there are some loopholes, because there are some defects in it somewhere, somehow, whereby a rascal evades paying the taxes that he ought to pay the Government, we should repeal the whole law.

That is where the argument leads. It is perfectly absurd. I hope the Senator will let us vote squarely on the proposition whether we will stand by the action of the Committee of the Whole in striking out that provision from beginning to end.

Mr. REED of Missouri. Mr. President, the amendment which I have offered does not run counter to the argument made by the Senator from Florida. However, I am entirely willing to withdraw it and let the vote come squarely upon the proposal of the committee. I intend, however, to introduce a similar proposition as an amendment to the bill itself, so that in any and all cases where a taxpayer is manifestly working out a device to defraud the Government, upon that being discovered he shall be denied any kind of an exemption, not on his tax-exempt securities, but on interest which he may pay. For the sake of getting a vote, however, I will withdraw this amendment and let us have a vote upon the main proposition.

I have gone as far as the Senator who just took his seat in resisting the taxation of tax-exempt securities; and one of the chief reasons I had was that I do want to see, particularly in the present distressed state of agriculture, a market afforded for the bonds that are issued by our agricultural banks, and I want it to be a market that will constantly enlarge and will constantly tend to get more and more money for the aid of agriculture at the lowest possible rates of interest.

If I may be pardoned just a minute more, and I say it without desiring to attack anybody in particular, there is no question about the fact that considering the character of the security they have been able to offer in the past the farmers of the country have been compelled to pay excessive rates of interest. That has grown out of many conditions. Frequently they have been local conditions, where one or two agents had a practical monopoly of the money that would be loaned in a community, and have therefore been able to charge excessive rates of interest or excessive commissions. I want to see the market which we are now seeking to create made as free and open a market, with as low interest charges, as we can possibly secure.

So, Mr. President, to get a vote, and believing that the vote now is reasonably assured for an affirmation of the action of the committee in striking out this entire clause, I will withdraw this amendment and then try to cover my idea in a subsequent amendment.

Mr. BURSUM. Mr. President, I desire to ask the Senator from Missouri a question. I want to get the true status of the amendment which is now pending.

I understood the Senator from Florida [Mr. FLETCHER] to state that he is in favor of standing by the amendment adopted as in Committee of the Whole.

It is my understanding that the amendment proposed by the Senator from Colorado was adopted as in Committee of the Whole, and that those who favored doing away with the amendment desired to bring back the status in accordance with the recommendations of the Finance Committee.

Mr. SMOOT. While the bill was in Committee of the Whole the Senate did vote to sustain the action of the Finance Committee, but when it got into the Senate that was reversed, and the House provision is now before the Senate with the amendment offered by the Senator from Colorado added. That amendment is now a part of the House provision.

Mr. REED of Missouri. Mr. President, as I understand it, the Senate is now called upon to vote on the ratification of the action of the Senate as in Committee of the Whole.

Mr. SMOOT. No; the question is on concurring in the action of the Senate after the bill had been reported from the Committee of the Whole. The Senate disagreed to the committee amendment.

Mr. SWANSON. If the Senator will permit me, when you reconsider a proposition it stands exactly as it was before you reconsidered it. When we first voted we were voting on the question, Shall the Senate concur in the amendment adopted as in the Committee of the Whole, which was the committee amendment reported by the Finance Committee to strike out the provision of the House, as I understand it.

Mr. SMOOT. The Senator is wrong.

Mr. REED of Missouri. Let the Chair tell us his ruling, and then we can vote accordingly.

The PRESIDENT pro tempore. The Chair will attempt to state the parliamentary situation. The Senate, as in Committee of the Whole, in considering this paragraph, agreed to an amendment to the text offered by the Senator from Colorado. In that situation the Senate, as in Committee of the Whole, rejected the entire paragraph. When it came to the Senate the Senate refused to concur in the action of the Committee of the Whole, and that left the entire provision in the bill as amended by the amendment offered by the Senator from Colorado.

Mr. SWANSON. Now, that has been reconsidered.

The PRESIDENT pro tempore. The motion to reconsider carried, and if the Senate refuses to concur in the action of the Committee of the Whole, then the entire text of the House provision as amended by the amendment offered by the Senator from Colorado remains in the bill.

Mr. REED of Missouri. That is to say, a vote "nay" keeps out of the bill that part of the printed provision which is reported here with lines drawn through it or takes out lines 19 to 25 on page 52 and lines 1 and 2 on page 53.

Mr. FLETCHER. A vote "yea" does that.

Mr. REED of Missouri. As the Chair stated it, it would be a vote "nay."

The PRESIDENT pro tempore. If the Senate now concurs in the action of the Committee of the Whole it is all stricken out.

Mr. BURSUM. Then our vote is to be "nay."

Mr. FLETCHER. The Senate as in Committee of the Whole struck it out. The action as in Committee of the Whole was to strike it out.

The PRESIDENT pro tempore. If the Senate wants to eliminate this entire provision it will refuse to concur in the action taken as in Committee of the Whole.

Mr. SIMMONS. Then, Mr. President, if I understand, a Senator who desires to strike out subsection (c) will vote "nay."

The PRESIDENT pro tempore. If the Senate desires to entirely eliminate this paragraph it will vote "nay."

Mr. SIMMONS. That is what I thought.

Mr. ADAMS obtained the floor.

Mr. REED of Missouri. Will the Senator pardon me for a moment?

Mr. ADAMS. Certainly.

Mr. REED of Missouri. I think it is necessary for the sake of the record that we get this right, and if everybody would stop talking for a moment I would like to have Senators hear what I have to say, and see if I am right.

The Finance Committee reported the bill striking out the provision in question. It came up for discussion in the Senate as in Committee of the Whole. The Senator from Colorado [Mr. ADAMS] offered an amendment, which was agreed to as in Committee of the Whole. The Committee of the Whole then rejected the amendment, including the Adams amendment. In that form, with the entire proposition rejected, it was taken up in the Senate, and the Senate overruled the action taken as in Committee of the Whole and adopted the section with an affirmative vote, which carried it into the bill, including the Adams amendment.

Thereupon the Senator from Minnesota [Mr. SHIPSTEAD] moved to reconsider the vote, and it was reconsidered. So that as the matter now stands, we have the action taken as in Committee of the Whole rejecting this provision, and it is not in the bill as it now stands, and it seems to me that the vote having been reconsidered by which we reaffirmed it, we are now to vote on the proposition which is now brought forward as an affirmative proposition, and if we vote "yea" we put the proposition in the bill and if we vote "nay" we strike it out of the bill.

The PRESIDENT pro tempore. The Chair does not so understand it.

Mr. SWANSON obtained the floor.

Mr. ADAMS. Mr. President, I thought I had the floor.

The PRESIDENT pro tempore. No; the Senator from Colorado had the floor, but the Chair has now recognized the Senator from Virginia.

Mr. SWANSON. Mr. President, having proceeded to reconsider the vote, the question comes up now precisely as it was when it was adopted. When it was adopted, what was the proposition before the Senate? It was to concur in the amendment agreed to as in Committee of the Whole. What was the amendment made as in Committee of the Whole? It was to strike out this provision. So, if you vote "yea," you vote to concur in the amendment adopted as in Committee of the Whole. That is the way it comes in the Senate. The amendment adopted as in Committee of the Whole was to strike out the provision. Consequently a vote "yea" is to strike out the House provision, and a vote "nay" is to retain it in the bill.

Mr. SIMMONS. It is exactly where it was when the bill was reported to the Senate.

Mr. SWANSON. It is precisely where it was when the bill was reported to the Senate. The Senator from Utah asked for a separate vote on concurring in the action taken as in the Committee of the Whole, which was to strike it out. It is plain that if that proposition is submitted—and it is submitted on rehearing—Shall the Senate concur in the amendment adopted as in Committee of the Whole?—which was to strike out the provision, it seems to me a vote "yea" would be to strike it out.

Mr. ADAMS. Mr. President, I hope I may have the attention of Senators, very briefly, in an effort to explain a situation which is obviously much misunderstood. The motion to reconsider was based upon that misunderstanding. My conversations since the vote lead me to think there was a misunderstanding upon the part of some of those who voted upon each side of the question. Unfortunately we are dealing with an obscurely drawn section of a bill. It is not easily comprehended in the form in which it comes to us, but that can not be remedied at this time.

I am in accord with the purpose of the Senator from Minnesota. I am in accord largely with the purpose of the Senator from Florida. But I think that we are working upon a misunderstanding of what the amendment actually provides. I think the Senator from Florida, and those who have agreed with him on this side of the Chamber, have failed to comprehend what is actually involved.

This, briefly, is the situation: This amendment does not attempt to take from the bond of any State, any county, any school district, any farm-loan bond, its tax-exempt qualities either as to normal tax or as to surtax. That is the absolute foundation of this situation, and any argument based upon a theory that this amendment takes away tax-exempt qualities from a bond now exempt is based upon an absolutely false premise. That is the situation.

Again, it does not take away the absolutely unqualified right of any man to buy State, county, Federal farm loan, or any other tax-exempt bonds in any amount, and to hold them absolutely free from taxes. There is no question about that. In other words, the market for the farm-loan bonds is not in anywise affected by this amendment, so far as that market is a legitimate market.

Here is what is affected: The amendment denies not the right of exemption, but the right of deduction; and that to which deduction is to be denied is not interest upon tax-exempt bonds, but upon taxable securities. If this amendment is defeated, this will be the result. Some are now complaining of the amount of tax-exempt securities in existence. It is said there are $17,000,000,000 in those securities. If this amendment is stricken down, the amount of tax-exempt securities will, in effect, be doubled. In other words, you are making it possible to put behind every single dollar of tax-exempt securities another dollar of taxable securities and to give exemption to that other dollar.

Let me illustrate it: Let us assume that a man has an income from taxable securities of $1,000,000. He is in the class where he is paying the maximum surtax rate. He is therefore paying to the Government, roughly, in that situation $500,000 of taxes. You have all agreed that you will not permit a man to make a loan, invest the proceeds of it in tax-exempt securities, and then deduct the interest paid on this loan when it is done directly.

This plan proposed by this amended section is merely to make effective the plan which has already been voted for and which has been approved, and which, by reason of the form in which it is drawn, is ineffective because it lends itself to easy evasion. The man with a million dollars of taxable securities borrows enough money to buy tax-exempt securities yielding an income of a million dollars. It requires but little ingenuity to do so indirectly, without violating the existing statute; and when that has been accomplished, the man, under the condition which it is sought to preserve, instead of paying to the Government $500,000, will pay the Government absolutely nothing. The amendment simply seeks to provide against exemption for taxable securities in this way. It does not destroy the tax-exempt qualities or rights of any bond, nor will it seriously affect their price. That is the fundamental fallacy, as I see it, in the argument against it.

I am just as much concerned in preserving the right of the State, the county, the municipality, the school district, and the Farm Loan Board to issue tax-exempt securities as any man is. I first began to study the amendment because I felt it was a threat in that direction. I have found difficulty in making the explanation, but if Senators will study the provision they will find that it does not take away the tax-exempt qualities of any bond. Mr. John D. Rockefeller can, if the amendment is adopted, invest $1,000,000,000 in tax-exempt securities—all of them farm-loan bonds, if you will—and receive absolute and complete protection from taxes. The rich man has not been taken out of the market as a purchaser of tax-exempt securities. We have merely said to him, "You may not purchase a million dollars of tax-exempt securities and then hide behind them a million dollars of taxable securities and thus escape." It is not a matter, as I think the Senator from Utah said, of losing $30,000,000 of revenue. I think it means, when the opportunity is understood which exists through this medium, that behind practically every dollar of tax-exempt securities would be a dollar of taxable securities escaping taxation.

I do not know what is the total gross income from tax-exempt securities, but it runs into a billion dollars or more. If this loophole is left open, it means that there has been afforded a way to put Standard Oil stock and every other such form of security into the tax-exempt class. That is what is going to be accomplished under the guise of protecting the rates of the Farm Loan Board and others who issue tax-exempt securities. The argument against the amendment is not unlike that of the man who sells flash lights objecting to a law against burglary because burglars buy flash lights.

I do not believe that the market for tax-exempt securities will be substantially affected, and surely not their legitimate market. Information coming to me from those connected with the farm-loan organizations leads me to think they have made the same fundamental error of not comprehending what is involved in the situation.

Mr. PITTMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Nevada?

Mr. ADAMS. Certainly.

Mr. PITTMAN. It would seem that tax-exempt securities are affected in this way: At the present time we can borrow money on tax-exempt securities. After we borrow money on the tax-exempt securities we have to pay interest on the money we have borrowed. We offset that interest against our net profits. Now, if we are going to make it impossible to borrow money on tax-exempt securities, we injure the value of the securities. If the interest that a man pays on a debt which is incurred by reason of borrowing money upon tax-exempt securities can not be offset against his income the same as any other interest can be offset against his income, then he will not borrow money on tax-exempt securities, will he? It absolutely destroys their value as collateral because the interest on the debt for which the tax-exempt securities are collateral loses its exemption value, and no one therefore would borrow money on tax-exempt securities.

Mr. ADAMS. Let me point out to the Senator from Nevada two answers to that. In the first place, the amendment itself specifically excepts interest on indebtedness paid or incurred in the carrying on of a trade or business. That is specifically excepted in the amendment as it stands.

Mr. PITTMAN. Except!

Mr. ADAMS. No; there is no exception at all.

Mr. PITTMAN. Oh, yes.

Mr. ADAMS. In other words, if, for the purpose of developing a mine or conducting a bank——

Mr. PITTMAN. Except where it exceeds.

Mr. ADAMS. No; that limitation does not apply to the section at all. There is absolutely no limit to the deduction for borrowing for us in trade or business. The section reads:

The amount of the deduction provided for in paragraph (2)—

Which is the right to deduct all interest paid upon indebtedness—

unless the interest on the indebtedness is paid or incurred in carrying on a trade or business * * * shall be allowed as deductions—

Only for calculation of surtaxes and—

only if and to the extent that the sum of such amounts exceeds the amount of the interest on obligations or securities the interest on which is wholly exempt.

In other words, that is an unqualified exception from the application of the provision. Now, one other thing in connection with it——

Mr. PITTMAN. Suppose it is not used for carrying on a trade or business?

Mr. ADAMS. Then it is not exempt, except that the amendment which I have offered accomplishes the securing of the exemption so far as the normal tax is concerned. The normal tax is 6 per cent, and the borrower is paying 6 per cent on the money, and he at least is not losing anything. He is neither taking advantage of the Government nor having the Government take advantage of him.

As I said, the section originally suggested the objection the Senator makes, and it appealed to me for that reason. It was not fair that a man should pay 6 per cent interest for money legitimately borrowed, and then be denied the right to a corresponding offset.

The objection, as it now stands, is that the man paying a surtax pays 6 per cent interest and upon the bond he buys he gets 5 per cent, so that it only costs him 1 per cent, and then he offsets 56 per cent. That is what is accomplished under the situation. At an expense of 1 per cent he secures an exemption of 56 per cent.

Mr. PITTMAN. I would like to know how this reaches Mr. Rockefeller?

Mr. ADAMS. Mr. Rockefeller had $20,000,000 of taxable securities. He was receiving from those taxable securities $1,800,000 in income. He had $40,000,000 of tax-exempt securities from which he was receiving $2,000,000 of income. As he stood at that point he was paying upon the $1,800,000 of taxable income $1,144,000 of taxes. He was paying some 58 per cent tax upon his income. Then he went and in some manner borrowed $30,000,000, and upon that paid interest to the amount of $1,800,000. Then when he came to compute his net income for the purpose of paying surtaxes and normal taxes, under the provision of the existing law, he offset the $1,800,000 interest paid out against the $1,800,000 of taxable income, and then had no net taxable income.

Mr. PITTMAN. That is all right; but suppose he had the $40,000,000 in tax-exempt securities and could borrow $40,000,000 on them, and did so and invested the $40,000,000 in any kind of business or invested it in securities of any kind. Would that be trade or business?

Mr. ADAMS. It might or might not be.

Mr. PITTMAN. We will assume the man puts it in a safe-deposit box. I understand this section would then apply to it, but when we come down to asking if it is used in trade or business it means nothing to my mind.. On the other hand, if we do not have the exemption for the use in trade or business it destroys the collateral value of the tax-exempt securities.

Mr. SMOOT. The Senator knows that William Rockefeller and all those people who have retired from business are not in trade or business, and it reaches that class of people and no one else.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from North Carolina?

Mr. ADAMS. I yield.

Mr. SIMMONS. I want to ask both the Senator from Colorado and the Senator from Utah, if the purpose of the amendment is to protect against the kind of evasion that they are talking about, why do they not confine the amendment to that class of cases and not make it so broad that it covers the honest man who has no purpose or intent to evade the tax?

Mr. ADAMS. May I say I think the exemption covers that? The exemption which is sought to be sustained here is an exemption upon taxable and not an exemption upon nontaxable, and that is what Mr. Rockefeller and those in his class will accomplish, because you are not protecting the exemption of tax-exempt securities but the exemption of taxable securities. You are permitting a man to deduct an equivalent amount. I simply insist so far as I can that we should limit the man to the exemption which the law meant to give him. If he buys a tax-exempt bond, the interest on that bond is wholly and absolutely exempt to the full limit for both normal taxes and surtaxes, but he should not be permitted to apply to taxable bonds the exemption given to tax-exempt securities.

Mr. SIMMONS. But the Senator has made his amendment so broad that if I should hold a tax-exempt security and should incur an honest obligation and pay interest upon it, he would deny me the benefit of that interest as a deduction, which is a deduction that is allowed to every other citizen in the country but denied to me because I happen to have some tax-exempt securities.

Mr. ADAMS. Provided two things occur. First, that the Senator's borrowing is not for business purposes, and provided also that he is seeking to deduct more than he pays, or is seek-

ing to deduct to avoid surtaxes. In other words, he can deduct as much as he pays.

Mr. SIMMONS. I may have borrowed that money to build a house or rebuild a house that has burned down.

Mr. ADAMS. The Senator could deduct every cent of interest.

Mr. SIMMONS. I could deduct that if I happened to own Government securities that were exempt and subtract my interest upon the other bonds from the deduction created by the interest.

Mr. ADAMS. The Senator could deduct just as much as he paid out. The one thing we are trying to stop is that when he pays out a thousand dollars he shall not deduct $50,000.

Mr. HOWELL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. ADAMS. I yield.

Mr. HOWELL. I would like to suggest a concrete case to the Senator from Colorado. Suppose a man bought six or seven thousand dollars' worth of Liberty bonds during the war and kept them as a sort of savings deposit, or something that he could call upon at any time, as many citizens did; but he happens also to owe a note secured by mortgage on a piece of property. Is it not a fact that under present circumstances he would be allowed to deduct the interest he paid on the note from his income-tax return to determine the amount upon which he should be taxable?

Mr. ADAMS. Yes.

Mr. HOWELL. But if the Senator's amendment is adopted, he can not deduct the total of the interest paid on that mortgage, but will have to deduct the interest he received on his Liberty bonds.

Mr. ADAMS. No; there would be no change under the facts which the Senator assumes because the amount of interest the taxpayer is getting, being only $6,000 or $7,000, would not come in any way within the surtax provision.

Mr. HOWELL. But the question of whether he would come within the surtax provision would depend upon what his total income was, so that if the interest on such securities were merely a part of his income-tax return, he would thereby by this provision pay a tax upon his income from his Liberty bonds.

Mr. ADAMS. Not at all. He does not in any way, shape, or form pay taxes upon his Liberty bonds, and, in my judgment, we can not make him pay a tax on his Liberty bonds. All we say to him is: "If you borrow the money you may offset the interest you pay so far as the normal tax is concerned, but you may not offset it so far as surtaxes are concerned; in other words, the Government will not allow you to take advantage of other taxpayers by getting a deduction which the man in moderate circumstances can not obtain."

Mr. HOWELL. It would affect my income tax if my income were sufficient to compel me to pay a surtax.

Mr. ADAMS. And it ought to do so.

Mr. HOWELL. But, admitting that a man bought Liberty bonds and holds them at this time, if his income happens to be large enough so that he pays a surtax he will be taxed upon the interest upon those bonds.

Mr. ADAMS. Not at all.

Mr. HOWELL. Why not?

Mr. ADAMS. That is just the problem I was trying to make clear.

Mr. HOWELL. He absolutely has to account for such interest, and that is exactly what this means. It means that to that extent the income from Liberty bonds acquired in good faith during the war would be taxed.

Mr. ADAMS. Unfortunately that is just the problem that we are having to meet, and the Members of the Senate do not understand the amendment nor its effect.

Mr. SWANSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Virginia?

Mr. ADAMS. Certainly.

Mr. SWANSON. Let us get the idea clear in reference to the amendment of the Senator from Colorado. As I understand, we are discussing the deductions which are allowed individuals on their incomes. This bill, as it came from the other Houses, provides that in computing net income there shall not be allowed as deductions what is embraced in paragraph (2) of subdivision (a) and paragraph (5) of subdivision (a) except under certain conditions.

As I understand, paragraph 2 includes interest paid or accrued within the taxable year, but if interest has accrued on tax-exempt securities it shall not be subtracted under the provisions of that paragraph. I am not talking now about the amendment of the Senator from Colorado, but I am talking about the original proposition.

Paragraph 5 refers to losses sustained during the taxable year. So that if one has tax-exempt securities, under the House provision, interest on them may not be deducted in computing the deductions allowed to individuals.

Mr. ADAMS. No; the Senator from Virginia is in error.

Mr. SWANSON. The language of the provision is plain.

Mr. ADAMS. Let me try to explain it. Section 2, which is on page 47 of the bill, allows the deduction of all interest which is paid within the taxable year. That is the general provision.

Mr. SWANSON. But the interest obtained from tax-exempt securities must offset the other deductions.

Mr. ADAMS. That statement would have to be qualified. It would depend upon whether or not the interest affected one's surtax.

Mr. SWANSON. No; I mean under the Senator's amendment. I wish to make clear what the provisions of the bill are independently of the Senator's amendment, and then see what would be the effect of the Senator's amendment.

Mr. ADAMS. Let me try to make it clear in this way, keeping in mind the dividend situation: When we come to tax dividends we do not include dividends from corporations in the computation of net income; that is, when the rate of the normal tax is applied against net income no dividends are included. When, however, the surtax rate is applied dividends are added to net income as computed for normal tax purposes. In other words, the normal income tax is applied to net income and the surtax rates are applied to normal income plus dividends.

We are seeking to make the same application in this instance, so that for the purpose of fixing normal taxes upon net incomes the taxpayers may deduct interest paid, regardless of whether he owns or does not own tax-exempt securities; but when it comes to computing net income for the purpose of applying the surtax, then the taxpayer must add to his net income the income which he received from tax exempts. It is not a matter directly affecting tax exemption; it is a matter affecting, on the one hand, the computation of net income; and, on the other, of deductions of interest from taxable securities. It does not affect the tax-exempt securities at all except as they have become the conduit through which the taxpayer has been enabled to reduce the amount of his taxable income.

Mr. SIMMONS. May I ask the Senator from Colorado if it is not true that the result is to treat interest upon tax-exempt securities just as if it were dividends?

Mr. ADAMS. Yes, sir; that is substantially the situation.

Mr. SIMMONS. That is just what I object to.

Mr. REED of Missouri. But it denies to the tax-exempt securities a use which they now have; it takes away that part of the value of the tax-exempt securities. I say that the whole problem can be reached. I think it can be reached under the law as it stands now where there is a manifest device set up to defeat the payment of taxes. I do not think the language on page 47 is exactly clear, but it can be made clear.

Mr. President, I wish to suggest that there are about 20 amendments to this bill to be passed on before 2 o'clock, and I think it would be well to dispose of this question as soon as may be possible.

Mr. ADAMS. Mr. President——

Mr. REED of Missouri. I am not trying to cut off the Senator from Colorado at all.

Mr. ADAMS. Mr. President, I merely have one suggestion to make, and that is that from my study, which has been a careful study of the situation, if the Members of the Senate really wish to perpetuate the tax-exemption outrage which exists they will vote in favor of concurring in the action of the Committee of the Whole, but if they wish to put a stop to what, in my judgment, is the grossest outrage in our system of taxation, they will vote "nay."

Mr. BROOKHART. Mr. President, I do not think the proposition just stated by the Senator from Colorado is in issue at all. If he wants to meet that condition, he can do it by a proper amendment. There is just one evil, as I understand, which he is seeking to end, and that is the borrowing of money for the purpose of buying tax-exempt securities and then deducting the interest on the debt so created from the income tax, without having to offset anything derived from his tax-exempt securities. That one situation covers the whole evil first and last and from A to Z.

Mr. ADAMS. And that is all that is involved in this proposal when reduced to its essence.

Mr. BROOKHART. The amendment does not confine itself to that situation, but is bound up with investments in business and a number of other nonunderstandable suggestions. So I think the provision ought to be stricken out, and if the Senator wants to cure the evil which he describes let him offer a little amendment that will fit that situation and go no further.

Mr. BRUCE. Mr. President, when this question was under discussion a few days ago I had a good deal to say in regard to it; and, of course, I desire to avoid repetition, but I feel obliged to reaffirm in the very strongest terms that I can command the conclusion which I reached upon that occasion; that is to say, that the House provision, whatever was the real intention of the House, if carried into effect, would involve nothing less than sharp practice or, if I may use such an opprobrious expression, trickery on the part of the Government.

I am glad that the Senator from Missouri withdrew his amendment, because I think that that amendment, if it had been adopted, would have proved entirely ineffective. When the last general reassessment law was enacted in the State of Maryland it contained a provision that there should be no tax on ordinary bank deposits, unless they should represent the proceeds of property sold for the purpose of evading taxation. The language of the provision was clearly and aptly drawn, but the enactment has been an absolute dead letter from that day until this. Doubtless many taxpayers have sold bonds and deposited the proceeds of the sales in Maryland banks for the purpose of escaping taxation, but if one dollar of money so deposited has ever been reached by taxation the fact has never been brought to my attention. The same fate, I am sure, would have befallen the amendment of the Senator from Missouri in its practical operation had it been engrafted on the pending bill.

I think with the Senator from Florida [Mr. FLETCHER] that the thing to do is to disregard all the debate which has gone on since the first discussion of the question under consideration and to get back to the stage at which this question was originally presented to the Senate, when the House provision came over to us, and the Senate committee struck it out, and had its action approved by the Senate as in Committee of the Whole.

I can not stop to ask what effect this provision will have on the material interests of Mr. William Rockefeller or anybody in the same plutocratic class as he. If he or the like of him is to be singled out for a punitive enactment, surely somebody in the Senate, the Senator from Pennsylvania [Mr. REED] or some other Senator, has resource or ingenuity enough to draft an amendment to the pending bill that would draw a line between the William Rockefellers and the ordinary average investor who chooses to invest his money in Government or State or municipal tax-exempt securities.

Has it not been a maxim of the common law from the beginning that it is better that a hundred guilty men should escape than that one innocent man should suffer? So I say that it is better that a hundred William Rockefellers should go unwhipped of justice than that one innocent investor who has in perfect good faith invested his money in tax-exempt securities should be unjustly mulcted by such a provision as that in the House bill.

I have been led to believe that the Senator from Pennsylvania [Mr. REED], at any rate, would endeavor by some sort of line of division to separate the tax sheep from the tax goats affected by the House provision. If he will do so and place William Rockefeller and men of his type in one class and the ordinary innocent investor in tax-exempt securities in another, I will gladly vote for such a provision as that of the House in relation to Mr. William Rockefeller or anybody else who may make investments in tax-exempt securities simply for the purpose of defrauding the Government of revenue.

Mr. SIMMONS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from North Carolina?

Mr. BRUCE. I yield.

Mr. SIMMONS. I approve very heartily what the Senator has just said. If that is the purpose of this amendment, and the only purpose, the amendment ought to be so drafted as only to reach the object intended and to remedy the evil supposed to exist. When that is not done, it is clear that there is some other intent than the mere offsetting of interest against losses or interest paid by a taxpayer who is seeking by that process to avoid his taxes.

If the Senator will pardon me further——

Mr. BRUCE. Yes, indeed; I yield, with pleasure.

Mr. SIMMONS. Yesterday we had an amendment presented by the Senator from Pennsylvania [Mr. REED], and the particular amendment we are now discussing was especially sponsored by the Senator from Pennsylvania, both in the committee and upon the floor of the Senate. The purpose of the Senator in offering the amendment which we defeated on yesterday was to tax future issues of State and municipal bonds. That was his purpose. I have always thought that he had some purpose in insisting upon this provision remaining as the House passed it. It came from the Treasury Department; it had behind it the recommendation of Mr. Mellon; and I have always thought that this amendment was intended to reach bonds already issued, as the other amendment which we defeated yesterday was intended to reach bonds hereafter issued, and that the two amendments, coming as they do from the same source, were companion pieces—one to reach the bonds that have been issued, and the other to reach the bonds that may be issued hereafter.

Mr. BRUCE. I must say that I think that there is a very close resemblance between the calf and the cow in this case. The motive of the Senator from Pennsylvania may be what the Senator surmises; but, be his motive what it may, I say with great respect to the Senator from Pennsylvania—for I entertain the profoundest respect for him—that it will not stand the test of examination.

Nothing could be more clearly established, it seems to me, than has been the fact that, after all, no such vast amount of the money of the rich has gone into tax-exempt securities as has been supposed in some quarters. The records of the Treasury show that; the Senator from North Carolina [Mr. SIMMONS], the Senator from New Mexico [Mr. JONES], and even earlier the Senator from Indiana [Mr. RALSTON] have demonstrated that, beyond question. These tax-exempt securities are not held simply by millionaires, as some individuals in and outside of the Senate appear to think. They are the favorite investments of the little investing boat, if I may use such an expression, that does not put off far from shore; of the prudent man who is not grasping or avaricious, and who yet makes more money than he spends, and wishes to invest his money in such a manner as to be beyond the ordinary pecuniary vicissitudes of life.

Along with William Rockefeller, the House provision strikes at a man who has never in his life invested his money in anything except Government, State, or municipal tax-exempt securities, who is not engaged in trade or business, who has never incurred any standing debt and is not likely to experience any material pecuniary loss, and who finds that he wishes to buy or build a house at a time when he can not sell securities for the purpose of meeting the cost of purchasing or erecting the house except at a sacrifice. He goes off to some trust company or bank and borrows the amount that he needs without the slightest idea of bilking the Government. And yet, under this House provision, from any offset against his taxable income that this man might set up on account of interest on his indebtedness would be deducted the interest on his tax-exempt securities.

Is that just? Is that fair? Is that right?

The effect of the House provision is to inflict a pecuniary loss upon the innocent as well as upon the guilty, upon the ordinary prudent investor outside of trade circles as well as upon the unscrupulous capitalist. In other words, like the rain from heaven, this bill comes down on both the just and the unjust. So, I say, in some way or other, by some proper amendment or other, a distinction should be taken between the William Rockefellers and such an investor as I have been using as an example.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

Mr. BRUCE. Certainly.

Mr. CARAWAY. The thing I want to call to the Senator's attention is this: If a man bought a bond, and was told it was tax exempt, can we be quite honest and invade that exemption by indirection?

Mr. BRUCE. Indeed we can not.

Mr. CARAWAY. I should like the Senator to notice that on page 8200 of the RECORD of yesterday the Senator from Pennsylvania [Mr. REED], in offering his new amendment, said, in the third paragraph:

> I realize the unfairness of making such a provision as this retroactive.

That is, to tax income. If he realized with reference to that amendment that it was unfair to do this thing by direct means, when does it become fair to do by indirection the thing which he admits it is unfair to do by direction?

Mr. BRUCE. If I am to be treated unjustly, I would rather receive my blow in the face than in the back or the side. If I am to be injured, let me be injured, not by some unconscionable artifice, but in some manly, downright fashion.

The fundamental fact underlying this discussion is that under the Constitution of the United States the Federal Government is powerless to tax directly securities issued by the States or municipalities of the United States or issued by it with a pledge of tax exemption. That it can not tax State or municipal securities has been held by the Supreme Court of the United States from the earliest stages of our history. The Federal Government can not lay the finger of taxation, no matter how soft the touch of that finger may be, upon such securities; and, so far at any rate as its Liberty 3½ per cents are concerned, it has given a solemn pledge to its own people that if anyone buys one of those bonds it shall be totally exempt from taxation, National, State, or municipal. What, therefore, is this House provision but an attempt to do by dishonest circumvention what the Government is unable to do directly? If, after luring the people of the United States into the purchase, for instance, of Liberty 3½s, the Government should contrive the circuitous method of taxation—for that is what it is—suggested by the House to deprive securities that ought to be tax exempt of their tax-exempt feature, it would be chargeable with a gross breach of good faith.

This is not simply a question of public policy. You belittle it when you speak of it merely as such. It is a question of good morals; of good faith; of decent treatment by the Government of its own citizens. In my humble judgment, the only reason why this House provision has not been trampled under foot by the Senate is because it has not been fully understood owing to the fact that when it has been heretofore discussed there has been only a slim attendance in the Senate.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, when it was fully understood, just after a full discussion of it in the Committee of the Whole, we voted it out.

Mr. BRUCE. Yes; that is true.

Mr. SIMMONS. On yesterday the amendment, I think, was fully understood, but the form of the vote was not understood.

Mr. BRUCE. Certainly.

Mr. SIMMONS. While I am on my feet, however, if the Senator will pardon me——

Mr. BRUCE. Of course I will.

Mr. SIMMONS. The Senator from Colorado [Mr. ADAMS] seems to me to have made a very important admission, which I want to call to the attention of the Senator from Maryland, because he may want to comment on it, and that is that this amendment as amended by him treats the income from tax-exempt securities as if it were dividends received from stocks of a corporation.

I do not wish to take the Senator's time, but I should like to make another suggestion, if the Senator will pardon me.

Mr. BRUCE. Certainly; I am only too glad to have the Senator do so.

Mr. SIMMONS. I desire to make this suggestion with reference to why we find this amendment in its present form: It would have been easy to draft an amendment to meet a case of palpable evasion without raising any serious question about tax-exempt securities. The common sense of the Senate and the country might have accepted that as being fair. A man attempting to evade his tax should be penalized.

Mr. BRUCE. Certainly. We would all vote with pleasure for such a provision as that, of course.

Mr. SIMMONS. Now, why was it not drawn in that way? I think that was made clear when we were discussing this matter in the committee. It was made clear that this was what was called a step, the beginning of a movement to test in the courts the question as to the constitutionality of legislation, without a constitutional amendment, subjecting these bonds, directly or indirectly, to taxation. The amendment had to be made broad enough to raise that question.

Mr. BRUCE. I see.

Mr. SIMMONS. That is what they are seeking to do—to get this matter into the courts and raise that question, and in order to raise it the amendment had to be broad enough to present the question.

Mr. BRUCE. As a mere suggestion, I have not the slightest objection to the original idea of Mr. Mellon that the Federal Constitution should be so altered as to endow the National Government with the power to tax future issues of securities by States and municipalities. I am not saying that that would be a wise thing to do, for it is not necessary for me now to express any opinion upon that subject. Moreover, I have no fault to find with the Senator from Pennsylvania because he chooses to reach the conclusion that even under existing constitutional limitations it is possible for the Federal Government to tax future issues of State municipal securities; that is, provided that he does not use his line of reasoning so effectively as to work injustice in the present case.

Mr. SIMMONS. Mr. President, I only want to suggest that the mere fact that the amendment is drawn for that purpose would indicate, of course, that in order to reach that purpose they had, directly or indirectly, to subject Government securities to taxation.

Mr. BRUCE. Yes; precisely.

Mr. SIMMONS. I do not want to make a speech. I know that we shall have to act upon this matter soon, in order to make way for other amendments.

Mr. BRUCE. I am going to conclude in a moment myself. I have spoken too long already.

Mr. SIMMONS. I do want to say this, however: Whatever may be the opinion of individual Senators on the floor about this matter, the men who represent these great organizations, the Farm Loan Board and the joint-stock land-banks, that are in competition with the mortgage banks that are so powerful in this country, or were at one time, after the most thorough discussion and examination by lawyers of approved ability and capacity to determine and construe this provision of the House have been advised, as I happen to know, that if this provision does pass it will impose a tax upon the issues of those agencies.

I am also advised that if it goes into court—and it is the purpose to throw it into court—it will probably be 18 months before we can get a decision, and the banks that are now doing so much for the agricultural interests of the country apprehend that during those 18 months they will not be able to sell their bonds at the rate of interest fixed by law.

Mr. BRUCE. I am free to say, as a lawyer, though I have given no detailed consideration to that side of this question, that the House provision deprives the citizen of his property without due process of law; in other words, involves a violation of the fourteenth amendment.

Mr. NORRIS. May I interrupt the Senator?

Mr. BRUCE. Certainly.

Mr. NORRIS. I can not help believing that the Senator is trying to accomplish what I think all of us want to accomplish. In the first place, on the one hand, we do not want to leave a loophole in the law by which a lot of men with big incomes can escape taxation.

Mr. BRUCE. Indeed, we do not, and nobody in the Senate less than myself.

Mr. NORRIS. On the other hand, nobody wants to violate any pledge, moral or legal or otherwise, which the Government owes to the holders of nontaxable securities. We are trying to accomplish the same end. If the amendment offered yesterday by the Senator from Missouri [Mr. REED] to the House text, if adopted, would clear the question of all doubt——

Mr. BRUCE. Was that the amendment to which the Senator from Missouri [Mr. REED] was addressing himself this morning? I was not here during the closing hours of the session yesterday.

Mr. NORRIS. I have just come from a committee meeting, and I do not know what took place this morning, except that I understand that amendment was withdrawn. We do not all agree as to the effect of that amendment, and I do not agree with the Senator as to the effect of this language which the amendment of the Senator from Colorado added, but I feel that he has just as good a right to his opinion as I have to mine; he may be right, and I may be wrong. But under the theory the Senator is presenting and the theory which the Senator from North Carolina has presented we must be confronted with these two dilemmas.

One is that we will leave a loophole big enough for million-dollar incomes to escape taxation, or we will interfere unjustly and wrongfully with the holders of tax-exempt securities. We are going one way or the other, if the Senator is right, and if those who contend with him are right; and they may be. If the amendment offered by the Senator from Missouri will clear it of doubt, and I have not heard anybody question that, why not let us agree to that amendment, and it will all be over with, and we will accomplish both things?

Mr. SIMMONS. The substance of that amendment is already in the bill.

Mr. NORRIS. I do not think so.

Mr. SIMMONS. I may be mistaken about it. I thought we had agreed to an amendment which had the same effect as the amendment of the Senator from Utah.

Mr. NORRIS. Oh, no.

Mr. SWANSON. If the Senator will permit me——

Mr. NORRIS. The Senator from Maryland has the floor.

Mr. BRUCE. I yield.

Mr. SWANSON. I understand that the Senator from Missouri will offer his amendment to a different section of the bill. He wants this disposed of, and then he expects to offer his amendment, and I do not think anybody will object to it.

Mr. NORRIS. If that amendment would clear this of its doubt, what is the use of debating it?

Mr. REED of Pennsylvania. Will the Senator yield to me?

Mr. BRUCE. I yield.

Mr. REED of Pennsylvania. As I understand, by his amendment the Senator from Missouri proposes to put in a provision that if money is borrowed for the purpose of buying tax-exempts, the interest on that borrowed money shall not be deductible. I think that is the substance of his amendment.

Mr. FLETCHER. That is already in the bill.

Mr. REED of Pennsylvania. If Senators will look at page 47 of the bill, they will find that there has been put in by the committee the same language which occurs in the last two or three revenue acts, which is that interest "on indebtedness incurred or continued to purchase or carry obligations or securities the interest upon which is wholly exempt from taxation" may not be deducted.

That has been the law for years, and it has been a dead letter for years because the tax authorities can not prove the intent of the taxpayer in borrowing that money, and he is clever enough—and he does not have to be very clever to do it—to borrow the money after he has bought the securities, or to borrow the money and put it in his current account. You simply can not connect the two transactions as a matter of fact, and that is what we are trying to reach.

Mr. BRUCE. That brings me back to the illustration I gave in the beginning, drawn from our own experience in Maryland. I do not think that the Senator from Nebraska was here at that time. We enacted a law that ordinary bank deposits were not to be taxable except when they represented the proceeds of property sold for the purpose of evading taxation. This statute has been lifeless from the time that it was passed until to-day. Nobody has any real means of ascertaining whether the proceeds of sales of property that are deposited in banks represent property sold for such a dishonest purpose. So I say to the Senator from Nebraska, in reply to his question, that theoretically I think that the amendment of the Senator from Missouri is a very admirable one, and that if I thought that it could be made effective, I would be glad to vote for it; but that I am afraid it would be a mere brutum fulmen, as most provisions of that kind are.

I do not know whether the suggestion has any value or not, but I tentatively suggest to the Senator from Nebraska that the present situation might be met in some effective way by shifting the burden of proof——

Mr. NORRIS. I was just going to make that suggestion.

Mr. BRUCE. So as to throw on the taxpayer the obligation to clear his skirts of all suspicion of misconduct when he came to claim a loss or interest on indebtedness against his taxable net income.

Mr. NORRIS. If the burden of proof were put on him——

Mr. BRUCE. That is the point.

Mr. NORRIS. To show that he had not borrowed it for the purpose of avoiding the law——

Mr. BRUCE. That is my suggestion.

Mr. NORRIS. He would have no trouble proving that if it were true.

Mr. BRUCE. If that is feasible, I would like to see it done.

Mr. SMOOT. That is in the bill now.

Mr. NORRIS. Is that in the bill now?

Mr. SMOOT. Yes.

Mr. NORRIS. If that is already in the bill——

Mr. BRUCE. I do not understand that to be in the bill.

Mr. SMOOT. There is a provision in the bill——

Mr. BRUCE. Let us get right down to precise language. Is there any provision in the bill which throws on a taxpayer who has tax-exempt securities and is about to claim a loss or interest on indebtedness the burden of showing that he is not claiming the loss or the interest on the indebtedness for the purpose of avoiding taxation?

Mr. SMOOT. This is the law, that interest "on indebtedness incurred or continued to purchase or carry obligations or securities the interest upon which is wholly exempt from taxation" may not be deducted.

Mr. BRUCE. That says nothing about the burden of proof.

Mr. NORRIS. There is nothing about burden of proof there.

Mr. REED of Pennsylvania. Will the Senator from Maryland yield?

Mr. BRUCE. Certainly.

Mr. REED of Pennsylvania. What we are trying to do is to simplify the tax law. If you put the burden of proof on the taxpayer to show affirmatively by additional evidence the purpose for which he incurred these particular deductions, you turn every return into a lawsuit, and there are 8,000,000 returns filed each year. The more we can make them automatic in their settlements, the fewer litigable points we put in, the more effective and workable and less harassing will our law be.

Mr. BRUCE. I make the same answer to the Senator that I so frequently made when I was the head of the Baltimore city law department, and some citizen would come in and threaten the city with a suit. My answer always was, "Go ahead and sue; that is your right as a citizen." And at times I would have to say, "Your threat is not an alarming one, because the city has a legal staff, paid by the year, for the very purpose of defending the rights of all the citizens of the city." The Federal Government is in a similar position.

So I say to the Senator, it seems to me, that we should at least require the taxpayer to make a formal, specific oath, if nothing more, that he has no intent in making his claim to evade taxation. Of course, I realize that oaths are not always binding, where a human being is strongly solicited by his selfish impulses. But as I have said before, it seems to me that such language might be employed in the pending bill as to cast on the taxpayer the burden of vindicating the bona fides of his claim.

Mr. SIMMONS. Will not the Senator yield to me just a moment?

Mr. BRUCE. Certainly.

Mr. SIMMONS. There are a number of amendments, probably, to be considered; we have only one hour, and I understand the unanimous-consent agreement is so drawn that amendments to be voted on after 2 o'clock will have to be offered before 2 o'clock. That was not the intent, but in the discussion of the matter with the Chair I came to the conclusion that that was the effect.

Mr. BRUCE. I am very much obliged to the Senator. That reminds me, however, of something that I was reading some time ago. It seems that formerly in Turkey, when the host thought that a guest was remaining too late in the evening, he did not tell him so in so many words, but he would look over his shoulder and give a nod to one of his attendants, who would go off hastily and return with a chafing dish with which the guest understood perfectly well that when he had perfumed his beard he was required by the fixed rules of Turkish courtesy to retire to his own home. I suppose that my good friend, the Senator, intends to give the same such hint as this.

Mr. SIMMONS. The Senator is always so entertaining and so forcible that I could not have any such intent as that with reference to him.

Mr. BRUCE. I acquit the Senator. I just wanted an opportunity to tell what I thought was a good story.

Mr. NORRIS. If the Senator will permit, I think it ought to be added that the Senator from Maryland has been so entertaining partially because most of his time has been taken up by the Senator from North Carolina in his interruptions.

Mr. BRUCE. My observation here is that a speech never amounts to anything unless it is spiced with interruptions, more or less.

I want to say, in conclusion, that my objection to the amendment offered by the Senator from Colorado is that it seems to me that it involves an unconstitutional discrimination between a taxpayer who pays a surtax and a taxpayer who pays only a normal tax. Why should fish be made of the one and only fowl of the other? The amendment of the Senator, in my judgment, arbitrarily violates the fourteenth amendment to the Federal Constitution.

The PRESIDENT pro tempore. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDENT pro tempore. Before the roll is called the Chair feels that, in view of the discussion, it ought to make a restatement of the question.

The Senate, as in Committee of the Whole, struck out this paragraph, and the question is, Will the Senate now concur in that action taken as in Committee of the Whole.

Mr. SIMMONS. Which was to strike out subsection (c).

The PRESIDENT pro tempore. An affirmative vote is for concurring in the action taken as in Committee of the Whole, striking out the entire paragraph. The yeas and nays have been ordered, and the Secretary will call the roll.

The reading clerk proceeded to call the roll, and called the name of Mr. ADAMS, who responded in the negative.

Mr. JONES of New Mexico. Mr. President, I suggest the absence of a quorum.

Mr. SMOOT. We will get the Senators here on the yea-and-nay vote.

Mr. JONES of New Mexico. Very well.

Mr. HEFLIN. The roll call had begun, and one Senator had answered to his name.

Mr. DILL. I want to know about the question before I vote. On voting on this question yesterday I voted "nay." If I want to vote to the same end that I voted yesterday, should I vote "nay"? I have heard the question discussed this morning, but do not know yet exactly the status of it at present.

The PRESIDENT pro tempore. The Chair is moved to say that a vote "nay" is a vote not to concur in the action taken as in Committee of the Whole. The roll call will proceed.

The reading clerk resumed the roll call.

Mr. CURTIS (when Mr. LENROOT's name was called). I wish to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent on account of illness.

The roll call was concluded.

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from Vermont [Mr. GREENE] and vote "nay."

Mr. HARRISON. I was requested to announce that the junior Senator from Montana [Mr. WHEELER] is paired with the senior Senator from West Virginia [Mr. ELKINS], and that the junior Senator from Montana would vote "yea" if present and not paired.

I was also requested to announce that the senior Senator from Oklahoma [Mr. OWEN] is paired with the Senator from Illinois [Mr. MCCORMICK], and that the senior Senator from Oklahoma would vote "yea" if present and not paired.

I wish also to state that the Senator from New York [Mr. COPELAND] is necessarily absent.

The result was announced—yeas 45, nays 37, as follows:

YEAS—45

Bayard	Gooding	Mayfield	Simmons
Brookhart	Harreld	Neely	Smith
Broussard	Harris	Oddie	Stanfield
Bruce	Harrison	Overman	Stephens
Bursum	Heflin	Pittman	Swanson
Caraway	Howell	Ralston	Trammell
Cummins	Johnson, Minn.	Randsell	Underwood
Dale	Jones, N. Mex.	Reed, Mo.	Walsh, Mont.
Dial	Kendrick	Robinson	Weller
Fletcher	Ladd	Sheppard	
Frazier	McKellar	Shields	
George	McNary	Shipstead	

NAYS—37

Adams	Edge	Lodge	Spencer
Ashurst	Ernst	McKinley	Sterling
Ball	Fernald	McLean	Wadsworth
Borah	Ferris	Moses	Walsh, Mass.
Brandegee	Fess	Norbeck	Warren
Cameron	Glass	Norris	Watson
Capper	Hale	Pepper	Willis
Colt	Jones, Wash.	Phipps	
Curtis	Keyes	Reed, Pa.	
Dill	King	Smoot	

NOT VOTING—14

Copeland	Gerry	Lenroot	Stanley
Couzens	Greene	McCormick	Wheeler
Edwards	Johnson, Calif.	Owen	
Elkins	La Follette	Shortridge	

So the amendment made as in Committee of the Whole was concurred in.

Mr. NORBECK. Mr. President, I wish to make an announcement to the Senate. I wish to state that after consulting with representatives who are here from the Northwest in the interest of farm relief and especially the McNary-Haugen bill, and also after consulting with several members of the Agricultural Committee of the House, I have decided not to ask for a vote on the McNary-Haugen bill as a rider to the pending bill. I am assured that there is a fair chance that the bill will pass the House. It has a great deal of support over there. The Rules Committee of the House met this morning and decided to report out a rule under which the measure will be taken up within the next seven or eight days, which is as soon as they can get to it. I have been assured by the leaders in the Senate that the measure will be given preference here as soon as it reaches the Senate.

I regret very much, nevertheless, to forego this opportunity to have a vote upon it, but so many Senators insist that they can not vote for it as a rider to the revenue bill that I shall not press it. Some feel that it would jeopardize the tax bill, the so-called Mellon plan or the modified Mellon plan, and therefore they can not support it as a rider. Many Members on the other side of the Chamber share that view. They assure me that there will be several votes for the McNary-Haugen bill, if it comes before the Senate separately, that can not be given to it as a rider to the revenue bill. In other words, the agricultural relief matter has reached the stage where it is likely to pass the House, likely to pass the Senate, and certain to pass both bodies if it gets a little boost from the White House.

Mr. REED of Missouri. Mr. President, there has been a great deal of discussion about trying to guard the Government against devices which have been described here as adopted by those who seek to evade taxation. It has been said that paragraph (2) on page 47 covers the case. I do not think it quite covers the case. I have an amendment which I hope can be accepted without much debate. If it leads to long debate, I shall be inclined to withdraw it, because there are other amendments pressing for attention.

Section (2) provides that deductions shall be allowed on all interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry tax-exempt securities. That is what it means; I am paraphrasing it. I beg to suggest to the Senate that we amend that language so that it would read:

All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued for the purpose of evading the payment of taxes and also except interest incurred or continued to purchase or carry obligations or securities—

And so forth.

In other words, we put into the section a provision that if the taxing authorities or the courts shall find that some man has worked out a device merely to beat the tax law he shall not be allowed his deductions. The Senator from Pennsylvania [Mr. REED] thought that was already covered by the language as it stands, but I do not think the language as it stands is broad enough; so after the word "indebtedness," where it occurs the second time on page 47, line 22, I move to insert the words "incurred or continued for the purpose of evading the payment of taxes, and also except interest," so that the section——

Mr. SMOOT. There is so much confusion that I can not follow what the Senator from Missouri is saying.

Mr. REED of Missouri. If there are going to be all over the Chamber conferences and audible conversation, I can not make myself heard. If the Senator will turn to the page——

Mr. SMOOT. I have been trying to follow the Senator, but I can not hear what he is saying.

Mr. REED of Missouri. I know the Senator has been trying to follow me, and I have been trying to make him hear, but if he will now turn to page 47, on which I move my amendment, I will read the clause as it will read if my amendment shall be adopted. The clause reads:

All interest paid or accrued within the taxable year on indebtedness, except on indebtedness—

Now comes my amendment—

incurred or continued for the purpose of evading the payment of taxes and also except interest—

Now I read again the text in the bill—

incurred or continued to purchase or carry obligations or securities—

And so forth. My amendment simply puts into the section a provision that if a taxpayer has incurred the indebtedness for the purpose merely of evading the tax, and that fact be found, he can not get his deductions.

Mr. NORRIS. I should like to ask the Senator in which line and after what word the amendment comes in.

Mr. REED of Missouri. I propose to insert my amendment after the word "indebtedness" on line 22, the last word in that line. I propose to insert the words "incurred or continued for the purpose of evading the payment of taxes, and also except interest"—

Then again go to the text, which reads:

incurred or continued to purchase or carry obligations or securities—

And so forth.

The PRESIDENT pro tempore. The Chair suggests that it will be necessary to reconsider the vote by which that amendment was concurred in before the amendment proposed by the Senator from Missouri will be in order.

Mr. SMOOT. I ask unanimous consent that the vote by which paragraph (2) was concurred in may be reconsidered.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent that the vote by which the Senate concurred in the amendment on page 47, beginning in line 22,

shall be reconsidered. Is there objection? The Chair hears none and the vote is reconsidered. The Secretary will state the amendment proposed by the Senator from Missouri [Mr. REED].

The READING CLERK. On page 47, at the end of line 22, after the word "indebtedness," it is proposed to insert the words "incurred or continued for the purpose of evading the payment of taxes, and also except interest."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. REED of Pennsylvania. Mr. President, I suggest to the Senator from Missouri that the last word in his amendment should be "indebtedness" and not "interest." One does not incur interest in order to carry certificates. The language of the text is "indebtedness incurred."

Mr. REED of Missouri. The Senator from Pennsylvania is correct. The word should be "indebtedness," instead of "interest," and I make that modification.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Missouri as he has now modified it at the suggestion of the Senator from Pennsylvania.

The amendment as modified was agreed to.

The PRESIDENT pro tempore. The question is upon concurring in the amendment made as in Committee of the Whole as now amended. Without objection, it is concurred in.

Mr. JONES of New Mexico and Mr. SIMMONS addressed the Chair.

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. JONES of New Mexico. In my printed amendment, which was adopted by the Senate, there was a wrong word used on page 9, line 12. The word "undisturbed" was printed in the amendment, but it should have been "undistributed."

Mr. SMOOT. I was going to call the Senator's attention to that error.

Mr. JONES of New Mexico. I move that on page 9 of the amendment, which is page 82 of the bill, the word "undisturbed" be stricken out and the word "undistributed" be inserted.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from New Mexico.

Mr. SIMMONS. That matter can be adjusted in conference.

Mr. SMOOT. But we might as well make the change now. I suggest, however, to the Senator from New Mexico that in order to make the amendment it will be necessary to reconsider the vote by which the amendment was agreed to.

Mr. JONES of New Mexico. I ask unanimous consent that the amendment may be made.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the amendment is made.

Mr. JONES of New Mexico. On page 9 of the amendment, in order to meet the views expressed by the Senator from Colorado [Mr. ADAMS] the other night when we were discussing this amendment, after the word "year," I move to insert a comma and the following language:

plus (3) amounts retained to replace capital losses sustained after the enactment of this act, plus (4) amounts retained in compliance with law and the distribution of which is prohibited by law, plus (5) $10,000.

I ask that the proposal may be amended accordingly.

Mr. SMOOT. There is no objection to that, I think, although it takes some revenue out of the bill. That, however, seems to be the policy of the Senate, and I shall not object to it.

The PRESIDENT pro tempore. The Chair hears no objection, and the amendment is made accordingly.

Mr. JONES of New Mexico. Mr. President, if there is no other amendment pending, I merely wish——

Mr. SIMMONS. I wish to call the Senator's attention to the fact that we have not acted on the amendment proposing to increase exemptions.

Mr. JONES of New Mexico. If I may have about three minutes, I desire to say that I have been receiving letters and other Senators have been receiving telegrams regarding the proposed corporation tax which the Senate has now incorporated in the pending measure. I wish to make a short statement regarding the provision for that tax.

In the first place, of course, the corporation tax does not apply at all if the shareholders of the corporation seek or desire to make a return as a partnership, but if they do make a return as a corporation, then I make the following statement regarding the effect of the provision which has been incorporated in the bill:

First. The proposal does not apply to or affect in any manner accumulated surplus of corporations.

Second. The Republican proposal would impose a flat 14 per cent tax upon the net incomes of all corporations. The Democratic proposal is to reduce this flat tax to 9 per cent and impose a graduated tax upon the annual net income graduated according to the percentage of the net income retained after payment of dividends and all taxes, including the Federal tax. No surtax is imposed upon corporations whose net income does not exceed $10,000. In 1921, the last year for which any statistics are available but which was a year of depressed business, 171,239 corporations reported net income. Of this number, 135,987 reported net income of less than $10,000, all of which would pay no surtax under the Democratic proposal, and their taxes would thereby be reduced from 14 per cent to 9 per cent. The remaining 35,251 corporations would pay a surtax under the Democratic proposal. Of those which would be subject to a surtax a large number would pay less in taxes than under the Republican proposal. Under the graduation the corporation retaining 10 per cent of its total net income would pay no surtax. If 20 per cent were retained the surtax would amount to 2½ per cent of the amount retained. If 30 per cent should be retained, the surtax would be 5 per cent of the amount retained. If 40 per cent should be retained, the surtax would be 10 per cent of that amount. If 50 per cent should be retained, the tax on that amount would be 20 per cent. If 60 per cent or more should be retained, the tax on that amount would equal 40 per cent, which is the maximum rate of the surtax imposed upon individual income.

Third. Applying this plan to the corporation with a large income, it works out as follows: Assume a corporation with a net income for the year of $500,000. Under the Republican proposal this corporation would pay $70,000 as a normal tax whether distributed in dividends or not. Under the Democratic proposal this normal tax would be reduced to $45,000. If 10 per cent should be undistributed, there would be no additional tax. If 20 per cent, or $100,000, should be retained, the total tax would be $47,500. If 30 per cent, or $150,000, were retained, the total tax would be $52,500. If 40 per cent, or $200,000, were retained, the total tax would be $65,000. If 42 per cent, or $210,000, were retained, the total tax would be $70,200, or substantially the same as would be paid under the Republican proposal. It will thus be seen that under the Democratic plan all corporations with large incomes retaining undistributed less than 42 per cent of their total net income will pay less taxes than under the Republican proposal.

It thus clearly appears that all corporations doing business in a reasonable and normal way will pay less taxes under the Democratic proposal, but corporations which have been retaining undistributed an excessive amount of net income, generally for the purpose of evading taxation, will pay more.

Mr. RALSTON. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. RALSTON. I think I understood the first part of the Senator's statement. If I did, it is to the effect that corporations whose income is not in excess of $10,000 will pay no surtax.

Mr. JONES of New Mexico. They will not pay any surtax.

Mr. RALSTON. I noticed the first part of the Senator's statement in reference to the $10,000, and I am not sure that it was entirely clear on that point. I got the impression that if they had an income of $10,000 they would have to pay a surtax.

Mr. JONES of New Mexico. That is the amendment I proposed; but in order to simplify this statement I have made the statement on that point solely with reference to those who would not pay any tax if their total income was less than $10,000.

Mr. SIMMONS. Mr. President, at the time I presented the amendments with reference to the normal tax and the surtax, which have already been adopted, I presented an amendment fixing the exemptions. That I have not formally offered, and did not intend to offer, unless the surtax schedule presented by the minority was adopted.

I want to state—and I shall not discuss it at all—that the only difference between the exemption made by the amendment I am going to send to the desk and the House exemption is as to the allowance made a married man or a married woman. The House exemption is $2,500, with a proviso that if the income of the taxpayer exceed $5,000 it shall be only $2,000; that is, it is conditional. The taxpayer gets $2,000 exemption if he has an income of $5,000 or more, and if he has an income of less than $5,000 he gets the full $2,500. The amendment I propose to offer gives to a married man or woman a flat exemption of $2,500, and $1,000 to a single person, which is the same as under the House bill.

The difference is not very great, and yet it is somewhat material. It is important that this amendment should go along with the normal tax and surtax rates that we have adopted, because it was considered in connection with the making of those rates; and Senators who are familiar with the process know how important that becomes in connection with the revenue-producing qualities of normal and surtax rates.

Mr. KING. Mr. President, will the Senator yield?

Mr. SIMMONS. Yes.

Mr. KING. Has the Senator figured the loss of revenue that would result if his amendment were adopted?

Mr. SIMMONS. No; I have not. There will be some cases where, under the House bill, the taxpayer would get the benefit of the full $2,500, and some cases where he would not, and it would be reduced to $2,000. I suppose it would be very difficult to ascertain the amount. I do not say that it can not be done, but I have not had it done.

Mr. KING. Of course, if the Senator will pardon me further, he appreciates that with the reduction in the normal tax, and with the advantage resulting from the exemptions obtained for earned income, it is quite apparent that the Senate has dealt very generously with the taxpayer.

Mr. SIMMONS. Is the Senator opposed to this amendment?

Mr. KING. I was just trying to understand the effect of it, that was all. My inclination is not to support it, because I do not know its effect, and we have made so many invasions upon the revenue that we expected to raise.

Mr. SIMMONS. This is the amendment that I presented at the same time that I presented the surtax and the normal-tax amendments.

Mr. KING. Yes; I recall.

Mr. SIMMONS. I believe it is the same reduction that has generally been made heretofore—$2,500 for a married person. I do not think that is too much. I think it is very proper. The House has given it in certain cases and in other cases it has not given it.

That is all I care to say. I do not care to discuss the matter further. I send the amendment to the desk, and offer it.

Mr. KING. Mr. President, I may say in passing, while I have the floor, if the Senator has concluded, that at the outset I offered an amendment granting an exemption of $3,000 to married men and increasing the exemption for unmarried men, but in view of the liberal allowances in other directions and the low normal tax I did not press my amendment.

Mr. BRANDEGEE. Mr. President, we are operating now under a unanimous-consent agreement by the terms of which, if I understand it correctly, all debate upon the bill and all amendments must cease at 2 o'clock, and a vote must be then taken upon the bill and its amendments through the regular parliamentary stages to its final passage.

It is now 25 minutes of 2, and I assume that the rest of the time will be occupied in offering amendments and making remarks upon them, and inasmuch as no time limit is fixed upon Senators in so doing, I feared that I might not be able to get the floor upon the passage of the bill, or just prior thereto, in order to make a statement about what I intend to do in the way of voting on its passage. Therefore I take a minute now to make that statement, and this is all I shall have to say about it.

Mr. President, the bill is practically completed now, except for a few amendments, probably not of a very important nature. I regard it as such a departure from the so-called Mellon plan for the reduction of taxation, such a failure to comply with the recommendations of the President of the United States in his message to Congress, and altogether so unsatisfactory, that if it were now in its final form, and that were the end of it, I should be compelled to vote against it.

The bill, however, is going to conference on the disagreeing action of the House and the Senate; and therefore I regard my vote for the bill now not as a vote approving of the whole of the bill, but as a vote to send it to conference. I will say, however, that if the bill does not issue from the conference substantially improved in my opinion I shall unhesitatingly vote against the adoption of the conference report.

Mr. HARRIS. Mr. President, I want to make just a short statement about my position on the exemptions under this bill.

When the sixteenth amendment was passed it was never intended that we should tax people on small incomes like one or two thousand dollars. It never would have been adopted if the people had known that it would apply to such small amounts. It was intended to collect taxes from large incomes. I am going to vote for any amendment and every amendment that will raise the exemption as high as $5,000. I do not believe a married man should pay income tax until his income amounts to $5,000.

Last year, in going over my State, in every county I told the people that I would vote for and urge exemptions up to $5,000, and I will vote for any amendment raising them to that figure. If nothing is done along this line, I shall every session try to increase exemptions.

I have no more to say. The time is nearly up, and I do not want to take more of the time of the Senate.

Mr. MOSES. Mr. President, in the brief years of my service here I have seen three tax bills come to the moment of their final enactment, and I have cherished throughout the whole of that period the hope which is the nurse of young desires that I might at some time be able to vote for a tax bill. I can not vote for this one.

This measure bears no resemblance at all to the scientific and productive tax proposal which came to the Congress from the Secretary of the Treasury. It only slightly relieves any section of the country from the burdens under which all sections of the country have labored because of the existing tax law.

It does not take out any part of the unjust and inquisitorial features which mark the present tax law. On the contrary, we have added to it a new feature of inquisition which will become personal in its application, so that every Paul Pry, every Meddlesome Mattie who is competent to take a lead pencil and a slip of paper and perform the operation of addition and subtraction can tell with exactitude what every citizen pays for the personal maintenance of himself and his family. We have added to this bill by a conglomeration of votes, so that no party, no group may be held responsible, practically everything except the kitchen sink; and the bill, to be made perfect in its intent as thus made by nondescript majorities of the Senate, swept together for the purposes of the moment, needs only one more amendment, and that is to create a corporation with a capital of a billion dollars, all of which is to be subscribed by the Federal Government, and that that corporation should then have for its sole purpose the payment of the Federal taxes.

Mr. SMOOT. Mr. President, I do not think it will make any difference whether I call attention to what this amendment means or not, particularly if it is going to relieve some taxpayer from paying into the Treasury of the United States some money. Of course, I am opposed to the amendment offered by the Senator from North Carolina [Mr. SIMMONS]. It only means a further reduction of $15,000,000. That is a mere bagatelle.

I want to call the attention of the Senate to what has been done so far in relation to revenue by the amendments that have been offered. I find that the amounts which have been voted out of the bill, and the items, are as follows:

Radio, $10,000,000.
Provision affecting tax-exempt securities, $35,000,000.
Telegrams and telephone messages, $34,000,000.
Tax on corporations, $10,000,000.
Automobiles and accessories, $5,000,000.
Drafts and checks, $2,150,000.
The pending amendment, $15,000,000.

Or a total of $111,150,000, and as the bill was reported to the Senate it was short of raising sufficient money to meet the estimated expenditures of the Government a little over $50,000,000.

Not only that, Mr. President, but we have pending, and there perhaps will be passed, the following bills:

The bonus bill, $135,000,000.
The pension bill, $58,000,000.
The bill for the reclassification of field employees, $10,000,000.
The deficiency appropriations, $10,000,000.
The postal-clerk bill, now on the calendar, $65,000,000.
The Veterans' Bureau bill, $32,000,000.
The District of Columbia surplus bill, $5,000,000.

The reduction of second-class postage rates we have already put into the bill. I have no definite estimate of the amount of revenue that will be lost by that amendment.

Mr. GLASS. What is the aggregate?

Mr. SMOOT. I am going to state that in just a moment.

Mr. President, it is all well enough to pass a bill facing these conditions, but I want the country to know what it means. Here we have a total of approximately $475,000,000. Is there any more that I need say? I hope that in conference some of these changes can be made.

Mr. CARAWAY. May I ask the Senator a question?

Mr. SMOOT. Certainly.

Mr. CARAWAY. I notice an estimate of $35,000,000 on tax-exempt securities. Will the Senator tell the Senate how he reached that?

Mr. SMOOT. I will be very glad to do so. The total amount of tax-free securities outstanding in 1924, other than United States Government bonds, is $13,000,000,000.

Interest paid thereon, $650,000,000.

United States bonds totally exempt, over $2,300,000,000.

Interest paid thereon, $80,000,000.

Total income free from Federal taxes, $730,000,000.

Estimated amount received by individuals, $600,000,000.

Amount received by individuals paying no surtax, $150,000,000.

Mr. CARAWAY. May I interrupt the Senator just there?

Mr. SMOOT. Yes.

Mr. CARAWAY. What provision of the bill would have reached that?

Mr. SMOOT. The one we just voted on a few moments ago.

Mr. CARAWAY. What information had the Senator——

Mr. SMOOT. If the Senator will wait; this is the estimate of the actuary of the United States.

Mr. CARAWAY. I did not want to interrupt the Senator, except that I wanted to get that information.

Mr. SMOOT. So that from the $600,000,000 dollars, the amount received by individuals paying no surtax, deducting a $150,000,000 we have a balance of $450,000,000 in that item.

Mr. HARRISON. Notwithstanding these figures, the Senator has stated to the Senate that he tried to reduce the surtax on the higher brackets from 40 per cent to 25 per cent.

Mr. SMOOT. Mr. President, if we had the surtax reduced, there is not a question in the world—at least there is not in my mind—that we would collect more money the coming year, whereas with the rate at 40 per cent we will not collect what is estimated, and after this year the returns will begin to decline, as they have in the past.

Mr. FESS. Will the Senator yield?

Mr. SMOOT. I yield.

Mr. FESS. In view of the deficit announced by the chairman of the Finance Committee, and in view of the violation of the principle in the surtax provision, and also in view of the abandonment of the protection against publicity, the penalty of which is $1,000, by this requirement for the publication of returns, and with a sort of a revival of the excess-profits tax as applied to corporations, how can the Senator vote for the bill?

Mr. SMOOT. Every Senator will have to use his own judgment in that matter.

Mr. RALSTON. Mr. President——

Mr. SMOOT. I would like to have this answer to the Senator from Arkansas completed, because I have not gotten half way through it, and it will be broken up. I would like to have it in consecutive order.

Mr. RALSTON. Very well.

Mr. SMOOT. There is a balance of $450,000,000. The amount received by individuals who have no losses, and who pay no interest that could be chargeable against this income is $230,000,000. That leaves a balance of $220,000,000. The amount held by individuals who can have losses or who can pay interest that would be chargeable against this income is $220,000,000. This amount, if not allowed to be deducted would pay surtax at a rate as high as, or most likely higher, than the maximum rate paid by these taxpayers, say, 16 per cent only. That is $35,200,000.

Mr. GLASS. But the Senator does not contend that because taxpayers can deduct losses to the extent of $200,000,000, necessarily that will be the case?

Mr. SMOOT. We say here an average of only 16 per cent, which is all we claim as being deducted. Therefore, I am quite sure that the estimate of the actuary of the Government is within bounds in saying that we will lose in the surtaxes, at 16 per cent, $35,200,000.

Mr. GLASS. Sixteen per cent of the total amount?

Mr. SMOOT. Sixteen per cent of the $220,000,000.

Mr. GLASS. That is what I mean.

Mr. SMOOT. I do not mean $220,000,000 as a loss. I simply average the rate at 16 per cent, and 16 per cent of the $220,000,000 is $35,200,000.

Mr. RALSTON. Mr. President, if the Senator is correct in saying that a reduction in surtaxes from 40 per cent to 25 per cent would bring the Government more money——

Mr. SMOOT. In the coming year.

Mr. RALSTON. Why would not a reduction to 15 per cent bring still more money?

Mr. SMOOT. For this reason, Mr. President, that at 15 per cent there would be no inducement for these people to return to tax-exempt securities. They would make no money there. I have taken the rate of interest for the last 50 years on first-class paper in the United States, and compared it for the same period of time with the return from tax-exempt securities, and I find that there is a difference of 32 per cent between the tax-exempt security rates during that period and the amount paid on first-class paper in the United States; and the 25 per cent and 6 per cent normal tax makes the 31 per cent. Whenever you get above that, the man whose income falls in the high brackets is going to purchase tax-exempt securities. You have left the door wide open, not only as to your surtaxes, for great, wealthy men and concerns to avoid taxes, but in the amendment that has just been voted in the bill, disallowing exemptions on the amount of interest upon tax-exempt securities, you have said to them, "Here is another opening whereby you can escape taxation."

A man can retire from business, whether he is a Rockefeller or any other man, and have all of his holdings in bonds and notes and securities drawing interest, and he can buy these tax-exempt securities and not pay a cent of taxes. It is not fair for me to take any more time.

Mr. HARRISON. Is the Senator arguing for or against the bill now?

Mr. SMOOT. I am saying to the Senator that I am in hopes that there will be a great many improvements in the bill in conference.

Mr. HARRISON. Is the Senator still going to vote for the provision in the bill giving a 25 per cent reduction in the taxes of this year?

Mr. SMOOT. That is in the bill.

Mr. HARRISON. I know it is. The Senator is still for that, notwithstanding what he said?

Mr. SMOOT. That money we already have.

Mr. CARAWAY. The Senator has expressed the hope of changes in conference. I thought it was the duty of each body to select as conferees those who believed in maintaining what that body did. If the Senator is to be a member of the conference, and now expresses the hope that the bill will be rewritten, it strikes me that some one else ought to go to conference with the bill.

Mr. SMOOT. Mr. President——

Mr. CARAWAY. Pardon me; I did not intend to take the Senator's time, but I thought the conferees were to represent the sentiment of the body which sent the bill to conference.

Mr. SMOOT. I might just as well be frank with the Senator and the Senate and everyone else. As long as I am a conferee—and I have been a conferee upon many bills—I stand for the bill as it passes the Senate. That is the only reason why I would vote for the bill.

Mr. CARAWAY. I thought the Senator expressed the hope that he would fail in conference.

Mr. SMOOT. I think that we ought to insist upon some of the amendments agreed to in the Senate.

Mr. TRAMMELL. Mr. President——

Mr. SMOOT. I yield the floor, because I think the Senator from Florida ought to have a chance to offer his amendment.

Mr. TRAMMELL. I would like to have an opportunity to offer an amendment, at least. I thank the Senator. I want to propose an amendment.

The PRESIDENT pro tempore. There is an amendment already pending. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. SIMMONS].

Mr. WALSH of Massachusetts. I desire to make a few observations upon this bill.

Mr. TRAMMELL. Mr. President, a parliamentary inquiry. Will my amendment be in order, although the debate is to close at 2 o'clock?

The PRESIDENT pro tempore. The Chair does not want to anticipate a ruling upon that question.

Mr. WATSON. What is the proposition?

Mr. TRAMMELL. I ask if I can propose an amendment after 2 o'clock, although debate closes at 2 o'clock. That is the inquiry.

The PRESIDENT pro tempore. The Chair is in grave doubt about it. Every Senator will have to consult the unanimous-consent agreement.

Mr. TRAMMELL. I have sent the amendment to the desk, and I hope to have it considered, if it can be considered.

Mr. SIMMONS. I would like to have the amendment which I have offered stated.

The PRESIDENT pro tempore. The Chair has not ruled as yet on the question asked by the Senator from Florida. The Secretary will read the amendment offered by the Senator from North Carolina, which is the pending amendment.

The READING CLERK. On page 54, the Senator proposes to strike out lines 23, 24, and 25, and lines 1 to 13, both inclusive, on page 55, and to insert:

(c) In the case of a single person, a personal exemption of $1,000; or in the case of the head of a family or a married person living with husband or wife, a personal exemption of $2,500. A husband and wife living together shall receive but one personal exemption. The amount of such personal exemption shall be $2,500. If such husband and wife make separate returns, the personal exemption may be taken by either or divided between them.

The PRESIDENT pro tempore. The Senator from Massachusetts has the floor.

Mr. SIMMONS. I do not understand that there will be any opposition to my amendment.

Mr. SMOOT. I do not want to call for a yea and nay vote on it.

Mr. SIMMONS. I will be satisfied with a viva voce vote.

Mr. WALSH of Massachusetts. I desire to make a few observations upon the bill as a whole, and I have only four minutes.

Mr. SIMMONS. Let the pending amendment be acted on.

Mr. WALSH of Massachusetts. The Senator can have it acted upon after 2 o'clock. I can not speak after 2 o'clock.

Mr. SIMMONS. Very well.

Mr. HARRIS. Will the Senator let the President pro tempore decide whether amendments can be offered after 2 o'clock?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Georgia?

Mr. WALSH of Massachusetts. I yield to have the Chair inform the Senator whether amendments can be offered after 2 o'clock.

The PRESIDENT pro tempore. The Chair does not want to anticipate a ruling. Every Senator can construe for himself the unanimous-consent agreement.

Mr. HARRIS. I have sent an amendment to the desk.

Mr. WALSH of Massachusetts. Mr. President, I desire to make a few observations on this bill before the final vote.

Congress has been from the first unanimous on the desirability of reducing taxes. There has been no party conflict on that. Controversies have arisen only over the methods and means proposed. The problem is one of equitable reduction.

Every tax problem is essentially a question of distributing the burden of the tax. In this bill the question has been, Shall we reduce the taxes of heavy-income earners at the same rate and in the same proportion as on smaller incomes, or should large incomes be favored and a tax program be adopted entailing a greater reduction for the very rich and a smaller reduction for the person of moderate wealth? These are the only possible directions in which this tax-reduction legislation could go, in view of the two alternative propositions from which we must choose.

The program of the Secretary of the Treasury, known as the Mellon plan, approved by the majority of the Finance Committee, recommended large cuts in the tax on large incomes and recommended comparatively small cuts in the existing rate on moderate and low incomes. The object of that program was immediate relief to the earners not merely of large incomes but of extremely large incomes.

Approving of the principle of lighter taxes for inconsiderable incomes and appreciably higher rates for excessive incomes, I could not support in toto the Mellon plan.

A few illustrations show the nature of the unfair and disproportionate reductions under the so-called Mellon and Senate Finance Committee plan:

The Mellon plan reduces the tax on an income of more than $1,000,000, 50 per cent; $1,000,000, 45 per cent; $200,000, 41 per cent; $60,000, 25 per cent; $50,000, 23 per cent; $40,000, 22 per cent; $30,000, 24 per cent; $20,000, 27 per cent. Is this a just and right reduction?

The plan the Senate has voted favorably upon and which I supported reduced the tax on an income of $1,000,000, 21 per cent; $200,000, 24 per cent; $100,000, 24 per cent; $80,000, 27 per cent; $50,000, 28 per cent; $40,000, 30 per cent; $30,000, 33 per cent; $20,000, 39 per cent. If this is inequitable, is it not because the larger benefits of reduction have been given to those less able to pay?

Under the Mellon and committee plan the tax bill of one with an income of $100,000 is reduced $10,320. The plan the Senate adopted and which I voted for will reduce the tax on the same amount of income $7,522.

The tax on an income of $20,000 under the Mellon plan will be reduced $482.50. The plan the Senate voted for will reduce it $702.

A close analysis of the Mellon plan shows an unwarranted and deliberate preference to those most able to pay. It is the group of manufacturers, business, and professional men and women with an income varying from $10,000 to $75,000 who would feel most in the future the shift in the tax burdens resulting from the Mellon plan. It is this group and those with even smaller incomes that I have by my vote sought to prevent having shifted to them the extra burdens caused by the excessive reductions to the extremely wealthy class.

In the State of Massachusetts 505 persons would be benefited by a vote for the Mellon plan instead of the plan adopted by the Senate, while the plan the Senate voted for will benefit 387,937 taxpayers more than Mr. Mellon's plan would have done. Other States show a similar record. But even these 505 taxpayers will have their taxes under the plan the Senate voted for reduced about 25 per cent this year and a like amount next year.

How little ground there is for complaint by the excessive income taxpayers is apparent from a comparison of the tax on an income of $100,000 under each plan. The tax on this amount under existing law is $30,140; under the Mellon plan it is $19,817; under the plan accepted by the Senate it is $22,617.

Finally, with conditions in the revenues of the country permitting a general average reduction to all taxpayers of about 25 per cent, I could not accept as equitable and just to the 6,000,000 other taxpayers an arrangement that gave 50 per cent reduction to the few whose total wealth averages in excess of $20,000,000 each. I have not been convinced that the multimillionaire class are entitled to 50 per cent reduction in this tax bill while all with moderate incomes would receive about one-half that reduction, to wit, 25 per cent.

The only argument made for such a disproportionate reduction is that if the heaviest taxpayers do not get what they want they will go on strike against the Government by investing in tax-exempt securities. It is a threat to injure and destroy prosperity and a lockout against government by majority rule. This position is selfish and unpatriotic.

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, debate under the unanimous-consent agreement is closed. The question is upon the amendment proposed by the Senator from North Carolina [Mr. SIMMONS].

On a division the amendment was agreed to.

Mr. TRAMMELL. I have sent to the desk an amendment which I now offer.

The PRESIDENT pro tempore. The Chair is in grave doubt whether any further amendment can be offered to the bill under the unanimous-consent agreement, which provides that—

It is agreed by unanimous consent that the Senate take a recess until 11 o'clock a. m. to-morrow, and not later than 2 o'clock to-morrow shall proceed without further debate to vote upon the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, and all pending amendments thereto.

There can be but one pending amendment, and therefore the Chair is constrained to put rather a liberal interpretation upon the unanimous-consent agreement and will receive and hold in order all amendments that may be offered to the bill.

The Senator from Florida [Mr. TRAMMELL] offers an amendment, which will be stated.

The READING CLERK. On page 50, line 9, after the word "obsolescence" and the semicolon, add the following:

A reasonable allowance for depreciation or deterioration of farm and fruit grove or fruit orchard improvements.

The amendment was rejected.

The PRESIDENT pro tempore. The Senator from Georgia [Mr. HARRIS] has offered an amendment, which the Secretary will report.

The READING CLERK. Add at the proper place in the bill a new section, to read as follows:

SEC. —. That there shall be levied, assessed, collected, and paid in respect of the excess over the sum of $500 which any person, family, firm, association, or corporation shall give, advance, pay, expend, subscribe, or contribute in the aggregate during any taxable year for the purpose, directly or indirectly, of influencing the nomination or defeat of any candidate or candidates for nomination, or the election or defeat of any candidate or candidates for office, or the success or defeat of any proposition, to be voted upon at any primary election or general or special election at which candidates for Members of the House of Representatives or for United States Senator or presidential electors are to be nominated or elected, a tax equal to 1,000 per cent of such excess; such expenditures or contributions to include all sums in any form contributed, subscribed, advanced, expended, paid, or given to or for or against such candidate, candidates, or proposition or to or for party or other political committees or campaign funds, but not to include lawful expenditures made by such candidates or regular political committees or out of such campaign funds of moneys lawfully contributed to them.

Every person, firm, and corporation required by law to make an income-tax return shall state therein specifically each item and the date thereof of all gifts, advances, expenditures, subscriptions, payments, and contributions made, and to whom, for the purpose of influencing the result of such primary and general elections and of all taxes due thereon under the provisions of this section. And the treasurer or chairman of all State or congressional committees and of all political committees, as defined in the act of Congress approved June 25, 1910, entitled "An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected," and of all associations or committees organized to promote or prevent, or engaged in promoting or preventing, the nomination or election of any candidate for Member of the House of Representatives or of the Senate of the Congress of the United States or for presidential elector or electors, shall within 30 days after the election to be held therefor file with the collector for the district where the headquarters or other office where such committee or association is located a return stating specifically all sums of money received, from whom received, and the date thereof.

The amendment was rejected.

The PRESIDENT pro tempore. The Senator from Pennsylvania [Mr. REED] has offered an amendment, which will be stated.

The READING CLERK. On page 31, after line 20, insert:

(e) At the option of the taxpayer, his earned income may be separately reported and taxed as capital net gains are reported and taxed under section 208, paragraph 7 (b).

The amendment was rejected.

The PRESIDENT pro tempore. The Senator from Pennsylvania [Mr. REED] has offered another amendment, which will be stated.

The READING CLERK. On page 47, line 2, strike out the period and insert a semicolon, and after line 2 insert a new paragraph to read as follows:

(14) The amount received by any individual citizen of the United States during any taxable year during which he has, in the course of his employment, lived without the United States, as compensation for services performed by him in respect to trade or business transactions wholly or partly without the United States, and paid by any individual residing in the United States or by any domestic corporation or partnership: *Provided*, That an individual shall be deemed to have lived without the United States during a year, although he may have spent in the United States not more than three months in all in such year.

The amendment was rejected.

The PRESIDENT pro tempore. If there be no further amendments to be offered, the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

Mr. McKELLAR and Mr. SMOOT and Mr. SIMMONS demanded the yeas and nays.

The yeas and nays were ordered and taken.

Mr. CURTIS. I wish to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. If he were present, he would vote "yea."

Mr. ERNST. I have a general pair with the senior Senator from Kentucky [Mr. STANLEY], who is absent. If I were permitted to vote, I would vote "nay."

Mr. NORRIS. I desire to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is detained from the Senate on account of illness. If he were present, he would vote "yea."

Mr. GERRY. I desire to announce that the senior Senator from Kentucky [Mr. STANLEY] is paired with the junior Senator from Kentucky [Mr. ERNST]. If the senior Senator from Kentucky were present, he would vote "yea."

I also desire to announce that the senior Senator from Oklahoma [Mr. OWEN] is paired with the senior Senator from Illinois [Mr. MCCORMICK]. If present, the Senator from Oklahoma would vote "yea."

I wish to announce also that the junior Senator from New York [Mr. COPELAND] is unavoidably absent. If he were present, he would vote "yea."

Mr. WALSH of Montana. I desire to announce that my colleague [Mr. WHEELER] is paired with the senior Senator from West Virginia [Mr. ELKINS]. If my colleague were present, he would vote "yea."

The result was announced—yeas 69, nays 15, as follows:

YEAS—69

Adams	Frazier	Ladd	Simmons
Ashurst	George	McKellar	Smith
Bayard	Gerry	McLean	Smoot
Borah	Glass	McNary	Spencer
Brandegee	Gooding	Mayfield	Stanfield
Brookhart	Hale	Neely	Stephens
Broussard	Harreld	Norris	Sterling
Bruce	Harris	Oddie	Swanson
Bursum	Harrison	Overman	Trammell
Capper	Heflin	Pittman	Underwood
Caraway	Howell	Ralston	Walsh, Mass.
Curtis	Johnson, Calif.	Ransdell	Walsh, Mont.
Dale	Johnson, Minn.	Reed, Mo.	Warren
Dial	Jones, N. Mex.	Robinson	Weller
Dill	Jones, Wash.	Sheppard	Willis
Fernald	Kendrick	Shields	
Ferris	Keyes	Shipstead	
Fletcher	King	Shortridge	

NAYS—15

Ball	Edge	Moses	Reed, Pa.
Cameron	Fess	Norbeck	Wadsworth
Colt	Lodge	Pepper	Watson
Cummins	McKinley	Phipps	

NOT VOTING—12

Copeland	Elkins	La Follette	Owen
Couzens	Ernst	Lenroot	Stanley
Edwards	Greene	McCormick	Wheeler

So the bill was passed.

Mr. LODGE subsequently said: Mr. President, I shall detain the Senate but a moment. I was unable this morning to get an opportunity to make any statement in regard to my vote on the revenue bill. There is no measure that I have been so anxious to see passed and tried so hard to have passed as the bill which has just gone through the Senate. I voted against it because in its present form it seemed to me to be a very bad bill in many respects. By amendments which were adopted on the floor the Mellon rates were destroyed; the bill makes a great addition to corporation taxes; it introduces provisions for publicity which, if carried to the extent to which they may be carried, will tend to paralyze business throughout the country; it eliminates taxes that ought to be retained, and puts the revenue at such a distance from the surplus which we were supposed to be removing that it will inevitably, in my opinion, bring about the necessity of loans within the coming year. I thought it was such a bad bill in the form which it took before it left the Senate that I considered it my duty to record my vote against it.

Mr. SMOOT. Mr. President, in order to hasten the consideration of the bill which has just been passed, so that the conferees may at once get to work upon it, I ask unanimous consent that the bill may be printed with the Senate amendments numbered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the bill will be so printed.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, ETC.

Mr. JONES of Washington. I now ask that the Senate resume the consideration of House bill 8350.

Mr. EDGE. Mr. President, will the Senator from Washington yield to me?

Mr. JONES of Washington. I should like first to have the bill laid before the Senate for consideration.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington? The Chair hears none.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 8350) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1925, and for other purposes.

Mr. EDGE. Mr. President, I simply desire to announce that I had intended to make an effort to have Senate bill 1898, to adjust the salaries of postal employees, made the unfinished business. I, however, do not wish in any way to interfere with the consideration of the appropriation bill, but I hope the Senator in charge of the pending appropriation bill may give me an opportunity at some time to get the bill which I have named before the Senate for consideration, as was done with the Veterans' Bureau bill.

Mr. JONES of Washington. I wish to say to the Senator from New Jersey that I do not expect that it will take very long to dispose of the pending bill. There are only three or four amendments which are unacted upon.

Mr. WARREN. Mr. President, replying to the suggestion of the Senator from New Jersey, I desire to say that I shall not be able to consent that any bill shall be made the unfinished business unless it be with the understanding that it shall at any time give way for the consideration of appropriation bills.

Mr. EDGE. I will say to the Senator from Wyoming that I have no desire to displace an appropriation bill; but, as was permitted in the case of the Veterans' Bureau bill, I thought from time to time I might get an hour or so at the end of the day to have the bill to which I have referred considered and passed.

Mr. WARREN. I desire further to say that I do not desire that any bills shall take precedence of appropriation bills.

Mr. ROBINSON. Mr. President, it will not be possible this afternoon to pass any measure other than the appropriation bill which is in charge of the Senator from Washington [Mr. JONES]. A tentative arrangement has been effected in that particular. There will be no objection to the Senator from New Jersey getting his bill up next week, but it can not be done this afternoon.

Mr. EDGE. I will say to the Senator from Arkansas that I have no desire to bring the bill up to-day. I merely wished to bring it to the attention of the Senate so that Senators would anticipate that it would be brought up in the near future. I myself have other engagements for the remainder of to-day.

The PRESIDING OFFICER (Mr. LADD in the chair). The Secretary will state the first amendment passed over on the pending bill.

The first amendment passed over was, on page 50, at the beginning of line 19, to strike out "$385,000" and to insert "$400,000," so as to read:

Promoting commerce, Europe and other areas: For all necessary expenses, including investigations in Europe and other areas, purchase of furniture and equipment, stationery and supplies, typewriting, adding, and computing machines, accessories and repairs, purchase of books of reference and periodicals, maps, reports, documents, plans, specifications, manuscripts, newspapers (both foreign and domestic) not exceeding $400, and all other publications for the promotion of the commercial interests of the United States, rent outside of the District of Columbia, traveling and subsistence expenses of officers and employees, and all other incidental expenses not included in the foregoing, to further promote and develop the foreign and domestic commerce of the United States $400,000, to be expended under the direction of the Secretary of Commerce.

The amendment was agreed to.

The next amendment passed over was, on page 52, line 20, after the words "Secretary of Commerce," to strike out "$213,000" and to insert "$253,000," so as to read:

Promoting commerce in the Far East: To further promote and develop the commerce of the United States with the Far East, including personal services in the District of Columbia and elsewhere, purchase of furniture and equipment, stationery and supplies, typewriting, adding, and computing machines, accessories and repairs, books of reference and periodicals, reports, documents, plans, specifications, manuscripts, maps, newspapers (both foreign and domestic) not exceeding $400, and all other publications, rent outside of the District of Columbia, traveling and subsistence expenses of officers and employees, and all other incidental expenses not included in the foregoing, to be expended under the direction of the Secretary of Commerce, $253,000.

The amendment was agreed to.

The next amendment passed over was, on page 53, line 22, after the word "therewith," to strike out "$582,550" and to insert "$625,000," so as to read:

Export industries: To enable the Bureau of Foreign and Domestic Commerce to investigate and report on domestic as well as foreign problems relating to the production, distribution, and marketing in so far as they relate to the important export industries of the United States, including personal services in the District of Columbia, traveling and subsistence expenses of officers and employees, purchase of furniture and equipment, stationery and supplies, typewriting, adding, and computing machines, accessories and repairs, books of reference and periodicals, reports, documents, plans, specifications, manuscripts, and all other publications, rent outside District of Columbia, and all other incidental expenses connected therewith, $625,000.

The amendment was agreed to.

Mr. ROBINSON. Mr. President, I desire to submit a request for unanimous consent which will not make necessary the calling of the roll. I ask unanimous consent that, at the conclusion of the consideration of the bill now before the Senate, the Senate shall adjourn or take a recess at the pleasure of the Senator from Washington [Mr. JONES].

Mr. WADSWORTH. I desire it to be understood that if the pending bill is finally disposed of this afternoon I shall move that the Senate proceed to the consideration of the War Department appropriation bill, not, however, with the purpose of considering the bill this afternoon.

Mr. ROBINSON. I shall make no objection to that if an understanding may be had that after the pending bill shall have been disposed of no further business will be transacted except to take up and make the unfinished business the bill which the Senator from New York has in mind.

Mr. CURTIS. Mr. President, I hope there will be no agreement to take a recess, because I think we should have a morning hour for the consideration of the calendar on Monday next.

Mr. ROBINSON. Very well. I myself suggested either an adjournment or a recess.

The PRESIDING OFFICER. Is there objection to the request for unanimous consent of the Senator from Arkansas?

Mr. KING. What is the question, Mr. President?

Mr. ROBINSON. I have asked unanimous consent that the Senate take an adjournment at the conclusion of the consideration of the pending bill until Monday at 12 o'clock. I hope there will be no objection to the request, for, if there should be, it would disarrange the plans of Senators.

The PRESIDING OFFICER. The Chair hears no objection, and the agreement is entered into.

Mr. McNARY. Mr. President, a few evenings ago when this bill was under consideration I moved an amendment to the committee amendment on page 51, line 14, by striking out "$181,000" and inserting "$250,000." At that time I was advised that the amendment had gone over on the request of the junior Senator from Utah, but subsequently I was informed that the Senate had acted upon it.

Mr. JONES of Washington. To what page does the Senator refer?

Mr. McNARY. To page 51, line 14.

Mr. JONES of Washington. The amendment there has been disposed of.

Mr. McNARY. Then, I assume, in view of my misinformation, that I may move that the vote whereby the amendment was agreed to may be reconsidered, in order that I may offer my amendment to the amendment?

Mr. JONES of Washington. If the Senator shall ask unanimous consent to reconsider, I will offer no objection.

Mr. McNARY. I make that request.

The PRESIDING OFFICER. Is there objection? The Chair hears none and the vote by which the amendment was agreed to is reconsidered.

Mr. LODGE. Mr. President, what is before the Senate at this moment?

The PRESIDING OFFICER. The committee amendment on page 51, line 14, is before the Senate.

Mr. McNARY. The amendment of the committee having been reconsidered I wish to propose at this time an amendment to it.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon to the amendment of the committee will be stated.

The READING CLERK. On page 51, line 14, the Senator from Oregon proposes in lieu of the amount recommended by the committee to insert "$250,000."

Mr. JONES of Washington. Mr. President, I should like to have some explanation of that large proposed increase.

Mr. McNARY. Mr. President, under the present appropriation the district and cooperative office service can not extend its very valuable work. I wish this item to be increased so that one office may be located in Portland, Oreg., which has a large commerce and is entitled to have a district office located there. It is necessary, of course, to have the amount increased in order that there may be located in that city one of these offices so badly needed there. I hope the Senator from Washington will allow the amendment to go to conference at any rate.

Mr. JONES of Washington. Mr. President, I could not hear the Senator and did not understand the reasons which he advanced for the increase in the appropriations. I should like to have the Senator state again why he wants the amount increased to $250,000.

Mr. McNARY. I desire to have that increase made so that this service may be extended. The money made available in the bill will merely enable the work now being carried on to be continued without permitting a very necessary extension of the service. The amount I suggest will enable the department to establish such offices in various localities and cities that are in need of it throughout the country, but I particularly have in mind Portland, Oreg. The commerce of that city has developed rapidly in the last few years and the service is needed there.

Mr. KING. Mr. President, I should like to inquire what functions this particular district and cooperative office serv-

ice performs? I have felt that the Department of Commerce was extending its operations without bringing any particular results and multiplying its force without increasing the commerce of the country.

Mr. McNARY. I beg the Senator's pardon; I did not catch his question.

Mr. KING. I asked what particular function the district and cooperative office service performed?

Mr. McNARY. It collects data useful to shipping men, merchants, brokers, commission men, and others dealing in foreign products and selling and disposing of imported articles. It is a very necessary agency in connection with the whole scheme of commerce, both foreign and domestic.

Mr. KING. I will say to the Senator that with the multitude of chambers of commerce and various departments of Government collecting statistics, including the Census Bureau, it seems to me that this particular organization is wholly unnecessary; that it is a vermiform appendix that we might just as well get rid of.

Mr. JONES of Washington. Mr. President, I desire to state that the Commerce Department urged a larger appropriation in order to establish an office at Detroit and two or three on the Pacific coast. The committee felt that the office in Detroit was all that we were justified in providing for at this time; that on account of the manufacturing enterprises there that city should have first consideration. We were very favorably inclined toward additional service on the Pacific coast, but on account of the industries in and around Detroit and their tremendous value and the desirability of extending their export to foreign countries and securing a market for them, we felt that that should be the one that should be taken care of, and so we merely provided an increased appropriation for that one office rather than for offices at three or four different places.

Mr. KING. Mr. President, I did not obtain from the able Senator from Washington or the able Senator from Oregon the information I was seeking. I address myself now to the Senator having the bill in charge.

I think the Senator should bear in mind the very impressive statement made a few days ago by the Senator from New York [Mr. WADSWORTH] that in his State—and I know it is true in many other States—the State officials are confronted with the very serious proposition of being able to raise adequate revenue to meet the expenses of the State and its political subdivisions. Indeed, so difficult was the problem in one of the States that the governor, in despair, had even suggested an income tax for municipalities.

The Senator is familiar with the fact that in 1866 about 25 to 26 per cent of the taxes derived by the States came from sources other than lands and what might be called corporeal hereditaments. Now, but 1 per cent and a fraction come from property of the character just referred to, and the residue—that is, nearly 99 per cent—comes from land and landed estates.

Notwithstanding the difficulties which the States and the cities are encountering in meeting pressing necessities, and the difficulty which the Government is encountering in meeting its expenditures, we go along here in a blithe manner increasing expenditures. The States have increased their appropriations from 167 per cent to, in some instances, nearly 500 per cent—and when I say "States," I mean States and the political subdivisions thereof—during the past five or six years. The Federal Government since 1916 has increased its appropriations from approximately $988,000,000 to considerably more than $4,000,000,000.

This bill carries many millions of dollars more for these departments than were appropriated a year ago. Instead of diminishing our appropriations as we recede from the war period in some departments it looks as though we are increasing them.

I confess to a lack of understanding of the attitude of the Appropriations Committee when they bring before us these bills calling for enormous appropriations. The Senator from Massachusetts [Mr. LODGE] has directed attention to the fact—and I think it is a fact—that the bill which we passed to-day will leave a deficit of at least $200,000,000 and perhaps more. In our tenderness for certain corporations and organizations from which revenue ought to have been derived we have rendered them immune from taxation under the provisions of the bill just passed.

By that I do not mean to say that the bill does not have meritorious provisions. It is a very much better bill than the one which was introduced into the House, and a better bill than the one which came from the House to the Senate; but I want to ask the Senator—who is a conscientious Senator and takes his responsibilities with seriousness—how he expects the Government to meet these expenditures; how he expects the people who bear the burdens of taxation to meet them when we are pressing more and more upon their bowed backs these tremendous burdens.

This bill, I repeat, calls for more appropriations, and every department and every agency seeks, apparently, more appropriations.

A few moments ago I hastily looked through the appropriations carried in this bill for the Department of Justice—millions and millions, and it seems to me several millions that are wholly unnecessary. The item before us has been increased by the Senate, and the Senator from Oregon proposes to increase it substantially $100,000 more. What functions, I ask the Senator, does this organization serve?

We have our acute business men. The difficulty now is that we do not have sufficient foreign trade and commerce or domestic trade and commerce. We can have all the Government officials we please—and we have several hundred thousand more than we ought to have—and we are not going to expand our trade and commerce. If we will begin retrenchment and reform, and cut down the expenses of the Government, and excise from our legislation many of the appropriations carried, and abolish a great many of the boards and bureaus and instrumentalities now existing, we shall be doing a public service, we shall be reducing taxes, and to that extent relieving the people of the burdens now resting upon them.

Mr. JONES of Washington. Mr. President, I have sent for the report, because it was lost. This bill increases by $293,000 the appropriations as made in the House for the Department of Commerce. That is the total increase made by all the amendments in the bill to the appropriations for the Department of Commerce as the bill passed the House. We think we held down these appropriations just as low as we could, consistently with the good of the service.

Mr. President, economy is not served wholly by a mere reduction in appropriations. Economy is served when the best interests of the service are promoted by the appropriations, with the appropriations kept, of course, as low as possible.

Take the particular item that we have here. The Senate increased the item of the House bill only, I think, $15,000, and that item, as it passed the House, was $64,000 lower than the estimate of the Budget. In other words, the Bureau of the Budget estimated for this service $230,000. The House gave them $160,000. We increased it by $15,000, simply for the purpose of adding the service performed by this bureau or branch of the department at one other locality in the United States, and that locality is the city of Detroit.

This service is described by the Secretary as the background for all of our foreign service. In other words, it is, in a way, the foundation upon which our export trade is built up. Everybody knows the commercial development of the city of Detroit, and the wonderful possibilities that exist for extending our trade in the manufactured products that come from that city. So the committee concluded that it was wise—not that it was an extravagant expenditure, but that it was an economical expenditure—to provide sufficient appropriations to provide an office to look after and promote the export trade in the products of the industries at Detroit. The committee thought that would be a wise and economical expenditure, and so we added $15,000 to the bill for that purpose.

The Secretary himself urged that we provide appropriations for a couple of other points on the Pacific coast, one at Portland and the other, I think, at Los Angeles. The committee would have liked to put in a sufficient amount of money for those places; but in the interest of economy, of which the Senator is earnestly in favor, we kept out the appropriations for those two places, and simply put in one for Detroit, the importance of which in a manufacturing way everybody, of course, must recognize.

Mr. KING. Mr. President, let me ask the Senator if he thinks that any clerk or official of the Department of Commerce can aid Henry Ford in selling his cars and tractors? The trouble is that many of these Government officials are a clog to business, instead of aiding in its development. In other words, the business men of the United States do not need a lot of Government clerks and Government employees to aid them in their business activities. They know so much more about their own needs and about their business and about their markets than the employees that the Government has, that all of the appropriations which we are making, in my judgment, do not facilitate foreign trade or domestic trade.

Mr. JONES of Washington. Mr. President, if I thought the appropriations made in this bill were not wise and did not aid in the development of our trade and its expansion, I should be against them. I should be in favor then of just cutting out all these appropriations; but I think the testimony of our busi-

ness men and the testimony of the officials who are in touch with the activities of the Department of Commerce all go to bear out the conclusion that this agency when properly conducted and economically handled is a very wise expenditure of the Government's money, and a great deal of testimony was taken before the House committee wherein many examples are given of the results coming directly from the efforts of our agents in the expansion of business.

Mr. President, I do not pretend to be an expert in business matters. I do not pretend to have expert knowledge with reference to the influences and the means by which commerce is extended throughout the world. I do know, however, that men who are acquainted with these conditions and the principles that underlie them and underlie these policies believe that the service given by the Department of Commerce is wise from a governmental standpoint, and that it promotes the prosperity of our country and the development of our business.

I am willing to take their judgment. I must take their judgment. I am not sure but that the committee probably made a mistake in not making the appropriation as large as is proposed by the amendment of the Senator from Oregon; but in the interest of economy, in the interest of the very thing that the Senator from Utah seeks, and for which I commend him most highly, the committee made an increase of only $15,000 in this item.

Mr. DIAL. Mr. President——

Mr. JONES of Washington. I yield to the Senator from South Carolina.

Mr. DIAL. Can we not cut down by about half the appropriation for printing up there? They flood us with too much type. They are sending out so many of those documents that it must be pretty expensive to print them, and it must take a considerable force to get up the information. I look on a great deal of it as absolutely unnecessary and a useless expenditure of the money of the taxpayer. I hope we can cut that down by about half. I think half of those documents would be plenty.

Mr. JONES of Washington. I can conceive of other places where we could cut down on printing very much more wisely than we probably could cut down in connection with the Department of Commerce.

The PRESIDING OFFICER. The pending question is the amendment offered by the Senator from Oregon [Mr. McNARY] to the amendment of the committee.

Mr. KING. The Senator from Washington does not accept it?

Mr. JONES of Washington. Oh, no.

On a division, the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on the amendment of the committee.

The amendment of the committee was agreed to.

Mr. KING. May I inquire of the chairman whether the amendment on line 19, page 50, was agreed to?

Mr. JONES of Washington. I think all of the amendments have now been agreed to.

Mr. KING. May I inquire of the chairman as to the item of $1,007,092.51 on page 93? Is there any law that calls for an appropriation so large as that?

Mr. JONES of Washington. I think so. I think that is to carry out the express provision of the act known as the maternity act.

Mr. KING. Have there been any additions of salaries or employees?

Mr. JONES of Washington. I think not. I think probably the employees come under the reclassification act.

Mr. WADSWORTH. How much was that?

Mr. KING. One million seven thousand and ninety-two dollars and fifty-one cents. My understanding was, when that bill was passed, that it was to cost us only a few thousand dollars.

Mr. JONES of Washington. The Senator is mistaken about that.

Mr. KING. By that I mean less than $200,000.

Mr. JONES of Washington. The Senator has in mind some other act, because the appropriation for the current year was $1,242,140, and this is a decrease from that.

Mr. KING. How was that distributed?

Mr. JONES of Washington. What does the Senator mean?

Mr. KING. To what States?

Mr. JONES of Washington. I could not tell the Senator that.

Mr. KING. Does the Senator know what part of it was consumed in the District of Columbia?

Mr. JONES of Washington. I can not tell the Senator, but I think very little in the District of Columbia.

Mr. KING. For officials of the Government?

Mr. JONES of Washington. I would have to look through the House hearings. The committee did not question that, because it was estimated, and they gave according to the estimate of the Bureau of the Budget. I believe they went into these matters very carefully before the House committee, and the Senate committee was not disposed to increase the amount, so we did not go into an examination of the details of the expenditures.

Mr. KING. What interpretation does the Senator place upon the proviso to the provision just referred to, that the apportionments in the States and to the Children's Bureau for administration shall be computed on the basis of not to exceed $1,240,000?

Mr. JONES of Washington. "As authorized by the act entitled an act for the promotion of the welfare and hygiene of maternity and infancy, and for other purposes."

Mr. KING. Is that $1,240,000 connected in any way with the $1,007,000? What is the relation of those two sums?

Mr. JONES of Washington. I can not tell the Senator.

Mr. KING. Is it aimed to appropriate $2,000,000, plus?

Mr. JONES of Washington. No. As I understand it, this $1,007,000 is to be apportioned to the different States on the basis set out in this language. That fixed the apportionment to the various States of the $1,007,092.50.

Mr. KING. I wanted to ask the Senator with respect to the appropriation of $3,500,000 for the census of agriculture. In view of the very elaborate reports that are constantly submitted by the Department of Agriculture, and in view of the great army of employees the Agricultural Department has, which can be found in every State of the Union, and in almost every county and hamlet, is it not equipped to furnish the information desired, and does it not furnish the information desired? If not, is not the Census Bureau, which functions all the time, with its thousands of employees, with its machinery still in operation, able to furnish the information desired with the ordinary appropriations which are made to that department?

Mr. JONES of Washington. Mr. President, the Senator knows that the population census is taken every 10 years, and of course we have a much larger force when the census is under way than we do in the permanent force. This refers to the 1925 agricultural census, which is taken, as I understand it, on the fifth year, between the taking of the population census. We take the population census every 10 years—1890, 1900, 1910, 1920, and so on. Then we have a provision in the law for taking an agricultural census, as I understand it, in the intermediate periods—in 1915, 1925, and so on. That is supposed to be taken within a certain period of time. I am not sure about the exact time, but I think it is about six months. Of course, we must increase the force in order to do that; and in order to make the information that is gained of benefit, it must be gathered within a certain period of time. So we must make a larger appropriation in order to do the work within that period of time. That is the reason for this appropriation.

Mr. KING. It seems to me that the information is too meager to justify this large appropriation.

Mr. JONES of Washington. The House hearings were quite extensive. I find the subject covered on page 140 of the House hearings. I can read it to the Senator if he would like to have that part of it read, but I have stated the substance of the reason for this. It has been deemed wise by Congress to provide for an agricultural census, as I understand it, at the midway point between the regular population censuses, and until we do away with that law, we expect the census to be taken. It has been deemed important to have a special census of agriculture and agricultural development, and this is to carry that out.

Mr. KING. Mr. President, I stated a moment ago that this bill carried millions of dollars more than are to be found in corresponding bills at the last session of Congress. I know that any effort to secure reductions in appropriations will be futile. If Senators want to increase appropriations, motions to that effect are usually very welcome. Any efforts to decrease appropriations are received with a good deal of opposition by Senators, whose dispositions usually permit them to be very serene and generous.

Take the appropriations carried in the bill for the Department of Justice. They are enormous. There are appropriations here in one of the subdivisions amounting to $4,693,112. Then, in another part of the bill, under the head of "marshals, district attorneys, and clerks," the appropriation, a very large part of which is for attorneys and employees, amounts to some five to six million dollars.

I submit to the Senator that a careful examination of the appropriations made for the Department of Justice must be convincing that we have been extravagant in the highest degree.

But it is of no avail, and Senators will support these appropriations, and if we challenge attention to the fact that we will have a deficit of two or three or four hundred million dollars, it will not change the result. If we challenge the attention to the fact that the people are burdened with taxation, and that in some States from 15 to 25 per cent of the farms are being sold for taxes, that will not change the result.

We have received a notice of another bill to increase the salaries of employees of the Government by from sixty to one hundred million dollars. I think Congress could be properly labeled "The cheerful spender of public money." It pays more attention to the increasing of salaries than it does to legitimate and wise and sane legislation. If there is a Government official who is not getting a salary increase, or who is not making efforts to get an increase in salary, I should like to have him discovered. Notwithstanding the fact that the farmers of the United States are not earning to exceed $500 or $600 a year, as soon as a person becomes an employee of the Government he feels that he is entitled to twice as much or three times as much, in many instances, that he could earn in private life. I feel that we are not doing our duty to our constituents. It does not seem as though there was anybody here to represent the public. We represent the tax eaters. We represent those who demand that the burdens of taxes shall be increased, and no one is here to speak for the people; no one is here to plead their cause; no one to demand tax reduction; no one to insist on cutting down scores of these useless and unnecessary governmental agencies.

I notice in this bill a large number of organizations which are being perpetuated at the expense of the Government. We have here the Internal Bureau for the Publication of Customs, an appropriation for Chinese customs tariff, an inquiring into extraterritoriality in China; the International Boundary Commission between the United States and Mexico. That International Boundary Commission has existed for years, and doubtless will continue to exist as long as the Stars and Stripes shall float over this Republic. It furnishes jobs for a number of individuals. Then we have a commission on the boundary line between Alaska and Canada, and between the United States and Canada, and that carries a large appropriation. That commission will exist, of course, for an indefinite period of time.

Then there is the International Prison Commission, the Pan American Union, and the International Bureau of the Permanent Court of Arbitration; and there is not a Senator upon the other side, if we are to judge by the votes, who favors an international court of justice. President Harding recommended that we adhere to the International Court. A resolution was immediately offered to carry into effect the recommendation of the President, and it was buried so deep that it never has been heard of. At the beginning of this session another resolution of similar import was introduced, and that has been buried. It is true the able Senator from Massachusetts [Mr. LODGE], the leader of the majority, has offered a brand new scheme. If it has the merit of projecting the United States into a bona fide International court, I am afraid the prosecution of the resolution will not be pursued with any very great vigor. But we must have an International Bureau of the Permanent Court of Arbitration. Then we have the Bureau of the Interparliamentary Union for the Promotion of International Arbitration. We have the International Commission on Annual Tables, Constants, and so forth; the International Commission on Public and Private International Law; the International Institute of Agriculture at Rome; the International Railway Congress; the International Sanitary Bureau; the International Office of Public Health; the Arbitration of Outstanding Pecuniary Claims between the United States and Great Britain. May I pause to inquire of the chairman what has become of that commission? To my knowledge, it has been functioning for years; at least drawing salaries.

Mr. JONES of Washington. Which commission is that?

Mr. KING. I refer to the one provided for on page 20. Are there any claims being adjudicated, or are we merely maintaining an organization to furnish positions for political parasites?

Mr. JONES of Washington. There are some claims that are still outstanding which, I understand, they have not settled. I want to say to the Senator that, so far as those things are concerned, I have striven to cut out as many of them as possible, and we cut out quite a good many of them three or four years ago. Only those that are considered impossible to get rid of now have been put in the bill. I want to cut out as many of these items as does the Senator from Utah.

Mr. KING. There are many of the organizations mentioned in the bill, and they are only a tithe of the organizations and bureaus that might be abolished.

Mr. JONES of Washington. I desire to say to the Senator that four or five years ago I was a member of a subcommittee that was considering the diplomatic appropriation bill. That subcommittee cut out a great many of the organizations which we really felt should be cut out. When the bill came to the floor of the Senate they were all put back. I suppose the Appropriations Committee has really gotten discouraged with reference to the matter. I think there are several of these organizations that could just as well be cut out as not. I do not believe they serve any very good purpose, but it is deemed wiser by those who have direct connection with the Diplomatic Service of the Government to carry them in the bill, and so some of us who were trying to get them cut out have really given up and let them go in.

Mr. KING. I suppose we are afflicted with the disease. It is a creeping sickness, but it is a persistent one and afflicts alike all governments. In the end they perish, usually as a result of bureaucracy. Most governments fall not because of attacks from without. They fail from vanity, bureaucracy, the weaknesses, the vices, the indolence, the inefficiency of the people themselves. We are going to create more offices, of course, and more salaries. For every 10 or 11 wage earners in the United States who produce we have 1 officeholder. Pretty soon there will be 1 officeholder for every 4 or 5 men who produce, and after a while every man who works and toils will carry some official upon his back. There could not be a worse condition of slavery than that, but it seems to be inevitable. Our Republican friends, pledged to economy, do not lift their hands for retrenchment and reform, and I regret to say that some other parties do not give much aid in accomplishing economies in the administration of government.

No opposition to the bill will be availing. Let us pass it quickly, get our hands into the Treasury, and pour out the golden stream and irrigate the arid parts of the land.

Mr. JONES of Washington. Mr. President, I sympathize with many of the suggestions the Senator from Utah makes, but so long as we expand the activities of the Government our appropriations are going to expand. They will have to do it.

I want to call attention to a fact which I do not want to have overlooked. Taking out the appropriation for the agricultural census, which is provided for by law and should take place now, which amounts to $3,500,000, and taking out the amount that was added on the floor of the House to take care of the immigration situation on the border in anticipation of the passage of the immigration law, which is $1,200,000, the appropriations contained in this bill for four of the great departments of the Government are less than the appropriations for those departments for the current year. In other words, with the expansion of the business of the departments that must necessarily go with the growth of the country and the diversity of questions which must come up, we are holding the appropriations for these normal activities with their increases even below the appropriations for the current year. I think that is a pretty good showing.

Mr. DIAL. Mr. President, perhaps I am a little late, but I appeal to the Senator in charge of the bill to allow me to offer an amendment. On page 82, line 9, I propose to add the following:

Fish hatcheries station, Orangeburg, S. C.: For enlargement of, $25,000.

I know the policy of the Government is for economy, and I am in sympathy with that view, but we also want to carry on business in a proper way. We have a hatchery in my State at Orangeburg that is one of the finest in the country. I believe it is operated more successfully and economically than any other hatchery in the United States. It is in a magnificent county and is a going concern. With a little additional expenditure the output would be increased greatly.

If the proposed appropriation were for a new enterprise, I would not ask it; but the management down there urges a little additional appropriation to buy some land to enlarge the pond and the facilities. I understand that the Commissioner of the Bureau of Fisheries sympathizes greatly with the proposition. However, I did not get all the facts until a short time ago. I introduced a bill with reference to the matter, but did not get a report from the department. I appreciate the position in which I am placed.

The report would be very important if it involved a new enterprise, but the pending bill is an appropriation bill, and this will perhaps be the last opportunity I shall have to present the matter, so I trust the Senator in charge of the bill will permit the amendment to be adopted.

Mr. JONES of Washington. Mr. President, I think a great deal of the Senator from South Carolina. I would favor him, I think, as much as I would favor any Senator on the floor. But I feel that I shall have to make a point of order against the item. It is not estimated for and not authorized by existing law.

The PRESIDING OFFICER. The point of order is sustained.

Mr. BRUCE. Mr. President, I should like to ask the Senator from Washington a question. I ask him whether any provision has been made during the present session of Congress for any additional fish hatcheries anywhere in the United States?

Mr. JONES of Washington. No; not at all.

Mr. BRUCE. I will ask the Senator from Washington if there are not a good many applications for the establishment of fish hatcheries here and there throughout the United States?

Mr JONES of Washington. There are several bills before the Commerce Committee, but none of them have been reported.

Mr. BRUCE. I should like to ask is it the disposition of the committee to recommend the establishment of any more fish hatcheries?

Mr. JONES of Washington. The matter has not been brought up in the committee, but most of the bills, if not all of them, that have been reported upon by the Director of the Budget, have been reported adversely.

Mr. BRUCE. That was not the case with the proposition to establish a salt-water fish hatchery in the Severn River near Annapolis, Md. That project was recommended by the Department of Commerce.

Mr. JONES of Washington. That is possibly true.

Mr. BRUCE. It is true.

Mr. JONES of Washington. As I have said, there are several of them.

Mr. BRUCE. It is, perhaps, now too late in the session to do anything toward providing additional fish hatcheries, but very respectfully I ask the Senator whether it might not be a good thing for the committee to determine just what additional fish hatcheries are needed and to take the proper steps to see that when Congress shall meet again there will be no difficulty in obtaining proper appropriations for such fish hatcheries?

The project to which I refer in the Severn River, it seems to me, is one that ought to commend itself very strongly to the favor of the committee; and I am sure that it will do so when the committee has an opportunity to consider it. It went by default, I imagine, this time because of the fact that no proper provision had been made for it in the Budget system of the Federal Government, but it was recommended by the Department of Commerce. I should certainly like to have that project carefully considered by the committee and acted upon favorably, at any rate at the next session of Congress, so as to bring about the establishment of the hatchery, if the project shall finally meet with the approval of the committee.

What I say is applicable not only to this particular project but to many other proposals for fish hatcheries throughout the United States, whether in the State of the Senator from Washington or the State of any other Senator, which the committee may believe are really required by the true interests of fish culture.

Mr. JONES of Washington. The Senator may be assured that his bill will be considered if any of the bills are considered at this session of Congress.

Mr. BRUCE. I am glad to hear the Senator say that.

Mr. JONES of Washington. The Senator may be assured of it.

Mr. BRUCE. I thank the Senator; that is all I want.

Mr. DIAL. Mr. President, I want to say that I agree with the Senator from Maryland; but I think the custom of referring bills to departments and there tying them up and not sending them back so that reports may be made on them ought to cease. At the next session I propose to take steps to get a report in proper time on my bill to enlarge a fish hatchery. If we can not get it in one way I will endeavor to take steps to get the appropriation in some other way. I am strongly in favor of the Budget; I believe in economy and proper care, but I do not believe in tying up a measure just at the pleasure of a department. I did not delegate my authority as a Senator to any department, and while I am willing to work in harmony with the departments, yet I want to be heard when I know I am right and am acting on behalf of my constituents.

Mr. JONES of Washington. Mr. President, the Senator may rest assured that the bill will not be indefinitely hung up in the department. Whenever we find that a bill has been delayed an unusually long time we make inquiries of the department, and we insist upon a report, even though it may be an adverse one. So the Senator may rest assured that his bill will not be allowed to rest in the department.

Mr. DIAL. I am not criticizing the chairman of the committee. I have all confidence in the chairman of the committee.

The PRESIDING OFFICER. The bill is still in Committee of the Whole and open to amendment. If there be no further amendments as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time, and passed.

MOTHER'S DAY

Mr. HEFLIN. Mr. President, I send to the desk a copy of a House joint resolution passed by Congress, which I ask to have read, and following that a poem by Lucien Lamar Knight, of Georgia.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The reading clerk read the joint resolution approved May 8, 1914, as follows:

Whereas the service rendered the United States by the American mother is the greatest source of the country's strength and inspiration; and

Whereas we honor ourselves and the mothers of America when we do anything to give emphasis to the home as the fountain head of the State; and

Whereas the American mother is doing so much for the home, the moral uplift, and religion, hence so much for good government and humanity: Therefore be it

Resolved, That the President of the United States is hereby authorized and requested to issue a proclamation calling upon the Government officials to display the United States flag on all Government buildings, and the people of the United States to display the flag at their homes or other suitable places on the second Sunday in May as a public expression of our love and reverence for the mothers of our country; and be it further

Resolved, That the second Sunday in May shall hereafter be designated and known as Mothers' Day, and it shall be the duty of the President to require its observance as provided for in this resolution.

WOMAN

Woman, to thy tender keeping God has given this command:
Rear the childhood of the Nation, nurse the young hope of the land,
Teach the principles of virtue, lift the manly brow of youth
Till it scorns each baser triumph for the laurels of the truth.

Never leave thy little kingdom; never sacrifice its crown;
Though your realm be but a cottage, keep it ever, 'tis thine own.
Let no trespasser invade it; from its door let hate be hurled,
For the teachings of the fireside rule the forums of the world.

'Tis thy mission to be gentle, meek in spirit, undefiled,
For the Nation's growth is rooted in the nurture of the child.
Fountain spring of all our greatness back of yonder beetling dome
Lies America's true secret, in her poet's "Home, Sweet Home."

She who rocks a nation's cradle, with a mother's holy hand,
Writes its statutes, rears its armies, peals its thunders of command.
She who whispers "now I lay me" to the childhood at her knee,
Reigns the queen of the Republic, guards the court of liberty.

Mr. HEFLIN. Mr. President, the joint resolution read at the desk is one which I introduced in the House in 1914. It was passed by the Congress, approved by President Wilson, and a proclamation was issued by him ordering that on the second Sunday in May the flag should be displayed on all the Government buildings in the United States and in our foreign possessions. It will be the duty of the President on to-morrow to have the flag displayed upon the Government buildings in Washington in honor of the mothers of America. This was not done a year ago. I think it was overlooked by the President. I trust that it will be observed on to-morrow.

I now send to the desk a little prose poem entitled "The Voice of the Flower" by Representative EDGAR HOWARD, the able and eloquent Congressman from Nebraska, which I wish to have read.

The PRESIDING OFFICER. The Secretary will read as requested.

The reading clerk read as follows:

THE VOICE OF A FLOWER

I am the Carnation.

This is my day of days.

To-day I speak to all the mothers, living near or living far.

Mothers never die. Some are called away, but always they leave behind a part of themselves, and that living part builds for itself a home in the hearts of mothers' children.

To-day my address to living mothers is in the passion tone of red; to-day my address to mothers who have been called away is in the worshipful tone of white.

Living mothers will read my address to them in my passion color on the breasts of living sons and daughters.

And who shall say to me that my worshipful address in white, softly and prayerfully rising, may not also be heard by mothers no longer in the earth zone?

* * * * * * *

I do not surely know, but often I half way believe, that the mothers who live away up there beyond the star line may be listening in at some angel radio station, and happily hearing the message of love I am speaking this Mothers' Day in tones of white from the breasts of multitudes of remembering sons and daughters.

MEMORIAL ADDRESSES ON THE LATE REPRESENTATIVE DUPRÉ

Mr. RANSDELL. Mr. President, I ask unanimous consent that Sunday, May 25 next, be set aside for memorial addresses on the life, character, and public services of Hon. H. GARLAND DUPRÉ, late a Representative from the State of Louisiana, and that on that day the Senate shall convene at 11 o'clock a. m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PULLMAN CAR SURCHARGES

Mr. DIAL. Mr. President, I am glad that we have passed the tax bill and gotten it out of the way, and I hope it will soon become a law and thereby reduce the burdens upon the people of this country.

There is another matter upon which we should act pretty soon, in view of the fact that the end of the session is drawing near. We ought now to try to help individuals in another way, not only by relieving Federal taxes but by relieving them of an unjust tax that has been put upon them through what is called the Pullman surcharge.

Mr. President, the Congress is deeply concerned with the important and complex problem of reducing public taxes, particularly war taxes, and yet there continues to-day under governmental permit a form of "war tax" which no longer benefits the Government but which goes entirely to enrich the treasuries of private corporations. I speak of the iniquitous Pullman surcharges.

Thirty-five million dollars per year is the staggering sum collected by the railroads from the people of the United States in the form of the existing 50 per cent Pullman-car surcharge which the public is compelled to pay in addition to the standard Pullman fares and for which the railroads do not render any compensatory service. This so-called Pullman surcharge remains as one of the few outstanding annoyances and costly remnants of the war-time regulations. It is not only a heavy tax upon business but it is a serious deterrent to trade.

Recently Mr. A. M. Loeb, president of the National Council, which is the clearing house for the affiliated 38 trade and territorial groups, representing 912,000 commercial travelers, in discussing the position of the salesmen and other business men who are the principal users of Pullman accommodations, made the following observations:

When the Federal Government in time of national stress deemed it necessary to directly control the railroads of the country and to increase rates and impose surcharges for the purpose of curtailing travel and proportionately conserving the Government's income from the carriers, there was not a salesman in this land unpatriotic enough to even question these emergency measures. When passenger fares were increased, when the 20 per cent advance in Pullman rates was allowed, when the 50 per cent Pullman surcharge was added, when the 8 per cent tax on all railroad fares was enforced, not a salesman raised an objection. This country was engaged in a great struggle; and the salesmen, like all others imbued with national patriotism, were perfectly willing and happy to bear their share of the war's many burdens which were placed upon the shoulders of those who remained at home to carry on the Nation's essential industries.

But, now, the war has been won these five years. Half a decade is passed and the Pullman surcharge, admittedly a war-time regulation, remains to confront the traveler every time he approaches a railroad station to arrange for his transportation. The Government does not any longer benefit by this surcharge. Neither does the Pullman Car Co., upon which is foisted the compulsory collection of this extra fee. The added revenue goes directly and entirely to the railroads—and for what? Having paid the established passenger tariff, and having paid the established Pullman tariff, what does the present 50 per cent surcharge cover, and why does the Government permit this unwarranted gouge to continue to be exacted from a long-suffering public?

I wonder if the railroads of this country have ever stopped to consider the amount of business that has gone undeveloped during the past five years because salesmen have felt the necessity of curtailing their selling trips or completely eliminating certain trips at certain seasons. Any sales manager knows that under the excessively high cost of travel to-day salesmen have been able to visit only the high spots in their territories for some time past. The general public has suffered its share as well. Traveling is a fixed sales expense on every commodity. Expense of every nature naturally must be figured in the ultimate selling price of merchandise. Does anyone, for a moment, imagine that the 50 per cent Pullman surcharge, on top of the already exorbitant passenger rates, is not borne by the ultimate consumer?

To get right down to brass tacks, the imposition of this Pullman surcharge means that the public is called upon to pay $34,000,000 per year more than is necessary, just, or excusable. This is only a small part of the total loss to the Nation which is pyramided as a result of this particular rate excess, but, considering only the amount directly reverting to the railroads, it constitutes a tax of 34 cents each upon every man, woman, and child in America.

The repeal of this onerous Pullman surcharge should and undoubtedly will increase the proper earnings of the carriers, for reduced fares will stimulate a greatly augmented volume of travel. Business in general will be accelerated and improved. When business grows more healthy, there is scarcely an individual in the country who will not benefit more or less, and the railroads of necessity must enjoy their share of national prosperity.

Exhaustive surveys of all facts and figures in relation to the surcharge matter have been compiled and formally presented, which prove conclusively that the surcharge not only is unsound, but discriminatory and confiscatory, and, therefore, basically unconstitutional and totally irreconcilable—an unwarranted burden on business in particular and upon the public in general.

If ever any imposition by private corporations engaged in public service was unfair to the taxpaying citizens who must bear the burden of the 5¾ per cent net return permitted under governmental protection, this is the most flagrant abuse of that governmental privilege of which I know. It should be revoked at once, and in such an unmistakable manner as to prevent and make impossible any delay in the immediate enforcement of the revocation order.

I trust, Mr. President, that the bill abolishing the Pullman surcharge will come before the Senate in a few days, and that we will soon pass it. We want to get rid of all the nuisance taxes and all the unnecessary impositions upon the taxpayers of this country, so that the people may get in a good humor and go back to business in the old-time way of hard work and accumulation.

Mr. President, I am sorry that some of our committees act so slowly. Some time ago I introduced a bill which was referred to the Judiciary Committee to authorize United States judges to sentence convicts to work on the public highways in the different States. That bill has been kept in the committee, but I hope that it will soon be reported. I am trying to do everything I can to enable the people to go to work and to reduce the burdens upon them by lifting taxes and by making people who violate laws pay the expenses.

There are some other measures that have been held up for some time. I am glad that next week we propose to give consideration to bills designed to aid the agricultural interests of the country. I have two measures which I hope will soon be considered and passed. One of them, I believe, has already been reported, but next week I hope to get the attention of the Senate and to pass both of the measures I have in mind, which in my opinion will relieve the situation greatly. There is nothing unconstitutional or revolutionary about them, but they propose much-needed legislation.

Mr. BRUCE. Mr. President, I should like to ask the Senator from South Carolina a question. I know that there are matters of much more importance than this about to engage the attention of the Senate, and therefore I will be brief. Is it the Senator's idea that the amount of $35,000,000 collected by the so-called Pullman surcharge——

Mr. DIAL. The amount is $34,000,000.

Mr. BRUCE. Is it the Senator's idea that that should be shifted from the users of Pullman cars to the users of day coaches or should be added onto freight rates?

Mr. DIAL. Not necessarily so at all. I believe all the rates ought to be reduced.

Mr. BRUCE. Suppose that is not practicable?

Mr. DIAL. That is now an undecided question. I am in favor of reducing freight rates and reducing passenger rates. I am no enemy of the railroads, but I do not believe in a camouflage arrangement of charging a passenger what is claimed to be a Pullman fare when part of it is collected as railroad fare. If the railroads can not prosper under a proper charge, then the charge ought to be increased, but my opinion is that all charges ought to come down all along the line.

I will say further that if the railroads were allowed to handle their own business as individuals are, if the Government would quit interfering with them, tying them up by so many unnecessary restrictions, and let them manage their own affairs as individuals may manage theirs, so far as I can see they would get along much more economically, and the result would be beneficial to all. Let them, their creditors, employees, and all concerned meet as other business men, and let them all work for the good of each other and for the common good. I voted against the Esch-Cummins bill.

Mr. BRUCE. At the present time the question of the Pullman surcharge is under consideration by the Interstate Commerce Commission.

Mr. DIAL. They have had it under consideration for two or three years. In my opinion they ought to have taken action some time ago.

Mr. BRUCE. The question is being actively agitated at the present time before the Interstate Commerce Commission.

Mr. DIAL. I do not think they ever get in much of a hurry. As I recall I believe they issued an order about a year ago to put a ruling on the question of the Pullman surcharge into effect; but I think perhaps they were enjoined by the courts from doing so. I may have in mind the interchangeable mileage book ruling.

Mr. BRUCE. I do not recall that fact.

Mr. DIAL. I want to say to the Senator I believe in being just as fair to the railroads as he or any other man in the world. I am not an enemy of the railroads of the country, but I know that a great deal of the trouble with the railroads is caused right here in Congress by unnecessary laws.

Mr. BRUCE. I want to say that the point that has been made before the Interstate Commerce Commission is that the railroads must have the revenue derived from the Pullman surcharge unless there is to be an increase of rates. The real question is whether it should be charged up to the users of the Pullman cars or whether it should be charged up to the users of day coaches or whether an addition shall be made to the freight rates which are, I think, generally believed at the present time to be too high anyway.

WAR DEPARTMENT APPROPRIATIONS

Mr. WADSWORTH. Mr. President, I shall not further continue the very evident filibuster against attendance at the baseball game—a filibuster which has proven about successful. I shall merely move that the Senate now proceed to the consideration of the War Department appropriation bill, which is House bill No. 7877.

The PRESIDING OFFICER. The question is upon the motion of the Senator from New York.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 7877) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1925, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. WADSWORTH. Not with the intention of proceeding at all with the bill to-night, I ask that the formal reading of the bill be dispensed with, and that the Senate proceed to the consideration of the committee amendments.

Mr. KING. Mr. President, my understanding was, if I am not in error, that the bill would be laid aside.

Mr. WADSWORTH. It will be laid aside after that order is made. There is an understanding that the committee amendments shall not be proceeded with to-night, but that will be the order of business at 2 o'clock on Monday.

Mr. WARREN. It is quite the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

THE MEAT-PACKING INDUSTRY

Mr. JOHNSON of Minnesota. Mr. President, the meat packers are seeking to secure modification of the packers' consent decree to permit them to go back into the handling of unrelated lines of business. The Farmers' National Council and the People's Reconstruction League, through Mr. Jackson H. Ralston, attorney, have filed a motion and a brief in the Court of Appeals of the District of Columbia opposing any modification of the packers' consent decree. This document is of such importance that I believe it should be printed in the CONGRESSIONAL RECORD and made available to the people of the Nation.

I therefore ask unanimous consent that this brief be printed in the RECORD.

The PRESIDING OFFICER (Mr. LADD in the chair). Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is here printed, as follows:

In the Court of Appeals of the District of Columbia. May term, 1924.

No. 4071

California Cooperative Canneries, appellant, v. United States of America, appellees

MOTION FOR LEAVE TO FILE BRIEF FOR THE FARMERS' NATIONAL COUNCIL AND PEOPLE'S RECONSTRUCTION LEAGUE AS AMICI CURIÆ

Now come the Farmers' National Council and the People's Reconstruction League, by Jackson H. Ralston, their attorney, and respectfully move the court for leave to file herein as friends of the court the attached brief.

The Farmers' National Council is a union of leading farm organizations and individual farmers, organized in January, 1919, to carry out a program for economic reconstruction in America and international reconstruction, adopted at that meeting, and to protect the farmers' rights at the National Capital.

The People's Reconstruction League is a union of farm and labor organizations, organized in December, 1920, to carry out a program of national legislation. Both of these organizations have advocated effective packer control legislation. The organizations composing the Farmers' National Council were the first ones to urge legislation to control the meat packers, embodying the essential recommendations of the Federal Trade Commission made in connection with their report to the President on the meat-packing industry in the summer of 1918. The Farmers' National Council opposed the entering of the consent decree affecting the meat packers, feeling that legislation was essential most effectually to keep the meat packers out of unrelated lines of business.

Following the entering of the meat-packers' consent decree in February, 1920, the Farmers' National Council, and later the People's Reconstruction League, urged that packer-control legislation be enacted and that the supervising agency be empowered to effectually restrain the packers from carrying on unrelated lines of business.

Within a few months after the packers and stockyards act of 1921 was signed by the President Mr. Vernon Campbell on behalf of the California Cooperative Canneries sought to have the packers' consent decree modified. Benjamin C. Marsh, managing director of the Farmers' National Council and executive secretary of the People's Reconstruction League, appeared before interdepartmental committee, representing the Secretaries of Commerce and Agriculture, and the Attorney General which held hearings on this application and opposed any modification of the consent decree. The interdepartmental committee in its report to the Attorney General states:

> "Your committee has come to the conclusion that such grave and far-reaching questions, which affect not only the provisions of the decree with respect to unrelated commodities but which also strike at the very foundation of the entire decree and are of such vital interest to the public generally, are matters which, regardless of what position the Attorney General might assume, must be ultimately decided by the court which entered the decree before any modification could be made, and as those who strongly oppose any modification—namely, the wholesale grocers—are now parties to this cause by intervention, which intervention has been sustained by the court since the request for this hearing before the Attorney General was granted, it seems that the way is now open to those who urged a modification and who so earnestly contended that they might be seriously injured by this decree and have never had their day in court to present such questions and contentions in the first instance to the court for decision, without the same being in any way prejudiced by the Attorney General."

It will be observed that this committee refers to the questions involved as of "vital interest to the public generally."

The Federal Trade Commission, in its report to the President on the meat packing industry in 1918 stated:

> "Judged conservatively by trade estimates the Big Five Packers (Armour, Swift, Wilson, Morris, and Cudahy) handle at least half of the interstate commerce in poultry and eggs and in cheese."

"Swift & Co. is the greatest butter distributor in the United States, handling in 1916 in round figures 50,000,000 pounds, or nearly twice as much as the combined sales of the two largest nonpacker organizations."

"Armour & Co. increased their canned goods sales from about $6,500,000 in 1916, to about $16,000,000 in 1917, whereas the combined sales of these products by Austin Nichols Co. and Sprague, Warner & Co., two of the largest independent wholesalers, amounted to only a little more than $6,000,000 in 1917."

"The packers controlling the disposal of more than two-thirds of the offal produced in the packing industry have become the most important factors in the manufacture of animal fertilizer ingredients and have strongly entered the field of mineral ingredients."

"Early in 1917 Armour & Co. first undertook the handling of rice, becoming at a single move on the statement of the vice president of the company 'the greatest rice merchant in the world.' During this period the wholesale price of rice increased 65 per cent."

"Directly or through its subsidiary or trade-name companies the Armour Grain Co. (of which J. Ogden Armour owns 64 per cent of the stock and other members of the family 22.9 per cent) operates over 90 country elevators.

"In 1917 it handled 75,000,000 bushels, or 23 per cent of all receipts of grain at Chicago, the greatest market in the world, and its business is rapidly growing."

"The Big Five also occupy an important position with reference to the clothing of our civil and military population through potential control of the hide and leather markets of the United States and a considerable proportion of the total wool production."

The National City Bank Bulletin for April, 1924, states that the combined sales of Swift, Wilson, Morris, Armour, and Cudahy in 1923 were $2,015,000,000, and their combined net reported profits were $31,418,000.

The Department of Agriculture states in its bulletin, The Agricultural Situation, dated April 1, 1924, that in February, 1924, farm prices for beef cattle in terms of all commodities were only 61 and swine only 57, taking the farm prices in 1913 as 100. The Secretary of Agriculture in his report for 1923 states:

"Our investigations lead us to estimate the property taxes and interest combined paid by agriculture in the year of 1920 at about $1,457,000,000, in 1921 at $1,684,000,000, and in 1922 at $1,749,000,000. In 1920 practically the entire value of the wheat and tobacco crops, or about two-thirds of the wheat and cotton crops, were required to pay property taxes and interest charges. * * * In 1922 the value of wheat, oats, and tobacco crops and one-half of the potato crop were required to pay taxes and interest. In that year, although cotton was very high in price, taxes and interest charges were equivalent to the entire value of the cotton crop, plus two-thirds of the wheat crop.

"Property taxes increased from $532,000,000 in 1920 to $797,000,000 in 1922."

The Secretary of Agriculture has reported that between 1920 and the spring of 1923, out of 2,289,000 owner and tenant farmers in 15 corn and wheat producing States in the West and Northwest, one-fourth—over 600,000—had become bankrupt.

The Farmers' National Council represents in this matter farm organizations with a membership of about 790,000 farmers, chiefly in 14 or 15 States; the People's Reconstruction League represents in this matter farm and labor organizations with a membership of over 2,400,000.

As producers of raw material of the meat packers, and consumers of the finished products of the meat packers, and as producers and consumers of products into the distribution and marketing of which the meat packers seek to be allowed to enter through modification of the consent decree, we respectfully submit that we have such an interest in the matters affected by the present efforts to modify the packers' consent decree to justify our motion to be allowed to file a brief as amici curiæ.

FARMERS' NATIONAL COUNCIL.
PEOPLE'S RECONSTRUCTION LEAGUE.
By JACKSON H. RALSTON, *Attorney.*

In the Court of Appeals of the District of Columbia. May term, 1924. No. 4071

California Cooperative Canneries, appellant, *v.* United States of America, appellees

BRIEF FOR THE FARMERS' NATIONAL COUNCIL AND THE PEOPLE'S RECONSTRUCTION LEAGUE

GENERAL PRELIMINARY OBSERVATIONS

We shall not repeat the observations as to the condition of the record and the facts upon which the canneries company bases its petition to intervene because this preliminary groundwork has been sufficiently set out in the briefs already filed and in our motion to file this brief. Before, however, discussing the merits of the application to intervene there are certain general observations which it seems to us important to be made.

Apparently the purpose of the petition to intervene is to lay a groundwork for attack upon the decree which was signed in this cause February 27, 1920, and generally to demonstrate, if possible, to the court the invalidity of such decree as affecting, at least, what are known as the Armour and Swift groups of defendants. One would naturally expect an attack of this sort to be made by the parties directly and immediately concerned. If the Armour and Swift groups believed sincerely that their rights were in any wise infringed upon by the existence or by the terms of the decree to which they had specifically assented, the natural expectation would be that the attack should come from the parties directly and immediately affected—the ones whose business in certain directions were peremptorily ended, at least until a change in the attitude of the court. The parties offended against—the Armour and Swift groups—would have been naturally the moving ones rather than another party having, as we shall subsequently endeavor to show, no real or substantial interest in the controversy.

Of course, there were reasons of policy manifest enough upon the face of things why the move should come from an outside company rather than from the principal defendants. The public had suffered from the combination entered into between these groups and others and a movement on their part, as they well knew, directly to upset a condition to which they had been compelled to accede by force of fact and force of public displeasure would again excite against them deserved animosity.

But if these groups had had the courage of their conviction they should have done one of two things, either made the direct application to the court to set aside its decree, or if really confident of their position have violated the decree and subjected themselves to contempt proceedings, to which they might have replied, if they so believed, that the court, in its decree, had acted absolutely and entirely without jurisdiction.

Neither of these proceedings was taken, but instead a relatively insignificant corporation was put forward to ask the relief of the court, which the principal defendants were either afraid or ashamed to demand directly.

We have, therefore, the case of the canneries company seeking to withdraw from the fire the chestnuts which were too hot for the more tender paws of the Armour and Swift groups.

The hand is the hand of Esau but the voice is the voice of Jacob.

Has the California Canneries any ground of complaint against the decree of February 27, 1920? We ask this question because, to begin with, however the canneries company may disapprove of the decree, however learnedly and eloquently its attorney and the attorneys for the Armour and Swift interests may protest against it, their voices are an idle wind and their briefs but useless paper unless it appears upon the face of things that the Canneries Co. has been actually and legally damaged or in danger of damage because of the decree.

The canneries company bases its entire interest in this procedure upon its contract with Armour & Co., set forth on page 150 of the record. By the terms of paragraph 1 of this contract "First party (Producers' Warehouse Co., now California Cooperative Canneries) hereby agrees to sell and deliver to second party (Armour & Co.) and second party agrees to purchase and receive from first party all the California canned fruit required by the business of the second party and Armour & Co., a corporation of the State of Illinois, during the life of this contract," etc.

Furthermore, the Armour company was expected under the contract (top page 151) by January 1 to inform the canneries company by giving it a list of fruit "which will be required by the business of said company." In other words, no business being in contemplation no list would be furnished.

By the terms of the decree Armour & Co. were forbidden to deal in certain products, including those of the California Canneries, and obeying such decree in this respect, as it is presumable that Armour & Co. did obey, Armour & Co. from such moment had no further need of the products of the California Canneries in its business. It did not and could not use such products and, therefore, we assume, did not order them. In fact, shortly after the signing of the decree the canneries company was notified that its products were no longer desired.

Assuming that Armour & Co. had for any reason, or for no reason, concluded without intervention of the Government that it would no longer continue in the business of selling products of the nature of those canned by the California Canneries and, therefore, no longer needed them in its business, the California Canneries would then be entirely without remedy. The situation is in no wise changed because Armour & Co. had begun to go out of this branch of business in compliance with an order of the court, to which they assented. It seems perfectly manifest that under such a contract as this under no circumstances would the California Canneries have had any claim against

Armour & Co. because of its retirement from business in the line of canned fruits. The only obligation upon Armour & Co. was to make its purchases from the California Canneries as long as it was in this business and to the extent of its requirements in the business.

We may add that nowhere in the record, so far as we have been able to discover, has the Armour Co. proposed to reenter the fruit business. In addition, therefore, to failing to show present interest in the Armour contract no material future interest has been shown by the canneries company.

Viewed from this standpoint the California canneries never had a shadow of legal or equitable interest in the existence or nonexistence of the decree of February 27, 1920. Repeating ourselves in substance, if the decree were wiped out and Armour & Co. were, nevertheless, to refuse to continue that business, the canneries company would be absolutely without remedy.

THE LAW OF INTERVENTION UNDER THE CIRCUMSTANCES

But even if the decree had been absolutely void, and even without the assent of Armour & Co. to it, there would have been no apparent ground laid for any claim to intervene, based upon the fact of a valid ground of action—and there was none—against Armour & Co. If there had been no such circumstances, and there was not, as made the foundation of a suit against Armour & Co., the California canneries would have been obliged to look not to the Government in any way, but to Armour & Co. for recoupment, and the fact that a governmental decree in some manner interfered merely with its profits or its solvency would not have justified a suit against the Government as their petition in a manner is.

This is very well illustrated by the case of Burditt *v.* Glasscock (25 Texas Supplement, p. 45), wherein it was held that where there is no privity of contract between the plaintiff and an intervenor in a suit and the matter of complaint or cause of action sought to be enforced by the latter against the defendant is a contract between such intervenor and the defendant distinct from that which is the subject of litigation between the plaintiff and defendant, the petition of the intervenor can not be maintained. The court found that the right of action against the defendant, if the intervenor had any, was on an independent contract.

The situation before the court, therefore, is that the California canneries, having an independent contract, deems itself aggrieved because of the happening of something in an entirely independent proceeding with which it has no relation, either as lienor or otherwise. Apropos of this point the rule laid down in Pomeroy's Remedies and Remedial Rights, section 430, is that the intervenor's interest must be such that if the original action had never been commenced and he had first brought it as the sole plaintiff, he would have been entitled to recover in his own name to the extent, at least, of a part of the relief sought; or if the action had been first brought against him as defendant, he would have been able to defeat the recovery in part at least. His interest may be either legal or equitable.

Of course, in the present case the action could not have been brought against the canneries company as defendant. This organization would have been neither a necessary nor a proper party.

In support of the California Canneries' supposed right of intervention, its attorney, apparently at odds with the attorneys for the Armour and Swift interests, says that "the single contention presented by this record is that the court below erred in denying appellant leave to intervene in this suit." (Page 43 of Mr. Hogan's brief.)

With this in mind, there are a number of cases supposed to sustain the right to intervene, but no one of which, from our point of view, accepting the statement of them by the appellant, justify the conclusions reached.

The first reference is to United States *v.* Terminal Railroad Association (236 U. S. 194). The petitions of intervention which were allowed in this case seem to have been based upon the inability of the intervenors to transport their goods from place to place if the decree were literally carried out. It would appear that the business of the intervenors would have been effectually paralyzed unless the correction and limitation of the decree were allowed. Needless to say, no such condition exists in the instant case, where the whole world except the parties defendant to the decree of February 27, 1920, remains open with which the canneries company could carry on such business as it pleased. The number of mouths to be filled with California fruit was in nowise diminished or interfered with by the fact that the Armour and Swift groups could no longer act as intermediaries. The number of cans capable of being filled by the canneries company was in nowise lessened, nor were the bounties of nature interfered with or their transportation hindered.

The case of Gaines *v.* Clark (51 Appeals D. C. 71) related to the intervention of a person claiming to be the owner in fee simple as tenant in common of an undivided one-half interest in the land. His claim, therefore, was the direct claim of a part owner in the property under control of the court. The case is so far away from the considerations entering into the present debate that we are surprised it should be quoted.

Nor is the case of Weeks *v.* Heurich (40 Appeals D. C. 46) any more in point. This was not a case of intervention at all, but simply reiterates the well-known doctrine that a man injured in his property rights to a degree beyond that of the community at large, this because of the creation or threatened creation of a nuisance, can be heard in court to protect his rights. It has, therefore, no relation whatever to the present discussion.

In the Cincinnati Railway Co. *v.* Indianapolis Railway Co. (279 Fed. Rep. 356) it appears that parties to a contract may properly be made parties to a suit in advance of a decree foreclosing railway mortgages and including contract for the use of the facilities of a depot and belt-line company in the assets to be sold. These were contracts coming under the direct supervision of the court and not relating to the general financial operations and manner of conduct of business of one of the parties.

One is a little at a loss to understand why reference is made to In re Columbia Real Estate Co. (101 Fed. Rep.), wherein a creditor was refused the right to intervene but permitted to be heard as amicus curiæ. We do not at all question the right, if the court sees fit, of the canneries company to be heard as a friend of the court, this being a proposition entirely within the good graces of the court itself and not the subject of appeal or criticism. Perhaps the attorney for the canneries company used the citation because of the court's statement that "want of jurisdiction is a question that the court should consider whenever and however raised, even if the parties forbear to make it or consent that the case may be considered on its merits." For the present we simply have to say that this is a hornbook law, but not applicable to the question at issue in any respect, and particularly not to the right of intervention.

The learned attorney for the Canneries Co. next refers to Kreider *v.* Cole (140 Fed. Rep. 647), where was simply concerned the action of creditors against a company which had been placed in receivership. This, of course, has no application to the question at issue, particularly when one bears in mind the fact that, save with permission of court, a creditor can scarcely proceed anywhere except in receivership.

In Coca Cola Bottling Co. *v.* Coca Cola Co. (Fed. Rep. 796) the clear interest of a subcontractor to the contract under discussion appearing, intervention was permitted. This appears to exhaust all of the authorities cited in favor of the right of intervention, and it must clearly appear that in no one case is any parallelism offered to the instant case.

THE COURT APPROACHES OF THE CANNERIES CO.

The California Canneries has been as diffident and indirect in its approach to the court as the Swift and Armour groups have been. It will be noted that the original decree was signed February 27, 1920. On or about November 7, 1921, more than a year and a half later, the Canneries, instead of proceeding directly to the court, if it really felt it had in any way been abused (Record p. 200), applied to the Attorney General, asking that he move a modification of the consent decree. This application was referred to an interdepartmental committee, which very naturally and properly reported that this request should be presented in the first instance to the court that entered the decrees and not to the Attorney General. The result of this circuitous procedure and other delays on the part of the Canneries Co. was that it was not until April, 1922, that the company filed its purported petition for intervention. If the question were a close and doubtful one—and we submit that it is clear that no intervention is proper in this case—the court would be very slow in the exercise of its discretion to allow an intervention after the party intervening had been subjected to all of the imagined inconveniences of the decree for 22 months before the first appeal to the court. Bearing in mind the large public interest involved, the possibility of the change of the situation of the parties, and of the other elements entering into the case, we feel justified in saying that a court would wait a long time before considering itself equitably called upon to allow such a petition.

BRIEF OF SWIFT AND ARMOUR GROUPS OF DEFENDANTS

We have adverted to the want of courage exhibited by the Swift and Armour groups in not making a direct application to the court for a change in its decree, or, if they really profoundly believed their contention, in disobeying the decree as a piece of idle paper and accepting the consequences which would, of course, be nothing if the court were acting, as they suggest, in an administrative and not in a judicial capacity. In the preparation of the brief on their behalf they say that:

> "1. The consent decree is void because the Supreme Court of the District of Columbia was without jurisdiction to enter the same, for the following reasons:
>
> "(a) That there were no adjudicated facts before the court upon which the court could act.
>
> "(b) The decree itself was beyond the jurisdictional power of the court to enter in any event.
>
> "(c) It violates the fifth amendment to the Constitution of the United States.
>
> "(d) There was no case or controversy before the court within the meaning of the Constitution and laws of the United States."

The purpose of this brief is apparently not so much to sustain the Canneries Co.'s right of intervention as to suggest and urge upon this court the fact that it should utterly disregard as void the decree of February 27, 1920. How this court can take such action, not having before it any application of any kind and not at this moment being called upon to enforce the decree, we are quite at a loss to understand. Is the court, out of the circumambient atmosphere, to draw the foundation for some decree on its part that the decree of February 27, 1920, was a nullity? We can well understand, as learned counsel have shown with a wealth of illustration and authority, that in a proper case a court can find that it has acted without jurisdiction to pass a decree of the particular kind; that if it has acted without jurisdiction, either of the person or of the subject matter, its decree is void; but we can not understand how this court of appeals, not having before it and under attack the original decree in any shape or manner, can do anything. The only proposition before this court is that of a right of intervention. There is no petition on behalf of the Swift and Armour group or on behalf of anybody else to declare the decree to be void. It would seem, therefore, that the attorneys in this case have been very industriously firing into the air.

The attorneys for the Swift and Armour groups have proven to a demonstration that a decree must be based upon jurisdiction, and that this word includes jurisdiction over the parties, jurisdiction over the subject matter, and jurisdiction to pass the particular decree which is signed; that except these three forms of jurisdiction meet, the action of the court is void. We will agree with all of the premises. The trouble with the argument is that it has no relation whatever to the facts of the case as presented before the court. This court has no jurisdiction, as the matter is presented to it, to express any opinion upon any of these propositions. No foundation for the raising was laid in the court below, and the only matter before the court is, as stated in Mr. Hogan's brief, the question of permitting the Canneries Co. to intervene, and no lengthy and learned argument can alter this situation. Apparently the Armour and Swift groups desire that intervention shall be allowed in a cause which they expressly state they regard as a nullity from beginning to end, so far as concerns the substantial issues they seek to raise.

They have mistaken the forum for their argument and the procedure to which they should resort. While it is no part, perhaps, of our duty to inform them or correct them, we do not believe we are going beyond the limits of propriety in suggesting that they should go to the trial court and by petition to it or by bill of review, or in the nature of a bill of review, seek to have corrected what they say are errors in the original decree. They have so manifestly built their whole structure upon a foundation of shifting sand that it falls of itself, without any ability on their part to save it or any necessity on our part to demolish it. We have simply to point out the want of substantial foundation for their appearance with such an argument at this time in an appellate court.

We shall admit that if jurisdiction be lacking in any of the three essentials named a decree in equity may be attacked collaterally. We shall not admit that a mere petition of intervention, however verbose, is a collateral attack, although intervention being once granted it may be followed by an attack more direct than collateral. We can not admit that a mere brief, however learned, is a collateral attack. It is when without legal procedure to rest upon not a collateral attack, but a mere criticism to be given only the respect attaching to its authors. It is no more a part of the real contest than the "rooting" of the observers of a ball game.

We admit that a court may sua sponte take notice of a want of jurisdiction, but this only occurs when a decree or judgment is sought to be enforced or is under direct attack, not the mere subject of legal animadversion.

Respectfully submitted.

THE FARMERS' NATIONAL COUNCIL,
THE PEOPLE'S RECONSTRUCTION LEAGUE,
By JACKSON H. RALSTON, *Attorney.*

MILITARY RESERVATION OF SANTA ROSA ISLAND, FLA.

Mr. FLETCHER. Mr. President, from the Committee on Military Affairs I report back favorably, with an amendment, Senate bill 2676, and I submit a report (No. 517) thereon. The bill relates to a purely local matter, and I ask unanimous consent for its present consideration. No one will have any objection to it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2676) authorizing the Secretary of War to lease, or, in his discretion, to convey by quitclaim deed a certain tract of land in the military reservation of Santa Rosa Island, Fla., which had been reported from the Committee on Military Affairs, with an amendment.

The amendment was, on page 1, line 10, after the word "Florida," to insert "for a ship canal: *Provided*, That any grant of right, title, or interest in or to this tract made pursuant to the authority herein given shall be upon the express condition that the right, title, or interest so conveyed shall terminate and revert to the United States five years from the date of approval of this act without notice or legal proceedings of any kind, unless within such five-year period this ship canal has been sufficiently completed to permit the passage of ocean-going ships drawing not less than 30 feet of water, the Secretary of War to be the sole and final judge thereof," so as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized to lease, or, in his discretion, to convey by quitclaim deed, on such terms and conditions as he deems advisable, to Thomas H. Hazelrigg and John A. Chumbley, their successors and assigns, a tract of land not more than 600 feet in width and extending approximately north and south across the military reservation of Santa Rosa Island, off the west coast of the State of Florida, for a ship canal: *Provided*, That any grant of right, title, or interest in or to this tract, etc.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. FLETCHER. I ask to have the report on the bill printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The report is as follows:

SANTA ROSA ISLAND, FLA.

Mr. FLETCHER, from the Committee on Military Affairs, submitted the following report to accompany S. 2676:

The Committee on Military Affairs, to which was referred the bill (S. 2676) authorizing the Secretary of War to lease, or, in his discretion, to convey by quitclaim deed a certain tract of land in the military reservation of Santa Rosa Island, Fla., having considered the same, report thereon favorably with the recommendation that it do pass with the following amendment:

At the end of line 10, strike out the period and insert a comma and the following:

"for a ship canal: *Provided*, That any grant of right, title, or interest in or to this tract made pursuant to the authority herein given shall be upon the express condition that the right, title, or interest so conveyed shall terminate and revert to the United States five years from the date of approval of this act without notice or legal proceedings of any kind, unless within such five-year period this ship canal has been sufficiently completed to permit the passage of ocean-going ships drawing not less than 30 feet of water, the Secretary of War to be the sole and final judge thereof."

This bill, with the above amendment, has the approval of the War Department. The letter of the Secretary of War setting forth the attitude of the department and giving details regarding the project is appended hereto and made a part of this report, as follows:

MAY 5, 1924.

Hon. JAMES W. WADSWORTH, Jr.,
Chairman Committee on Military Affairs,
United States Senate.

MY DEAR SENATOR WADSWORTH: Further reference is made to your request of March 3, 1924, requesting a report on S. 2676, a bill "authorizing the Secretary of War to lease or, in his discretion, to convey by quitclaim deed a certain tract of land in the military reservation of Santa Rosa Island."

I am advised by Messrs. Hazelrigg and Chumbley, the beneficiaries of the proposed legislation, that this strip of land is desired for a ship canal to connect the deep water of Choctawhatchee Bay, Fla., with the Gulf of Mexico, and is a part of a large development project involving the construction of a rail and water terminal on the bay. As contemplated the canal is to have a depth of 36 feet, a bottom width of 300 feet, and will cross Santa Rosa Island some 5.56 miles to the west of the eastern end thereof at a point where the island has a width of about 1,776 feet. Mr. Hazelrigg advises that the entire terminal project involves an estimated expense of $9,500,000, the canal alone costing $503,425, and that no financial support is asked of the United States.

Santa Rosa Island extends east and west, with a length approximating 65 miles. It is narrow and with little elevation. The island, excepting the site of the Treasury Department's quarantine station near the center, constitutes the Fort Pickens Military Reservation, the fort proper being at the extreme western end. This fort is garrisoned and is one of the defenses of Pensacola Bay. The site of the proposed ship canal is many miles from Fort Pickens, and its construction and maintenance will not

adversely affect present or contemplated military use of this reservation.

It is noted that the bill fails to state the purpose for which the tract in question is to be used, places no time limit upon construction, and provides for no reversion of title, even though the beneficiaries of the legislation abandon their project or unduly delay construction. It is believed to be most important to so word the bill as to require prompt action by these beneficiaries and for reversion of title if the project is not accomplished within a reasonable time.

The following amendment is recommended:

"Line 10, change the final period to a comma and add: 'for a ship canal: *Provided*, That any grant of right, title, or interest in or to this tract made pursuant to the authority herein given shall be upon the express condition that the right, title, or interest so conveyed shall terminate and revert to the United States five years from the date of approval of this act without notice or legal proceedings of any kind, unless within such five-year period this ship canal has been sufficiently completed to permit the passage of ocean-going ships drawing not less than 30 feet of water, the Secretary of War to be the sole and final judge thereof.'"

If amended substantially as above recommended, the War Department will have no objection to the passage of this bill.

Sincerely yours,

JOHN W. WEEKS, *Secretary of War.*

OSCAR ARENZ

Mr. FLETCHER. From the Committee on Military Affairs, I report back adversely Senate bill 896, for the relief of Oscar Arenz. The ordinary procedure would be to have the bill indefinitely postponed, but I am not going to make that request.

Mr. WADSWORTH. Will the Senator from Utah permit a motion to postpone indefinitely a bill that the committee was unanimous in believing should be indefinitely postponed?

Mr. KING. That is a wise recommendation.

Mr. FLETCHER. I ask, then, to have the bill indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT OF NOMINATIONS

Mr. WADSWORTH. Out of order, I ask unanimous consent, as in executive session, to present a report from the Committee on Military Affairs carrying certain nominations, they to go to the Executive Calendar without further action.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. WADSWORTH. I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 35 minutes p. m.) the Senate adjourned until Monday, May 12, 1924, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

SATURDAY, *May 10, 1924*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God—the Father of us all—we thank and praise Thee for the sweetest and most endearing name, known to all as mother. We bless Thee for the heaven-born sentiment that has touched the heart of our country in setting apart a day dedicated to her undying memory. In her sacred name we shall wear the white and the red flower symbolizing her love and sacrifice, as she tarried at the gates of death that we might live. It was angel mother who kept heaven's watch in our helplessness and soothed our earliest and our latest sorrows. In her, O God, Thy holy nature was ever reflected. At her side we found our first altar, as she taught our lips to say: "Our Father who art in heaven." While the name of mother is revered and her memory loved and cherished our country is safe. With most of us she awaits us yonder. It will not be heaven to her until she sees and names her earth-born. Blessed be her name while the days and the years pass by. Amen.

The Journal of the proceedings of yesterday was read and approved.

DEFECTIVE ALIENS

Mr. ROGERS of Massachusetts. Mr. Speaker, there has been some criticism voiced in the press of the country in regard to the alleged laxity of the Department of Labor in admitting immigrants in cases where exclusion as a result of the primary inspection had been directed at the port of entry. I presented this matter to the Secretary of Labor and have received two rather full explanations of what the facts are as the Secretary understands them. I should like very much to have the permission of the House to extend my remarks on this subject in the RECORD.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

Mr. RAKER. Reserving the right to object, I want to ask the gentleman if the Secretary does not state in the letters that he has done everything within his power under the law and the money appropriated?

Mr. ROGERS of Massachusetts. That is the substance of the letters. Secretary Davis thinks that certain attacks on his policy in this regard have been made which are not based on a complete understanding of the facts. It seems fair to give the Secretary the advantage of the publication of the letters, putting them before the country, so that the true facts may be understood.

Mr. RAKER. The Secretary and his assistants have stated that they have done all that was in their power.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROGERS of Massachusetts. Mr. Speaker, I received three or four weeks ago the following letter from one of the most prominent physicians in my district:

I am inclosing a clipping I made recently from the Journal of the American Medical Association. It looks to me like somebody was sitting on the job but not doing it well. What do you think? Seems sort of useless for you and me and any other decent man to give up some portion of our lives for the public good and try to stem any such tide as this.

The clipping inclosed and referred to was as follows:

Defective aliens: There were admitted to the United States at Ellis Island under bond during the last fiscal year 4,724 defective aliens who were excluded under the immigration law. This means that a bond was given, frequently with a false surety, which can never be prosecuted. The records of the Federal Government show that 95 per cent of these bonds are violated. * * * During the same year 2,712 defective aliens were allowed to enter without bond; Ellis Island said they must not come in—they were defective. Of 12,976 other aliens found to belong to the excluded classes by medical officers at Ellis Island, 12,305 were permitted to enter by direct order from Washington—nearly 20,000 in all of the mandatorily excluded classes were permitted to enter the United States during the year.—Dawes, S. L.: Official Minutes, Interstate Conference on Immigration, New York, October 24, 1923.

I brought the Dawes statement to the attention of the Secretary of Labor, and under date of April 14 received the following letter from him:

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, April 14, 1924.

Hon. JOHN JACOB ROGERS, M. C.,
House of Representatives, Washington, D. C.

MY DEAR MR. ROGERS: I beg to acknowledge receipt of your letter of April 12, quoting a copy from the Dawes, S. L.: Official Minutes, Interstate Conference on Immigration, New York, October 24, 1923, which purports to give statistics regarding admission to the United States of defective aliens.

In answer I can perhaps do no better than to quote the following from a recent letter of the department, in answer to similar inquiries, as to the record for the fiscal year 1923. The department stated in part:

"You are of course aware that the mere fact that an alien is certified for a physical defect which in the opinion of the medical examiner affects the ability of the alien to earn a living does not in itself render an alien inadmissible, but that the immigration officers at the port must consider such medical certificate in connection with all of the surrounding circumstances and decide the case accordingly. For instance, of the number against whom medical certificates were rendered, 5,623 were certified for senility, it being the invariable custom for the medical examiners to attach to such medical certification the statement that the disability may affect the ability of the alien to earn a living. The fact remains, however, that approximately 95 per cent of these aliens are the parents of aliens already here, who are both able and willing to properly care for them and who themselves are not expected to engage in remunerative employment. Without in any manner intending to reflect upon the work of the public-health doctors assigned to immigration inspection, as I believe they are perform-

ing a most meritorious service and almost without exception are conscientious and painstaking in their duties, it appears that there are some medical examiners who make it a practice to certify almost all aliens over the age of 55 as being afflicted with senility; but when all the surrounding circumstances are taken into consideration there would seem to be no justification either for the officers at the port or for the department when such cases come before it on appeal to exclude such aliens merely because of the medical certification.

"There are numerous other causes, such as deformity, hernia, pregnancy, less than normal function, loss of member, etc., for which medical certificates are rendered, but when considered in connection with the other facts in the case, which, of course, the medical examiners can not take into consideration, it is quite apparent that such "deformities," "loss of member," etc., would in no wise affect the ability of the alien to earn a living. For instance, if a jeweler, bookkeeper, or any other person engaged in occupations of a sedentary nature were to be certified for deformity of the hip, loss of the nether extremeties, etc., it could hardly be considered that such defect would impair their earning capacity. In fact, one of the officers in the principal districts has stated that over 90 per cent of the medical certificates rendered might be considered in the nature of marks of identification.

* * * * * * *

"As you are no doubt aware, the seventh proviso to section 3 of the act of February 5, 1917, provides that aliens returning after a temporary absence to an unrelinquished United States domicile of seven consecutive years may be admitted in the discretion of the Secretary of Labor and under such conditions as he may prescribe. It is not at all unusual to have it develop in cases comprehended within this class that the alien has resided practically all of his life in the United States, that the ailment for which he is certified was contracted in this country, and that he has a wife and minor children residing here. The department has taken it for granted that the particular provision of law mentioned was designed to take care of just such cases, which seems the only logical conclusion if one is to be guided at all by the dictates of common decency and humanity. You understand, of course, that the medical officers can not take these matters into consideration when rendering their medical certificates, and if aliens so certified are admitted under this particular provision the medical certificates would remain a matter of record. This circumstance might apply to any one or all of the aliens shown to have been certified for ailments which render them mandatorily excludable, and I have no doubt that they do apply to a large majority of the cases shown in the inclosed table.

"I might state in this connection that only a few days ago the department was confronted with a case wherein a family was returning to the United States after a temporary visit to one of the European countries. This family when it first came to the United States was accompanied by an infant child against which no medical certification was then rendered. When the family returned, however, this child, which is now, according to my recollection, in the neighborhood of 18 years, was certified as being an imbecile. The case was presented to the solicitor for an opinion as to whether this child could be considered as comprehended within the seventh proviso to section 3, already mentioned, and the solicitor's opinion was in the affirmative; consequently the department directed admission. I am sure that it could not be logically argued that the entire family, which knew no home other than the United States, should have been refused permission to reenter simply because of this afflicted child, or that the child in its helplessness should have been separated from the parents.

"Another circumstance which might explain the admission of such aliens is the fact that it has been the practice for a long time past to admit aliens for the purpose of obtaining medical treatment in this country, where it is shown that similar treatment is not obtainable in the country from whence the alien comes. This applies particularly to a large number of aliens who are admitted from Canada for the purpose of obtaining treatment in the Mayo Institute, Rochester, Minn., and also to considerable numbers who are permitted to undergo treatment for tuberculosis at Saranac Lake, N. Y., and elsewhere. In fact, there are certain organizations, such as the Independent Order of Odd Fellows, the International Typographical Union, and others, which have filed a blanket bond with this department under which their members residing in Canada are permitted to enter the institutions maintained by them, there being no possibility of such aliens becoming public charges nor there being any danger of spread of contagion resulting from their admission.

"By reference to section 22 of the immigration act it will be noted provision is made that whenever an alien shall have been naturalized or shall have taken up his permanent residence in this country, and thereafter shall send for his wife or minor children to join him, and said wife or any of said minor children shall be found to be affected with any contagious disorder, such wife or minor children may, in the discretion of the Secretary, be accorded hospital treatment until cured and then be admitted. This provision also accounts for a large number of those shown to have been admitted, particularly those affected with trachoma or venereal diseases.

"In this connection the department did not take into account the joint resolution of October 19, 1918, under which section 3 of the immigration act of 1917, known as the exclusion section, was very materially modified for the benefit of aliens who served in the United States forces or those of the allied nations during the World War. The terms of this resolution applied to aliens returning within two years after the termination of the war, and the fact that this was in force up to March, 1923, undoubtedly accounts for the admission of a considerable number of defective aliens who otherwise might, and in many cases undoubtedly would, have been denied admission to the country."

Sincerely yours,

JAMES J. DAVIS, *Secretary.*

Under date of May 2 I received a further letter from Secretary Davis:

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, May 2, 1924.

Hon. JOHN JACOB ROGERS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: On April 14 I wrote to you in reply to your letter of April 12, in which you make inquiry concerning the justification for statements made by Dr. S. L. Dawes in the official minutes, "Interstate Conference on Immigration," New York, October 24 last, purporting to give statistics regarding admissions to the United States of defective aliens. Since Doctor Dawes is still making these wild and unfounded statements I am taking the liberty of writing you further on the subject.

Assistant Secretary of Labor, Mr. E. J. Henning, informs me that about the 1st of January his attention was called to a story published in a bulletin of the American Defense Society to the effect that at a meeting of that society on November 9, 1923, Doctor Dawes told substantially the same story as was published in the Evening Star of April 22, which I quote below, but at that time placed the responsibility upon Mr. Henning:

> "'Mentally and physically defective aliens are being admitted to the United States daily through the exertion of political influence on the Department of Labor,' Dr. Spencer L. Dawes, medical examiner of the New York State hospital commission, declared yesterday before an institute of occupational therapists from several States.
>
> "'The Department of Labor has written me threatening letters because of my protests, and suits for libel also have been threatened,' he said.
>
> "Three thousand aliens who were excluded by physicians were admitted by the Secretary of Labor without bond, and 12,000 were "otherwise admitted," according to the 1922 report of the Commissioner General of Immigration,' Doctor Dawes declared. 'He said he had watched aliens examined at the rate of eight a minute.'"

On January 5 the Assistant Secretary wrote Doctor Dawes, as follows:

> "I am just in receipt of a pamphlet covering the conference on immigration of the American Defense Society, held November 9, 1923. In it I note that you make the assertion that I am admitting under bond into this country thousands of aliens recommended for exclusion by the physicians of the Public Health Service at Ellis Island; that I admitted in one year 4,724, and that in the same year I admitted without bond 2,712; and that enough others of the excluded classes under the law were admitted to bring the total up to almost 20,000.
>
> "The article further credits you with saying that while I turned back aliens in excess of the quota when they came on foreign-owned lines, I suddenly became kind-hearted when the *Leviathan* brought in over 13,000 and paroled them in the United States; and that while I am quoted as saying that there is no one who can admit any alien against the law, I nevertheless by specific orders admitted nearly 20,000 excluded aliens; that I have mandatorily canceled many a warrant in cases certified by your office in direct violation of the law.
>
> "I am sure that you do not intend deliberately to falsify or to place upon any public officer a brand which is slightly short of saying that he should be impeached for violation of his oath and for disloyalty to his country without at least something that must look to you like a basis for such assertions. Will you be good enough to advise me on what you base these assertions, or any of them? To say that I am astounded at your statements is putting it mildly, and I haven't the slightest intention to let these statements go unchallenged."

On January 8 Doctor Dawes replied:

"My authority for this statement you will find contained in the report of the Commissioner General of Immigration for the year 1922, page 121. I might add that the same statement as to the admission of aliens belonging to the excluded classes was made in the New York Tribune of March 11, 1923, and was made a part of the record of a hearing of the House Committee on Immigration, H. R. 14273, and, so far as I am aware, remains uncontradicted.

"As to the statement regarding the admission of 13,000 aliens in excess of the quota of the U. S. S. *Leviathan*, what I actually said was that 'the public prints credited the First Assistant Secretary of Labor' with having admitted these aliens under bond, and I am quite sure you will agree with me that the public prints did so state. Of course, the newspapers later stated that you denied having admitted these aliens, and I took occasion publicly to so state."

Doctor Dawes then named three cases in which he claimed mentally defectives had been admitted and one of deportation canceled by the Assistant Secretary. Inquiry developed that in all of the cases named the aliens had been admitted by our predecessors in office; that in one case the warrant was canceled by the solicitor, in another case the alien had died, and in the third the alien had been deported. In reply to this letter, Mr. Henning again addressed Doctor Dawes on January 10, as follows:

"I have carefully gone over the report of the Commissioner General of Immigration for the fiscal year ended June 30, 1922, and particularly page xxi thereof. Frankly, Doctor, nowhere on that page or anywhere else in that document do I find even the slightest foundation for the assertion that I, as First Assistant Secretary of Labor, admitted under bond into this country thousands of aliens recommended excluded by the physicians of the Public Health Service at Ellis Island, or that I admitted such under bond to the number of 4,724, or that I admitted such without bond to the number of 2,712, or that I admitted enough others of the excluded classes under the law to bring the total to 20,000 immigrants. Will you not please be more specific and point out in the report of the Commissioner General of Immigration any one case in which I, as Assistant Secretary of Labor, admitted any alien recommended by the United States Public Health Service for exclusion?

"No, sir; I do not agree that anywhere in public print was there any story to the effect that I turned back aliens in excess of the quota when they came on foreign-owned lines, imposed fines upon them, and made them refund passage money, and then bring in over 13,000 passengers on the *Leviathan* on parole. Will you not be good enough to call my attention to some specific statement of that kind or anything approaching it in any public print? Assuming for the sake of argument that such a statement had been carried and you also saw in the papers, as you now say, a statement that I had denied such a thing, is it fair to have a statement published such as is contained in the publication of the American Defense Society without placing with it the other statement? I saw a number of printed stories about passengers on the *Leviathan*, but never anything even approaching in the remotest degree what you attribute to me.

"Your statement with reference to the case of Jennie Ingoglia has caused me to get that file and examine it. I find that the original order in that case was made by a Mr. Abercrombie in January, 1919, by way of ordering the arrest for deportation. The next order was made in May, 1919, by the same Mr. Abercrombie as Acting Secretary.

"The next one I notice was made February 5, 1921, by Louis F. Post, Assistant Secretary, staying deportation for one year. The next one was made March 18, 1922, by Theodore G. Risley, Acting Secretary. The next one was made January 15, 1923, by Robe Carl White, Second Assistant Secretary. And finally, the order to cancel the warrant was made July 27, 1923, by Theodore G. Risley, Acting Secretary. Nowhere in the file can I find any reference even to myself, nor have I ever before, so far as I know, heard of the case.

"I then looked at the case of Nathan Rothkrug, which is the second case you mention. Very much the same sort of a story is there told. The first order I find was made April 29, 1920, by Louis F. Post, Assistant Secretary of Labor, admitting the alien for a period of one year. The next order is June 21, 1920, by Louis F. Post, Assistant Secretary of Labor, providing for the removal of the alien to some other institution. On January 22, 1921, there is another order by Louis F. Post, Assistant Secretary, 'defer action until expiration of bond.' The next is July 9, 1921, signed by Theodore G. Risley, Acting Secretary, extending temporary admission for one year. The next is September 7, 1922, signed by Robe Carl White, Second Assistant Secretary of Labor, extending the temporary admisison for one year. The next is May 25, 1923, by Robe Carl White, Second Assistant Secretary of Labor, ordering that a warrant issue for the arrest of this alien on the ground that he was insane prior to admission. The next was September 4, 1923, by Robe Carl White, Second Assistant Secretary, ordering the alien deported to Poland. The next was October 30, 1923, by Robe Carl White, Second Assistant Secretary of Labor, directing that deprivation be proceeded with. The final memorandum in the file is dated November 12, 1923, signed by H. R. Landis, second assistant commissioner, Ellis Island, New York, returning the warrants of arrest and deportation for the reason that 'the alien in question having died on November 1, 1923.'

"There was no reference to these cases mentioned in the article published, and therefore the matter is more or less beside the issue.

"In the final paragraph of the article in the American Defense Society publication you quote me as saying, 'There is no one, of course, who can admit even one alien against the la ,' and then go on to say that nevertheless by my orders nearly 20,000 excluded aliens were admitted in one year, and that I have mandatorily canceled many a warrant in cases certified by your office in direct violation of the law.

"Once more, Doctor, I must ask you to be specific; that you point to the cases which I have admitted unlawfully, particularly in such great numbers as mentioned, and to warrants which I canceled unlawfully. So far you have not mentioned any

"So far as certification from your office is concerned, I never knew of your office by anything that has come to my attention in two years and a half until the Commissioner General of Immigration called my attention to a letter you had written to him under date of September 17, 1923, and to which he replied under date of October 8, 1923, and in which he called your attention to the fact that our efforts to deport certain mentally defectives temporarily admitted by our predecessors were being interfered with by the public authorities of New York State by way of letters from governors, of resolutions by legislative bodies, and petitions by public officers, including your office or the service with which you are connected."

This letter was answered by Doctor Dawes on January 14, in which letter he states that on March 7, 1922, he received a letter from the commissioner at Ellis Island stating, "It appears to be the present policy to refuse to admit even temporarily and under bond aliens who are mandatorily excluded from admission to the United States because of mental or physical disability"; and further states that "since that time I have received no report of any kind of any aliens of this class who were admitted under bond or otherwise." He then refers further to the report of the Commissioner General of Immigration for the year 1923, in which he says, "You will find that there were a number of cases of this character admitted under bond and otherwise."

It is perfectly clear that what Doctor Dawes did in making his wild statements was to take the first compilation in the report of the Commissioner General of Immigration as to aliens certified medically not strictly normal and declare that they were all inadmissible. This compilation of statistics is accompanied in the same report with explanatory data which at all times has been available to Doctor Dawes. In large part these certifications of the Public Health Service comprise cases such as I described to you in my letter of April 14. So as to have it before you I quote the following from that letter:

"You are of course aware that the mere fact that an alien is certified for a physical defect which in the opinion of the medical examiner affects the ability of the alien to earn a living does not in itself render an alien inadmissible, but that the immigration officers at the port must consider such medical certificate in connection with all of the surrounding circumstances and decide the case accordingly. For instance, of the number against whom medical certificates were rendered, 5,623 were certified for senility, it being the invariable custom for the medical examiners to attach to such medical certification the statement that the disability may affect the ability of the alien to earn a living. The fact remains, however, that approximately 95 per cent of these aliens are the parents of aliens already here, who are both able and willing to properly care for them and who themselves are not expected to engage in remunerative employment.

"Without in any manner intending to reflect upon the work of the public health doctors assigned to immigration inspection, as I believe they are performing a most meritorious service and almost without exception are conscientious and painstaking in their duties, it appears that there are some medical examiners who make it a practice to certify almost all aliens over the age of 55 as being afflicted with senility; but when all the surrounding circumstances are taken into consideration, there would seem to be no justification either for the officers at the port or for the department when such cases come before it on appeal to exclude such aliens merely because of the medical certification.

"There are numerous other causes, such as deformity, hernia, pregnancy, less than normal function, loss of member, etc., for which medical certificates are rendered; but when considered in connection with the other facts in the case, which, of course, the medical examiners can not take into consideration, it is quite apparent that such 'deformities,' 'loss of member,' etc., would in no wise affect the ability of the alien to earn a living. For instance, if a jeweler, bookkeeper, or any other person engaged in occupations of a sedentary nature were to be certified for deformity of the hip, loss of the nether extremities, etc., it could hardly be considered that such defect would impair their earning capacity. In fact, one of the officers in the principal districts has stated that over 90 per cent of the medical certificates rendered might be considered in the nature of marks of identification."

Mr. Henning specifically called the doctor's attention to the fact that while the report of the Commissioner General of Immigration in round numbers showed that 20,000 aliens were not admitted on primary inspection during the fiscal year ended June 30, 1922, nevertheless, as also appears from the same report only about 3,000 of these cases were even appealed to the department, and that all the rest were disposed of by the boards of special inquiry. The cases disposed of at the ports, as you know, never come to Washington for action, and therefore 17,000 of the 20,000 he refers to must necessarily be eliminated from the doctor's statement. The astonishing thing about these statements is that Doctor Dawes is perhaps as familiar with the immigration law and procedure as I am. Further in his letter of January 14 the doctor admits the accusation against him that, instead of coming with clean hands, the official body of which he is a member passed a resolution specifically requesting the department not to deport a certain feeble-minded alien temporarily admitted by our predecessors in office.

In a lengthy communication addressed to Doctor Dawes by the Assistant Secretary on February 2 this matter is quite fully thrashed out. I therefore quote it for your information:

"Your letter of the 29th is before me. I have a notice saying that the American Defense Society will have a meeting and immigration conference on the 2d instant. If you will make your statement and that society declines to publish it, I will know how to proceed.

"Your outline as to the statement you desire to make is not precisely a retraction of what you said and not precisely what I have asked of you. The fact is that the report of the Commissioner General of Immigration for 1922 makes no such statement as you claim. If you will again read your statement in the publication of the American Defense Society, you will note your error. While the report shows that 19,113 aliens were admitted who were certified as "physically or mentally defective," that report also shows that only 1,023 of these were admitted on appeal. All the others were admitted either on primary inspection or by board of special inquiry. You, of course, understand that primary inspection or examination by board of special inquiry is at the ports and wholly beyond the control of the Department of Labor. You will also note that, with the exception of about 25, those admitted on appeal to the department were not afflicted with mental disease or any loathsome contagious disease, which bars them as a matter of law. If you knew the facts of those indicated as admitted, you would also know that they were admitted strictly within the provisions of the law. You will note, for example, that nearly 1,000 were admitted after hospital treatment. That, of course, means that whatever their difficulty it was removed by a brief course of treatment. I have not said that I have not acted upon appeals. I certainly have. The fact is that during five days preceding Christmas eve in 1921 I personally passed on 1,365 appeals, which stands as a record in the history of the department. But I am not the only one who passed on appeals during the fiscal year covered in the report which you used as a basis. I passed on many appeals, the great bulk of which were dismissed and not granted. It is also true that the great bulk of appeals are cases in which no medical certificate appeared. Your principal error lies in that you charge to this department the disposition of all cases in which any certification was made medically indicating some defect, when, as a matter of fact, about one out of ten of these cases came to us on appeal. In that connection it is interesting to note that of those admitted among the medical cases 7,421 were afflicted with senility and that only about 300 of these came to the department on appeal, all others being admitted at the ports. You know, the laws all make an exception as to aged parents coming to children in America for support.

"Specifically referring to your statement as published, you say that I admitted under bond into this country thousands of aliens recommended excluded by physicians of the Public Health Service at Ellis Island and quote figures indicating nearly 7,000. The fact is that none of those admitted by us on appeal were recommended for exclusion by the physicians of the Public Health Service. In the cases which were admitted, the strongest statement made in any of them was by the Health Service that the condition might interfere with the ability of the alien to earn a living. In every case in which an alien was certified as having a medical condition which brought him in the excludable classes, he was excluded. However, in that very same paragraph, you state that I admitted a total of almost 20,000 of those excluded by law.

"With reference to the *Leviathan* statement, I have not said that I opposed the proposed action, but I say that what the newspapers published, so far as I am concerned, might as well be construed to the effect that I opposed as that I favored. Anyone who knows anything whatever about my service in this department will tell you that I have always taken the position that it is always a mistake to temporarily admit any inadmissible alien.

"The truth of the matter is, Doctor, that you and I are very much on the same track, with reference to immigration, with the exception that my position always has been far in advance of yours in the matter of the exclusion of all unfit and all except those entirely normal physically, mentally, and morally. I can also say truthfully that more public officers in the State of New York, both Federal and State, have urged the admission of aliens other than strictly normal than have public officers of any other State.

"By the way, I am still in the dark as to just what you mean in the last sentence attributed to you by the defense society publication when you say 'and he has mandatorily canceled many a warrant in cases certified by my office in direct violation of the law.' As I said before, I have never know of any certification from your office in any immigration case except the one concerning which you and Mr. Husband corresponded. I am wondering just what certification, under the law, your office is authorized to make with reference to the deportability of aliens. Apparently, this is a phase that has never come to my attention. If you mean that I have canceled warrants of people certified by your office as public charges for mental reasons, you are doing me a great injustice. I have never canceled any such warrants.

"Doctor, you seem to be woefully mixed with reference to the law for handling incoming aliens. You apparently mix the acts of inspectors at ports with the acts of the Secretary of Labor. Under the law the Secretary of Labor may not even intimate to an inspector at a port or to a board of special inquiry what course he should pursue any more than an appellate judge could lawfully exercise duress over the acts of a judge of a lower court. The law simply provides that an alien refused admission by a board of special inquiry at a port may appeal to the Secretary. Until that time the Secretary has not any power whatever over the case. When the case comes on appeal it is decided either by the Secretary, by an Assistant Secretary, or in the absence of both the Secretary and all Assistant Secretaries, by an Acting Secretary, as provided by the statutes.

"What I ask of you is to retract your statement that I, Mr. Henning, am admitting, under bond, into this country thousands of aliens or any aliens recommended excluded by the physicians of the Public Health Service, and that I did not in any year admit 4,724 under bond and 2,712 without bond and enough others of the excluded classes to bring the total up to almost 20,000. I have never admitted any alien excluded by law. I have passed on 90 per cent of all the appeals that came to this department during the fiscal year ending June 30, 1922.

"I demand retraction of the statement that I am harsh and severe and in that character while turning back aliens in excess of quota when they come on foreign-owned lines and fine such lines and compel refund of passage money, and I become kind-hearted when the *Leviathan* brings in over 13,000 people and parole them into the United States. I have never done anything of that kind. I have been the one in this department always and eternally to insist that all the ships of all the world must be treated exactly alike. I did say, and I do say, 'There is no one, of course, who can admit even one alien against the law.' One of the Federal courts in your State said almost the identical thing in passing on habeas corpus proceedings of a feeble-minded alien where it is claimed that the acts of executive officers amounted to an admission. I demand retraction of the statement that while I said the words quoted, I nevertheless by my orders admitted nearly 20,000 excluded aliens in one year, and particularly that I have mandatorily canceled many a warrant certified by your office in strict violation of the law. I have never canceled any such warrant.

"The time has come, it seems to me, when all good Americans, and particularly all public officers, must devote themselves loyally to preventing the coming into this country for permanent residence of aliens who are physically, mentally, or morally subnormal, and to bring about the elimination from the land of those who have entered unlawfully, either by surreptitious entry or by false statements which have brought about their lawful entry.

"I have stood for this program from the beginning, and have flattered myself that I had some part in bringing about that which

is eloquently protrayed by comparing, for example, the records for the fiscal year ending June 30, 1921, with those of the fiscal year ending June 30, 1923."

In spite of all that Doctor Dawes knows about the subject, the specific information which has been given to him, and the admissions which he makes, he continues to peddle out his original statements, which have been proved to be false. He persistently garbles the report of the Commissioner General of Immigration by making brief extracts without the explanatory matter which accompanies them and which any average school child would use in an analysis of his reading, and blandly criticizes the Immigration Service for improper administration. He refuses absolutely to recognize the facts, but insists, apparently for the purpose of the publicity he gets in the newspapers, to reiterate his statements. He knows they are not true, and I am at a loss to explain his attitude.

Sincerely yours, JAMES J. DAVIS.

It would seem as if the allegations made concerning the policy and the procedure of the Department of Labor in the matter of admitting deficients were in error. I think it is important that the facts as developed by Secretary Davis should be available for the information of those interested.

STOCK RAISING HOMESTEADS

Mr. SINNOTT presented a conference report on the bill (S. 381) to amend section 2 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes."

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD presented a conference report for printing in the RECORD under the rule on the bill H. R. 8233, the independent offices appropriation bill for 1925.

Mr. CARTER. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. CARTER. May I ask the gentleman when he expects to take up the conference report?

Mr. WOOD. That depends on the order of business in the House.

Mr. CARTER. The gentleman will not undertake to take it up to-day?

Mr. WOOD. No; under the rules it can not be taken up to-day.

Mr. CARTER. It could be taken up by unanimous consent.

Mr. WOOD. I do not intend to ask unanimous consent to take it up to-day.

Mr. CARTER. I wanted an understanding so that it would not be taken up in my absence. I have some remarks I want to submit.

LEAVE TO ADDRESS THE HOUSE

Mr. WATSON. Mr. Speaker, I ask unanimous consent to address the House on Wednesday next for 15 minutes, after the reading of the Journal and the disposition of business on the Speaker's table.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for 15 minutes on Wednesday next. Is there objection?

Mr. HOWARD of Nebraska. Mr. Speaker, reserving the right to object, upon what subject?

Mr. WATSON. The international courts.

Mr. BANKHEAD. Which international court?

Mr. WATSON. Both.

The SPEAKER. Is there objection?

There was no objection.

APPOINTMENT OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair designates the gentleman from Louisiana [Mr. LAZARO] to preside to-morrow as Speaker pro tempore at the memorial exercises in honor of the late Representative DUPRÉ.

WINNING OF RIFLE TEAM TROPHY, NATIONAL GUARD

Mr. CLARKE of New York. Mr. Speaker, I ask unanimous consent to insert in the RECORD a copy of my remarks made at the time of the presentation of the War Department trophy for the best scoring rifle team in the National Guard, Company F, Tenth Infantry, New York National Guard, of Walton, Delaware County, N. Y.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. CLARKE of New York. Mr. Speaker, under leave granted I insert the following address:

Just back from a real celebration tendered by Walton, in my native county of Delaware, to its Company F, Tenth Infantry, New York National Guard, for winning the War Department trophy given for the best scoring rifle team in the 960 National Guard companies in the United States.

So exacting are the military requirements—at least 70 per cent of the entire strength of the company must qualify as marksmen, sharpshooters, or expert marksmen—under which this trophy is offered, that for 10 years it has not been awarded to any company.

The story of Company F is a particularly interesting one, as Walton is the smallest community in the United States possessing its own armory. Company F was organized as the Thirty-third Separate Company, the Eighth Brigade of the Fifth Division, May 20, 1879, until April 17, 1922, when it became Company F, Tenth Infantry, New York National Guard, on a redesignation.

Part of Company F served with the One hundred and seventh Infantry, and the balance with the First and Fifty-second Pioneers overseas. They went into action in part as a portion of the Twenty-seventh Division, seeing service in France, Belgium, and Germany. The drive on the Hindenburg Line found Company F playing its gallant part. A small group of this same company went overseas with the First Pioneer Infantry, and finally became a part of the Army of Occupation in the German fortress at Ehrenbreitstein.

Secretary of War Weeks designated Brig. Gen. William Weigel to be present as a representative of the War Department with Colonel Walsh, commanding officer of the Tenth Regiment and staff, and other regimental officers to present to this splendid, patriotic, straight-shooting company this War Department trophy.

Walton is the largest community in Delaware County, which is sixth in size and first in dairy products. The town is one of the great lumber producers of the 65 counties of New York State. Located on the headwaters of the Delaware River, the country about Walton was long the favorite hunting ground of the Iroquois Indians. Brant, their famous chief, traversed it again and again during the Revolutionary War. Following in Brant's tracks in October, 1778, a small detachment of Morgan's Virginia riflemen, General Washington's favorite sharpshooters, visited the site of Walton; later two of these old-time Leather Stockings revisited the region and would seem to have sowed in the air seeds of unerring rifle accuracy.

In 1785 Walton was founded by five officers of the Revolutionary War, the leader of them being Dr. Platt Townsend, Yale, class of 1750, who was one of Washington's army surgeons; and all five of its founder families came from three Long Island towns, Doctor Townsend himself from Oyster Bay, and some of the ancestors of my distinguished colleague, WALTON MOORE, gave the name to the town, and other of his relatives equally distinguished now reside in an adjoining county in my congressional district.

Among the 170 cities in New York State with more than 2,500 people Walton ranks second for the highest percentage of second, third, and fourth generation white Americans, its percentage being 86, while Manhattan Island has scarcely 20 per cent of even second-generation white Americans. The first town in New York State in this rating for pure American stock is Union, a community of 3,400 people in Broome County, 36 miles west of Walton, with 87 per cent; Walton, with 3,600 people, is second with 86; and Sidney, a community of 2,700 people, also in Delaware County, is third with 83 per cent, while no other city in the State has as many as 75 per cent, and only half a dozen or so, all told, have as many as half of their people American whites of the second generation.

Delaware County is one of the 6 counties among the 150 in the eight northern Atlantic coast States—Maine to Pennsylvania—with 95 per cent of its people native-born whites. Maine has three of those counties midway of her coast, and New York has the other three—Allegany, Delaware, and Schoharie, which adjoins Delaware on the east.

Walton, 1,200 feet above sea level, in one of the 40 most-productive agricultural counties of the 2,950 counties in the Nation, has the finest town hall in central New York, has had volunteers in every war, including 256 in the World War, and its hillsides furnished the timbers for the famous war frigate *Constitution*, built at Boston in 1797. Such is the real American community that won in competition with the best in the Nation the War Department's trophy for skilled marksmanship.

The range on which this New York company shot was at Peekskill during the encampment beginning August 25, 1923. The Walton company reported with a full personnel of officers and 92 enlisted men. At the range it scored 75 per cent, or 5 per cent more than the requisite required by the War Department for qualification. Practically all of these wonderful marksmen are natives of Walton, many of them veterans from the overseas service in the Great War, where the Walton company, a portion of the Twenty-seventh, which was hurled against the Hindenburg line, was nearly decimated in the closing days of 1917.

It is therefore my pleasure and pride to place in the permanent records of this country the splendid story of Company F of my native Delaware County.

RENTAL CONDITIONS IN THE DISTRICT OF COLUMBIA

Mr. BLANTON. Mr. Speaker, Mr. William P. Richards, who is the tax assessor of the District of Columbia, made a splendid report to the Commissioners of the District of Colum-

bia on rental conditions here. It is very illuminating, and I ask unanimous consent to put Mr. Richards's report in the RECORD.

The SPEAKER. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, Mr. Speaker, what is Mr. Richards's official position?

Mr. BLANTON. He is the tax assessor of the District of Columbia.

Mr. LAGUARDIA. How long is the report?

Mr. BLANTON. I shall not put in any of it except the pertinent parts. I am sure that it will be illuminating to the gentleman as well as to others. Mr. Richards is the best versed man on property in the District of Columbia.

Mr. LAGUARDIA. How many pages?

Mr. BLANTON. The excerpts will probably take half a page of the RECORD.

The SPEAKER. Is there objection.

There was no objection.

Mr. BLANTON. Mr. Speaker, Mr. William P. Richards, who is tax assessor of the District of Columbia, probably is the best posted man in the city on property matters. On January 25, 1924, he submitted to the Commissioners of the District of Columbia his report and recommendations concerning the legislation proposing to extend the Rent Commission. His views then expressed are so nearly in accord with the decision of the Supreme Court of the United States rendered on April 21, 1924, and the decision rendered yesterday of Mr. Justice Stafford, of the Supreme Court of the District of Columbia, that I think pertinent excerpts from same should be placed before my colleagues.

Through the kindness of Commissioner Oyster, I have secured a copy of this report, and from same I quote the following:

EXCERPTS FROM REPORT OF TAX ASSESSOR RICHARDS

By reason of the existence of a state of war Congress passed an act * * *.

Now, after five years of building activities, two years of which have been extremely heavy, it seems doubtful whether the same emergencies still exist. * * *

From 1911 to 1916 the cost of construction was $74,593,606; * * * 1917 to 1923 we find that it amounts to $138,802,403. * * * The value of rents will depend on competition that may arise from the erection of new improvements. With new improvements the amount of rent depends on the cost of erection, which, in turn, depends on the labor conditions.

For example, if housing conditions in the District of Columbia exactly met the demand and there was a drop in the price of material and the cost of labor, new buildings would be erected and profitably rented at a lower amount than buildings which cost a much greater per unit price to erect. On the other hand, if there is a stringency in housing conditions and the cost of erection stays nearly double that of previous years, old structures must advance in rental prices in certain competition with new structures, which last would have to be rented in accordance with cost of construction.

It therefore seems probable that even if we admit that housing conditions are adequate for the demand there will be no fall in rental prices until there is a fall in the construction cost. A fall in construction cost can only occur by a cessation of building operations, and building operations will not fall off until the demand for housing facilities has not only been met but the mark passed to such an extent as to bring about vacancies in rental properties. * * * the question arises as to whether the extension of the "rent act" will aid or hinder a possible return to normal conditions. The amazing amount of building operations in 1922 and 1923 emphasizes the existing shortage that prevailed in 1919, 1920, and 1921. The rent act was therefore peculiarly fitted to these last-mentioned years. But now there is close accord with supply and demand in the real-estate market. The problem is not, as heretofore, restriction of barter in an insufficient commodity, but more particularly a realignment or readjustment of rentals on a basis of equality, and this can be done more fairly to all concerned with freedom of agreement unhampered by restrictive legislation.

Extensions and amendments to the rent act have provided for rent regulations up to May 22, 1924. It is now proposed to still further amend and extend the workings of the food control and District of Columbia rents act, to increase the authority of the Rent Commission, to create new positions, etc. It is stated in this proposed amendment that an emergency still exists and continues in the District of Columbia and will continue for an indefinite time in the future * * * there is a definite extension for a period of two years * * *.

The war which brought about changed conditions in national affairs ended over five years ago. Naturally, trade, productivity, and general living conditions have been seeking such levels as pertain to conditions of peace, and these levels will be reached more quickly by the removal of legislation barriers. It is true that if the act is not extended after May 22, 1924, many attempts to increase rentals in the District of Columbia will occasion a certain amount of loss and inconvenience to Government interests. Nevertheless, this will occur if the act be extended one, two, or three years, and then terminated. The workings of the act have, in a way, suspended laws of barter and agreement and thereby produced abnormal conditions which are sure to occasion trouble and confusion.

There was never a time when the rentals in the District of Columbia were so unequal as they are to-day, and their inequality can only be corrected by moving to the level plane of supply and demand, and allowing a certain length of time for readjustment and equalization. This is equivalent to making the statement that a year from now better conditions will prevail in the District of Columbia by allowing an end to rent legislation and letting District affairs take their own natural course. Property values are determined by their income or by future expectation of income. To reverse this process and determine the property value upon which income may be based is unnatural and illogical. Any interference with the natural course of property ownership and property management can only be based on conditions of a most unusual nature and not on such conditions as now prevail.

This office believes that there is very little, if any, need for the extension of the rent act, etc.

This distinguished tax assessor, Mr. Richards, is a patriot, for in thus recommending the abolishment of the Rent Commission he was taking a stand on January 25, 1924, against a bill that proposed to pay him an extra $1,000 each year as an aid of said Rent Commission. He is, therefore, to be most highly commended, both for his patriotism and also for his good judgment, which has been followed by Justice Stafford, of the Supreme Court of the District, and also by the Supreme Court of the United States.

INDUSTRIAL VOCATIONAL REHABILITATION

Mr. SNELL. Mr. Speaker, I present the following privileged report from the Committee on Rules, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 274

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5478, to amend sections 1, 3, and 6 of an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry, or otherwise, and their return to civil employment." That after general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by those favoring and opposing the bill, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SNELL. Mr. Speaker, the resolution just read by the Clerk simply provides for an amendment to the act that was passed in June, 1920. This legislation practically extends or authorizes the extension of the appropriation provided under that act of $1,000,000 a year for the period of four years. When this original act was passed, it was rather an innovation, and it was the desire of those interested to spur the States on to the proposition of rehabilitating their citizens who were disabled in industry. As a general proposition I am not in favor of these 50-50 propositions, but it seems that this has been especially desirable in every respect and has produced very good results. While some of the States were slow in taking advantage of the provisions, during the last year about 36 States have taken advantage of them and are doing excellent work. I understand that all of these States are very anxious to have the appropriations continued for a certain length of time. When the chairman of the Committee on Education was before the Committee on Rules we suggested to him that we would like this bill much better if he had made provision in it notifying the various States that Congress did not intend to continue these appropriations forever, and that it expected to stop them at the end of the next four years. While the chairman did not say that he would offer that amendment, he gave us to understand that he would not oppose an amendment of that character.

I am sure that, in a general way, rehabilitation has produced very good results, and the effect is that we are making independent people out of people who otherwise would be dependent. It is a cheaper proposition for the State to rehabilitate these men and put them back so that they can take care of

themselves than it would be to support them in some institution at the expense of the public.

Mr. SANDERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. SANDERS of Indiana. Mr. Speaker, I suggest to the gentleman from New York that before he moves the previous question the resolution should be amended on page 2, line 2, after the word "considered," by inserting the words "as ordered."

Mr. SNELL. That was the intention. Mr. Speaker, I offer that amendment.

The SPEAKER. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SNELL: Page 2, line 2, after the word "considered," insert the words "as ordered."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SNELL. Mr. Speaker, I reserve the remainder of my time.

Mr. TUCKER. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. TUCKER. Is any time prescribed in the resolution for the discussion of it?

Mr. SNELL. There is no time provided for the discussion of the rule. I have an hour at my disposal and I intend to yield some time to the gentleman from Alabama [Mr. BANKHEAD], and the gentleman from Virginia can get some time from him, I have no doubt.

Mr. TUCKER. I would like to have 15 minutes.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a question?

Mr. SNELL. Yes.

Mr. BLANTON. The only objection I have to the bill is that it appropriates $1,000,000 a year for four years.

Mr. SNELL. That is correct.

Mr. BLANTON. Does not the gentleman think it would be wiser to appropriate only for our term and let the next Congress appropriate whatever is necessary?

Mr. SNELL. This simply authorizes an appropriation. The appropriation will not necessarily be made. We authorized more in the original act than ever has been appropriated. They will appropriate only what is used, and as fast as it is used, if necessary.

Mr. BLANTON. Is the gentleman in favor of the policy of Congress making appropriations four years ahead?

Mr. SNELL. As a general proposition I am not, and this does not make an appropriation, but it does make an authorization which seems to be necessary on account of the character of the work to be carried on under the provisions of the bill.

Mr. TILSON. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. TILSON. Is the law limited as to time in the bill?

Mr. SNELL. Does the gentleman mean for four years?

Mr. TILSON. Yes. That is, without any further legislation will this law pass out of existence at the end of four years?

Mr. SNELL. The authorization for the appropriation will. As I suggested, I would be very glad to have the committee amend the bill so as to advise the States that we do not intend to continue the appropriation after that time.

Mr. TILSON. Of course we can not tell what Congress four years from now will do.

Mr. SNELL. No; but I thought it would be a good idea to give that notice.

Mr. TILSON. It would take positive action on the part of Congress to continue the authorization.

Mr. SNELL. It would.

Mr. DALLINGER. Will the gentleman yield?

Mr. SNELL. I will.

Mr. DALLINGER. I would like in reply to state that the Attorney General held that the act itself was permanent law, but the authorization for the appropriation should be provided.

Mr. SNELL. I reserve the remainder of my time, and yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker and gentlemen of the House, I do not regard it necessary to make any extended explanation of the rule that has been presented for your adoption. It is one of the ordinary rules providing for the consideration of the bill under the general procedure in such cases. I trust there will be no serious opposition to the adoption of this bill. When I was on the Committee on Education in the Sixty-fifth Congress, which was formulating the bill for vocational rehabilitation for our wounded and disabled soldiers, I was astounded during the course of these investigations to find the number of men and women in all parts of the country who were disabled more than 50 per cent in the ordinary industrial and agricultural occupations. It was estimated at that time that there were more than 300,000 men and women in the United States who have become permanently incapacitated in the industries of the country, thereby losing their earning capacity, and in a majority of cases became helpless charges either upon their immediate families or upon the charity of the community. In view of the economic as well as the humanitarian phases involved in the proposition, and inasmuch as no concerted effort had ever been made either by the Federal, State, or municipal authorities, with the probable exception of a few States, to engage in concerted action to alleviate the condition of these unfortunate people, I prepared and introduced in the Sixty-fifth Congress the original bill which was subsequently enacted into legislation and constitutes the existing law. The original purpose of the House was not to make any extensive burden upon the Treasury of the United States for the maintenance of those found disabled, because we only asked for a modest amount, and are only asking in this bill, which will soon be presented to you for consideration, a reauthorization of a modest amount of money for the purpose of carrying on this work. As a matter of fact, the original appropriation has not all been exhausted, and there is a considerable amount left in the Treasury unexpended, for the reason that all the States have not up to date accepted the benefits of this legislation, because it is entirely optional with the authorities of the State as to whether or not they determine to take advantage of the appropriation.

Mr. LAZARO. Will the gentleman yield for a question for information?

Mr. BANKHEAD. Yes.

Mr. LAZARO. Would the gentleman mind inserting in the RECORD the States that took advantage of this law for the information of the Congress?

Mr. BANKHEAD. Yes; I will endeavor to secure that. I think probably the chairman of the Committee on Education, though, can furnish the gentleman with detailed information when he comes to speak on the bill, and he advises me that he will do so. I submit for your earnest consideration, gentlemen of the House, that this legislation has thoroughly justified the claims of those who espoused it upon its original passage. Up to date I believe 36 States of the American Union have taken advantage of this law, and it is now in practical and very successful operation in those States, and if gentlemen of the House would really take occasion to examine the administration of this law or the men and women scattered all over the country who have been crippled and maimed while following their legitimate pursuits and earning a livelihood for their families and who in their disabled condition were practically possessed of no earning capacity and who have, previous to this bill, been taken charge of by the State authorities and put through a course of rehabilitation suited to their condition—if you will take occasion to examine the figures now of the earning capacity of those unfortunates after they have received the benefits of this education and gone back into the industrial life of the country, I believe you will agree with me that this small expenditure has been a very valuable investment to the country not only from a humane but from an economic standpoint. The average cost to the State and Federal authorities for the rehabilitation of each individual amounts to about $200 or $250, and it is shown that after they have been rehabilitated under the processes of this bill that their earning capacity amounts to $1,000 per annum, and under the provision of this bill those unfortunates have been taken in charge and given the benefits of this law. Some States have been more progressive because some of the States have seen fit through their legislatures to appropriate larger sums than others. The minimum amount that each State can receive under the present law, I believe, is about $17,000.

Mr. EVANS of Montana. Will the gentleman yield?

Mr. BANKHEAD. I will.

Mr. EVANS of Montana. Would the gentleman advise us how many States are cooperating under this bill?

Mr. BANKHEAD. Thirty-six States up to the present time is my information. For instance, Dr. M. R. Little, director of the New York City Bureau of Rehabilitation, testified that 612 persons were rehabilitated in New York in 1923, of an average age of 33 years. As an initial wage after rehabilitation the

612 rehabilitated persons earned upon an average more than $1,000 each, which may be contrasted with a maintenance expense of approximately $300 each if the individuals had remained unrehabilitated. In other words, the gross amount derived by each individual disabled is about $1,500 per annum. In the State of New Jersey the State board handled 6,788 cases in 1923, at a total cost of $99,000, of which $29,000 was Federal appropriation. In the State of Mississippi, represented so very ably by the gentleman, the ranking minority member of the Committee on Education, Doctor LOWREY, it is testified that there were 133 cases rehabilitated in 1923. As a result of their rehabilitation the earnings of the 133 increased in 1923 from $48,000 to $126,000 per annum.

And so on with reference to a number of the other States, setting out the figures.

Mr. BRAND of Georgia. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. BRAND of Georgia. Have you any figures from Georgia? What was the gentleman quoting from?

Mr. BANKHEAD. I was simply referring to the statements in the majority report. I regret I do not have any figures from the gentleman's State.

Mr. BRAND of Georgia. Does this bill carry further appropriation?

Mr. BANKHEAD. It carries an authorization of an appropriation of $1,000,000 annually, the same authorization that was carried under the existing law. It carries an authorization for a period of three years following June 30, 1925, of $1,000,000 annually.

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. OLIVER of Alabama. Judging from a study of the report, is it the gentleman's opinion that in the absence of Federal aid many of these unfortunates would not have been rehabilitated?

Mr. BANKHEAD. Yes.

Mr. OLIVER of Alabama. It has greatly encouraged the States in this work?

Mr. BANKHEAD. Yes. I will say to my colleagues that the real purpose behind this bill, the idea which led to its inception, was not to put an extravagant burden upon the Federal Government, but that by an appropriation of a million dollars a year the Federal Government would stimulate the States, the ultimate result being to induce the States to appropriate such an additional amount as they saw fit, and many of them are exceeding very much the amount of the Federal apportionment.

Mr. OLIVER of Alabama. I recall the very substantial hope which the gentleman from Alabama had when this act was first passed, and I assume that the reports show that the results have gone even beyond his most sanguine expectation?

Mr. BANKHEAD. Yes. I think it is very gratifying to those of us who were originally so much interested personally in this legislation.

Now, the gentleman from Virginia [Mr. TUCKER], for whose opinion I have the most profound respect, and with whom I agree on most of these questions as to the division of Federal and State authority——

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. BANKHEAD. Mr. Speaker, will the gentleman let me have five minutes more? I shall probably not have opportunity to say anything on the bill when it is placed before you.

Mr. SNELL. I yield to the gentleman five minutes more.

Mr. BANKHEAD. Along the line as to whether this is a proper field for the exercise of Federal activity, I contend that it is. But I want to cite this fact, that this is no new venture along the line of Federal activity. Of course, that does not justify the principle, and is not in violation of the principle; but I want to call attention to the fact that the Federal Government up to date, out of the public domain, and incidentally out of the Public Treasury, has appropriated for the purpose of common-school education and for higher education, as well as making grants to normal schools for the deaf, dumb, and blind, and reform schools, an aggregate of 149,000,000 acres of the public domain for this specific purpose of encouraging the education of the youth of the country. It is estimated that the approximate total income from those Federal grants for these specific objects of education up to date has amounted to the enormous sum of $879,530,000; so that for a long time, extending many decades back in the history of our Federal legislation—and I do not know that the constitutionality of the enactment has ever been questioned or passed upon by the Supreme Court, but certainly these acts have not been set aside if they were attacked upon constitutional grounds—they have become well recognized as a part of our Federal system. Not only have we granted these enormous sums out of the public domain, but the Congress has passed the Smith-Hughes Educational Act for the education of normal pupils in the public and high schools of the country, and it has adopted the same principle in appropriating very large sums of money under the Smith-Lever Agricultural Extension Act for the purpose of promulgating information with reference to scientific agriculture among the farmers of the country. So that although originally it might have been questioned upon the grounds raised in the minority report, yet it seems that the precedents, as well as the absence of any attack made upon former measures involving the possible violation of the same constitutional rights, have both conspired to fix legislation of this sort as within the well-established legitimate functions of the Federal Government.

Mr. ROMJUE. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. ROMJUE. What was the appropriation under the original act? Was it $1,000,000?

Mr. BANKHEAD. Yes; the same as under existing law. Under the plan proposed by the bill to be brought in by the rule, as will be more elaborately explained by the chairman of the Committee on Education [Mr. DALLINGER], the whole purpose sought by this bill is to reauthorize the whole amount carried under existing law for an additional period of three years. It does not change the methods or the machinery provided for the cooperation with the States, and it simply leaves it up to the Committee on Appropriations to supply the appropriation; and I assume, of course, that they will appropriate the money, inasmuch as this system is entirely established. It merely authorizes the Committee on Appropriations to appropriate this amount of money for the coming period of four years.

Mr. Speaker, this is a piece of legislation which, it seems to me, should certainly appeal not only to the practical but also to the humane, and, if you want to call it that, to the sentimental feelings of the Members of Congress. It deals with a class of people who, under the scheme of things, are not dealt with by our local eleemosynary institutions; a class of people, largely working people, the man in overalls and the woman in gingham, the bread earners, the heads of families, who go out in pursuit of a livelihood and are mangled in the machinery of factories or mines or railroads and become so much human wreckage in the society of our Nation. Under the humane principles of this legislation people of that sort are taken in charge of by the State authorities, and their qualifications for rehabilitation are examined into; and by the appropriation of this relatively small amount of money hundreds and thousands of them are being put in a position where they can go back into the earning life of the Nation with self-respect, with some dignity of purpose, and a capacity to earn livelihoods for themselves and their families; and I trust that the rule will be adopted with practical unanimity. [Applause.]

The SPEAKER. The time of the gentleman from Alabama has again expired.

Mr. SNELL. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. TUCKER].

The SPEAKER. The gentleman from Virginia is recognized for 10 minutes.

Mr. TUCKER. Mr. Speaker, I regret I am unable to support this bill. I hope in the time which is allowed in general debate to discuss the fundamental principles of this bill, but I want to call your attention at the outset, in the 10 minutes which have been allotted me, to a few points in the bill itself.

This bill is intended to perpetuate a law passed in 1920 for four years longer, and proposes to authorize an appropriation of $1,000,000 a year for this purpose.

Mr. Speaker, the report of the majority, made by my friend, the gentleman from Massachusetts [Mr. DALLINGER], shows that in the last three years there has been allotted and then appropriated the sum of $2,864,000 for the years 1921, 1922, and 1923. Of the amount that has been allotted to the States, $937,000 has been spent. The bill claims that $1,000,000 a year is necessary for four years to carry on this work; $2,800,000 has been allotted and appropriated, of which $937,000 has been spent. Why appropriate $4,000,000 when we have $2,000,000, in round numbers, that has not been used under former appropriations? Is this Government so rich and are our taxes so small that when the bill asks for $4,000,000 and we have to our credit, to be exact, $1,922,669——

Mr. SNELL. Will the gentleman yield?

Mr. TUCKER. Yes.

Mr. SNELL. Is it not a fact that those authorizations revert to the Treasury at the expiration of the present year?

Mr. TUCKER. I am not certain about that.

Mr. SNELL. I think I am correct in that statement.

Mr. TUCKER. I am certain of it.

Mr. SNELL. I think that is correct.

Mr. TUCKER. I do not want to cut this project off in the bloom of youth, for I am perfectly willing to see it go on for two years. It was instituted as a temporary expedient, and now, after four years, let the bill go back to the committee and let them authorize the appropriation of the balance now in hand, even if it has gone to the Treasury. In other words, why should we, in our condition, be appropriating $4,000,000 when we need only $2,000,000? So much for that.

Mr. SNELL. Will the gentleman yield further?

Mr. TUCKER. Yes.

Mr. SNELL. I think the gentleman ought to make it very definite that the bill authorizes only $1,000,000 per year.

Mr. TUCKER. Yes.

Mr. SNELL. And that the 36 to 48 States, after they really get going, will probably use all of that appropriation, if not more. Is not that a fact?

Mr. TUCKER. No; it is not. If the gentleman will look at the table on page 2 of the report, he will see that of the amounts allocated to the States not half of them, in some cases, has been used. In the year 1921 the amount authorized for the use of the 48 States was $790,000, and only $434,000 was used. The next year $1,034,000 was authorized and $790,000 used, and the next year $1,034,000 allowed and $824,000 used. But the result is that there has not been used the amount that has been authorized under this law, and with that balance, if this matter is to continue—and I say to the gentleman frankly that I propose to offer an amendment to continue it for two years, authorizing what has been left in the Treasury to be used to carry it out. The money is there. Congress has already committed the error of doing this thing; but we are committed to it, so let us use the unused money that will carry on the work for two years.

The gentleman from New York says he wants to put in here a statement that this is to end in four years, but the trouble is I may not be here in four years. I trust the gentleman may be, but one House can not bind another. The honorable chairman of this committee may not be here in four years, as I see he is contemplating going elsewhere.

Mr. SNELL. Will the gentleman yield?

Mr. TUCKER. Yes.

Mr. SNELL. I simply wanted to give notice to the States that that is the intent of Congress at the present time. I appreciate we can not bind Congress for four years.

Mr. TUCKER. Exactly. Now, gentlemen, this is a temporary matter, and the gentleman from New York [Mr. SNELL] by his statement shows, with perfect candor, that he believes it ought to be a temporary matter. John Sherman, when the great question of the resumption of specie payments came up and they were telling him he ought to wait for this, that, and the other, said, "The way to resume is to resume." And the way to stop an evil is to stop it. Did you ever try to get a sucking calf away from a cow after it had run with it for two months? [Laughter and applause.] I am glad to see that some of you gentlemen, before this recent child-labor amendment prohibiting a boy under 18 from working, did have some experiences of that kind. The longer a calf runs with the cow the harder it is to take him away. Why, even the gentleman from Texas [Mr. CONNALLY] could not pull one away if it had been there for three months. [Laughter.]

Now, Mr. Speaker, I also desire to give notice that I am going to move to strike out sections 6 and 7 of the bill. Section 6 of the bill provides an additional appropriation of $75,000. What for? To make reports and to make studies. Who are to make studies and reports? The Board of Vocational Education. That board is to make studies, investigations, and reports, and is given $75,000 for that purpose. But, as a matter of fact, the original law appropriated $200,000 for that purpose.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. SNELL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. DALLINGER. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of H. R. 5478.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5478, with Mr. CRAMTON in the chair.

The CHAIRMAN. The Committee of the Whole House on the state of the Union has under consideration the bill H. R. 5478, which the Clerk will report.

The Clerk read as follows:

A bill to amend sections 1, 3, and 6 of an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment."

Mr. DALLINGER. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Under the rule there is one hour of general debate to be confined to the bill and equally divided between those favoring and those opposing the bill. The gentleman from Massachusetts is recognized for one-half of the time, 30 minutes.

Mr. DALLINGER. Mr. Chairman, the other half will be controlled by the gentleman from Virginia [Mr. TUCKER], who is opposed to the bill.

The CHAIRMAN. In the absence of any other claim or objection that will be done.

Mr. DALLINGER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

THE VOCATIONAL REHABILITATION ACT OF 1920

Mr. DALLINGER. Mr. Chairman, the Federal act for the promotion of the national program of civilian vocational rehabilitation became effective June 2, 1920. This act reads as follows:

[Public—No. 236—66th Congress]

An act (H. R. 4438) to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment

Be it enacted, etc., That in order to provide for the promotion of vocational rehabilitation of persons disabled in industry or in any legitimate occupation and their return to civil employment there is hereby appropriated for the use of the States, subject to the provisions of this act, for the purpose of cooperating with them in the maintenance of vocational rehabilitation of such disabled persons, and in returning vocationally rehabilitated persons to civil employment for the fiscal year ending June 30, 1921, the sum of $750,000; for the fiscal year ending June 30, 1922, and thereafter for a period of two years, the sum of $1,000,000 annually. Said sums shall be allotted to the States in the proportion which their population bears to the total population in the United States, not including Territories, outlying possessions, and the District of Columbia, according to the last preceding United States census: *Provided*, That the allotment of funds to any State shall not be less than a minimum of $5,000 for any fiscal year. And there is hereby appropriated the following sums, or so much thereof as may be needed, which shall be used for the purpose of providing the minimum allotment to the States provided for in this section, for the fiscal year ending June 30, 1921, the sum of $46,000; for the fiscal year ending June 30, 1922, and annually thereafter, the sum of $34,000.

All moneys expended under the provisions of this act from appropriations provided by section 1 shall be upon the condition (1) that for each dollar of Federal money expended there shall be expended in the State under the supervision and control of the State board at least an equal amount for the same purpose: *Provided*, That no portion of the appropriation made by this act shall be used by any institution for handicapped persons except for the special training of such individuals entitled to the benefits of this act as shall be determined by the Federal board; (2) that the State board shall annually submit to the Federal board for approval plans showing (a) the kinds of vocational rehabilitation and schemes of placement for which it is proposed the appropriation shall be used; (b) the plan of administration and supervision; (c) courses of study; (d) methods of instruction; (e) qualification of teachers, supervisors, directors, and other necessary administrative officers or employees; (f) plans for the training of teachers, supervisors, and directors; (3) that the State board shall make an annual report to the Federal board on or before September 1 of each year on the work done in the State and on the receipts and expenditures of money under the provisions of

this act; (4) that no portion of any moneys appropriated by this act for the benefit of the States shall be applied, directly or indirectly, to the purchase, preservation, erection, or repair of any building or buildings or equipment, or for the purchase or rental of any lands; (5) that all courses for vocational rehabilitation given under the supervision and control of the State board and all courses for vocational rehabilitation maintained shall be available, under such rules and regulations as the Federal board shall prescribe, to any civil employee of the United States disabled while in the performance of his duty.

SEC. 2. That for the purpose of this act the term "persons disabled" shall be construed to mean any person who, by reason of a physical defect or infirmity, whether congenital or acquired by accident, injury, or disease, is, or may be expected to be, totally or partially incapacitated for remunerative occupation; the term "rehabilitation" shall be construed to mean the rendering of a person disabled fit to engage in a remunerative occupation.

SEC. 3. That in order to secure the benefits of the appropriations provided by section 1 any State shall, through the legislative authority thereof, (1) accept the provisions of this act; (2) empower and direct the board designated or created as the State board for vocational education to cooperate in the administration of the provisions of the vocational education act, approved February 23, 1917, to cooperate as herein provided with the Federal Board for Vocational Education in the administration of the provisions of this act; (3) in those States where a State workmen's compensation board, or other State board, department, or agency exists, charged with the administration of the State workmen's compensation or liability laws, the legislature shall provide that a plan of cooperation be formulated between such State board, department, or agency and the State board charged with the administration of this act, such plan to be effective when approved by the governor of the State; (4) provide for the supervision and support of the courses of vocational rehabilitation to be provided by the State board in carrying out the provisions of this act; (5) appoint as custodian for said appropriations its State treasurer, who shall receive and provide for the proper custody and disbursement of all money paid to the State from said appropriations. In any State the legislature of which does not meet in regular session between the date of the passage of this act and December 31, 1920, if the governor of that State shall accept the provisions of this act, such State shall be entitled to the benefits of this act until the legislature of such State meets in due course and has been in session 60 days.

SEC. 4. That the Federal Board for Vocational Education shall have power to cooperate with State boards in carrying out the purposes and provisions of this act, and is hereby authorized to make and establish such rules and regulations as may be necessary or appropriate to carry into effect the provisions of this act; to provide for the vocational rehabilitation of disabled persons and their return to civil employment, and to cooperate, for the purpose of carrying out the provisions of this act, with such public and private agencies as it may deem advisable. It shall be the duty of said board (1) to examine plans submitted by the State boards and approve the same if believed to be feasible and found to be in conformity with the provisions and purposes of this act; (2) to ascertain annually whether the several States are using or are prepared to use the money received by them in accordance with the provisions of this act; (3) to certify on or before the 1st day of January of each year to the Secretary of the Treasury each State which has accepted the provisions of this act and complied therewith, together with the amount which each State is entitled to receive under the provisions of this act; (4) to deduct from the next succeeding allotment to any State whenever any portion of the fund annually allotted has not been expended for the purpose provided for in this act a sum equal to such unexpended portion; (5) to withhold the allotment of moneys to any State whenever it shall be determined that moneys allotted are not being expended for the purposes and conditions of this act; (6) to require the replacement by withholding subsequent allotments of any portion of the moneys received by the custodian of any State under this act that by any action or contingency is diminished or lost: *Provided*, That if any allotment is withheld from any State, the State board of such State may appeal to the Congress of the United States, and if the Congress shall not, within one year from the time of said appeal, direct such sum to be paid, it shall be covered into the Treasury.

SEC. 5. That the Secretary of the Treasury, upon the certification of the Federal board as provided in this act, shall pay quarterly to the custodian of each State appointed as herein provided the moneys to which it is entitled under the provisions of this act. The money so received by the custodian for any State shall be paid out on the requisition of the State board as reimbursement for services already rendered or expenditures already incurred and approved by said State board. The Federal Board for Vocational Education shall make an annual report to the Congress on or before December 1 on the administration of this act and shall include in such report the reports made by the State boards on the administration of this act by each State and the expenditure of the money allotted to each State.

SEC. 6. That there is hereby appropriated to the Federal Board for Vocational Education the sum of $75,000 annually for a period of four years for the purpose of making studies, investigations, and reports regarding the vocational rehabilitation of disabled persons and their placements in suitable or gainful occupations, and for the administrative expenses of said board incident to performing the duties imposed by this act, including salaries of such assistants, experts, clerks, and other employees, in the District of Columbia or elsewhere as the board may deem necessary, actual traveling and other necessary expenses incurred by the members of the board and by its employees, under its orders, including attendance at meetings of educational associations and other organizations, rent and equipment of offices in the District of Columbia and elsewhere, purchase of books of reference, law books, and periodicals, stationery, typewriters and exchange thereof, miscellaneous supplies, postage on foreign mail, printing and binding to be done at the Government Printing Office, and all other necessary expenses.

A full report of all expenses under this section, including names of all employees and salaries paid them, traveling expenses and other expenses incurred by each and every employee and by members of the board, shall be submitted annually to Congress by the board.

No salaries shall be paid out of the fund provided in this section in excess of the following amounts: At the rate of $5,000 per annum, to not more than one person; at the rate of $4,000 per annum each, to not more than four persons; at the rate of $3,500 per annum each, to not more than five persons; and no other employee shall receive compensation at a rate in excess of $2,500 per annum: *Provided*, That no person receiving compensation at less than $3,500 per annum shall receive in excess of the amount of compensation paid in the regular departments of the Government for like or similar services.

SEC. 7. That the Federal Board for Vocational Education is hereby authorized and empowered to receive such gifts and donations from either public or private sources as may be offered unconditionally. All moneys received as gifts or donations shall be paid into the Treasury of the United States, and shall constitute a permanent fund, to be called the "Special fund for vocational rehabilitation of disabled persons," to be used under the direction of the said board to defray the expenses of providing and maintaining courses of vocational rehabilitation in special cases, including the payment of necessary expenses of persons undergoing training. A full report of all gifts and donations offered and accepted, together with the names of the donors and the respective amounts contributed by each, and all disbursements therefrom shall be submitted annually to Congress by said board: *Provided*, That no discrimination shall be made or permitted for or against any person or persons who are entitled to the benefits of this act because of membership or nonmembership in any industrial, fraternal, or private organization of any kind under a penalty of $200 for every violation thereof.

Approved, June 2, 1920.

The purpose of this legislation was to stimulate the States to inaugurate a rehabilitation service and to assist them in establishing it upon a sound and efficient basis. Prior to the passage of the act only six States were attempting to rehabilitate their disabled workers, while to-day 36 States are engaged in the work, as follows:

LIST OF COOPERATING STATES, WITH DATES OF INAUGURATION OF WORK

Alabama: January 20, 1921.
Arizona: July 12, 1921.
Arkansas: July 1, 1923.
California: August 27, 1921.
Georgia: December 1, 1920.
Idaho: March 1, 1921.
Illinois: July 1, 1921.
Indiana: May 1, 1921.
Iowa: June 1, 1921.
Kentucky: July 15, 1922.
Louisiana: May 1, 1921.
Maine: May 1, 1921.
Massachusetts: August 27, 1921.
Michigan: August 17, 1921.
Minnesota: June 3, 1920.
Mississippi: April 5, 1921.
Missouri: May 16, 1921.
Montana: July 1, 1921.
Nebraska: July 1, 1921.
Nevada: November 1, 1920.
New Jersey: January 1, 1920.
New Mexico: May 1, 1921.
New York: November 15, 1920.
North Carolina: July 1, 1921.
North Dakota: September 1, 1920.

Ohio: May 14, 1921.
Pennsylvania: December 29, 1920.
Rhode Island: November 29, 1920.
Oregon: July 1, 1923.
South Dakota: May 1, 1921.
Tennessee: June 15, 1921.
Utah: November 1, 1920.
Virginia: January 1, 1921.
West Virginia: May 1, 1921.
Wisconsin: July 1, 1921.
Wyoming: July 1, 1921.

STATES DELAYED IN GETTING UNDER WAY

In order to receive the benefits of Federal cooperation the States, as provided in the act, must accept its provisions by legislative enactment. Obviously, therefore, State rehabilitation services could not begin operation at the time the Federal act went into effect. The following tabulation shows the periods of time the several State services will have been in operation June 30, 1924, the time of expiration of allotments under the Federal act:

States in operation for four years	8
States in operation for three and one-half years	9
States in operation for three years	19
States in operation for two years	5

When the Federal act was being considered it was impossible for those who had drafted it to determine the period of time which would be required to get the program satisfactorily established, so an experimental period of four years was fixed in the act. This period expires June 30, 1924. From the tabulation above it will be seen that the rehabilitation service in the States has not been in operation for the full period provided in the act.

FEDERAL PROGRAM OF PROMOTION INCOMPLETE

In addition, it is clear from the fact that 12 of the States have not as yet inaugurated rehabilitation services that the Federal Government's program of promotion is not complete; and if these States are to be encouraged to inaugurate the work, it would appear that the period of Federal promotion must be extended. Furthermore, it would appear that, although very splendid work has been accomplished in many of the States and although in some of them the service has been thoroughly organized, most of these are still dependent upon the Federal Government if their rehabilitation programs are to be established on the permanent and self-operating basis the National Government deems necessary for the welfare not only of the workers of the States but also of the Nation.

PENDING BILL SAME AS ACT OF 1920

House bill 5478, which is the same as Senate bill 2590, has for its object the authorization of appropriations for another term of four years under the act of June 2, 1920; that is, extending for four years the national program of promotion. With certain minor necessary exceptions, the proposed bill is identical in form and substance with the act of June 2, 1920. The provisions of that act exclusive of those relating to appropriations have been declared permanent by Assistant Attorney General Rush L. Holland in a letter to the Director of the Federal Board for Vocational Education under date of December 10, 1923. He states:

I believe that with the exceptions of sections 1 and 6 the act is permanent. In fact, the provision in section 7 authorizing the Federal Board for Vocational Education to receive gifts and donations to be used as a permanent fund for vocational rehabilitation would seem definitely to establish the permanence of the act apart from the appropriating clause. (See Rept. No. 164, p. 1.)

Mr. LAZARO. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. LAZARO. Would the gentleman be kind enough to insert in the RECORD the names of the States that have taken advantage of this law so far and the amount that each State has received?

Mr. DALLINGER. I have already put in part of that information, and I shall insert the rest of it in its proper place.

WORK MUST CONTINUE

It would seem that the Federal Government is obligated to keep faith with the States in working out its original program of promotion. For the Federal Government to cease its promotional activities without due warning, and without at least carrying out its original intention, would be to cause an interruption or cessation of the work in a number of the States, which would result in irreparable injury to the program.

The States are dependent upon and are urging an extension of the original program in order that the objectives may be realized. Eighteen States have already made appropriations for civilian rehabilitation work for the fiscal year ending June 30, 1925, anticipating Federal appropriations in the amount of their former allotments. In a number of the States the use of local appropriations for civilian rehabilitation are contingent upon receipt of Federal funds. It is, therefore, highly essential that Congress take action at the earliest possible moment in order that the States may be assured that the national program begun in 1920 will be continued to the point of realizing the original objective.

Mr. MACGREGOR. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. MACGREGOR. If the original bill provided for a four-year period, after which the work was going to cease, why continue the proposition now?

Mr. DALLINGER. Because, as I have already stated, it is not yet on a permanent basis. It is still in the experimental stage in most of the States.

Mr. MACGREGOR. That is, you are going to create another big bureau in the Federal Government here?

Mr. DALLINGER. No; not at all. This makes no change in the existing law. The law is on the statute books, has been declared by the Attorney General to be permanent legislation, and we are simply extending the authority to appropriate for four more years.

Mr. MACGREGOR. And then you are going to stop?

Mr. DALLINGER. That is for Congress to decide. We can not bind the next Congress or the Congress after the next Congress, I will say to the gentleman.

IMMEDIATE ACTION IMPERATIVE

It is imperative that Congress act in the present session, so that the Federal appropriations may be made available for the fiscal year beginning July 1, 1924. If Congress should fail to take action this session, or should pass the legislation so late in the present fiscal year that appropriations for the next year could not be provided, a very serious situation will occur. Any interruption to a program which has demonstrated its practicability, and which the people of the country demand to be continued, would be nothing short of a calamity for the 18,000 disabled persons who are now in process of rehabilitation, to say nothing of the thousands who will need the service in the future.

On the other hand, even to interrupt the work temporarily would mean for the most part a loss of trained Federal and State staffs which could not be replaced, or at best could not be duplicated without an extended process of selection and training for the work.

THE FEDERAL GOVERNMENT INVOLVED IN EXTENSIVE PROGRAM

The Federal Board for Vocational Education, on the basis of experience in the promotion of the work, concludes that annually approximately 112,000 persons in the United States are in need of vocational rehabilitation. The ratio of disabled persons in the 36 cooperating States is estimated at 70,000. The number of disabled persons registered for rehabilitation during the past 3½ years has increased from 4,972 in 1921 to 15,515 in 1923, and during the year 1924 it is estimated that 21,000 will be registered. The number of disabled persons actually rehabilitated—that is, returned to satisfactory and sustaining employment—has increased from 457 in 1921 to 4,530 in 1923, and it is estimated that in 1924 the number will exceed 7,000. The actual yearly increase in both the number of persons registered and rehabilitated is good proof that the work has been launched on a sound basis and is being developed at a healthy pace. The following table shows the progress of rehabilitation by years:

Rehabilitation statistics

PERSONS REGISTERED FOR REHABILITATION

Year	Rehabilitated	In process of rehabilitation at end of fiscal year
1920-21	526	4,792
1921-22	1,868	9,995
1922-23	4,530	15,515
1923-24	[1] 7,000	[1] 18,000

[1] Estimate.

Rehabilitation statistics—Continued

State	Rehabilitations, year ended—				Live roll, year ended—			
	1921	1922	1923	[1] 1924	1921	1922	1923	[1] 1924
Alabama		11	31	56	86	152	262	341
Arizona							18	23
Arkansas								
California		32	194	349		506	584	759
Georgia		16	18	32	113	118	197	256
Idaho		4	15	27	62	81	105	137
Illinois		7	133	239		144	818	1,063
Indiana		61	70	126	335	321	333	433
Iowa		8	24	43	40	72	111	144
Kentucky			82	148			283	107
Louisiana	1	31	9	16	29	43	22	29
Maine		12	4	7	96	71	79	103
Massachusetts		4	38	68		170	242	315
Michigan		34	274	493		398	912	1,186
Minnesota	30	119	178	330	691	432	361	469
Mississippi		27	133	239	81	551	733	953
Missouri		50	63	113	9	146	130	169
Montana		9	50	90		127	115	150
Nebraska		1	41	74		106	108	140
Nevada		11	11	20	9	19	10	13
New Jersey	66	181	929	1,672	1,570	1,689	3,537	4,311
New Mexico		3	8	14	12	40	39	51
New York	8	267	612	1,102	56	1,234	1,267	1,647
North Carolina		18	69	124		153	439	571
North Dakota		8	4	7		8	8	10
Ohio		258	556	1,001	42	832	962	1,251
Oregon					230	311	850	1,105
Pennsylvania	417	406	452	814	1,087	888	878	1,141
Rhode Island		4	2	4	7	11	17	22
South Dakota		5	17	31		92	129	168
Tennessee		26	46	83	7	247	340	442
Utah	1	1	39	70	59	66	83	108
Virginia		35	53	95	93	78	236	307
West Virginia		109	165	297		347	598	777
Wisconsin		138	201	362		487	689	896
Wyoming		2	9	16	78	23	20	26
Total	523	1,898	4,530	8,162	4,792	9,966	15,515	19,623

[1] Estimated.

COSTS

The following tabulation shows the expenditure of Federal and State funds for each of the three years the Federal act has been in operation: For the years 1920–1923 a total of $2,864,000 was authorized by the Federal Government, to be allotted to the States, of which only $937,331.08 of Federal money was actually spent against an expenditure on the part of the States of $1,280,957.39. No part of the money expended, either Federal or State, was used for maintaining the disabled persons—the entire amount being used for the purpose of rehabilitating the disabled persons vocationally. The following tables show Federal and State appropriations together with actual expenditures by States.

Rehabilitation statistics

EXPENDITURES, YEAR ENDED JUNE 30, 1921

State	Federal funds			State funds		
	Allotted	Spent	Percentage	Appropriated	Spent	Percentage
Alabama	$17,498.35	$1,914.31	10.9	$17,498.35	$2,868.52	16.4
Arizona	5,000.00			5,000.00		
Arkansas	12,885.44					
California	19,458.08					
Colorado	6,539.29					
Connecticut	9,123.27					
Delaware	5,000.00					
Florida	6,159.50					
Georgia	21,353.29	2,359.30	11	21,353.29	2,464.87	11.5
Idaho	5,000.00	1,231.70	24	2,500.00	1,292.93	51.6
Illinois	46,146.75					
Indiana	22,104.22	526.83	23	11,052.11	526.85	4.7
Iowa	18,207.73	299.47	1.6	2,800.00	709.47	25.3
Kansas	13,838.88					
Kentucky	18,740.79					
Louisiana	13,556.03	4,950.02	36.4	4,950.03	4,950.03	100
Maine	6,075.63	6,075.63	100	14,226.11	14,226.11	100
Maryland	10,601.23					
Massachusetts	27,551.06					
Michigan	22,998.71					
Minnesota	16,987.79	13,727.99	80.8	15,000.00	13,999.82	93.3
Mississippi	14,707.75	1,076.77	7.3	1,159.94	1,076.79	92.8
Missouri	26,952.96	507.51	1.8	40,429.44	927.19	2.2
Montana	5,000.00			10,000.00		
Nebraska	9,757.19			12,500.00		
Nevada	5,000.00	1,205.60	24.1	5,000.00	1,666.04	33.3
New Hampshire	5,000.00					
New Jersey	20,764.41	5,221.97	25.1	75,000.00	75,405.00	100
New Mexico	5,000.00	375.00	7.5	2,500.00	469.37	18.7
New York	74,586.66	2,797.68	3.7	75,000.00	2,797.68	3.7
North Carolina	18,056.46					
North Dakota	5,000.00	4,101.17	82	4,101.17	4,101.17	100

Rehabilitation statistics—Continued

EXPENDITURES, YEAR ENDED JUNE 30, 1921—continued

State	Federal funds			State funds		
	Allotted	Spent	Percentage	Appropriated	Spent	Percentage
Ohio	$39,014.56	$1,194.14	3	$19,000.00	$1,194.14	6.3
Oklahoma	13,562.31					
Oregon	5,505.97					
Pennsylvania	62,731.95	41,498.72	66.1	56,143.50	56,143.50	100
Rhode Island	5,000.00	381.45	7.6	5,000.00	619.69	12.4
South Carolina	12,402.17					
South Dakota	5,000.00	325.00	6.5	5,000.00	325.00	6.5
Tennessee	17,880.51	606.65	3.3	17,880.51	1,594.83	8.9
Texas	31,889.66					
Utah	5,000.00	209.82	5.3	269.97	269.97	100
Vermont	5,000.00					
Virginia	16,872.42	743.39	4.4	10,000.00	749.89	7.5
Washington	9,346.15					
West Virginia	9,993.75	1,945.60	19	4,000.00	2,969.06	74.2
Wisconsin	19,100.52					
Wyoming	5,000.00			5,000.00		
Total	777,951.44	93,335.72	11.9	442,364.42	191,347.92	43.2
23 cooperating States	434,288.01	93,335.72	21.3			

EXPENDITURES, YEAR ENDED JUNE 30, 1922

Alabama	$22,305.56	$6,680.61	29.9	$21,872.93	$6,680.61	30.5
Arizona	5,000.00					
Arkansas	16,644.37					
California	32,552.12	21,916.48	67.3	35,000.00	21,916.49	62.6
Colorado	8,925.64					
Connecticut	13,114.76					
Delaware	5,000.00					
Florida	9,199.60					
Georgia	27,507.82	3,880.41	14.1	21,353.29	3,881.08	18.1
Idaho	5,000.00	4,761.50	90.5	5,000.00	5,128.67	100
Illinois	61,604.37	10,764.24	17.4	62,500.00	10,915.24	17.4
Indiana	27,836.09	7,935.18	28.6	27,836.09	8,285.27	29.8
Iowa	22,836.05	4,401.08	19.2	23,151.75	4,556.33	19.6
Kansas	16,806.36					
Kentucky	22,955.83					
Louisiana	17,084.23	8,742.14	51.1	10,404.65	10,404.65	100
Maine	7,295.45	7,203.43	98.7	11,783.63	11,783.64	100
Maryland	13,770.49					
Massachusetts	36,593.94	4,411.48	12	19,017.50	5,325.20	28
Michigan	34,846.64	11,588.00	33.2	34,846.64	12,063.93	34.6
Minnesota	22,675.56	22,145.07	97.6	25,000.00	22,363.95	89.5
Mississippi	17,009.27	9,546.90	56.2	13,255.92	9,798.25	73.9
Missouri	32,335.48	7,797.81	24.1	33,000.00	12,130.34	36.7
Montana	5,213.96	3,745.94	71.9	12,935.00	6,794.98	52.5
Nebraska	12,314.38	3,600.94	29.2	12,500.00	3,823.30	30.6
Nevada	5,000.00	1,849.81	36.9	5,000.00	1,849.81	36.9
New Hampshire	5,000.00					
New Jersey	29,978.23	27,240.92	90.8	100,000.00	100,000.00	100
New Mexico	5,000.00	2,475.61	49.5	5,000.00	2,475.62	49.5
New York	98,650.39	31,767.88	32.2	72,202.32	34,669.74	48
North Carolina	24,309.38	4,538.24	18.7	29,309.81	7,109.16	24.3
North Dakota	6,144.71	6,144.71	100	6,144.71	6,144.71	100
Ohio	54,709.10	26,654.52	48.7	54,710.00	27,300.02	49.9
Oklahoma	19,266.88					
Oregon	7,441.50					
Pennsylvania	82,832.38	36,572.22	44.1	50,000.00	43,459.64	86.9
Rhode Island	5,741.23	311.19	5.4	5,000.00	561.19	11.2
South Carolina	15,993.88					
South Dakota	8,046.53	2,398.64	39.6	5,000.00	2,859.35	57.1
Tennessee	22,207.82	6,919.53	31.2	22,208.21	6,946.53	31.2
Texas	44,296.50					
Utah	5,000.00	3,414.73	56.1	3,429.00	3,429.00	100
Vermont	5,000.00					
Virginia	21,935.22	2,809.63	12.8	23,009.14	3,586.35	15.4
Washington	12,886.09					
West Virginia	13,903.85	11,570.20	83.2	15,000.00	13,245.37	88
Wisconsin	25,002.29	13,791.60	55.1	25,522.54	16,440.68	64.4
Wyoming	5,000.00	1,027.48	20.5	5,000.00	1,921.53	38.4
Total	1,017,774.65	318,608.12	30.7	795,993.13	427,825.58	56.3
32 cooperating States	796,472.15	318,608.12	40			

EXPENDITURES, YEAR ENDED JUNE 30, 1923

Alabama	$22,305.56	$12,607.39	56.5	$21,872.93	$12,608.31	57.6
Arizona	5,000.00	1,733.11	34.6	5,000.00	1,733.11	34.6
Arkansas	16,644.37					
California	32,552.12	29,746.35	91.3	32,552.11	29,746.33	91.3
Colorado	8,925.64					
Connecticut	13,114.76					
Delaware	5,000.00					
Florida	9,199.60					
Georgia	27,507.82	7,984.25	29	21,353.28	8,227.53	38.5
Idaho	5,000.00	4,952.61	99.4	5,000.00	4,952.61	99
Illinois	61,604.37	61,584.73	99.9	81,021.34	81,021.34	100
Indiana	27,836.09	12,120.34	43.5	27,891.09	12,169.36	43.8
Iowa	22,836.05	10,817.24	47.3	23,050.50	11,294.60	48.9
Kansas	16,806.36					
Kentucky	22,955.83	13,678.88	59.5	25,828.80	17,335.16	67.1
Louisiana	17,084.23	9,977.50	58.4	9,977.50	9,977.50	100

Rehabilitation statistics—Continued

EXPENDITURES, YEAR ENDED JUNE 30, 1923—continued

State	Federal funds			State funds		
	Allotted	Spent	Percentage	Appropriated	Spent	Percentage
Maine	$7,295.45	$7,295.45	100	$16,401.77	$16,401.77	100
Maryland	13,770.49					
Massachusetts	36,593.94	7,593.15	20.8	15,482.34	12,847.27	82.9
Michigan	34,846.64	34,386.84	98.6	34,846.64	34,386.84	98.6
Minnesota	22,675.56	22,252.85	98.1	25,000.00	22,304.16	89.2
Mississippi	17,009.27	17,009.27	100	23,074.13	21,823.35	94.5
Missouri	32,335.48	12,211.97	37.7	33,600.00	12,471.98	37.1
Montana	5,213.98	5,200.01	99.7	16,396.00	16,396.00	100
Nebraska	12,314.38	7,149.05	58	12,500.00	8,808.08	70.4
Nevada	5,000.00	1,860.29	37.2	5,000.00	1,860.30	31.2
New Hampshire	5,000.00					
New Jersey	29,978.23	29,960.15	99.9	70,000.00	70,000.00	100
New Mexico	5,000.00	3,702.45	74.4	5,000.00	4,091.14	81.8
New York	98,650.39	44,811.04	45.4	90,000.00	57,326.48	63.6
North Carolina	24,309.38	11,478.13	47.2	29,305.38	16,475.39	56.2
North Dakota	6,144.71	1,796.84	29.2	7,000.00	2,963.10	42.3
Ohio	54,709.10	47,301.82	86.4	54,710.00	49,722.95	90.8
Oklahoma	19,266.88					
Oregon	7,441.50					
Pennsylvania	82,832.38	37,797.99	45.6	50,000.00	40,600.69	81.2
Rhode Island	5,741.23	745.03	12.9	5,000.00	1,120.03	22.4
South Carolina	15,993.88					
South Dakota	6,056.63	3,696.23	61.1	5,000.00	3,389.89	67.8
Tennessee	22,207.82	10,568.21	47.6	22,207.22	10,699.52	48.1
Texas	44,296.50					
Utah	5,013.00	3,013.91	60.2	3,153.26	3,153.26	100
Vermont	5,000.00					
Virginia	21,935.22	10,324.72	47.7	23,009.14	13,312.85	57.8
Washington	12,886.09					
West Virginia	13,903.85	13,280.44	95.5	15,000.00	14,940.27	99.7
Wisconsin	25,002.29	25,002.29	100	33,784.54	33,701.64	99.9
Wyoming	5,000.00	1,746.71	34.9	5,000.00	4,921.08	98.4
Total	1,017,774.65	525,387.24	51.6	854,026.97	662,783.89	79.3
34 cooperating States	824,427.98	525,387.24	63.7			

SUMMARY OF FEDERAL AND STATE APPROPRIATIONS AND EXPENDITURES BY YEARS

1920-21 (23 States)	$434,288.01	$93,335.72	21.3	$442,364.42	$191,347.92	43.2
1921-22 (32 States)	796,472.15	318,608.12	40.0	795,993.13	427,825.58	56.3
1922-23 (34 States)	824,427.98	525,387.24	63.7	854,026.96	662,783.89	79.3

The average cost of rehabilitating an individual, based on expenditures for the past three years, is $253, while the average age of incapacitation is 32. In this connection, in consideration of the extremely low cost to State and Federal Governments of rehabilitating the individual, attention is called to the economic returns on the money investment in the rehabilitating program, as shown by Hon. James J. Davis, Secretary of Labor, in a statement read before the House Education Committee at the hearings on bill H. R. 5478, as follows:

Our records show that the average age at which persons are disabled is about 32. If rehabilitated immediately his life expectancy may be considered as 30 years or more. The return to society during this period made by a self-supporting member is much to be preferred as against the necessity of supporting many dependents in public institutions.

When one stops to consider that at the age of 32 a man has completed only half of the period of the average expectation of life and of that approximately only one-third has been in useful service to society, the cost to the Government for rehabilitation, $253, is ridiculously small compared with what has been previously spent in preparing him for 12 to 16 years of industrial usefulness. In years half a life is preserved to society, but in actual service just $253 purchases three-fourths of that life. (See hearings, pp. 13 and 14.)

I want to call the committee's attention particularly to this, because it is to the credit of the Board for Vocational Education that it has not spent the money that it was authorized to expend. The board has gone along slowly, and it has gone along in an economical and efficient way.

Mr. LEATHERWOOD. Will the gentleman yield?

Mr. DALLINGER. I yield.

Mr. LEATHERWOOD. Do you have any statistics showing the number of cases handled in the several States?

Mr. DALLINGER. I have already inserted that in the RECORD.

Mr. LEATHERWOOD. And also the number of cases that have been sent out and put back into industry.

Mr. DALLINGER. I have all that information and will insert it in the RECORD.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. CLARKE of New York. It is also the gentleman's intention to accept an amendment limiting this to four years?

Mr. DALLINGER. Of course, the bill only authorizes the continuance of the appropriation for four years, and what I understand the gentleman to mean is an amendment making certain that at the expiration of that period no further appropriation will be made. In reply I would say that, so far as I am concerned, I am willing to agree to any practicable amendment along that line if such can be drafted, but I will state that I do not know how to draft such an amendment that will be effective, and the committee has not approved such action.

REHABILITATION SERVICE EXTENDED TO ALL CLASSES

The need for carrying on rehabilitation work is not confined to any particular section of the country or to any one industry. The disabled persons registered for rehabilitation are drawn from practically every important industry in the country, including agriculture, manufacturing, commerce, mining, transportation, and the mechanic arts.

ECONOMIC RETURN

The economic returns on the program of rehabilitation in the States might be indicated by a report made by Mr. F. J. Hubbard, director of the rehabilitation work for the State of Mississippi, a part of which reads as follows:

These 133 cases actually earned in one year, before the vocational board located them, $48,326.88. Of course, some of these cases were earning small sums and others nothing, but the year after they had been dismissed they earned a total of $126,052.08. That represents an increase during the first year after these people were rehabilitated of $77,725.20. This is two and one-fifth times the total of State and Federal money used for all civilian rehabilitation work.

During that year in the State, and in addition to dismissing 133 rehabilitated cases, we had 347 other cases given vocational training and secured free hospital training for 110 cases. That covers the statement I wanted to make.

I have a report that we have just gotten out to submit to our legislature, which is in session, and I would like to leave copies for the committee. If you would like to have that, I think it will be of interest. It shows the attitude. While I am not in position to state definitely the feeling of our State vocational board, we know that the work would never have been started in the State except through the stimulus of Federal funds, and while our work shows up pretty well for the past year, we have just begun. It is doubtful if the State would continue to work if it did not have Federal funds allotted to the State. We, therefore, are especially interested, and our legislature is now in session, and they are watching what Congress will do with this bill. (See hearings, pp. 35 and 36.)

Again, from a report by Dr. R. M. Little, director of rehabilitation in New York, it will be seen that—

Six hundred and twelve persons were rehabilitated in New York in 1923, of an average age of 32 years. As an initial wage after rehabilitation the 612 rehabilitated persons earned, upon an average, more than $1,000 each, which may be contrasted with a maintenance expense of approximately $300 each if the individuals had remained unrehabilitated. The total amount expended by the New York State board in 1923 was $102,137.52, of which $44,811.04 was Federal money and $57,326.48 was State money. (See page 3 of the report on this bill.)

NEED FOR IMMEDIATE ACTION

The present act expires on June 30, 1924, and according to the provisions of that act the granting of Federal aid is contingent upon the appropriation of State funds. In 40 States the legislatures meet biennially: in a number of cooperating States appropriations have been made on the assumption that the Federal appropriations would continue; in others the legislatures are now in session awaiting the action of Congress on the proposed bill before appropriating any additional State funds. Uncertainty and delay will, therefore, disorganize the work in the States and will lead to administrative difficulties.

APPROVAL OF PRESIDENT

The continuance of the appropriations of the 1920 act, as provided for in the proposed bill has met with the approval of the President, as indicated in a letter to Hon. H. M. Lord, Director of the Bureau of the Budget, and to Director Wright, of the Federal Board for Vocational Education, under date of October 19, 1923. (See page 4 of the report on this bill.)

Mr. HUDSPETH. Will the gentleman yield for a short question? As I understand it, there are 36 States that have met the expenditures of the Federal Government?

Mr. DALLINGER. Thirty-six States are now meeting them.

Mr. HUDSPETH. Is it hoped by the passage of this bill to encourage other States to come in and meet such expenditures?

Mr. DALLINGER. It is confidently hoped, I will state in reply to the gentleman from Texas, that if this authority is continued for another four years the other 12 States will undoubtedly accept the program and cooperate and get this important work established. As has already been pointed out, there are only four States where this work is in real, thorough, and complete operation. In the other States it is in various processes of being established. What we are trying to do, Mr. Chairman and gentlemen, is to get this work established by the States, and that is the object of this legislation. It is not to have the States depend permanently upon the Federal Government, but to get this work established, and for that reason we have simply recommended an extension of the authorization for four years. [Applause.]

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Virginia desire to claim recognition in opposition to the bill and in control of the time?

Mr. TUCKER. Not just yet.

Mr. DALLINGER. Then I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION], a member of the committee.

Mr. ROBSION of Kentucky. Mr. Chairman, at the close of the World War we found thousands of veterans who were disabled because of injuries or disease received while in the service of their country. Congress passed an act to provide for the rehabilitation and the retraining of these disabled veterans. I regarded this at the time as one of the greatest thoughts of the century. To retrain and rehabilitate these disabled veterans and make them self-sustaining citizens appealed to me as one of the finest expressions of gratitude of this Republic. This was the first time that the Federal Government undertook a great work of this kind. In making a survey of the country we found that there were nearly as many persons disabled and injured in industry each year in our country as there were injured during the World War. If it was a good thing to retrain and rehabilitate the disabled veterans, would it not be a good thing to rehabilitate and retrain persons crippled in industry. This sentiment found expression through an act of Congress in 1920. It provided that the Federal Government should cooperate with the States in retraining and rehabilitating persons injured in industry. The appropriation under the present law expires June 30, 1924. The purpose of the bill before us is to extend the period of operations of this law for the next four years.

JUSTICE AND ECONOMY

Vocational rehabilitation of the disabled civilian is not only social justice, but it is social economy to put a man on his feet so that he can make his own way rather than have him run the risk of becoming a social dependent.

Without vocational rehabilitation of the disabled civilian we are throwing upon the social waste heap a vast army of deserving people with potential assets of experience, ability, and ambition that only a well-ordered program of vocational rehabilitation under public auspices can uncover and redeem.

Several hundred thousand persons disabled annually present a problem with which private philanthrophy is utterly unable to cope. Private philanthropy can experiment, but it can never consummate any new and needed service on a large scale. From the standpoint of society as a whole stimulation must come from the Federal Government. This is a public, State, and national problem to be handled by a democracy through the institutions of a free people.

Experience has shown that this work can not be accomplished en masse but is for the most part an individual problem requiring the stimulating influence and support of the Federal Government in order to induce the States to provide the necessary leadership.

From the best information available it appears that 225,000 civilians are permanently disabled each year, 180,000 of these disabilities being due to public and industrial accidents and 45,000 due to disease or congenital conditions.

Of the 225,000 receiving permanent disabilities each year it is estimated that 50 per cent are handicapped vocationally; that is, they are unable to continue in their former employment without partial or total impairment of efficiency.

Experience during the past four years indicates that about three-fourths of those vocationally handicapped need assistance in finding their way into satisfactory employment where they can become efficient and self-supporting workers.

From the above information it appears that there is an annual problem before the entire country involving at least 84,000 persons.

The report of the Federal Board for Vocational Education for the fiscal year ending June 30, 1923, shows a live roll of 15,515 persons, with a total of 4,530 cases rehabilitated and back on the job under average working conditions at an average cost for all purposes, including administrative expenses, of $253 each.

It should be noted that for the three-year period ending June 30, 1923, the total State and Federal funds expended for the disabled civilians amounted to $2,218,385 for a total of 6,877 cases rehabilitated and returned to employment. The above cases were returned to the job at an average cost for the entire period of $323 per man. While the figures above quoted are for the entire life of the rehabilitation act, yet for the fiscal year ending June 30, 1923, we find the cost per man was reduced to $253, a reduction of $70 per man.

Without any intention of casting reflection on the work of rehabilitating those injured in the World War, it appears from the statements made by Director Hines of the Veterans' Bureau at the hearing before the subcommittee of the House Committee on Appropriations, page 80, that the total expenditures of Federal funds for the vocational rehabilitation of those injured in the World War had, up to January 1, 1924, amounted to the sum of $508,069,148.39. During this period the report also shows 53,044 cases had been rehabilitated; that is, "reached the point of employability." The average cost for the 53,044 reported as rehabilitated is $9,578 per man. The above figures do not include compensation paid by State industrial accident boards nor compensation paid as war-risk insurance.

Hon. James J. Davis, Secretary of Labor and chairman of the Federal Board for Vocational Education, made the following statement in a letter addressed to the chairman of the Committee on Education:

> Our records show that the average age at which persons are disabled is about 32. If rehabilitated immediately, his life expectancy may be considered as 30 or more years. The return to society during this period made by a self-supporting member is much to be preferred as against the necessity of supporting many dependents in public institutions.
>
> When one stops to consider that at the age of 32 a man has completed only half of the period of the average expectation of life, and of that approximately only one-third has been in useful service to society, the cost to the Government for rehabilitation—$253—is ridiculously small compared with what has been previously spent in preparing him for 12 to 16 years of industrial usefulness. In years half a life is preserved to society, but in actual service just $253 purchases three-fourths of that life.

As it costs from $200 to $300 per year to maintain dependent persons in public institutions throughout the country, it is apparent that if through vocational rehabilitation many thousands of physically handicapped can be returned to gainful employment at an average per capita cost of $253 or less, it is economically desirable; for we must consider that the average dependent likewise has a life expectancy of 30 or more years. As economic liabilities dependents therefore cost from $6,000 to $9,000, as against being an economic asset when returned to employment enabling them to earn an average of $1,000 annually for a similar period.

Employers in private industries have shown a willingness to cooperate with the States in returning these disabled men and women to satisfactory employment. About 50 per cent of the work is carried on as placement training under State supervision. Under these conditions the disabled man is assured of an opportunity to utilize his ability when properly trained in the kinds of employment for which he is physically suited. Under former conditions disabled men and women were given odd jobs as watchmen, flagmen, and other occupations requiring no particular ability and offering little pay.

Prior to the passage of the Federal act providing for the vocational rehabilitation of the civilian disabled only 6 States were attempting to rehabilitate their disabled, while at the present time 36 States are engaged in the service. It is safe to say that without the encouragement of the Federal Government only a few of the States would be doing the work to-day. In order that all of the States in the Union may be induced to engage in the work of vocational rehabilitation and assist to develop it on a satisfactory basis it will be necessary for Congress to continue its present policy of participation in this great national movement.

This amendment is not new legislation. It provides for continuing the appropriations available under the original act for another period of four years. The present appropriation terminates June 30, 1924.

The present Congress has enacted a law extending the benefits of Federal participation in vocational rehabilitation to the

Hawaiian Islands. This legislation was enacted at the urgent request of the Governor and citizens of Hawaii.

The 1923 annual report of the Federal Board for Vocational Education shows that 18 States prior to June 30, 1923, had made appropriations matching the Federal funds allotted to them for the fiscal year ending June 30, 1925. A number of State legislatures have met in the interim or are in session at the present time. Several of them—California, Michigan, Kentucky, and so forth—have made provisions for continuing the work contingent upon Federal participation. Other States—Alabama—have appropriations extending even into the year 1926.

It is, therefore, highly essential that Congress take action at the earliest possible date in order that the States may be assured that this national program begun in 1920 will be continued, and that the Federal Government will keep faith with those States which have developed agencies and appropriated money on the assumption that the program would not be abandoned.

This legislation has the approval of the President, as is indicated by a letter from the Director of the Bureau of the Budget, given in full on page 4 of the hearings held before the Committee on Education.

Accomplishments under the act have demonstrated the practicability of the program and the fact that considerable more than a beginning has been made in solving the problem of returning the vocationally disabled to remunerative employment. It is a practical method of reducing our human scrap heap to a minimum and of conserving our human resources. Our only real wealth, both individual and national, is human effort—the capacity to labor, to create, and to produce.

STATE AND NATIONAL PROBLEM

This legislation may be looked upon as a part of a national program of conservation of national resources. Much has been done to conserve material resources, but until the passage of the vocational rehabilitation act little recognition has been given to the need for conserving our man power.

From the standpoint of society and the Nation the problem is one of efficiency of our citizenship; from the standpoint of the individual the results are reflected in his attitude toward society, his attitude toward Government, and his attitude toward his fellow man. An independent self-supporting citizen in a satisfactory wage-earning employment is much less inclined toward radicalism and much less likely to be influenced by the agitator.

State and National Governments are organizations for doing collectively those things which the citizens can not do or which they may for their convenience or best service require it to do. Government exists for men, not men for government.

HUMANITY AND GOOD CONSCIENCE

Humanity, good conscience, and economy urge a continuance of this policy. Nearly a hundred thousand people each year in this country are totally disabled in industry and are not able of their own effort to rehabilitate themselves and get back into the industry. They are thrown upon the public at the average of 32 years to be provided for by the public or others throughout their lives. They are often a burden to themselves and to the community and State. If they should be rehabilitated, they would earn on the average more than $1,000 per year; but if they are not rehabilitated they will cost the public nearly $300 per year for their care and support. They can be rehabilitated on the average for what it would cost on the average per year to support them if they are not rehabilitated. You can see that this policy effects a large saving to the taxpayers.

Mr. LOWREY. Will the gentleman yield for a minute?

Mr. ROBSION of Kentucky. I yield.

Mr. LOWREY. I want to make a statement that will help the gentleman's statement. In my State 133 persons have been rehabilitated under this law. They have not only been taken off of the public, but their earning power in their salaries for which they are now at work shows that they are earning more than twice as much per year as it cost to rehabilitate them; that is, the very first year they earned more than twice as much as it cost to rehabilitate them.

Mr. ROBSION of Kenucky. The reports that I receive from my own State show that this law has been a great success in Kentucky, and the director of this work in my State strongly urges the continuation of this policy. It is a good business proposition. There is more to this than dollars and cents. Thousands of men and women injured in industry become physical wrecks. Without help they are down and out. He or she must spend on the average 20 to 30 years eating out of the hands of others and in gloom. It is an inspiring thought to me to take the railroad man who has lost his leg, the miner who has lost a hand or arm, a factory worker who has become disabled, another who may have lost his hearing or his sight, and retrain him or her for some other calling or vocation, so that the disabled person may again enter industry or some profession and become self-sustaining and useful citizens.

We spend millions every year of Federal funds to look after our hogs, cattle, sheep, the boll weevil, tobacco worm, and have been neglecting nearly 100,000 persons crippled in industry every year. This bill carries less than we expend for the hogs, cattle, boll weevil, and tobacco worm. I would not have those great matters neglected. You and I have voted funds for that purpose, but, gentlemen of the House, let us give more concern in looking after human beings that are crippled and down and out. Let us help them to get on their feet; kindle again the fire of ambition; give them a new spirit, and put a new song in their mouths. [Applause.]

Mr. LEATHERWOOD. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. LEATHERWOOD. Is it probable that after this wonderful work has been started by the Federal Government aiding the several States that the States will carry on the work without further Federal aid?

Mr. ROBSION of Kentucky. This great work is national in scope. The States need the leadership of the Federal Government. This work will increase in importance as the people of the States learn to appreciate its value. The work must go on. I trust that the Federal Government will not withdraw its leadership and support.

SAVE MEN AND WOMEN FROM SCRAP HEAP

I have always strongly favored Federal aid to the States in the building of highways, and I likewise have favored Federal aid for agriculture and for home economics; but I am more in favor of Federal aid to the States in building, or rather rebuilding, men and women. I strongly oppose throwing about 100,000 human beings every year on the social and industrial scrap pile. We have heard much in behalf of the conservation of the natural resources of this country—coal, water, oil, and lands. This is all very fine, but I am more concerned in the conservation of the potential power of the men, women, and children of the Nation. I think we have received a larger return for the money expended under this law than any other money that has been expended lately by the Federal Government. The Federal Board for Vocational Education in administering this law has made a great record. This is a new venture, yet they have nearly 16,000 persons on the roll taking the training and nearly 5,000 were rehabilitated during the fiscal year ending June 30, 1923, at a cost for all purposes of $253 for each person rehabilitated. This is a remarkable record when compared with the cost of rehabilitating our disabled veterans under the Veterans' Bureau. I offer no criticisms of that bureau. It is also doing a great work.

I indulge the hope this bill will receive the unanimous vote of the House. I feel sure that we can make no mistake in adopting this measure. [Applause.]

Mr. DALLINGER. Mr. Chairman, I yield one minute to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I want to say that I am intensely interested in this civilian rehabilitation measure, because it deeply concerns the welfare of those who labor and are injured while so engaged.

The work performed under this act is of great value to the State of New York. The attitude of the Government toward those who became incapacitated to continue in a gainful occupation should not be one of callous indifference on our part. There are many reasons why this work, which has progressed so far with such splendid results to our social and economic well-being, should be continued.

The human-interest aspects which enter into the work should not be lost sight of. I call your attention to a case in my State which is typical of many that arise in this work. A young man, engaged as a meat cutter in one of our cities, married, rented an apartment, and started life with the usual hopes and aspirations. One day he lost a hand in a meat cutter. Then came the doctor's bills, hospital expenses, rent and grocery bills, and finally a notice to vacate the apartment. The young man was facing the prospect of his family becoming a public charge. Despair, discouragement, and a broken spirit soon took possession of him, which is so often the case of men crippled who see nothing to look forward to except the social scrap heap.

In this case one of the agents from the rehabilitation department called, talked with him, and finally suggested the

possibilities in the field of salesmanship. The young man saw a ray of hope; he studied, and, with the cooperation of the rehabilitation service, he persevered. An artificial hand was procured for him and he entered upon his new field of work as a meat salesman.

He is now earning more than he did before he lost his hand. The wife and children are in a new home. Happiness and hope have returned. The human interest is here, so is the emotional; but stripped of all this, and considering only the social and economic aspects, this family might have become a public charge. Who would be the loser? The community or the State would have the bill to pay, and this expense might continue for years. The cost of maintaining as public charges those who are crippled to such an extent that they can not engage in gainful occupations is a large item in this country.

Mr. Chairman, last year in New York State there were 612 physically handicapped people who were rehabilitated. There were 530 men and 82 women who had been restored to gainful occupations. The average age of this group was 32.1 years.

Again, Mr. Chairman, let me refer to the economic features of this work. I quote from the statement of Dr. R. M. Little, director of the bureau of rehabilitation, New York City:

Of those 612 people rehabilitated, only 33 of them needed to be replaced in jobs during the year. Just think about the labor turnover, any of you that are accustomed to thinking of industrial life and this question of hiring and firing. When you have got 612 physically handicapped people through various processes back into jobs, who would average 32.1 years of age, and have to replace 23 of them within the year, you have got a rather stable working force, each one of them making $20.06 per week as an initial wage. That was the beginning wage, when we thought we could report them as rehabilitated; in other words, they were making over $1,000 each upon the average instead of, in New York State, having an expenditure of $300 a year for their keep either by their friends, their employers, or public institutions, because it costs that much to keep a dependent person in an almshouse, on an average, during the year.

Mr. Chairman, I confess that the human side of this work appeals to me very strongly, but the question is also far-reaching in its social and economic aspects.

The provisions of this bill are not restricted to men and women crippled in industry; it relates to the farmer and to anybody in need of rehabilitation.

Labor is for it. The manufacturers favor it. The insurance companies are for it.

It is for the benefit of any person 14 years of age or over who is physically handicapped to the extent that he can not follow a gainful occupation without some special training, advisement, and guidance.

Last year there was spent in New York State for this work a total of $101,000. The Federal money amounted to a little over $40,000. The sum of $101,000 was sufficient to provide training for 612 people physically handicapped. To maintain these people in a public institution would cost the State $183,600.

These same 612 people, placed in a gainful occupation as a result of the expenditure of $101,000, would yield a return of $612,000.

Again, I repeat that this measure is of great human interest and concerns the well-being of every community and the Nation as a whole, and therefore it ought to be passed without opposition.

Mr. TUCKER. Mr. Chairman and gentlemen, we have listened with interest to the pathetic stories of my friend from New York [Mr. REED] and of the gentleman from Kentucky [Mr. RONSTON] as to human suffering and our duty of alleviating it. This is not a question of whether we believe in alleviating suffering, but the question is: Who is the proper party to do it, the States or the Federal Government? I was brought nearly to tears by the gentleman's observations about this bill and about the cases to which he has referred. If all that is true, why was the original law only for four years and why is this to be only a temporary measure? It is because he knows and we all know there is no power in Congress to pass any such bill as this. That is the reason it is a temporary measure.

Let me call attention for a moment to a few fundamentals. When this Government was formed it was determined that the Federal Government was to discharge certain duties under certain powers that were enumerated in the Constitution, and all else was left with the States, or the people. Those questions of a national character that affected the people of the whole country were granted to the Federal Government, but the questions which affected the people at home, such as local roads, schools, health, police, and so forth, all these by the Constitution were left to the States to determine and regulate. You remember the wonderful language of Judge Marshall in Gibbons against Ogden, where he was discussing the relations between the States and the Federal Government. Speaking of the reserved powers of the States, he said they represent "that immense mass of legislation which embraces everything within the territory of the State not surrendered to the General Government, all of which can be most advantageously exercised by the States themselves—inspection laws, quarantine laws, *health laws of every description*."

Yes! John Marshall, the great expounder of the Constitution, says that health laws belong to the States, and that poor cripples to whom you have referred must go to the States for amelioration and restoration.

What I desire to call special attention to is this: Here we have two distinct separate classes of powers in the Constitution—the one to control national affairs, the other State affairs. This division of powers made in the Constitution was not made arbitrarily but it was suggested by a profound political philosophy.

In national affairs under our Constitution we were to be—we are,—a unit. In local matters, how different! For we represent 48 distinct and independent units, with laws, social customs, institutions, and religious affinities as distinct as the billows of the sea. The strength of our Government from the beginning has been in the recognition of these two principles, each working in its own orbit, with no danger of collision as long as each confines itself to its legitimate and proper functions.

The tenacity with which the people of the several States, notably New England and the Southern States, have clung to the theory of local self-government is not difficult to understand. It is not merely a pleasing theory of government, a party shibboleth to be invoked when it can aid some pet scheme or repudiated when it is opposed to some pleasing popular movement, but it is founded upon a principle, the most perfect for securing the liberty of the citizen.

Local self-government is the answer which free government makes to the oppressed. It is the response that liberty makes to tyranny. It is a guaranty of the safety of the home, the recognition of the trusteeship of man as a defender of the home and the guardian of its sacred precincts. It singles out the individual, arms him with the greatest political strength that can be given an individual, and holds him responsible for its exercise in the development of home and neighborhood, and then demands at his hands the exercise of the highest and most sacred duties that can ever be the portion of an American citizen; for it must be admitted that the nearer the government comes to the man, the closer it touches him in his home life, in his everyday affairs, that there his power should be greatest for the protection of his home and his rights.

The effect of this theory and its influence on the power of the citizen is clearly seen, for since the affairs pertaining to our everyday life, such as schools, roads, taxation, health, police, and so on, are far more numerous in their number than those that affect us from a national point of view, the power of a citizen as a citizen of a State is therefore much greater than as a citizen of the United States; and it is easily seen, therefore, that whenever a power which rightfully belongs to the State is transferred to the Federal Government that the diminution of the power of the citizen of the State must result. The powers of the Federal Government which may affect a citizen are few, and they are limited in the Constitution; but as a citizen of a State it is quite different, for the powers not granted to the Federal Government and not denied to the States in the Constitution remain with the States, respectively, or with the people. These local powers of the States are necessarily innumerable and can not be counted. They embrace every need, every want, every desire of the citizen in all walks of life, in his social, political, and religious life. Let me illustrate what I mean by saying that the power of the citizen is greater as a citizen of a State, of a county, of a ward, or of a magisterial district than as a citizen of the United States. If a tariff law is proposed to the people of the United States containing 25,000,000 voters, each man's vote is a unit and has the power of influencing the result as 1 in 25,000,000. If in a State containing 500,000 voters a law is proposed to be voted upon by the people of that State, each man's vote has the power to influence the result as 1 in 500,000. If a law be proposed for a county, to be determined by the votes of that county, containing, we will suppose, 1,000 voters, his power in affecting the result is as 1 to 1,000. If a law is proposed in his magisterial district or the ward of his city containing 200 voters, there his influence will be as 1 to 200. The nearer the government gets to his home the greater is his power to protect it. It is seen, therefore, that under this theory the citizen is

given the greatest power to influence the Government where that power is most needed—at his home—and that where it is least needed his power as a voter is weakest. And therefore the transfer from the State to the Federal Government of any power weakens the power of the citizen, and what is more serious, inevitably in a larger measure, lessens his sense of duty and obligation as to such power.

The wisdom of this division by which the States and their subdivisions alone shall manage and direct their local affairs is shown in this particular:

The fundamental theory of our Government is that all power rests and abides in the people, and that that government is most conducive to liberty that places the greatest power in the individual man. To take away any power, therefore, from the people or to lessen or diminish their powers in any degree to that extent diminishes individual responsibility and impairs seriously the efficiency of government; for with power goes responsibility; take away responsibility from the citizen and you make of him a drone upon society. Once establish the idea of responsibility in a human soul and you have created an agency for good in society beyond computation in its value. Responsibility will often make a giant out of a pigmy, and *e contra* the lack of it may change the ablest and most progressive citizen of a community into a listless, purposeless drone. If the responsibility of the American citizen for his home, for the conduct of his children, the care of his wife, or for his local interests be transferred to Washington, to be directed by a Congress, most of whom have never been in his State and know little, if anything, of his local needs, the activities of the man are stifled and his ambition lost, for his responsibility for these duties have been largely taken from him by the transfer, as his power to influence the result is only as 1 to 25,000,000. Indifference takes the place of activity and interest, and hopelessness succeeds ambition. Therefore, by just so much as these local affairs of the people are removed from the control of the people of the States to Washington, by just that much is the individual citizen shorn of his power, the home and community deprived of the active interest of its citizen, and the State of an upbuilder; for Washington is too far and Congress too numerous for him to reach, and the bureaus there charged with managing his domestic affairs and the local affairs of his people are too firmly intrenched to be ousted or controlled by an occasional struggling patriot who may, perchance, reach the city to protest against the destruction of American standards by the elimination of individual initiative and the shifting of individual responsibility to distant shoulders.

So also the examination of the Constitution shows that every governmental power is intrusted either to the Federal or to the State government; not to both, but to one or the other. If the power is granted to the Federal Government, that excludes the State government from any control in that matter. If, on the other hand, a power is not granted to the Federal Government, it is by the tenth amendment reserved to the States, and the Federal Government has no power or control over it.

What the one can do, the other can not do. What the one ought to do, the other ought not to attempt to do. The one has powers for the development of which it is peculiarly constituted; the other has reserved to it powers for which its government is peculiarly fitted to discharge. The one has National powers, the other State and local powers; and neither one can invade the domain of the other. The eighteenth amendment offers the only exception to this principle where State and Nation are given power to legislate on the same subject. Whether this will be a success must await a future day; it can not be determined at this hour.

Now, the bill under consideration is one affecting the restoration to health of some of the people of the country. An examination of the Constitution will show no grant of power to the Federal Government to legislate on this subject, and therefore it is a question which belongs to the States. But this bill seeks in a benevolent way to appropriate money to help the States in this work by appropriating one dollar for every dollar the State expends for this purpose. If it is a Federal function, why should not the Federal Government do it all? If it is a State function, why does not the State do it all? Why should the two governments do the same thing at the same time, when only one can legally do it, and when the cost of having two overhead charges, with all that that means in rents, employments, medicines, and so forth, must be greatly increased? No business man would ever run his own business on any such plan. He would be hopelessly lost. The double cost of such a course is not only evident in these respects, but how does the Federal Government get the money to pay its part? Only by taxation on the people of the States; and see what that means: An army of revenue agents covering the States to collect taxes to bring money to Washington and put it in the Treasury, and another army of employees put into the Treasury and other great buildings to send the same money back to the States where it came from. With these two great armies to be fed and supported, the money collected from the people of the States, brought to Washington and sent back to the States for purposes like this, never gets there; it is eaten up; and yet that is the business proposition of this system.

Now, this is a bill affecting the restoration to health of some of the people of the country, and it is brought into the Congress of the United States seeking to take charge of this subject by appropriating money for it. On its face it is a mix-up of State and Federal control on a subject that John Marshall says belongs to the States alone; and here we find both involved. We are told by authority that can not be questioned that no man "can serve two masters; for either he will hate the one, and love the other; or else he will cling to the one, and despise the other," and yet we disregard this high authority.

Gentlemen say that this is only a little bill, with only a little appropriation of $4,000,000; that it can do no harm. A few years ago we had a great flood in the Mississippi River which inundated that great valley, and it was difficult to find out what caused the first break in the levee; at last it was found that a muskrat had burrowed through the levee and let in the first waters of that great flood. It was very little at first, but it is these little openings that can not resist the great flood behind them that must be checked or disaster results. The gentleman who brought this bill here, the honorable gentleman from New York [Mr. SNELL] apologetically says he wants to put into it a notice to our successors four years from now that they must not do this thing any more. He admits that we have been very wicked—and I hate to speak of a bill of this nature, that has a noble object, in that way—and that these 50-50 appropriations by the States and Federal Government are wrong. Let me say at this point that in the State of Virginia we have a gentleman at the head of the department of health, a man of the highest skill, Dr. Ennion G. Williams, who has done a wonderful work in this line, not only since these appropriations were made but before, and he will continue to do his great work with or without this appropriation, for all admit that this is only temporary. Virginia will do her full duty to her maimed and injured.

I have attempted to show that there are two duties resting upon the people of the country, which they must discharge, one affecting their local rights and the other affecting their national rights, and that the States are to control the one and the Federal Government the other. But this is a little bill, they say, and will not do any harm, only $4,000,000 asked, so just let it go through. They say, "Mr. TUCKER, I agree with you entirely, but this is such a little offense, just let it go through." I want you to see the record. I want you to see where this thing leads to. Take the State of Virginia, and your own State is in exactly the same condition. I find in the State of Virginia that we have an agricultural extension division. I find in the Federal Government an extension division. To which government does that belong—State or Federal? It does not belong to both. It belongs to one or the other. If it be the State's, let them do it; if it be the Federal Government's, let it do it. Why both with the extra expense of administration?

I find that we have down there an experiment station and we have here in Washington an experiment station. Which one under the Constitution has the power to do agricultural experiment work? I find in Richmond a commission of fisheries. I find in Washington a Bureau of Fisheries. I find in Richmond a board of education and I find in Washington a Bureau of Education. I find in Richmond a State forestry service and I find in Washington a Forest Service. I find in Richmond a board of health and I find up here a Public Health Service. I find in Richmond a highway commission and I find here a Bureau of Public Roads. I find—oh, in all, two pages of these duplications. How did they come? Each one came just as this is coming, one at a time, very small appropriations at the start and each relying on the one that went before as a precedent.

Look at the table which I here present giving a number of the bureaus, commissions, and divisions, not all of them, with the appropriations provided for them in the State of Virginia and by the Federal Government. Some of them have just started, have not gotten far, while there are others, not here, that are pressing hard and fast on the calendars of Congress to become laws. The startling fact which this table discloses is *the duplication of appropriations by the State and Federal Governments for the same objects*, when those objects con-

fessedly were intended to be controlled under the Constitution by one or the other of these governments and not by both, the only exception being that involving prohibition. Of course, it is clear that the Federal Government must have a Health Service as well as the States, with an Army and Navy as incidents of the Government; and so also a Forest Service. Such a system, if carried out as is contemplated, must inevitably result in the useless waste of money in the establishment of two separate and distinct organizations in the States and at Washington in doing the same work; it must result in the increase of Federal power at Washington and the diminution to a like degree of the powers of the States; it must result in stifling the energies, the initiative, and ambitions of the people of the States by lessening their responsibility.

STATE OF VIRGINIA FOR YEAR ENDING FEBRUARY 29, 1924

Extension division	$376,335.60
Experiment station	52,925.00
Commission of fisheries	81,170.00
Board of education	5,626,725.16
State forester	36,000.00
Board of health	184,084.00
Bureau of vital statistics	25,090.00
Highway commission	8,915,212.00
Horticultural society	4,500.00
Livestock sanitary board	21,670.00
National Guard	90,000.00
Geological survey	18,465.00
Division of vocational rehabilitation	36,616.22
Prohibition	70,000.00
Superintendent of weights and measures: Division of markets	20,000.00
Department of game and inland fisheries	162,666.09
Dairy and food division	88,925.00
Bureau of labor and industrial statistics	32,640.00
Crop Improvement Association: Crop pest commission	18,725.00
Child welfare and public health	38,000.00

FEDERAL GOVERNMENT FOR YEAR ENDING JUNE 30, 1924

Extension service	$7,478,730.00
Experiment Station	1,743,600.00
Bureau of Fisheries	1,202,810.00
Bureau of Education	3,194,760.00
Forest Service	10,273,582.00
Public Health Service	8,746,331.62
Bureau of Public Roads	473,480.00
Horticultural Board	363,010.00
Bureau of Animal Industry	9,845,606.00
Militia Bureau	29,896,590.00
Geological Survey	1,670,000.00
Vocational Education	6,427,000.00
Vocational Rehabilitation, Veterans' Bureau	89,000,000.00
Prohibition	9,000,000.00
Weights and Measures, Bureau of Standards	
Agricultural Economics	4,005,853.00
Bureau of Bilogical Survey, Department of Agriculture	872,265.00
Bureau of Animal Industry	9,845,606.00
Department of Labor	7,476,896.00
Bureau of Labor Statistics	242,260.00
Bureau of Plant Industry	3,376,470.00
Children's Bureau	1,551,040.00

This whole tendency is a result of the disordered condition of the country growing out of the war and has received the most striking condemnation by many of the best minds of the country.

Secretary Charles E. Hughes, in an address before the New York Bar Association on the 12th of January, 1916, said:

An overcentralized government would break down of its own weight. It is almost impossible even now for Congress in well-nigh continuous session to keep up with its duties, and we can readily imagine what the future may have in store in legislative concerns. If there were centered in Washington a single source of authority from which proceeded all the governmental forces of the country—created and subject to change at its will—upon whose permission all legislative and administrative action depended throughout the length and breadth of the land, I think we should swiftly demand and set up a different system. If we did not have States we should speedily have to create them. We now have them, with the advantages of historic background, and in meeting the serious questions of local administration we at least have the advantage of ineradicable sentiment and cherished traditions. And we may well congratulate ourselves that the circumstances of the formation of a more perfect union has given us neither a confederation of States nor a single centralized government, but a nation—and yet a union of States each autonomous in its local concerns. To preserve the essential elements of this system, without permitting necessary local autonomy to be destroyed by the unwarranted assertion of Federal power, and without allowing State action to throw out of gear the requisite machinery for unity of control in national concerns, demands the most intelligent appreciation of all the facts of our interrelated affairs and far more careful efforts in cooperation than we have hitherto put forth.

Mr. Jefferson, in his autobiography, uses this striking language:

It is not by the consolidation or concentration of powers, but by their distribution, that good government is effected. Were not this country already divided into States, that distribution must be made that each might do for itself what concerns itself directly, and what it can so much better do than a distant authority. Every State is again divided into counties, each to take care of what lies within its local bounds; each county again into townships or wards, to manage minuter details; and every ward into farms, to be governed each by its individual proprietor. Were we directed from Washington when to sow and when to reap we should soon want bread. It is by this partition of cares, descending in gradation from general to particular, that the mass of human affairs may be best managed for the good and prosperity of all.

I now quote the language of President Calvin Coolidge, fresh from the press on January 21, 1924, at the sixth regular meeting of the business organization of the Government at Memorial Continental Hall, where he says:

I take this occasion to state that I have given much thought to the question of Federal subsidies to State governments. The Federal appropriations for such subsidies cover a wide field. They afford ample precedent for unlimited expansion. I say to you, however, that the financial program of the Chief Executive does not contemplate expansion of these subsidies. My policy in this matter is not predicated alone on the drain which these subsidies make on the National Treasury. This of itself is sufficient to cause concern; but I am fearful that this broadening of the field of Government activities is detrimental both to the Federal and the State Governments. Efficiency of Federal operations is impaired as their scope is unduly enlarged. Efficiency of State governments is impaired as they relinquish and turn over to the Federal Government responsibilities which are rightfully theirs.

Mr. DALLINGER. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. Yes.

Mr. DALLINGER. Is the gentleman familiar with the letter from the Director of the Bureau of the Budget, quoted in the majority report?

Mr. TUCKER. Oh, yes; I heard the gentleman read it just now.

Mr. DALLINGER. Where the President approves it?

Mr. TUCKER. Yes. That letter was last October. What I quote was said by him the 21st of last January. The President has learned a great deal since October.

Mr. DALLINGER. The gentleman does not believe this bill enlarges the scope of the Federal subsidies?

Mr. TUCKER. No. It extends this one four years.

Mr. DALLINGER. It simply extends existing funds.

Mr. TUCKER. Expands.

Mr. DALLINGER. Extends an existing authority—not one dollar more.

Mr. TUCKER. I shall leave that to the judgment of the House. The gentleman thinks that when the President uses the words "the Chief Executive does not contemplate expansion of these subsidies" that they do not apply to this bill, for this bill only extends for four years more what is already authorized. I ask what will be the result of this service if this bill does not pass? Dead on the 1st of July. This bill extends it for four years longer; Is not that expansion? And if President Coolidge will send a ringing veto of this bill to this House, if it does pass, it will resound through the country as no other act that he could perform would do. If he did that, I tell you, gentlemen of the House, we Democrats would have to be looking to our laurels, and I think there would be nothing left for us to do except nominate CARTER GLASS, of Virginia, unanimously for the Presidency to carry us through with safety.

Gentlemen, that is the President's position. It is one of the strongest and fairest statements of the evils of these 50–50 bills that has ever been made, and I ask you to consider this matter seriously. I know how you feel. God knows I feel the same way toward these unfortunates, but there is with us here a duty that goes beyond the personal emotion that a man feels. Hear what the President says:

Efficiency of Federal operations is impaired as their scope is unduly enlarged.

Do not you feel that? Does not every man who is a Member of this House know we are hardly able to-day to take care of the

duties that come to us? Then why add others that we can not attend to? Not only that, but he says:

Efficiency of State governments is impaired as they relinquish and turn over to the Federal Government responsibilities which are rightfully theirs.

Why, gentlemen, the President has hit the bull's-eye; he has made the bell ring; it has stirred my democratic heart that there should come out of New England a man of that old type that sees the danger to our country and is bold enough to declare it. Gentlemen, why can not we rise to the height of the great argument of patriotism? If we have the right to do this, well and good. If we have not the right, why should we? How can we?

Mr. BANKHEAD. Will the gentleman yield there for a brief question?

Mr. TUCKER. Yes.

Mr. BANKHEAD. The gentleman bases his proposition, I understand, very largely upon constitutional grounds in the last analysis?

Mr. TUCKER. Yes.

Mr. BANKHEAD. On the ground that Congress has no authority in educational matters in the States?

Mr. TUCKER. Yes.

Mr. BANKHEAD. If the gentleman had been a Member of Congress when we voted the sixteenth section of land to the public schools of the country, would the gentleman have opposed that on constitutional grounds? Is not the same principle involved here?

Mr. TUCKER. I really thought my good friend had heard the speech I made here on the 3d of January last; if not, take it to your room this evening and read it [laughter], for there I uphold the power to grant public lands for educational purposes.

Mr. BANKHEAD. The gentleman is entirely consistent, then.

Mr. TUCKER. Why, of course; and I want my friend to be entirely consistent and vote against this bill.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. TUCKER. I will.

Mr. OLIVER of Alabama. The gentleman has quoted from a recent message of the President. That message does not challenge the right of the Federal Government to make an appropriation, and he does not put it on constitutional grounds, but he rather questions the wisdom of it on economic grounds.

Mr. TUCKER. I think if the gentleman will examine the President's statement, which I have right here, he will find that he does not use the word "constitutional," but the reasons he gives show that he is actuated by constitutional obligations.

Mr. OLIVER of Alabama. As I understand from the reading of the message, he acquiesced at least in what is now being done but rather questions the wisdom of expanding it.

Mr. TUCKER. Oh, he acquiesced because there is nothing else to do. The laws are on the statute books, and he is praying for an opportunity to get them off.

These tendencies in our Government show a remarkable parallel to those in the Kingdom of Great Britain; and while we are enlarging Federal powers by robbing the States of theirs and creating a centralized government, Great Britain is crying out for a measure of Federal decentralization. While we by these measures are thus diminishing the power of the States to exercise local legislation, Great Britain is calling for local legislatures in England, Scotland, and Wales to relieve Parliament of its congestion of powers centralized in it. We are increasing the centralization of powers in Congress, while Great Britain is demanding the decentralization of the powers of Parliament.

In The New Constitutions of Europe, McBain and Rogers, 1922, page 79, speaking of the inability of Parliament to discharge the business that comes to it, we find the following:

The burden upon it has of recent years become almost intolerable. Imperial interests have grown in number and complexity. The internal legislative and administrative problems of the people of the British Isles, like the similar problems of most other peoples, have likewise become more numerous and more complicated. Merely because of the ever-increasing concentration of business many persons have thought that some measure of decentralization was not only desirable but also indispensable. To this end, and wholly apart from the unique and difficult Irish problem, proposals have been made for a devolution of some part of the authority of the English Parliament to local legislatures created for England, Scotland, and Wales.

And on the 4th of June, 1919, the House of Commons passed the following resolution:

That, with a view to enabling the Imperial Parliament to devote more attention to the general interests of the United Kingdom and, in collaboration with the other governments of the empire, to matters of common imperial concern, this House is of opinion that the time has come for the creation of subordinate legislatures within the United Kingdom, and that to this end the Government, without prejudice to any proposals it may have to make with regard to Ireland, should forthwith appoint a parliamentary body to consider and report upon a measure of Federal devolution applicable to England, Scotland, and Ireland, and so forth.

Committees were appointed and several reports were made looking to a method of decentralizing the United Kingdom, and the matter is still uppermost in the minds of that great Government.

In addition to this, a powerful voice has been lifted up in the western part of our country in the person of Prof. Walter Thompson, professor in the University of Wisconsin. In October, 1923, he published his book "Federal Centralization," which is a powerful arraignment of the system that we are now describing. On page 380 he says:

Much has been written in an academic way on the subject of the divisions of powers in the American constitutional system. But there has been no serious attempt to establish a working compromise between the Federal Government on the one hand and the States on the other. Consequently there has been an overlapping of functions and a duplication of efforts. The lines of demarcation have never been made plain. Modern industrial society, with its complexities, requires more and more governmental activity. Both the Federal Government and the States are overcrowded with business. Neither can afford to waste any energy in duplicating the work of the other. The problem of federalism in the United States, adquately stated, is not so much a question of division of powers as it is a question of division of labor.

On page 385 he further says:

The regulations of the Federal Government in the field of social and economic legislation indicate the tendencies of that Government to expand its field of activities. Will it confine itself to regulating matters which inherently lend themselves to Federal regulation, or will it attempt regulations for the promotion of morals, health, safety, and general welfare which by their very nature can be more advantageously handled by the States? It is certain that Congress can not regulate local matters when it is not in touch with regional opinion and when it is overcrowded with matters of national importance. To do so would be to impair the efficiency of the Federal Government and thus lower the prestige it enjoys throughout the Nation. It must confine itself to national legislation. It is also certain that the States, in order to retain their vitality as local governmental units, must be secure in their jurisdiction against Federal invasion. The inviolability of State rights is an essential feature of our constitutional system. To use the words of Lincoln, in his first message to Congress: "To maintain inviolate the rights of the States to order and control under the Constitution their own affairs by their own judgment exclusively is essential for the preservation of that balance of power on which our institutions rest." The maintenance of distinct spheres of activity, respectively, for the Federal Government and the States is more than a question of constitutional interpretation. Even in the absence of a constitution a workable division of functions would be necessary if we are to enjoy an efficient Government which inspires confidence and respect.

I commend to my associates a noble sentiment of President Cleveland found in an address made at Ann Arbor, Mich., on the 22d of February, 1892:

I know that the decrees of God are never obsolete. * * * Do not surrender your faith to those who discredit and debase politics by scoffing at sentiment and principle, and whose political activity consists in attempts to gain popular support by cunning devices and shrewd manipulation.

Though dead he yet speaketh! No finer sentiment was ever uttered than that. And, my friends, we Democrats are going into a campaign pretty soon to uphold the banner of democracy. I am going to uphold the above declaration of President Coolidge as true democracy. I do not expect to vote for him; but I think in that message he has declared a fundamental principle of our party, and I honor him for it. Now, my friends, the gentleman from Alabama [Mr. BANKHEAD], whose opinion I esteem very highly, has asked me if I object to this bill on constitutional grounds. Of course I do. Where do you get the power? Why, there is not a man in this House, I care not who he be, but I think will fully agree with me about that. They say it is under the general-welfare clause. Well, what is that? It is found in the following language:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States (Art. I, sec. 8, U. S. Constitution).

That is the clause of the Constitution from which they derive this doctrine. Now, what do the "United States" mean in that clause? Strike out all of that sentence after the word "debts" down to the words "of the United States," and how would it read?

The Congress shall have power to lay and collect taxes, duties, imposts, and excises to pay the debts of the United States.

Does that mean that Congress has power to pay the debts of *the people* of the United States? I almost wish it did. What does it mean? Evidently, "to pay the debts of the Government of the United States." Very well. Now, incorporate the words I left out with the conjunction "and"—"and provide for the common defense and general welfare." Of what? The words "United States" are bound to have the same meaning as when applied to payment of debts, for the added words after "debts" are joined to the word "debts" by the conjunction "and." And so it would read, "to provide for the common defense and general welfare *of the Government* of the United States," not the people of the United States.

Mr. ALLEN. Will the gentleman yield for a question?

Mr. TUCKER. Yes.

Mr. ALLEN. Would the gentleman consider anything more appropriate to the general welfare of this Government than the rehabilitation of its people?

Mr. TUCKER. Why, under Judge Story's definition—even under that definition you could not come in.

The people that could claim restoration under this act are less than one-sixteenth of 1 per cent of the people of the country, and Judge Story said that in order for the general-welfare clause to apply it must embrace all the people of the United States, not merely a class. In this case, I say, the people to be benefited number less than one-sixteenth of 1 per cent of the people of the United States. Let me read to you what a distinguished author said on this very subject, George Ticknor Curtis, the great Massachusetts statesman. He said, in an address to the Law School of Georgetown University, in February, 1886, referring to the above clause (Art. I, sec. 8, Constitution of the United States):

In every one of these special purposes for which the taxing power is to be exercised "the United States" means the political corporation known as the United States and not the individual inhabitants of the country. The debts that are to be paid are the debts of the Government; the common defense that is to be provided for is the defense of the Government in all those matters it has duties of defense to discharge for the whole country; the general welfare that is to be provided for is the well-being of the Government in all those matters of which it has special cognizance and in respect to which its efficiency concerns the whole Union.

I notice from the Encyclopedia Britannica, volume 7, speaking of Mr. Curtis—and I want the gentleman from Massachusetts [Mr. DALLINGER] to hear this—it is recorded in that volume:

This history—

Speaking of the Constitutional History of the United States, by Curtis—

which had been watched in its earlier progress by Daniel Webster, may be said to present the old Federalist or "Webster-Whig" view of the formation and powers of the Constitution.

So that not only an old Locofoco, Jeffersonian Democrat like myself, but an old-time Republican, indorsed by Mr. Webster, whose work was indorsed by Webster, declared that the words "general welfare" do not apply to the individuals of the country, but that under this clause in the Constitution they can only apply to the Government of the United States.

My friends, I have given you my views. They may not be yours. But I believe in these principles and try to live by them, and, God helping me, I will die by them. [Applause.] I believe in them as I do in the principles of our holy religion. That Constitution is my political Bible; and all of strength and power that may be given me during the balance of my life will be devoted to its preservation and defense, because in its preservation alone can we hope to preserve the liberty and freedom of the people of this glorious country that we all love so well. [Applause.]

The CHAIRMAN. The gentleman from Virginia has consumed 28 minutes. He has 2 minutes remaining. The gentleman from Massachusetts [Mr. DALLINGER] has 6 minutes remaining.

Mr. DALLINGER. Mr. Chairman, I yield two minutes to the gentleman from West Virginia [Mr. ALLEN].

The CHAIRMAN. The gentleman from West Virginia is recognized for two minutes.

Mr. ALLEN. Mr. Chairman, two minutes is a very short time, of course, in which to consider a question of this character or a bill of this nature. I am very sorry that I do not have the time to answer the gentleman from Virginia [Mr. TUCKER] in some of his arguments; but inasmuch as I do not have the time, I will ask the privilege to submit my remarks in the RECORD.

The CHAIRMAN. The gentleman from West Virginia asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. ALLEN. Mr. Speaker, humanity would be void of charity if it failed to provide and care for the unfortunate. There would be no pleasure in life if there were no opportunity to assist and make some one comfortable and happy.

We are all of one accord that such opportunities shall not be relegated to any one person or class of persons; but the unfortunates of the whole Nation may partake in such happiness if Congress unanimously passes House Resolution 5478, a bill to amend sections 1, 3, and 6 of an act—

to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise, and their return to civil employment.

This bill provides that the Federal Board for Vocational Education should have the responsibility and duty of cooperating with the States in the administration of the act, and with the responsibility of establishing such rules and regulations as may be necessary to carry out the provisions of the act.

Accidents occur in all communities, and when you bring them all together it is appalling the number of unfortunates listed in one year throughout the United States. Statistics are not available that show all of the factors bearing upon the problem of the disabled civilian. Reliable information taken from available statistics shows that fully 225,000 persons are permanently disabled each year. From a reasonable estimation, about half the number disabled either can not be rehabilitated, or do not require the assistance of Federal or State aid, and if that is true, then that leaves 112,000 that do require assistance, and experience shows that about 75 per cent, or about 84,000, may be rehabilitated each year.

In one State where 15,000 were enrolled for rehabilitation during the year 1923 there were about 5,000 rehabilitated, which clearly proves that efficiency of the rehabilitation work which had been set in operation by the former act.

These 5,000 men and women who were rehabilitated during the past year would, in most cases, have been a public charge upon the communities where they lived had not their capacity for usefulness been restored to them.

One can not realize the number of accidents until he gets accurate information on the question; for instance, the testimony given at the hearing before the committee shows that in West Virginia out of 100 victims of accidents 38 had one or both legs off, 28 had one or both arms off, 6 were blind, 10 were paralyzed, the others had miscellaneous disabilities; 15 of this number took commercial courses, and the other 85 went into other different occupations.

More and more accidents are recorded as the days go by from the fact that the necessity of coming into contact with obstacles of danger is more frequent than in previous times.

The appropriation is not large; only $1,000,000 to be spread throughout the Nation, in case all the States are willing to accept it by appropriating a like amount to be used jointly in the State for the rescue of the unfortunate. There can never be money more justly expended, or the promise of a greater profit given.

We find workmen made cripples every day in every branch of vocational work; not only in the factories, mines, and quarries, but on the highways and farms, people in all walks of life become cripples by accidents.

Many are born cripples and by assistance their deformity can be corrected and a life made happy and useful and relieved from an embarrassed and futile existence. It is a pity such a procedure was not set in operation long ago; had it been, so many an error would have been corrected and more persons would have lived in comfort and happiness instead of ending their days in some county home; many a person would have been entirely self-supporting and a useful citizen instead of a public charge and never having known what it was to indulge in the comforts of life.

Many a home can be made happy and self-supporting by rehabilitating the head of the family, who has been crippled by some accident. One without arms, legs, or sight can become useful in some way in case he is taught a trade that will enable him to do something, to employ his mind, bring his energy into operation, displace dissatisfaction, dispel sadness, produce

harmony, open the very windows of his soul and let in the sunlight.

A door is the entrance to an entire building; it is through the door that new life flows constantly, bringing with it dreams and ambitions, new hopes and aspirations. Assistance to the unfortunate, to the crippled, to the deformed may be a door to new life and new hope; is it not worth while to open the door and let in the sunlight, to help the lame to walk, teach the blind to read, restore energy to the weak, bring comfort to the poor, and hope to the sad?

The mind can not expand and take on new growth unless it is able to impart that which it produces. What would one do in mind and thought and energy if he were barred from imparting knowledge or disposing of what he earns or gathers in? His existence would be brief. He would be as helpless and as futile as the tree that could not shed its bark or drop its leaves. Depart from that order, throw out the line of knowledge, and pull the helpless to the shore, give what you have so that the poor, the crippled, the unfortunate may enjoy the blessing of prosperity as their energy is restored to them.

Many a crippled person hesitates to accept the offer of rehabilitation on account of the degree of temerity in which they have lived, and from the fact that they have grown to believe that they could never be anything but a burden to some one. However, since this new opportunity has come and been spread all over our country, it is not so hard to convince them that there is a light behind the cloud, and the rehabilitation work brings this light to them and renews their hope.

We can build monuments, vast structures of various designs and with much artistic skill, but it matters not how high we build the structure or with what beauty it is designed, it can not have life. Take a part of the cost of one such structure and utilize it for the welfare and benefit of humanity and you can correct the error of many an accident, and perhaps produce out of some deformed human body a monumental character that will give life and inspiration to the whole world.

From the accomplishments of the rehabilitation work we have seen erected a beautiful temple. We trust that it has been erected upon a rock foundation and the structure built of faith, love, purity, justice, and truth, joined with friendship, with many doors of opportunity and windows of vision that possess that same comfort and charity which Christ spoke of in His Sermon on the Mount.

Rehabilitation means to correct, restore, rebuild, improve, and strengthen the weak, the unfortunate, and the deformed. It is to bring about growth in wisdom and culture and to radiate all lights possible by the right exercise of any talents we may possess.

You may search for diamonds, you may mine for gold and precious stones, you may clothe the poor and feed the hungry, but there is no opportunity where as good results may be found as in rehabilitation work. There are discouraged hearts everywhere. Let us not miss these opportunities for helpfulness. They are frequently the very sources through which divine blessings return to us. Let us make homes cheerful by making unfortunate souls happy.

Mr. DALLINGER. Mr. Chairman, does the gentleman from Virginia [Mr. TUCKER] yield his two minutes?

Mr. TUCKER. I will yield to anyone who wants it.

Mr. DALLINGER. Does the gentleman from Mississippi desire time?

Mr. LOWREY. No; I thank the gentleman. I do not care for any.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by, etc., That effective on and after July 1, 1924, sections 1, 3, and 6 of the act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, are hereby amended to read as follows:

"SECTION. 1. That in order to provide for the promotion of vocational rehabilitation of persons disabled in industry or in any legitimate occupation and their return to civil employment there is hereby authorized to be appropriated for the use of the States, subject to the provisions of this act, for the purpose of cooperating with them in the maintenance of vocational rehabilitation of such disabled persons, and in returning vocationally rehabilitated persons to civil employment for the fiscal year ending June 30, 1925, and thereafter for a period of three years, the sum of $1,000,000 annually. Said sums shall be allotted to the States in the proportion which their population bears to the total population in the United States, not including Territories, outlying possessions, and the District of Columbia, according to the last preceding United States census: *Provided*, That the allotment of funds to any State shall not be less than a minimum of $5,000 for any fiscal year. And there is hereby authorized to be appropriated for the fiscal year ending June 30, 1925, and annually thereafter for a period of three years, the sum of $34,000, or so much thereof as may be needed, which shall be used for the purpose of providing the minimum allotment to the States provided for in this section.

"All moneys expended under the provisions of this act from appropriations authorized by section 1 shall be upon the condition (1) that for each dollar of Federal money expended there shall be expended in the State under the supervision and control of the State board at least an equal amount for the same purpose: *Provided*, That no portion of the appropriations authorized by this act shall be used by any institution for handicapped persons except for the special training of such individuals entitled to the benefits of this act as shall be determined by the Federal board; (2) that the State board shall annually submit to the Federal board for approval plans showing (a) the kinds of vocational rehabilitation and schemes of placement for which it is proposed the appropriation shall be used; (b) the plan of administration and supervision; (c) courses of study; (d) methods of instruction; (e) qualification of teachers, supervisors, directors, and other necessary administrative officers or employees; (f) plans for the training of teachers, supervisors, and directors; (3) that the State board shall make an annual report to the Federal board on or before September 1 of each year on the work done in the State and on the receipts and expenditures of money under the provisions of this act; (4) that no portion of any moneys authorized to be appropriated by this act for the benefit of the States shall be applied, directly or indirectly, to the purchase, preservation, erection, or repair of any building or buildings or equipment, or for the purchase or rental of any lands; (5) that all courses for vocational rehabilitation given under the supervision and control of the State board and all courses for vocational rehabilitation maintained shall be available, under such rules and regulations as the Federal board shall prescribe, to any civil employee of the United States disabled while in the performance of his duty."

Mr. TILLMAN. Mr. Chairman, I move to strike out the last word.

Mr. SANDERS of Indiana. Mr. Chairman, I was going to say that this bill is all one section. I would ask unanimous consent that it be considered by subsections.

The CHAIRMAN. It is all one section, but it may be considered otherwise. The gentleman from Indiana asks unanimous consent that the bill may be considered by paragraphs.

Mr. HASTINGS. Mr. Chairman, I think we could read it all through and at the end offer amendments. I think it will expedite the consideration of this bill.

Mr. SANDERS of Indiana. There are certain subsections that we will ask to be stricken out. I do not know but that it will be all right to read it all. I will withdraw my request.

The CHAIRMAN. The request is withdrawn. The Clerk will read.

The Clerk resumed and concluded the reading of the bill, as follows:

SEC. 2. That for the purpose of this act the term "persons disabled" shall be construed to mean any person who by reason of a physical defect or infirmity, whether congenital or acquired by accident, injury, or disease, is, or may be expected to be, totally or partially incapacitated for remunerative occupation; the term "rehabilitation" shall be construed to mean the rendering of a person disabled fit to engage in a remunerative occupation.

SEC. 3. That in order to secure the benefits of the appropriations authorized by section 1 any State shall, through the legislative authority thereof, (1) accept the provisions of this act; (2) empower and direct the board designated or created as the State board for vocational education to cooperate in the administration of the provisions of the vocational education act, approved February 23, 1917, to cooperate as herein provided with the Federal Board for Vocational Education in the administration of the provisions of this act; (3) in those States where a State workmen's compensation board, or other State board, department, or agency exists, charged with the administration of the State workmen's compensation or liability laws, the legislature shall provide that a plan of cooperation be formulated between such State board, department, or agency and the State board charged with the administration of this act, such plan to be effective when approved by the governor of the State; (4) provide for the supervision and support of the courses of vocational rehabilitation to be provided by the State board in carrying out the provisions of this act; (5) appoint as custodian for said appropriations its State treasurer, who shall receive and provide for the proper custody and disbursement of all money paid to the State from said appropriations: *Provided*, That any State which, prior to June 30, 1924, has accepted and otherwise complied with the provisions of the act of June 2, 1920, shall be deemed to have accepted and complied with the provisions of this amendment to said act.

SEC. 4. That the Federal Board for Vocational Education shall have power to cooperate with State boards in carrying out the purposes and provisions of this act and is hereby authorized to make and establish such rules and regulations as may be necessary or appropriate to carry into effect the provisions of this act; to provide for the vocational rehabilitation of disabled persons and their return to civil employment, and to cooperate, for the purpose of carrying out the provisions of this act, with such public and private agencies as it may deem advisable. It shall be the duty of said board (1) to examine plans submitted by the State boards and approve the same if believed to be feasible and found to be in conformity with the provisions and purposes of this act; (2) to ascertain annually whether the several States are using or are prepared to use the money received by them in accordance with the provisions of this act; (3) to certify on or before the 1st day of January of each year to the Secretary of the Treasury each State which has accepted the provisions of this act and complied therewith, together with the amount which each State is entitled to receive under the provisions of this act; (4) to deduct from the next succeeding allotment to any State whenever any portion of the fund annually allotted has not been expended for the purpose provided for in this act a sum equal to such unexpended portion; (5) to withhold the allotments of moneys to any State whenever it shall be determined that moneys allotted are not being expended for the purposes and conditions of this act; (6) to require the replacement by withholding subsequent allotments of any portion of the moneys received by the custodian of any State under this act that by any action or contingency is diminished or lost: *Provided*, That if any allotment is withheld from any State the State board of such State may appeal to the Congress of the United States, and if the Congress shall not, within one year from the time of said appeal, direct such sum to be paid, it shall be covered into the Treasury.

SEC. 5. That the Secretary of the Treasury, upon the certification of the Federal board as provided in this act, shall pay quarterly to the custodian of each State appointed as herein provided the moneys to which it is entitled under the provisions of this act. The money so received by the custodian for any State shall be paid out on the requisition of the State board as reimbursement for services already rendered or expenditures already incurred and approved by said State board. The Federal Board for Vocational Education shall make an annual report to the Congress on or before December 1 on the administration of this act and shall include in such report the reports made by the States boards on the administration of this act by each State and the expenditure of the money allotted to each State.

SEC. 6. That there is hereby authorized to be appropriated to the Federal Board for Vocational Education the sum of $75,000 annually for a period of four years, for the purpose of making studies, investigations, and reports regarding the vocational rehabilitation of disabled persons and their placements in suitable or gainful occupations, and for the administrative expenses of said board incident to performing the duties imposed by this act, including salaries of such assistants, experts, clerks, and other employees, in the District of Columbia or elsewhere as the board may deem necessary, actual traveling and other necessary expenses incurred by the members of the board and by its employees, under its orders, including attendance at meetings of educational associations and other organizations, rent and equipment of offices in the District of Columbia and elsewhere, purchase of books of reference, law books, and periodicals, stationery, typewriters and exchange thereof, miscellaneous supplies, postage on foreign mail, printing and binding to be done at the Government Printing Office, and all other necessary expenses.

A full report of all expenses under this section, including names of all employees and salaries paid them, traveling expenses and other expenses incurred by each and every employee and by members of the board, shall be submitted annually to Congress by the board.

SEC. 7. That the Federal Board for Vocational Education is hereby authorized and empowered to receive such gifts and donations from either public or private sources as may be offered unconditionally. All moneys received as gifts or donations shall be paid into the Treasury of the United States, and shall constitute a permanent fund, to be called the "Special fund for vocational rehabilitation of disabled persons," to be used under the direction of the said board to defray the expenses of providing and maintaining courses of vocational rehabilitation in special cases, including the payment of necessary expenses of persons undergoing training. A full report of all gifts and donations offered and accepted, together with the names of the donors and the respective amounts contributed by each, and all disbursements therefrom, shall be submitted annually to Congress by said board: *Provided*, That no discrimination shall be made or permitted for or against any person or persons who are entitled to the benefits of this act because of membership or nonmembership in any industrial, fraternal, or private organization of any kind, under a penalty of $200 for every violation thereof.

Mr. DALLINGER. Mr. Chairman, I move to amend, on page 4, by striking out lines 3 to 10, inclusive, and then striking out from line 14 on page 5 to line 15 on page 7, inclusive, and all of line 15 on page 8, and all the rest of the bill. I will state, Mr. Chairman, that this bill was drawn——

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DALLINGER: On page 4, beginning with line 3, strike out all of lines 3 to 10, inclusive; and on page 5, beginning with line 14, strike out the remainder of page 5 and all of page 6 down to and including line 15 on page 7; and after line 15 on page 8 strike out the remainder of page 8 and all of page 9.

Mr. DALLINGER. Mr. Chairman, I will state that this bill was drafted by the Attorney General's office. The committee will notice that the title provides for the amendments of sections 1, 3, and 6 of the original act, the Attorney General having held that the rest of the act was permanent law, but in drafting the bill he included the other sections. He apparently changed his mind with a view of reenacting the whole law. However, there is no change made in these sections of the existing law which I have moved to strike out. They are the law now on the statute book. The only changes we make in the law are in sections 1, 3, and 6, which we amend in the manner set forth in our report.

Mr. TUCKER. May I ask my friend this question—I contemplate offering an amendment to strike out section 6 and section 7. Does the gentleman's amendment cover these sections?

Mr. DALLINGER. Section 7 is already in the law. My amendment does not strike out section 6 because we are amending section 6. The gentleman from Virginia can offer that amendment later.

Mr. HASTINGS. Does the gentleman's amendment strike out section 7?

Mr. DALLINGER. Yes.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Massachusetts [Mr. DALLINGER].

The question was taken, and the amendment was agreed to.

Mr. TUCKER. Mr. Chairman, I move to strike out, on page 2, line 5, the word "three" and insert the word "one."

The CHAIRMAN. The gentleman from Virginia offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TUCKER: Page 2, line 5, strike out the word "three" and insert in lieu thereof the word "one."

Mr. TUCKER. Mr. Chairman, I make that motion merely for this reason: I am going to offer an amendment in the next line that is closely connected with this one. In my judgment, Congress has already authorized money enough, which has not been spent by the States—and that money is in the Treasury of the United States—to run this business for two years. I propose to offer an amendment authorizing the money which may now be covered into the Treasury to be used, and thereby to continue this aid for two years.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. TUCKER. Yes.

Mr. WILLIAMSON. If you strike out the word "three," the letter "s" should be stricken out of the word "years," so it will read "year" instead of "years."

Mr. TUCKER. I thank the gentleman for the suggestion.

Mr. WILLIAMSON. Mr. Chairman, I offer an amendment to strike out the letter "s" in the word "years."

The CHAIRMAN. Does the gentleman from Virginia accept the amendment?

Mr. TUCKER. Yes.

The CHAIRMAN. Without objection, the amendment of the gentleman from Virginia is amended as suggested by the gentleman from South Dakota.

There was no objection.

Mr. BANKHEAD. Mr. Chairman, let us have the amendment reported as it now stands, so we shall know what we are voting on.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. TUCKER: Page 2, line 5, strike out the words "three years" and insert in lieu thereof the words "one year."

Mr. DALLINGER. Mr. Chairman, I sincerely trust this amendment will not be adopted. As is generally known by the members of the committee our legislatures meet once in two years and usually make their appropriations for two years

so that this would absolutely defeat the whole object of the legislation.

Mr. BANKHEAD. Mr. Chairman, I call the attention of the gentleman from Virginia to the fact that his amendment as corrected by the suggestion of the gentleman from South Dakota [Mr. WILLIAMSON] is still inartificially drawn because it would leave the language to read as follows:

For a period of one year, the sum of $1,000,000 annually.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. TUCKER].

Mr. HUDSPETH. Mr. Chairman, may we have the amendment reported?

The CHAIRMAN. Without objection the amendment will be again reported.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TUCKER: Page 2, line 5, strike out the words "three years" and insert in lieu thereof the words "one year."

The question was taken, and the amendment was rejected.

Mr. TUCKER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. TUCKER offers the following amendment: Page 2, line 6, strike out "$1,000,000" and insert in lieu thereof "$500,000," and after the word "annually," in the same line, insert the words "in addition to the balance allotted to the States for the years 1921, 1922, and 1923 which remains unexpended."

Mr. TUCKER. Mr. Chairman, the amendment speaks for itself. I want the utilization of the $2,000,000 that is already authorized and to save what we can. The bill asks for only $1,000,000 a year. Under this proposition, if we have $2,000,000 and $500,000 is authorized, we would have ample to carry on this business.

Mr. DALLINGER. Mr. Chairman, the gentleman from Virginia is mistaken. The authority has expired, and the money which was appropriated and allocated to the States which was not spent has gone back into the Treasury.

Mr. TUCKER. But my amendment authorizes that.

Mr. DALLINGER. Oh, no. We must have this authority beginning the 1st of July, 1924, in order to authorize any allocation for the next year, and the $1,000,000, or a large part of it, will be required.

Mr. TUCKER. The amendment is intended to meet that very situation.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Virginia.

The question was taken, and the amendment was rejected.

Mr. TILLMAN. Mr. Chairman, I move to strike out section 1 of the bill.

The CHAIRMAN. The gentleman from Arkansas offers an amendment, which the Clerk will read.

The Clerk read as follows:

Amendment by Mr. TILLMAN: Strike out section 1 of the bill.

Mr. TILLMAN. Mr. Chairman, I shall not insist upon a vote upon this amendment, but I ask unanimous consent to proceed out of order for five minutes.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed out of order for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. TILLMAN. Mr. Chairman, in the Washington Post of yesterday the following dispatch appeared on its front page under bold headlines:

NEW YORK, May 8.—Declaring that the Republican Party will lose 11 important States in the coming presidential election if it does not make a declaration on the wet and dry question, Dr. Nicholas Murray Butler, president of Columbia University, to-day came out squarely for the adoption of an antiprohibition plank in the Republican 1924 platform.

"The only way to get back to sound constitutional government is to root out the chief causes of the existing lawlessness," Doctor Butler said. "This can be accomplished only by a declaration on prohibition in the national platform."

The university head declared that the Republican Party stood in danger of losing Massachusetts, Connecticut, New Hampshire, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Wisconsin, Illinois, and Missouri if the issue were ignored.

Doctor Butler, who is a delegate to the Republican National Convention in Cleveland next month, launched a vigorous attack on the Volstead Act, the eighteenth amendment, and prohibition enforcement before a meeting of Missouri Society members in New York 10 days ago. He said he had received word from governors of States and Republican leaders throughout the country assuring him of their support and of their belief that the Republican Party must take cognizance of the situation, adding:

"They have called my attention to the danger of party if it fails to satisfy public opinion or if it allows itself to be allied even in appearance with the activities of the Antisaloon League."

A few days ago Doctor Butler said that the eighteenth amendment would be repealed in five years.

Has Doctor Butler, president of one of the greatest universities of America and the world, no duties other than political? Could not his time be better spent in the classic atmosphere of great Columbia rather than in the smelly bull-elephant air at the Cleveland convention? The heads of genteel old Harvard, blue-stockinged Princeton, superrespectable Yale, young, virile, growing Chicago, or far-western Leland Stanford are not listed among the delegates to either convention.

Doctor Butler says the Republican Party may lose 11 States if he and the elephant are not given a wet plank to stand on. So the president of America's greatest university tells the country and tells his 11,765 men and women students that he stands for wine and beer, stands for liquor, stands for the mortal enemy of peace and order, stands for the despoiler that shadows the face of young people, stands for the demon that has dug more graves and sent more souls unshriven to judgment than all the pestilences that have wasted life since the morning stars first sang together.

A CONTRAST

Yesterday there appeared before our Committee on the Judiciary, now conducting a hearing on the 59 House bills proposing a modification of the Volstead Act, five men of quite different type from Doctor Butler. They were delegates from the great Methodist Church now in quadrennial session at the Speaker's town, Springfield, Mass. They thought the matter important enough to leave their work for a day or so to present in person—and they convincingly did so—vigorous protests against any change in our prohibition laws. Bishop A. W. Leonard, of California, with a face as classic as Cicero's, urged our committee, in an eloquent speech, to defeat these wine and beer bills. He spoke, he said, in behalf of millions of men and women, and particularly in behalf of millions of American students—boys and girls. Which best represent the interests of American student bodies from a moral standpoint, at least, Dr. Nicholas Murray Butler or the classic-faced Methodist bishop?

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. TILLMAN. I will be glad to yield to my gallant friend.

Mr. JOHNSON of South Dakota. Mr. Chairman, reserving the right to object, I am not going to object in this particular case, but I do not want the practice to break out of not speaking on the bill.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent for one minute longer for the gentleman from Arkansas, because I would like to ask a question.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the gentleman from Arkansas [Mr. TILLMAN] may be permitted to have one additional minute. Is there objection? [After a pause.] The Chair hears none.

Mr. LAGUARDIA. I want to suggest to the gentleman, as an advocate of the dry movement, that he should rejoice that Nicholas Murray Butler took a stand opposite to his, because Nicholas Murray Butler has weakened every movement that he has ever affiliated himself with. [Applause.]

Mr. TILLMAN. If the gentleman is correct in his statement, I am perfectly willing for the "Butler blight" to settle on the whole proceedings at Cleveland. [Applause on Democratic side.]

Mr. CONNALLY of Texas. Does that include the Republican Party?

Mr. LAGUARDIA. He does not speak for the Republican Party; at least, not my faction.

Mr. TILLMAN. He is a Republican delegate to the convention at Cleveland.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. TUCKER. Mr. Chairman, I move to strike out section 6 of the bill.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. TUCKER: Page 7, beginning on line 16, strike out all of section 6 down to and including line 15, on page 8.

Mr. TUCKER. Mr. Chairman and gentlemen, I think this section clearly ought to go out. In section 7 of the original act there was an appropriation of $200,000 for this purpose, and here we have $75,000 additional added—for what? For "studies, investigations, and reports" of the Federal Board for Vocational Education, three of them Cabinet officers. Are we going to put them to studying and to reporting and to investigating these matters? Have they nothing to do? But read further, "and for the administrative expenses of said board incident to performing the duties imposed by this act, including salaries of such assistants, experts," and so on, "as the board may deem necessary."

Mr. Chairman, I never intend as long as I am in this House to vote for any appropriation that gives to any board the right to name employees and the power to say how many it may appoint. That power we should not surrender. Here is $75,000 appropriated, and then a page of this bill is taken up in indicating how it may be spent, when the original bill carries an appropriation of $200,000 for the same purposes. Just follow it a little further, because section 6 is of intense interest: "Actual traveling and other necessary expenses incurred by the members of the board and by its employees"—mark you—"including attendance at meetings of educational associations and other organizations."

What sort of organizations? Havre de Grace, the baseball field at 3 o'clock this afternoon, or just what does it mean?

Not only that, but "rent and equipment * * * purchase of books of reference, law books"—men who are looking after the poor, wounded people of the country have got to have books of reference and law books. They must have a library of books of reference and law books.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. TUCKER. Yes.

Mr. GARRETT of Tennessee. Does not the gentleman think that perhaps it would be well enough to buy them a copy of the Constitution and let them study that a while?

Mr. TUCKER. "I thank thee, Jew, for teaching me that word." I would almost relinquish my objection if they would include your suggestion, but along with law books the Constitution is not mentioned.

Mr. GREEN of Iowa. Perhaps the gentleman would pay for that himself.

Mr. TUCKER. Yes; I would gladly give it to them.

"Periodicals"—oh, yes; gentlemen engaged in this business must have their minds diverted by periodicals and light literature at public expense. Then follows "stationery, typewriters," and then, mind you, "miscellaneous supplies." Gracious powers! Just anything that can be suggested that will take up the $75,000 appropriated. Miscellaneous—that is an omniverous sort of word and very embracing.

"Postage on foreign mail." I do not know why postage on domestic mail was not included, but nothing was to be lost sight of because there is "printing and binding to be done in the Government Printing Office," and, selah, "all other necessary expenses."

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. TUCKER. Well, I move to strike out another word.

Mr. HOWARD of Nebraska. Leave one for me.

Mr. TUCKER. I merely want to proceed for one minute, Mr. Chairman.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to proceed for one additional minute. Is there objection? [After a pause.] The Chair hears none.

Mr. TUCKER. In other words, Mr. Chairman and gentlemen, this $75,000, it seems to me, is just put in here to be expended without any reason, and I believe the time has come and now is, when, if this thing is to be continued, the board must understand that it is for the good of the people they are working and not for their delectation and amusement in attending meetings of organizations and reading periodicals and buying stationery, and so on.

Mr. DALLINGER. Mr. Chairman, the gentleman from Virginia is in error. There is no change whatever made in section 6 of the existing law, except to strike out the last part of it in order to make it conform to the reclassification act passed by Congress. Seventy-five thousand dollars is the entire appropriation for the administration of this act by the Vocational Board. It covers the salaries all over the country for carrying out the act. The language used in regard to stationery, typewriting, and all the other items is the same as that carried in every other authorization of appropriation passed by Congress.

Mr. TUCKER. If the gentleman will look at section 7 of the original act he will find $200,000 appropriated for study, investigation, and report and for the incidental expenses of the board.

Mr. DALLINGER. Let me state to the gentleman that that is simply carrying on existing law. The gentleman seems to be under the misapprehension that this is in addition to the appropriations in the original law. This is simply reenacting section 6 of the existing law, and the only change we make is to strike out the words in order to make it conform to the reclassification act passed by Congress.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. GARRETT of Tennessee. I think the gentleman from Massachusetts agrees with some of us that with the present extension this act ought to cease to operate. I do not wish to misrepresent the gentleman from Massachusetts.

Mr. DALLINGER. Yes; my opinion is that after four more years all the States will be able to carry on the work for themselves.

Mr. GARRETT of Tennessee. And if we should strike out section 6 and section 7, and then insert as a new provision that "all laws and parts of laws in conflict with this act shall be repealed," would not that have the effect that some of us desire to reach?

Mr. DALLINGER. No; that would simply stop the operation of the entire act. You must have section 6, and the only reason we are amending it is because in the original act section 6 specifies the amount of the salaries, and we want to make it conform to the reclassification act, and so we have simply eliminated the words establishing the salaries of the individual officials.

Mr. HOWARD of Nebraska. Mr. Chairman, I ask unanimous consent to proceed for five minutes out of order.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to speak for five minutes out of order. Is there objection?

Mr. JOHNSON of South Dakota. Reserving the right to object, I served notice a while ago as to what I would do. I am authorized by the Committee on Rules to report out a rule making in order the hospitalization bill. A little bit of time here and a little bit of time there will make it impossible to get that up this afternoon. I do not propose to object to this, but if any other fight is going to break out I am going to object because this building program is more important than any other matter before the House.

The CHAIRMAN. Is there objection.

Mr. BACON. I object.

The CHAIRMAN. Objection is heard. The question is on the amendment offered by the gentleman from Virginia [Mr. TUCKER].

The question was taken, and the amendment was rejected.

Mr. DALLINGER. Mr. Chairman, I offer an amendment in line 18, page 7, after the word "years," insert the words "commencing July 1, 1924."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. DALLINGER: Page 7, line 18, after the word "years," insert the words "commencing July 1, 1924."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken, and the amendment was agreed to.

Mr. LUCE. Mr. Chairman, I move to strike out the last word in section 2 in order to call the attention of the gentleman from Massachusetts to the last clause.

Mr. DALLINGER. That section has been stricken out.

Mr. LUCE. Mr. Chairman, I withdraw the pro forma amendment.

Mr. DALLINGER. Mr. Chairman, I move that the committee do now rise and report the bill with amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CRAMTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 5478) to amend sections 1, 3, and 6 of an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employ-

ment," and had directed him to report the same back with amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The SPEAKER. The previous question is ordered by the rule. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. RAYBURN there were 61 ayes and 16 noes.

So the bill was passed.

On motion of Mr. DALLINGER, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEAVE TO ADDRESS THE HOUSE

Mr. SHALLENBERGER. Mr. Speaker, I ask unanimous consent that on Wednesday next, following the address of the gentleman from Pennsylvania [Mr. WATSON], I be allowed to address the House for 30 minutes on the subject of railroad legislation.

The SPEAKER. Is there objection?

Mr. DYER. Is that upon the Barkley bill?

Mr. SHALLENBERGER. No.

The SPEAKER. Is there objection?

There was no objection.

ORDER OF BUSINESS

Mr. HOWARD of Nebraska. Mr. Speaker, a little while ago I wanted to inform the House of something important that it should know. I was not permitted to do so. I want to get that information to this body, but there are not enough of us here to hear it. I suggest the absence of a quorum.

Mr. BERGER. Oh, wait a moment. Will not the gentleman wait for a moment?

Mr. HOWARD of Nebraska. Momentarily, yes, I withhold the point.

THE ROTARY CREDITS BILL

Mr. BERGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the rotary credits bill, which I have introduced, and also upon the revision of the treaty of Versailles.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. BERGER. Mr. Speaker and gentlemen, there can be no question that American agriculture is in a deplorable condition. Not only the producers of wheat and corn and grains, but also farmers raising swine, cattle, sheep, and other livestock have been hit hard by the depression of the last three years.

THE REAL CAUSE OF THE TROUBLE

Various measures have been proposed. Among others, the formation of a Government corporation with $200,000,000 and a guarantee for fixing the price of wheat and other grains—cooperative marketing—graneries, and elevators, and so forth. All kinds of agencies and factors have been blamed. The bankers, the packers, the speculators, the railroads, and the middlemen on the one hand, and the high tariff and the labor unions on the other, have come in for some share of the blame. Experts have recommended all kinds of remedies—diversified farming, less acreages in wheat, more dairy farming, more credit, and less credit, and so forth.

There may be a grain of truth in some of these factors. They may have influenced the price of wheat in some parts of the country to a certain extent. Not one of the proposed cures, however, removes the real cause of the trouble for the American farmer—the loss of the great market for American food products, the loss of the central European markets, and more especially the loss of the German market.

WHEAT ACREAGE IS RECEDING

Surely the acreage for wheat, which is blamed most often, can not be the cause of the declining price in agricultural products. Our wheat acreage before the war—that is, in 1913—was 47,000,000 acres. In 1919, when wheat saw its highest price, it rose to 75,000,000 acres. But in 1923 it was less than 58,000,000 acres. If we take into consideration the natural growth of our population, it is nonsensical to blame the large acreage, provided our farmers have a market. And the year 1919 was just after our country had seen the wheatless days and the meatless days.

The fact is as follows:

GERMANY IS A NATURAL MARKET

America has a tremendous surplus in the natural resources of her soil, such as metals of all kinds, mineral oils, certain kinds of lumber, and especially a surplus in grain, cotton, cattle, and various food products, which our country must export if our farming population is to prosper.

During the World War, when all of Europe was fighting instead of producing, the prices of all our agricultural products were soaring and a general inflation took place.

Germany on her part does not possess any natural deposits or resources of raw material which she could export, even before the war, except potassium and coal.

THE GERMAN SOIL NEVER COULD FEED ITS POPULATION

Even before the war Germany could never produce food enough for more than 40,000,000 of her people—and she had 65,000,000. Germany was forced to import grain and grain products, such as flour, bran, starch, and so forth. She also always had to import a great deal of cattle, swine, and meat products. Also much wool and cotton.

As a matter of fact, Germany had to import nearly all the raw material for her industries, with the exception of iron and coal. And nearly all the raw material which Germany needs America possesses in abundance.

Germany's ability to pay for the import of that raw material and to pay for these products of the American farm and of the American packing house was always based upon the ability of the German people to transform the raw material into finished products. For instance, one pound of raw iron may cost very little, perhaps 2 cents, while the same iron when transformed into watch springs is worth many dollars.

IS EVEN A BETTER MARKET NOW

However, since the peace of Versailles, Germany has lost one-ninth of its pre-war area, but this one-ninth produced one-fifth of the German pre-war grain harvest. Thus Germany would be an even better market now for our agricultural products if Germany would have the money to buy.

Then there is also this: The remaining agricultural soil of Germany has deteriorated for two reasons. Firstly, Germany has had no artificial fertilizer in almost 10 years. Secondly, she used up a great deal of German cattle during the war, and many million others were taken by the French after the peace of Versailles. Thus there is less manure, so that the German grain harvest has been reduced about 40 per cent of its former production for the lack of proper fertilizer.

The production of milk is also one-third of pre-war days, and butter and cheese have declined even more in proportion, so that Germany would be a most excellent market if Germany was in a position to buy.

In short, Germany requires now the import of more foodstuffs than before the war, not only because she has lost some of her agricultural area but also because the remaining acreage produces less.

ABOUT TWENTY MILLIONS WOULD HAVE TO DIE

The deficit of the German trade balance of 1922 amounted to 2,000,000,000 gold marks and was even larger last year.

It would have been still greater, but the forced underconsumption of food all over Germany and the starvation has kept the amount to that figure. But this underfeeding has cost the lives of hundreds of thousands.

An anti-German writer, in the Review of Reviews, declared a year ago, March, 1923, that if these conditions continue the German people will no doubt decrease from 60,000,000 to 40,000,000, which is about the number that the German soil can feed. The others will have to perish.

IS THIS CONDITION AN ADVANTAGE TO AMERICA

The question is now, apart from any considerations of humanity, Is such a condition advantageous to the rest of the world, and especially to America, and more particularly to the American farmer, cotton and wool producers, not to mention the operators of copper, zinc, and iron mines and oil wells, all of whom are suffering to-day because Germany can not buy?

Millions in Germany are underfed, while the products of the American farms are rotting away because they can not be sold.

And is it to the advantage of America that these conditions shall continue and that 20,000,000 Germans shall die? I am asking this question as a plain business proposition, apart from any humane considerations.

THE REAL REASON FOR THE FALL OF THE GERMAN MARK

A great deal has been said about the depreciation of the mark, and the German Government was accused of having willfully brought about the downfall of its money. That is nonsense, of course. The facts are as follows:

In 1913 the total amount of German exports were 10,000,000,000 gold marks, and the total of the imports were about 11,000,000,000 gold marks. The difference was covered by the German capital working abroad, by the interest of German loans to foreign debtors, and by the profits of the German merchant marine.

As a result of the war all of the German capital invested abroad, with the exception of a small sum, was lost by confiscation. And the German merchant marine is now reduced to about one-third of its pre-war size.

When the so-called peace was declared $1 was worth between 30 and 40 marks. When the bankers' conference in Paris, headed by Pierpont Morgan, during the summer of 1922, declared that a foreign loan to Germany was not advisable, the dollar was quoted at 2,000 marks.

Still the Germans were trying to work out their destiny despite all these handicaps. Then the French broke into the Ruhr and jumped at the throat of German industry, so to speak. The working people went on a strike in the Ruhr district by a common and natural impulse and the Government in Berlin was compelled to help that passive resistance by printing paper marks, in which work the French Government "assisted" by obtaining plates and also printing marks. Thus the dollar, which went up to 40,000 shortly after the French broke into the Ruhr, reached billions in marks a few months later. And then the mark was worth nothing, as I have learned from experience while I was traveling in Europe last summer.

ONLY THE SOCIALISTS ARE TRYING TO RESTORE BUSINESS

But America is not the only country suffering from the German chaos. There is unemployment in England. As late as last December there were still 1,257,000 men out of work in England, and England is paying "doles" to its unemployed to-day. The industrial fabric of the world is so closely interwoven that the deep injury done to Germany is naturally also felt in England, because next to the United States Germany was the best customer Great Britain had.

Of course, there are signs of a return to sanity. And it is remarkable that although in this it is the interests of commerce and property that are in question, it seems to be the working class, and only the working class, that tries a solution.

Both in England and in France it is the labor parties—the socialist and the radical parties—that are trying for policies that will restore normalcy in Europe, and with it restore business.

The Tories in England, and the Nationalists in France—and their so-called statesmen—have resisted and are still resisting these sensible policies.

AMERICAN POLITICIANS HAVE NO SENSE

In our own country, where we have even two tory parties—the Republican and the Democratic—the results are even worse in that respect.

If our Government had a grain of sense left we could have righted Europe a long time ago. We decided the World War in favor of the Allies. Without our interference it would have ended in a draw and to-day Europe would be working. We surely had no valid excuse to enter the murderous mess. And what is worse: Europe has been in a state of war as bad as the armed conflict ever since Germany laid down her arms on November 11, 1918, on Wilson's "14 points."

Any thinking person would now say that it is our duty to help as best we can, especially since the hellish pact of Versailles was largely the result not only of our interference, but of American workmanship. It was signed by an American President, Woodrow Wilson, even though it was rejected by the Senate.

Nevertheless, nothing whatsoever is done by the Republican tories that rule our country to-day, nor is anything proposed by the Democratic tories that ruled us until 1920 and who are still powerful in our Congress.

AMERICAN TORIES MORE FRENCH THAN FRENCHMEN

It is true that one of our statesmen introduced a bill to donate $10,000,000 worth of food products, which bill passed the House. This would, of course, involve some tax on our Treasury, but it would mean less than 15 cents per head for the German people. It would help little or nothing. Besides, some of the leading tory statesmen in our Senate have declared that they will never permit the bill to get out of the committee. They are still willing to prove to the world that they are more imperialistic than the French imperialist and more anti-German than the French nationalist. Therefore, nothing will come of the $10,000,000 proposition.

And then there is the Dawes plan. This is simply an attempt of the international bankers to enforce the impossible pact of Versailles.

WHAT THE DAWES PLAN PROPOSES

As we all know, the bankrupt and starved German people are expected to pay some $35,000,000,000 which the Allies demand to begin with, because they have not set the total sum as yet—and this is more than thirty times as much as victorious Germany demanded of France in 1871.

Now, neither does the Dawes plan fix the total amount Germany is to pay. It only decides the amount Germany must pay each year for the next five years. The Dawes commission does not say whether Germany is to pay that tribute for 100 years or for 1,000 years.

Furthermore, the plan provides that Germany must pay her reparations in goods—since the Allies have taken all the gold Germany possessed.

But now the great question remains: How much goods can France and Belgium and England absorb without putting their own people out of work?

TRYING TO ENSLAVE THE GERMAN PEOPLE

Moreover, only one-half of what the Germans are to pay is to be raised by taxation. The rest is a mortgage on the railroads and on all the private establishments, factories, mines, shops, and so forth, in Germany. These the French can sell to the highest bidder, to the capitalists of their own country or to J. Pierpont Morgan, or to anyone else any time the Germans fall behind.

Evidently France is looking for some pretext to get hold of all the railroads, factories, and mines of Germany, and the Dawes commission is furnishing the pretext.

And on top of it all, the Dawes plan does not set any date when Germany is supposed to have paid her debt. Now, the question is, How long will the German people be willing to work like the slaves in Egypt or the slaves in old Rome for their foreign masters? There will be only this difference, that the German slaves will be permitted to stay in their own country. According to the Dawes plan, they will have to remain in slavery forever.

MOST DEVILISH PLAN OF STRIPPING A NATION

All of which proves it the most thoroughgoing and most devilish plan of stripping a nation that has ever been concocted in the history of the world.

Should the German Government and the German Reichstag accept this plan, they would only do so under compulsion, because the nation is starving and the French bayonets are at the people's throats. They would only accept it with the hope that something will happen in the future that will show Germany the way out.

WHAT MACDONALD FEARS

And this latter hope is evidently also in the mind of J. Ramsay MacDonald, Premier of England. He sees no way of being able to coerce France, which, if it so desired, could lay waste to London, Liverpool, and Manchester, and any other English city, within three days, as the matter now stands. France possesses to-day the largest and best equipped aerial fleet in the world.

WOULD BE FIRST STEP TO ENSLAVE ENGLISH WORKERS

On the other hand, Premier MacDonald, like every other sensible man, must be aware that if he permits the French capitalists to enslave 60,000,000 human beings—white human beings and highly intelligent and efficient human beings—in that manner that this would be the first step for enslaving the working class of England and even of France within a short time. A most terrific and bloody revolution, such as the world has never seen before, would sooner or later follow, and this may wipe out the white race in Europe.

Now, this is an appalling situation. It is a danger which is not only facing Europe, of which Germany is a vital part, but our entire civilization.

AMERICA IS PAYING PENALTY EVEN NOW

Moreover, the American farmer is even now paying for that criminal cruelty, which is as foolish as it is inhuman. The foreign market is a very serious question for him. He must be told that the only way to restore his market is to restore Germany.

We must not forget that the Germans are a highly organized, industrious people, who will work gladly and work hard if given a chance. But what they need is not only food; they need also raw material for their industries.

I am satisfied that the situation in Europe can be relieved at once and that our agricultural depression can be ended and trade between the producers and the manufacturers in the United States on the one hand and the people of Germany on the other revived if we put Germany into a position to help herself.

MY REVOLVING CREDIT BILL

That is the purpose of my bill introduced December 17, 1923. It proposes to establish a revolving guaranty fund not to exceed $1,000,000,000 of credit in food and raw material without the outlay of actual money. In other words, it will permit the use of our credit for the revival of German industry.

And if this proposition is carried out it will cost our Government nothing, or next to nothing.

It will give Germany the means with which to put her people to work and lay the foundation for a new prosperity. And it will help our farmers, our cotton growers, our meat producers, and all those who have copper, iron, and other metals to sell.

And the bill is so written that our Government is absolutely safeguarded and secured against any possible loss. We not only have a first lien upon the finished product into the manufacture of which such raw materials have entered but also upon the factories and shops that have accepted the material.

If this bill is adopted by Congress it will mean that a credit of a billion dollars can be paid for and turned over three times annually. Thus during the five years' term which the measure provides for, this would be equivalent to a credit of $15,000,000,000. And that is why it is called a revolving guaranty fund.

WILL HELP ALL BRANCHES OF AGRICULTURE

It would mean business which our farmers and manufacturers would be getting without entailing any funds of the United States. The expense would be borne by charging one-half of 1 per cent to all the German manufacturers and cooperative societies that would make use of it. Anybody must see what an immense advantage this plan would bring not only to the wheat and cotton growers but also to the dairy farmers, especially those producing cheese, butter, and other milk products in America.

It is unnecessary to say how much the dealers in cattle, hogs, and meats would be helped thereby.

This act would not only revive Germany but all of Europe. Its effect would also be felt very largely in Great Britain. It is an absolutely safe proposition. It involves no cash outlay. And it will be continuously under the supervision of our Government.

If adopted this measure will relieve the real cause of the troubles of the American farmer. It will restore the great market of Central Europe for American food products and American raw materials.

USELESS TO EXPECT ANY HELP FROM THE "GOLD DUST TWINS"

In America as in Europe, however, it is absolutely useless to expect any help for either the farmer or for the workingman in the cities, from the politicians of the capitalist organizations.

The Republicans and the Democrats will do nothing to relieve the situation, except to introduce bills which obviously will not pass both Houses of Congress, or such as will only help the big fellows in the end. Our progressive politicians are also worse than useless, so long as they hang onto the coat tails of the old parties, because these progressives are simply assisting in the sham battle.

No matter what beautiful phrases this or the other great progressive leader may use in order to get the votes of the "plain people," the policy of both, and especially of the Republican Party, is invariably dictated by Wall Street and high finance. The two old parties are the original "gold dust twins."

SOCIALIST PARTY STOOD UPRIGHT IN PEACE AND WAR

The only party that has fearlessly and consistently stood for the common people in peace and in war is the Socialist Party. I am proud of the fact that the socialists were opposed to our entry into the World War. The world and our country would have been better off if America had stayed out. I am also proud of the other fact that many socialists stood persecutions and indictments without flinching, and thereby proved the faith that was in them.

This is going to be a memorable campaign and more than one important issue will be decided at the election on November 4 of this year.

WISCONSIN KNOWS ITS SOCIALISTS

And I say to the farmers and to the workingmen in the cities, if they want better conditions—if they want to prevent worse conditions—they must follow the example of their brothers in Germany, France, and England. Our workers and our farmers must elect socialists to represent them in State and in Nation—in the legislature and in the Congress.

Wisconsin farmers and Wisconsin workingmen know from experience how the socialists served the people in the Common Council of Milwaukee, in the Legislature of Wisconsin, and also in the Congress of the United States.

To close:

This World War and its consequences, from which we are still suffering, has proved that there is only one solution.

DEEDS, NOT WORDS

As a nation we must do our business in such a manner that we benefit no one people at the expense of any other. Our business should be helpful to all, ourselves included. Our part must be to restore friendship and good will and hope, where there is now hatred and ill will and fear.

Our tremendous economic power and political influence should be used to subdue the forces that make it impossible for Europe to return to normal conditions—that have kept the world in economic turmoil and misery since the war.

And our people have a right to expect deeds, not words, from their leaders, representatives, and governors.

REVISION OF VERSAILLES TREATY

Mr. BERGER. Mr. Speaker, truly the last European war deserved the name of the "World War." It was the greatest calamity—unquestionably so—that ever befell the white race.

According to the best statistics obtainable the World War cost 30,000,000 lives, and $400,000,000,000 in property.

In order to give some idea of what this means, just let me illustrate it in the following way:

HERE IS AN ESTIMATE OF THE COST OF WORLD WAR

With that amount we could have built a $2,500 house and furnished this house with $1,000 worth of furniture and placed it on five acres of land worth $100 an acre, and given all this to each and every family in the United States of America, Canada, Australia, England, Wales, Ireland, Scotland, France, Belgium, Germany, and Russia.

After doing this there would be enough money left to give each city of 200,000 inhabitants and over in all the countries named a $5,000,000 library, a $5,000,000 hospital, and a $10,000,000 university.

And then out of the balance we could still have sufficient money to set aside a sum at 5 per cent interest which would pay for all time to come a $1,000 yearly salary for each of an army of 125,000 teachers and, in addition to this, to pay the same salary to each of an army of 125,000 nurses.

AND ENOUGH WOULD BE LEFT

And, after having done all this, we could still have enough left out of our $400,000,000,000 to buy up all of France and Belgium and everything of value that France and Belgium possess; that is, every French and Belgian farm, home, factory, church, railroad, street car—in fact, everything of value in those two countries.

For it must be remembered that the total valuation of France in 1914—according to French official figures—was $62,000,000,000; the total of Belgium—according to Belgian official figures—was in the neighborhood of $12,000,000,000. This means a total valuation of the two countries in 1914 of less than $75,000,000,000.

THE PRICE WE PAID

In other words, the price which the leaders and statesmen of the Entente, including the "statesmen" of the United States, made the people of the world pay for the victory over Germany was equal to the value of five such countries like France plus five such countries like Belgium.

And all this was done in order "to make the world safe" for Pierpont Morgan's "democracy," to preserve Great Britain's preponderance in the world's trade, and to make France the foremost military power in the world—more formidable than any ever known in the world's history.

THE HUNGER BLOCKADE AFTER THE WAR

The most cruel part of the World War was not the ordeal of battle, nor the want which the German people especially had to suffer during the fighting, because they were surrounded by an iron ring—the most cruel part was the hunger blockade after the war, for six months after the armistice had been signed. And in that blockade not only Great Britain, but also the United States took part.

Hundreds of thousands of Germans—mainly old people, women, and children—perished. This was one of the most dastardly and cruel acts of the Wilson administration. And it was accomplished after Germany had laid down her arms on the so-called 14 points which were never even mentioned at the peace negotiations at Versailles.

WHAT THE "PEACE" OF VERSAILLES MEANS

The peace of Versailles! Our Government helped to frame it and Woodrow Wilson signed it, although the Senate rejected it.

This peace of Versailles divided up fifteen millions of Germans among the hostile neighbors like sheep to be slaughtered. Central Europe was Balkanized. A number of new countries were founded, all of them satellites of France, each of them a a big standing army organized and led by Frenchmen.

The peace of Versailles helped to build up a monster Frankenstein in militaristic France and smaller Frankensteins of the same kind in Poland, Czechoslovakia, Yugoslavia, and Rumania.

On the other hand, a nation which 10 years ago was the foremost in the world in power, civilization, learning, art, and commerce, has to-day become a beggar folk, willing to accept alms of a few million dollars with which to buy condensed milk to keep rickety children from death.

GREAT BRITAIN ONE OF THE "VICTORS"

As far as the victors are concerned, there is Great Britain, even with J. Ramsay MacDonald as Premier, standing around with hat in hand, timidly, almost tremblingly, because England is afraid of the French aerial fleet.

There are millions of unemployed in England. France, however, up to the present day is not willing to permit Europe to become peaceful again. France is still keeping an army in the German Ruhr, sucking the lifeblood of industrial Germany. And although England is largely depending on German trade, England is helpless.

FRANCE HAS MONEY TO ESTABLISH A MILITARY DESPOTISM

Then there is France, which apparently drew the grand prize of this war. The fact is that France is maintaining the greatest standing army ever known, numbering about 770,000 men, and is supporting the most elaborate and costly military apparatus in history out of sheer cowardice. It keeps 150,000 men in the Ruhr alone.

Not only is France maintaining its own costly military establishment, but during the past year she has loaned 450,000,000 francs to Poland, 100,000,000 francs to Rumania, 300,000,000 francs to Yugoslavia, and 500,000,000 francs to Czechoslovakia for the purpose of maintaining their armies and military establishments to assist French aggression whenever France so desires.

FRANCE HAS NO MONEY TO PAY DEBTS

And while France has been doing all this, she has never shown the slightest disposition to pay any part of her debt to the United States—either the principal or the interest—which now amounts to about $4,000,000,000. In fact leading politicians in France cynically admit that France will try to evade any and all payments.

There can be no question but that the American people are more heavily burdened with taxes to-day than any other civilized nation with the exception of Great Britain. We are overburdened because we must not only meet the expenses of our Government but help to carry the burdens of some European countries, notably France.

Yet France as a government is nearer bankruptcy than any other country in Europe except Germany, although the French people just now are the lowest taxed of any. And France will collapse within five years and will go up in smoke, blood, and communism, unless France changes her course entirely.

UNITED STATES GAINED 30,000 NEW MILLIONAIRES AND 200,000 CRIPPLES

And there is the United States. We presumably entered this war because babies' fingers were cut off in Belgium, and to abolish militarism in the world. This war cost us $40,000,000,000 and 123,000 lives, and there were many more that died from the "flu," which was the direct result of the war.

We got out of this war 30,000 new millionaires and more than 200,000 cripples. Also, the well-earned hatred of almost every nation on earth because we had no good reason to enter the bloodshed, and no excuse to sneak away after we had helped in framing the hellish pact of Versailles.

WAR PROPAGANDA MOST EFFICIENT IN AMERICA

The World War was based on a million lies.

This is admitted to-day not only by neutral statesmen and historians, but also by most of the leading statesmen of the World War itself—by Englishmen, Russians, Italians.

The only country where a dense cloud of ignorance still befogs the minds of the people is the United States of America.

Here we are still suffering from the war propaganda—a propaganda which probably was more thorough in our country than any other country on God's earth, partly for the reason that more money was spent for that propaganda in this country than in any other, partly because the same influences which control the newspapers in this country also control the schools, churches, theaters, movie houses, and all other means of communication, expression, and publicity, and partly because our people know less about European affairs than do the Europeans.

ENGLISH PROPAGANDA NOW TAKEN OVER BY FRANCE

Great Britain especially had conducted the propaganda for her own case in this country for more than 25 years before the World War. This propaganda was intensified as the World War grew near. Since the so-called peace of Versailles the entire machinery to spread lies, seems to have been taken over by the French Government.

Thus there are some people in America still believing that this was a war "to make the world safe for democracy," or a war "for liberty," or a "war to abolish militarism," or a "war to protect little Belgium."

And speaking about Belgium, I want to quote Francisco Nitti, Italian Prime Minister during the World War:

He says:

THAT STORY ABOUT THE "POOR LITTLE BELGIAN CHILDREN"

To bring the truth of the present European crisis home to the world, it is necessary to destroy again and again the vicious legends created by war propaganda. During the war France, in common with other allies, including our own Government in Italy, circulated the most absurd inventions to arouse the fighting spirit of our people. The cruelties attributed to the Germans were such as to curdle our blood. We heard the story of poor little Belgian children whose hands were cut off by the Huns.

After the war a rich American who was deeply touched by the French propaganda sent an emissary to Belgium with the intention of providing a livelihood for the children whose poor little hands had been cut off. He was unable to discover one.

Mr. Lloyd-George and myself, when at the head of the Italian Government, carried on extensive investigations as to the truth of these horrible accusations, some of which, at least, were told specifically as to names and places. Every case investigated proved to be a myth.

The source of this ghastly falsehood was strange, indeed.

When Belgium occupied the Congo she wished to terrify the negro population. To accomplish her end she committed a few acts of terrific cruelty. Grown men and children had their hands and feet cut off. This circumstance was proved by official documents. It gave rise at that time to severe protests in the American and European press.

During the war the Germans were accused by certain American, English, French, and Italian people of those very deeds of which a few Belgian commanders had actually been guilty on the Congo 10 years earlier.

LIE ABOUT GERMAN WAR GUILT GREATEST OF ALL

But the greatest lie of all of them—the lie which lies at the bottom of all present troubles in the world—is the lie that Germany was the sole cause of the World War, because the hellish peace of Versailles rests upon it.

Without that lie the pact of Versailles can not exist.

This is the position which both Poincare and Lloyd-George have repeatedly taken.

PACT OF VERSAILLES RESTS ON HORRIBLE LIE

On December 27, 1920, Poincare declared in Le Temps that the fact of Germany's guilt was the legal basis for the Versailles and Paris decisions. On July 7, 1922, Poincare again declared that the peace of Versailles was not based on Germany's defeat but upon Germany's responsibility for the war.

Still worse, that mountebank, Lloyd-George, stated on March 3, 1921, to the German minister, Simons:

For the Allies the responsibility of Germany is the decisive factor; it is the foundation on which the treaty of peace has been reared. If recognition of this fact be refused or regarded as invalid, the treaty itself falls.

And even our "statesman," Hughes, has insisted that preceding any negotiations of peace with Germany—our treaty also must contain Germany's acceptance of section 231 of the Versailles peace treaty, which reads:

* * * Germany acknowledges that she and her allies, being solely responsible for the war, they are likewise responsible for all losses and damages inflicted on the allied and associated governments and their subjects in consequence of the war caused by the aggression of Germany and her allies.

But what is the truth?

Soviet disclosures from the secret archives of the Russian foreign office, supplemented by some from the English foreign office and also by what had been found by the Germans in Belgium, prove that Germany, instead of having been more guilty than the other powers were in starting the World War, was much less guilty.

WORLD SIMPLY DECEIVED

All the world was systematically deceived and continues to be deceived by the capitalist press and by French propaganda. The fact is, Germany did not wish the war and did not provoke it. The vainglorious Kaiser and the egotistic and stupid ruling class of Germany simply permitted Germany to be pushed into the trap.

HOW RUSSIA AND FRANCE PLANNED ATTACK

Among the documents that have come to light are minutes of secret conferences in 1911, 1912, and 1913, in which the Russian Czar was represented by General Gilinsky, chief of the general staff, and France by General Joffre and Minister of War Millerand.

According to these minutes, plans for a joint attack by France and Russia were fully agreed upon. It was also provided that at the first chance both France and Russia should immediately and simultaneously mobilize their forces and transport them to the frontier. It also provided that "These forces shall begin complete action with the greatest dispatch so that Germany will have to fight on two fronts at the same time."

LIES WERE PART OF WARFARE

The publication of these documents also proves that it was a part of the policy of the French and Russian and British Governments to put the odium of the World War upon the German Government.

The Russian foreign office even issued an Orange Book containing the official documents of the Russian Government pertaining to the war. Out of the 60 dispatches of the foreign office for the few days preceding the World War it appears that 50 were falsified by omissions and insertions.

Senator ROBERT L. OWEN, of Oklahoma, in a great speech on December, 18, 1923, proved from these documents, and from many others how the war was plotted by the Allies. He also mentioned the secret treaty made in 1916 between Russia and France for the division of Germany and Austria.

"INNOCENT LITTLE BELGIUM"

And Great Britain was, of course, a party to all these agreements since 1903, and promised to cooperate in every respect.

And so was Belgium, which had a military convention with both Great Britain and France.

Belgium had put her armed forces at the disposal of the Entente as early as 1908—six years before the outbreak of the World War—although it was supposed to be a neutral country since 1839, according to the treaty which proved a "scrap of paper." Thus "innocent little Belgium" had made a "scrap of paper" of the same treaty long before the German chancellor had coined the expression.

THE "14 POINTS" WERE NOT EVEN MENTIONED

But to return to the treaty of Versailles. It is based entirely on the war guilt of Germany.

The fourteen points on which Germany laid down her arms were not even mentioned in Paris when the peace treaty was framed.

GERMANY COMPELLED TO ASSUME WAR GUILT

Prof. Harry Elmer Barnes, who studied the question of the Versailles treaty and of fixing the guilt of starting the war, says:

Germany occupied the situation of a prisoner at the bar. And it was a case where the prosecution simply contented itself with the assumption of the guilt of the defendant. It was not required to furnish the proof. Germany was confronted with the alternative of signing the confession at once or having her territory invaded and occupied, with every probability that such an admission would ultimately be extorted from her.

WHY WE HAVE CHAOS IN EUROPE

And the results of that treaty of Versailles?

The Allies, and especially France, took everything Germany possessed, not only in war material, machinery, and rolling stock, but also horses, cows, and so forth. The Reparations Commission established "reparations" regardless of any promises made in the armistice, and fixed no definite sum which Germany is to pay. The Allies took all the German colonies. French officials took an active part in the Palatinate, promoting political disintegration of the German Republic. French troops marched into the Ruhr—the industrial heart of Germany—under the pretense that Germany had fallen behind in her coal delivery, although Germany offered to buy the coal from England and deliver it to France, since the French had given the coal mines of Silesia to Poland.

In short, Germany was ruined.

NOT TO GET ON HER FEET

The Reparations Commission has a priority claim on all business done in Germany. The Allies take a large percentage of all imports and exports. This would not permit Germany to get on her feet, even without the French vampire act in the Ruhr.

All of Europe is kept in economic chaos.

French militarism, unemployment in Great Britain, the distress of our own agricultural population—these are some of the immediate and now existing results of the Versailles treaty.

ANOTHER WAR MUST FOLLOW

A general industrial crisis which will hit the United States hardest is impending as the next possible result of the treaty.

And above all, the terms of this treaty are such that unless that treaty is entirely discarded a war even more destructive than the one from which we are trying to emerge must necessarily be the result.

The United States is largely responsible for the situation. It was the United States, which had no good excuse for entering the war, as every thinking and informed person now admits, that really decided the war. Because of the responsibility, and also because the United States alone of all the nations possesses the necessary prestige and ability, the United States should take the initiative in calling an international conference to frame terms of peace that will take into consideration the working of economic laws.

We must have a peace that will not attempt to do what the Versailles treaty vainly attempts to do—to keep a nation of 60,000,000 people who have given much to civilization and, if given a chance, will give much more—a nation in the heart of Europe, in a permanent state of slavery, and in a state of actual starvation.

I PROPOSE AN INTERNATIONAL CONFERENCE TO FIX WAR GUILT AND A FAIR SETTLEMENT

Therefore I have introduced a resolution in the House of Representatives authorizing and requesting the President of the United States to call an international conference to meet in Washington, which is to appoint a commission of experts of neutral nations to examine the causes that brought about the World War and to publish such secret documents as are still being concealed in the archives of the allied governments. And also to bring about a settlement on the basis of no indemnities, no forcible annexations, and upon the basis of the fourteen points in accordance with which the German people laid down their arms.

REGAUGING OF DISTILLED SPIRITS

Mr. GREEN of Iowa. Mr. Speaker, I submit the following privileged report from the Committee on Ways and Means to accompany H. R. 9138, to authorize the discontinuance of the seven-year regauge of distilled spirits in bonded warehouses, and for other purposes.

The SPEAKER. Referred to the Union Calendar.

MOTHERS' DAY

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein the beautiful Mothers' Day message of the gentleman from Nebraska [Mr. HOWARD].

The SPEAKER. Is there objection?

There was no objection.

The message is as follows:

THE VOICE OF A FLOWER

I am the carnation.

This is my day of days.

To-day I speak to all the mothers, living near or living far.

Mothers never die. Some are called away, but always they leave behind a part of themselves, and that living part builds for itself a home in the hearts of mothers' children.

To-day my address to living mothers is in the passion tone of red; to-day my address to mothers who have been called away is in the worshipful tone of white.

Living mothers will read my address to them in my passion color on the breasts of living sons and daughters.

And who shall say to me that my worshipful address in white, softly and prayerfully rising, may not also be heard by mothers no longer in the earth zone?

I do not surely know, but often I halfway believe, that the mothers who live away up there beyond the star line may be listening in at some angel radio station and happily hearing the message of love I am speaking this Mothers' Day in tones of white from the breasts of multitudes of remembering sons and daughters.

ADDITIONAL HOSPITAL FACILITIES FOR EX-SERVICE MEN

Mr. JOHNSON of South Dakota. Mr. Speaker, I present the following privileged report from the Committee on Rules, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 275.

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 5209, to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide additional hospital facilities. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by those favoring and opposing the bill, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment the committee shall arise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. JOHNSON of South Dakota. Mr. Speaker, I have an amendment which I would like to submit, which is at the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. JOHNSON of South Dakota: At the end of line 3, page 2, insert: "*Provided*, That during the consideration of the bill for amendment, it shall be in order to consider an amendment proposing the construction of a hospital at Santa Monica, Calif."

Mr. JOHNSON of South Dakota. Mr. Speaker, I am not going to talk on the rule to any extent. I do not think there is any objection to it. I want to say a few words with reference to the proposed amendment.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of South Dakota. Yes.

Mr. GARRETT of Tennessee. I do not rise to interrogate the gentleman upon the rule, but upon the proposed amendment. I have no objection to that particular bill being considered, but it has been my understanding that there is great antagonism to the bill. I mean the California hospital bill.

Mr. JOHNSON of South Dakota. I do not know of any opposition to it. If there is any opposition, it will probably appear here now.

Mr. ELLIOTT. I might say that no objection appeared to it in the committee hearing. If there is any objection to it I have not heard of it.

Mr. GARRETT of Tennessee. Mr. Speaker, this matter was before the Committee on Rules, and I understood that the chairman of the Committee on Rules, at the time it was presented and taken up in executive session, had some reasons why he thought it ought to be deferred. Has the gentleman from South Dakota conferred with the chairman of the Committee on Rules in respect to this particular amendment?

Mr. JOHNSON of South Dakota. The chairman of the Committee on Rules was called away immediately after the noon hour, after he had presented the rule on the preceding bill. I did confer with the majority leader, Mr. LONGWORTH, who had no objection, and also with other members of the Committee on Rules, who seemed to have no objection to the amendment. This amendment is not a committee amendment. I do not want to convey that impression to the House. It is simply a short cut to take care of a very distressing situation in the old soldiers' home at Santa Monica.

Mr. FREDERICKS. Mr. Speaker, if the gentleman will permit, in reply to the inquiry of the gentleman from Tennessee, I took this matter up with the chairman of the Committee on Rules and he suggested that this procedure be followed which we are now following. This is the suggestion of the gentleman from New York [Mr. SNELL]. I have been intimately acquainted with the proposed amendment and I do not know of any objection to it.

Mr. GARRETT of Tennessee. So far as I know, I have no objection to the legislation that is proposed in the amendment, and I want that distinctly understood; but I respectfully submit that it is hardly a fair procedure—and I do not mean the gentleman means to be unfair—to come in now and make a bill in order which has been presented to the Committee on Rules, and which, to say the least, the committee has not acted upon, particularly under the circumstances that exist here at this time. I do not think gentlemen ought to insist upon that. I am willing to vote for a rule to let this California proposition be considered at any time.

Mr. FREDERICKS. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes. I mean at any time when it is expected it is going to come up, but I have advised gentlemen on this side of the House that the only matter coming up was this veterans' hospital bill. I do not know that any of those whom I advised would have any objection to this matter, but I have so advised them, because that was my understanding from the leader of the majority and from the bulletin posted. I hope the gentleman will not insist upon that amendment.

Mr. JOHNSON of South Dakota. I have already offered it, and personally I have gotten myself into the position of committing myself to the Santa Monica amendment. I recognize the situation of the gentleman from Tennessee.

Mr. GARRETT of Tennessee. If the gentleman had notified me perhaps two hours earlier so that I could have advised Members on this side of the House as to what was coming up, it might have been different. I have advsied them that this veterans' bill was the only thing, and my understanding was that all differences had been settled in respect to that and that there would be no trouble about it. Some gentlemen have left the Hall under those circumstances.

Mr. JOHNSON of South Dakota. I did not know it two hours ago myself or I would have taken it up with the gentleman. If I had thought there was objection to it, of course I would never have proposed it.

Mr. BULWINKLE. Will the gentleman yield?

Mr. JOHNSON of South Dakota. I will yield to the gentleman from North Carolina.

Mr. BULWINKLE. The gentleman from California [Mr. FREDERICKS] discussed this matter with several of the ex-service men last week, and we agreed that this matter should be taken up and the Director of the Veterans' Bureau should be heard on it, but we were not willing to take it up unless the director approved it.

Mr. JOHNSON of South Dakota. This was a conference of service men with the gentleman and the gentleman from California [Mr. FREDERICKS].

Mr. BULWINKLE. Saturday a week ago.

Mr. FREDERICKS. Mr. Speaker, I remember the conference very distinctly, and I stated there at that time that this was the course I thought I ought to pursue.

Mr. BULWINKLE. I will say to the gentleman that I had to leave the room and possibly did not hear that.

Mr. FREDERICKS. I stated to the gentleman that the situation at Santa Monica was so distressful, that the suffering was so great, that the hardships being imposed on the men at the hospital were so great and so serious that I felt it my duty to attempt to get this bill before the House as an amendment to this bill. Probably that was after the gentleman left.

Mr. BULWINKLE. That may be true.

Mr. FREDERICKS. I thought I talked to everybody.

Mr. BULWINKLE. That may be true as to the gentleman expecting to get this placed as an amendment on the bill.

Mr. LaGUARDIA. My colleague just stepped out of the hall. If I knew which gentleman I ought to request permission to address, I would; but I do not——

The SPEAKER. The gentleman from South Dakota.

Mr. LaGUARDIA. Will the gentleman from South Dakota yield?

Mr. JOHNSON of South Dakota. Before yielding to the gentleman from New York, it is very clear that the presenting of this amendment at this time places the minority leader in rather an embarrassing situation. I know nothing can be done on this bill to-day unless it is done by unanimous consent; and it is my judgment that perhaps it would be better not to insist upon this amendment at this time, because it would possibly jeopardize the passage of the entire measure, and, if necessary, I ask unanimous consent to withdraw the amendment.

The SPEAKER. The gentleman has a right to withdraw the amendment without unanimous consent.

Mr. GARRETT of Tennessee. Mr. Speaker, of course I would like to say this before the gentleman withdraws his

amendment: That in reference to placing me in an embarrassing situation, it does not put me personally in an embarrassing situation. I have stated my own personal willingness to vote for a rule to consider this proposition, but that has not been put to a vote in the Committee on Rules. I do not know whether my colleagues on this side on the Committee on Rules are favorable to it or not. It is not right to offer before the House a proposition here that has not been considered at all so far as the Committee on Rules is concerned; but I am willing to take my share of the responsibility, but I do not want the whole proposition unloaded on me about it.

Mr. FREDERICKS. Mr. Speaker, I hope the gentleman will not insist. This is a matter of such tremendous importance that I am sure that when it is fully discussed that the matter can be made so plain to the gentlemen on all sides that they will agree that to delay this matter at this time now and go and ask for a rule and put it off would jeopardize its passage at this session of the Congress and it would cause untold suffering to people whom we do not want to suffer and who have suffered enough.

Mr. BULWINKLE. Is this a Veterans' Bureau hospital?

Mr. FREDERICKS. No; this is a hospital of the veterans of all wars mingled. It is for the veterans of all wars.

Mr. BULWINKLE. Has the Director of the Veterans' Bureau recommended it?

Mr. FREDERICKS. The Director of the Veterans' Bureau has recommended it.

Mr. BULWINKLE. Have there been any hearings before the committee?

Mr. FREDERICKS. Yes; and I am glad I have an opportunity of explaining that to the gentleman. This matter was fully heard before the Committee on Public Buildings and Grounds. The Director of the Veterans' Bureau was there, and he was heard fully on the matter, and he advocated it. The president of the Soldiers' Home Boards of the entire United States was sent for from Dayton, Ohio, and he came before that committee and testified very extensively on the matter. There were several others who had intimate personal knowledge of this who appeared before the committee. The committee heard that testimony, and, having heard it, the committee reported it out with the recommendation that it do pass. I would not think for a moment of advocating a matter of this kind unless it was fully heard and digested by the committee.

Mr. BULWINKLE. I am going to ask the gentleman not to take it up this afternoon.

Mr. RANKIN. Will the gentleman yield? I was in the Veterans' Committee the other day when the gentleman from California appeared there.

It is my understanding that the gentleman from California, if I remember correctly, proposed to bring this matter up either under suspension of the rules or under unanimous consent. Now, there was nothing said about trying to slip this bill in on a rule, and I submit that it is unjust to talk about putting the minority leader in an embarrassing position by attempting to bring it up in this way. Of course, it is no embarrassment to the gentleman from Tennessee [Mr. GARRETT]. He is not responsible.

Mr. GARRETT of Tennessee. Mr. Speaker, the truth about it is that not a word has been said about the consideration of this matter at all.

Mr. BLANTON. Mr. Speaker, I ask for the regular order.

The SPEAKER. The gentleman from Texas demands the regular order. The gentleman from South Dakota [Mr. JOHNSON] has the floor.

Mr. JOHNSON of South Dakota. Mr. Speaker, I withdraw the amendment.

Mr. FISH. Mr. Speaker, if this rule is adopted, will it be in order to offer an amendment to provide for an additional hospital or school for blinded soldiers? A gentleman has in mind the offering of an amendment providing for $300,000 to build a school for blinded veterans at Evergreen, a fireproof building. I would like to know if that would be in order under the rules before the rule is adopted.

Mr. ELLIOTT. Is that a hospital?

The SPEAKER. It might depend on the form of the amendment. The Chair is not prepared to rule on that. It would not be for the Chair to rule on it. It would be for the Chairman of the Committee of the Whole to rule on it.

Mr. WAINWRIGHT. Would the Chair care to express an opinion? Under this rule there might be involved an amendment to construct a hospital, although this bill mentions no hospital or any particular project.

The SPEAKER. The Chair does not think it would be proper to answer that question, because that question will be for the Chairman of the Committee of the Whole to decide. The Chair has no right to undertake to decide it.

Mr. DYER. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. The gentleman from South Dakota has the floor.

Mr. HOWARD of Nebraska. Mr. Speaker, I was on the floor quite a while before to-day. About 40 years ago I began searching for that which was lost, and sometimes it gets away. [Laughter.] Twenty-nine minutes ago I raised the point of no quorum. I would like to know where that got lost. [Laughter.]

The SPEAKER. The Chair has not heard the point of no quorum raised.

Mr. JOHNSON of South Dakota. I hope the gentleman from Nebraska will not raise that point. This hospital bill is of the greatest importance to the veterans of the country.

Mr. HOWARD of Nebraska. I will let it go for 29 minutes more.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of South Dakota. Yes.

Mr. LANHAM. As I understood the reading of the resolution, the word "ordered" was not read in connection with the previous question. It should read, "The previous question shall be considered as ordered."

Mr. LONGWORTH. They were inserted.

Mr. JOHNSON of South Dakota. Mr. Speaker, there is no objection to this rule, so far as I have been able to determine, in the House. Every Member of the House is familiar with what the bill does. They know the measure is simply one to appropriate $6,500,000 for the completion of the hospital-building program. Unless some gentleman desires to discuss the rule, I shall move the previous question.

Mr. DYER. Mr. Speaker, I call for the regular order.

Mr. McKENZIE. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of South Dakota. Yes.

Mr. McKENZIE. I desire to ask the gentleman from South Dakota whether there is anything in this bill to indicate in any way when these hospitals will be completed?

Mr. JOHNSON of South Dakota. Nothing that I know of.

Mr. McKENZIE. Then have we any assurance that the soldiers of the World War will live long enough to get into them? [Laughter.]

Mr. JOHNSON of South Dakota. I do not know. They have been very slow in building heretofore.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of South Dakota. Yes.

Mr. LAGUARDIA. The resolution provides for the time of debate. Has any arrangement been made as to who shall control the time?

Mr. CLANCY. Mr. Speaker, I suggest the point of no quorum.

The SPEAKER. The gentleman from Michigan makes the point of no quorum.

Mr. FISH. Mr. Speaker, will the gentleman withhold his point for a moment?

Mr. CLANCY. Yes.

Mr. FISH. There are a number of us who want to go to the ball game this afternoon. Will the gentleman withdraw it, so that we can arrange matters immediately?

Mr. CLANCY. I withdraw it. I am for this bill and wish to liberalize it.

EXTENSION OF REMARKS

Mr. TUCKER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the vocational rehabilitation bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

HOSPITALIZATION

Mr. JOHNSON of South Dakota. Mr. Speaker, I will move the previous question. There is one amendment to the rule that has been brought to my attention, to which attention, I think, ought to be called. On line 1 of page 2 of the resolution, after the word "considered," insert the words "as ordered."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of South Dakota: Page 2, line 1, after the word "considered," insert the words "as ordered."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JOHNSON of South Dakota. Mr. Speaker, I move the previous question on the rule.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. WINGO. Mr. Speaker, I ask for a division.

The SPEAKER. A division is demanded.

The House divided; and there were—ayes 101, noes 0.

Mr. WINGO. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Arkansas makes the point of order that there is no quorum.

Mr. LONGWORTH. Mr. Speaker, will the gentleman withhold that for a moment?

Mr. WINGO. Yes.

Mr. LONGWORTH. I would be rather loath to ask for a quorum, yet this is an important bill. However, it must be understood that this bill will not be called up on Tuesday.

Mr. WINGO. Mr. Speaker——

Mr. LONGWORTH. I will say to the gentleman that this bill will not be taken up next Tuesday, because an undertsanding has been reached as to other resolutions.

Mr. WINGO. My plain object was to force an automatic call of the House, unless a unanimous-consent agreement could be reached. I do not know of a single proposal that is going to be made which I would not be in favor of; but I know there are going to be a large number of men away who would not go away—a good many of them—if they thought there were going to be a lot of amendments offered that have not been considered by any committee. There is no objection, I take it, to the passage of the bill as it is; that is, those things which have been considered. There may be some amendments offered which have been considered, but it is not fair to spring some new proposals this afternoon. That would not be fair to those who are already away and those who intend to be away. It would not be fair to have them sprung in their absence.

Now, if the gentleman in charge of the bill can give some assurance——

Mr. LONGWORTH. Would the gentleman object to passing the bill as it stands without any amendment?

Mr. WINGO. As far as I am advised, yes. I have not read the bill, but I have talked with those who have. I do not know of anyone who is not in favor of the bill, and I do not know of a single proposed amendment that I would oppose. That is not the question. And it was not on that theory that I made the point of order, but it was on the theory that it is not fair on late Saturday afternoon, with a lot of Members absent, to bring in something that has not been considered by any committee. That is my only point.

Mr. FISH. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. FISH. I do not know whether there are any other amendments. I only know of one amendment that will be proposed and that is to provide a school for the blind at Evergreen. We have a lot of wooden buildings there now, and I know the gentleman from Arkansas, and every other Member of the House, would feel some responsibility if those wooden shacks were burned overnight with a loss of some of the blind soldiers.

Mr. WINGO. In that connection there is a matter which I could bring in if I had any thought of playing politics. Years ago the State of Arkansas gave the Federal Government 100 acres at a point which the experts on tuberculosis, headed by Doctor White, frankly admit is, by experience, the most ideal location in the United States for a tuberculosis hospital. My people are getting mighty tired of having tubercular service men taken to other climates that are poorer when the United States Government by the expenditure of a few thousand dollars—to match the same kind of system the State has on that mountain—could save the lives of tubercular soldiers in that section. If I were playing politics I would come in and offer it as a part of this bill, but I know it would be defeated, and I do not play politics with the service men. I make my fight to secure relief for them in the committee in a practical way. As I say, if I were playing politics I would offer that as an amendment, but I will not play politics with the sufferings of the service men, as some Members may be doing.

Mr. FISH. Will the gentleman yield further?

Mr. WINGO. Yes.

Mr. FISH. The gentleman must realize that we can not get appropriations for a school for the blind. It is not in my district at all.

Mr. WINGO. Has the gentleman's proposition been considered by the committee?

Mr. FISH. It has not, and that is the reason——

Mr. WINGO. I will not object to any amendment being offered which has been considered favorably by some committee of the House. I do not object to that.

Mr. RANKIN. Mr. Speaker, I demand the regular order.

Mr. LONGWORTH. Will the gentleman withhold that for a moment?

Mr. RANKIN. I will withhold it.

Mr. LONGWORTH. I simply want to make this statement: In case the point of no quorum is pressed, I shall not ask for a call of the House but I shall move to adjourn; but it must be understood that this bill will not be considered on next Tuesday, because an arrangement has been made that we take up other resolutions.

Mr. MICHENER. Mr. Speaker, I demand the regular order.

Mr. POU. It could be passed in 30 minutes, could it not?

Mr. WINGO. I think the gentleman from Ohio makes an unfair statement. I have been very frank as to the motive I have, and to say that this bill can not be passed unless we pass it this afternoon, I contend, is an unfair statement, because it can easily be passed next Monday when a quorum is present.

Mr. LAGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. Have we not just adopted a resolution making this bill in order?

The SPEAKER. It has not been adopted.

Mr. WINGO. Not yet. Possibly the gentleman did not intend it, but the plain inference in the RECORD is that if we insist upon an orderly consideration of this bill this afternoon, it means the death of the bill, which is not accurate.

Mr. LONGWORTH. No; I did not say that. I simply said——

Mr. WINGO. If I can get the assurance there will be nothing offered this afternoon that has not been considered by a committee of this House and a committee of the House approved it, I would not care, so far as I am personally concerned, to even make a point of order against it; but I do object to riders being put on this bill late Saturday afternoon that have never had the consideration of any committee.

The SPEAKER. Why does not the gentleman ask unanimous consent?

Mr. WINGO. I will tell you what I will do, if we can do it informally. Maybe we can reach an agreement. I ask unanimous consent that in the consideration of this bill under the rule no amendment carrying a concrete proposition shall be offered unless it be some proposition that has been reported by a regular legislative committee of the House.

Mr. FISH. Regular order, Mr. Speaker.

Mr. WINGO. The regular order is to call the roll.

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent that it shall be in order to consider this bill on Monday.

Mr. LAGUARDIA. I object to that.

ADJOURNMENT

Mr. LONGWORTH. Then, Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 57 minutes p. m.) the House adjourned, in pursuance to the order previously made, until to-morrow, Sunday, May 11, 1924, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

468. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting deficiency estimates of appropriations for the Post Office Department for the fiscal year 1923 and prior fiscal years, amounting to $173,581.41, and supplemental estimates of appropriations for the fiscal year ending June 30, 1924, amounting to $6,062,888.60, in all $6,236,469.01 (H. Doc. No. 271), was taken from the Speaker's table and referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GREEN of Iowa: Committee on Ways and Means. H. R. 9138. A bill to authorize the discontinuance of the seven-year regauge of distilled spirits in bonded warehouses, and for other purposes; without amendment (Rept. No. 701). Referred to the Committee of the Whole House on the state of the Union.

Mr. FAIRFIELD: Committee on Insular Affairs. H. R. 8856. A bill to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands and to provide for the future political status of the same; with an amendment (Rept. No. 709). Referred to the Committee of the Whole House on the state of the Union.

Mr. SINNOTT: Committee on Irrigation and Reclamation. S. J. Res 114. A joint resolution authorizing an investigation of the proposed Casper-Alcova irrigation project, Natrona County, Wyo.; with amendments (Rept. No. 699). Referred to the Committee of the Whole House on the state of the Union.

Mr. REECE: Committee on Military Affairs. H. R. 7269. A bill to authorize and direct the Secretary of War to transfer certain materials, machinery, and equipment to the Department of Agriculture; with amendments (Rept. No. 700). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERHILL: Committee on Claims. S. 243. An act for the relief of Frank Vumbaca; without amendment (Rept. No. 702). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. S. 709. An act for the relief of the Commercial Pacific Cable Co.; with an amendment (Rept. No. 703). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 1941. An act for the relief of Ezra S. Pond; without amendment (Rept. No. 704). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Claims. H. R. 1333. A bill for the relief of Joseph P. Ryan; with an amendment (Rept. No. 705). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 4280. A bill for the relief of the Chamber of Commerce of the city of Northampton, Mass; without amendment (Rept. No. 706). Referred to the Committee of the Whole House.

Mr. FREDERICKS: Committee on Claims. H. R. 3046. A bill for the relief of J. W. Cook; with an amendment (Rept. No. 707). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of Rule XIII,

Mr. EDMONDS: Committee on Claims. H. R. 5638. A bill for the relief of David C. Van Voorhis (Rept. No. 708). Laid on the table.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. RATHBONE: A bill (H. R. 9157) for the purchase of the Oldroyd collection of Lincoln relics; to the Committee on the Library.

By Mr. TILLMAN: A bill (H. R. 9158) to appropriate the sum of $25,000 out of the United States Treasury to lay and construct a substantial concrete hard-surface pavement for a distance of two blocks through the United States Government property, and adjacent to the national cemetery in the city of Fayetteville, Ark.; to the Committee on Appropriations.

By Mr. ACKERMAN: A bill (H. R. 9159) to amend the tariff act of 1922; to the Committee on Ways and Means.

By Mr. HILL of Washington: A bill (H. R. 9160) authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington to submit to the Court of Claims certain claims growing out of treaties and otherwise; to the Committee on Indian Affairs.

By Mr. RUBEY: A bill (H. R. 9161) to prohibit the carrying by the mails of the United States of any pistol or revolver, or any newspaper, circular, pamphlet, or publication containing any advertisement for the sale of any pistol or revolver, and to provide penalties; to the Committee on the Post Office and Post Roads.

By Mr. BACON: A bill (H. R. 9162) to amend section 128 of the Judicial Code, relating to appeals in admiralty cases; to the Committee on the Judiciary.

By Mr. LEAVITT: Joint resolution (H. J. Res. 260) authorizing expenditure of the Fort Peck 4 per cent fund now standing to the credit of the Fort Peck Indians of Montana in the Treasury of the United States; to the Committee on Indian Affairs.

By Mr. REED of New York: Joint resolution (H. J. Res. 261) accepting the invitation of the Government of Spain to participate in an international exposition to be held at Seville, Spain, in 1927; to the Committee on Industrial Arts and Expositions.

By Mr. ROBSION of Kentucky: Resolution (H. Res. 308) providing for the consideration of S. 2707, to authorize the payment of claims under the provisions of the so-called war minerals relief act; to the Committee on Rules.

By Mr. ALDRICH: Memorial of the Legislature of the State of Rhode Island, favoring the passage of H. R. 1, relating to the crime of lynching; to the Committee on the Judiciary.

By Mr. O'CONNELL of Rhode Island: Memorial of the Legislature of the State of Rhode Island, indorsing the passage by Congress of House bill 1, relating to the crime of lynching; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 9163) granting a pension to Alvin E. Owen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9164) granting a pension to M. L. Ralston; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9165) granting a pension to John Brown; to the Committee on Invalid Pensions.

By Mr. FREDERICKS: A bill (H. R. 9166) granting a pension to Amanda N. Beal; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9167) granting a pension to Lowell G. Fuller; to the Committee on Pensions.

Also, a bill (H. R. 9168) for the relief of Robert Abernathy; to the Committee on Military Affairs.

Also, a bill (H. R. 9169) for the relief of Charles H. Lenton, alias Charles Seelos; to the Committee on Military Affairs.

By Mr. REECE: A bill (H. R. 9170) for the relief of George B. Robinson; to the Committee on Military Affairs.

By Mr. SHREVE: A bill (H. R. 9171) granting a pension to Charlotte Tyndall; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 9172) granting an increase of pension to Mary E. Giffin; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2720. By the SPEAKER (by request): Petition of General M. Emmet Urell Camp, No. 9, Department of the District of Columbia, United Spanish War Veterans, urging Congress to pass over the veto of the President the Bursum bill; to the Committee on Invalid Pensions.

2721. Also (by request), petition of the Community Councils of the City of New York, N. Y., urging that a congressional committee be appointed to investigate the matter of telephone rates and service in the United States; to the Committee on the Judiciary.

2722. Also (by request), petition of General Nelson A. Miles Camp, No. 1, United Spanish War Veterans, Department of the District of Columbia, urging Congress to pass the Bursum bill over the veto of the President; to the Committee on Invalid Pensions.

2723. By Mr. MORROW: Petition of New Mexico Bar Association, E. R. Wright, president, opposing the passage of Senate bill 624 and House bill 3260; to the Committee on the Judiciary.

2724. By Mr. THOMPSON: Petition of the county commissioners of Fulton County, Ohio, urging the passage of House bill 8978, a bill to amend the Federal highway act; to the Committee on Roads.

HOUSE OF REPRESENTATIVES

SUNDAY, *May 11, 1924*

The House met at 11 o'clock a. m., and was called to order by Mr. LAZARO as Speaker pro tempore.

Rev. Franklin J. Winter, assistant minister First Congregational Church, Washington, D. C., offered the following prayer:

We invoke Thy sacred presence, O God our Father, as we are met to-day in this Hall of Congress to give voice to our esteem and respect for one who was once our friend and colleague here. Wilt Thou be the inspiration and guide of the thought throughout this memorial service?

Bless all those who were near and dear to our departed brother.

Be gracious unto these fellow Representatives of his. Grant that every recollection of him shall be tempered with kindness and charity and shall bring pleasant memories to them.

May all that was good and noble, all that was honest and true, in his character be a constant example to them.

As Thou dost teach lessons of sincerity and integrity through the lives of exemplary men and women, help us always to see the best in our brothers and sisters, and may that best be ever before us, encouraging us to worthy motives in living.

And to Thee we shall give the praise and thanksgiving forevermore. Amen.

The SPEAKER pro tempore. Without objection, the reading of the Journal of the proceedings of yesterday will be deferred.

There was no objection.

ADDRESSES ON THE LATE HON. H. GARLAND DUPRÉ

The SPEAKER pro tempore. The Clerk will read the order of the day.

The Clerk read as follows:

On motion of Mr. LAZARO, by unanimous consent—

Ordered, That Sunday, May 11, 1924, at 11 o'clock a. m., be set aside for memorial addresses on the life, character, and public services of Hon. H. GARLAND DUPRÉ, late a Representative from the State of Louisiana.

Mr. O'CONNOR of Louisiana. Mr. Speaker, I desire to offer the following resolution.

The SPEAKER pro tempore. The gentleman from Louisiana offers a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 309

Resolved, That the business of the House be now suspended that opportunity may be given for tributes to the memory of Hon. H. GARLAND DUPRÉ, late a Member of this House from the State of Louisiana.

Resolved, That as a particular mark of respect to the memory of the deceased, and in recognition of his distinguished public career, the House, at the conclusion of these exercises, shall stand adjourned.

Resolved, That Members be permitted to extend their remarks in the RECORD on the life, character, and public services of the deceased.

Resolved, That the Clerk communicate these resolutions to the Senate.

Resolved, That the Clerk send a copy of these resolutions to the family of the deceased.

Mr. O'CONNOR of Louisiana. Mr. Speaker, when GARLAND DUPRÉ died a choice spirit left this old earth. His immortal soul released from the physical tenement soared aloft into higher regions where great spirits in a nobler sphere carry out a larger mission and render a grander service than can be performed on this terrestrial globe. His splendid attitude toward human existence in our world indicates the lofty and sublime leaning of that noble soul in whatever part of the universe it has been directed by an All-Wise Deity.

What a noble creation he was; what a great impress he made upon his fellows; what lingering memories he has left behind him. His life was not long as measured by years, but he lived greatly, and every moment of that life was that of an American gentleman. He is buried in the place where he was born, in the beautiful old town of Opelousas, around which swings the immortal poem of Evangeline. There is a little graveyard, and in that graveyard he is laid at rest forever. There with his ancestors and the people whom they and he loved his earthly remains will sleep.

'Till the sun grows cold
And the stars are old
And the leaves of the Judgment Book unfold.

We buried him as the sun went down, announcing the death of day on a never-to-be-forgotten Saturday evening. The raindrops came down gently and softly as if all nature were weeping at the thought that earth would know him no more and that his gallant soul far away on the romantic trip which is ahead of us all would never, never come back to us again. The old town was his cradle and it is his grave. Many, many more patriotic sons of this country will be born in that old town; many, many more in the years that are to come will pass away after having played out their parts in the grand drama of life, but no greater spirit shall be born or pass away than that of the colleague we loved so well. He stood out magnificently against every background. He was an appealing figure at all times.

When the sun was shining and the weather clear for his friends he was light, cheerful, and buoyant. But it was in the hour when his friend was in the depths, when gloom hovered over those he loved, when the skies were darkened to those that had his affection that he showed out resplendently, grandly, for it was in that hour he rose to sublime heights. Then he was at their side and by sheer force of his presence illumined the darkness that lie ahead. To share and have part in the sorrows and afflictions of souls like his own was irresistible to that splendid spirit. But he would not have resisted a flowing sympathy if he could. Sympathy with him was that which "broadens the mind, tempers the vision, and makes golden the hearthstone where we with loved ones dwell." Spiritually we are that which we have delighted in sentimentally. The choice expressions of our language were fixed in his memory. "Be thou the rainbow to the storms of life, the evening beam that smiles the clouds away" indicated more clearly his tender attitude toward a world of suffering than could be expressed by chapters that did not include that wonderful description of what a great soul should be. "Oft in the stilly night" when slumber's chains have bound me will come the memories of the more than 25 years that I knew him with ever-increasing admiration and affection.

With him I was a member of the House of Representatives of the old and historic State of Louisiana. We were both elected thereto in 1900 and I served with him in that body until he was elected to Congress on November 8, 1910, to fill the unexpired term occasioned by the death of his friend Samuel L. Gilmore. As speaker of the Louisiana House of Representatives he possessed the affection, the confidence, the esteem, the admiration of his associates to an extent seldom paralleled in Louisiana or in any other State and certainly never surpassed in any legislative assembly in history. None who served with him can forget that outstanding fact of his career. During his term of speaker the entire legislature felt it necessary to journey from the capital of the State, Baton Rouge, to Washington for the purpose of laying the claims of the city of New Orleans for the honor of holding the world's exposition in that romantic old city. Members of Congress who were present when GARLAND rose to address the committee in behalf of the city he loved so well will always remember the wonderful demonstration of pride in and affection for him evidenced by his associates through their joyful shouts of unbounded delight at his presentation of his people's petition for the honor of celebrating the opening of the Panama Canal.

Yes, he is dead. Gallant, noble GARLAND DUPRÉ is no more. But I shall not forget him. I am looking westward myself. The sun is beginning to set, the shadows are lengthening, and I shall see him again. But until then it is not even au revoir, for though silent he still speaks with the eye that we can never forget. In his honor impregnable, in his simplicity sublime, is a splendid description of that noble soul. No State ever had a truer son, no people a more affectionate champion, no cause a finer advocate, no principle a nobler defender than the dead statesman. Loyal, upright, tender, true, brave, and courageous, Louisiana was proud of him while living and mourns for him with a great sorrow when dead. He was my friend. He was the friend of my family. As an evidence of his esteem let me mention that during our membership in the Louisiana Legislature and when he was given control of the fight for Tulane University for an annual appropriation of $10,000 a year for her support and maintenance and to which in my judgment she was justly entitled, he selected me to close the case on the floor of the house for Tulane, contenting himself with the opening address. It was perhaps the greatest occasion in the legislative history of Louisiana for a half of a century, and his fine and splendid attitude on that occasion not only evidenced the chivalry of an heroic and courteous gentleman but the confidence and affection for one that he thought might measure up to the requirements of the situation into which he had thrown all of his great soul. No, Mr. Speaker, we can never forget him. Louisiana will miss him from her congressional delegation. He knew Washington official life as few men will ever know it. Among his friends is one of many that mourns him with a great sorrow. He is my friend also. That friend of GARLAND DUPRÉ, who is no more, is Kenneth Romeny, whose boundless affection and great admiration for the wonderful talent and literary pursuits of GARLAND are best expressed by the request that he made to me to read in closing this address, lines which beautifully portray GARLAND'S sublime attitude toward life and death:

Let me live out my years in heat of blood!
Let me make all I can of what is mine!
Let me not see this soul's house built of mud,
Go toppling to the dust a vacant shrine.

Let me go quickly, like a candle light
Snuffed out just at the heydey of its glow!
Give me high noon—and let it then be night!
Thus would I go!

And grant me, when I face the grizzly thing,
One haughty cry to pierce the gray perhaps!
Let me be as a tune-swept fiddlestring
That feels the master melody—and snaps!

I weep, GARLAND DUPRÉ is no more.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. GARRETT] is recognized.

Mr. GARRETT of Tennessee. Mr. Speaker, it is quite appropriate that upon this Mothers' Day we should assemble in the great Hall of the House of Representatives to pay tributes of respect to a deceased colleague whose intense devotion to his mother and whose pride in her was so well known to his close friends here. I am honored by the invitation from the Louisiana delegation to participate in these exercises, and I come with sadness of heart to join my colleagues in paying respect to his memory, because Hon. GARLAND DUPRÉ was my cordial and sincere friend, and I was his friend.

We became well acquainted during the early days of his service and on innumerable occasions throughout his many years here he demonstrated by words and deeds his friendship for me.

There were many public questions—some of them of a major character—upon which our convictions did not coincide, but this affected in no way our personal relations. I had respect for the sincerity of his opinions and for the great ability with which he maintained them.

His was a keenly penetrating and really brilliant intellect. While not indulging with great frequency in the debates upon the floor, he was an earnest student of practically all public matters, and he grasped quickly and with clearness the meaning and significance of legislative proposals. I do not recall having ever heard him inquire "How shall I vote?" His inquiry would be "What is the question before us?" and knowing that he knew exactly what he wished to do and voted as his judgment dictated.

His speeches were usually short ones, terse, compact, and his power of analysis enabled him to go directly to the heart of an issue and make his position clear in a few sentences.

He was excellently educated; his language was chaste and elegant. He had read much and to good purpose the world's classics of literature. He had a retentive memory; his mind was stored with apt quotations, and his style of utterance was original and had a flavor and quaintness peculiarly his own.

I never served with him on committee, but I know that his work there was assiduous, painstaking, and effective. He was a greatly gifted man, possessing the instincts and attributes of a cultured gentleman.

We mourn his sudden demise, coming so early in life and at a period when promise for him was so great.

His friends have lost a loyal friend; his State has lost a distinguished, faithful Representative; and the Nation a true Congressman and honorable public servant.

Our hearts go out in sympathy to those who loved him and whom he in turn so dearly loved.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. FISHER] is recognized.

Mr. FISHER. Mr. Speaker, it touches my heart deeply to speak of the life of so good a friend as was GARLAND DUPRÉ. I have known GARLAND DUPRÉ for eight years. I had an office in the Office Building near his, and we served on the same committee for a session of Congress—the Rivers and Harbors Committee. It was not long before I knew, along with his other colleagues, that in DUPRÉ there was a Congressman who had studied the rivers and harbors of our country and knew the needs of the Nation in the development of this great system.

We know that he particularly loved the study of the great Father of Waters, of deepening its channel, and of building stalwart levees which saved the homes and the plantations of the people with whom he was raised, also the people who lived throughout this richest valley in the world. We know that he knew better than anybody else on the committee just what it meant to the great city in which he lived that that great stream should be kept open to the commerce of this great valley.

There was another particular feature about the river that he had a full knowledge about, and that was the gigantic problem at the mouth of the river. We know that there is no greater problem for the engineers of our Army than to keep the deltas of that river open. We know that if once stopped and not kept open as they should be many millions of dollars' worth of produce and products of that great valley and of his great city would be stopped in their march to the markets of the world.

I want to say that he rendered a great public service, and always the people of that valley and of his home city will remember it with deep gratitude.

As a boy he had hardships which necessitated hard work and great responsibilities, because his father had died and left his mother with many children to support, and it became his burden to help that dear, brave mother to raise that large family. We saw how bravely he went to the nearest great city and working his way educating himself as a lawyer, was chosen by the leaders and by the people of New Orleans as one of its city attorneys, and then was he sent to this great body, where he served with such great distinction.

I want to say that the trait of character about him which I loved more than anything else was not only his love for his friends, which we all enjoyed who knew him, but it was his love for his dear mother and his sisters. It became his duty to be the head of the family, and no one assumed a burden with greater cheer and finer spirit than did DUPRÉ.

I want to say that his mother's relation to him and his to her were as beautiful as there was ever between mother and son on this earth. She was an inspiration to him and kept his ideals aglow all the time.

While this is a solemn occasion, it was a more solemn occasion when the sad party of his colleagues accompanied this broken-hearted family, the sorrowing but brave mother and the distressed sisters, on the sad journey to the old home. Those who loved him and knew him in the vigor of his young manhood, as he was pushing himself forward, insisted that we stop in that great city so that the people there who loved him might pay last tribute, and as long as I live I will always remember the beautiful ceremony held in the cathedral in New Orleans. Then it became necessary to journey farther to the lovely little southern town where he was raised and where it seemed to me 100 or more of his kin gathered around and with sorrowing hearts told the members of the party of their sorrow and of their love for this young man who had been taken away, and as we assembled at the grave to pay the last tributes with these loved ones, a great crowd of the people from the parish who had known him as a boy all were there with bowed heads.

A soul that has lived in a life like GARLAND DUPRÉ led when called away from this life has gone to rest. There is a great Father who will take his soul into His arms where it may rest forever.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. MINAHAN] is recognized.

Mr. MINAHAN. Mr. Speaker, we pause to-day—my colleagues and I, friends and intimates of the late Hon. H. GARLAND DUPRÉ—each to drop a flower and tear in memory of our departed friend.

Formally, to-day, we pay to him, in this great representative body of the people that he adorned, the Congress of the United States, our tokens of esteem, affection, and respect. But other days will come, the world not looking on as to-day, when memory in quieter and more unobtrusive garb will steal out softly to that far-off sacred spot, God's acre, in the little town of Opelousas, La., to sprinkle the flowers and tears of friendship on the grave of our friend.

And GARLAND DUPRÉ was a friend—loyal and true as man could be to those he loved, and loyal and true to those who sent him here.

But here let me speak for a moment of his work as a legislator and of his devotion to his duties. It is, I believe, safe to say that of the thousands who supported him politically few knew of the long hours and tireless efforts that he gave to their business, to the duties of the office with which they had honored him. His tireless work as a member of the great Rivers and Harbors Committee, of which he was the ranking minority member, and the ability with which he performed the tasks assigned him there are known to every member of that committee. Indeed, I may say—and I speak as a friend who knew him well—that in my experience I have known no man in public office who displayed greater zeal and ability in the discharge of his duties than GARLAND DUPRÉ, nor have I known any man who could so tersely sum up and hit off the strength and weaknesses of proposed legislation.

Speaking for myself, personally, I shall always remember with pleasure and thankfulness with what tactful thought he would offer suggestions out of his greater experience for the benefit of my constituents, when, as a new Member, I first came

to the House. And these were the little touches that endeared him to us and made him appreciated by his friends.

And now one other word and I have done. I scarce know how to say it, the subject is so hallowed. I would speak of his devotion and affection for his mother and his family.

Ah, my friends, you who have been his intimates for years know the tender playfulness and love of his little names for each of them. "The little lady," as he always called his wonderful mother, tells the whole story far better than could reams of words of mine. And so I have done. For were he here my talk would embarrass him more than anyone I ever knew. Let me only say to him in the deep beyond that he will live ever in the hearts of his friends.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. McDUFFIE] is recognized.

Mr. McDUFFIE. Mr. Speaker, I would not permit this hour to pass without availing myself of the opportunity to join the membership of this House in paying tribute to the memory of our departed friend and colleague, the Hon. GARLAND DUPRÉ.

It is a sad, indeed an awful, thing to see a splendid man and a useful public servant stricken down while in the prime of his life and at the height of his usefulness. And though our hearts are bowed in grief over his death, we do find some consolation in the realization that his mission in life was carried out with honor. GARLAND DUPRÉ was a most useful and valuable Member of the House of Representatives.

Born of refined and cultured parentage, reared in an environment and under those influences of intellectuality, integrity, and refinement that characterized the old-time southern home, he inherited from a long line of illustrious forbears, amongst other excellent qualities, a splendid intellect. He was able and scholarly. For several years I served with him on the Committee on Rivers and Harbors, and in our work there I was struck with the brilliancy of his mind and his ability to quickly grasp every problem that confronted him and deal with it in an able and statesmanlike manner.

By his ability, his indomitable energy, his desire to serve, and his courageous stand on all matters of public policy he climbed the heights of success at a much earlier age than most men. Soon after leaving college and turning into manhood his fellow citizens recognized his merit and called upon him to assume places of trust and grave responsibilities. As a lawyer his ability was pronounced and recognized, and as a young prosecuting attorney he was never afraid. At the age of 27 years he became a member of the legislature of his State, and upon being twice elected to succeed himself, at the age of 35 he was elected speaker of the House of Representatives of the Louisiana Legislature. This position he filled with honor to himself and to his State.

From this high place he was called by his people to their service as a Member of Congress. No people ever had a more faithful Representative in this body, where he devoted himself in their behalf so assiduously for a period of 12 years. Had he been spared I doubt not he would have been continued in their service for many years. He was the ranking member on the Democratic side of the Committee on Rivers and Harbors. His work for the development of his State and the improvement of her rivers and harbors stand as a living monument to his memory. He was proud of his adopted city of New Orleans, with all its diversified interests and multiplied problems of development. He was ever alert and awake to see that the interests of his city and its people were represented at the Nation's Capitol. In his duties here he was courageous always, and voted his convictions. Men may have differed with him, but no one ever questioned the sincerity of purpose that characterized his official career.

That those whom he represented held him in highest esteem was shown by the vast throngs of friends who attended his most impressive funeral services at New Orleans.

When the funeral party reached Opelousas, the scenes of his childhood and the home of his boyhood friends, the entire little city turned out to pay due respect to its distinguished son, who had lived to shed honor upon his old home city and to stimulate in the hearts of his associates of childhood a just pride in his achievements. In the old cemetery at Opelousas, where seven generations of his family in direct line lay sleeping, we committed his body to the soil he loved so well.

This is Mothers' Day. Men and women everywhere, in their thoughts, are to-day laying at the feet of those most blessed creations, the mothers, both living and dead, their hearts full of love and tenderest memories. I am glad these exercises occur on this day, for it seems so appropriate on such a day to speak of GARLAND DUPRÉ and his never-failing love for a precious mother, whose pride he was and whose love for him beyond doubt stirred him to greater success and higher attainment. Gentle, cultured mother of GARLAND DUPRÉ, the hearts of his colleagues go out to you in tenderest sympathy. We mourn his death with you and his sisters. We know if we could bring him back to life at this hour his first thoughts would turn to you and those loving sisters whose happiness and comfort was his chief mission in life.

At Opelousas I had the pleasure of meeting the Hon. Gilbert Dupré, a very talented gentleman and a very able member of the bar. For years he stood as a father to GARLAND DUPRÉ, his nephew, upon whose death he wrote the following, which I should like to make a part of my remarks, because it is not only the outpouring of a tender and loving heart but it is also a very accurate though short history of the life of our colleague:

[From the Clarion-Progress, Saturday, February 23, 1924]

H. GARLAND DUPRÉ

Died in the city of Washington, D. C., on Thursday morning at 4 o'clock, H. GARLAND DUPRÉ, Congressman from the second district of this State, who had been in the service since 1911.

He suffered a stroke of apoplexy about a week preceding his death, and his family realized that this meant death. His rugged constitution withstood the attack for a week, but as was inevitable in cases of that kind the pallid messenger with the inverted torch beckoned him forward until his soul winged its flight to that celestial abode where the weary are at rest.

GARLAND DUPRÉ was the oldest child of the late Laurent Dupré and Marie C. Garland. Grandson of the late Judge Lucius L. Dupré and Henry L. Garland, the "Grand old man" of St. Landry for whom he was named. He was born on his grandfather's plantation in July, 1873, and reared in the city of Opelousas at his grandmother's home, Mrs. Lucius J. Dupré, the home standing in the rear of Allen Sandoz's store. He received his early training at home, after which he entered Tulane, from which he graduated with honors in the class of 1892. He then entered its law school, from which he emerged as brilliantly as he had done at its academic department.

He loved his profession, and in a short time achieved success. He was selected as assistant city attorney and served with distinction. He was first elected to the legislature in 1900, then again in 1904, 1908, when he was elected speaker of the house. While serving in that capacity Samuel L. Gilmore, then the Representative from the second district, died, when GARLAND DUPRÉ succeeded to his unexpired term. Thereafter, he was elected in 1912, 1914, 1916, 1918, 1920, and 1922. He had opposition in several instances but always overcame this by decisive majorities.

Those who knew him were devoted to him. He was no trimmer, no timeserver. He was a regular, a Choctaw, and never deserted that organization. He stood with it at all times and never apologized for his conduct. The writer loved him as his own son. My heartstrings are being torn. My son, my nephews are gone, and I am left like Rachel "weeping for her children and would not be comforted, because they are not."

I am going to join them in the next few years. I rejoice in the fact that they fought life's battle gallantly and unafraid, and they never raised the white flag. May the God of the universe who called sinners to repentance shelter and protect them for the eternity in which they believed.

As great as is the loss to his district and State, to his friends loyal and true, the thorn of grief pierces his mother's heart and enters the soul of his beloved sisters.

"He was their life
The ocean to the river of their thoughts,
Which terminated all."

And he loved them in return with his whole heart and soul. His sisters worshipped him, and he idolized them.

Beloved at home and in his adopted city, respected in the Halls of Congress, he has in the meridian of life, and while raptured with the world, sunk to silent and pathetic dust. Good-by, son. I was proud of you in life. I mourn your departure. There is for me this consolation, you lived bravely, nobly; you died fearlessly. May God have mercy upon your soul, protect and guard you until we meet again.

Your devoted uncle,

GILBERT L. DUPRÉ.

Mr. Speaker, in the death of HENRY GARLAND DUPRÉ the city of New Orleans, the State of Louisiana, and the Nation has lost a most useful and devoted public servant.

The SPEAKER pro tempore. The gentleman from Louisiana [Mr. WILSON] is recognized.

Mr. WILSON of Louisiana. Mr. Speaker, our lamented colleague, HENRY GARLAND DUPRÉ, in whose memory these services are held, was born at Opelousas, St. Landry Parish, La., July 28, 1873. His early education was in the public schools at Opelousas, from whence he entered Tulane University, New Orleans, and was graduated from that institution in the class of 1892, receiving the degree of bachelor of arts. He later received the degree of bachelor of laws from Tulane University, and began the practice of law in New Orleans in 1895. His fine ability soon attracted the attention of the public, and he was selected as assistant city attorney for the city of New Orleans. In 1900 he was elected a member of the House of Representatives of the State of Louisiana, and being a member of the same body, it was there that my acquaintance with the deceased began. It so happened that we drew adjacent seats in the house. Our acquaintance ripened into friendship of a very intimate nature, which continued unmarred and unaffected up to the date of his death. When I speak of GARLAND DUPRÉ as a friend it is not in the ordinary sense of that term, but means that relation which opens the way of approach for counsel and advice where one can go, reserving nothing, and knowing that counsel will be given straight from the heart, unalloyed by any consideration except the desire for service between friends. He never sought to mislead, and was absolutely incapable of any course except straightforward frankness.

In 1908 Mr. DUPRÉ was elected speaker of the House of Representatives of Louisiana, and in 1910 was elected as Representative in the Sixty-third Congress from the second congressional district of Louisiana.

As a member of the State legislature, as speaker of the house of representatives of his native State, and as a Representative in Congress, his career was one of effective public service, always distinguished by complete mastery of the subjects and issues with which he dealt. He was an accomplished scholar, an able lawyer, a statesman of unusual capacity and with the courage of his convictions, loyal to principle, and with a love for his native State and country that charged the word "patriotism" with its proper meaning.

While from the human viewpoint the death of GARLAND DUPRÉ was untimely, yet it is a consolation to us to know that measured by every fair standard his life was a success and one which we, his friends and loved ones, may point to with affectionate pride. A single honor may come as an accident or to the opportunist, but no such reasons could be given for the interesting career of Mr. DUPRÉ. He rose by virtue of his fine character, impressive and charming personality, and by his native ability, coupled with industry and energy, as well as because of his love of State and country and devotion to their interests. As a member of the legislature of his State he advanced to the highest honor that could be given by his fellow members. There his record was such as to win for him the confidence and esteem of the people throughout Louisiana. As a Member of the National House of Representatives his record was one of continued advancement. A majority of the lawyers who come here regard an assignment to the Committee on the Judiciary as a signal honor. Mr. DUPRÉ had that assignment. But feeling that he could be of greater service to the city of New Orleans, which he in part represented, and to the State of Louisiana, he sought an assignment to the Committee on Rivers and Harbors. This he received and was the ranking member on the Democratic side at the time of his death. His public service at Washington, as in the State of Louisiana, was characterized by that ability and efficiency that merited for him continued advancement. His public career was one of steady upward progress and in every sense a brilliantly successful one.

By nature he was endowed with all those qualities that make the upright, straightforward, and outstanding man. He was an open-hearted, generous, and true friend. As a son and brother his whole life was a record of thoughtful attention and loving devotion that was beautiful beyond the power of language to express. Here was the best of his life. Here was the center of his admirable record. If it should be given to him to know how we feel and what we now say as his friends, and how we estimate those points in his life that attracted us most, I am sure he would be most happy to know that we value his love and unfaltering devotion to his mother and sisters as the central point of all his service, and as the climax of the most honored achievements of his valuable and attractive life.

The vast throngs in attendance at the funeral services in the city of New Orleans and in the town of Opelousas amply attested the love and affection of the people whom he loved so devotedly and served so faithfully.

The SPEAKER pro tempore. The gentleman from California [Mr. LEA] is recognized.

Mr. LEA of California. Mr. Speaker, my tribute to the memory of GARLAND DUPRÉ shall be a personal one. I first met him on the train from New Orleans to Washington while I was on my way to attend the first session of Congress of which I was a Member. Prior to that time a mutual friend for whom he had a very high regard had bespoke his interest and friendship for me, and of which I was then unaware. Immediately upon introduction to Mr. DUPRÉ, he informed me of the kindly intercession of our mutual friend. In a brief time we were shocked to learn that our mutual friend had suddenly passed away. Upon repeated occasions since that time, during seven years of association in the House, Mr. DUPRÉ in conversation recurred in an affectionate way to our dead friend and to his memory as a common bond of friendship between us. He frequently said in substance, "He was your friend, and that makes me your friend."

I had no special claim on the friendship of GARLAND DUPRÉ. There never was any reason other than the voluntary dictates of his own disposition why he should extend to me any particular friendship, other than what I have mentioned. Yet, many times in an association of years here I was made conscious of his kindly interest and helpfulness in my welfare.

His appreciation and loyalty to his dead friend impressed itself upon me as an outstanding quality of Mr. DUPRÉ among men. He was actuated by the sentiment that in serving his dead friend's friend there was something of satisfaction, something of loyalty, something of recompense, to his dear friend who had long since passed away. What a source of inspiration and happiness it would be to the world if all men would show love and reverence for their dead by showing consideration, kindness, and helpfulness to the living.

He was sensitive, appreciative, and loyal to the bonds of friendship and affection. The same tender, noble qualities were emphasized in the life of GARLAND DUPRÉ in reference to his mother and sisters. Frequently he referred to them and always in terms of concern, affection, and for his mother, veneration.

Perhaps the greatest weakness of humanity is its proneness to a self-centered selfishness. In devotion to our own little affairs we lose the perspective of life. We fail in appreciation. We forget when we should remember. We let the statute of limitations soon run against the debt of gratitude. We grasp our blessings as things that belong to us as of right and as a matter of course, and are unhappy in failing to gain others that may not belong to us. We fail to perceive the fact written everywhere, from all the experiences of men, that the most satisfying rewards of life come not from self-seeking but in response to those qualities that voluntarily serve our fellow men.

With me in the memory of GARLAND DUPRÉ there will always remain the thought of his appreciation, his gratitude, and an unselfish loyalty to his friends and his family. Those are homely virtues, but they are among the greatest that inhabit the human heart.

Life is a balance sheet with two sides to the ledger. Temptation is the common lot and the common story of man. We all have erred and fallen short of the glory of God. In the common experience of joy and sorrow, success and failure, weakness and strength we find human companionship and helpfulness. Struggle and failure, victory and defeat, yielding weakness and unbending strength, joy to-day and sorrow to-morrow, sunshine and cloud are couplets of life. We struggle on with the burden to the end and finally lay it down. The story is complete. It has two sides. We balance them. We remember in forgiving kindness, in appreciation, in affection. The aggregate value is the worth of a human life. It is so that we shall be measured. It is so that we judge the worth of the life of GARLAND DUPRÉ. The tide of time rushes on, each day sweeping away some more of the sands of memory of yesterday. But for us who intimately knew GARLAND DUPRÉ there will long remain memories of qualities we may long cherish with comfort, and, like him, we might best show appreciation by loyalty and service to the living.

The SPEAKER pro tempore. The gentleman from Louisiana [Mr. ASWELL].

Mr. ASWELL. Mr. Speaker, GARLAND DUPRÉ came of one of the most distinguished families of Louisiana, a family famed for its upstanding devotion to the best interests of our State and country, a family of patriots, loyal and progressive

both in the dark days of the reconstruction and in the sunlight of prosperity.

I attended the funeral of our lamented colleague in the town of his birth, where many of his distinguished relatives now live, a town famed in song and in story.

Beautiful is the land, with its prairies and forests of fruit trees;
Under the feet a garden of flowers, and the bluest of heavens
Bending above, and resting its dome on the walls of the forest.
They who dwell there have named it the Eden of Louisiana.

GARLAND DUPRÉ spent his childhood, his boyhood, and his early manhood amid these peaceful and romantic surroundings. It is fitting that his body rest forever here, in the heart of his beloved sun-kissed South.

Here no hungry winter congeals our blood like the rivers;
Here no stony ground provokes the wrath of the farmer.
Smoothly the plowshare runs through the soil as a keel through the water.
All the year round the orange groves are in blossom; and grass grows
More in a single night than in a whole Canadian summer.

Here, near the "Teche, where it flows through the green Opelousas," he sleeps at home among those who loved him most.

The funeral scene can not be forgotten. On that beautiful and balmy day, surrounded by stately moss-covered trees, under a wealth of floral offerings, in the heart of the Evangeline country, in the famed and historic town of Opelousas, hundreds gathered in silence, in sympathy, and in sadness. From the highest to the lowliest, from the most prominent business man to the humblest citizen, from neighbors and from prominent officials and visitors from all parts of the State came expressions of unrestrained grief—a pang of human sorrow evident on every hand, such as is rarely expressed by people of separate interests and different conditions. They keenly felt and expressed their grief in the loss of a loyal friend, brilliant son, and distinguished fellow citizen.

This service is especially suited to Mothers' Day.

In the life of every brilliant intellect there stands out in bold relief some notable and uplifting characteristic. With GARLAND DUPRÉ it was a tender sweetness, a loyal devotion, an overwhelming and ever-increasing love for his mother and sisters. This quality of mind and heart lifted him to a high place in the minds of all who knew him.

Could he speak to-day to his devoted mother, with Thomas Moore he would say to her:

They tell us of an Indian tree
Which bowsoe'er the sun and sky
May tempt its boughs to wander free,
And shoot and blossom wide and high,
For better loves to bend its arms
Downward again to that dear earth
From which the life that fills and warms
Its grateful being first had birth.
'Tis thus, though wooed by flattering friends,
And fed with fame (if fame it be),
This heart, my own dear mother, bends,
With love's true instinct, back to thee!

The SPEAKER pro tempore. The gentleman from Louisiana [Mr. FAVROT] is recognized.

Mr. FAVROT. Mr. Speaker, upon this occasion none of us can express what we feel. Words are inadequate to convey the full measure of our sorrow.

I knew GARLAND DUPRÉ perhaps longer than did any other Member of this House. I knew him as a schoolboy, when I was attracted to him by his gentlemanly demeanor and the promise that he even then gave. I knew him as a youthful member of the Louisiana Legislature, when, young as he was, his sound judgment and brilliant intellect gained him the undisputed leadership in that body. I knew him as speaker of the Louisiana House, when his ability and his force of character made him a commanding figure in the public life of Louisiana.

During the three years of my membership in this House as his colleague I knew him intimately, and, with closer acquaintance, my respect for his character and my admiration for his ability grew. He had many sterling qualities, but his most marked characteristic was his political courage, an outstanding trait that came from an intellectual honesty that was innate. He had that most admirable, that rarest of all qualities, the courage of his convictions.

A weakness of this Government is the political cowardice of public men. Most of us are cowards. Most of us determine our position upon public questions by what we think the effect of that position will be upon our own political fortunes. GARLAND DUPRÉ could and did disregard all considerations of self. His sole guide, his sole test in determining his position, was what he thought was best for his country and for his State. Often I have known him to adopt a course that in his judgment was best for the interests of his State, knowing full well that that course would jeopardize his own political future. When the welfare of his State or the well-being of his people was at stake he could rise above party. He felt that his first, his paramount, duty was to his State. His devotion to the interests of his constituency was marked. No man knew better what those interests were, and no man could have more ably or more assiduously guarded those interests.

His death at the moment of his greatest usefulness was a loss to us all, but the greatest loss is to his constituency. By reason of his ability and his experience to them he was well-nigh invaluable, and with due respect to those who may be chosen to succeed him in the years to come his place will be hard to fill.

Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a tribute written by Mr. William H. Fulham, who was secretary to Mr. DUPRÉ.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Following is the tribute referred to:

By the death of H. GARLAND DUPRÉ it might be said that a great Nation had lost an able and a conscientious Representative, that a great State had been deprived of a distinguished citizen whose name more than once has been honored in its annals, and that a great city will no longer be able to call upon a loyal and devoted servant who had spent the major part of his life in its service. It would not be difficult to dwell upon this thought, but there comes the unwelcome reflection that, after all, the great Nation and the great State and the great city, with onrushing life and the swift course of events, will all too soon forget alike the servant and the service that he rendered, and then the one great thing that will remain will be the grief of a mother who suffered more than all the rest the loss of her first-born son, and the sorrow of his seven sisters, who knew in him a devoted brother in all that that term can express—one whose warm attachment for them nothing could diminish, who had shared alike their joys and their anxieties, their future hopes, and the opulent memories of a cherished past.

Those who knew GARLAND DUPRÉ even casually were aware of this steadfast devotion to his mother, and, almost in as great a measure, to his sisters. But to those who knew him through close association, that fidelity to his kin was a quality that awakened the keenest admiration and excited the highest respect. It may be said without exaggeration that his family were always first in his thoughts and almost constantly in his mind. Hardly a day passed that did not bring forth some evidence of his affectionate regard for them. Absence from them strengthened the natural interest he felt in them, nor could all the varied demands of public life absorb him to the exclusion of this unalterable allegiance to his own.

It is fitting, in paying tribute to his memory, that this outstanding trait should be marked, and, in touching upon it, we know of no tribute that would have been more appealing to him than that which directed the sympathetic thought to those that were nearest and dearest to him while he lived. If anything can be of comfort to those dear ones, it would be to remind them, if that is necessary, of this quality which all who knew him were quick to recognize, since it gave them so much happiness while he lived, and since it must be a source of so much solace to them, now that he is no longer here.

It is not easy to reaffirm the sympathy that we naturally feel at such a time as this, for we recognize the limitations of such expressions and we realize how unprevailing the spoken word of condolence is where grief is new and overpowering; but such sympathy as we can express goes freely to the members of his family, and more especially to his mother—to that little lady, so slight, so deceptively frail, who bore her great bereavement with such amazing fortitude. Only we who know her can understand from what depthless springs of faith she draws her strength.

It may be recalled that on an occasion similar to this, in speaking of a colleague who had met death suddenly, GARLAND DUPRÉ recited that stirring passage of Stevenson's "Aes Triplex" that glorified sudden death. I think of it now because such a death was his; and if the words that he reiterated on that occasion implied a wish that when his time came his passing might be such, then there is comfort in the thought that he voiced not merely a wish but a prophecy.

WILLIAM H. FULHAM.

The SPEAKER pro tempore. The gentleman from Louisiana [Mr. SANDLIN] is recognized.

Mr. SANDLIN. Mr. Speaker, I remember several months ago our lamented colleague GARLAND DUPRÉ said to several of his friends—jokingly at the time, no doubt, but probably with no intimation of what might so soon occur—that when the exercises in the House were held in memory of him after he was gone he hoped that his friends would not indulge in any fulsome praise or flattery. He wished them upon that occasion to state their honest views with reference to his character. Then he said, "I wish it were possible for me to be present on that occasion to hear what you fellows would say."

I regret, Mr. Speaker, that it is not possible that he could be here on this occasion and hear the many kind expressions that have been uttered with reference to him and his life. Those that have spoken before me have in detail told and those that will come after me will in detail tell of his life history. They knew him longer and served with him longer than I, but I am sure not one of his colleagues loved him more.

As has been stated, it seems entirely appropriate that the exercises for him should be held on this Mothers' Day. To GARLAND DUPRÉ every day was mother's day, and every day was sisters' day. In life we sometimes forget those to whom we owe most in business intercourse and in social contact and in different avocations; but everyone knows that one's best friend is his mother. GARLAND DUPRÉ always put his mother and sisters and their welfare before anyone else, showing that he knew what friendship was, because a mother is one's truest friend.

The outstanding characteristic of the life of our friend, as has been stated by all speakers, was devotion to his friends, devotion to his mother and his sisters, and to his State. In other words, he was deeply impressed always with the idea that he must do his duty.

GARLAND DUPRÉ was kind to me when I first came here and during the three years that I knew him. Evidence of the esteem in which he was held in his district and at his home was fully shown by the large attendance at the funeral, both in New Orleans and at his home town of Opelousas. I am sure that there is no Member of this House who ever served here that was braver in the discharge of his duties than our friend GARLAND DUPRÉ. He had respect for those who held views opposite to his on different questions that came up for decision, and he demanded that others should have respect for the views held by him.

Mr. Speaker, he was a splendid friend, a brave legislator, and the like of him we shall probably not see again.

Mr. MARTIN. Mr. Speaker, the sudden and untimely death of our distinguished colleague, H. GARLAND DUPRÉ, very forcibly reminds us that "In the midst of life we are in death."

To all outward appearances GARLAND DUPRÉ was the healthiest and most robust member of the Louisiana delegation. He was with us one day, apparently vigorous in mind and body, and the next came the sad tidings that he had been stricken with a malady from which he never rallied.

Mr. Speaker, I shall not review the life of our late colleague. This can better be done by Congressman LAZARO, in whose district he was born and who, by reason of a life-long friendship, can feelingly speak of the early life and struggles of his devoted friend.

While the friendship that existed between our late colleague and myself was more recent, it was none the less close and intimate, and was to me a source of great pleasure and profit.

I met him first in the legislative halls of Louisiana, where, as Speaker, he so ably presided over the lower house of our general assembly, but it was not until we became associated here in Washington that our acquaintance ripened into a close friendship, a friendship that enabled me to come in contact with a most brilliant and acute mind and a character nothing less than noble.

As a Member of Congress, GARLAND DUPRÉ took his duties seriously. He never shirked a duty or lost an opportunity to further the interests of those he so ably represented.

He had a judicial mind and loved to engage in work that involved the intricacies of law. When he was assigned to a much coveted position on the Committee on the Judiciary he was much pleased and elated, as the work was in entire keeping with his profession and training.

But subsequently a vacancy occurred upon the Committee on Rivers and Harbors, and membership on this exclusive committee was tendered Congressman DUPRÉ. While he was reluctant to leave the committee where the work was in harmony with his legal training, yet he never hesitated, but at once accepted membership on the Rivers and Harbors Committee for the sole and only reason that he felt that he could be of more service to a constituency whose welfare depended upon favorable legislation at the hands of this committee.

That he measured up to the work on this important committee as he did on all other committees upon which he served was shown by the fact that a grateful and appreciative constituency elected him to Congress for seven consecutive terms.

His most effective work was usually done in committee. He seldom spoke on the floor of the House; but when he did his remarks were always clear, effective, and to the point.

He was a party man, but not a partisan. He sought as far as possible to be in accord with his party, but if the demands of his party came in conflict with the vital interests of his constituency he never hesitated to assert his independence and protect his constituents.

He was a true Representative in that his one aim was to reflect the desires and wishes of his people and give them true and faithful service.

Others have and will speak of the splendid services that GARLAND DUPRÉ rendered his State and Nation, but I desire to dwell for a few moments on the character of the man. No one could be thrown with him and not be impressed by his strong personality and forceful character.

He was strong in his likes and dislikes, but he never did an injustice to any man, whether he was friend or foe. He was faithful and true to his friends and fair and just to those from whom he differed.

He was incapable of betraying a friend, though he was capable of forgiving an enemy. He inspired confidence, and a confidence given him was treated as a sacred trust. His friends seldom called on him for assistance. It was not necessary. Let a friend be in trouble and GARLAND DUPRÉ was soon by his side, and his counsel and his purse were at that friend's disposal.

He was every inch a courteous gentleman. He could not have been otherwise. This was inherited from his distinguished ancestry on both sides.

It has been said that the test of a man's character is not so much what the world said about him, but the degree of love he inspired in his own household.

I know of no better standard by which to measure the character of GARLAND DUPRÉ.

As the only son, he was the idol of a loving and devoted mother and the pride of seven sisters. No one who was so fortunate as to know the mother could wonder that her son was a man of such strong, upright, and forcible character.

We mourn with his bereaved family, but say to the stricken mother and sisters that he has left you the priceless heritage of a good and honorable name.

Mr. ASWELL. Mr. Speaker, the gentleman from Mississippi [Mr. LOWREY], who was a classmate in college with our late lamented colleague, is kept away to-day by reason of illness. He has requested that I present his address.

The SPEAKER pro tempore. Without objection, that will be done.

There was no objection.

Mr. LOWREY. Mr. Speaker, in the fall of 1888 I went to study for a time at Tulane University in the then quaint old city of New Orleans. At that time New Orleans was much as it had been, I suppose, for a hundred years. It had its narrow, winding streets, its open drainage, and its rat-eaten wooden wharves. It still had its occasional scourge of yellow fever and its fear of other tropical diseases.

But this was a part of old New Orleans, which at that time was the most unique, the most festive, and, in my opinion, the most charming of American cities. Its people were the most cordial, the most courteous, the most care free, and the most neighborly I have ever known. There with the intermingling of French blood and French gayety and French tradition was a peculiar and compelling atmosphere of culture and chivalry, "otium cum dignitate."

From this rare environment and this fine lineage came GARLAND DUPRÉ.

I knew him first and had the pleasure of his friendship at Mrs. Richardson's boarding house, which was really a fine old southern home. There we both lived for the session. I was a graduate student and he was a freshman—a happy, buoyant college boy still in his teens, but studious, capable, and earnest of purpose. He was not simply a favorite but the favorite in our company of some 20 young people. He was handsome, elegant in manner and appearance, cheerful, kind, frank,

genial, bright, and witty. Such was his personality that all who came into his presence liked him; he always drew and never repelled. To this good day my memory of him is one of the bright spots in my year at Tulane; he typified to me the best, the finest, and the most attractive in that great old city.

Afterwards I lived some 400 miles from New Orleans and somehow for a time I lost trace of my young student friend. But soon, through the press and from other sources, I began to learn of the splendid public record that was being made in Louisiana by a brilliant young attorney named GARLAND DUPRÉ. I was not surprised. That was to be expected. He had both the ability and the personality for such a career. He was in the Louisiana House of Representatives within 12 short years of the time when I had known him as a university freshman, and then for two years he was speaker of that house. In 1910 he came to Congress, and his successive reelections, usually without opposition, indicate the high esteem in which the people he served held him.

When I came to Washington as a Member of this House I went early to his office to renew the old-time friendship. I found in the developed man the same native gentility that I had known in the college boy, the same gentle humor, frankness, and brightness of intellect.

Others who have served longer with him on this floor have spoken of his public service. I have preferred to speak of him, and shall ever rejoice to remember him, as I knew him in those college days when our closest friendships are formed and our happiest memories originate. It was there that I first knew and admired the kindly, cultured, capable, and winsome GARLAND DUPRÉ.

The SPEAKER pro tempore. The gentleman from Louisiana, Mr. O'CONNOR, will please take the chair.

Mr. O'CONNOR of Louisiana assumed the chair as Speaker pro tempore.

Mr. LAZARO. Mr. Speaker, on February 21, 1924, HENRY GARLAND DUPRÉ, a Member of Congress from the second district of Louisiana, died. He was the oldest child of Laurent Dupré and Marie C. Dupré. His paternal grandfather was Judge Lucius L. Dupré, and he was also the grandson of Henry L. Garland, that "grand old man" of St. Landry Parish, for whom he was named. He was born July 28, 1873, and was reared in the city of Opelousas. He received his early education at home until he entered Tulane University, of New Orleans, from which institution he graduated with honor in 1892. He then entered its law department, from which he also graduated with distinction.

GARLAND DUPRÉ loved his profession and was a success in the practice of law. He began his public service as assistant city attorney of New Orleans and proved himself an able public official. He was elected to the Louisiana Legislature in 1900 and again in 1904 and also in 1908, when he was chosen speaker of the house of representatives of that State. As a member of our legislature and as speaker he rendered efficient and distinguished service. On the death of Samuel L. Gilmore, then the Congressman from the second district, which occurred while GARLAND DUPRÉ was a member of our general assembly, he succeeded to the unexpired term. Therefore he was elected and reelected to Congress.

Those who knew GARLAND loved him and were devoted to him. He was an old regular in local politics and stayed with his organization at all times. He had a wonderful mind and was as quick as lightning in analyzing a complicated problem. Once he reached a decision regarding a question, he always took a definite position and was never afraid to express himself. He was thorough, systematic, and consistent. He was loyal to his friends, and his word was as good as gold. Often I had occasion to observe him closely when it became necessary to present a case in which his people were vitally interested, either to a department or to Congress. He was always punctual, always knew his case thoroughly, and presented it with clearness and force, and he was usually successful in getting results.

He had a literary mind and was a close student of literature. His reading covered a wide range of interest, and he knew the best, not only in English literature, but of French. He spoke the latter language fluently and was deeply interested in the history and literature of France.

He detested sham and hypocrisy, and always stood for what he believed was right and for the best, even if the cause was unpopular at the time. He trusted always in the good judgment and the common sense of the people he represented. He was one of the most conscientious of public men I ever met.

Although it was his dream and ambition when he came to Congress to serve on the great Judiciary Committee, he willingly gave up his position on that committee to serve on the Rivers and Harbors Committee, where he felt he could render more valuable service to the great port of New Orleans and the State of Louisiana. He was a close student of legislation, and the most minute detail never escaped him. By his death the city of New Orleans, the State of Louisiana, and the country lost a good man and a faithful Representative.

I first knew GARLAND DUPRÉ well while he was speaker of our legislature, at which time I was a member of the State Senate. I grew to admire him for his many good traits of character. Later, when I came to Congress, I often went to him for advice, and I was never disappointed. We became close and intimate friends. Since the day GARLAND DUPRÉ died he has been daily in my thoughts. This Chamber, this Capitol, and the usual routine of work all bring back to me memories of him.

His love and devotion for his mother and sisters were deep and beautiful, and appealed to all who knew him intimately. His every thought was always the thought of his mother and sisters. It made no difference how busy he was with his public work, he always found time to write to them regularly. He kept them posted on the smallest details of his public and private life, and whenever the opportunity presented itself he always spent as much time as he could with them. He never failed to visit his old home in Opelousas, where he could see the members of his family and his boyhood friends, and whenever Congress recessed he spent much of his vacation period with his family, who were as devoted and loyal to him as he was to them, and who showed their affection for him in many ways.

He was a true Christian in every sense of the word. May God, in His infinite wisdom, take care of his soul.

Mr. LAZARO resumed the chair as Speaker pro tempore.

Mr. SPEARING. Mr. Speaker, in the death of Hon. HENRY GARLAND DUPRÉ, former Congressman from the second congressional district of Louisiana, which I now have the honor to represent, not only that district but the whole State of Louisiana, and, in a way, the Nation, have lost a most valuable citizen. Born a half a century ago of French ancestry in a portion of the State inhabited largely by the decendants of that nation, Mr. DUPRÉ was one of the most distinguished and able citizens of the State, and at the same time one of the most popular and best loved. His disposition was thoroughly democratic. Not only did he readily make firm and fast friends but he had that much desired quality of retaining their love, affection, and admiration. This was evidenced by his continued return to Congress from one of the most populous districts in the State, a distinction which he did retain, and would have retained during his life.

In early manhood he moved to New Orleans to take up a law course at Tulane University, from which he graduated after the customary period of study, and established his home in that city. He exhibited his natural ability in the law class, and it was not long after graduation that it was recognized that he was one of the brainy and able lawyers of the time, and he quickly acquired a clientele of which many in the profession long before he entered would have been proud. His natural tendencies, however, were to public life. He took an active part and interest in public and political affairs, and in a short time he was selected as one of the assistant city attorneys of New Orleans, thereafter becoming chief assistant attorney. He subsequently became a member of the house of representatives in the State legislature, and was elected speaker during his second term—an honor which seldom, if ever, fell to any member in so short a time. His services as speaker were marked by that ability and fairness for which Mr. DUPRÉ was noted. But his activities were not to be confined within the limits of the State, so he sought membership in Congress and was successively elected, and doubtless would have continued to be but for his untimely death.

To those who knew him personally and well his accomplishments in public life were not the most noteworthy. His individuality and intellectual attainments made him a most agreeable companion and a welcome guest, whether of many or few; he was most charming and held his friends almost as by hypnotic influence.

It gives me great pleasure and satisfaction to recall that in my campaign to fill the vacancy caused by his death I had

untold evidence of his popularity in the district and of the love, affection, and confidence which the people had for and in him. Anyone should be proud of the evidences of that feeling which constantly came to me during my canvass of the district. His loss to the district and State will be felt long after many of us will have passed away, and it will be difficult to have the district represented as ably and satisfactorily as it was by him.

Though he never married, his family life was ideal. His devotion to his mother and sisters was typical of a man of that strong personality which Mr. DUPRÉ possessed. The sympathy of the people of his district and of the State go out to his family to an unbounded degree.

Mr. BYRNS of Tennessee. Mr. Speaker, our lamented colleague, Hon. GARLAND H. DUPRÉ, began his service in the House of Representatives during the Sixty-first Congress. I was then serving my first term, and we soon formed a friendship for each other which, I am happy to say, existed until the time of his death.

The fatal illness, which terminated in his death, was a shock to his colleagues, for he had every appearance of strength and vigorous health and gave promise of many more years of usefulness in the public service. But looking back over the past few years, it seemed to those who knew him well that he had a premonition that he would be called from earth in the near future. During his service here he frequently spoke of his probable early demise to me, as he doubtless did to other friends, not in a spirit of fear or regret but calmly and philosophically and with that resignation which bespoke a man of courage who was ready at all times to meet his fate. He was only anxious that he should leave behind him when the time came a reputation for fidelity to duty and that he should have the respect and confidence of his colleagues—a wish which was fully gratified. Often, when talking with him on this subject, I have thought of the words of the poet:

> I hear a voice you can not hear,
> Which says I must not stay;
> I see a hand you can not see,
> That beckons me away.

He was an able and faithful legislator. He was always alert in looking after the interests of his constituency and his State, and in order to better serve them he voluntarily left the Committee on the Judiciary, of which he was a valuable member, in order to accept membership on the Committee on Rivers and Harbors that he might more effectually look after the public improvements on the Mississippi River, in which his home city of New Orleans and his State are so vitally interested. He had a high conception of the duties of a legislator and he endeavored always to measure up to them. He was not insensible to public opinion. He possessed those human traits which made him anxious to please. He loved his friends and the people he represented, and was intensely desirous of retaining their good opinion. But he had strong convictions, and he was never willing to truckle or to pander to public sentiment to advance his personal political fortunes at the expense of those convictions.

He had a keen, incisive mind. He was quick to grasp a thought. He was a ready debater—quick in repartee, easy in delivery, and possessed a fund of information which never failed to attract the attention of his colleagues. The people whom he served so faithfully appreciated his ability and fidelity, for he was serving his eighth term when he passed away, and had he not been overtaken by death I dare say he would have continued to serve them for many more years.

It was characteristic of such a man that he should love his family devotedly, and his widowed mother and sisters have the deepest sympathy of all of his colleagues.

GARLAND DUPRÉ has left us, Mr. Speaker. He has passed over to the unknown shore. No doubt he had his human weaknesses. No being ever lived save one who did not have some faults, but such as he may have possessed are forgotten in the memory of his many virtues, his kindly disposition, his great love for family and friends, and his unfailing devotion to duty.

ADJOURNMENT

The SPEAKER pro tempore. In accordance with the order heretofore made and as a further mark of respect the House stands adjourned.

Accordingly (at 12 o'clock and 20 minutes p. m.) the House adjourned until to-morrow, Monday, May 12, 1924, at 12 o'clock noon.

SENATE

MONDAY, *May 12, 1924*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, in Thee we live and move and have our being. Thou dost number our days, and Thou dost give us opportunities for service of the highest order. We bless Thee for the continuance of life, and we pray Thee that with the consciousness of our dependence upon Thee we may fulfill Thy good pleasure in our generation by the fitness of devotion and by the high consecration of our talents to nobler endeavors. Hear us, be with us, and ever guide us in the way of truth and righteousness. Through Christ our Lord. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Monday, May 5, 1924, when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, communicated to the Senate the resolution (H. Res. 309) of the House adopted as a tribute to the memory of Hon. H. GARLAND DUPRÉ, late a Representative from the State of Louisiana.

The message also announced that the House had passed a bill (H. R. 5478) to amend sections 1, 3, and 6 of an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The principal clerk will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Ball	Ferris	McKinley	Smith
Brandegee	Fess	McNary	Smoot
Brookhart	Frazier	Moses	Spencer
Broussard	George	Neely	Stanfield
Bruce	Gooding	Norris	Stephens
Bursum	Hale	Oddie	Sterling
Cameron	Harreld	Overman	Swanson
Capper	Harris	Pittman	Trammell
Caraway	Harrison	Ralston	Wadsworth
Colt	Howell	Ransdell	Walsh, Mass.
Copeland	Johnson, Minn.	Reed, Mo.	Warren
Cummins	Jones, Wash.	Reed, Pa.	Watson
Dale	Keyes	Robinson	Weller
Dial	King	Sheppard	Willis
Dill	Ladd	Shields	
Ernst	Lodge	Shipstead	
Fernald	McKellar	Simmons	

Mr. JONES of Washington. I wish to announce that the senior Senator from Kansas [Mr. CURTIS] is absent on official business.

I wish also to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I will let this announcement stand for the day.

I was requested to announce that the Senator from Connecticut [Mr. MCLEAN], the Senator from South Dakota [Mr. NORBECK], the Senator from California [Mr. SHORTRIDGE], the Senator from Pennsylvania [Mr. PEPPER], the Senator from Colorado [Mr. PHIPPS], the Senator from Florida [Mr. FLETCHER], the Senator from Wyoming [Mr. KENDRICK], and the Senator from Colorado [Mr. ADAMS] are attending a hearing before the Committee on Banking and Currency.

The PRESIDENT pro tempore. Sixty-five Senators have answered to their names. There is a quorum present.

DISPOSITION OF USELESS PAPERS

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of State, presenting, in compliance with law, certain material in the files of the department not needed in the transaction of business or having permanent value or historic interest, and asking for action looking to its disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The President pro tempore appointed Mr. LODGE and Mr. SWANSON members of the committee on the part of the Senate and ordered that the Secretary notify the House of Representatives thereof.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the House of Representatives of the Commonwealth of Massachusetts, protesting against the passage of the joint resolution (H. J. Res. 180) for the relief of the distressed and starving women and children of Germany, which was referred to the Committee on Foreign Relations.

(See RECORD of Saturday, May 10, page 8518, where the same resolution was presented by Mr. LODGE and printed in full.)

The PRESIDENT pro tempore also laid before the Senate the petition of the City Parliament of Community Councils of the city of New York, praying for the appointment of a congressional committee to thoroughly investigate the matter of telephone rates and service in the United States, and, among other things, to investigate into the relationship between the American Telephone & Telegraph Co. and its subsidiaries, etc., which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by General Nelson A. Miles Camp, No. 1, United Spanish War Veterans, Department of the District of Columbia, favoring the passage of the so-called Bursum bill, granting increased pensions, over the veto of the President, which was referred to the Committee on Pensions.

He also laid before the Senate a resolution adopted by General M. Emmet Urell Camp, No. 9, Department of the District of Columbia, United Spanish War Veterans, favoring the passage of the so-called Bursum bill, granting increased pensions, over the veto of the President, which was referred to the Committee on Pensions.

He also laid before the Senate a resolution adopted by the Presbytery of Los Angeles, Calif., of the Presbyterian Church in the United States, favoring an amendment to the Constitution prohibiting sectarian appropriations, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the board of estimate and apportionment of the city of New York, protesting against inclusion of a 10 per cent tax on radio sets and parts in the pending tax reduction bill, which was ordered to lie on the table.

Mr. FERRIS presented a resolution adopted at a convention of citizens from the States of Michigan, Illionis, Indiana, and Wisconsin, held at Chicago, Ill., protesting against the passage of legislation creating a Federal department of education, which was referred to the Committee on Education and Labor.

Mr. CAPPER presented a petition of sundry citizens of Frankfort, Kans., praying for the passage of the so-called McNary-Haugen export corporation bill, which was referred to the Committee on Agriculture and Forestry.

Mr. FRAZIER presented resolutions adopted by Republicans of Nelson County, in convention assembled at McVille, and the Aneta Commercial Club, of Aneta, both in the State of North Dakota, favoring the passage of the so-called McNary-Haugen export corporation bill, which were referred to the Committee on Agriculture and Forestry.

He also presented the petition of Fred Schmidt and 185 other veterans of the United States Veterans' Hospital No. 68, at Minneapolis, Minn., praying for the passage of House bill 7320, to amend the acts entitled "the war risk insurance act," "An act to establish a Veterans' Bureau," and "the vocational training act," which was referred to the Committee on Finance.

Mr. WILLIS presented a resolution of Chillicothe Grange No. 2075, of Chillicothe, Ohio, favoring an amendment to the Federal road law requiring the States to meet Federal aid with State funds instead of securing funds from the county through which the road runs, which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions of sundry citizens of Woodsfield, Laings, Beallsville, Round Bottom, Clarington, and Altitude, all in the State of Ohio, praying for the participation of the United States in the Permanent Court of International Justice, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the congregation of the Methodist Episcopal Church of Brewster, Ohio, favoring an amendment to the preamble to the Constitution by inserting therein the words "devoutly recognizing the authority and law of Jesus Christ, the Savior and King of Nations," so as to make the preamble read: "We, the people of the United States, devoutly recognizing the authority and law of Jesus Christ, the Savior and King of Nations, and desiring to form a more perfect union, establish justice, insure domestic tranquillity," etc., which was referred to the Committee on the Judiciary.

EX-SENATOR JAMES HAMILTON LEWIS

Mr. WILLIS. Mr. President, I desire the especial attention of the Senator from Arkansas [Mr. ROBINSON]. Recently, in response to a resolution adopted by the Senate, the Secretary of the Navy sent to the Senate a report, which, in part, is as follows:

An examination of the records of the Navy Department, its bureaus, and offices, discloses that the Hon. William Gibbs McAdoo, former Secretary of the Treasury; the Hon. James Hamilton Lewis, ex-Senator; and the Hon. Hoke Smith, ex-Senator, appeared before this department in advocacy of claims against the Government of the United States, and who at the time of their advocacy came within the provisions as set forth by Senate Resolution 176, above quoted.

Mr. ROBINSON. Mr. President, under what order is the Senator proceeding?

Mr. WILLIS. I was about to submit a request to print in the RECORD a letter from the Hon. James Hamilton Lewis, and I wanted to explain why I make the request.

Mr. ROBINSON. Let the Senator submit his request.

Mr. WILLIS. I am about to do so.

The PRESIDENT pro tempore. Does the Senator from Arkansas demand the regular order?

Mr. ROBINSON. No; I do not. But it is a very extraordinary proceeding.

Mr. WILLIS. Mr. President, I was submitting the letter at the request of the former Senator from Illinois, the Hon. James Hamilton Lewis. I had adverted to this report in a public address and Senator Lewis thought I had done him an injustice. I therefore thought it proper that the letter which he writes me should be inserted in the RECORD, as he asks that it shall be. I am doing this, I repeat, at the request of the former Senator from Illinois. I ask unanimous consent that the letter of Senator Lewis may be printed in the RECORD, or may be read, as may be desired.

Mr. ROBINSON. I suggest that the letter be read.

The PRESIDENT pro tempore. The Chair understands that the Senator from Ohio desires that the letter may be read?

Mr. WILLIS. I have no objection to the letter being read, and I understand that the Senator from Arkansas [Mr. ROBINSON] requests that it be read.

Mr. ROBINSON. I ask that the letter may be read.

The PRESIDENT pro tempore. The Secretary will read the letter as requested.

The reading clerk read as follows:

CHICAGO, *May 9, 1924.*

Hon. FRANK B. WILLIS,
United States Senate, Washington, D. C.

MY VERY DEAR SENATOR WILLIS: My attention has been drawn to a speech you made in Pittsburgh touching political and other subjects—a matter wholly within your privilege—but which is alluded to in the CONGRESSIONAL RECORD, where you reproduce some of the matter of your speech. You quote a report of the Secretary of the Navy, saying that I, among other ex-officials, had personally pressed claims against the Navy Department within two years after leaving the Senate.

May I beg to call to your attention that when this matter appeared in the press, I promptly telegraphed the Secretary of the Navy, assuring him that if he looked to the record he would see that I had never appeared in the Navy Department in any claim against the Government in all my life; that my only connection with the subject to which he alluded was a letter recommending the counsel to the cause as being worthy of audience at the Navy Department, the counsel having succeeded me as corporation counsel of this city.

Judge Wilbur graciously telegraphed that there was no intimation of any irregular act by me, saying that the name had been sent in in compliance with the resolution of the Senate, because my name was attached to certain correspondence. Also the matters passing between the Secretary and myself disclosed—what you will recognize—that the law putting a ban on any officer to present claims against the Government (in two years after leaving office) was limited to the heads of departments who had been the judges of the subject matter, and in no wise as to any Congressman or Senator after he had entered private practice at the end of his official service.

May I take the liberty to ask that you will incorporate my letter in an appropriate manner, that the RECORD may now print the letter, as I know you would not purposely have an injustice done me in a matter that involved the integrity of conduct on the part of either one of your fellow professional and official friends, or any citizen of your country?

With personal regards to you, I am,
Yours very sincerely,

J. HAMILTON LEWIS.

Mr. KING. Mr. President, I should like to make a suggestion to the Senator from Ohio [Mr. WILLIS]. In view of this statement of ex-Senator Lewis that he merely presented his successor as corporation counsel to the Navy Department, if the Secretary of the Navy did submit, in response to the resolution of the Senator from Nebraska [Mr. NORRIS], a statement that Senator Lewis had appeared before the Navy in the prosecution of cases against the Government, and Senator Lewis's statement is true—and no doubt it is true—then I think the Secretary of the Navy committed a very great error and did Senator Lewis a wrong.

Mr. WILLIS. Mr. President, if the Senator from Utah will turn to the RECORD of April 29 last, at page 7432, he will find a quotation from the report which was sent in by the Secretary of the Navy, from which I read in my opening statement. I thought it only fair to former Senator Lewis that his letter should be printed, and whatever the Secretary of the Navy may do rests in his sound discretion.

Mr. KING. I think the Senator from Ohio should have presented the letter which former Senator Lewis wrote to him, but I repeat that the Secretary of the Navy did Senator Lewis a wrong and that his act was very improper.

Mr. ROBINSON. What was the object of sending the name of the former Senator from Illinois to the Senate if he had merely introduced some one to the Navy Department?

Mr. WILLIS. Mr. President, I am entirely unable to answer that question. I took the document that appeared here, and which was sent to us, as the Senator from Arkansas knows, in response to a resolution which was adopted here, which had been introduced by the Senator from Nebraska [Mr. NORRIS]. I do not remember the exact terms of that resolution.

Mr. ROBINSON. Of course, the Senator from Ohio is to be commended for presenting the letter of former Senator Lewis, but the suggestion is that the Secretary of the Navy himself ought to send a communication apologizing to the Senate and to the former Senator from Illinois.

REPORTS OF COMMITTEES

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (S. 483) to correct the status of certain commissioned officers of the Navy appointed thereto pursuant to the provisions of the act of Congress approved June 4, 1920, reported it with an amendment and submitted a report (No. 519) thereon.

Mr. KEYES, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 823) to authorize the acceptance of title to forest lands in the State of Florida and to create national forests therefrom, and for other purposes, reported it without amendment.

Mr. STERLING, from the Committee on Post Offices and Post Roads, to which was referred the joint resolution (S. J. Res. 115) to provide for the free transmission through the mails of certain publications for the blind, reported it without amendment and submitted a report (No. 520) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (H. R. 6721) to amend the act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia," approved June 20, 1906, as amended, and for other purposes, reported it with amendments and submitted a report (No. 521) thereon.

Mr. FERNALD, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 3173) to provide for the construction of a memorial bridge across the Potomac River from a point near the Lincoln Memorial in the city of Washington to an appropriate point in the State of Virginia, and for other purposes, reported it without amendment and submitted a report (No. 522) thereon.

Mr. OVERMAN, from the Committee on the Judiciary, to which was referred the bill (H. R. 8050) to detach Reagan County, in the State of Texas, from the El Paso division of the western judicial district of Texas, and attach said county to the San Angelo division of the northern judicial district of said State, reported it without amendment.

Mr. GEORGE, from the Committee on Military Affairs, to which was referred the bill (S. 3090) for the relief of Palestine Troup, reported it with amendment and submitted a report (No. 523) thereon.

Mr. CAMERON, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1528) authorizing the Secretary of the Interior to accept the fee-simple title to a certain tract of land adjoining the Hot Springs National Park, Ark., donated to the United States of America for use in connection with Hot Springs National Park, reported it without amendment and submitted a report (No. 524) thereon.

Mr. LADD, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each without amendment, and submitted reports thereon:

A bill (S. 1987) accepting certain tracts of land in the city of Medford, Jackson County, Oreg. (Rept. No. 525); and

A bill (H. R. 5169) authorizing the Secretary of the Interior to grant a patent to certain lands to Johann Jacob Lutsch (Rept. No. 526).

Mr. LADD, also from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 5573) granting certain public lands to the city of Shreveport, La., for reservoir purposes, reported it with amendments and submitted a report (No. 527) thereon.

Mr. STANFIELD, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1607) for the relief of Nellie Kildee, reported it without amendment and submitted a report (No. 528) thereon.

Mr. NORBECK, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1033) to establish the Benning National Forest in the State of Georgia, reported it without amendment and submitted a report (No. 529) thereon.

Mr. MOSES, from the Committee on Expenditures in the Executive Departments, to which was referred the joint resolution (S. J. Res. 41) authorizing a joint committee of both Houses to investigate the Harriman geographic code system, now in use by the War Department, with a view to ascertaining the adaptability and application of said system in the several executive departments and administrative branches of the Government and to rendering a just compensation to the owner thereof, reported it without amendment.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mr. WATSON, from the Committee on Enrolled bills, reported that on the 10th instant that committee presented to the President of the United States enrolled bills and a joint resolution of the following titles:

S. 2392. An act authorizing an appropriation to indemnify damages caused by the search for the body of Admiral John Paul Jones;

S. 2998. An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico; and

S. J. Res. 104. Joint resolution requesting the President to invite the Interparliamentary Union to meet in Washington City in 1925, and authorizing an appropriation to defray the expenses of the meeting.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. STERLING:

A bill (S. 3288) granting a pension to Teressa K. Shriner; to the Committee on Pensions.

By Mr. JOHNSON of Minnesota:

A bill (S. 3289) to compensate the Chippewa Indians of Minnesota for lands disposed of under the provisions of the free homestead act; and

A bill (S. 3290) to compensate the Chippewa Indians of Minnesota for timber and interest in connection with the settlement for the Minnesota National Forest; to the Committee on Indian Affairs.

By Mr. WALSH of Massachusetts:

A bill (S. 3291) granting a pension to James Broderick; to the Committee on Pensions.

By Mr. REED of Missouri:

A bill (S. 3292) granting the consent of Congress to the city of Hannibal, Mo., to construct a bridge across the Mississippi River at or near the city of Hannibal, Marion County, Mo.; to the Committee on Commerce.

A bill (S. 3293) to amend section 332 of the Criminal Code;

A bill (S. 3294) to enforce the fourth and fifth amendments to the Constitution of the United States; and

A bill (S. 3295) granting the right of separate trials in criminal actions to defendants jointly indicted; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

A bill (S. 3296) granting an increase of pension to Frank Ziegler; and

A bill (S. 3297) granting a pension to Sophronia O'Neill; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 3293) for the relief of Herman Lincoln Chatkoff; to the Committee on Military Affairs.

A joint resolution (S. J. Res. 123) establishing a commission for the participation of the United States in an appropriate commemoration of the Lafayette Centenary, authorizing an appropriation to be utilized in connection with such observance, and for other purposes; to the Committee on the Library.

TARIFF COMMISSION INVESTIGATIONS

Mr. WALSH of Massachusetts submitted the following resolution (S. Res. 221), which was considered by unanimous consent and agreed to:

Whereas the Tariff Commission is being called upon to determine the applications of many industries for a study of economic conditions, particularly as affected by tariff laws relating to these industries; and

Whereas the commission has found it impossible to make a proper investigation of conditions affecting some of the industries because of a lack of appropriated funds necessitating even a reduction of its clerical force and tariff experts: Therefore be it

Resolved, That the Tariff Commission inform the Senate of (1) the number of industries which have made bona fide requests for tariff investigations, (2) the number of such requests upon which the commission has been unable to act, and (3) what, if any, sum of money should be appropriated by Congress in order to meet the legitimate requests of the business interests of the country for trade information and obtain necessary data concerning tariff adjustment.

INVESTIGATION OF FEDERAL FARM LOAN BUREAU AND BOARD

Mr. HOWELL submitted the following resolution (S. Res. 222), which was ordered to lie on the table:

Resolved, That the President of the Senate pro tempore is authorized to appoint a special committee of three members, which shall investigate the Federal Farm Loan Bureau and the Federal Farm Loan Board and report its findings together with recommendations for corrective legislation.

The committee is authorized to hold hearings, to sit during the sessions and recesses of the Sixty-eighth Congress, and to employ a stenographer at a cost not to exceed 25 cents per hundred words. The committee is further authorized to send for persons and papers; to require by subpœna the attendance of witnesses, the production of books, papers, and documents; to administer oaths; and to take testimony. The expenses of the committee shall be paid from the contingent fund of the Senate.

WORLD COURT PLAN

Mr. LODGE. I ask unanimous consent to have printed in the RECORD a letter which appeared in the New York Times of May 12, 1924, from Mr. Chandler P. Anderson, in reference to the plan for a world court as embodied in Senate Joint Resolution No. 122, introduced by me.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ANDERSON REPLIES TO WICKERSHAM—SENATOR LODGE'S COLLABORATOR DEFENDS THEIR WORLD COURT PLAN AS NEEDED TO SAFEGUARD AMERICAN INTERESTS

To the Editor of the New York Times:

Former Attorney General George W. Wickersham in his letter to you, published in your edition of May 10, attributes to me a certain amount of responsibility for the World Court plan, proposed by Senator LODGE, and calls attention particularly to certain extracts which he quotes from an explanation of this plan, prepared by me and published in connection with it, by Senator LODGE. One of these extracts, which he describes as an "extraordinary paragraph," is as follows:

> "The league covers the ground for the Old World, and many of the nations of the New World are members of it, and so long as the members are satisfied with that organization it would be unseemly for the United States to attempt to disorganize it by proposing a different association either for the Old or the New World."

Mr. Wickersham's comment is as follows:

> "One can not but marvel that the same hand that penned those lines should propose the disorganization or the abandonment of the Permanent Court of International Justice, which covers the ground not only for the Old World but for the whole world, except the United States, Russia, Ecuador, and Mexico, and whose members are quite satisfied with the organization, which facts, it would seem, would make it equally unseemly for the United States to attempt to disorganize it by proposing a different tribunal, either for the Old or the New World."

Germany and her former allies seem to have disappeared off the face of the earth.

It must be assumed that Mr. Wickersham understands, as all the advocates of the league court understand and frankly admit, that the league court will undertake to make international law for the world by the process of judicial legislation under the influences of the League of Nations. As stated by Mr. Root in his address at the annual meeting of the American Society of International Law a year ago, "according to all human experience with courts of justice," the league court "will inevitably develop the law as it decides cases under the law." Mr. Loder, who is now the president of the league court, has described that court as "an organ of the league," and if any court is to make laws for the world it should be a world court and not the league court.

The League of Nations, I understand, has signified its desire to have the United States adhere to the league court protocol, and it is an extraordinary position for an American to take that the United States was not justified in stating its objections to the present organization of that court and in proposing some basis of reorganization which would enable the United States and all other nations not members of the league to participate in the development of international law independently of the league, or any participation in the league or of league influences over the court.

The declared purpose of the League of Nations is to maintain world peace, and with that purpose the United States is in entire sympathy.

For reasons which are well understood, however, the method by which the league proposes to carry out this purpose has not proved acceptable to the United States, and the United States has definitely declined membership in the league.

In so far as the league constitutes a political organization to control international relations, the United States can not participate in it, and the United States has reserved entire freedom of action with reference to the political interests of the United States, whether in the Old World or in the New.

If the nations which are members of the league are satisfied with their organization, and if it does not interfere with the rights and interests of the United States as one of the members of the family of nations, it would be unseemly for the United States to criticize its activities for peace or to attempt to disorganize it by proposing a reorganization on a different basis.

In so far, however, as the league constitutes an organization for the development of international law for the world, the United States, as a member of the family of nations, is necessarily concerned with its activities and is entitled, by reason of its inability to join the league, to suggest the changes in the existing court which, from its point of view, would be necessary to enable it to cooperate in the field of international relations, in which every member of the family of nations is entitled to participate.

It will be recalled, as pointed out in my plan, that the committee of jurists, of which Mr. Root was a member, in proposing the plan of this court to the league, embodied in the plan, as an essential part thereof, the calling of a third Hague conference as soon as practicable, to promote the codification of international law. This recommendation has been rejected by the league.

Mr. Wickersham seems to take particular exception to the provision in the Lodge resolution that the court shall not have jurisdiction to render advisory opinions to the league on questions involving the Monroe doctrine or other questions which the United States considers to be purely domestic.

This provision is the same provision which the Senate of the United States adopted as a condition for the ratification of the Taft arbitration treaty, and is appropriately applied in this case to advisory opinions, which may be asked for by the league without the consent of the parties interested. Under the present statute of the league court it would have authority, without the consent of the United States, to render an advisory opinion at the instigation of any member of the league upon questions regarding immigration, the Monroe doctrine, State debts, and other questions enumerated in that provision which the United States considers are of purely domestic concern. It would be interesting to know on what grounds Mr. Wickersham objects to depriving the court of authority to render advisory opinions which would be objectionable to the American people.

Furthermore, as the league court is organized, its jurisdiction "comprises all cases which the parties refer to it and all matters especially provided for in treaties and conventions in force." As an illustration of the extent of the jurisdiction thus conferred upon the court it may be noted that the regulation of the Panama Canal under certain rules adopted by the United States is "a matter especially provided for" in the Hay-Pauncefote treaty. Does Mr. Wickersham think that any member of the league should be at liberty to appeal to the court to declare internationally invalid an act of Congress regarding Panama Canal regulations? This grave defect in the present statute of the court is corrected in the Lodge resolution by changing the jurisdictional provisions to read "the jurisdiction of the court comprises all cases which the parties refer to it and all matters over which its jurisdiction is especially provided for in treaties and conventions in force between the parties to the case submitted."

Mr. Wickersham seems to object to the provision in the Lodge resolution that "the court shall be bound by the principle that international law recognizes the authority of the laws of the United States within

its own jurisdiction as applied to foreigners or to foreign-owned property therein, whether in time of peace or war." It has recently been held by the European members of an international tribunal that foreigners in the United States have greater rights than American citizens and that an international court should have power to declare an act of Congress unconstitutional or invalid in its application to foreigners or foreign-owned property within the jurisdiction of the United States. But why should any American support this contention?

As to Mr. Wickersham's objections to the electoral commission, provided for in the Lodge resolution, for the election of judges, which, he criticizes as "new and cumbersome machinery," it would seem that he has overlooked the provisions of The Hague Pacific settlement convention of 1907, under which the nations participating in the permanent court of arbitration now maintain an organization at The Hague suitable and available, without additional expense for the proposed world court organization. This ready-made organization consists of "the permanent administrative council, composed of the diplomatic representatives of the contracting powers accredited to The Hague," and an "international bureau," which serves as registry for the permanent court of arbitration and corresponds to the secretariat of the league, with its staff and offices and in the Carnegie Peace Palace, which has already been appointed by the league court for its headquarters.

In conclusion, Mr. Wickersham, failing to find any sound argument against the plan, resorts to personalities and criticism of those advocating it. The real trouble is that this improved plan is so insistent upon the safeguarding of American interests that it can not be expected to meet with the approval of the proleaguers.

CHANDLER P. ANDERSON.

WASHINGTON, D. C., *May 10, 1924.*

REMISSION OF FURTHER PAYMENTS OF CHINESE INDEMNITY

Mr. LODGE. From the Committee on Foreign Relations I report back favorably without amendment the joint resolution (H. J. Res. 248) to provide for the remission of further payments of the annual installments of the Chinese indemnity, and I submit a report (No. 518) thereon. I ask unanimous consent for the present consideration of the joint resolution.

The PRESIDENT pro tempore. The Senator from Massachusetts asks unanimous consent for the immediate consideration of the joint resolution. Is there objection?

Mr. KING. Let the joint resolution be read.

The PRESIDENT pro tempore. The resolution will be read.

The reading clerk proceeded to read the joint resolution.

Mr. KING. That is all right. I withdraw the request for the further reading of the joint resolution. I am familiar with it.

Mr. LODGE. A similar joint resolution was passed unanimously a year ago.

Mr. KING. I approve of the joint resolution.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Whereas by authority of a joint resolution of Congress approved May 25, 1908, the President of the United States was authorized to remit unto China the sum of $11,961,121.76 of the Boxer indemnity fund accredited to the United States, which sum the President on December 28, 1908, duly remitted and which, at the request of China, was specified to be used for educational purposes; and

Whereas it is deemed proper as a further act of friendship to remit the balance of said indemnity fund amounting to $6,137,552.90 in order further to develop the educational and other cultural activities of China: Now, therefore, be it

Resolved, etc., That the President is hereby authorized, in his discretion, to remit to China as an act of friendship any or all further payments of the annual installments of the Chinese indemnity due under the bond received from China pursuant to the protocol of September 7, 1901, as modified by Executive order on the 28th day of December, 1908, pursuant to the authority of the joint resolution of Congress approved May 25, 1908, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances in China during the year 1900, such remission to begin as from October 1, 1917, and to be at such times and in such manner as the President shall deem just.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. LODGE. I ask that the report accompanying the joint resolution may be printed in the RECORD.

There being no objection, the report (No. 518) submitted by Mr. LODGE on the 12th instant was ordered to be printed in the RECORD, as follows:

[Senate Report No. 518, Sixty-eighth Congress, first session]

REMISSION OF CHINESE INDEMNITY

Mr. LODGE, from the Committee on Foreign Relations, submitted the following report to accompany H. J. Res. 248:

The Committee on Foreign Relations, to whom was referred the joint resolution (H. J. Res. 248) to provide for the remission of further payments of the annual installments of the Chinese indemnity, have considered the same and report thereon with the recommendation that the joint resolution do pass without amendment.

A practically similar resolution was passed by the Senate in the Sixty-seventh Congress but failed of action in the House.

In a letter to Hon. STEPHEN G. PORTER, chairman of the Committee on Foreign Affairs of the House of Representatives, of April 16, 1924, the Secretary of State, referring to this resolution, said:

> "I am happy to inform you that I approve of the proposal in its present form and am in full sympathy with the provisions of this resolution terminating further payments by China to the United States upon the Boxer indemnity."

The following correspondence from the Secretary of State, and a statement of Mr. John V. A. MacMurray, Chief of the Division of Far Eastern Affairs of the Department of State, before the House Committee on Foreign Affairs, are here printed, as follows, as a part of this report:

DEPARTMENT OF STATE,
Washington, July 19, 1921.

MY DEAR SENATOR LODGE: The delay in making a reply to your letter of May 25, with reference to the indemnity paid to the United States by China in consequence of the so-called Boxer rebellion, is due to the fact that it has been necessary to make a somewhat searching examination of the records not only of the Department of State but of the Treasury Department as well.

In the negotiations which took place at Peking in connection with the resumption of normal relations with China after the Boxer outbreak there was much disagreement among the powers as to the amount of indemnity to be levied upon the Chinese Government. This difficulty was finally overcome through the acceptance of a suggestion offered by this Government that a lump sum should be assessed, which should later be apportioned among the powers. The amount thus assessed was fixed by article 6 of the final protocol of September 7, 1901, at Haikwan taels 450,000,000 (equivalent to $333,900,000 United States currency), payable in annual installments, with interest at 4 per cent, over a period of 40 years. The apportionment of this sum among the various nations is shown in a table which forms inclosure No. 1 of this letter.

The proportion of the principal sum thus fixed as payable to the United States was 7.31979 per cent of the total—i. e., Haikwan taels 32,939,055 (equivalent to gold dollars 24,440,778.81). Under the joint resolution of May 25, 1908, referred to in your letter, this principal sum was reduced by the remission to China of $10,785,286.12, leaving $13,655,492.69 as the principal due the United States, payable annually, with interest at 4 per cent, over the period ending 1940, made up as follows:

Sum set aside for payment of private claims	$4,000,000.00
Amount of Government claim for military expenses	9,655,492.69
Total	13,655,492.69

Of this $13,655,492.69 a further sum of $1,175,835.64 was returned to China after the remaining outstanding private claims of American citizens had been settled, there remaining a net balance of $12,479,657.05 due, with interest, under the bond as modified in 1908.

I am inclosing a copy of a letter from the Secretary of the Treasury dated June 1, 1921, from which it will appear that to date there have been received from China payments totaling $12,413,499.77, representing the payments of principal and interest up to October 1, 1917, the date of the beginning of the five-year period of postponement allowed by the allied and associated powers upon China's entry into the war, as recalled in your letter. Of that sum $2,819,030.43 has been actually applied to the settlement of the private claims of American citizens out of the $4,000,000 which, as indicated above, was set aside to meet private claims, leaving a balance of $1,180,969.57, which has been disposed of as follows:

Returned to China under authority of joint resolution of May 25, 1908	$1,175,835.64
Balance on books of Treasury held as a trust fund and not returnable under resolution of May 25, 1908	5,133.93
Total	1,180,969.57

There has thus been paid by the Chinese Government, over and above the amount devoted to the complete settlement of all private claims, a sum of $8,418,633.70 toward the satisfaction of the only other indemnity charge—that is, the claim of the United States Government for the naval and military expenses incurred by it in the Boxer relief expedition, represented by a principal sum of $9,655,492.69. This Government's original claim for military and naval expenses thus amounts

to only $1,236,858.99 more than has actually been received from China on that account; and I believe with you that the remission of further payments upon the principal of such claim, as well as of interest, would be in accordance with the spirit which has traditionally characterized our relations with foreign countries, and I am heartily in sympathy with your proposal that we now put an end to any further payments from China. As stated in your letter, no appropriation would be necessary; a resolution of Congress authorizing the President, within his discretion and in such manner as seems to him wise, to forego further payments as from October 1, 1917, would suffice to accomplish that result. In accordance with your request, I am therefore happy to inclose herewith, for your use in bringing the matter to the attention of Congress, a draft of a resolution to that end.

Permit me, in conclusion, to express my appreciation of your interest in this matter, and to assure you of my readiness to furnish more detailed information, if that would be helpful to you, or otherwise to afford such assistance as may lie within the power of this department.

I am, my dear Senator LODGE,

Sincerely yours,

CHARLES E. HUGHES.

The Hon. HENRY CABOT LODGE,
United States Senate.

Table showing apportionment of indemnity

	Original percentage	Original amount in taels	Present status
Germany	20.01567	90,070,815	Canceled.
Austria-Hungary	.88976	4,003,920	Do.
Belgium	1.88541	8,484,345	Payment postponed.[1]
Spain	.03007	135,315	No change.
United States	7.31979	32,939,055	Reduced to Haikwan taels, 18,403,678.96; payment postponed.[1]
France	15.75072	70,878,240	Payment postponed.[1]
Great Britain	11.24901	50,620,545	Do.
Portugal	.02050	92,250	Do.
	11.26969	50,712,795	
Italy[2]	5.91488	26,617,100	
Japan	7.73180	34,793,100	Do.
The Netherlands	.17380	782,100	No change.
Russia[3]	28.97126	130,371,120	
International claims	.08326	149,670	Do.
Sweden and Norway	.01396	62,820	Do.
Grand total	100.00000	450,000,000	

[1] Payment postponed for five years from October 1, 1917.

[2] Italian Government, for reasons of internal administrative character, could not at the time fix the amount of the portion of the indemnity of which it was disposed to grant the postponement. No record has been received of Italy's decision in this matter.

[3] Russia agreed to a postponement of payment upon a portion of the sum originally allotted to it equivalent to the average net sacrifices made by the other allies. This average, calculated upon the proportional shares of each of the other countries was fixed at 9.5926 per cent of the total indemnity; and Russia declared itself willing to bring this up to 10 per cent, or approximately one-third of the indemnity which it received.

TREASURY DEPARTMENT,
Washington, June 1, 1921.

The SECRETARY OF STATE.

SIR: I have the honor to acknowledge receipt of your letter of the 27th ultimo requesting that you be furnished with data supplemental to that set forth in letter of this department of November 2, 1911, to the chairman of the Committee on Expenditures in the Department of State, House of Representatives, in connection with the Chinese indemnity resulting from the so-called Boxer insurrection of 1900.

In compliance with your request there is submitted the following statement giving the information desired, viz:

1. Receipts by years covering payments of Chinese indemnity made to the United States from July 1, 1902, to present date.

1903	$962,902.34
1904	987,772.54
1905	1,128,200.04
1906	1,493,278.74
1907	1,438,841.36
1908	1,013,606.36
1909	892,074.91
1910	533,535.52
1911	533,473.49
1912	105,081.41
1913	644,500.26
1914	806,083.88
1915	535,260.60
1916	533,238.47
1917	535,070.09
1918	269,679.76
1919–1921	
Total	12,413,499.77

2. Claims allowed and paid from the moneys received by the Treasury to date. The Secretary of State by letters of March 15 and 20, 1902, allotted the sum of $2,000,000 out of the indemnity received from China to pay the claims of American citizens for losses sustained by them in the Boxer disturbances, this account being set up on the books of the Treasury Department under the appropriation title: "Chinese indemnity, claims of citizens of the United States growing out of the Boxer uprising in North China in 1900":

Payments under this fund to Mar. 6, 1907, as shown by statement transmitted with letter of Nov. 2, 1911, referred to above	$1,994,553.65
No further payments since Mar. 6, 1907.	
Unexpended balance standing on books of Treasury Department under this fund	5,446.35
Total	2,000,000.00

Under the provisions of the joint resolution of May 25, 1908 (35 Stat. 577), in connection with decision of the Comptroller of the Treasury, dated November 26, 1909, a fund not to exceed $2,000,000 was set aside from the Chinese indemnity to pay judgments allowed by the Court of Claims, this account being set up on the books of the Treasury Department under the appropriation title: "Claims upon Chinese indemnity of 1900, judgments Court of Claims":

Payments under this fund during period Dec. 1, 1909, to Dec. 3, 1912	$824,164.36
No further payments since Dec. 3, 1912.	
Unexpended balance under this fund returned to China as shown below	1,175,835.64
Total	2,000,000.00

All judgments allowed by the Court of Claims having been paid, the balance of the above-mentioned fund, $1,175,838.64, under the provisions of the joint resolution of May 25, 1908 (in connection with decision of the Comptroller of the Treasury, dated November 23, 1914), was made available for return to the Government of China, the account covering this balance being set up on the books of the Treasury Department under the appropriation title: "Balance of Chinese indemnity, 1900, reserved by joint resolution of May 25, 1908, returned to Government of China."

Payments under this fund were made by settlement warrants drawn in favor of a representative of the Chinese Government, as follows:

Fiscal year:	
1915	$400,000.00
1916	500,000.00
1917	200,000.00
1918	75,835.64
Total	1,175,835.64

The last payment of $75,835.64, closing this account, was made to the Chinese minister by diplomatic settlement warrant No. 1481, July 28, 1917.

From the above it will be noted that the total payments under claims presented and allowed in connection with the Boxer disturbances have amounted to $2,818,718.01; balance returned to China under $2,000,000 set aside to pay judgments, Court of Claims, $1,175,835.64.

3. Balance on the books of the Treasury after payment of all claims.

The only unexpended balance standing on the books of the Treasury Department under the funds established to pay claims arising under the Boxer disturbances is that referred to above under the appropriation "Chinese indemnity, claims of citizens of the United States growing out of the Boxer uprising in North China in 1900," amounting to $5,446.35.

By direction of the Secretary.

Respectfully,

S. P. GILBERT, JR.,
Assistant Secretary of the Treasury.

APRIL 1, 1924.

Statement of John V. A. MacMurray, Chief of the Division of Far Eastern Affairs, Department of State, before the Committee on Foreign Affairs of the House of Representatives:

"The CHAIRMAN. Mr. MacMurray, you testified on this matter before. Will you give the attitude of the State Department, so far as you know it, on this resolution?

"Mr. MACMURRAY. The Secretary of State is entirely favorable to this resolution as now drawn. You may recall that somewhat over two years ago, when a practically identical resolution was introduced in the Senate by Senator LODGE, the Secretary wrote him a letter in which he expressed his full concurrence in the proposal, and declared his belief that it was an advisable and desirable thing in the interest of our relations with China. That is the Secretary's opinion of the bill now before this committee. In order that there should be no possible doubt or question about the fact that it does in its present form meet with his views, I took occasion, when asked by your chairman to come here to testify, to ask Mr. Hughes if the bill in its present form, and under all the circumstances which have developed since his original letter on the subject, would meet with his approval; and he told me that I might give you his entire assurance that it does.

"That is the principal point that I have to testify to, that the Secretary, in his judgment of our foreign relations, is heartily in favor of this bill. There are certain points connected with it, some of which have been raised by the discussion in the committee, which perhaps it would be proper for me to touch upon and try to make clear in so far as concerns the viewpoint of the State Department, which, in this matter, would naturally be the adviser to the President in the exercise of the discretion which the bill proposes to intrust to him.

"The question at once arises whether the situation has in any way changed or whether any occasion has been given for feeling that there should be a modification of the views that the Secretary expressed in his original letter to Senator LODGE. Perhaps the whole question is most vitally affected by the progress that has been made on this subject by other nations during that time. When the Secretary wrote, there was a rather vague prospect that some of the other governments might consider the question of a remission of a sort similar to that which we had initiated in 1908. Since that time the British Government—the previous British Government, not the one now in office—has announced in Parliament its intention to cancel or to remit the balance of the indemnity due to Great Britain. The question was for some time in doubt whether the British under their constitution could do that without an act of Parliament. Apparently the decision has been that an act of Parliament is required. We understand that an act for that purpose is now pending in the British Parliament, and that to the best of our information—of course it can only be a matter of opinion—that bill is entirely likely to pass.

"Japan has likewise taken action, we understand. Though our information about that is not so full as I should wish it were, in order that I might give you positive details, we have received from our embassy in Tokyo a report that it is unofficially stated that the Japanese cabinet has decided that the whole of the Japanese share of the Boxer indemnity now outstanding shall be remitted to China for cultural purposes of mutual benefit to China and Japan.

"The French Government has taken the most definite action of any nation thus far. They almost two years ago entered into an agreement with the Chinese Government by which the entire balance of the French share of the indemnity is to be devoted to certain specified objects. The primary object is the rehabilitation of the Industrial Bank of China, a French institution which went bankrupt and caused very heavy financial losses and great damage to French prestige a few years ago. Such sums as are necessary of the French indemnity are to be devoted to the rehabilitation of that bank and the payment of creditors who lost through its failure. It is, of course, entirely a matter of speculation whether there will be anything left over, but the arrangement with the Chinese Government and the bill as passed by the French Chambers provide that any contingent balance that there may be shall be used for what the French call 'œuvres.' That term is rather difficult to explain in English. I suppose 'cultural institions' is the nearest one can come to giving an idea of what is implied by it. In other words, it is primarily for the purpose of the rehabilitation of that bank, whose failure was very considerable, and secondarily for cultural purposes.

"The Governments of Italy and Belgium have made no definite indication of the purposes to which they would devote their indemnity if they remitted it. They have not, in fact, taken any positive action toward remitting; but it is rather generally understood (certainly as a matter of gossip in the diplomatic body in Peking) that the Italian and Belgian Governments are contemplating an early remission and are probably waiting to see what is done by the powers who are more greatly interested, such as the United States, Great Britain, and Japan.

"That creates a situation in which, if not exactly forced to action, we find ourselves confronted with a psychological situation in which it would be more difficult for us to hold back now—in which the failure to go on with the present remission would be more likely to create a misunderstanding than if the same thing had happened when the bill was first introduced. We, as you of course all realize, took the initiative in this matter in the first place. We had attempted throughout the negotiations for the settlement of the Boxer difficulties to protect the just interests of China and to try to bring about a settlement which should involve a little foresighted generosity as well as strict justice. We were, as you know, not altogether successful in that.

"In 1908 we corrected China's bond to us in order to relinquish everything that we felt it had been an actual injustice to take. There nevertheless remains this balance, in which we still have, of course, an unquestionably valid legal right, but as to which it may very well be contended that the claim is at any rate a somewhat harsh one. The proposal now is that we shall relinquish this. In the meanwhile we have established by means of the 1908 remission a precedent that has been very far-reaching. The effect that that has had in China, as many of those who have testified have told you, has been altogether inestimable. It has placed the United States, in the minds of the Chinese, in a category entirely different from that of any other nationality.

"The positive results from the educational plan to which China devoted the remitted funds are now beginning to accrue. It is only fair to say in passing that there is some ground for criticism that there has been a degree of disappointment in the way the educational scheme has thus far worked out. But, at any rate, I profoundly believe myself, and I think it is the view of all in our department, including the Secretary, who have to deal with these matters, that it is only on a very short view that we could feel disappointed. The educational plan is in its beginning; it has not yet had time to produce results.

"In the long run it is bound to produce results of the most hopeful sort for the regeneration of China; but meanwhile there can not be any question of the extraordinary result it has produced upon our relations with China, or perhaps I should put it upon China's relations toward us. That has been so much the case that other nations have regarded our action with a certain degree of what might almost be termed jealousy, a feeling that we had rather stolen a march on them; that our action had been so much more farsighted and so much wiser than theirs. There has been this feeling almost of resentment in the past toward the action that we took in 1908. But that feeling has given way to a desire to emulate the example that we set, and hence the efforts of the other powers that I have sketched out to you to try and place themselves in the same position. It would, of course, be a rather anomalous situation if, having initiated the more advanced and enlightened policy with regard to the disposition of these somewhat harsh indemnities, we were now to stop while all the others went on following our example and trying to take advantage of the initiative that we had taken.

"For that reason it seems to me that to-day even more than when the first bill was introduced it is a matter of obvious expediency for us to go ahead with this proposal.

"In the course of the discussion that has taken place yesterday and to-day before the committee there have come up a number of questions which possibly I might clear up for you by a perfectly frank statement of how the matter is regarded in our department. Most of those questions have concerned the use to which the money is to be put if remitted. Before going on with that let me answer a question that Mr. Cooper—I think it was he—asked, or at any rate suggested—and I am not sure that he received an answer that was altogether definite—as to what 'remitting' means. Let me say that the State Department in its consideration of this matter has never considered that 'remitting' could mean anything for our present purposes except to follow the practice we have followed hitherto in regard to the portion remitted in 1908—that is, that we would hold the Chinese Government to the payment into our hands of the installments as they come due and would thereupon give them back.

"There are a number of reasons for that, quite apart from the question of the legal interpretation of the meaning of the word 'remit' in the original bill. For one thing, I might just say in passing, we should not disinterest ourselves in this matter while other powers retain an interest. We want to be in a position no less favorable than theirs if it comes to any question such as arises very often in China—though it does not generally arise in other countries—as to the rights of the powers interested in the customs revenues of China and in the disposition of those revenues. If only for that reason, it would be, from the viewpoint of our dealings with current questions as they come up with China, an unfortunate thing if we were to lose our standing as one of the actual creditors who are to be paid month by month out of the customs revenues.

"But to go on with the question of the uses to which this fund might be devoted. As soon as this proposal for the additional and final remission of the indemnity came up, the subject was quite fully discussed in the department, and the conclusion was reached that we could only act on the assumption that the money is to be given back to China; that it therefore does not befit our Government, or the State Department, acting for the Government, to tell China, 'You must use this money for this purpose or for that purpose.' It would very markedly detract from any graciousness and from any good will involved in that action, if we were to assume a right of dictating the disposal which should be made of those funds that we gave over. On the other hand, it is very clearly recognized that simply giving funds to the Chinese Government outright, giving that money (whether it were by release, if such a thing should be decided on, or whether it were by remission), so as simply

to turn it over into the hands of the Chinese Government would not serve the purposes that we have in view, either in the sense of improving our international relations or enabling China to better its own condition.

"We foresee that the process which will probably be followed—and I think that we can anticipate it with a good deal of confidence, from our experience of the way in which the Chinese generally conduct such matters, and from the intimations that have been gleaned by us—what will happen if this money is remitted is that the Chinese, doubtless through their minister here, will approach us with a statement that they have such and such uses in mind. We feel that it is essential, that we should leave the initiative to be taken by the Chinese. It is, of course, conceivable that some unacceptable purpose might be suggested. I do not think it is within the range of actual possibilities, but (simply to illustrate my point) if they were to suggest that that money be used to help the Chinese Government in meeting its budget deficit, I should feel that this Government should refuse to have anything to do with it; that the President, in the exercise of the discretion which the bill gives him, might well say that it did not interest us at all, simply to patch up a hole in the budget of the Peking Government. What they are likely to do—I think I may almost say what they seem sure to do—is to make to us some proposal for a concrete work, whether cultural, industrial, or whatever it may be, of a sort that the Chinese Government could not undertake and that the Chinese people perhaps would not be in a position to undertake, which this would enable them to accomplish. It would then be simply a matter of an arrangement with the Chinese minister, or with any board or commission that might be designated for the purpose, to adjust the details by which the funds could be put into such hands that none of us need have any worry about their dissipation; that we would know that they were being devoted to the cultural or other objects that the Chinese had selected; and that this money, month by month accruing to us as a debt from the Chinese Government, would thereafter be spent honestly and efficiently for some object approved by the Chinese people and in the interests of the Chinese people.

"Mr. BROWNE. Has any of this money so far ever been used for anything except for educational purposes or something akin to education?

"Mr. MACMURRAY. No, sir.

"Mr. BROWNE. Are you in favor of departing from the custom that we have had in regard to spending this money, and putting it into anything outside of education or libraries or something of that kind—library work?

"Mr. MACMURRAY. Mr. Browne, I have personally no opinion of my own—certainly as representing the State Department I have no opinion. I have possibly some little personal preference for the idea of using this for industrial work, because so much is now being undertaken in education, and possibly there is room in the field of industrial development. But I have said that only to be entirely frank with you, since you are asking my personal point of view. I think that I am really not entitled to a personal point of view, because I feel quite strongly that it is up to the Chinese to decide what they want to do with the money. Now, the Chinese, various groups of Chinese, have proposed various schemes—some of them industrial; for instance, plans covering the Hwai River conservancy which you have heard advocated by Mr. Dwight Edwards. There are various other schemes. I, for my part, should not feel unhappily if, for instance, they wanted to double track a railroad or improve a harbor, or use the funds for some concrete industrial purpose like that. But I feel that this is essentially a matter for the Chinese themselves to determine. What they are going to determine I can not tell. My forecast, or my best guess is, that they are going to propose some education project, and there are several such projects which they have considered rather fully, and which I think none of us should feel sorry if they adopt."

DEPRESSION IN COTTON MANUFACTURING INDUSTRIES

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The reading clerk read the resolution (S. Res. 219) submitted by Mr. WALSH of Massachusetts on the 5th instant, as modified by him on the 7th instant, as follows:

Whereas a prolonged depression of exceptional magnitude has and is occurring in the cotton textile industry, causing an attendant decrease in production of 40 to 60 per cent and general unemployment and its consequent want and distress in communities where this industry is located: Therefore be it

Resolved, That the United States Tariff Commission be, and hereby is, directed to furnish to the Senate as expeditiously as possible, if not incompatible with the public interests, all available facts requested hereinafter:

(1) Is the present depression in the cotton manufacturing industry confined to the United States or is it world-wide?

(2) To what extent and for how long a period has the present depression in the cotton manufacturing industry of this country been apparent?

(3) What is the quantity and value of cotton cloth imported into and exported from the United States under the present tariff act as compared with those under the acts of 1909?

(4) What is the percentage of imports and exports, as compared to the domestic production, of cotton cloth in the census years 1909, 1914, 1919, 1921, and 1923?

(5) What types of cotton cloth constitute the bulk of the import trade, and are these cloths similar or different in character from those produced in this country?

(6) What are the main reasons for the importation of cotton cloths in particular; are such imports due primarily to price or to quality?

(7) To what extent has the domestic industry been affected by the post-war increases in the importation of cotton cloths?

(8) Would changes in the present tariff rates on cotton cloths be of material assistance in stimulating production and restoring prosperity to this industry?

The PRESIDENT pro tempore. The question is on agreeing to the resolution as modified.

Mr. WALSH of Massachusetts. Mr. President, I do not anticipate any opposition to this request for information, but I should like the RECORD to show to what extent the cotton textile industry is depressed at the present time.

In Fall River, Mass., two-thirds of the spindles are idle.

In New Bedford, Mass., the cotton spindles are running 50 per cent of capacity only; in Lawrence, Mass., about 40 per cent, and in Lowell, Mass., about the same.

A dozen mills are closed in Rhode Island.

In New Hampshire the Nashua Manufacturing Co. has closed for days and the Amoskeag Manufacturing Co.—one of the largest textile industries in the world—is running on a four-day schedule. The big Pepperill mill at Biddeford, Me., has closed at times for several days.

Of the 200,000 workers in New England's cotton plants, only a few are receiving a full week's work.

I have also a press notice calling attention to conditions at Putnam, Conn.

One of the Putnam Manufacturing Co.'s mills has already shut down and the rest of the mills will be idle by the end of this week. (New York Journal of Commerce, May 8.)

The same situation exists in the textile industry in the South, but not to the degree and extent to which unemployment prevails in New England. I believe the industry is depressed throughout the world, but there seems to be an impression in some quarters that importations of cotton cloth from abroad are responsible. We should know if this is the fact. My resolution seeks to get authentic information from the United States Tariff Commission as to the real conditions in this industry. Also, what effect, if any, the present tariff is having upon this industry. The least we can do is to have the agencies of the National Government study the situation and make whatever contributions it can in ascertaining all facts and aid with constructive suggestions.

Mr. President, I have some press notices and letters on this subject which I should like to have printed in the RECORD with my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Boston News Bureau, May 8, 1924.]

CURTAILMENT STEADYING COTTON TEXTILES—EFFECT OF REDUCED OUTPUT BEGINNING TO BE FELT—TURN FOR BETTER BELIEVED NOT FAR AHEAD.

Boston: Six months ago curtailment among northern cotton mills began to assume general proportions. The move toward restricted output has grown steadily and is now at its height. Mill machinery in New England is averaging little, if any, above half time. In the Southern States, where nearly half of the industry is located, activity has dwindled to less than 80 per cent of the maximum. Some southern units, such as Proximity Mills, among the largest consumers of cotton in the country, are reducing operations for the first time in their history.

The current depression bears no resemblance to the 1920 debacle, which was characterized by a slaughter of heavy inventories. Millmen to-day hark back to the early years of the century for a parallel situation.

Because New England started its curtailment program earlier by several months than the mills in the cotton-growing States, stocks of goods at the northern plants are now reduced to comfortable pro-

portions; probably below what may be considered normal. In the South there is no denying stocks are still bulky.

At the moment there is every indication that curtailment will become still more drastic. Already some close students of the goods markets point out that prices, which have crumbled slowly since the first of the year, are steadying under the growing refusal of mills to shade prices for the sake of doing business. Surplus goods are being taken up by the continued satisfactory retail demand, and the foundation is being laid for the sharp revival which customarily follows such a situation. Some are willing to predict the turning point by midsummer or early fall.

ENGLISH TEXTILE ACTIVITY

Washington: Established control in American spinning section of Lancashire, according to reports to Department of Commerce, continues, and mills are operating 26½ hours weekly. The control has steadily improved the financial position of companies, and some demands are being made that production hours be increased on several remunerative cloths, which are now scarce. Continuation of organized short-time operations is recommended until September. Manufacturers are in a more hopeful position than in January, and the trade appears to be in a better position to carry through the summer without disastrous withdrawal of loaned capital. Banks are supporting the short-time control scheme, and fewer mills are operating at losses.

Three per cent of the total workers continue unemployed. Eighty-nine thousand persons were unemployed on March 15, which is similar to the number unemployed in recent months. Exports of gray cloth to the United States for the first quarter of 1924 show continued increase, but there is a decrease in bleached and colored cloths and yarns. There is a substantial inquiry from overseas, but discounts on cotton futures cause conservative buying. The Egyptian section continues fully employed, but there is no general increase in production, with the exception of the Burnley Weaving Sheds, which have recently increased from 60 per cent to 70 per cent of normal.

[Extract from a Fall River (Mass.) newspaper]

SENATOR WALSH'S PROPOSAL

Is there any likelihood that the probe of the textile industry, asked by Senator WALSH, would result in any good? It is hard to say. It is undeniably true that the depressed condition of the industry is, as he asserts, "of exceptional magnitude," and it is probably true that the reduction in production amounts to from 40 to 60 per cent of normal, and it is certainly true that "want and distress" are too common in communities dependent on the textile industry for support.

Is the Tariff Commission in a position to help matters by answering the numerous questions propounded by Senator WALSH? It is difficult to answer.

Public attention would be focused upon the distressing situation if the commission were to inaugurate the exhaustive inquiry that would result upon the adoption of Senator WALSH'S plan. Could any amount of public attention help a condition that is economic in its causes? Or is there something in addition to economic causes partly to blame for the present condition of the textile industry?

One question propounded by Senator WALSH would make an interesting inquiry all by itself: "What are the main reasons for the importation of cotton cloths; in particular, are such imports due particularly to prices or to quality?"

The entire matter of the desirability of an inquiry of the nature asked should receive the most careful consideration, and if, in the opinion of those who know most about it, promise of relief or amelioration is held out, then we should have an inquiry, thorough, and the sooner the better.

[From the Boston Herald]

WHY COTTON MILLS ARE IDLE

Not unnaturally the question why a good share of the textile machinery of New England remains idle came in for considerable discussion at the opening session of the semiannual meeting of the National Association of Cotton Manufacturers at Boston on Wednesday. As is usual, there was a certain amount of rather bootless complaint indulged in. The trouble with the textile industry of this country at the present time, not only in New England but elsewhere as well, is not hard to understand or to diagnose.

Prices are higher than the public is willing to pay, and the mills at the moment can not, because of excessive costs, reduce them without incurring heavy losses. If and when shelves become unduly denuded of goods the mills, or some of them at all events, may find it possible under conditions approximating those of the present time to obtain some measure of more or less temporary relief from their troubles, but the fact remains that the textile industry of this country is not likely to regain a position of normal prosperity until means are found to cut costs to proportions substantially smaller than exist to-day.

It is hardly reasonable to expect manufacturers to attain even an approximation to pre-war operating costs. That they could hardly do without bringing back into existence labor conditions which in the old days were a shame to the land. In all probability, therefore, the public will be forced to accustom itself to pay more for its cotton goods than it did prior to the outbreak of the World War, but there is little to lead to the supposition that it will take kindly now or at any near date in the future to the price levels now ruling.

NEW YORK, *May 7, 1924*.

Hon. Senator DAVID I. WALSH,
Washington, D. C.

HONORABLE SIR: We have read with interest concerning a resolution introduced by you directing the Tariff Commission to report to the Senate facts relating to the depression in the cotton-textile industry.

We have been identified with the cotton-goods trade for many years as converters of domestic cotton goods and importers of French and English cotton goods for the department-store trade. Like most houses in our line we are suffering from the effects of the depression, which we consider due to the following causes:

First. General uneasiness on the part of merchants to make commitments ahead because of the political situation. We believe that this feeling has slowed up trade in all textile lines. We think that the present lack of confidence is progressing, and, just as a business boom is exaggerated, hesitation in buying is exaggerated and causes the pendulum to swing too far.

Second. The finished-goods trade in the cotton-goods business is suffering from a backward season due to unusually cold spring weather extending all over the country. Retail merchants, even in the extreme south of Florida, have complained about weather conditions, which have greatly retarded the sale of cotton piece goods.

Third. There has been a considerable increase in the amount of cotton-goods machinery installed since the entry of the United States in the war. A great many cotton-goods mills have been erected in North and South Carolina since 1917. These mills compete with the New England mills, and it is questionable, in our minds, whether the country can absorb the great quantity of goods which all these mills can produce.

Fourth. There has been a decline in the price of raw cotton from 7 to 8 cents a pound since November, 1923, and we find that usually with a decline in the price of raw cotton there is also a decided slump in the sale of finished goods for some little time thereafter owing to fear on the part of merchants that the bottom price of cotton has not been reached.

Fifth. We believe that there is also a general impression that the price of raw cotton is inconsistent with the general level of commodity prices. There is at present an increase of about 130 per cent in the price of raw cotton over 1913, whereas most basic commodities have not increased in like proportion.

Sixth. The prices of silk materials have slumped to such an extent in the last few months that the price of cotton materials for women's dresses and underwear is out of proportion with the price of silk. With only a small difference in the price of silk over cotton, the consumer will prefer silk.

This firm divides its products in cotton piece goods about 70 per cent domestic and 30 per cent imported. We find that there is just as little demand for imported goods as for domestic goods at the present time. We believe that the rate of duty, if increased, will not change the amount of consumption of foreign goods to any appreciable extent. If duties are increased, goods which are now imported will continue to be imported, if these goods are in demand, and the only change which will be caused will be increased costs to the consumer.

It has been our experience that most goods which are imported are imported for the reason that they are made with superior skill in foreign countries and, in other instances, because of the willingness of foreign manufacturers to make goods in smaller quantities than the American mills are willing to undertake. American mills are equipped for quantity production only and are not interested in nor equipped with machinery which will profitably manufacture small quantities of desirable merchandise.

We do not know whether our letter will shed any light on this question, but we are of the opinion that letters from the trade must be of interest to you. We are,

Yours very respectfully,

KLAUBER BROS. & CO.,
EDWARD KLAUBER, *Vice President*.

LOCKPORT, *N. Y., May 8, 1924*.

HON. DAVID R. WALSH,
Washington, D. C.

DEAR SENATOR WALSH: As manufacturers of textiles we note with a great deal of approval your efforts to have an investigation of cotton

manufacturing in this country, particulalry with respect to how it is being affected by the present tariff bill.

* * * * * * *

We highly approve of your demand that there be an investigation of the textile business of the United States to see if something can not be done to put the American mills on a basis where they can run full time.

Sincerely yours,

NIAGARA TEXTILE CO.,
H. L. RANSOM, *Vice President.*

Mr. LODGE. Mr. President, I merely desire to say, in addition to what my colleague has said, that the situation is extremely serious. In many of the Massachusetts textile towns I have heard, particularly from Lawrence and from others, there is real distress owing to the lack of employment; and, as my colleague has shown, I think, it extends through New England generally.

I hope there will be no delay in passing this resolution.

Mr. WALSH of Massachusetts. I think both my colleague and myself have received communications from the mayors of some of these cities, asking for information and assistance.

Mr. LODGE. Yes.

Mr. WALSH of Massachusetts. And I am sure it will help to relieve the public mind if the information is furnished as quickly as possible.

Mr. LODGE. I think it is very important to get it.

Mr. DIAL. Mr. President, I do not see any great good or great harm that the resolution can do. It will divulge no information, however, that we have not already. The depression mentioned by the Senator from Massachusetts is on account of world conditions, in a great measure, and on account of the wide fluctuations in the price of cotton, and on account of the mills not being able to dispose of their goods at a profit. There is no longer any reason for users of cloth to abstain from purchasing. That is a matter that they will have to adjust among themselves. We can not expect to close our doors to the products of other countries and at the same time get a high price for what we have to sell. The report of the Tariff Commission no doubt will simply verify what the Democrats have been contending for here since the present tariff law went into effect.

Mr. SMITH. Mr. President, I am not going to oppose the passage of the resolution; but I think in justice to the public and those interested in this question I should call attention to the fact that some few weeks ago, perhaps two months ago, I read into the RECORD an article setting forth the fact, or the alleged fact, that certain of the English mills were memorializing the American mills to join with them to run short-time in view of the possible utter depletion of the supply of raw cotton. They claimed that they were doing this in order to maintain a control of the price of the raw material as well as the cloth; that if full-time were run it would necessarily mean that before the new crop came in there would be a practical exhaustion of the supply of the raw material. When the wholesaler, the jobber, and the retailer were made aware of the fact that such a proposition was being mooted, it was perfectly natural for them to withhold their purchases until they could see the result of this proposed short running. It now becomes apparent, or possibly it is a fact, that this buyer's strike, as they call it, is a result of the mooting of the question as to whether the mills would so curtail their output as to influence prices. It may be that their plan has worked a Frankenstein, and has reacted in such a manner that they may not be able to dispose of their cloth at their prevailing prices—all, in my opinion, the result of the agitation. I do not say there was any understanding, but as the result of the agitation for short-time they now complain that their operations are unprofitable.

I do not know to what extent the short-time running has been influenced by the price of goods or what influence the short-time running has had in bringing about the lower price of goods. It is a case of action and reaction. It is my opinion that if the mills were running on normal time, with the conditions that confront us, with a depleted stock and perhaps the latest season that we have had in a decade, and with the weevil now having all the advantage by reason of the late crop, coming out of hibernation in time to get what is known as the first crop, the outlook——

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Oregon will state the inquiry.

Mr. McNARY. I simply want to know what the situation is.

The PRESIDENT pro tempore. A resolution coming over from a previous day is before the Senate.

Mr. McNARY. Is it proper at this time to consider that resolution?

The PRESIDENT pro tempore. It is in order at this time.

Mr. SMITH. I am sorry that I am not so enlightening to the Senator from Oregon as to enable him to discharge his duties here properly; but I have about concluded my statement.

Mr. McNARY. I feared the Senator had not reached that point.

Mr. SMITH. Perhaps the Senator was afraid I never would. However, I thought that in justice to those who produce the cotton and those who manufacture it and those who wear it I should call attention to what several months ago was alleged to be mooted among the world's manufacturers.

Mr. FERNALD. Mr. President, I am always delighted to hear the Senator from South Carolina, but I am wondering how long this is to continue. There are a few bills on the calendar which we are anxious to take up.

Mr. WALSH of Massachusetts. The resolution is in order.

The PRESIDENT pro tempore. A resolution coming over from a preceding day is in order, and would be in order until 2 o'clock. The question is upon agreeing to the resolution.

The resolution was agreed to.

CAMPAIGN CONTRIBUTIONS OF BIG FIVE MEAT PACKERS

Mr. CARAWAY. From the Committee on Agriculture and Forestry I report back favorably Senate Resolution 216, introduced by the Senator from Minnesota [Mr. JOHNSON], and wish to call his attention to it. I report the resolution with an amendment in the nature of a substitute and with an amendment striking out the preamble.

The PRESIDENT pro tempore. Without objection, the report will be received.

Mr. JOHNSON of Minnesota. Mr. President, I ask unanimous consent for the immediate consideration of that resolution.

The PRESIDENT pro tempore. The Senator from Minnesota asks unanimous consent for the immediate consideration of the resolution just reported. Is there objection?

Mr. WADSWORTH. Mr. President, may it be read?

The PRESIDENT pro tempore. The Secretary will read the resolution.

The READING CLERK. The committee report an amendment to strike out the preamble and all of the resolution after the word "*Resolved*" and to insert:

That the chairman and treasurer of the Republican and Democratic National Committees, respectively, are hereby requested to furnish to the Senate the list of contributions made to their respective committees since the election of 1920 by each of the Big Five packing companies, to wit, Armours, Wilson, Morris, Cudahy, and Swift, or by any representative or agent of said packers; be it further

Resolved, That the chairman and treasurer of the Republican and Democratic National Committees, respectively, also furnish to the Senate the names and addresses of every contributor to their respective committees of $500 or more since said election of 1920 and the aggregate amounts of contributions under $500 made to their respective committees.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. FESS. Mr. President, as I heard the resolution read, it is an inquiry as to what contributions have been made by these companies or representatives of the companies. As the chairman knows, the law forbids the reception of any contribution from any corporation. I think the Senator from Minnesota wants to know what contributions have been made by individuals rather than by corporations.

Mr. JOHNSON of Minnesota. That is what we are asking the chairmen and the treasurers of the two national committees to report on.

Mr. FESS. On individual contributions?

Mr. JOHNSON of Minnesota. Yes.

Mr. FESS. That would be in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JOHNSON of Minnesota. Mr. President, I have not taken up very much of the time of the Senate during this session. I believe there are some reasons why we should adopt this resolution and have these officials report. I have had some experience in my own State with regard to donations to the Republican State campaign fund, and I want to refer to that in a few moments to show that great sums of money can be raised.

We have on file in the Chief Clerk's office of the House of Representatives what was paid in to the Republican and Democratic campaign funds during the election, but we do not know where they got the money with which they have paid

the deficit that they had after the election. I understand that it amounted to $1,600,000 for the Republican Party.

When I introduced the resolution asking the chairman of the National Republican Committee to report to the Senate the amount of money contributed by the "Big Five" packers, or any one of them, to the campaign fund of 1920, I had in mind two things:

First, the apparent friendship which the Department of Agriculture and the present administration has shown for the packers. This has been particularly noticeable in the way the packers and stockyards act has been administered.

Second, the large campaign fund raised in 1920 to defeat the Farmer-Labor ticket in Minnesota. An investigation by a special committee of the Minnesota State Senate a year ago revealed the fact that approximately one-half million dollars had been spent in the State to defeat our ticket in 1920. This money was all spent in behalf of the Republican candidates, and was disbursed very largely by an organization called the "Sound Government Association."

The majority report, signed by four Republican senators, MacKenzie, Furlow, Rosenmeir, and Rockne, confesses, as it were, that a large sum of money was spent.

Mr. Ingersoll's account was kept with the Merchants National Bank of St. Paul. The committee subpœnaed the cashier of the bank and the bank books were inspected with reference to the Ingersoll account. The books show that the total checks issued against same were $375,095.32. The expenditures thus shown of $375,095.32 are more than $155,000 in excess of the amount which Mr. Ingersoll and Mr. Wilbur testified was spent in educational activities of the Sound Government Association. For what purpose this $155,000 was spent, to what parties it was paid, could not be ascertained by your committee, and your committee, therefore, makes no findings in that respect.

I might explain here that Mr. Ingersoll, referred to in the report, acted as treasurer for the Sound Government Association. Mr. Wilbur was secretary of the organization.

The minority report signed by Senators Carley, Democrat, and Schmechel, Farmer-Labor, furnishes a little more information on this point. I want to also quote briefly from that:

An examination of the bank account of F. G. Ingersoll produced by R. W. Lindeke, cashier of the Merchants National Bank, shows that instead of $220,000 having been received and expended by Mr. Ingersoll in the conduct of the Sound Government Association, there was received by him $379,380.62, and that he issued checks against the same amounting to $375,095.32. Mr. Ingersoll has no books, checks, vouchers, or other data to show what became of this money. He expended about $155,000 outside of the expenditures made by him for the Sound Government Association. The only light this committee received as to these expenditures is the testimony of the witnesses themselves, when they declared that they were Republicans, interested in the Republican campaign and election of the Republican ticket, and that when the election was over, the State was saved, and they had accomplished what they desired to accomplish, and that the issue in the campaign of 1920 was the issue of socialism and the fight was against the Nonpartisan League, and the principal tickets in the field after the elimination convention of 1920 and after the primaries was the Republican State ticket and Farmer-Labor ticket, and the further light, shown by the fact that after the announcement in "Minnesota issues" of the success of the campaign the sound government movement dwindled and was abandoned very soon thereafter.

I want to make an explanation to the Senate of what was meant by "Minnesota issues." It was a booklet, or a pamphlet, I will call it, that was sent to every voter in the State of Minnesota every week. I know I received three or four copies at the same time, and I believe my neighbors received the same. It cost this organization money to distribute that literature.

These men were good politicians. They destroyed their records, including checks, receipts, and books.

Now, the thing that was not revealed was the source of this fund, and the way it was spent. I want to quote a little more from the minority report on that point:

It further appears that the officers of the Republican State central committee kept no books or records showing receipts and disbursements of that organization. Such memoranda as was kept was immediately destroyed at the close of the campaign. That the so-called "committee of one hundred," and other committees referred to in the conduct of the State campaign—

Mr. President, let us have a little order so Senators can all hear this. It might be all right for some of the Republicans and Democrats to get this.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. JOHNSON of Minnesota (reading)—

That the so-called "committee of one hundred" and other committees referred to in the conduct of the State campaign kept no books or records and at the close of the campaign destroyed such data as they had. That in the expenditure—

I want you Republicans to get this now—

by Ray P. Chase of $25,000—

Mr. Chase is State auditor to-day in the State of Minnesota on the Republican ticket, and he has been for the last four years—

that in the expenditure by Ray P. Chase of $25,000, which he expended in publicity for the election of the Republican State ticket, all transactions were had in cash and the money was paid to him as he required it by A. H. Turritin, president of the Lincoln National Bank, of Minneapolis, at that time, and who has since died. That said Chase deposited in his left-hand trousers pocket the $25,000 received and checked it out of such pocket, keeping no record thereof. That the chairman of the committee was requested to bring before the committee the books and records of the accounts kept by said Mr. Turritin as custodian of the funds of the various committees which he was connected with, but that no such books or records were produced.

Now, where was this vast fund obtained to be used in Minnesota to defeat the Farmer-Labor ticket in 1920?

Mr. NORBECK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from South Dakota?

Mr. JOHNSON of Minnesota. I will be through in a minute.

Mr. NORBECK. I wanted to ask the Senator a question. But he may continue his speech.

Mr. JOHNSON of Minnesota. The Senator can ask the question now.

Mr. NORBECK. I have been attending a committee meeting, and just entered the Chamber. I am wondering whether the position the Senator takes is that the Republicans expended more than the Democrats spent?

Mr. JOHNSON of Minnesota. We do not know what the Democrats did. They have always been very poor in my State. They have not expended very much. But if this resolution goes through we will find out what they did.

Mr. NORBECK. Did they expend more than the Farmer-Labor Party did?

Mr. JOHNSON of Minnesota. I will not answer as to what the Farmer-Labor Party did. I do not know exactly what they spent. But when this investigation instituted by Senator Carey, my opponent for this office in the last special election, started, they subpœnaed Mr. Teigan, my secretary. He had something to do with the campaigns of 1920 and of 1922. Mr. Teigan appeared there, and Chairman McKenzie declined to ask him any question. We were willing there that the books show what we did spend.

Mr. NORBECK. The Senator is aware of the fact that the Nonpartisan League gave publicity to a statement in South Dakota that they raised for political purposes in the year 1918 the sum of $396,000?

Mr. JOHNSON of Minnesota. In South Dakota?

Mr. NORBECK. That they raised it in South Dakota.

Mr. JOHNSON of Minnesota. That might possibly be, but they got membership, these $16 payments. However, the most of that went to the organizers.

Mr. NORBECK. I would like to know what became of the money.

Mr. JOHNSON of Minnesota. We are willing to report that, too, if you want it.

Mr. FERNALD. Mr. President, I am certainly interested in this colloquy, but I was unable to hear the question of the Senator from South Dakota.

Mr. JOHNSON of Minnesota. The money was spent and was admitted by those having the fund in charge in behalf of all of the Republican candidates, including those running for Congress. I am anxious that the Republican national chairman make known the amount of money that the packers have contributed to the Republican Party, if they have made any such contribution, and I should be equally interested in knowing whether any contributions have been made by the packers in behalf of the Democratic Party.

The amended resolution provides that the chairmen of the two parties make known these facts. Let us have them.

Mr. President, I have been in politics for many years. I have played with the Republican Party and I know that some money is spent in the State of Minnesota, and has been spent there. There is no question about that. Through this resolution of mine I want to get some information, as I said before, as to

whether anyone connected with the Big Five packers has paid anything to help make up the deficiency in the Republican campaign fund of 1920.

Mr. JONES of Washington. Mr. President, I am not going to object to the resolution, but I just want to suggest that usually we pass resolutions of this kind asking for information from officials of the departments of the Government. This resolution relates to an organization which has no official connection whatever with the Government, and if the parties referred to do not see fit to answer it, there is nothing we can do. It seems to me it would be much better to authorize some committee of the Senate—the Committee on Privileges and Elections, for instance—to get this information by bringing the representatives of these companies before the committee, or otherwise, because if the parties do not see fit to answer the resolution, there is nothing we can do. I merely make that suggestion. I am not going to object to the resolution.

Mr. JOHNSON of Minnesota. In the whereases of my resolution I stated why we asked for this information. In the committee I agreed to let the resolution go to the Committee on Agriculture and Forestry, and a subcommittee was appointed, and we decided to strike out the whereases. Secretary Wallace, of the Department of Agriculture, whose department is mentioned in the resolution, called me up and said he would like to be heard before the committee on the charges against his department. I said that we struck that out. He said, "That is all right."

I know we can not make them come across. If they do not come across, there must be a nigger in the woodpile somewhere.

Mr. NORBECK. Mr. President, from what little I have heard of the speech of the Senator from Minnesota I agree with him that the public should know about these campaign expenditures. My only suggestion is that we include the Democratic Party and the Farmer-Labor Party.

Mr. JOHNSON of Minnesota. The Democratic Party is included.

Mr. NORBECK. The Farmer-Labor Party ought to be included.

Mr. JOHNSON of Minnesota. I do not care if they are all included; but we have not spent any money, to speak of.

Mr. NORBECK. The Nonpartisan League spent money more lavishly in South Dakota than Newberry ever did in Michigan.

Mr. JOHNSON of Minnesota. They did?

Mr. JONES of Washington. Mr. President, I thought I would suggest to the Senator that if his resolution would authorize the Committee on Privileges and Elections of the Senate to investigate this matter, we would probably come much more nearly getting the information than by merely asking these people in a polite way, "Will you give us the information?" If they do not do it, there is nothing we can accomplish.

Mr. JOHNSON of Minnesota. The Senator from Washington understands that we have only three weeks more of the present session, and I think this resolution of mine will serve its purpose anyway, because I believe if we ask them to come they will come and tell what they got.

Mr. JONES of Washington. Very well.

Mr. JOHNSON of Minnesota. There is no question about it.

The PRESIDENT pro tempore. The Secretary will report the resolution.

The READING CLERK. The committee report to strike out the preamble and all the resolution after the word "*Resolved*," and to insert:

That the chairman and treasurer of the Republican and Democratic National Committees, respectively, are hereby requested to furnish to the Senate a list of contributions made to their respective committees since the election of 1920 by each of the five big packing companies, to wit, Armours, Wilson, Morris, Cudahy, and Swift, or by any representative or agent of said packers. Be it further

Resolved, That the chairmen and treasurers of the Republican and Democratic National Committees, respectively, also furnish to the Senate the names and addresses of every contributor to their respective committees of $500 or more since said election of 1920, and the aggregate amounts of contributions under $500 made to their respective committees.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. ROBINSON. Mr. President, the subject of campaign contributions in connection with national elections requires and deserves consideration. It calls for more comprehensive action than is contemplated by the resolution of the Senator from Minnesota [Mr. JOHNSON].

The appropriate committee of the Senate might very well be invited to devote its attention to the framing of legislation which will limit and restrict contributions in campaigns and require publicity respecting them. It is entirely competent for Congress to take that action. A number of resolutions to that effect are pending now in the Senate.

The subject is one of very great importance. In order to sustain and make effective wholesome legislation for the regulation of campaign expenditures it is necessary that there exist a sentiment among the people of the United States, among the people who constitute the electorate, in favor of restricting and properly restricting the expenditure of funds to influence national elections and the contribution of funds for that purpose. This is one of the important subjects before the Congress of the United States.

I have no objection to the passage of the resolution submitted by the Senator from Minnesota, although I agree with the Senator from Washington that it is an unusual proceeding to make a request of an unofficial body for information, particularly in view of the fact that the Congress has the power to require the information by appropriate legislation.

Mr. McKELLAR. I would like to say to the Senator that some time ago I introduced a bill covering the subject of campaign contributions which was referred to the Committee on the Judiciary. A subcommittee, consisting of the Senator from Idaho [Mr. BORAH], the Senator from Kentucky [Mr. ERNST], and the Senator from North Carolina [Mr. OVERMAN], was appointed to consider it. The Senator from Idaho, chairman of the subcommittee, has offered perhaps one or two amendments to it, and the matter is being considered by that committee now. I should think early action of the committee would be well.

Mr. JOHNSON of Minnesota. I would like to inquire of the Senator from Tennessee if there is any legislation pending at the present time that could be put through so we will get action on the matter before we adjourn?

Mr. McKELLAR. I am very much in hopes the committee will report out very soon the measure to which I have just referred. I have been assured by the chairman of the subcommittee, who is one of the ablest and best Senators we have, as we all know, that early action will be had upon it.

Mr. JOHNSON of Minnesota. Mr. President, if the resolution should pass, it would not do any harm, anyway, even if it would not do any good.

May I be pardoned if I submit just a few more remarks? I notice that a resolution has been introduced by the able Senator from Massachusetts [Mr. WALSH], requesting the Tariff Commission to investigate the cotton situation in the United States. I had it in mind to introduce a resolution requesting them to investigate the tariff on butter. Butter prices are going down. I have had a report from the chairman of the Tariff Commission of the dumping of butter, if we could call it dumping, from Denmark and New Zealand on the American market.

There has not been anything done so far by the Republican Party or the Democratic Party, and as a new Member of the Senate I do not know if I dare go into the matter, because there are so many other things to be taken care of. There is a big butter industry in the Northwest. My own State is one of the largest in the Union in the manufacture of creamery butter, with the possible exception of two—Wisconsin and Iowa. I could talk for three or four hours on that subject alone, but I shall not do so at this time. In every letter I get from my people they inquire, "What is the matter with butter prices, that they are continually going down?" Of course, increased production has taken place, and that fact ought to be taken into consideration; but we have now another feature of the situation to contend with, and that is that from Denmark and New Zealand in January and February over 9,500,000 pounds of butter were shipped into the United States. The present tariff of 8 cents a pound is not enough to protect the farmers.

I want to say something to illustrate how big business in this country is working against the butter producers. The oleomargarine people are trying to do everything they possibly can against the farmers. In 1919, when I was a member of the Minnesota Legislature, I introduced a resolution to forbid the use of oleomargarine in the State institutions of Minnesota. The resolution was finally reported from the committee after we had a bitter fight on it there. It came up in the senate and was considered in committee of the whole, and was there adopted. Then when we were about to take final action on the resolution, it went over until the next day. We were trying to protect a very important industry of the State of Minnesota. I remember coming to my seat in the senate chamber the next morning, and what did I find?

I found a pamphlet just about the size of our calendar. On its front page was a picture in colors of a country store.

There was a nice, bright, well-dressed lady on one side of the counter and the storekeeper on the other side. The farmer's creamery butter was piled up in packages on one end of the counter and the product of the oleomargarine manufacturer, made by this concern that was fighting against the butter interests all over the country, was piled up on the other end of the counter. But that was not all that was in that picture on the front page. There was another picture that showed an old mossback farmer milking a cow on the wrong side. The cow's tail was in the milk pail, and a dead hog was lying in a near-by gutter, and there were flies and filth everywhere.

That pamphlet was put out by the millions of copies throughout the consuming East in order to fool the consumers in the East into believing that the producers of butter in South Dakota and Minnesota were unclean, that their butter was produced in such insanitary, filthy conditions that the farmers of America were guilty of manufacturing their butter in such surroundings. Pages and pages of the pamphlet were filled with descriptions of how clean and sanitary were the conditions under which oleomargarine was made. I know that some people may not have the money to buy butter all the time, but we do not want to have the impression go to the country that any such conditions exist as were described in that pamphlet.

The butter question is one that the leaders of the Republican Party should take into consideration before the close of the session. The head man of the Coolidge forces in Minnesota had a talk with me. We talked over things together. He said he wanted to go with the President, but I said I did not want to go with the President in everything. I have gone to the White House several times and I have not got very much from the President so far.

I think the Senate of the United States should take some recognition of the farmers of the Northwest. My own banker wrote me the other day, and I just want to refer to what he said. He said that butter prices were going down every day and other prices of farm products were going down, and that the banks were going broke in the Northwest. However, I do not want to take up the time of the Senate any further. I have taken up too much time already, but I want Senators to remember that we are soon going to adjourn, that we all represent or should represent the American farmer, and if the butter producers of the Northwest and other producers of farm products there were in better condition, we could buy more cotton goods and other goods from the manufacturers of the East.

Mr. REED of Missouri. Mr. President, the resolution offered by the Senator from Minnesota calls merely for information from the two great national committees. It is true that if they do not respond the resolution does not provide a means for compelling them to furnish us the information.

Mr. JOHNSON of Minnesota. Will the Senator yield just a moment?

Mr. REED of Missouri. Just let me finish my statement. I think it will satisfy the Senator. I do not believe the secretary or treasurer of either of the committees will refuse to furnish the information to the Senate. If they do refuse it, let them take the responsibility. The Senator's resolution is a perfectly proper one and I think ought to be passed.

Mr. LODGE. Mr. President, will the Senator from Missouri yield?

Mr. JOHNSON of Minnesota. I do not ask for a long-dragged-out investigation about the matter. We have had too many investigations already, and it is too late in the session anyway. I merely introduced this little resolution to ask them to come forward with the information. If everything is all right, let us know it; and if anything is crooked behind it, let us know that, too.

Mr. LODGE. I merely wanted to say, before the Senator from Missouri took his seat, that I understand all political committees now are obliged to make an official return to the Clerk of the House of Representatives.

Mr. REED of Missouri. That is true; but why not let the Senator have his resolution?

Mr. LODGE. I have no objection to its being adopted, but it is simply asking for what the law now requires shall be done.

Mr. REED of Missouri. Yes; I understand there is such a law.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

The PRESIDENT pro tempore. The committee recommends that the preamble be stricken out. Without objection the preamble will be stricken out.

MISSOURI BRIDGE AT LEAVENWORTH

Mr. REED of Missouri. I ask unanimous consent to call up House bill 6207. It is a bridge bill carrying a small appropriation.

The PRESIDENT pro tempore. The Senator from Missouri asks unanimous consent for the immediate consideration of House bill 6207. Is there objection?

Mr. LODGE. Let it be read.

Mr. JONES of Washington. Did the Senator state that it is a bridge bill?

Mr. REED of Missouri. It is a bridge bill, but it is of an unusual nature. It relates to a bridge.

Mr. JONES of Washington. Is it calendar No. 493?

Mr. REED of Missouri. That is the bill. It relates to a bridge. It is not an ordinary bridge bill. I want to be understood about that. Has unanimous consent been granted?

Mr. JONES of Washington. Let the bill be read.

Mr. REED of Missouri. I ask unanimous consent to take it up.

Mr. JONES of Washington. Let the bill be read first.

The PRESIDENT pro tempore. The bill will be read for the information of the Senate.

The bill (H. R. 6207) authorizing and directing the Secretary of War to transfer to the jurisdiction of the Department of Justice all that portion of the Fort Leavenworth Military Reservation which lies in the State of Missouri, and for other purposes, which had been reported from the Committee on Military Affairs without amendment, was read as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to transfer to the jurisdiction of the Department of Justice for use as a farm in connection with the United States penitentiary, Leavenworth, Kans., all of that portion of the Fort Leavenworth Military Reservation which lies in the State of Missouri, and including the bridge across the Missouri River. And $50,000 of the appropriation for roads, walks, wharves, and drainage contained in the War Department appropriation act for the fiscal year 1924, which was appropriated for the repair of said bridge, shall be transferred to the Department of Justice for use in making necessary repairs to said bridge and the approaches thereto.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. REED of Missouri. The situation is that the Government of the United States during the war acquired a bridge across the Missouri River connecting the Fort Leavenworth Military Prison with a large body of land which the Government acquired during the war and which is of value to be worked by inmates of the prison; but owing to some water disturbances, either at the time it was acquired or subsequently, one of the approaches to the bridge was swept away, so that the bridge is now utterly useless to the Government for any purpose. There has been appropriated $50,000 for its repair, but the War Department found itself in some way embarrassed by the situation and really wanted the control of the bridge transferred to the Department of Justice. In that form a bill was passed continuing the former appropriation of $50,000. My advices are that this would furnish a wooden approach, rather temporary in its character, and that an additional appropriation of $50,000 will supply a permanent approach.

I move to amend the bill by adding at the end of it the amendment which I send to the desk and ask that the Secretary may read.

The READING CLERK. It is proposed to add at the end of the bill:

There is hereby appropriated out of any money in the Treasury not otherwise appropriated the additional amount of $50,000, or so much thereof as may be necessary, to make the repairs on said bridge. Said repairs shall be made with all reasonable diligence, and said money shall be available until expended.

Mr. WADSWORTH. Mr. President, I think the project provided for in the bill is an entirely worthy one; it was discussed in the Committee on Military Affairs, but I think the form of the appropriation is contrary to our rules.

Mr. REED of Missouri. Why?

Mr. WADSWORTH. I think it should be an authorization unless the appropriation has been reported from the Committee on Appropriations.

Mr. REED of Missouri. What is the language which the Senator from New York wants to employ?

Mr. JONES of Washington. The language, I think, should be "There is hereby authorized to be appropriated."

Mr. REED of Missouri. Then, I desire that the amendment shall be so modified.

Mr. MCNARY. Mr. President, I think the Senator from New York [Mr. WADSWORTH] is wrong in his interpretation of the rule. The pending bill is not a general appropriation bill, and, therefore, the rule suggested by the Senator from New York does not apply. The bill proposes to meet a situation by independent legislation, and the appropriation may properly be made and be made available at this time.

Mr. REED of Missouri. That is the intention. I desire it to be in that form. I am not familiar with the particular phraseology of the rule, but I think if we appropriate the money we shall not violate any rule.

Mr. JONES of Washington. Has the measure been passed upon by the Committee on Appropriations?

Mr. REED of Missouri. It has not been. It was sent here by the other House with the request that it be passed. I hope the Senator will not interpose any objection.

Mr. JONES of Washington. I wish the Senator from Missouri would change the phraseology so as to make it an authorization instead of an appropriation. I think he would save himself trouble in the other House if he should do that.

Mr. REED of Missouri. Very well. I will make it an authorization instead of an appropriation.

The PRESIDENT pro tempore. The language will be stated as proposed to be modified by the Senator from Missouri.

The READING CLERK. It is proposed to modify the amendment so as to read:

There is hereby authorized to be appropriated out of any money in the Treasury—

And so forth.

Mr. REED of Missouri. Then, as I understand, there has to follow an appropriation to carry out the terms of the bill?

Mr. JONES of Washington. The appropriation would come in regular course in a deficiency appropriation bill.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, the amendment as modified is agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

THE CALENDAR

The PRESIDING OFFICER. The calendar under Rule VIII is in order.

Mr. JONES of Washington. I ask unanimous consent that in proceeding with the consideration of the calendar we begin at Order of Business 274, where we left off at the last call of the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PROMOTION OF REFORESTATION

The bill (S. 2149) to facilitate and simplify the work of the Forest Service, United States Department of Agriculture, and to promote reforestation was announced as first in order.

The PRESIDING OFFICER. This bill has heretofore been passed by the Senate and the vote whereby it was passed has been reconsidered.

Mr. JONES of Washington. I should like to inquire at whose request the reconsideration was had?

The PRESIDING OFFICER. The Chair is informed that on motion of the Senator from Florida [Mr. FLETCHER] the vote whereby the bill was passed was reconsidered.

Mr. JONES of Washington. The Senator from Florida is not now present. I do not know what his interest in the matter is. So I ask that the bill may be passed over without prejudice, in order that if the Senator from Florida should come in and should have no objection final action may be taken on the measure.

The PRESIDING OFFICER. The Chair is advised that the Senator from Florida had an understanding with the Senator from Nebraska [Mr. NORRIS] in regard to the measure.

Mr. JONES of Washington. Was it the understanding that the bill might be proceeded with?

The PRESIDING OFFICER. The understanding was that the bill should go over.

Mr. JONES of Washington. Very well; let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. FLETCHER subsequently said: Mr. President, I was called to the telephone for a few moments and was out of the Chamber when, as I am told, Order of Business No. 274, being Senate bill 2149, was passed over on the statement that I had moved to reconsider it or had objected to the bill. I do not recall anything of that sort.

Mr. JONES of Washington. It was stated that a motion to reconsider had been entered, and it was understood that the Senator from Florida was interested in the measure.

Mr. FLETCHER. I feel rather a keen interest in legislation affecting reforestation, but I have no objection to this bill.

Mr. ROBINSON. I understood that it was stated that the Senator from Nebraska [Mr. NORRIS] has an interest in it also.

Mr. JONES of Washington. The bill was introduced by the Senator from Nebraska.

The PRESIDING OFFICER. The Chair will state that the vote by which the bill was passed was reconsidered.

Mr. KING. Let the bill go over.

Mr. FLETCHER. It is all right, of course, to let the bill go over. My recollection is that the Senator from Nebraska, when it was called before the Senate, desired to have it go over at that time, but I am not sure about that. I myself have no objection to the bill.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 2150) to authorize arrests by officers and employees of the Department of Agriculture in certain cases and to amend section 62 of the act of March 4, 1909, entitled "An act to codify, revise, and amend the penal laws of the United States," was announced as next in order.

Mr. KING and Mr. SMOOT. Let that bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2151) to increase the subsistence and per diem allowances of certain officers and employees of the Department of Agriculture was announced as next in order.

Mr. OVERMAN. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 1174) authorizing the Secretary of the Interior to consider, ascertain, adjust, and determine claims of certain members of the Sioux Nation of Indians for damages occasioned by the destruction of their horses was announced as next in order.

The reading clerk read the bill.

Mr. OVERMAN. In what year did this destruction of horses occur? Was it in 1885?

The PRESIDING OFFICER. It occurred in the years 1895, 1896, and 1897.

Mr. OVERMAN. Let the bill go over.

The PRESIDING OFFICER. The bill will go over.

ACQUISITION OF RIGHTS OF WAY IN SOUTH DAKOTA

The bill (H. R. 4161) authorizing the Commissioner of Indian Affairs to acquire necessary rights of way across private lands, by purchase or condemnation proceedings, needed in constructing a spillway and drainage ditch to lower and maintain the level of Lake Andes in South Dakota was announced as next in order.

Mr. KING. Mr. President, let me say to the Senator from Oklahoma [Mr. HARRELD], who reported the bill, that I have a letter—but I do not have it with me, not anticipating the bill would be reached this morning—protesting against the appropriation carried in the bill, and stating that it is wholly unnecessary. Personally, I know nothing about the matter.

Mr. HARRELD. We had a hearing in the committee in reference to this matter, and the hearing showed that the work was being held up now because the authorities did not have $5,000 to buy rights of way over two little tracts of land that was necessary in order to erect the spillway. It is very important that the amount should be made available. The appropriation of $50,000 was made several years ago. This bill proposes merely to take $5,000, or whatever amount may be necessary, out of that $50,000 in order to secure the necessary rights of way, either by condemnation or purchase in order to build the spillway. The work is absolutely stopped until that can be done, though it has been in progress, because they can not get the right for the spillway out beyond the lake. I think it is urgent legislation.

Mr. KING. In view of the statement made by the Senator from Oklahoma, I shall not object to the consideration of the bill, but after I find the letter to which I have referred I shall show it to the Senator, and if the Senator feels that there is merit in it I shall on to-morrow move to reconsider the vote whereby the bill may have passed.

Mr. HARRELD. The Senator from South Dakota [Mr. STERLING], who introduced the original bill, is present.

Mr. STERLING. I desire to say a word about the matter.

Mr. KING. Very well.

Mr. STERLING. I feel an interest in this bill, because I introduced and had passed the original bill providing for the appropriation of $50,000 for the construction of this spillway. The pending bill is for the purpose of meeting an emergency. The drainage ditch from the spillway can not be built without condemning some private lands for that purpose. The bill proposes to make no new appropriation, but simply authorizes an appropriation of $5,000 out of the appropriation heretofore made for the purpose of constructing the drainage ditches. That is all there is to it.

Mr. KING. The letter to which I have referred, as I recall it—and it has been several weeks since I have received it, and having no knowledge of the matter, of course, it would not make the impression upon my mind that it would otherwise have done—states, first, that there is no necessity whatever for the appropriation; and, secondly, that if any appropriation be made, $5,000 is entirely too much, and it is a sort of a graft upon the Government and upon the Indians.

Mr. STERLING. The bill does not ask for an appropriation of $5,000; the money has been appropriated under the former bill authorizing the construction of the spillway; but now those in charge of the work must make a drainage ditch from the spillway in order to carry the water off from the lake. In order to do that they have got to condemn some private land, and it will require $5,000 of the former appropriation to do that.

Mr. KING. In the letter reference was made to what the writer denominated the extortionate charge made, to wit, $5,000 for the right of way for the spillway.

Mr. STERLING. Fifty thousand dollars was the amount originally appropriated, and it is $5,000 out of that which is desired. I hope with that explanation the Senator from Utah will not object to the consideration and passage of the bill.

Mr. KING. I stated that I should not object, but after consulting the letter, if I find that the matter ought to be again brought to the attention of the Senate, I shall move to-morrow to reconsider the vote by which the bill may be passed. I shall feel that I ought to do that.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 4161) authorizing the Commissioner of Indian Affairs to acquire necessary rights of way across private lands, by purchase or condemnation proceedings, needed in constructing a spillway and drainage ditch to lower and maintain the level of Lake Andes, in South Dakota; which was read as follows:

Be it enacted, etc., That the Commissioner of Indian Affairs is hereby authorized, in order to carry out the provisions of an act approved September 21, 1922 (42 Stats. p. 990), entitled "An act providing for the construction of a spillway and drainage ditch to lower and maintain the level of Lake Andes, S. Dak.," to acquire necessary rights of way across private lands by purchase or condemnation under judicial process, and not to exceed $5,000 of the money heretofore appropriated for the construction of this project shall be available for such purpose.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

FUNDS OF FORT PECK INDIANS OF MONTANA

Mr. KING. Mr. President, having abated my opposition to the measure which has just been passed, out of order may I request unanimous consent for the passage of a joint resolution which will be of no avail whatever unless it is passed immediately? I refer to Senate Joint Resolution 103, which has been reported by the Senator from Oklahoma and which authorizes the appropriation of $3,000 out of the Fort Peck 4 per cent fund, created under the act of May 30, 1908, and held in trust by the United States to enable the Secretary of the Interior to pay the necessary expenses incurred in connection with the visit to Washington and return of a delegation of Fort Peck Indians. The Indians insist upon coming, and the department is not averse to their coming. The joint resolution was drawn by the department. I ask unanimous consent that it may be considered now.

Mr. WADSWORTH. Is it on the calendar?

Mr. KING. Yes; it is on the calendar; but it will not be reached to-day, and unless it is passed it will be of no avail.

The PRESIDING OFFICER. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 103) authorizing expenditure of the Fort Peck 4 per cent fund now standing to the credit of the Fort Peck Indians of Montana in the Treasury of the United States, which was read, as follows:

Resolved, etc., That the sum of $3,000 is hereby authorized to be appropriated out of the Fort Peck 4 per cent fund, created under the act of May 30, 1908 (35 Stat. L., p. 558), and held in trust by the United States, to enable the Secretary of the Interior to pay the necessary expenses incurred in connection with the visit to Washington, D. C., and return by a delegation of representatives of the Fort Peck Indians for the purpose of conferring with the Sioux tribal attorneys, presenting claims and other tribal matters of said Indians.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

GALLUP-DURANGO HIGHWAY, NEW MEXICO

The bill (S. 2159) authorizing annual appropriations for the maintenance of that portion of the Gallup-Durango Highway across the Navajo Indian Reservation and providing reimbursement therefor was announced as next in order.

The PRESIDING OFFICER. The bill has heretofore been considered, and the amendment reported by the committee has been agreed to.

Mr. KING. I should like an explanation of the measure. How long is the appropriation to be continued? The bill says an annual appropriation, but there is nothing to indicate whether it will be for 1 year or 2 years or 40 years; there is no limitation at all, apparently.

Mr. HARRELD. Mr. President, this appropriation is made necessary by rather a peculiar condition. The Federal road act provides that before Federal aid can be given to a road project the State in which the road is situated must agree to keep it in repair, and the State is required to sign an agreement to that effect. In this particular case the road is entirely across an Indian reservation. Under the interpretation of the law the department has a right to build the road, but it has no right to build it until the State signs an agreement that it will keep it up after it shall have been built. The State declines to do that, and this appropriation is asked for to cover that defect and to set aside the Federal road act to that extent, so that in this particular case the road may be built without requiring that the State shall give its consent and agree to take care of the upkeep of the road. The appropriation of not exceeding $20,000 a year is for the maintenance of the road after it shall have been built. There is ample authority now for building the road, and the Secretary of the Interior is willing to build it, or to authorize the construction of the road, if Congress will authorize its upkeep in place of requiring the State to do so.

Mr. WADSWORTH. In what State is the road located?

Mr. HARRELD. It is in the State of New Mexico.

Mr. KING. Mr. President, as I understand the Senator, the bill means a commitment of the Government to the maintenance of the road forever?

Mr. HARRELD. No.

Mr. KING. That is, to the extent of $20,000 a year.

Mr. HARRELD. I do not see how we can commit ourselves for a longer period than two years on a proposition of that kind.

Mr. KING. Why does not the Senator limit it to two years?

Mr. HARRELD. I did not draft or introduce the bill; I merely reported favorably on it when it was acted upon by the committee.

Mr. OVERMAN. Let it go over, Mr. President, so that the Senator may draw an amendment to the effect suggested.

Mr. HARRELD. I am perfectly willing that it be amended as suggested, so far as I am concerned.

Mr. OVERMAN. It ought to go over, so that the Senator may have an opportunity to prepare an amendment.

Mr. HARRELD. May I ask a question of the Senator from North Carolina, whose judgment, I am sure, is more mature than mine? Is the amendment necessary? As a matter of fact, we can only appropriate for two years, anyway.

Mr. OVERMAN. This is not a general appropriation bill.

Mr. HARRELD. This is an authorization, and the Appropriations Committee would have control of it even after we authorized it.

Mr. OVERMAN. Yes; but the committee would feel justified in making an appropriation every year.

Mr. KING. The committee would feel compelled to do so under the law, would it not?

Mr. OVERMAN. If the Senate authorizes an appropriation, the Appropriations Committee feels obliged to make the appropriation.

Mr. HARRELD. Does the Senator mean to say that they will feel compelled to make it?

Mr. OVERMAN. Where the Senate and the House pass a bill authorizing an appropriation we feel compelled to do it; yes.

Mr. HARRELD. This is simply to get away from the provision which requires that the State shall agree to take care of the upkeep.

Mr. OVERMAN. That is all right, Mr. President, but it looks to me as if the bill means the appropriation of $100,000 every year.

Mr. HARRELD. It is limited to $20,000.

Mr. WADSWORTH. Mr. President, has the bill gone over?

Mr. KING. Yes.

Mr. OVERMAN. I think it had better go over. I will talk to the Senator about it, and we will agree upon an amendment, probably.

Mr. HARRELD. All right.

Mr. WADSWORTH. Mr. President, perhaps I may be pardoned the interjection of a remark here, though I feel as if I am somewhat impertinent in mixing in a matter about which I know so little, namely, this particular road; but this matter of the maintenance by the Federal Government of roads which it will build itself through its own reservations, but for the general use of the public, is going to become a very important matter.

Mr. OVERMAN. There is no doubt about that.

Mr. WADSWORTH. The Committee on Appropriations, in charge of the War Department appropriation bill, has adopted and recommends in the War Department appropriation bill, now pending, an exactly opposite policy. There is a large military reservation in the State of Kentucky. There formerly run through that piece of country the Dixie Highway. That portion of the highway was made impossible of constant use by reason of the artillery practice which goes on occasionally on the military reservation, the Government having acquired the land. Under the Appropriations Committee's proposal, the Government is now going to rebuild the road outside of the line of fire; it is going to build a new road for the community generally to use, but there is a provision attached to the appropriation that once it is built the State of Kentucky shall maintain it. This bill adopts exactly the opposite policy.

Mr. FLETCHER. As I understand, this fund is reimbursable out of the funds of the Indian tribe.

Mr. KING. Suppose they have no funds?

Mr. FLETCHER. Then they ought not to spend the money. It is supposed to be reimbursable. It does not come out of the Treasury of the Government.

Mr. HARRELD. Mr. President, in connection with what the Senator from New York has said, I want to read this part of the report of the Secretary of the Interior, recommending the passage of this bill:

> That portion of the road on the reservation is about 90 miles in length, and it is estimated that the annual cost of repair and upkeep thereof will approximate $20,000. This road is badly needed. It will be of much benefit to the Navajo Indians directly, and will also be used considerably for the transportation of Government supplies for the various Navajo agencies and schools.

Mr. OVERMAN. Does this appropriation come out of the tribal funds?

Mr. HARRELD. No; I think not.

Mr. FLETCHER. Yes; it says explicitly "reimbursable from the tribal funds of the Indians of said reservation."

Mr. HARRELD. Yes; it is reimbursable. Answering the question of the Senator from North Carolina, I will state that we provided an amendment making the money reimbursable out of Indian funds.

Mr. WADSWORTH. Then my remarks do not apply, if that is the case. I did not know that.

Mr. OVERMAN. If it is recommended by the Indian Commissioner and the Secretary of the Interior, and comes out of the Indian funds, I have no objection.

Mr. HARRELD. I am glad the Senator called my attention to that, because I overlooked it.

The PRESIDING OFFICER. The Chair understands that the Senator withdraws his objection. The bill is still before the Senate as in Committee of the Whole and open to amendment.

Mr. KING. Mr. President, I offer two amendments. I think the Senator will accept them.

After the numerals "$20,000," on page 1, line 5, I move to insert "or so much thereof as may be necessary."

I am sure the Senator will accept that.

Mr. HARRELD. I have no objection to that.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. KING. I also offer the following amendment: At the end of line 3, page 2, add the following:

> *And provided further*, That if there shall be no Indian funds available for such purpose, then said appropriation shall not be authorized.

Mr. HARRELD. Since the bill itself provides that the appropriation is reimbursable from the tribal funds, I do not really see the necessity of that.

Mr. KING. What I am afraid of is that the expenditure will be made, anyway. Of course, it is to be paid out of the Treasury of the United States first, and if they find the treasury of this particular tribe exhausted the appropriation is gone.

Mr. HARRELD. I have no objection, but I do not consider it necessary.

Mr. KING. I think on a strict construction the Senator is right, and it would not be necessary; but I want to make assurance double sure.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, has the committee amendment on line 1, page 2, been acted on?

The PRESIDING OFFICER. Yes; that was acted on when the bill was up before.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 192) to provide for a girls' dormitory at the Fort Lapwai Sanatorium, Lapwai, Idaho, was announced as next in order.

Mr. FLETCHER. Mr. President, may I inquire whether this appropriation comes out of the Indian funds, or is it to be paid out of the Treasury directly?

Mr. HARRELD. Out of the Treasury.

Mr. KING. Does the Senator think that the Treasury of the United States ought to meet that expenditure? If so, may I inquire of the Senator why it was not considered by the Appropriations Committee when the Indian appropriation bill was before the committee?

Mr. HARRELD. This is a House bill, and I presume that all those prerequisites were attended to over in the House. I do not know much about it, except what the House report says. It seems that the Secretary of the Interior recommended it, the House passed it, and the committee did not go into hearings about it or have any detailed consideration of it.

Mr. KING. I suggest that it go over until the next calendar day.

The PRESIDING OFFICER. The bill will be passed over.

LANDS ALLOTTED TO INDIANS UNDER MOSES AGREEMENT OF 1883

The bill (H. R. 2878) to authorize the sale of lands allotted to Indians under the Moses agreement of July 7, 1883, was considered as in Committee of the Whole, and was read, as follows:

> *Be it enacted, etc.*, That any allottee to whom a trust patent has heretofore been or shall hereafter be issued by virtue of the agreement concluded on July 7, 1883, with Chief Moses and other Indians of the Columbia and Colville Reservations, ratified by Congress in the act of July 4, 1884 (23 Stat. L. pp. 74–80), may sell and convey any or all the land covered by such patents, or if the allottee is deceased the heirs may sell or convey the land, in accordance with the provisions of the act of Congress of June 25, 1910 (36 Stat. L. p. 855).

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LAC DU FLAMBEAU BAND OF CHIPPEWA INDIANS, WISCONSIN

The bill (H. R. 3684) for the enrollment and allotment of members of the Lac du Flambeau Band of Lake Superior Chippewas, in the State of Wisconsin, and for other purposes, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LANDS IN TAOS COUNTY, N. MEX.

The bill (S. 1762) providing for the acquirement by the United States of privately owned lands within Taos County, N. Mex., known as the Santa Barbara grant, by exchanging therefor timber, or lands and timber, within the exterior boundaries

of any national forest situated within the State of New Mexico, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands and Surveys with amendments, on page 2, line 2, after the word "therefor," to strike out "may patent not to exceed an equal value of such national forest land, in the same State, surveyed and nonmineral in character, or"; in line 9, after the word "compensation," to strike out "consideration being given to any reservations which the grantor or the Government may make of timber, mineral, or easements"; on page 3, line 1, after the word "any," to strike out "change" and insert "exchange"; and in the same line, after the word "lands," to insert "for timber," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized, in his discretion, to accept on behalf of the United States title to all or any part of privately owned lands situated within the Santa Barbara grant, located within the county of Taos, State of New Mexico, if, in the opinion of the Secretary of Agriculture, public interests will be benefited thereby and the lands are chiefly valuable for national-forest purposes; and in exchange therefor the Secretary of Agriculture may authorize the grantor to cut and remove an equal value of timber within the national forests of the same State, the values in each case to be determined by the Secretary of Agriculture and acceptable to the grantor as a fair compensation. Timber given in exchange shall be cut and removed under the laws and regulations relating to the national forests and under the direction and supervision and in accordance with the requirements of the Secretary of Agriculture.

SEC. 2. That lands offered for exchange hereunder and not covered by public-land surveys shall be identified by metes-and-bounds surveys, and that such surveys and the plats and field notes thereof shall be made by employees of the United States Forest Service and approved by the United States Surveyor General.

SEC. 3. That any lands conveyed to the United States under the provisions of this act shall, upon acceptance of the conveyance thereof, become and be a part of Carson National Forest.

SEC. 4. That before any exchange of lands for timber as above provided is effective notice of such exchange proposal, describing the lands involved therein, shall be published once each week for four consecutive weeks in some newspaper of general circulation in the county in which such lands so to be conveyed to the United States are situated.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LONG ISLAND RAILROAD CO.

The bill (S. 80) for the relief of the Long Island Railroad Co. was announced as next in order.

Mr. WADSWORTH. Mr. President, Senate bill 80, Order of Business 313, which has now been reached on the calendar, is just like House bill 1823, Order of Business 332, farther down on the same page of the calendar. Senate bill 80 is a bill for the relief of the Long Island Railroad Co. The House has passed a duplicate bill; the Committee on Claims has reported it; and, naturally, I would rather have consideration of the House bill.

The PRESIDING OFFICER (Mr. COPELAND in the chair). The Senator from New York asks unanimous consent to substitute House bill 1823 for Senate bill 80. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 1823) for the relief of the Long Island Railroad Co., which was read, as follows:

Be it enacted, etc., That the claim of the Long Island Railroad Co. against the United States for damages alleged to have been sustained by said railroad company's dock, vessel, and marine equipment at Whitestone Landing, N. Y., on the 11th day of December, 1919, as a result of swells caused by the alleged negligent operation of the U. S. destroyer *Broome* at an excessive rate of speed, may be sued for by said company in the United States district court for the eastern district of New York, sitting as a court of admiralty and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine such suit and to enter judgment or decree for the amount of such damages, and costs, if any, as shall be found to be due against the United States in favor of the Long Island Railroad Co., or against the Long Island Railroad Co. in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

Mr. WADSWORTH. Mr. President, this bill merely permits the Long Island Railroad Co. to enter suit against the United States in the eastern district of New York as in admiralty court.

Mr. DIAL. Mr. President, about what is the amount claimed?

Mr. WADSWORTH. About $1,800.

Mr. DIAL. This simply permits the company to go to court with it?

Mr. WADSWORTH. Yes.

Mr. DIAL. That is the proper place for it.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. WADSWORTH. Now I ask that Senate bill 80 be indefinitely postponed.

The PRESIDING OFFICER. That will be the action if there be no objection.

BILLS PASSED OVER

The bill (S. 2327) to amend section 4 of the interstate commerce act was announced as next in order.

Mr. BRUCE. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1707) appropriating money to purchase lands for the Clallam Tribe of Indians in the State of Washington, and for other purposes, was announced as next in order.

Mr. JONES of Washington. Mr. President, it is nearly 2 o'clock and I do not believe that bill can be disposed of in the time that remains, so I will ask myself that it may go over.

The PRESIDING OFFICER. The bill will be passed over.

CLAIMS OF SEMINOLE INDIANS

The bill (H. R. 5799) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Seminole Indians may have against the United States, and for other purposes, was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HARRELD subsequently said: Mr. President, I ask permission to return to House bill 5799.

Mr. OVERMAN. I withdraw my objection to that bill.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That jurisdiction be, and is hereby, conferred upon the Court of Claims, notwithstanding the lapse of time or statutes of limitation, to hear, examine, and adjudicate and render judgment in any and all legal and equitable claims arising under or growing out of any treaty or agreement between the United States and the Seminole Indian Nation or Tribe, or arising under or growing out of any act of Congress in relation to Indian Affairs, which said Seminole Nation or Tribe may have against the United States, which claims have not heretofore been determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States.

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within five years from the date of approval of this act, and such suit shall make the Seminole Nation party plaintiff and the United States party defendant. The petition shall be verified by the attorney or attorneys employed to prosecute such claim or claims under contract with the Seminoles approved by the Commissioner of Indian Affairs and the Secretary of the Interior; and said contract shall be executed in their behalf by a committee chosen by them under the direction and approval of the Commissioner of Indian Affairs and the Secretary of the Interior. Official letters, papers, documents, and records, or certified copies thereof, may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys of said Indian nation to such treaties, papers, correspondence, or records as may be needed by the attorney or attorneys of said Indian nation.

SEC. 3. In said suit the court shall also hear, examine, consider, and adjudicate any claims which the United States may have against said Indian nation, but any payment which may have been made by the United States upon any claim against the United States shall not operate as an estoppel, but may be pleaded as an offset in such suit.

SEC. 4. That from the decision of the Court of Claims in any suit prosecuted under the authority of this act an appeal may be taken by either party, as in other cases, to the Supreme Court of the United States.

SEC. 5. That upon the final determination of any suit instituted under this act the Court of Claims shall decree such amount or amounts as it may find reasonable to be paid the attorney or attorneys so employed by said Indian nation for the services and expenses of said attorneys rendered or incurred prior or subsequent to the date of approval of this act: *Provided*, That in no case shall the aggregate amounts decreed by said Court of Claims for fees be in excess of the amount or amounts stipulated in the contract of employment or in excess of a sum equal to 10 per cent of the amount of recovery against the United States.

SEC. 6. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit any or all persons deemed by it necessary or proper to the final determination of the matters in controversy.

SEC. 7. A copy of the petition shall, in such case, be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in such case.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

AGRICULTURE

The joint resolution (S. J. Res. 107) declaring agriculture to be the basic industry of the country, and for other purposes, was considered as in Committee of the Whole.

The joint resolution had been reported from the Committee on Interstate Commerce with amendments, on page 1, line 7, after the word "directed," to insert "with the least practicable delay"; in line 8, after the word "such," to insert "lawful"; in the same line, after the words "changes in the," to strike out "general"; in line 11, after the word "possible," to strike out "rate" and insert "rates: *Provided*, That no investigation or proceeding resulting from the adoption of this resolution shall be permitted to delay the decision of cases now pending before the commission involving rates on products of agriculture, and the policy herein stated shall be applied in such determination as soon as possible," so as to make the joint resolution read:

Resolved, etc., That agriculture is hereby declared to be the basic industry of this country; and that it is the policy of Congress to promote, encourage, and foster the agricultural industry, in furtherance of which the Interstate Commerce Commission is hereby directed, with the least practicable delay, to effect such lawful changes in the rate structure of the country as will promote the freedom of movement by common carriers of the products of agriculture, including livestock, at the lowest possible rates: *Provided*, That no investigation or proceeding resulting from the adoption of this resolution shall be permitted to delay the decision of cases now pending before the commission involving rates on products of agriculture, and the policy herein stated shall be applied in such determination as soon as possible.

The amendments were agreed to.

Mr. WATSON. What is the status of the measure now?

The PRESIDING OFFICER. The amendments have been agreed to, and the bill is still in Committee of the Whole and open to amendment.

Mr. WADSWORTH. May there be an explanation of the bill?

Mr. SMITH. I was busily engaged on another matter. Is this Senate Joint Resolution 107?

The PRESIDING OFFICER. It is.

Mr. SMITH. I have an amendment to that measure. I hope this joint resolution will pass, because it was reported unanimously by the Committee on Interstate Commerce. I offer an amendment to the joint resolution in the nature of a substitute, which has been agreed to by the members of the committee. It was prepared jointly by the Senator from Iowa [Mr. CUMMINS] and myself, and I think it is in perhaps a little better shape than the joint resolution as reported.

The PRESIDING OFFICER. The Senator from South Carolina offers an amendment in the nature of a substitute, which the Secretary will report.

The READING CLERK. The Senator from South Carolina proposes to strike out all after the resolving clause and to insert:

That it is hereby declared to be the true policy in rate making to be pursued by the Interstate Commerce Commission in adjusting freight rates, that the conditions which at any given time prevail in our several industries should be considered, in so far as it is legally possible to do so, to the end that commodities may freely move with fair profit to the producer and sold at a reasonable price to the consumer.

It is further declared that agriculture is the basic industry of this country; and that it is the policy of Congress to promote, encourage, and foster that industry, and especially in rate making during the existing depression in agriculture. In furtherance of these policies the Interstate Commerce Commission is hereby directed, with the least practicable delay, to effect such lawful changes in the rate structure of the country as will promote the freedom of movement by common carriers of the products of agriculture, including livestock, at the lowest possible lawful rates compatible with the maintenance of adequate transportation service: *Provided*, That no investigation or proceeding resulting from the adoption of this resolution shall be permitted to delay the decision of cases now pending before the commission involving rates on products of agriculture, and the policy herein stated shall be applied in such determination as soon as possible.

Mr. WATSON. Mr. President, that is quite an amendment. It is a new proposition, and it opens——

Mr. SMITH. Permit me to state to the Senator that really there is no new proposition involved in it. It is simply a direction to the Interstate Commerce Commission that whenever there is a depression in any of the basic industries of the United States, as there has been in agriculture, the commission should take cognizance thereof, and regulate the rates so as to facilitate the movement of the products of that industry.

Mr. CUMMINS. Mr. President, I have collaborated somewhat with my friend the Senator from South Carolina with respect to this subject. I believe the substitute announces a sound principle of rate making. I think it is applicable not only to the agricultural situation as we now find it, but it is applicable as well to the movement of every other great commodity, and I very sincerely hope the resolution will be adopted.

Mr. KING. Let me ask the Senator if he believes it wise for Congress to announce its purpose to "foster" any industry? The word "foster," as the Senator knows, may be given a wrong interpretation. The beneficiaries of unjust tariff rates announce that the Government's policy is to foster their manufacturing enterprises. The Government should treat all industries and all classes in a just and fair manner. Of course, all must admit that agriculture is the basis of our economic life and it must not be discriminated against. Some may assume that the word "foster" means bounties or bonuses. But of course that is not contemplated by the resolution. I agree with the Senator that agriculture is an industry of paramount importance. When it suffers from depression it causes profound solicitude among all people. I would object to a statement that it was the policy of the Federal Government to foster manufacture, or to foster mining, or any industry, if it meant a legislative declaration that the Federal Government would use the taxing power to collect money from the people to support any enterprise or industry. It is the policy of the Federal Government to discharge the duties which devolve upon it under the Constitution of the United States.

Mr. CUMMINS. I gave no thought to the use of the word "foster." The resolution does not depend for its efficacy upon the use of that word. I think the word is used in the sense of being friendly, rather than in any other sense. The truth is that in the movement of commodities throughout the United States, railways and the regulating commissions of the Government ought to give attention to the conditions of the particular industry or interest. When agriculture is depressed—that is to say, when farmers are unable to sell the products of their farms at a profit in order to encourage the continuation of the industry—then freight rates upon agricultural products should go down to the lowest possible point.

Mr. KING. May I interrupt the Senator?

Mr. CUMMINS. Certainly.

Mr. KING. I agree with the Senator absolutely, and I think that the word "foster" as used here will be given the interpretation intended by the committee. I have felt that the railroads have not sufficiently considered the depression in various industries and adjusted their rates to meet the situation. I believe that reductions in freight rates charged agricultural products would have proven advantageous to the people and also the railroads. The fact is that in many sections of the country the rates were so high as to have prohibited the shipment of many kinds of agricultural products.

Mr. SMITH. If the Senator will allow me, I think the Senator from Iowa has expressed just what this substitute is intended to express, that in the sense that the Government, through the agency of the railroads, can call the attention of the country to conditions, in that sense we foster.

Mr. KING. I am for the measure.

Mr. FLETCHER. May I inquire of the Senator whether or not the Interstate Commerce Commission have not this authority and power now, whether presumably they do not do just what is indicated? We are merely giving emphasis to the policy.

Mr. CUMMINS. Undoubtedly the Interstate Commerce Commission has complete and adequate power to reduce freight rates in exact accordance with the declaration made by this joint resolution, and while the Interstate Commerce Commission has, since the 1st of September, 1920, reduced rates upon agricultural products very markedly, yet I think it is wise again to call the attention of the commission and of the country to the principle which should underlie rate making in basic commodities.

Mr. BRUCE. Mr. President, as a member of the Committee on Interstate Commerce I desire to say that I concurred in the favorable report on this joint resolution. I think that here is at least one thing that we can do for agriculture at the present time, and that a practical, timely thing. It is true that the Interstate Commerce Commission has the full power now to regulate railway rates on agricultural products, but the tendency of this resolution would be to strengthen its hands and to make it just a little quicker than it would otherwise be to give some sort of lawful reasonable preference at this conjuncture to agricultural products when in course of transportation.

I do not suppose that there is a human being in the world who has less sympathy than I have with visionary projects for the promotion of the agricultural interests of the country, but whenever an opportunity is presented to me to do something sensible, something practical, for the farmer I propose to avail myself of the opportunity. Such an opportunity, I think, has arisen in connection with this measure.

Mr. TRAMMELL. Mr. President, I think it is very wise that the Congress should emphasize the necessity of a consideration of agriculture as a basic industry in the rate structure, and consider the conditions which surround this industry in making rates. In my own State we have suffered very much from excessive rates, and I am in hopes that this measure will emphasize and bring to the attention of the Interstate Commerce Commission the necessity for some provision along lines that would give better rates to the people of my State.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute proposed by the Senator from South Carolina.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

EMELUS S. TOZIER

The bill (S. 1809) for the relief of Emelus S. Tozier was announced as next in order.

Mr. DIAL. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

PROTECTION OF ALASKAN FISHERIES

Mr. JONES of Washington. Mr. President, it is now nearly 2 o'clock, and I understand the Army appropriation bill will come up at that hour. I merely want to give notice that if the opportunity presents itself at some time during the afternoon I shall ask leave to call up House bill 8143, for the protection of the fisheries of Alaska, and for other purposes. I think that we have reached a general understanding and there is agreement among those interested in the matter, so that we can dispose of the bill without much trouble, but I do not want to interfere with the Army appropriation bill.

LANDS OF WASHINGTON GAS LIGHT CO.

Mr. BALL. Mr. President, the Secretary of War is very anxious that we shall consider Senate bill 2848, to validate an agreement between the Secretary of War, acting on behalf of the United States, and the Washington Gas Light Co. It is merely to adjust a title that has been hanging fire for some time.

Mr. SMOOT. Let it be reported.

The bill was read and considered as in Committee of the Whole, as follows:

Be it enacted, etc., That the agreement made between the Secretary of War, acting on behalf of the United States, and the Washington Gas Light Co., a corporation, for the purpose of effecting an adjustment and settlement of all the matters at issue between the United States and the said company respecting the title and ownership of certain parcels and lots of land adjacent to the Anacostia River, the terms of which agreement are embodied in a formal instrument on file in the War Department, bearing date of September 8, 1921, and signed by J. M. Wainwright, Assistant Secretary of War, and H. S. Roeside, president of the said Washington Gas Light Co., is hereby approved, and the consent of Congress is hereby given to the carrying out of said agreement in full accordance with the tenor and terms thereof.

Mr. SMOOT. I wish the Senator would make a brief statement as to what the bill means, and why it is necessary to have it passed.

Mr. BALL. It is simply to adjust a title between the Washington Gas Light Co. and the United States to some land near Anacostia, where the gas company has a station.

Mr. SMOOT. Has it been approved by the Secretary of War?

Mr. BALL. The Secretary of War has written me several letters asking me if I would not please have it passed by the Senate.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to, as follows:

Whereas Congress has provided for the work of reclaiming and improving the land along the Anacostia River, in the District of Columbia, and made and declared it a part of the park system of the District of Columbia, to be known as Anacostia Park, and it has become necessary in the prosecution of the said work to settle certain questions in dispute between the United States and the Washington Gas Light Co. as to the ownership of land and to quiet title thereto: Therefore

WAR DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER. The hour of 2 o'clock having arrived the Chair lays before the Senate the unfinished business, which is House bill 7877.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7877) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1925, and for other purposes.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The roll will be called.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Ferris	McKellar	Shortridge
Ball	Fess	McNary	Simmons
Brookhart	Fletcher	Mayfield	Smith
Broussard	Frazier	Neely	Smoot
Bruce	George	Norbeck	Stanfield
Bursum	Gooding	Norris	Stephens
Cameron	Hale	Overman	Sterling
Capper	Harreld	Pittman	Trammell
Colt	Harris	Ralston	Wadsworth
Copeland	Harrison	Ransdell	Walsh, Mont.
Cummins	Johnson, Minn.	Reed, Mo.	Warren
Dale	Jones, Wash.	Robinson	Watson
Dial	Kendrick	Sheppard	Willis
Dill	Keyes	Shields	
Fernald	King	Shipstead	

Mr. JONES of Washington. I wish to announce that the senior Senator from Kansas [Mr. CURTIS] is absent on official business.

The PRESIDING OFFICER. Fifty-eight Senators have answered to their names. A quorum is present.

Mr. NORRIS. Mr. President, I would like to inquire whether there is any understanding between the Senator from New York [Mr. WADSWORTH] and the Senator from Wyoming [Mr. WARREN] about laying aside the War Department appropriation bill at any time for the purpose of considering the conference report on the independent offices appropriation bill?

Mr. WARREN. There is none whatever and I do not intend to bring it up to interfere with the consideration and passage of the War Department appropriation bill.

Mr. NORRIS. There are several of us who want to be heard when we take up the conference report for consideration.

The PRESIDING OFFICER. What is the agreement?

Mr. NORRIS. There is no agreement. I thought perhaps there was some understanding, and if so I wanted to know what it was so we could accommodate ourselves to it. Then it is safe to say that the conference report will not be brought up until the War Department appropriation bill is disposed of?

Mr. WARREN. That is my intention. I will say that I do not intend to bring up the conference report referred to by the Senator from Nebraska until after the War Department appropriation bill has passed. Furthermore, I desire, as soon as the War Department appropriation bill shall have been passed, to bring up the classification bill which proposes to classify the employees of the Capitol. It is necessary to have early consideration of that bill, because the legislative appropriation bill can not be prepared until some settlement is had of that matter.

Mr. NORRIS. Then I understand the Senator from Wyoming will not call up the conference report until he has disposed of the reclassification bill?

Mr. WARREN. That is my present intention. I will give notice, however.

The PRESIDING OFFICER. The Senator from Wyoming will give appropriate notice. The bill will be read for action on the amendments of the committee.

The reading clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the subhead "Office of Secretary of War," on page 2, line 8, after the numerals "1923," to strike out "$202,756; in all, $224,756," and to insert "$204,916; in all, $226,916;" so as to read:

OFFICE OF SECRETARY OF WAR

Salaries: Secretary of War, $12,000; Assistant Secretary, $10,000; and for other personal services in the District of Columbia in accordance with the classification act of 1923," $204,916; in all, $226,916.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses, War Department," on page 3, line 17, after the word "exchange," to insert "and maintenance and repair," and in line 22, to strike out "$104,810," and to insert "$109,810," so as to make the paragraph read:

For purchase of professional and scientific books, law books, including their exchange; books of reference, blank books, pamphlets, periodicals, newspapers, maps; typewriting and adding machines, and other labor-saving devices, including their repair and exchange; furniture and repairs to same; carpets, matting, linoleum, filing equipment, photo supplies, towels, ice brooms, soap, sponges, fuel, gas, and heating apparatus for buildings, electric power, electric light; repairs to, alterations, and installations in Government-owned buildings (other than those under the supervision of the Superintendent of the State, War, and Navy Department Buildings) occupied by the War Department and its bureaus; maintenance, repair, and operation of motor trucks and motor cycles, and one motor-propelled passenger-carrying vehicle, to be used only for official purposes; for the purchase or exchange and maintenance and repair of a passenger-carrying automobile for the official use of the Secretary of War (not to exceed $5,000); freight and express charges; street car fares, not exceeding $750; and other absolutely necessary expenses, including a per diem allowance not to exceed $4 in lieu of subsistence, $109,810.

The amendment was agreed to.

The next amendment was, under the subhead "Contingencies of the Army," on page 5, line 16, after the figures "$50,000," to strike out the colon and the following additional proviso:

Provided further, That no auctioneer shall be paid more than $100 per day out of any money appropriated by this act for services rendered.

The amendment was agreed to.

The next amendment was, under the heading "Military post exchanges," on page 8, at the end of line 15, to increase the appropriation for continuing the construction, equipment, and maintenance of suitable buildings at military posts and stations, for the conduct of the post exchanges, school, reading, lunch, and amusement rooms, etc., from "$71,000" to "$87,800."

The amendment was agreed to.

The next amendment was, under the subhead "Adjutant General's office," on page 8, line 19, after the numerals "1923," to increase the appropriation for the Adjutant General's office, for personal services in the District of Columbia in accordance with the classification act of 1923, from "$1,331,340" to "$1,399,592."

The amendment was agreed to.

The next amendment was, under the subhead "Finance department, pay, etc., of the Army," on page 9, line 8, after the figures "$30,338,000," to strike out the colon and the following proviso:

Provided, That hereafter the Secretary of War shall discharge from the Army with the form of discharge certificate and the travel and other allowances to which his service, after enlistment, shall entitle him, any enlisted man under the age of 21 on the application of either of his parents or legal guardian if such enlisted man was enlisted without the written consent of one of his parents or his legal guardian.

The amendment was agreed to.

The next amendment was, on page 9, line 21, after the figures "$5,374,830," to strike out the colon and the following proviso: "*Provided*, That nothing contained in section 11 of the act entitled 'An act to increase the efficiency of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey, and Public Health Service,' approved May 18, 1920, shall be construed as having repealed, amended, or modified the provision contained in the Army appropriation act approved August 24, 1912 (37 Stat. L. p. 594), reading as follows: 'That hereafter the service of a cadet who may hereafter be appointed to the United States Military Academy or to the Naval Academy, shall not be counted in computing for any purpose the length of service of any officer of the Army,'" and in lieu thereof to insert:

Provided, That in computing for any purpose the length of service of any officer of the Army who was appointed to the United States Military Academy or the United States Naval Academy after August 24, 1912, the time spent at either academy shall not be counted.

The amendment was agreed to.

Mr. WADSWORTH. I was directed by the Committee on Appropriations to offer an amendment to be inserted on page 9, after line 15.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 9, after line 15, insert:

Nothing contained in this act, or any other act, shall be construed as depriving any commissioned officer of the Army, Navy, or Marine Corps of his right to pay and allowances while serving on such duty as the President may direct in the coordination of the business of the Government as now being conducted by him under the general supervision of the Director of the Bureau of the Budget.

The amendment was agreed to.

The next amendment was, on page 13, after line 7, to strike out: "None of the money appropriated in this act shall be used to pay any officer on the retired list of the Army who for himself or for others engages in the selling, contracting for the sale of, negotiating for the sale of, or furnishing to the Army or the War Department any supplies, materials, equipment, lands, buildings, plants, vessels, or munitions. None of the money appropriated in this act shall be paid to any officer on the retired list of the Army who is employed in the United States or its possessions by any individual, partnership, corporation, or association regularly or frequently engaged in making direct sales of any merchandise or material to the War Department or the Army," and in lieu thereof to insert:

None of the money appropriated in this act shall be used to pay any officer on the retired list of the Army who for himself engages in the selling, contracting for the sale of, negotiating for the sale of, or furnishing to the Army or the War Department any supplies, materials, equipment, lands, buildings, plants, vessels, or munitions, or who is employed by any individual, partnership, corporation, or association regularly or frequently engaged in selling merchandise or material directly to the War Department or the Army, if such employment be as sales or contract agent for the purpose of selling, contracting for the sale of, negotiating for the sale of, or furnishing to the Army or the War Department any supplies, materials, equipment, lands, buildings, plants, vessels, or munitions.

The amendment was agreed to.

The next amendment was, under the subhead "Quartermaster Corps," on page 24, line 7, after the words "in all," to strike out "$16,400,000," and to insert "$16,700,000, of which amount $200,000 may be applied to the removal for storage elsewhere of high explosives now stored at Raritan Arsenal, N. J.," so as to make the proviso read:

Provided, That the cost in each case shall not be greater than to the place of last enlistment; of horse equipment; and of funds for the Army; for the operation and repair of boats and other vessels; for wharfage, tolls, and ferriages; for drayage and cartage; for the purchase, hire, operation, maintenance, and repair of harness, wagons, carts, drays, other vehicles, and horse-drawn passenger-carrying vehicles, required for the transportation of troops and supplies and for official military and garrison purposes; for purchase and hire of draft and pack animals, including replacement of unserviceable animals; for travel allowances to officers and enlisted men on discharge; to officers of National Guard on discharge from Federal service as prescribed in the act of March 2, 1901; to enlisted men of National Guard on discharge from Federal service, as prescribed in amendatory act of September 22, 1922; and to members of the National Guard who have been mustered into Federal service and discharged on account of physical disability; in all, $16,700,000, of which amount $200,000 may be applied to the removal for storage elsewhere of high explosives now stored at Raritan Arsenal, N. J.:

The amendment was agreed to.

The next amendment was, on page 25, after line 9, to strike out:

None of the funds appropriated or made available under this act or any of the unexpended balances of any other act shall be used for the purchase of motor-propelled passenger or freight carrying vehicles for the Army except those that are purchased solely for experimental purposes, and except one automobile for the official use of the Secretary of War.

The amendment was agreed to.

The next amendment was, under the subhead "Military posts," on page 27, at the beginning of line 8, to strike out "$428,332," and to insert "$1,028,332"; and in line 11, after the name "Georgia," to insert a comma and "and $500,000 for beginning the construction of such permanent buildings at Camp Lewis, State of Washington, as in the judgment of the Secretary of War may be necessary to put Camp Lewis in proper shape to serve the purposes intended, and $100,000 for beginning the construction of permanent buildings at Camp Bragg, N. C.," so as to make the paragraph read:

For the construction and enlargement at military posts of such buildings as in the judgment of the Secretary of War may be necessary, including all appurtenances thereto, $1,028,332, including $43,332 for improving the heating system at Fort Sill, Okla., and $385,000 toward the construction of a barrack building for one regiment of Infantry at Fort Benning, Ga., and $500,000 for beginning the construction of such permanent buildings at Camp Lewis, State of Washington, as in the judgment of the Secretary of War may be necessary to put Camp Lewis in proper shape to serve the purposes intended, and $100,000 for beginning the construction of permanent buildings at Camp Bragg, N. C.

The amendment was agreed to.

The next amendment was, under the subhead "Roads, walks, wharves, and drainage," on page 30, line 9, after the name "Kentucky," to insert "but not to be available until the proper authorities of Kentucky, in manner and form to be approved by the Secretary of War, vacate the old Dixie Highway within Camp Knox and accept and agree to maintain the new Dixie Highway in lieu thereof without further expenditures by the United States, except for completion of acquisition of the right of way," so as to make the proviso read:

Provided, That not to exceed $46,203.13 from this appropriation shall be immediately available for repair and completion of the new Dixie Highway of approximately 9¾ miles at Camp Knox, Ky., constructed by the War Department to divert traffic from the old Dixie Highway, the funds to be expended by the department of public roads of Kentucky, but not to be available until the proper authorities of Kentucky, in manner and form to be approved by the Secretary of War, vacate the old Dixie Highway within Camp Knox and accept and agree to maintain the new Dixie Highway in lieu thereof without further expenditures by the United States, except for completion of acquisition of the right of way.

Mr. WADSWORTH. I am informed that the senior Senator from Kentucky [Mr. STANLEY] is interested in this amendment, as is also, perhaps, the junior Senator from Kentucky [Mr. ERNST]. As they are not now in the Chamber, I ask that the amendment be temporarily passed over.

The PRESIDING OFFICER. Without objection, the amendment will be temporarily passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 44, line 11, to increase the appropriation for personal services in the District of Columbia in accordance with the classification act of 1923, in the office of the Surgeon General, from "$254,414" to "$267,804."

The amendment was agreed to.

The next amendment was, under the subhead "Seacoast defenses, United States," on page 49, line 2, to strike out "$25,000" and to insert "$50,000," so as to read:

For the protection, preservation, repair, and maintenance of historical fortifications at Fort Niagara, N. Y., Fort Marion, Fla., and San Juan, Porto Rico, $50,000.

The amendment was agreed to.

The next amendment was, under the subhead "Seacoast defenses, insular possessions," on page 49, line 17, to strike out "$11,000" and to insert "$61,000," so as to read:

For the installation and replacement of electric light and power plants and the purchase and installation of searchlights at the seacoast fortifications of the Hawaiian Islands, $61,000.

The amendment was agreed to.

The next amendment was, under the subhead "Field artillery armament," on page 53, at the end of line 24, to strike out "$448,000" and to insert "$600,000," so as to read:

For alteration and maintenance of the mobile artillery, including the purchase and manufacture of machinery, tools, and materials necessary for the work and the expenses of the mechanics engaged thereon, $600,000.

The amendment was agreed to.

The next amendment was, under the subhead "Rock Island Bridge, Rock Island, Ill.," on page 54, at the end of line 17, to strike out "$30,000" and to insert "$20,000," so as to read:

For operating, repair, and preservation of Rock Island bridges and viaduct, and maintenance and repair of the arsenal street connecting the bridges, $20,000.

The amendment was agreed to.

The next amendment was, under the subhead "Chemical Warfare Service," on page 58, after line 20, to insert a comma and the words "of which sum not more than $25,000 may be used in agricultural experiments in exterminating the cotton-boll weevil," so as to make the paragraph read:

For purchase, manufacture, and test of chemical warfare gases or other toxic substances, gas masks, or other offensive or defensive materials or appliances required for gas warfare purposes, including all necessary investigations, research, design, experimentation, and operations connected therewith; purchase of chemicals, special scientific and technical apparatus and instruments; construction, maintenance, and repair of plants, buildings, and equipment, and the machinery therefor; receiving, storing, and issuing of supplies, comprising police and office duties, rents, tolls, fuel, gasoline, lubricants, paints and oils, rope and cordage, light, water, advertising, stationery, typewriting and adding machines, including their exchange, office furniture, tools, and instruments; for incidental expenses; for civilian employees; for libraries of the Chemical Warfare Service and subscriptions to periodicals which may be paid for in advance; for expenses incidental to the organization, training, and equipment of special gas troops not otherwise provided for, including the training of the Army in chemical warfare, both offensive and defensive, together with the necessary schools, tactical demonstrations, and maneuvers; for current expenses of chemical projectile filling plants and proving grounds, including construction and maintenance of rail transportation, repairs, alterations, accessories, building and repairing butts and targets, clearing and grading ranges, $700,000, of which sum not more than $25,000 may be used in agricultural experiments in exterminating the cotton-boll weevil.

The amendment was agreed to.

The next amendment was, under the subhead "United States Military Academy, pay of Military Academy," on page 65, at the end of line 18, to strike out "$105,660" and to insert "$135,660," so as to read:

Service detachment: First sergeant; 47 sergeants; 20 corporals; 55 privates, first class; 153 privates; specialists—40, third class; 50, fourth class; 80, fifth class; additional pay for length of service; in all, $135,660.

The amendment was agreed to.

The next amendment was, on page 66, at the end of line 10, to strike out "$40,000" and to insert "$51,413," so as to read:

Engineer detachment: First sergeant; 3 staff sergeants; 9 sergeants; 12 corporals; 39 privates, first class; 52 privates; specialists—2, third class, 3, fourth class, 2, sixth class; additional pay for length of service; additional pay for qualification in marksmanship; in all, $51,413.

The amendment was agreed to.

The next amendment was, under the subhead "Maintenance, United States Military Academy," on page 68, at the beginning of line 14, to strike out "headquarters" and to insert "quarters," so as to read:

For installing kitchen range, boilers, and bathtubs in quarters of enlisted men, $5,000.

The amendment was agreed to.

The next amendment was, under the subhead "Militia Bureau, arming, equipping, and training the National Guard," on page 70, at the end of line 26, to increase the appropriation for compensation of help for care of material, animals, and equipment, from "$2,250,000" to "$2,500,000."

The amendment was agreed to.

The next amendment was, on page 71, at the end of line 11, to increase the appropriation for transportation of equipment and supplies from "$400,000" to "$415,000."

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, the next amendment commences on line 16, page 71, and is the lump-sum pro-

vision. At the bottom of page 70 there are two items for the procurement of forage, and so forth, and for the compensation of help, and so forth. I desire to offer an amendment which will have the effect of transferring those two items so as to follow the language now printed on line 19, page 71. In other words, the lump-sum amendment if adopted in a moment or two will only apply to the items on page 71 which are printed before that amendment, but will not apply to the two items at the bottom of page 70, because I propose to transfer them and have them inserted after the lump-sum provision.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is agreed to.

Mr. FLETCHER. As I understand, the purpose is not to have the lump-sum provision apply to forage and help, and so forth?

Mr. WADSWORTH. That is true.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was on page 71, line 16, to insert a colon and the following proviso:

Provided, That all moneys hereinbefore appropriated for arming, equipping, and training the National Guard shall be disbursed and accounted for as one fund.

The amendment was agreed to.

The next amendment was, under the subhead "Arms, uniforms, equipment, and so forth, for field service, National Guard," on page 72, at the end of line 11, to strike out "$2,700,000" and to insert "$3,000,000," so as to read:

To procure by purchase or manufacture and issue from time to time to the National Guard, upon requisition of the governors of the several States and Territories or the commanding general National Guard of the District of Columbia, such military equipment and stores of all kinds and a reserve supply thereof as are necessary to arm, uniform, and equip for field service the National Guard of the several States, Territories, and the District of Columbia, and to repair such of the aforementioned articles of equipage and military stores as are or may become damaged when, under regulations prescribed by the Secretary of War, such repair may be determined to be an economical measure and as necessary for their proper preservation and use, $3,000,000.

The amendment was agreed to.

The next amendment was, under the subhead "Organized Reserves," on page 73, line 11, after the word "training," to strike out "$1,638,600" and to insert "$2,457,900," and in line 16, after the word "law," to strike out "$335,594" and to insert "$476,000," so as to read:

Officers' Reserve Corps: For pay and allowances of members of the Officers' Reserve Corps on active duty for not exceeding 15 days' training, $2,457,900; for pay and allowances of members of the Officers' Reserve Corps on active duty for more than 15 days in accordance with law, $400,486; for mileage, reimbursement of actual traveling expenses, or per diem allowances in lieu thereof as authorized by law, $476,000.

The amendment was agreed to.

The next amendment was, on page 73, at the end of line 19, to strike out "$2,374,660" and to insert "$3,334,366," so as to make the proviso read:

Provided, That the mileage allowance to members of the Officers' Reserve Corps when called into active service for training for 15 days or less shall not exceed 4 cents per mile; in all, $3,334,366.

The amendment was agreed to.

The next amendment was, on page 74, line 14, after the word "duty," to strike out "$400,000" and to insert "$500,000," so as to read:

Headquarters and camps: For establishment, maintenance, and operation of divisional and regimental headquarters and of camps for training of the Organized Reserves; for miscellaneous expenses incident to the administration of the Organized Reserves, including the maintenance and operation of motor-propelled passenger-carrying vehicles; for transportation of baggage, including packing and crating, of reserve officers on active duty for not less than six months; and for the preparation and transportation to their homes of the remains of members of the Organized Reserves who die while on active duty, $500,000.

The amendment was agreed to.

The next amendment was, on page 74, line 15, after the word "exceed," to strike out "$100,000" and to insert "$150,000," so as to make the proviso read:

Provided, That not to exceed $150,000 of this amount may be used for establishment and maintenance of divisional and regimental headquarters.

The amendment was agreed to.

The next amendment was, under the subhead "Reserves Officers' Training Corps," on page 77, at the end of line 17, to strike out "tank, or air" and to insert "or tank," so as to make the further proviso read:

Provided further, That none of the funds appropriated in this act shall be used for the organization or maintenance of additional mounted, motor transport, or tank units in the Reserve Officers' Training Corps.

The amendment was agreed to.

Mr. WADSWORTH. I offer the amendment which I send to the desk, to be inserted under the heading "Citizens' military training camps," on page 79, line 8, after the words "not exceeding $15,000."

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The READING CLERK. On page 79, line 8, after the numerals "$15,000," it is proposed to insert "and expenditures heretofore made for similar supplies and equipment from appropriations for citizens' military training camps are hereby validated."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 80, after line 11, to insert:

NATIONAL BOARD FOR PROMOTION OF RIFLE PRACTICE

QUARTERMASTER SUPPLIES AND SERVICES FOR RIFLE RANGES FOR CIVILIAN INSTRUCTION

To establish and maintain indoor and outdoor rifle ranges for the use of all able-bodied males capable of bearing arms, under reasonable regulations to be prescribed by the National Board for the Promotion of Rifle Practice and approved by the Secretary of War; for the employment of labor in connection with the establishment of outdoor and indoor rifle ranges, including labor in operating targets; for the employment of instructors; for clerical services; for badges and other insignia; for the transportation of employees, instructors, and civilians to engage in practice; for the purchase of materials, supplies, and services; and for expenses incidental to instruction of citizens of the United States in marksmanship and their participation in national and international matches, to be expended under the direction of the Secretary of War and to remain available until expended, $89,900: *Provided*, That out of this appropriation there may be expended not to exceed $80,000 for the payment of transportation, for supplying meals or furnishing commutation of subsistence of civilian rifle teams authorized by the Secretary of War to participate in the national matches.

Mr. WADSWORTH. Mr. President, it may save the time of the Senate if I merely explain that the language printed in italics is exactly the language which has been used for the last several years with respect to the National Board for the Promotion of Rifle Practice. It is inserted in this bill as a committee amendment owing to the fact that, quite unexpectedly, I think, the language was stricken out in the House of Representatives on a point of order. It is not contrary to our rules and is an appropriation which has been made by the Federal Government for a dozen years or more. There is nothing new about it, and the sum appropriated is exactly the same sum as for last year.

The PRESIDING OFFICER. With the explanation of the Senator from New York, if there be no objection, the amendment is agreed to.

Mr. WARREN. Mr. President, apropos of the subject just explained by the chairman of the subcommittee, I should like to ask unanimous consent to call the attention of the Senate to a proposed amendment having relation to that very item. Of course, it is in the nature of legislation, and I shall have to ask unanimous consent to have it adopted.

Mr. FLETCHER. Is it the Senator's purpose to offer an amendment?

Mr. WARREN. I wish to send to the desk and have read an amendment which refers to this same matter. The fact is that for 10 or 12 years we have had more or less trouble to obtain permission to put this item in the appropriation bill. We always have succeeded in incorporating the item in the bill, but some one Member of the House under their particular rules usually makes the point that there is no legislation providing for the appropriation, and so it goes out of the bill. The amendment I offer would simply make it plain that there is legislation authorizing the appropriation, and then Congress may either appropriate or not appropriate as it may see fit, but at any rate it will obviate the necessity of trying to secure the appropriation in this rather unfortunate and roundabout way of always trying to insert it in the Senate. I ask that the amendment be read at the desk.

Mr. FLETCHER. Does the Senator offer that as an amendment to the pending amendment?

Mr. WARREN. Yes; or to follow the committee amendment.

The PRESIDING OFFICER. The amendment proposed by the Senator from Wyoming will be stated.

The READING CLERK. On page 82, after line 8, it is proposed to insert the following:

The Secretary of War shall, within the limits of appropriations made from time to time by Congress and in accordance with reasonable rules and regulations approved by him upon the recommendation of the National Board for the Promotion of Rifle Practice, authorize and provide for—

(a) Construction, equipment, maintenance, and operation of indoor and outdoor rifle ranges and their accessories and appliances;

(b) Instruction of able-bodied citizens of the United States in marksmanship, and, in connection therewith, the employment of necessary instructors;

(c) Promotion of practice in the use of rifled arms, the maintenance and management of matches or competitions in the use of such arms and the issuance in connection therewith of the necessary arms, ammunition, targets, and other necessary supplies and appliances, and the award to competitors of trophies, prizes, badges, and other insignia;

(d) Sale to members of the National Rifle Association at cost to the Government, and issue to clubs organized for practice with rifled arms, under the direction of the National Board for the Promotion of Rifle Practice, of arms, ammunition, targets, and other supplies and appliances necessary for target practice;

(e) Maintenance of the National Board for the Promotion of Rifle Practice, including provision for the necessary expenses thereof and of its members;

(f) Procurement of necessary materials, supplies, appliances, trophies, prizes, badges, and other insignia, clerical and other services, and labor;

(g) Transportation of employees, instructors, and civilians to give or undergo instruction or to assist or engage in practice in the use of rifled arms, and the transportation and subsistence, or commutation in lieu of subsistence, of members of teams especially authorized by the Secretary of War to participate in matches or competitions in the use of rifled arms, making a full report of all things done hereunder annually to Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming.

Mr. FLETCHER. May I ask if the Senator would object to adding at the end of his amendment the words "making full report of all things done hereunder annually to Congress," so that we may have some record of what is actually done?

Mr. WARREN. I would not.

The PRESIDING OFFICER. The amendment proposed by the Senator from Florida to the amendment of the Senator from Wyoming will be stated.

The READING CLERK. At the end of the proposed amendment the Senator from Florida moves to insert the words "making full report of the things done hereunder annually to Congress."

Mr. BROOKHART. Mr. President, the amendment is all right except that it uses the term "rifled arms," and that might exclude——

Mr. WARREN. That is intended to apply to a very useful firearm that is really in the nature of a pistol, but to take the place of it.

Mr. BROOKHART. The proper definition would be "small arms."

Mr. WARREN. "Small arms" really takes in more; that takes in daggers, swords, or anything of the kind; but this amendment was pretty carefully prepared by people who had that in mind.

Mr. BROOKHART. A strict construction of the language might cut out the pistol. That is what I had in mind.

Mr. WARREN. It is not intended that way.

Mr. BROOKHART. I know it is not so intended.

Mr. WARREN. Of course, it will go to conference; and as it is a Senate amendment, we will leave it to the good judgment of our conferees.

Mr. BROOKHART. I should say "rifles, pistols, or small arms."

The PRESIDING OFFICER. Does the Senator from Iowa offer an amendment?

Mr. WARREN. I think the amendment as it is will be all right.

Mr. WADSWORTH. It will cover the whole thing.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 81, after line 10, to insert:

NATIONAL TROPHY AND MEDALS FOR RIFLE CONTESTS

For the purpose of furnishing a national trophy and medals and other prizes to be provided and contested for annually, under such regulations as may be prescribed by the Secretary of War, said contest to be open to the Army, Navy, Marine Corps, and the National Guard or Organized Militia of the Several States, Territories, and of the District of Columbia, members of rifle clubs, and civilians, and for the cost of the trophy, prizes, and medals herein provided for, and for the promotion of rifle practice throughout the United States, including the reimbursement of necessary expenses of members of the National Board for the Promotion of Rifle Practice, to be expended for the purposes hereinbefore prescribed, under the direction of the Secretary of War, $7,500.

The amendment was agreed to.

The next amendment was, at the top of page 82, to insert:

ORDNANCE EQUIPMENT FOR RIFLE RANGES FOR CIVILIAN INSTRUCTION

For arms, ammunition, targets, and other accessories, for target practice for issue and sale in accordance with rules and regulations prescribed by the National Board for the Promotion of Rifle Practice and approved by the Secretary of War, in connection with the encouragement of rifle practice, in pursuance of the provisions of law, $10,000.

The amendment was agreed to.

The next amendment was, under the subhead "Quartermaster Corps, national cemeteries," on page 83, line 21, after the name "Virginia," to insert a comma "and permanent American military cemeteries," so as to read:

For maintaining and improving national cemeteries, including fuel for superintendents, pay of laborers and other employees, purchase of tools and materials, and including care and maintenance of the Arlington Memorial Amphitheater and Chapel and grounds in the Arlington National Cemetery, Virginia, and permanent American military cemeteries, $360,000.

Mr. WADSWORTH. Mr. President, I desire to offer an amendment to the committee amendment, inserting after the word "cemeteries" the word "abroad."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. After the word "cemeteries," on page 83, line 22, insert the word "abroad."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Construction and maintenance of roads, bridges, and trails, Alaska," on page 94, line 20, after the word "amended," to strike out "$650,000" and to insert "$800,000," so as to read:

For the construction, repair, and maintenance of roads, tramways, ferries, bridges, and trails, Territory of Alaska, to be expended under the direction of the Board of Road Commissioners described in section 2 of an act entitled "An act to provide for the construction and maintenance of roads, the establishment and maintenance of schools, and the care and support of insane persons in the District of Alaska, and for other purposes," approved January 27, 1905, as amended by the act approved May 14, 1906, and to be expended conformably to the provisions of said act as amended, $800,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 94, line 21, to insert a colon and the following proviso:

Provided, That if an appropriation for this purpose for the fiscal year ending June 30, 1926, shall not have been made prior to March 1, 1925, the Secretary of War may authorize the Board of Road Commissioners to incur obligations for this purpose of not to exceed 75 per cent of the appropriation for this purpose for the fiscal year ending June 30, 1925, payment of these obligations to be made from the appropriation for the fiscal year ending June 30, 1926.

The amendment was agreed to.

The next amendment was, on page 95, after line 4, to insert:

MACDONOUGH MEMORIAL

For the completion of the erection of the memorial of the State of Vermont in commemoration of the victory of Commodore Thomas Macdonough on Lake Champlain in September, 1814, as authorized in the sundry civil appropriation act of August 1, 1914, to remain available until expended, $3,000.

The amendment was agreed to.

The next amendment was, under the subhead "National Home for Disabled Volunteer Soldiers," on page 98, line 17, to strike out "$68,350," and to insert "$70,600," so as to make the paragraph read:

Central Branch, Dayton, Ohio—Current expenses: For pay of officers and noncommissioned officers of the home, with such exceptions as are hereinafter noted, and their clerks, weighmasters, and orderlies; chaplains, religious instruction, and entertainment for the members of the home, printers, bookbinders, librarians, musicians, telegraph and telephone operators, guards, janitors, watchmen, fire company, and property and materials purchased for their use, including repairs; articles of amusement, library books, magazines, papers, pictures, musical instruments, and repairs not done by the home; stationery, advertising, legal advice, payments due heirs of deceased members: *Provided*, That all receipts on account of the effects of deceased members during the fiscal year shall also be available for such payments; and for such other expenditures as can not properly be included under other heads of expenditure, $70,600.

Mr. KING. Mr. President, may I make an inquiry of the Senator in order to answer a communication which I have received regarding some of these soldiers' homes? The letter which I received made inquiry as to whether any were being closed, if all were still open the same as they have been for years past, and, if so, why they were not used, at least some of them, by the Vocational Rehabilitation Board.

Mr. WADSWORTH. All the homes are running full blast. There are now appearing in the membership a good many veterans of the World War. Two of the homes have been devoted entirely to World War veterans. At other homes special facilities have been built for World War veterans in addition to the facilities already existing for Civil War and Spanish War veterans.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was on page 99, at the end of line 2, to strike out "$353,460," and to insert "$382,000," so as to make the paragraph read:

Subsistence: For pay of commissary sergeants, commissary clerks, porters, laborers, bakers, cooks, dishwashers, waiters, and others employed in the subsistence department; food supplies purchased for the subsistence of the members of the home and civilian employees regularly employed and residing at the branch, freight, preparation, and serving; aprons, caps, and jackets for kitchen and dining-room employees; tobacco; dining-room and kitchen furniture and utensils, bakers' and butchers' tools and appliances, and their repair not done by the home, $382,000.

The amendment was agreed to.

The next amendment was on page 99, at the end of line 109, to strike out "$199,800," and to insert "$205,000," so as to make the paragraph read:

Household: For furniture for officers' quarters; bedsteads, bedding, bedding material, and all other articles, including repairs, required in the quarters of the members and of civilian employees permanently employed and residing at the branch; fuel; water; engineers and firemen, bathhouse keepers, janitors, laundry employees, and for all labor, materials, and appliances required for household use, and repairs, if not repaired by the home, $205,000.

The amendment was agreed to.

The next amendment was, on page 99, line 23, to strike out "$260,528" and to insert "$290,000," so as to make the paragraph read:

Hospital: For pay of medical officers and assistant surgeons, matrons, druggists, hospital clerks and stewards, ward masters, nurses, cooks, waiters, readers, drivers, funeral escort, janitors, and for such other services as may be necessary for the care of the sick; burial of the dead; surgical instruments and appliances, medical books, medicine, liquors, fruits, and other necessaries for the sick not purchased under subsistence; bedsteads, bedding, and all other special articles necessary for the wards; hospital furniture, including special articles and appliances for hospital kitchen and dining room; carriage, hearse, stretchers, coffins; and for all repairs to hospital furniture and appliances not done by the home, $290,000.

The amendment was agreed to.

The next amendment was, on page 100, line 6, to strike out "$71,450" and to insert "$81,000," so as to read:

Repairs: For pay of chief engineer, builders, blacksmiths, carpenters, painters, gas fitters, electrical workers, plumbers, tinsmiths, steam fitters, stone and brick masons, and laborers, and for all appliances and materials used under this head; and repairs of roads and other improvements of a permanent character, $81,000.

The amendment was agreed to.

The next amendment was, on page 100, at the end of line 19, to increase the total appropriation for the central branch of the National Home for Disabled Volunteer Soldiers, at Dayton, Ohio, from "$976,938" to "$1,051,950."

The amendment was agreed to.

The next amendment was, on page 101, line 2, after the word "expenses," to strike out "$57,500" and to insert "$59,300"; in line 3, after the word "household," to strike out "$139,000" and to insert "$150,000"; at the beginning of line 4, to strike out "$230,000" and to insert "$236,000"; in the same line, after the word "repairs," to strike out "$47,050" and to insert "$50,000"; and, at the end of line 5, to strike out "$774,840" and to insert "$796,590," so as to make the paragraph read:

Northwestern Branch, Milwaukee, Wis.: Current expenses, $59,300; subsistence, $237,000; household, $150,000; hospital, $236,000; transportation, $500; repairs, $50,000; farm, $13,790; in all, Northwestern Branch $796,590.

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, I am instructed by the Committee on Appropriations to offer the amendment which I send to the desk, which is to go in on page 101, after line 6.

The PRESIDING OFFICER. The Senator from New York, on behalf of the committee, offers an amendment, which will be stated.

The READING CLERK. On page 101, after line 6, it is proposed to insert the following:

That the board of managers are authorized to sell surplus land at the northwestern branch, to wit, a strip of land leading from the north line of the home grounds to the street that runs parallel to the home boundary line, the proceeds of such sale to be covered into the Treasury as miscellaneous receipts.

Mr. WADSWORTH. Mr. President, the explanation of this is very simple. The city of Milwaukee, in its building, has grown up to the boundary of the Government reservation upon which the home is located, and in this particular instance the roadway which constitued the main entrance through the gates of the home reservation is now lined with houses. It is the proposal to sell that street—it has become a street—and let the city take care of it and have the money go into the Federal Treasury.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New York.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 101, at the beginning of line 8, to strike out "$45,000" and to insert "$48,500"; in line 9, after the word "hospital," to strike out "$50,000" and to insert "$59,000"; and in line 11, to strike out "$332,272" and to insert "$344,772," so as to make the paragraph read:

Eastern Branch, Togus, Me.: Current expenses, $48,500; subsistence, $90,000; household, $100,000; hospital, $59,000; transportation, $500; repairs, $27,000; farm, $19,772; in all, Eastern Branch, $344,772.

The amendment was agreed to.

The next amendment was, on page 101, line 13, after the word "expenses," to strike out "$52,500" and to insert "$55,400"; in line 14, after the word "household" to strike out "$125,284" and to insert "$129,000"; in the same line, after the word "hospital," to strike out "$109,000" and to insert "$122,000"; and at the end of line 16 to strike out "$564,284" and to insert "$583,900," so as to make the paragraph read:

Southern Branch, Hampton, Va.: Current expenses, $55,400; subsistence, $215,000; household, $120,000; hospital, $122,000; transportation, $1,000; repairs, $50,000; farm, $11,500; in all, Southern Branch, $583,900.

The amendment was agreed to.

The next amendment was, on page 101, line 18, after the word "expenses," to strike out "$57,500" and to insert "$59,160," and in line 21, to strike out "$553,500" and to insert "$555,160," so as to make the paragraph read:

Western Branch, Leavenworth, Kans.: Current expenses, $59,160; subsistence, $202,500; household, $132,500; hospital, $94,500; transportation, $500; repairs, $46,500; farm, $19,500; in all, Western Branch, $555,160.

The amendment was agreed to.

The next amendment was, on page 101, line 23, after the word "expenses," to strike out "$66,000" and to insert "$69,600"; at the end of the same line to strike out "$395,000" and to insert "$420,000"; in line 24, after the word "household," to strike out "$118,000" and to insert "$125,000"; at the beginning of line 25 to strike out "$285,000" and to insert "$294,000"; on page 102, at the beginning of line 1, to strike out

"$65,000" and to insert "$70,000"; in the same line, after the word "farm," to strike out "$22,500" and to insert "$25,000"; and in line 2 to strike out "$952,500" and to insert "$1,004,600," so as to make the paragraph read.

Pacific Branch, Santa Monica, Calif.: Current expenses, $69,600; subsistence, $420,000; household, $125,000; hospital, $294,000; transportation, $1,000; repairs, $70,000; farm, $25,000; in all, Pacific Branch, $1,004,600.

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, I am instructed by the Committee on Appropriations to offer the amendment which I send to the desk, to come in after line 2 on page 102.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 102, after line 2, it is proposed to insert:

That the Board of Managers are authorized to sell surplus land at the Pacific Branch, to wit, a strip of land lying west of the traction line that runs parallel to the home fence on the west side, and to use the proceeds therefrom for the erection of a fireproof building for housing the members of the home at said branch.

Mr. WADSWORTH. Mr. President, this amendment is somewhat unusual in form, and I think is worthy of an explanation.

At the Pacific Home there is a body of land separated from the activities of the institution by the trolley line which is mentioned in the amendment, which the Board of Managers desire to dispose of. It will be remembered, however, that the land upon which the Pacific Home stands was given to the Government of the United States by a former Member of this body, if my recollection is correct, and his family, with a condition in the deed to the effect that the land should be used for a soldiers' home. It was given by former Senator Jones. The Government therefore is in honor bound, if it ever disposes of that land or any portion of it, either to return the proceeds to the family or to return the land itself to the family, or else to use the proceeds for improving the home itself. This proposal would involve the sale by the Board of Managers of about 60 acres of land which now is of no use to the institution and which, incidentally, is very valuable for suburban building purposes, and use that money for the erection on the main portion of the reservation of a couple of barrack buildings. It is believed that the heirs of former Senator Jones, on being assured that the money coming in from the sale of the land will go back into the home for improvements in the home itself, will not object.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 102, at the beginning of line 4, to strike out "$46,500" and to insert "$49,500"; in line 5, after the word "hospital," to strike out "$258,000" and to insert "$270,000"; and in line 7, to strike out "$707,650" and to insert "$722,650," so as to make the paragraph read:

Marion Branch, Marion, Ind.: Current expenses, $49,500; subsistence, $230,000; household, $107,000; hospital, $270,000; transportation, $1,000; repairs, $46,500; farm, $18,650; in all, Marion Branch, $722,650.

The amendment was agreed to.

The next amendment was, on page 102, at the beginning of line 9, to strike out "$54,000" and to insert "$56,250"; in line 10, after the word "hospital," to strike out "$78,000" and to insert "$85,000"; and in line 12, to strike out "$501,500" and to insert "$510,750," so as to make the paragraph read:

Danville Branch, Danville, Ill.: Current expenses, $56,250; subsistence, $204,000; household, $109,000; hospital, $85,000; transportation, $500; repairs, $45,000; farm, $11,000; in all, Danville Branch, $510,750.

The amendment was agreed to.

The next amendment was, on page 102, line 14, after the word "expenses," to strike out "$45,100" and to insert "$49,400"; in line 15, after the word "hospital," to strike out "$235,000" and to insert "$240,000"; and in line 17, to strike out "$677,700" and to insert "$687,000," so as to make the paragraph read:

Mountain Branch, Johnson City, Tenn.: Current expenses, $49,400; subsistence, $225,000; household, $99,800; hospital, $240,000; transportation, $500; repairs, $43,500; farm, $28,800; in all, Mountain Branch, $687,000.

The amendment was agreed to.

The next amendment was, on page 102, line 19, after the word "expenses," to strike out "$33,500" and to insert "$34,950"; at end of line 20, to strike out "$63,000" and to insert "$65,000;" and at the end of line 22, to strike out "$263,420" and to insert "$266,870," so as to make the paragraph read:

Battle Mountain Sanitarium, Hot Springs, S. Dak.: Current expenses, $34,950; subsistence, $80,500; household, $59,920; hospital, $65,000; transportation, $500; repairs, $20,000; farm, $6,000; in all, Battle Mountain Sanitarium, $266,870.

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, I am instructed by the Committee on Appropriations to offer the amendment which I send to the desk, and which will come in on page 103, after line 15. I desire to say just a word to the Senate in explanation of it.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 103, after line 15, it is proposed to insert:

That section 4826 of the Revised Statutes, as amended, is hereby amended to read as follows:

"SEC. 4826. Seven managers of the National Home for Disabled Volunteer Soldiers shall be elected from time to time, as vacancies occur, by joint resolution of Congress. They shall all be citizens of the United States and no two of them shall be residents of the same State. The terms of office of these managers shall be for six years and until a successor is elected."

Mr. WADSWORTH. Mr. President, I find especial pleasure in being permitted to offer this amendment on behalf of the committee.

Senators may not realize it, but section 4826 as it reads at present provides that the managers of the National Soldiers' Home must come from States of the Union that did not take part in the War of the Rebellion on the Confederate side and whose States supplied troops to the Union Army. Your committee believes that that restriction should not be imposed any longer in a Federal statute. The effect of this amendment is to make a citizen of any State eligible for membership upon the Board of Managers of the National Soldiers' Home. The other qualifications are retained—for example, that no two of them shall be residents of the same State.

May I say to the Senate that this amendment was proposed to the committee by the Board of Managers themselves, and that the Board of Managers, if I recollect aright, contains three veterans of the Union Army, and they are the persons who asked that their southern brethren be made eligible for membership along with them.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 103, line 24, to insert "and who have no adequate means of support," so as to make the paragraph read:

The following persons shall be entitled to the benefits of the National Home for Disabled Volunteer Soldiers, and may be admitted thereto upon the order of a member of the Board of Managers, namely: Honorably discharged officers, soldiers, sailors, or marines who served in the regular, volunteer, or other forces of the United States, or in the Organized Militia or National Guard when called into Federal service, and who are disabled by diseases or wounds and who have no adequate means of support, and by reason of such disability are either temporarily or permanently incapacitated from earning a living.

The amendment was agreed to.

The next amendment was, on page 104, line 4, in the total appropriation for the National Home for Disabled Volunteer Soldiers, to strike out "$6,527,504" and insert "$6,747,142."

The amendment was agreed to.

The next amendment was, under the subhead "The Panama Canal," on page 107, line 20, before the words "to be available," to insert "which may be disbursed and accounted for as one fund and," so as to read:

Total, Panama Canal, $7,240,160, which may be disbursed and accounted for as one fund and to be available until expended.

The amendment was agreed to.

The reading of the bill was concluded.

The PRESIDING OFFICER. That completes the committee amendments, except the one which was passed over on page 30, the amendment beginning with line 9, which the Secretary will report.

The READING CLERK. On page 30, line 9, after the word "Kentucky," the committee proposes to insert the following:

but not to be available until the proper authorities of Kentucky, in manner and form to be approved by the Secretary of War, vacate the old Dixie Highway within Camp Knox and accept and agree to maintain the new Dixie Highway in lieu thereof without further expenditures by the United States, except for completion of acquisition of the right of way.

Mr. WADSWORTH. Mr. President, neither of the Senators from Kentucky is here. I think the senior Senator from Kentucky [Mr. STANLEY] is absent from the city, and the junior Senator from Kentucky [Mr. ERNST] has never spoken to me about this amendment. If the Senate will adopt it now, the matter can be taken up in conference, and if either Senator has any suggestion to make as to changing the amendment in some way, the Senate conferees will be glad to consider it.

Mr. McKELLAR. With that understanding, it is all right.

Mr. WARREN. The matter is entirely covered by the Senate committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 97, line 22, after the numerals "1920" and before the period, the Senator from Tennessee proposes to insert a colon and the following proviso:

Provided, That the Secretary of War may, notwithstanding any existing laws to the contrary, retain in their present positions two officers of the United States Army, one of whom is Chief of the Inland and Coastwise Waterways Service, War Department, and the other assistant to the Chief, Inland and Coastwise Waterways Service, War Department.

Mr. McKELLAR. Mr. President, all I want to say about the amendment is that two Army officers have been in charge of the inland waterways on the Mississippi and Warrior Rivers for a number of years. Their time has expired, and they will either have to leave that work or some such amendment as this must be adopted. I hope the Senator from New York will accept the amendment.

Mr. WADSWORTH. It so happens that I have a good deal of admiration for the colonel of the Army who is in charge of this inland transportation service, but we have a law upon the statute books, which is known in the Army as the "Manchu" law, which provides that officers shall not serve more than four years successively in the city of Washington. I do not feel that we should make any exception to that. I would not be authorized to accept a legislative amendment of this kind on this general appropriation bill, so I am compelled, under the circumstances, to raise the point of order against it. It is legislation upon a general appropriation bill.

The PRESIDING OFFICER. The point of order is sustained.

Mr. McKELLAR. On page 97, line 5, after the numerals and before the period, I move to insert:

of the amount authorized for the construction of levees, not less than 50 per cent shall be for work done by contract.

Mr. WARREN. That is purely legislation.

Mr. WADSWORTH. Mr. President, I will have to raise a point of order against the amendment as being legislation.

Mr. KING. Mr. President, I have received a number of communications, one of which I hold in my hand, and I think they have to do with the matter to which the Senator from Tennessee has directed his amendment. In one of these letters the writer, who is an engineer and contractor, his company doing a large amount of work in various parts of the United States, states:

There seems to be a lot of opposition on the part of the engineers for the Government to a provisional bill requiring at least 50 per cent of this appropriation to be expended in the form of lump-sum or fixed contracts and leaving not to exceed 50 per cent to be expended at the discretion of the engineers by day-labor methods. In studying over the hearings begun Friday, February 8, 1924, and ending on February 11, 1924, authorities and competent witnesses agree that the work done by the day-labor system under the direction of the Army engineers has proven more expensive each year than the work let by contract, notwithstanding the attempts to show that during the last year there was some slight saving. A review of the figures placing the work on reasonably the same basis discloses that there was an actual expenditure over and above the average of the per yard expended paid under lump-sum contract to contractors who performed a certain portion of the work. There seems to be a tendency each year for the Government to perform more of this work under the so-called day-labor system. The results are the same as have been in evidence in all parts of the country where an attempt has been made to carry on work in this manner which involves no financial responsibility for the directing head and leaves the Treasury doors unlocked, thus limiting the expenditure only by the ability of those directing the work to consume capital in the carrying out of it.

We realize that those who are vitally interested in the construction of these levees on account of the danger to their lands and crops are willing that any measures may be passed that will insure the construction of these levees promptly. They realize, no doubt, from actual experience that the method of day labor does not produce an efficient piece of work, and that it is wasteful in the extreme. It is another repetition of the experience of the Reclamation Department.

But, more important than all of this to me, it seems, is the surprising disclosures of the quality of work done by the forces that are employed directly on day-labor basis by the Army engineers, as disclosed at this hearing. Authorities agree that the work performed in this manner was selective of the heavier quality and most desirable, as the cableways and heavy excavating equipment owned by the Government in the beginning of this day-labor program, and as covered by later additional purchase, were only adapted to the long and heavy sections of work in which the quantities were large and the difficulties few, leaving the smaller and more difficult pieces of work to be let by contract.

I am advised that engineers connected with the War Department take a different position, and contend that they fairly make awards—that is, give to contractors as desirable pieces of work as are performed by the Government by means of day labor.

This position is not supported by the gentleman whose letter I am reading; indeed, it is controverted. I think the report of the commission—Mississippi River Commission—contradicts the Army engineers and corroborates the statements of the engineer who writes me. Let me add, Mr. President, that I vouch for the integrity and veracity of the engineer just referred to.

Mr. BROOKHART. Who makes this statement?

Mr. KING. He is a contractor, an engineer, a man of the highest integrity, and a man for whose veracity I vouch.

Mr. BROOKHART. Also a man looking out for profits. I want to defend the Army engineers against all such charges.

Mr. KING. Let the Senator make his defense of the Army engineers in his own time.

Mr. BROOKHART. I do not think they deserve it.

Mr. KING. I do not care to be interrupted now, as I desire to complete the letter from which I am reading.

Mr. WARREN. Mr. President, there will be a point of order interposed against this amendment. I do not think there should be any consideration given as to which is the better of the two methods. I heard all the arguments, and I do not wish to dispute the Senator, because I think those are very excellent gentlemen, and that they have a very sound institution.

Mr. KING. Of whom is the Senator speaking?

Mr. WARREN. I am speaking of this contracting firm.

Mr. KING. I do not think the firm of which I am speaking now was before the committee; the Senator has in mind some other person and some other contracting firm.

Mr. WARREN. There were representatives before our committee.

Mr. KING. Of some firms.

Mr. WARREN. Yes.

Mr. KING. The Senator does not assert that there appeared before his committee a representative of the firm of which the writer of the letter I am reading is a member?

Mr. WARREN. I presumed it was the one which had been represented before us; but whatever the matter is, it is legislation, and of course should not be considered.

The PRESIDING OFFICER. Is the Senator from Utah speaking to the point of order?

Mr. KING. I am; a point of order raised in the Senate is broad enough to permit a rather broad consideration of the matter, which has provoked the raising of the question of order. I continue reading from this communication:

Obviously, under the same management, the smaller and more difficult work would ordinarily involve a greater cost, but, strange to say, the facts show the experience to be otherwise. And, in addition to this, the quality of work produced under the day-labor system is condemned in no uncertain terms in this hearing, as I will afterwards describe, whereas in no case was there evidence that any contractor was permitted to do work other than strictly in accordance with the plans and specifications and standards established by the Army

engineers and the Mississippi River Commission. Attention is called to the report of the Committee on Levee Investigation, shown on pages 1690, 1691, and 1692, of the extracts from hearings above referred to. The chairman of this committee, Mr. J. A. Ockerson, is a man who has spent his entire engineering life on the Mississippi River in its control and improvement. His reputation is of the highest. The investigation covered a piece of levee construction 34 miles in length, performed by day labor under the Army engineers and with the use of Government equipment, which is recognized to be efficient, and under conditions agreed upon by all parties to be favorable. After the work was completed, the question was raised as to whether it was performed in accordance with the requirements of the specifications. A committee of investigation was appointed, consisting of members of the Engineering Department of the Army engineers and of the Mississippi River Commission. In other words, engineers who were directly employed upon the work, and not, as would ordinarily be expected, by a committee of engineers who had no interest in it whatever.

This investigation was made quite thoroughly, covered a considerable length of time, and developed the fact that proper allowances were not made for slopes, and borrow pits were excavated very much deeper than would be permitted on a straight contract, thus taking away the berm that good engineering requires in all embankment construction, but that, in addition to this, the sections were not complete, requiring considerable additional material to fill them to the slopes and levels established, and that the excess depth of the borrow pits would require that they be filled up to a level bringing them to the standard, and that, further than this, great masses of logs, roots, and sections of trees were covered up in the levee, which experience has shown will in time rot and leave the levee free to the passage of water, after which, experience shows, it is very quickly washed out or destroyed; and otherwise the construction was far from the standards required from contractors under lump-sum contracts.

Information which I have received corroborates the statements of this able engineer from whose letter I am reading, and it would seem, as he charges, that favoritism was shown, and the standards required of contractors are not adhered to or followed by the engineers with respect to the performance of work by the day laborers. The evils of which he speaks and the inefficient and improper construction to which he calls attention ought to call for investigation and prompt rectification. And all must agree that a system which permits this method of construction ought to be revised and a different one adopted.

The course pursued by the Government in the construction of the levees referred to is similar to that followed in most of the work of the Government during the war, and which has been the subject of much animated discussion. Apparently the engineers in charge of this work seem unable to depart from the rut made during the war. There are some officials of the Government who are unwilling to permit the contracting of Government work, though past experience demonstrates the unwisdom of such a policy. They seem so wedded to bureaucracy that they will not permit efficient and proper methods to be adopted by the Government. As a result the activities of the Government annually cost hundreds of millions more than is necessary. All work, when it is possible, should be contracted. There are capable engineers and contractors of highest standing in all parts of the United States. They are equipped to erect buildings, tunnel through mountains, construct dams and reservoirs, build levees, and undertake the most stupendous enterprises calling for the highest technical skill and the finest organizing and administrative ability. But too often Government bureaus and agencies are controlled by those who would like to project the Government into all private concerns and individual enterprises.

But I return to this letter:

These statements are not the voluntary contributions of innocent bystanders, but are the report of the committee of engineers who were engaged upon the Mississippi River work during the time that this levee was constructed—men thoroughly familiar with the work, and in the employment of the very departments whose work was under investigation, the chairman of the committee being, as above mentioned, Mr. J. A. Ockerson, and the report was made to the president of the Mississippi River Commission. I copy from the report as follows:

"The field investigation has been completed and the results to a considerable extent confirm the charges that the commission specifications have been violated in the levee machine enlargement work of the 34 miles of levee under investigation. The testimony gathered by the committee clearly indicated that these violations were a matter of common knowledge in the lower Yazoo levee district. That it was not brought to the attention of the commission until much of the damage had been done is to be regretted. The committee feels that lack of proper regard for the levee specifications prevailed, and that gross carelessness in the execution of the work developed in 1920 and 1921 in the lower Yazoo levee work, for which the district engineer then in charge of the third district and his assistant in charge of levee work must be held responsible."

I pause to inquire of the chairman of the Committee on Appropriations, the Senator from Wyoming [Mr. WARREN], whether any steps have been taken to investigate the competency of those in charge of this work and the statements made by the commission, which show carelessness and inefficiency upon the part of the engineers and their assistants who directed the construction of the levees?

Mr. WADSWORTH. If the Senator from Wyoming will permit, I will answer, in part at least, the question. The matter has never been brought to the attention of the Committee on Appropriations. No charges have been lodged with the committee in connection with the preparation or consideration of the bill.

Mr. KING. The only reason why I made the inquiry was that I understood the Senator from Wyoming to say that all these matters had been brought out in the hearings.

Mr. WARREN. I may say that a gentleman who stated he represented the contractors came into my office in connection with the matter. I listened very patiently for three-quarters of an hour, and I saw nothing in what he said to bring attention to the matter further. I said to him that it was legislation and that the whole subject was before the subcommittee of which I was not a member. The allusion I made was that there might have been another member of the committee present at the time. It was in my private office, and the question was made by some contractor. I stated that, in my opinion, I should be against the proposition or any other proposition that would compel the leaving of matters of that kind entirely to contractors, because very often urgent calls are made and the work has to be done quickly.

Mr. WADSWORTH. I merely desire to say the matter was brought to my attention in private conversation. A representative of the contractors' association came to me and had quite a talk with me about the alleged inefficiency, but never appeared before the committee and did not ask to appear before the committee. At the time I told him quite frankly that I thought legislation compelling the Flood Control Commission to do a certain fixed percentage of work by contract would be legislation which the Congress never could be persuaded to pass.

Mr. KING. I am expressing no opinion with respect to the merits of the amendment offered by the Senator from Tennessee. It may adequately meet the situation and it may be that it should be further amended. It is evident that the present plan is unsatisfactory and is unfair to the Government. But I am not now discussing what legislation, if any, is required to cure the evils which, I submit, exist. I am presenting to the Senate some valuable suggestions from a competent and honorable engineer, hoping that the War Department will correct its ways and that a bad practice shall be abandoned. Indeed, I hope, if only by legislation the evils complained of can be corrected, that the necessary law will be enacted. As stated by him, the hearings shows waste, incompetency, and improper construction.

Mr. WADSWORTH. To what hearings does the Senator refer?

Mr. KING. I refer to the hearings before the House committee and also the report of the commission, an excerpt from which appears in the letter from which I am now reading.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield.

Mr. McKELLAR. There were hearings held before a House committee, and it developed that certain portions of the work that had been done by the Mississippi River Commission had in it very great defects. I have no doubt that help would be rendered to the situation to a considerable extent if the amendment were adopted. I am quite sure great help would be rendered, because there would be competition and no doubt very much better work done than has been done in the past.

Mr. KING. The report made to the commission and the hearings in the House call attention to the defective work and to the negligence and carelessness of those in charge of the same.

I was calling attention, when interrupted, to the report of the commission where they direct attention to the negligence of the district engineer in charge of the third district

and to his assistants. The report of the commission states that they must be held responsible for the defective construction, and then proceeds:

Probably the objectionable practices progressed in extent and degree little by little from small beginnings so that not until the matter came up for review did those engaged in them fully realize their grave impropriety; but while this may explain it does not excuse. The motive appears to have been an ill-advised desire to expedite the work and reduce the cost, which led to the sacrifice of quality. Such practices must be condemned and such positive measures taken as will prevent any recurrence thereof.

In addition to the work being condemned by the committee, the committee, as a part of the report, further stated that it would cost $1,000,000 to restore the borrow pits to the condition the specifications for lump-sum contracts would require, and an additional sum of $120,000 to bring the embankment up to the cross sections shown by the plans.

It is needless to state that if we had labor performed under such inefficient and incompetent management as that indicated here, it would be prudent and proper to provide for contractual work under proper restrictions and regulations.

Returning to the letter, I read further:

This is the report of the committee itself, and on their own statement acknowledges the fact that $1,120,000 is required to properly complete the earthwork. This still leaves the levee full of logs and brush, roots, and other material which is not permitted by the specifications, and which endangers this whole levee to the point that after sufficient time has passed for this wood to rot the levee will be subject to entire destruction during high water if not repaired. The cost of the removal of this wood and foreign matter would mean practically the rebuilding of the levee.

One would suppose that a report of this character, so highly condemnatory of Government officials, would have provoked the department to order an investigation and to punish for dereliction of duty the officers in charge of the department's work. I have no doubt that citizens whose lands are contiguous to the levee and which may be inundated by breaks will be apprehensive, in view of this report, of what may soon be anticipated because of the imperfect and defective construction.

I am sending you an extract from the Constructor in the March issue, headed "True light on day labor," which shows photographs of removed material from a section 50 feet long in this levee. Remember, this levee is 34 miles long, and the removed material represents the amount that is taken from one 50-foot section. There are three photographs which, I understand, represent the material that is taken from three 50-foot sections of the levee. In answer to the question as to whether these sections were selected because of evidence that was apparent at that point: The hearing is clear to the effect that the selections were made as representing reasonable average conditions, and the committee says as follows: "It can not be said that these excavations represent the worst conditions along each stretch."

The explanation, as I see it, is that in the desire to compare the cost with the contract prices of the work let by lump-sum contract, the engineers' organization performed the work in the cheapest possible manner and without regard to the danger of the construction accomplished or the failure to build properly a cross-section and protect its slopes.

I am sure, Senator, you will realize that the safety of the levee construction of the Mississippi River is a matter of great concern to the people in that territory, and the honest expenditure of the money and the receipt and return therefor of a substantial construction is an obligation of the legislative body where the appropriations can protect in this manner to the point that construction under these appropriations shall be in permanent form.

The contractor whose financial outcome of an enterprise depends upon successful performance must take into consideration and depend on it that his work must be in accordance with the plans and specifications. The engineer in charge of this work has one incentive—to see that this is done. When he becomes the constructor, his incentive changes. It is then to produce a cost that is comparable with those in the line who are skilled in such work and who have made a success of it by properly executing contracts and making a profit therefrom, and inspection and insistence on satisfactory work become a secondary consideration.

If this program of construction can not stand the competition of 50 per cent of it being done under lump-sum contracts, then it is time to look below the surface and see what justifies such an attitude. The attack of the present administration upon the methods employed by the United States Government during the war to construct camps and war facilities in times of emergency has criticized, even under those conditions, the day labor basis of employment. Surely there can be no justification for an attitude on the part of Congress to legalize the thing that the Graham committee has taken such a positive stand on with respect to war-time contracts. If war did not justify a day-labor program certainly peace times do not.

It seems to me the logic of this eminent engineer is irrefutable.

While this is a question that affects contractors to a certain extent, it is more so in the public interest. The contractors are, fortunately, in a position to better present this case than some one less familiar with it. As above stated, the people who are intersted in these levees want them at any cost, but the interests of the public are served by the contractors through their representatives in this hearing, who jeopardized their own interests by appearing and presenting evidence with respect to the management by engineers under whom they have, and under whom they probably will have, to do work. In doing this they have subjected themselves to the possibility of punitive action by the Engineering Department on future work. Nevertheless, a statement of fact can, in the end, injure no one, and I am calling your attention to this particular feature of it in order that the position of the contractor in the matter may not be, in any manner, misunderstood.

I, personally, am convinced that the methods used during the war were justified, and I doubt if past experience would develop a better plan in a similar emergency, but operations in time of peace are different. I am equally as positive that a program of construction of levees and river improvements on the Mississippi that does not consider the performing of at least half of it on a lump-sum basis is not based upon a proper consideration of all the facts.

Mr. President, my understanding is that the gentleman from whose letter I have read did not appear at the hearings and, so far as I know, has had no contract for work on the Mississippi River. He has had important engineering and construction contracts in the West, and, as I understand, in other parts of the United States. What he says may be absolutely relied upon, and his statements as to the imperfect character of the levee work are verified by the clear and critical report of the commission which is charged with the responsibility of looking after the levee system.

In the light of this record, Mr. President, it is obvious that something should be done. If the law forbids contracts being let to private citizens, as suggested in the amendment of the Senator from Tennessee [Mr. MCKELLAR], it ought to be amended. If the work is not to be let to private contractors, if it is to be done entirely by day labor under the direction of the Engineers of the Army, then we had better have more competent engineers in charge of the work. The present system needs rectification.

Mr. President, while I have not examined the statute, I am of opinion that the War Department, or the official organization having charge of the levee construction upon the Mississippi River, has the authority to let contracts for the performance of such work. I think it is their duty to do so. Perhaps the law is not mandatory, but I feel sure that a proper interpretation of it would call for competitive bidding by private concerns. Of course, if that is not the law, it should be promptly amended; and if the officials in charge of the work refuse to ask for bids, they should be compelled by law to advertise for bids.

Mr. HARRELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Oklahoma?

Mr. KING. I yield.

Mr. HARRELD. I wonder if the Senator's attention has been called to page 1677 of the hearings and to a table introduced therein by Mr. Marshall, which, I understand, is undisputed?

Mr. KING. Who is Mr. Marshall?

Mr. HARRELD. He is a contractor or, rather, he is the head of the Associate General Contractors of America.

Mr. WADSWORTH. He is former Brigadier General Marshall, the chief of the construction division during the World War.

Mr. HARRELD. Referring to page 1677 of the hearings before the committee of the other House, I want to call the Senator's attention to the fact that the table found on that page of the hearing shows that work which was done by contract in building the levees cost on an average of $32.25 per cubic yard, while the work done by the Government under the system the Senator has been talking about cost $41.06 per cubic yard.

That statement would seem to indicate that all this work ought to be let by contract. The table shows that the relative cost of doing the work by contract is approximately one-third less than it is when done by day labor under the Government engineers.

Mr. McKELLAR. There is not any doubt about the cost being very much less.

Mr. KING. I have no doubt but that most, if not all, the Mississippi levee work could be performed under private contract for from 20 to 35 per cent cheaper than under the plan now followed.

The officials in charge have not always been fair in their dealings with contractors; they have, as stated in the letter just read, favored the day-labor plan and have given the hardest and least desirable sections of construction to contractors.

Mr. President, I have no personal interest in this matter. The views of the engineer, whose letter I have read, because of his ability and knowledge of the subject, should be accorded consideration. He reveals a condition which calls for immediate change—for reforms.

I felt it my duty to call the Senate's attention to this matter in the hope that an end might be put to the patent evils in the present system of levee construction. If no legislation is necessary, then the War Department ought to employ more competent engineers, and adopt a system that will not permit the waste and inefficiency which the record shows to exist. I appreciate that under the rules of the Senate certain amendments, no matter how meritorious and desirable, can not be offered to general appropriation bills. It may be that a point of order will lie to the amendment offered by the Senator from Tennessee [Mr. McKELLAR]. If so, then I hope the appropriate committee of the Senate will look into this subject, and if legislation is required, that they will report such measure as will remedy the evils which all must deplore.

Mr. McKELLAR. Does the Chair desire to rule on the point of order?

The PRESIDING OFFICER. The Chair will rule on the point of order. The Senator from Tennessee has offered an amendment and a point of order has been raised against it by the Senator from New York. The Chair rules that the point of order is well taken.

Mr. KING. As I understand, the Chair so holds because the amendment proposes new legislation upon an appropriation bill?

The PRESIDING OFFICER. Yes. The point of order is sustained.

Mr. KING. I hope that the appropriate committee will report suitable legislation which will rectify this evil.

Mr. McKELLAR. Mr. President, I wish to express the same hope. There is no doubt in the world but that this work may be done cheaper by independent contractors than it can be done or than it has been done by the Mississippi River Commission. It is a waste of the people's money to pursue the plan that that commission has been pursuing for several years past.

Mr. SHEPPARD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Adams	George	McNary	Simmons
Ball	Gooding	Moses	Smith
Brookhart	Hale	Neely	Smoot
Bronssard	Harreld	Norbeck	Spencer
Bruce	Harris	Norris	Stanfield
Bursum	Harrison	Oddie	Stephens
Capper	Howell	Overman	Swanson
Caraway	Johnson, Calif.	Pepper	Trammell
Copeland	Johnson, Minn.	Pittman	Wadsworth
Dial	Jones, Wash.	Ralston	Warren
Dill	Keyes	Ransdell	Watson
Ferris	King	Reed, Pa.	Willis
Fess	Ladd	Sheppard	
Fletcher	McKellar	Shipstead	
Frazier	McLean	Shortridge	

Mr. JONES of Washington. I wish to announce that the Senator from Kansas [Mr. CURTIS] and the Senator from Arizona [Mr. CAMERON] are detained from the Senate on official business.

The PRESIDING OFFICER. Fifty-seven Senators having answered to their names, a quorum of the Senate is present.

Mr. SHIPSTEAD. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Minnesota offers an amendment, which will be stated.

The READING CLERK. On page 96, line 6, after the numerals and before the period, it is proposed to insert a comma and the words:

of which sum $6,300 shall be available for dredging a suitable harbor near the United States Fish Cultural Station at Homer, Minn.

Mr. WADSWORTH. Mr. President, I have examined into this matter and I am prepared to accept that amendment.

Mr. McKELLAR. It is just a limitation on it?

Mr. WADSWORTH. It is just a limitation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota.

The amendment was agreed to.

Mr. PITTMAN. Mr. President, we are considering here a bill that appropriates $37,000,000 for rivers and harbors, $10,000,000 for flood control, and approximately $7,000,000 for the Panama Canal, about $5,000,000 of which, if I am correctly informed, is to cover what is in the nature of a deficit.

I have never opposed appropriations of this character. I do not intend to oppose this appropriation unless I am convinced that it is going to continue to be wasted as it has been in the past. We have spent $500,000,000 on the improvement of the rivers and harbors of this country, primarily improving the rivers for the purpose of inducing water transportation, and in spite of that tremendous expenditure we have no water transportation on the inland waterways. What is the use of appropriating millions more for the same purpose? When are we going to stop?

We have appropriated $174,000,000 for the improvement of the Mississippi River alone. There are no boats on the Mississippi River. The Government has been trying to operate a Government transport line on the Mississippi River. The testimony shows that it has been a failure, and it has been a failure by reason of the fact that the railroads that parallel that river have strangled that line to death. The fact stands that a few years ago the Mississippi River was covered with boats and to-day there is not a real line on it. Why? Everyone knows why. It is because under a provision of the fourth section of the interstate commerce act the railroad companies were permitted to reduce their rates in competition with those boats to so low a point that the boats could not make a profit, and they went out of existence.

How could the railroads afford to do that? They could afford to do that by making up those charges at some other point where the boats did not compete. That was all there was to it.

Mr. President, we have been holding hearings for weeks before the Interstate Commerce Committee of the Senate. It was testified there by the railroads and by the Interstate Commerce Commission that there is pending an application by all the western roads to reduce the rates on 43 commodities transported to the Pacific coast, so that they can compete with the water transportation through the Panama Canal. They admit that the rates they will charge to the Pacific coast will not pay interest on their property. They admit that they will not pay dividends. They admit that they will not pay the interest on their bonds. They simply say that they will cover the cost of hauling the commodities.

I am talking now about the application of the western roads for a departure from the fourth section of the interstate commerce act. They ask, mind you, to put the rates to the Pacific coast so low that they are estimated to pay only the actual cost of hauling. Why do they ask it? They say they want that done because they want one-half of all the waterborne traffic now passing through the Panama Canal. That is their avowed purpose. They admit that if these rates are granted they will put out of business at least one-half of the shipping now going through the Panama Canal, and yet this bill carries an appropriation of millions of dollars for the Panama Canal!

I have here an amendment which I am going to present.

Mr. NORRIS. Mr. President, has the Senator's amendment been printed? I have just been trying to get a copy of it.

Mr. PITTMAN. No; it has not. It is to be offered now. I will state what the amendment is. It is a bill which was introduced by the Senator from Idaho [Mr. GOODING] which went to the Interstate Commerce Committee, and has been favorably reported by that body.

Mr. NORRIS. Where does it come in the bill?

Mr. PITTMAN. It comes in the bill at page 96, after line 6. In other words, it is an amendment to section 4, which states that there shall be no divergence from the rule of section 4 as to long and short hauls as to water transportation. That is what it means, and nothing else.

The question is asked, If this bill is on the calendar, why do we not fight it out here? Because we realize that it is so late in the session that it will be impossible to obtain consideration of this measure before we adjourn; and, mind you, there are now pending before the Interstate Commerce Commission applications by all the western roads for a departure from the fourth section of the interstate commerce act so as to permit them to charge so low a rate that it will put out of business half of the ships going through the Panama Canal.

This is an emergency, Mr. President. It is time that we should act. This Government over 40 years ago established a policy in section 4 of the interstate commerce act when it said that no railroad company should charge more for a short haul than for a long haul, the shorter being included in the longer.

That was the policy of this Government; and what happened to that policy? It happened that there was language in the act of 1887 which said "under similar circumstances and conditions"; and then what happened? The railroads, in competing with boats on the rivers, absolutely ignored that section, because they said: "The circumstances are dissimilar, and the conditions are different," and the Supreme Court of the United States held that that was a matter exclusively within the judgment of the railroad companies. What resulted? It resulted that every boat was driven off of every river in this country; and then what happened?

In 1910, when that deplorable condition was called to the attention of Congress, Congress reiterated its policy of 40 years, and said it was not the intention to grant to the railroads the right to run water competition out of existence; that it was never the intention of Congress to have that proviso, "under similar circumstances and conditions," utilized as it was utilized; and they struck it out, and then went on.

The Interstate Commerce Commission, even after Congress struck out that clause, said that under the proviso that they might allow departures in special cases, they had the power to do it; and Mr. Hall, the chairman of the Interstate Commerce Commission, testified before our committee the other day that there was no difference between the condition prevailing under that act after those words were stricken out by Congress in 1910 and the condition before. The only difference in the effect was that before that time the railroads used their own judgment, and after that time the Interstate Commerce Commission used the same judgment. The result has been just the same.

Then what happened? In 1920, when the President of the Senate was chairman of the Interstate Commerce Committee of the United States Senate, he attempted to remedy the wrong that was done the water shipping of the country. How? He had a proviso adopted in his bill to the effect that in case of a departure, where the long-haul charge was less than the short-haul charge, it should be reasonably compensatory. How did the Interstate Commerce Commission construe the words "reasonably compensatory"? The distinguished chairman of that committee, the present President of the Senate, construed them on the floor of the Senate when he said—and I do not quote his language exactly—that the rate should be such a rate that it would not only pay the operation and maintenance, but that it should earn some dividends and some interest.

How did the Interstate Commerce Commission construe those words, even after the Senator from Iowa had made that speech on the floor of the Senate? They construed them to mean a return that would pay the cost of the transportation, with possibly a little over—the out-of-pocket cost, as the Interstate Commerce Commission stated.

What is the result? Mr. President, these departures were suspended during the war, and now these railroads in the West are all back in one application, on behalf of all of those roads, for a traffic rate to the Pacific coast that is so low that it will not only give them half of all the traffic that is there now but, in the words of our Shipping Board, it will absolutely destroy all the coastwise traffic through the Panama Canal.

Is that an emergency? Is that something worth acting on? We have the distinguished Senator from Washington [Mr. JONES], the chairman of the Commerce Committee, here pleading with the Senate to do something to protect the coastwise trade of this country. He is here asking for bonuses, for subsidies, for anything to help the coastwise trade of the country. How long are we going to appropriate money for the purpose of obtaining water transportation in this country and at the same time appropriate money for the purpose of killing that transportation? That is exactly what we are up against.

Let us take what the Shipping Board has to say with regard to this proposition. Here is a resolution by it:

Whereas there is pending before the Interstate Commerce Commission an application designated as fourth section, application No. 12436, by which certain rail carriers seek authority to establish lower rates than now in effect; and

Whereas such application by the rail carriers is an effort to divert to said carriers certain traffic now being transported by ships operating in the intercoastal service through the Panama Canal; and

Whereas the establishment of the ship lines at present engaged in the intercoastal service have been utilized as a competitive artery of transportation on commodities moving between the Atlantic and Pacific seaboards, and has resulted in the development of a large volume of commerce moving in said intercoastal service through the Panama Canal of great benefit to the producing, consuming, and manufacturing portion of our population; and

Whereas it is believed by the United States Shipping Board that the application of the rail carriers is made in contemplation that it will drive the ocean carriers from this competitive trade through diversion of the commerce now being so carried in fair competition; and

Whereas any destruction of the favorable and economical competitive transportation of commerce from the Pacific to the Atlantic seaboards through the Panama Canal would be injurious to the public interest: Now, therefore, be it

Resolved, That the United States Shipping Board convey to the Interstate Commerce Commission the protest of the United States Shipping Board against granting the application designated as fourth section, application No. 12436.

Not only that, but I hear Senators saying that they are receiving protests against the passage of this bill to prevent the destruction of water transportation. They are hearing protests, and if they will read the hearings they will find out where those protests originate.

I want to call attention to something which, if Senators want to read it, will show that not only the Shipping Board but the traffic association entitled "The Board of Directors of Associated Industries of Oregon," have protested against this measure before the Interstate Commerce Commission against these lower transcontinental rates.

That is not all. The general manager of the New Orleans Joint Traffic Bureau testified at the recent hearing on these applications and stated that he spoke for New Orleans and for their association, and he protested against the granting of those orders as destructive of their commerce on the Gulf of Mexico.

That is not all. It is here for anyone to read. The Chamber of Commerce of Boston protested against this application.

Mr. NORRIS. Mr. President——

Mr. PITTMAN. I yield.

Mr. NORRIS. I would like to ask the Senator in what respect the proposed amendment differs from existing law. Will he point out the differences?

Mr. FLETCHER. The Senator has not offered an amendment?

Mr. PITTMAN. No; I have not. I will offer it right here and have it read.

Mr. NORRIS. I have read the bill which the Senator told me awhile ago was the amendment he was about to introduce, which has been reported by the committee and is now on the calendar of the Senate. That is what I have in my hand.

Mr. PITTMAN. That is exactly what it is.

Mr. NORRIS. I do not have before me the law, but this amendment struck me as being very similar to the law, and I was wondering what it was that was put into this amendment which will make effective what has heretofore been ineffective.

Mr. PITTMAN. It strikes out that provision which allows a departure from the rules of the fourth section on the ground that the longer route is reasonably compensatory, but it leaves in the provisos with regard to circuitous routes. In other words, it does not interfere with the regulation of rates as between railroads in the United States. They can give a competitive railroad, which is a little longer than another, reduced rates at the competitive point of the two railroads and allow them to charge more at certain interior points.

Mr. NORRIS. The Senator, of course, will recollect that we have tried to reach before what is sought to be accomplished by this amendment.

Mr. PITTMAN. Exactly.

Mr. NORRIS. But we have always failed when we got to final results.

Mr. PITTMAN. We failed on account of the interpretation of the language "reasonably compensatory" by the Interstate Commerce Commission.

Mr. NORRIS. That mistake is rectified by this proposed amendment?

Mr. PITTMAN. Yes; that is rectified.

Mr. SMITH. May I call the attention of the Senator to another wording in the present law, "except in special cases"? That is also eliminated.

Mr. PITTMAN. Yes; because they utilize the words "in special cases" to mean just exactly the same as "under similar circumstances and conditions."

Mr. SMITH. If the Senator will allow me, he will notice that in the bill it is absolute down to the word "provided" on page 2, and the proviso reads:

That upon application to the commission a common carrier by rail may, after public hearing, be authorized by the commission to charge

less for longer than for shorter distances for the transportation of passengers or property only in a case where the route via the applicant rail carrier or rail carriers is longer than via the route of some other rail carrier or rail carriers between the same points.

In other words, it allows the departure where there are two competing rail lines getting through freight from a given point and going to a given point. They allow the departure in that particular, but not for the water competition.

Mr. PITTMAN. Mr. President, the whole amendment is directed against the action of the Interstate Commerce Commission in allowing rates which will destroy water transportation. I know that the Senate has tried to accomplish that since 1910, and I am perfectly aware of the peculiar construction placed upon the act by the Interstate Commerce Commission to avoid that intention. There is no doubt whatever that both in 1910 and in 1920 the Congress of the United States intended by its legislation to accomplish just exactly what we want to accomplish now. The only difference between the two attempts was that language was left for them to construe, and in this case we have stated the particular case in which they may use their discretion and the particular case in which they may not use their discretion.

I do not intend to make an argument on this proposition at the present time. The author of this bill is the Senator from Idaho [Mr. GOODING]. In offering this amendment I simply wanted to call to the attention of the Senate, and particularly to the attention of those Senators who are interested in water transportation, the fact that they are not going to get any more appropriations, if it can be prevented by those who are opposed to useless appropriations, unless they will themselves do something to assist in protecting transportation on those rivers.

It was perfectly absurd for us to have spent $450,000,000 on the Panama Canal, and for us now to be spending several millions more, and at the same time refuse to take away from the Interstate Commerce Commission the power they are now using to destroy the transportation through that canal. It is criminal to have appropriated $450,000,000 to make our rivers and harbors navigable and then to allow an act to stay upon the statute books which permits the Interstate Commerce Commission to so construe it that we have not any boats on the rivers.

In this very bill we are appropriating money to help carry on this Government barge system on the Mississippi River, and yet it has been testified by the officers who have charge of that barge line that they can not extend it up the river because the railroad companies have reduced the rates to such a point that they can not make it pay. How did they do that? They reduced the rates along the river to such a point that even a steamboat could not make money, and then they raised the rate so high that they lost nothing on the same transaction. Why should we appropriate money for a Government barge line on the Mississippi River when the very people who have it come here and tell us why they can not make a success of it?

Mr. SMITH. May I ask the Senator if there was not a general order in March, 1918, suspending the departures from the fourth section and demanding that the roads should not charge less for a long haul than for a short haul as to domestic commerce?

Mr. PITTMAN. Undoubtedly. There is no question that in 1918 they prohibited departures from the fourth section. By departures from the fourth section I mean that the fourth section expresses the policy of this Government; it is emphatic that there shall be no greater charge for a short haul than for a long haul, the shorter haul being included in the longer one, and the Government held to it in 1918, and has held to it ever since. But now the railroads are pouring into the Interstate Commerce Commission demanding of them that they depart from that policy of this Government; that they let them charge more for the short haul, so that they can get a rate for the long haul that will be so low that they will be enabled to get one-half of the trade on the Panama Canal. There is no question but that that is what they expect. They say they expect that. They expect one-half, and whenever they get a rate that will put half of the shipping on the Panama Canal out of business it will put it all out of business, because that has been the history of such things from the beginning of time.

They do not want that proposition put through for the profit there is in it; there is no profit in it. Less than 2 per cent of the business of these roads is involved in this competition with water transportation. It is not that. They make nothing out of the freight. It is only 2 per cent of their business. The proposition is the same as it always has been. The object is to drive these water transportation concerns out of existence. It is the same principle that actuated Jim Hill when he suggested that they would have pond lilies growing on the Panama Canal. They have pond lilies growing on the rivers now.

Take Louisiana and the other Southern States, for instance. They have a great inland canal system they are trying to build up, and we are appropriating money for it. How long can they stay in existence if the railroads see fit to put them out of existence? They can not exist at all. The same is true of all sections.

Mr. FLETCHER. The charging of rates by railroads in order to interfere with navigation or transportation by water is not based upon the principle of the long and the short haul clause. They fix the rates to accomplish that result without regard to any question of long or short haul. That is another matter, it seems to me, and an entirely different principle.

Mr. PITTMAN. I do not understand it so at all.

Mr. FLETCHER. I do not see how you are going to prevent the railroads from lowering rates where they are in competition with a river, for instance, or a canal, without regard to the enforcement of section 4 of the transportation act.

Mr. PITTMAN. I can explain it to the Senator in a few minutes. Section 4 provides that they shall not charge more for a short haul than for a long haul, the short being included in the long, and if they put the rate at a dollar a ton for New York to San Francisco, it must be a dollar a ton at every point between, and the railroads can not make a living.

Mr. FLETCHER. That applies to that particular situation—the rate to San Francisco, for instance—and it affects the interior points; but that does not affect the inland waterways or the canals.

Mr. PITTMAN. Take the rate from Chicago to New Orleans. The rate from Chicago to New Orleans is less than it is from Chicago to Meridian, Miss.; than it is from Chicago to Jackson, Miss.; than it is to Dallas, Tex.; than it is to any intermediate point that is not exactly on the banks of the river. What is the result of it? The result of the proposition is that through traffic that would go from Chicago down the Ohio River, or down the river into the Mississippi, does not find its way that way because the rate through to New Orleans is so low that the boats can not exist.

Mr. FLETCHER. That is a question independent of how Jackson or Meridian may be affected. Because Jackson does not get a better rate than New Orleans, for instance, or Meridian than some other place, does not argue that there is no transportation on the river because it is destroyed on account of reduced rates. That sort of discrimination could take place irrespective of the transportation on the river.

Mr. PITTMAN. No; it can not take place. There is only one ground on which it can take place, and that is the proviso for allowing them to charge less for the long haul than the short haul. If that proviso was not in there, they could not discriminate in that way. The rate would have to be just as low to the intermediate point as to the terminal point. There is but one section in all the law that gives them the right to do that and that is the very provision about which I am talking. The law of the land is that they shall not do this kind of thing. It was not intended by our Government that the railroads should be allowed to build up this place and destroy that place. It was never intended that railroad rates should be so fixed by the Interstate Commerce Commission as to give one community advantage over another community. That is the very foundation of our commerce act.

In 1887, when they established the principle that railroad rebates should cease and that preferences and discrimination should be wiped out, they said in the fourth section, never shall a railroad charge more to a locality at an intermediate point than at the further point. Then they got to thinking it over and they thought there might be some exceptional circumstances; and so they said, "under similar conditions and circumstances." They found out that all of the discriminations between 1887 and 1910 grew up under that one proviso "under similar conditions and circumstances." The Supreme Court held that there was no punishment as against the railroads if the conditions and circumstances were exactly similar; that there was no similarity between any two miles of any railroad in the United States, with the result that between 1887 and 1910 there was no basis for railroad rate making in the country, and discriminations ran riot and the boats were driven off the rivers of the country by those discriminations. That is what happened.

Mr. FLETCHER. Of course, I quite agree with the Senator that the railroads ought not to be permitted to drive the boats off the rivers. I never have believed that the railroads should have the power or be able to so fix their rates that boats could not live on the rivers or navigable waters. Of course, we know, as a general rule, that the public utilities are entitled

to earn a reasonable return on their investments; but there is another rule, and that is that their rates must be reasonable. That applies to all of them. Now, the fact that because of water competition the railroads have been allowed to charge a reduced rate to points enjoying that kind of competition, it seems to me, has not been the cause of their reduction of rates paralleling waterways so as to run the boats off of the water. That has not been the reason for it.

The mere fact that New Orleans, for instance, is entitled to a lower rate because she has water competition over other points is not the cause for the reduction of rates all along that river from beginning to end to the point that boats can not live. That is another proposition. It is a big question and I should be very glad to have it considered when the bill comes up on its own merit, but I can not quite follow the reasoning that the construction of section 4 has enabled the railroads to run the boats off the river. I think there has been altogether too much politics, and that a practice different from that justified by the situation brought about that condition. I am in favor of the bill, and everybody has been for 40 years, but nobody has stopped it.

Mr. PITTMAN. Let me read for a moment about the only river line on the Mississippi River. They have been trying that for 45 years. Let us see what is happening to it. This is the testimony of Mr. NEWTON of Missouri, who made an investigation of the matter and testified before the House committee, as follows:

> There is one thing I would like to call your attention to, which I think is responsible for all this agitation against the Esch-Cummins bill, and that is the practice of the railroads in making rates against water competition. For instance, we got a barge line two years ago ready to go on the upper Mississippi. They were ready to start on the 15th of April, 1922. The railroads the first of the year two years ago made a rate from Minneapolis to St. Louis, over all the grades that parallel the river, of 96 cents on 100 pounds of first-class freight, 586 miles; but from Minneapolis to Kansas City, 86 miles less distant, and over a more level haul, they charge $1.29½.
>
> Now I think this is fundamental: If the railroads can afford to make a rate from Minneapolis to St. Louis, 586 miles, of 96½ cents, they ought not to be permitted to charge $1.29½ for 86 miles less distance to Kansas City, and if it is necessary to charge $1.29½ from Minneapolis to Kansas City in order to get a compensatory rate, then they ought not to be allowed to make a confiscatory rate between St. Louis and Minneapolis in order to kill water competition. And shippers in Kansas and in Nebraska are constantly contending that the Esch-Cummins law should be repealed. When I have tried to defend the Esch-Cummins law I have been confronted with the argument that the rates are too high, and when I asked them for their proof this illustration is one they give.
>
> Another is that the railroads are hauling freight from Portland, Me., to New Orleans with the approval of the Interstate Commerce Commission, 1,685 miles, for $2.26 on 100 pounds of first-class freight; from Kansas City to New Orleans, 879 miles, $2.22½ on 100 pounds first-class freight—half of the distance and practically the same rate, 2 cents less on 100 pounds.
>
> Mr. NEWTON of Minnesota. Do you know what the water rate is from Portland to New Orleans?
>
> Mr. NEWTON of Missouri. I do not know what that rate is, but I know that the average rate on the ocean is 3 mills per ton-mile.
>
> Mr. NEWTON of Minnesota. Well, have they put the rail rate down so as to eliminate water competition?
>
> Mr. NEWTON of Missouri. I have never been able to get the actual water rates from Portland to New Orleans. The Interstate Commerce Commission does not furnish it. I have tried two or three times but have not been able thus far to get it.
>
> Mr. NEWTON of Minnesota. Now, getting back to the Mississippi River again, the upper Mississippi, when these new rates were put into effect from Minneapolis to St. Louis, that was while the barge line on the upper Mississippi was being talked of?
>
> Mr. NEWTON of Missouri. Yes.
>
> Mr. NEWTON of Minnesota. That had not been put into effect?
>
> Mr. NEWTON of Missouri. No; the equipment was being constructed and was ready to go into operation on the 1st of April two years ago, and these rates were put into effect on the 1st of January, two years ago.
>
> Mr. NEWTON of Minnesota. And what effect did that have on going ahead with the barge line?
>
> Mr. NEWTON of Missouri. The barge line did not go. I do not know that that was entirely to blame for it.

Mr. FLETCHER. I think likely it was not to blame for it. We had a hearing before the Committee on Commerce a few days ago on a bill introduced to create a corporation to take over the line now being operated from New Orleans on the Mississippi by the Government. Colonel Ashburn appeared before our committee. His statement was to the effect that the Government has something over 100 barges—I do not recall the exact number—and quite a number of towboats and other boats operating in that business. I think they only stop at three points from St. Louis on to New Orleans. The testimony was that they have all the business they can handle. The further testimony was that they have joint rate arrangements with some 18 or 20 railroads, practically all the railroads with which they connect.

They are reaching out and serving a vast area of the North and West in connection with other Mississippi Valley commerce. It looks as if that line was a success. The last month's returns from their operations showed some $60,000 to their credit in net earnings. Of course, they have had some losses. There have been times when the river has fallen and they could not carry on their business successfully, but they cut out most of the overhead, which at one time created an entry on the red side of the book, and they are now apparently succeeding with the line. That is the last statement about it by Colonel Ashburn.

Mr. BRUCE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Maryland?

Mr. PITTMAN. I yield.

Mr. BRUCE. I suggest the absence of a quorum.

Mr. WADSWORTH. I think no business has intervened since the last quorum was called, which was suggested by the Senator from Texas [Mr. SHEPPARD].

The PRESIDENT pro tempore. The present occupant of the chair was not in the chair at that time and is not advised.

Mr. BRUCE. If the Senator will allow me, this is an important matter now under discussion, a matter of supreme importance, one of the most important questions that can possibly arise in connection with the railroad transportation of the country. The object at the present time of the Senator from Nevada is to bring forward and engraft upon the Army appropriation bill a separate and independent bill that was introduced by the Senator from Idaho [Mr. GOODING], relating to the long and short haul clause of the interstate commerce act. The bill contemplates a profound and radical change in the interstate commerce act, one which, as I look at it, vitally and most seriously affects many great communities in the country. Therefore, I think, if the discussion is to go on, it should go on with a quorum present. I happen to know that several Senators most strongly opposed to the proposition which the Senator from Nevada is urging are not in the Chamber at the present time. I think they at least should have an opportunity to be present to express their views upon the matter.

Mr. McKELLAR. Mr. President, my understanding is that one can not take a Senator off his feet by suggesting the absence of a quorum, as the Senator from Maryland has done, and therefore the point of no quorum is not in order.

The PRESIDENT pro tempore. Has the Senator from Nevada yielded for that purpose?

Mr. WADSWORTH. Mr President, will the Senator from Nevada yield to me?

Mr. PITTMAN. I yield.

Mr WADSWORTH. It is apparent that this matter will be discussed, and I suppose it is intended by the proponents of the amendment to discuss it at considerable length. Of course, it is subject to a point of order, but I have this suggestion to make: If the Senator from Nevada is agreeable to it, and will permit the Senator from Iowa [Mr. BROOKHART] to offer an amendment to the War Department bill having to do with one of the items of the appropriation and let that be cleared up, so far as I am concerned, I shall be willing then that the appropriation bill shall be laid aside temporarily for the remainder of the afternoon, in order that the Senator from Delaware [Mr. BALL] may bring an emergency measure before the Senate, which he believes will not take over 20 minutes or half an hour.

Mr. PITTMAN. That will be satisfactory to me.

Mr. WADSWORTH. Then we may go ahead with the appropriation bill to-morrow.

Mr. PITTMAN. That will be satisfactory.

Mr WARREN I gave notice that I would——

The PRESIDENT pro tempore. The Senator from Nevada [Mr. PITTMAN] has the floor. The Chair asks if he will yield?

Mr. PITTMAN. I yield.

Mr. WARREN. I have given notice that I would ask for the consideration of a measure upon which it is necessary to act and which concerns every Senator. It certainly does not concern me any more than it concerns other Senators.

Mr. WADSWORTH. What is the measure?

Mr. WARREN. I refer to the bill reclassifying the employees of Congress; but, so far as I am concerned, the so-called rent bill may be considered. I wish to be obliging to all Senators.

Mr. WADSWORTH. If the Senator from Wyoming will permit me, my suggestion was based upon one condition that the War Department bill shall be resumed at the first appropriate opportunity to-morrow.

Mr. PITTMAN. I am satisfied with that.

Mr. WADSWORTH. The Senator from Maryland [Mr. BRUCE] was about to suggest the absence of a quorum, which he has a right to do, and it was the purpose to continue the discussion of this particular amendment. By the time that shall be done the afternoon will have gone; and if I may be permitted to clear up one little item in the War Department bill proper, I shall be compelled to be satisfied for the day, I imagine.

Mr. PITTMAN. That is all right.

Mr. WADSWORTH. I know of several Senators who are going to discuss the long and short haul amendment.

Mr. PITTMAN. I know of quite a number of Senators who intend to do so.

Mr. BRUCE. If the Senator from Nevada will permit me, I should like to suggest to him that this question, so far as those of us are concerned who are opposed to his amendment and to the bill of the Senator from Idaho, has been brought forward very precipitately and very unexpectedly. We had, of course, supposed that the contest would be over the bill and not over the amendment proposed by the Senator from Nevada. I suggest to the Senator—of course, he will do what he pleases about it—that we might let this matter go over until some time to-morrow when we can take it up.

Mr. PITTMAN. I am perfectly agreeable to anything that pleases the chairman of the Committee on Military Affairs, the Senator from New York [Mr. WADSWORTH].

Mr. SMITH. As I understand the suggestion which has been made by the Senator from New York [Mr. WADSWORTH] it is that we complete one other item of the pending bill, and then that the bill would be temporarily laid aside and the Senator from Delaware——

Mr. WADSWORTH. I have no right to farm out the time of the Senate.

Mr. SMITH. I know that, but the suggestion was made that the Senator from Delaware would then make an effort to proceed with a measure that he has in hand and to-morrow that we shall again take up the question which the Senator from Nevada has been discussing.

Mr. WADSWORTH. The further suggestion has been made that before we finish the business of the day we have a short executive session.

Mr. SMITH. That is all right, but that would be preliminary to adjournment.

Mr. WARREN. Mr. President——

The PRESIDENT pro tempore. The Senator from Nevada has the floor. Does he yield?

Mr. PITTMAN. Under the statements made by the Senator from New York [Mr. WADSWORTH] and the Senator from Wyoming [Mr. WARREN], I yield the floor, but I shall ask for the floor again whenever the pending bill shall come up.

Mr. PITTMAN subsequently said: I ask unanimous consent to have the amendment which I intend to propose to-morrow printed for the information of the Senate and that it also be made a part of my remarks.

The PRESIDENT pro tempore. In the absence of objection, it will be so ordered.

Mr. PITTMAN's amendment is as follows:

Amendment intended to be proposed by Mr. PITTMAN to the bill (H. R. 7877) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1925, and for other purposes, viz:

On page 96, after line 6, insert a new paragraph to read as follows:

"That paragraph (1) of section 4 of the interstate commerce act, as amended, is amended to read as follows:

"(1) That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act, but this shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance: *Provided*, That upon application to the commission a common carrier by rail may, after public hearing, be authorized by the commission to charge less for longer than for shorter distances for the transportation of passengers or property only in a case where the route via the applicant rail carrier or rail carriers is longer than via the route of some other rail carrier or rail carriers between the same points; but in exercising the authority conferred upon it in this proviso the commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed; and if a circuitous rail line or route is granted authority to meet the charges of a more direct rail line or rail route to or from competitive points and to maintain higher charges to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between competitive points: *Provided further*, That the commission may, with or without hearing, upon its own motion or upon application of carrier or shippers, in cases of emergency such as drought or disaster, authorize during the continuance of said emergency any common carrier or carriers to charge or receive a greater compensation for a shorter than for a longer distance.

"Where any common carrier has or common carriers have in effect any rate, fare, or charge which is less for the longer than for the shorter distance between two points (the shorter being included within the longer distance), and which has been authorized by the commission or as to which application was filed with the commission on or before February 17, 1911, and not yet acted upon by it, such rate, fare, or charge shall not become unlawful (except by order of the commission) until after 12 months following the passage of this amendatory act; nor shall such rate, fare, or charge in effect via circuitous rail carrier or rail carriers become unlawful if it shall have been authorized by order of the commission, after public hearing, based on no less a showing than that upon which the commission is herein authorized to grant relief.

"*Provided*, That nothing in this section contained shall prevent the commission from authorizing or approving departures from the provisions of this section in so far as applicable to import or export rates, including rates applicable to traffic coming from or destined to a possession or dependency of the United States, or to a block system of express rates established by order or with the approval of the commission or permitted by it to be filed.

"Paragraph 2 of section 4 of the interstate commerce act, as amended, is hereby repealed."

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

Mr. WADSWORTH. Mr. President, I simply wish to say that, agreeable to the notice which I gave some weeks ago and again to-day, it will be my desire to get up at the earliest possible moment the bill providing for the classification of the employees of Congress. That bill is not only of an urgent character, but it is necessary for us to act on it so as not to interrupt the preparation of appropriation bills in the other House. I am willing, however, to accede to the request to lay aside the pending bill, in order that the Senator from Delaware [Mr. BALL] may secure consideration of the bill which he has in charge.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and is open to amendment.

Mr. PITTMAN. Mr. President, it is not proposed to report the appropriation bill to the Senate, is it?

Mr. WADSWORTH. That was not my intention.

Mr. PITTMAN. From the statement of the Chair I inferred that such was the intention.

Mr. WADSWORTH. No; the Chair was proceeding with the announcement of the present status of the bill for the purpose of enabling the Senator from Iowa [Mr. BROOKHART] to offer an amendment which he desires to present.

Mr. BROOKHART. I desire to offer an amendment to the pending bill on page 101, line 2, to strike out "$287,000" and in lieu thereof to insert "$337,000."

The PRESIDENT pro tempore. The amendment proposed by the Senator from Iowa will be stated.

The READING CLERK. On page 101, line 2, it is proposed to increase the appropriation for subsistence, Northwestern Branch, Milwaukee, Wis., from "$287,000," to "$337,000."

Mr. KING. Mr. President, I should like to ask the Senator from Iowa to explain the amendment which he has offered and the necessity for it.

Mr. BROOKHART. Complaint has been made that the amount allowed for subsistence for the Northwestern Branch is too small. As I recollect, the figures, about 60 cents per day per capita, are allowed for subsistence for tubercular patients, as against 88 cents per day in the Veterans' Bureau hospitals and a similar proportion in the case of ordi-

nary patients. The amendment I have offered would raise the appropriation for subsistence about halfway between the allowance made by the Veterans' Bureau and that allowed at the Northwestern Branch Home.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Iowa.

Mr. WADSWORTH. Mr. President, I merely desire to say that the appropriation of $287,000 for subsistence for the Northwestern Branch of the National Soldiers' Home is, in round numbers, $16,000 above the estimate. That appropriation was made by the House committee; it was the House committee that placed the appropriation above the estimate on the plea of the Board of Managers of the Home that there would be no diminution in the number of members at the Northwestern Branch; that it costs so much per day to feed them; and that that amount of money would be necessary. The Senate committee adopted that figure. In other instances throughout the different items affecting the Soldiers' Home we were compelled to raise the figure because the Board of Managers showed us very clearly that the Budget in making its estimate had failed to take into consideration the number of men to be fed and the cost per day.

I can say, Mr. President, we have had no complaint of any general character coming to the committee from the soldiers' homes in general. Every bit of the testimony we have received is to the effect that the homes are run admirably, that the food is sufficient, and that there is a general air of contentment among the members. If the increase asked by the Senator from Iowa [Mr. BROOKHART] is granted, it will run the Northwestern Branch subsistence item far out of proportion to the subsistence items of all the other branches. There is no testimony before the committee to the effect that men are starved or badly treated. One person did come before the committee and made certain assertions that the committee listened to, but in view of the testimony of the Board of Managers, who were present at the time, the committee was not convinced to any degree at all that the sum of $287,000 was not sufficient.

I hope, therefore, that the amendment offered by the Senator from Iowa will not be adopted, as I really believe, and I can assure him on behalf of the committee, that these men are being well taken care of at present.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Iowa.

The amendment was rejected.

Mr. WADSWORTH. Mr. President, if I may have the attention of the Senator from Nevada, do I gather the impression correctly that the discussion of the long and short haul clause will proceed to such length that this bill can not be passed at a reasonable hour to-night?

Mr. PITTMAN. I am sure of that. I know that there are several Senators who wish to discuss it. I wish to say, further, that I know that the Senator from Idaho [Mr. GOODING], who is the author of my amendment and who had it passed through the committee, has a prepared speech on it, so that it will be impossible to finish it this evening.

Mr. WADSWORTH. The amendment has not yet been offered?

Mr. PITTMAN. No. I know that there will be a point of order made against it when it is offered, and I intend to discuss that point of order when made, but I do not want to break into a discussion of the merits of the proposal at this time; in other words, I wanted the Senate to know what was going to be proposed on the other side before we started on the parliamentary discussion. I know it will have to come to that sooner or later.

Mr. WADSWORTH. Of course, I shall have to raise the point of order against the amendment.

Mr. PITTMAN. Undoubtedly; I would not ask the Senator to waive it.

The PRESIDENT pro tempore. The Chair thinks it wise to suggest at this point that under the rule if the point of order indicated shall be raised it must be submitted to the Senate and decided without debate. So whatever debate is to be had upon the point of order ought to precede the making of the point of order.

Mr. WADSWORTH. I should like to make another suggestion, Mr. President, to the Senator from Nevada, in view of the fact that the point of order will be raised, and that is that the Senator prepare a notice and file it to-day to the effect that a motion will be made to suspend the rules, so that should the point of order be sustained the required day's notice will have been given, and some action can be finally had to-morrow.

Mr. PITTMAN. I do not think that it is necessary to do that.

Mr. WADSWORTH. If the point of order shall be raised and sustained, then we can not pass this bill to-morrow, for the Senator will have another chance the day after, and I do not want to hold the bill over that long.

Mr. PITTMAN. I think under the ruling in the celebrated Howard University case the amendment is not subject to a point of order, and I do not desire to have to ask the kindness of two-thirds of the Senate when I need only a majority.

Mr. WADSWORTH. Of course, the Senator does not want any such obstacle in his path, and yet I fear that there will be such an obstacle.

Mr. PITTMAN. I think that this is such an important matter that we will have time to-morrow to give notice if we really want to give it.

Mr. WADSWORTH. There has to be one day's notice.

Mr. PITTMAN. I understand that, but we will probably be discussing this question all day to-morrow.

Mr. WADSWORTH. I am gradually eliciting the information which I desired.

Mr. PITTMAN. I do not mean that the Senator will hear from me so long, for I am practically through, but I know there are several other Senators who wish to discuss the question.

Mr. WADSWORTH. I am gradually absorbing the impression that perhaps some time will be taken upon this matter, which I regret, for I had hoped that we would get the bill through very promptly.

Mr. President, let me say further that, so far as I know, with the exception of this matter yet to be passed upon, there is no other pending matter in connection with the War Department appropriation bill, and with the one exception the bill is ready to be put upon its passage.

Now, Mr. President, I am willing that the bill shall be temporarily laid aside.

Mr. OVERMAN. I object.

Mr. BALL and Mr. DIAL addressed the Chair.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent that the military appropriation bill be temporarily laid aside. Is there objection?

Mr. DIAL. I wish to ask for the adoption of a resolution as soon as that is done.

The PRESIDENT pro tempore. Is there objection?

Mr. OVERMAN. I object if it is the purpose to call up the rent extension bill and continue the operation of the rent law in the District for two years. I am willing that it should be extended for one year, but, in view of the recent decision of the Supreme Court, if it is sought to extend the rent act for two years, I shall object. I asked the Senator from Delaware to agree to an extension for one year, but he would not do so, and therefore I must object.

The PRESIDENT pro tempore. It is not in the power of the Chair to control that.

Mr. OVERMAN. I object.

The PRESIDENT pro tempore. Objection is made and the appropriation bill must go forward.

EXTENSION OF DISTRICT OF COLUMBIA RENT ACT

Mr. BALL. I ask that the Senate proceed to the consideration of House bill 7962.

Mr. WADSWORTH. I do not care to have that motion made. I am willing to lay the appropriation bill aside temporarily, but I do not care to have it displaced.

Mr. OVERMAN. That will require unanimous consent.

Mr. BALL. I ask unanimous consent that the Senate proceed to the consideration of House bill 7962.

Mr. OVERMAN. That is just what I object to.

Mr. BALL. I should like to state that I have no objection to extending the rent act for only one year, if that is the desire of the Senate. All I wish to do is to give the Senate clearly the result of the investigation of the housing situation in the District, and if the Senate shall decide after hearing my statement that one year is sufficient, that will be perfectly satisfactory to me.

I should like to state that two years ago when I asked for an extension of the rent act I appreciated that conditions were not as they were two years previously; that they had improved very materially so far as the housing situation was concerned, and I was very loath to ask for this extension; but with the demand on me to make the extension I asked that a resolution be passed to make an investigation to see if it was necessary to extend that act.

Mr. OVERMAN. Mr. President, I am willing to have it extended for one year. If the Senator will agree to that amendment, then I have no objection.

Mr. BALL. I am perfectly willing, if the Senate is willing, to agree to it. It is a question for the Senate to decide, not myself. It is a House bill.

Mr. OVERMAN. If the Senate will make it one year, then I shall have no objection.

Mr. BALL. I have no objection to one year, personally, but I can not accept an amendment to a House bill. If the Senate amends it, though, very well.

Mr. KING. Mr. President, will the Senator, as chairman of the committee, announce to the Senator from North Carolina and to the Senate that he will move to amend by making it one year instead of two?

Mr. MOSES. To put it in another way, with less embarrassment to the Senator, perhaps the Senator from Delaware will agree that he will not resist an amendment to that effect.

Mr. BALL. I will not resist the amendment, but I do not like to propose the amendment myself.

Mr. KING. The Senator will not resist the amendment for one year?

Mr. BALL. Let us put the bill before the Senate, and then the Senator can make that motion.

Mr. OVERMAN. I want to have an understanding with the Senator that he will agree to let the amendment be offered and, as far as he is concerned, agreed to.

Mr. BALL. Mr. President, the Senator from North Carolina puts me in a position that I can not assume. I am perfectly willing to agree to the one year personally; but this is a House bill, merely reported by the Senate committee as it came from the House, without amendment. No one Senator can agree to an amendment, but the Senate themselves can amend the bill.

Mr. OVERMAN. The Senate will agree to it if the Senator will agree. Then it can go back to the House and be considered in one day and passed.

Mr. BALL. I told the Senator that I would not fight it; I would not object to it if the Senate saw fit to pass it. I stated two years ago that I would not ask for this extension.

Mr. OVERMAN. I know the Senator did.

Mr. BALL. I am asking it now after making an investigation—an investigation that may be cleared up within a year.

Mr. OVERMAN. That is what I wanted done. I want to have it extended for one year only, so that it can be cleared up. I know what the courts have said, and that is the reason why I make that suggestion.

Mr. BALL. Will the Senator permit me to go on and make my statement as to what has been found?

Mr. OVERMAN. I know what the courts have said. I know what the court of the District of Columbia has said, and the Supreme Court of the United States.

Mr. BALL. Mr. President, I will just read my short statement as to the results. Of course it does not go into the evidence. I have the evidence all here. It is very voluminous, but this is the opinion that I have myself reached since reading that evidence.

Mr. OVERMAN. I understand that this goes on without prejudice. I am going to object unless we can have the agreement I have mentioned.

The PRESIDENT pro tempore. If Senators will permit the Chair to make an inquiry, does the Senator from North Carolina object——

Mr. OVERMAN. I object unless there is some understanding such as I have stated.

The PRESIDENT pro tempore. Does the Senator object to the request of the Senator from New York to lay aside temporarily the appropriation bill?

Mr. OVERMAN. Yes; I will object unless the Senator assures me that he will let this one-year provision go in instead of two. We can extend this act as well in the next Congress as we can now.

The PRESIDENT pro tempore. The Chair understands the Senator from North Carolina to object to the request of the Senator from New York; and, that being the case——

Mr. BALL. Mr. President, I will not object to the one-year amendment, and the bill can be passed in that way, but I personally could not agree to amend the House bill.

The PRESIDENT pro tempore. Unfortunately, the Chair can not control that procedure.

Mr. McKELLAR. Mr. President, I ask unanimous consent that we consider the bill and pass it amended so as to read for just one year.

Mr. KING. I object to that, unless——

The PRESIDENT pro tempore. The appropriation bill is before the Senate.

Mr. DIAL. Mr. President, I understood that the appropriation bill had been laid aside.

The PRESIDENT pro tempore. The Senator from North Carolina objected to it, and it was not laid aside.

Mr. DIAL. I ask unanimous consent to take up Senate Joint Resolution 121.

Mr. WATSON. What is it?

Mr. WADSWORTH. May we hear what it is?

Mr. DIAL. It is a measure for the relief of the farmers that we have all been talking about so much—to help agriculture.

The PRESIDENT pro tempore. The Senator from South Carolina asks unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 121. Is there objection?

Mr. WADSWORTH. I should like to hear what it is.

Mr. WATSON. What is the proposition?

Mr. DIAL. It is a joint resolution to create the alien property trade investment corporation.

The PRESIDENT pro tempore. The Secretary will state the title of the joint resolution.

The READING CLERK. Joint resolution (S. J. Res. 121) to create a body corporate by the name of the "Alien Property Trade Investment Corporation."

Mr. WADSWORTH. I object, Mr. President.

The PRESIDENT pro tempore. Objection is made.

Mr. BURSUM. Mr. President, upon the calendar is a bill, Order of Business 522, Senate bill 2932, to quiet the title to lands within Pueblo Indian land grants, and for other purposes. This is a bill similar to one which passed the Senate at the last Congress. It failed in the House for the reason that it reached the House in the last days of the session. At the present time there is absolute agreement by all parties to the controversy. We have worked on this bill for two years.

Mr. McKELLAR. Mr. President, is not that the bill to which the Indians or their representatives very seriously object and have objected? I have gotten a great many letters from my State about it.

Mr. BURSUM. They are all for it now.

Mr. McKELLAR. I will ask the Senator to let it go over for another day. I want to look into it. I could not let it go by without looking into it.

Mr. BURSUM. I assure the Senator that every one of them is for it, including Mrs. Atwood, who wired me to-day from California that she had wired all of the Senators urging them to pass this bill, and the representative of the organization, Mr. Burleigh, of New York, and Mr. Jones.

Mr. McKELLAR. I am sure the Senator can get consent to-morrow, and I want to look at my correspondence about it before letting it pass.

Mr. BURSUM. I will agree that if what I am stating is not the truth the bill can be withdrawn.

Mr. McKELLAR. I accept what the Senator states, of course, but let it go over until to-morrow, and let it be looked into.

Mr. BURSUM. I am making the request only on account of the short time that we have in the House.

Mr. McKELLAR. I will look into it by to-morrow.

The PRESIDENT pro tempore. Objection is made. The military appropriation bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. DIAL. Mr. President, if the Senate wants to proceed with that bill, I have no objection. If there is nothing before the Senate, I want to move to take up a joint resolution.

Mr. BALL. Mr. President, I think the Senator from North Carolina and I have agreed upon the matter that was under discussion awhile ago.

Mr. OVERMAN. After my conversation with the chairman of the Committee on the District of Columbia, in which he states that he is perfectly willing to have the time made one year, I will not object further.

Mr. BALL. Now, Mr. President, I ask unanimous consent——

The PRESIDENT pro tempore. The Senator from New York has asked unanimous consent to lay aside the appropriation bill.

Mr. WADSWORTH. Mr. President, the Senator from Delaware is now making that request, and the Senator from North Carolina has just told us that he will no longer object.

Mr. OVERMAN. After my conversation with the Senator, I will not object.

The PRESIDENT pro tempore. The question is, Shall the military appropriation bill be temporarily laid aside? Is there objection to that request? The Chair hears none, and it is temporarily laid aside.

Mr. BALL. Mr. President, I now ask unanimous consent for the immediate consideration of House bill 7962, Order of Business 544.

The PRESIDENT pro tempore. Is there objection to that request?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 7962) to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended.

Mr. OVERMAN. I move to amend on page 1 by striking out "1926" and inserting in lieu thereof "1925," and I offer the same amendment on page 2.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from North Carolina.

The READING CLERK. On page 1, line 11, it is proposed to strike out "1926" and insert "1925," so that it will read: "until the 22d day of May, 1925"; and on page 2, line 10, it is proposed to strike out "1926" and insert "1925."

Mr. HARRIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Adams	Dill	McKellar	Smith
Ashurst	Ferris	McLean	Smoot
Ball	Fess	McNary	Spencer
Borah	Fletcher	Moses	Stanfield
Brockhart	Frazier	Neely	Sterling
Broussard	George	Norris	Swanson
Bruce	Gooding	Oddie	Trammell
Bursum	Hale	Overman	Underwood
Cameron	Harris	Pepper	Wadsworth
Capper	Harrison	Pittman	Warren
Caraway	Johnson, Minn.	Ralston	Watson
Copeland	Jones, Wash.	Ransdell	Willis
Cummins	Keyes	Reed, Pa.	
Dale	King	Sheppard	
Dial	Lodge	Simmons	

The PRESIDENT pro tempore. Fifty-seven Senators having answered to their names, there is a quorum present.

Mr. OVERMAN. Mr. President, the question is upon agreeing to the amendment I introduced.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. On page 2, line 10, the Senator moves to strike out "1926" and to insert "1925."

The amendment was agreed to.

The PRESIDENT pro tempore. If there be no further amendment to be proposed——

Mr. KING. I would like to have some explanation from the Senator from Delaware as to the bill.

Mr. BALL. It has been suggested that I ask permission to have the complete evidence in this matter printed as a public document. I can either take up the time of the Senate in making an explanation, or have the evidence printed so that all can read it. Does the Senator desire that I proceed to make an explanation? It would probably take a half an hour to explain the bill.

Mr. KING. I think the Senator ought to enlighten the Senate and give us the reasons for this bill, in view of the recent decision of the Supreme Court of the United States and in view of the action of Justice Stafford in granting an injunction recently.

Mr. BALL. Briefly, I will state this, that we have investigated 32 of the large apartment houses in Washington. On those 32 apartment houses we find trusts totaling $9,000,000 more than the apartment houses sold for at their last selling. Many of them have trusts on them of more than a million dollars more than their cost. They have had no improvements put on them since. It has been done by making fake sales, transferring the property to dummy individuals or corporations under a real estate corporation. They will probably put two or three trusts on an apartment house, amounting to a little more than the last selling price, then they will make another transfer to a dummy for probably half a million more, then add additional trusts up to that amount, then make another transfer and add trusts up to that, until it amounts to more than a million more than the actual cost of the building, in many cases.

I will just quote briefly, for instance, one apartment house, which cost $200,000, plus the cost of the land, which was $18,000. It is assessed at $235,502. It has been sold once for $400,000. It has trusts against it amounting to $609,500.

The Chastleton is assessed at $1,419,387. With its improvements, it cost $1,800,000. It was sold, or transferred on a fictitious sale, for $3,000,000. It has trusts against it of $2,863,500, more than a million more than it cost when built.

Wardman Courts cost $1,262,960. It has been sold for $1,250,000. It has against it trusts of $2,397,500, over $1,150,000 more than it sold for at the last selling.

Going on down, taking some of those with which we are familiar, the Roosevelt cost about $1,500,000. It has trusts against it to-day of $2,865,000.

The Hamilton Hotel cost about $1,250,000. It is assessed at $1,268,735.

Mr. CARAWAY. May I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from Arkansas?

Mr. BALL. I yield.

Mr. CARAWAY. The Senator is speaking of hotels, the Roosevelt and the Hamilton. Does the bill purpose to control and regulate the hotels?

Mr. BALL. No; it does not regulate the hotels.

Mr. CARAWAY. Why not?

Mr. BALL. The evidence taken in this investigation has been submitted to the district attorney, and we propose to try to regulate rents for at least a year on assessed values, or real values, while the department is getting down to some basis upon which they can assess rents.

Mr. CARAWAY. You let the hotels go but regulate the apartments.

Mr. BALL. I am merely citing a hotel because it was in the same category so far as the building was concerned.

Mr. CARAWAY. Is not this about what has happened? I do not want to take up the Senator's time, but do not most of the apartment houses call themselves hotels, and escape any regulation? You relieve them from regulation just because they call themselves hotels.

Mr. BALL. Here is a small apartment which costs $60,000 to build. It has been sold for $77,500. They have trusts against it of $165,000 to-day.

Mr. KING. Will the Senator yield?

Mr. BALL. Yes.

Mr. KING. Does that mean that the builders of the apartment borrowed a certain amount of money which they used in the construction of the building, and not having sufficient to build the building, put on a second trust?

Mr. BALL. No. We have run down the facts as to all those buildings. On none of those buildings was the second trust placed until after the building was completed.

For instance, on one the first trust was $100,000. The building cost $200,000. The builder put up $50,000 and $18,000 for the land. The day the builder completed and turned that building over to the owner there was entered up another trust of $100,000, and $100,000 worth of notes issued against it, signed by a corporation composed of stenographers in the F. H. Smith Co.'s office.

Mr. KING. Then the Senator's contention is, if I understand it——

Mr. BALL. Let me continue with this. Then those notes were taken up, were banked in Maryland, and were sold for $80,000. Briefly, that is just what occurred with all of them.

Mr. SMITH. How much was against the building then?

Mr. BALL. The actual cost was $609,500. They kept on running this on a $200,000 building. I would like to state to the Senate that the Commonwealth Finance & Mortgage Corporation of New York is the corporation which has financed much of this business. They came down on Saturday and made a complete breast to me of the whole statement. They have lost, I judge, from $15,000,000 to $18,000,000. They told me they had just canceled $1,434,000—it is in the evidence—on buildings that have been sold on which they had fourth or fifth trusts, and nothing could be gotten out of them. The F. H. Smith Co. hands them a mortgage for $3,000,000 covering one million four hundred and some thousand on a building which they had already constructed here. They placed that mortgage immediately on the building. That has been within a few weeks, showing that this thing is still continuing.

Mr. KING. As I understand the Senator, somebody has perpetrated a fraud. They have placed a second mortgage, or trust, as the Senator calls it, upon a building which has been completed and upon which is a first mortgage——

Mr. BALL. And no money passes hands.

Mr. KING. Then they take the notes, which are——

Mr. BALL. Worthless, with nothing back of them.

Mr. KING. Which are supported by the second trust, and they negotiate those notes to innocent purchasers.

Mr. BALL. Yes.

Mr. KING. Do those innocent purchasers, in New York or elsewhere, buy notes amounting to two or three or four hundred thousand dollars without making an investigation as to the character of the security behind them?

Mr. BALL. As far as the New York concern is concerned, the president and vice president of that concern were on very friendly terms, I will put it, with the president and vice presi-

dent of the F. H. Smith Co. They agreed upon the assessment board that would be appointed to value these properties each time. They took those notes as low as 50 per cent, and divided——

Mr. KING. If I understand the Senator, then, certain persons in Washington who have constructed apartment houses, borrowing money for the purpose of building them, have perpetrated frauds?

Mr. BALL. There is no doubt of it.

Mr. KING. And they have negotiated notes, secured by second and third trusts——

Mr. BALL. As much as fifth and sixth.

Mr. KING. And innocent persons throughout the country have bought those notes?

Mr. BALL. I would like to modify the term "innocent." I think the first people who took the notes were not innocent, but they sold them to other people who were innocent. For instance, the bank would take over a lot of the notes and sell them to their customers, but they took the notes over at a large discount and would sell them at par. That is the reason why I say the emergency still exists. Whether it exists in the number of houses or not, it exists because the law of supply and demand no longer is regulating the situation. The supply may be all right, but it is prohibitive so far as prices are concerned and prevents the demand being effective. The people can not pay the prices that are charged. The people can not pay the rental on the property and at the same time pay the interest on a million or two million dollars of watered stock.

Mr. KING. Why does the Rent Commission permit them to fix rents upon those buildings at these highly fictitious and fraudulent values?

Mr. BALL. Where the Rent Commission has fixed the rentals it has fixed them pretty nearly on the basis of the assessed value, but many of the properties have not been before the rent commission. One reason why a few properties can fix rents, so far as the people coming into the city are concerned, is that the person who is paying a reasonable rent, with reasonable care taken of him, still continues to live in the apartment. The vacancies occur in apartments that are run like these to which I have referred, and that is the reason why our incoming employees can not get housing facilities at any figure they can pay.

Mr. KING. Does the Senator think there is a combination between apartment-house owners for the purpose of maintaining rates based upon these inflated or fraudulent values?

Mr. BALL. Yes; that is clearly shown. This only involves a number of subcorporations organized through either the office force or some member of the family of the president, vice president, or secretary of the F. H. Smith Co. They have had at one time 12 subsidiary companies organized under the laws of Delaware doing business, and they make a sale from one of those corporations to the other. No money passes hands, but it fixes the figure at which the sale is made, whereby they can increase the price charged against the building.

Mr. KING. Does the Senator think the reputable real-estate men of the city—and there are certainly many such—lend themselves to such practices as those described?

Mr. BALL. No; I think not.

Mr. KING. Does the Senator think they have conspired with Smith & Co. or any persons to establish an illegal or, rather, an extortionate price level or rent level for the buildings which they lease?

Mr. BALL. All I can say in answer to the Senator's inquiry is that we have found no evidence, certainly no extreme evidence, against any company except those involved or associated with the F. H. Smith Co. For instance, Lake was a very poor man, but he was operating for the Smith Co. In a few months he bought over $6,000,000 worth of property in Washington.

Mr. KING. Does the Senator think the frauds to which he has referred, resulting in operations of the Smith Co. and its subsidiary, justify the passage of a rent law which would apply to persons who have not been guilty of fraud?

Mr. BALL. It is justifiable from the very fact that the emergency exists here so long as we have the rentals so high under improper valuations and high costs—rentals that the employees of the Government can not afford to pay. The average employee of the Government receives $1,450 a year. Every apartment house of any size at all, with apartments sufficiently large for a family, say four rooms, will charge from $50 to $75 a month for such apartments.

Mr. KING. How do the rents in Washington compare with the rents in cities of substantially the same size?

Mr. BALL. We have compared the rents in Washington with rents in Baltimore. The high-priced apartments renting at from $150 to $300 disclose very little difference. But when we come to compare the apartments renting below $75 there is a very marked difference. They are very much higher in Washington.

Mr. KING. What does the Senator say with respect to properties other than apartments? The Senator knows that apartments, perhaps, furnish the smallest part of the leased buildings in Washington used for residence purposes.

Mr. BALL. In the report we have an exact statement of the situation. There are some houses which rent at moderate rates, but not many. After the bill shall have been disposed of I propose to ask to have all of the evidence printed as a Senate document.

Mr. CARAWAY. Mr. President, I wish to offer an amendment, and I call it to the attention of the Senator from Delaware.

Mr. BALL. I ask the Senator if he will not please refrain from offering it as an amendment to this bill?

Mr. CARAWAY. Oh, no; it belongs on this bill.

Mr. BALL. If the pending bill is amended and it has to go back to the House, there is no chance then to extend the rent act at all, I believe. The Senator would defeat the bill, because we have only six days before the present rent law expires. Will not the Senator present his amendment as a separate bill?

Mr. CARAWAY. I have endeavored to get it reported as a separate bill, and never could get the Senator from Delaware within a mile of it.

The bill I want to present as an amendment is simply this. It was at one time attached to the rent bill, but went out in conference without anybody exactly understanding how or why. I want to read it for the information of the Senate. I hope I may have the attention of the Senate for just a moment.

The measure before the Senate undertakes to deal with houses and apartments. I want to offer an amendment that has been urged by the United Commercial Travelers for quite a while. I introduced it at their request. Briefly, it requires that a hotel shall post in some conspicuous place the rates at which the rooms are rented; and, having adopted those rates, they can not change them without 30 days' notice. It will take but a moment to read it, as follows:

That the proprietor, manager, owner, or other person in charge of and conducting any hotel in the District of Columbia shall post in a conspicuous place in each room thereof a card or sign plainly stating the price per day of such room, and a copy of such rates for each room shall be filed with the Commissioners of the District of Columbia. In case the hotel is conducted on the American plan, the rates for meals shall be posted in a conspicuous place in each room of the hotel. Such cards or signs, both with reference to rooms and meals, shall be dated as of the day on which they are posted. The rates charged for rooms shall not be advanced in less than 30 days from the date of the approval of the said commissioners of the written application therefor, and in the event an advance in rates is granted the same requirements with reference to posting of notices and filing copies thereof with the Commissioners of the District of Columbia, as above provided, shall apply.

Any person, firm, or corporation who shall violate any of the provisions of this act or who shall charge any guest a rate in excess of said posted rates shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not less than $10 nor more than $100 for each offense.

The Commissioners of the District of Columbia are hereby charged with the enforcement of this act.

Here is what happens in the District of Columbia, and I do not know that hotel keepers here are different from those in other communities. There is some special occasion in Washington. Frequently it is said that there will be no enhancement of hotel rates. People are brought here and are charged extortionate prices. I myself made a reservation at one of the leading hotels for some people from my State to attend a convention. When they arrived the reservation was canceled and the hotel denied ever having made it, although I made it in person. They charged my people $15 a day for rooms which were ordinarily rented for $3.50 a day.

If we are going to regulate real-estate rentals in the District of Columbia, there is no reason why at least when a hotel man shall have fixed voluntarily the rates that he thinks are fair he should be permitted to run them up or down and take advantage of people from every other community when they come here on invitation to some kind of convention or some gathering in the District of Columbia.

It happens, and everybody is conscious of it, and therefore I wish to add this merely as an amendment to the bill. It is not undertaking to say what reasonable charges shall be,

but after they themselves shall have fixed their charges it would not permit them to take advantage of every occasion when they find the city crowded with people from outside, who have come here for some purpose that is thought to be worth while, to run the rates up to extortionate points and take advantage of every occasion to charge three or four times what they charge people on ordinary occasions. Therefore, I offer the amendment.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Arkansas.

Mr. NORRIS. Mr. President, the amendment suggested by the Senator from Arkansas is a rule already in a great many cities, and in a great many first-class hotels it is followed by the proprietors of the hotels without any law or regulation.

Mr. LODGE. I think it is the law in most States.

Mr. NORRIS. I believe that is true. I am in perfect accord with the Senator from Delaware who is trying to get the measure through. The evidence disclosed here by the Senator from Delaware is really shocking, it seems to me. While the Congress of the United States perhaps ought not to be taking up its time in looking after local affairs and acting as a board of aldermen, the fact remains that that is one of our duties. We ought to have a pride and I think we do have a pride, as the country has a pride, in the Capital City. When such conditions exist as have been disclosed, we are lacking in our duty not only to the good citizens of Washington, who do not want such things to be in existence, but to the country at large, if we do not remedy the situation so far as lies within our power.

I was a member of the original committee that framed the first rent law. I know there was a great deal of discussion as to whether it was legal. Eminent lawyers contended that we had no right under the Constitution to do it. But it seemed to me that Washington is a separate and distinct city in that respect from any other. It is the Capital of the Nation, where the law recognizes the fact that the necessary officials, their clerks, and assistants must live in order to carry on the business of the Nation. It follows, therefore, it seems to me, as one of the things that goes with a sovereign power, that there must be some place where those people can live. In our country it is the city of Washington. If we do not have the power to protect the officials of the Government, their clerks, their assistants, and others necessary for the purpose of carrying on the Government, then the Government itself is at the mercy of these sharks, and can be absolutely ruined and disrupted.

The amendment of the Senator from Arkansas [Mr. CARAWAY] is very pertinent to the bill itself. I wish to say to the Senator from Delaware that, in my opinion, the other House will agree to that amendment without ever sending the bill to conference. If the House can have an opportunity to vote on it, it certainly will put it in the bill by a unanimous vote. I do not believe the bill will ever get to conference. There is not anything in the amendment but what is reasonable and fair; there is not anything in it which even fixes a price, but the proprietors will fix their own prices.

What goes on in the city of Washington at certain times does not go on nearly to so great an extent in any other city in the Union. On various occasions people from all over the country visit Washington to witness ceremonies which are taking place here, and anybody familiar with the conditions knows that on those occasions—such, for instance, as inaugural week—rooms which ought to rent for $3 or $4 a day at the very highest often are placed above $100 a day when they are located on the line of the inaugural parade, and people who come here are compelled to pay those prices; they are mulcted.

Mr. President, while I am on my feet I wish to make one other suggestion. It seems to me that the Congress has been rather helpless in regulating these prices, not entirely from its own fault but partially so.

Mr. KING. That has been because of the incompetency of the Rent Commission.

Mr. NORRIS. To some extent. We ourselves, however, are to a great extent to blame. I have talked with a great many Members of the House of Representatives and of the Senate who are of the opinion that we ought to remedy the situation by removing from the Capital City a large number of bureaus which are located here. There is not any necessity, for instance, for the Bureau of Indian Affairs to be located in Washington, or the General Land Office, or the Pension Bureau, or the Interstate Commerce Commission, or many others that could be named. In the States, all of their instrumentalities are not located in the capitals of the States, but are scattered over the States, and are located in different places. We could save money if we should move some of the bureaus of the Government to the central portion of the United States and some of them to the far western portion of the United States. The Bureau of Indian Affairs and the General Land Office, handling affairs which mainly come from one section of the country, could with advantage be removed to that section. There is growing in Congress quite a sentiment that we ought to take some steps to transfer some of the Government bureaus to other locations in the country. Unless we can in some way reach the high cost of living in this city that is going to be the result.

Mr. KING. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield to the Senator.

Mr. KING. Mr. President, at every session of Congress for seven years I have introduced a bill calling for that very thing, proposing to transfer to some central place in the West, to be selected by the President, the administration of the public lands, the Forest Service, the reclamation projects, pensions, and many other of those important measures.

Mr. WADSWORTH. Why pensions?

Mr. KING. Not pensions, but other bureaus having relation to public lands, the forests, and so forth.

Mr. NORRIS. There is not any reason why that should not be done.

Mr. KING. I hope the Senator from Nebraska will support the bill and help me get it reported out of committee.

Mr. NORRIS. I will support the bill. I think we ought to designate a Cabinet officer or some commission to make a survey in order to ascertain which of the various bureaus of the Government could, without injury to the Government, be moved away from the Capital City. I repeat, it would save us money; it would also save the people money who have to do business with such bureaus and who now have to cross the country in order to do it. That is going to be up to the people of this city; and if such things are permitted to continue, as the Senator from Delaware [Mr. BALL] has been narrating here, we shall find that dozens of these bureaus will be taken away from the District of Columbia and located somewhere else.

Mr. JOHNSON of Minnesota. Might it not be a good thing to locate the Agricultural Department in the State of Iowa or in the State of Minnesota?

Mr. NORRIS. It might be.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and is open to amendment. The question is on the amendment offered by the Senator from Arkansas [Mr. CARAWAY].

Mr. SMITH. Mr. President, I wish to ask the Senator in charge of the bill a question. I have been informed that the effect of inflated values has reacted on those who heretofore have rented apartments in keeping with real value. My attention has just been called to one case where an apartment was valued at a figure to yield something like $35,000, but after this orgy of inflation started it was returned at $75,000. The commission reduced it to $50,000, which was still $15,000 or $20,000 in excess of a reasonable return for those who own the apartment.

Mr. BALL. I have no doubt there are many cases of that kind.

Mr. SMITH. The effort of the Rent Commission is so to regulate the valuation of apartments that they shall all be brought to a basis where returns upon them will be made upon the actual value of the property?

Mr. BALL. That is the idea.

Mr. SMITH. Then, I wish to ask this question: Why do we restrict the length of the life of such work as that to one year?

Mr. BALL. The life of the legislation has been restricted at the request of the Senator from North Carolina [Mr. OVERMAN], who gave notice that he would object to the consideration of the bill unless the proposed legislation were restricted to one year.

Mr. SMITH. I wish to ask the Senator from Delaware, he being chairman of the Committee on the District of Columbia, does he think the work which is proposed can be efficiently accomplished in one year?

Mr. BALL. If the work shall be properly pushed by the proper authorities, either through the district attorney's office or the Attorney General's office, and the law is energetically administered, I have no doubt that in a year the situation may be cleared up. I believe, in view of the way that building is progressing, that the housing facilities will meet the demands if reasonable prices be charged, but with supply really prohibited from continuing meeting the demand because of the high prices the people are not properly housed. I do not believe that the

supply and demand are regulating to any extent to-day the housing in Washington.

Mr. SMITH. Does the Senator think that the work which he has in charge and the investigation being conducted in the effort to bring down rentals to a basis where they will be in proportion to the money actually invested can be accomplished within a year?

Mr. BALL. I think it should, but if it can not, then the act ought to be further extended. Of course, the committee working for two months have been unable to take up the situation as to every apartment house in Washington. They have taken up those against which there has been the most complaint on account of the charges made and whose owners have appeared before the Rent Commission more frequently than have other owners. The committee have not taken up cases affecting any buildings where all the tenants seemed perfectly satisfied and where no complaint was made. We take it for granted that there has probably not been much of an overcharge in those cases, but in every case the committee has taken up they have found the trusts against the building exceeded the cost or the value of the building.

Mr. SMITH. The Senator has no doubt in his mind, has he, that the excessive charges laid and collected by those who have engaged in that kind of practice have had a reactionary effect upon all the others who own houses and has resulted in raising the general level beyond what it ought to be?

Mr. BALL. Precisely. There is no doubt of that.

Mr. KING. Mr. President, it is rather remarkable that Senators who doubt the constitutionality of legislation of this kind feel constrained to pursue a course of silence, or if they express opposition, do so in rather subdued tones.

Mr. BALL. I should like to ask the Senator a question.

Mr. KING. Very well.

Mr. BALL. Does not the Senator's State in a measure control the living conditions and the housing furnished by large corporations, which build their own houses and own and conduct their own stores? Does not the Senator's State control the conditions affecting the people who live under such circumstances?

Washington is really only a city of the employees of the Government. We find that the families of the employees of the Government compose 207,000 of the population. When we consider those who conduct stores to feed these people, the automobile establishments that supply their automobiles, the men managing the restaurants, and so forth, we find that 90 per cent of the people of Washington receive their money directly from the Government or through the employees of the Government. In view of that condition, does not Washington come under the same head as would a corporation housing employees?

Mr. KING. Mr. President, the Senator is making a speech in my time. I hoped he would elaborate his views in his own time. Perhaps he may feel when I have concluded that I have not done serious or any damage to the cause which he is championing.

But referring to his statements and questions and suggestions which are mingled in a confused mass, I may be permitted to briefly say, that the situation which he describes does not exist in my State. Of course, all States enact laws relating to health and sanitation, and municipalities adopt regulations providing for the health of the people within their boundaries. Under the police power of the State, such laws and regulations, when reasonable, are proper. No one contends otherwise. But there is a wide difference between laws of that character and statutes which annul contracts, deny the right of the owners of real estate to make such contracts as they may with persons who wish to buy or rent the same.

Undoubtedly there may be legislation which imposes certain duties and restrictions upon landlords; and, of course, the power exists to prescribe rates and charges—which must not be unreasonable—by innkeepers. This right existed at common law. But it is to be distinguished from the position taken by some that the legislative branch of the Government, State and National, can fix rents, make contracts between landowners and their tenants, and practically control the property of private persons. But the bill before us rests upon the supposition that an emergency exists. An attempt is made to tie it to war conditions and brand it as war legislation.

The Senator spoke of corporations in my State and the housing of their employees. I am not certain what his inquiry was. I can say to him there is no rent commission in the State, nor does the State fix the conditions under which the owner of property may lease the same.

It is true that in some States——

Mr. BALL. Health boards exercise supervision in practically all Eastern States.

Mr. KING. Mr. President, that question is not involved here. No one questions the right of Congress or any State to enact reasonable regulations, to secure the health of the people. Health boards are given considerable authority in dealing with epidemics and contagious diseases. But as I have stated, the question before us does not relate to this matter. This legislation is not here as a health measure; its terms would not sustain for a moment such a contention.

This bill boldly proposes to fix rents and to deprive the owners of property of the power to control the same. However, I had started to say when interrupted by the Senator that legislation has been enacted in some States to protect employees of corporations from arbitrary if not oppressive rules prescribed by employers. For instance, a few years ago some employers compelled their employees to purchase their groceries and merchandise at the stores of their employers. Legislation protecting the employees from this rule was enacted; but to compare Washington and its hundreds of thousands of inhabitants with a corporation owning buildings and employing individuals seems a little absurd.

I started out to say, Mr. President, that it is remarkable that many Senators who believe that legislation of this kind is unconstitutional or strains constitutional limitations are constrained to keep silent or to speak in a subdued voice in animadverting upon this proposed legislation. What is the reason? Generally if a man believes a law is unconstitutional he is quick to proclaim his opposition to it.

The reason is that there is a feeling that some of the landlords and real-estate owners in the District of Columbia have profiteered, have charged extortionate rates, have been unfair, not only to the employees of the Government but to all who have sought to purchase or lease houses or apartments.

There is no doubt, Mr. President, in my mind that there has been and still is a disposition upon the part of many landowners and landlords to charge rates that are far beyond what would be denominated reasonable, and I have no doubt that some landlords have confederated together for the purpose of maintaining high prices.

Whether that situation calls for legislation of this particular character or not is a subject respecting which there will be differences of opinion. In my own opinion this law will be held to be unconstitutional. The Supreme Court of the United States in its recent decision construing the law, which this bill seeks to continue in force, has, in my judgment, pointed out the fate of this bill should it become law.

The first District rent measure was passed as an emergency measure during the war. It has been continued as war legislation, while we have repealed, and properly so, the other war legislation enacted in 1917 and 1918.

Mr. President, I do not think the Senator from Delaware has put the reasons for this legislation upon the strongest grounds that could have been suggested, nor is the reason which he has offered, in my judgment, sufficient to justify the legislation. To say that the F. H. Smith Co. has organized 12 subsidiary corporations, and that the parent company or the subsidiary organizations have perpetrated frauds, have put second, third, fourth, and fifth trusts upon buildings which they have constructed, and have sold the notes to innocent purchasers throughout the country, is not sufficient reason for this legislation. That merely means that some individuals and some corporations have obtained money under false pretenses, for which they should be prosecuted.

I am not the sponsor for the bill, however. I am not defending it. I am not suggesting the reasons which might to some be deemed sufficient to justify its enactment. I do not intend to discuss the provisions of the bill or give the reasons why I regard it as unconstitutional. I frankly confess that I have no great enthusiasm in my opposition to the bill. If the landlords and real-estate owners of Washington had not offended so grieviously against the principles of justice and fair dealing, if they had not been so indecent and extortionate in their charges, this bill would never pass.

Indeed, there would have been no rent law passed; but many persons took advantage of the situation; their cupidity and avarice led them to assume the position of Shylocks, and they literally robbed thousands of Government employees and others who were compelled to have shelter from the blasts of winter and the storms of summer. Some landlords and real-estate owners and real-estate dealers and brokers combined to increase rents, and they were indifferent to the cries of justice, of the voice of conscience.

Their wrongful course exasperated and finally aroused Congress, and the result was the Saulsbury resolution, which was followed by the Ball rent law.

Undoubtedly many landlords and owners of real estate were averse to the extortions and transgressions of those referred to. They desired only a fair rent and deplored the speculative and unethical practices of certain real-estate men and landlords.

The misconduct of some resulted in legislation which, I think, has brought no great benefits to the people of the District. Indeed, I believe that all of this rent legislation, in the long run, will be found to have been harmful.

I repeat, however, that even now there are real-estate men whose practices are so unfair that those who doubt the expediency and constitutionality of this bill find no spirit to oppose it.

Mr. SIMMONS. Mr. President, I should like to ask the Senator a question. Does the Senator think the proposition contained in this bill can be supported as a constitutional exercise of power except upon the theory of emergency?

Mr. KING. No.

Mr. SIMMONS. Does the Senator think it can be supported upon the theory of emergency, except a war emergency, when the life of the Nation is at stake? Does the Senator believe that an emergency, except a war emergency, can form the basis or foundation for a disregard of constitutional power?

Mr. KING. Mr. President, answering hurriedly, I shall say no; and yet it is possible that there might be some such great catastrophe that would uphold the assertion of the right to abrogate contracts, deny to the owners of property the right to control it or enjoy its use; and yet I have not in my mind any such catastrophe or calamity.

Mr. SIMMONS. Does not the Senator think that if the Congress can at any time declare an emergency, and thereby escape the constitutional limitations, it will be a very dangerous power for the Congress to exercise?

Mr. KING. Unquestionably.

Before leaving the field entered by the Senator's question, I desire to add that, in my opinion, war does not justify a violation of the Constitution of the United States. Of course, to save the Nation it may be necessary to contravene one or more of its provisions. President Lincoln so believed. But, speaking broadly, the war powers are constitutional powers; they may be latent in peace times, but when the storm of war rages around our Nation such powers may be invoked for its welfare and preservation. But even when at war the Federal Government may not do what it is by the Constitution forbidden to do. It may not take private property without due process of law. It may not deny to States or to citizens the rights which they have reserved to themselves. It may not take the property of rapacious landlords without compensating them, and it may not compel them to demise it at rates which would not measure up to the standard of reasonableness.

Mr. President, in my opinion there is no "emergency"—whatever that may mean—now existing to justify a continuance of the Ball Rent Act. But the bill will pass, and its passage has been assured by the insolent, arrogant, and utterly selfish course pursued by so many real-estate owners, landlords, and real-estate agents.

If four-fifths of the real-estate agents and brokers of Washington would get out of the business, it would be in the interest of the public. If the many honorable and upright real-estate dealers, contractors, and builders would organize to cure the evil practices known to exist and would bring rents down to a fair and reasonable level, they would be serving not only the public but their own interests, and there would be no demand for rent laws and rent commissions.

However, I feel compelled to say that I regard laws of this character as economically unsound, and they defeat their own purpose. When the Saulsbury resolution was before the Senate I knew of a person who was in Washington ready to invest $1,000,000 in apartment houses and small residences. Upon learning of the passage of the measure he abandoned his purpose. He and others who would have invested but for that and the Ball law would not risk their money in enterprises which would be subject to the capricious control of a governmental bureau, with its usual inefficiency, impertinence, and offensive officiousness.

Persons who invest their money in lands and houses are unwilling to have the value and rents fixed by a Federal commission and the terms of their contracts determined by persons who usually have no knowledge of the matter which they conduct.

Mr. OVERMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. KING. I yield.

Mr. OVERMAN. Suppose the Court of Appeals of the District of Columbia finds that there is no emergency? Of course, the law would be unconstitutional, then, in the language of Judge Holmes, and inoperative. I find in this bill the following language:

That it is hereby declared that the emergency described in Title II of the food control and District rents act still exists and continues in the District of Columbia.

That is a declaration of the legislature. What effect would that have on the Supreme Court of the United States if the courts below find that there is no emergency and the act itself says that there is an emergency?

Mr. KING. That is a legislative inexactitude. Some persons who speak directly might say it was a legislative lie. I shall not do that.

Mr. FESS. Mr. President——

Mr. KING. I yield to the Senator from Ohio.

Mr. FESS. I want to say to the Senator from Utah that I have considerable sympathy with what he has been saying. I do not like the idea of this legislation, but there are some items that bother me. In conversation with a very prominent builder of this city only a few weeks ago, he told me that he had 200 houses vacant. With that number of vacancies, which would indicate that building had about reached the point of supplying the demand, I do not understand why the rents stay up so high; and because of that I am rather inclined to favor the continuation of this legislation.

Mr. KING. Mr. President, I stated a few moments ago that in my opinion there were certain landlords and real-estate owners in the District of Columbia who were confederating and conspiring for the purpose of maintaining rents.

Mr. FESS. I doubt whether this man is in any such conspiracy, for he tells me that he is going to build something like a thousand houses at a much lower rental, houses costing from five to eleven thousand dollars to build.

Mr. KING. Of course, this must be said, and we want to be fair: If one examines the price of cement and brick and lime and lumber and hardware and all commodities which enter into the construction of buildings, and the prices of labor, it will at once become apparent that the cost of building in the District of Columbia is perhaps 100 per cent more than it was in 1914 and 1915. Some builders have told me that prices are 150 per cent in excess of the pre-war prices; and of course these higher prices of real estate and homes would be reflected in higher rents.

Mr. FESS. If the Senator will permit me, only to-day a citizen from Ohio who happened to be in the Capital, who is a large builder and an owner of real estate, stated that the rentals in the city in which he lives were simply criminally high.

Mr. KING. That was not in Washington?

Mr. FESS. No; that is in one of our Ohio cities; and he claims that everything is on too high a level, and that there must be a liquidation.

Mr. KING. Mr. President, that man perceives the economic situation accurately. We have maintained these high, fictitious price levels. I am not going to be partisan, but I may be permitted to say that the Fordney-McCumber tariff bill is responsible in part for the high prices of nearly all articles and commodities consumed by the people. The price level of nearly all articles is too high, and the evil consequences are daily becoming manifest. We will suffer more and more in the diminishing foreign market, and our domestic situation will be chaotic and confused. We must get back to sound economic policies and to safe legislation. We can not supersede natural laws. We may try, but grief and ruin will follow.

I was about to observe, however—and I do not want to take up the time—that, in my opinion, legislation of the character of the Ball Rent Act defeats itself in the long run. I have no doubt but that if we had not had the Saulsbury resolution and the original Ball Rent Act, there would have been more building in the District of Columbia than has taken place. The law of supply and demand operates in the building industry as it does in other industries and enterprises.

Some time before the war there was a building boom in most of the cities of the United States. The result was that rents were low. Rents were low in Washington 20 years ago; in 1912, 1913, and 1914 they were reasonable. In some cities there were too many dwelling houses and capital losses as a result. But the war took millions into the cities. That resulted in a great demand for buildings and houses, a demand which has not yet been satisfied; but a review of the housing situation shows that there has been a great amount of building done throughout the United States during the past two or three

years. I repeat, however, that legislation of this kind is an impediment and an obstacle to capital investment in the building of houses.

I ask Senators if they had large sums for investment would they invest in buildings in cities where they were subject to rent commissions with power to fix their rents, and determine what prices they should charge, and make contracts for them with their tenants?

Mr. SIMMONS. Mr. President——

Mr. KING. I yield to the Senator from North Carolina.

Mr. SIMMONS. I want to say to the Senator, in connection with the argument he is making now, that a prominent citizen of this town, in talking with me about this subject, said that a great many houses were being built here, but he said they were being built for sale and not for rent; that very few houses were being built for rent, and it was because of these laws regulating the rates of rent. They found it much more profitable to build them only for sale.

Mr. KING. I agree with the Senator. It is a fact that many persons who have constructed houses will not rent, for the reason that as soon as they enter into a contract with some tenant, and the tenant enters into the house, notwithstanding the fact that the tenant has voluntarily entered into the contract and stipulated the rent which shall be paid, under the present law said tenant can hale the landlord into court, and if the Rent Commission desires they can tear up the contract and order a different rental to be paid and different terms to be observed. That situation, of course, deters men from building and deters men who have built from leasing.

Mr. BROUSSARD. Mr. President, the theory under which this bill is proposed to be continued is that there is a combination among the property owners?

Mr. KING. No. The theory, as I understand the Senator from Delaware, is that there is an "emergency."

Mr. BROUSSARD. I gathered the impression that it was charged that the builders, the people who owned these apartment houses or residences, have formed a combination. If that is true why not reach them in some other way, in some such way as that by which we reach unlawful combinations in other directions, instead of continuing such a commission four years after peace has been declared?

Mr. KING. Let me say to the Senator that two or three years ago I was so indignant over what I conceived to be the extortionate rents charged, and the evidences in some quarters of a combination upon the part of some landlords to maintain high rents, that I stated upon the floor of the Senate that I thought the district attorney ought to have a grand-jury investigation, and if there was a conspiracy that some of the landlords ought to be indicted and sent to the penitentiary.

Mr. BROUSSARD. Is there any doubt about them coming under the provision of the antitrust law?

Mr. KING. I think they come under the provisions of that law, and I think the district attorney ought to have made an investigation long ago, because I charged here, as I did at a meeting held in the District Building a few years ago when I tried to have a committee of citizens make an investigation, that I believed there was a conspiracy upon the part of some real-estate owners and some landlords and builders and some of the labor leaders for the purpose of keeping up labor charges and high rents and high prices, and I felt that an investigation then by the grand jury would relieve the situation.

Of course, this bill is an attack upon the right of an individual to control his own property. In my opinion it is unconstitutional. But I shall content myself with voting against the bill. There are evils here, but I think this bill is not the proper way to remedy the evils which exist.

Mr. COPELAND. Mr. President, as I understand the rental difficulty of the Senator from Utah, it is that he is afraid there is not any excuse for passing this bill, and he believes that the Supreme Court will hold it to be unconstitutional. There is always an excuse when the public health is involved. I expected the Senator to smile about that, of course. It seems to be a habit with some Senators to smile when public health is spoken of; we are supposed as a Senate to deal only with property. As a matter of fact, we have human beings to think of, too.

In this city, and in every city, because of conditions brought about by the war, there was a decline in building operations, people were crowded into smaller quarters, and many persons who had lived in decent places were driven to live in insanitary places.

In New York, where we had this problem, the matter was taken by the landlords to the Supreme Court, and the Supreme Court held that in view of the fact that we had a situation in New York City which was a menace to public health and to the common welfare it was proper to pass an act fixing the rents. So I have no doubt at all that here the same thing can be done.

I know from my own inspection and observation of conditions in the District of Columbia that there is not only overcrowding but that many families are living in places entirely unsuited for human beings because of the fact that better quarters are not within their reach. I think it would be a crime against the citizens living in this community if we did not take action to-day relieving them of this necessity to pay rates entirely outside of their ability to pay.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Arkansas.

On a division the amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to extend for the period of one year the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended."

Mr. BALL. I ask unanimous consent to have printed the report of the Committee on the District of Columbia upon the bill, together with the evidence which has been collected in connection with this matter of rents in the District of Columbia.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the report, with accompanying exhibits, will be printed (Rept. No. 530).

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8350) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1925, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHREVE, Mr. TINKHAM, and Mr. OLIVER of Alabama were appointed managers on the part of the House at the conference.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, ETC.

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8350) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1925, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JONES of Washington. I move that the Senate insist upon its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the President pro tempore appointed Mr. JONES of Washington, Mr. CURTIS, Mr. LODGE, Mr. OVERMAN, and Mr. HARRIS conferees on the part of the Senate.

VOCATIONAL REHABILITATION

The bill (H. R. 5478) to amend sections 1, 3, and 6 of an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment" was read twice by its title.

Mr. FESS. I ask unanimous consent that the bill be placed on the calendar, as a similar Senate bill has been reported favorably from the Committee on Education and Labor and is on the calendar.

The PRESIDENT pro tempore. If there be no objection, the bill will go to the calendar inasmuch as the Senate committee has already reported a similar bill.

PROHIBITION ENFORCEMENT—SECRETARY MELLON

Mr. MCKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD as part of my remarks excerpts from the speech of Governor Pinchot, of Pennsylvania, as printed in the New York Times of this morning.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the New York Times, Monday, May 12, 1924]

SAYS MELLON OWNED WHISKY LAST MARCH—PINCHOT TELLS METHODISTS SECRETARY IS RESPONSIBLE FOR DRY ENFORCEMENT FAILURE—ATTACKS HIS ATTITUDE—SAYS IT IS "WRONG" FOR MAN 40 YEARS IN WHISKY BUSINESS TO HEAD LAW ENFORCEMENT—CONTENDS ISSUE IS MORAL—3,000 CHEER WHEN THE GOVERNOR CLASSIFIES DOCTOR BUTLER AS A "NULLIFIER"

[Special to the New York Times]

SPRINGFIELD, MASS., May 11.—The one great stumbling block in the way of prohibition law enforcement is the Federal enforcement service, Gov. Gifford Pinchot, of Pennsylvania, declared in a speech this evening before the convention of 3,000 Methodist men held in connection with the quadrennial general conference of the Methodist Episcopal Church. The governor's topic was "Making America Dry."

"Enforcement of the law is the greatest moral issue before the American people," said Governor Pinchot. "Never before in our history has disregard for law and disobedience to the Constitution been so general, so dangerous, and so openly paraded. The moral forces of America have stood too long on the defensive. It is time for them to attack.

"I have repeatedly pointed out how the law can be enforced. In brief, give the Treasury Department the will to enforce the law, take the enforcement service wholly out of politics, and use the full power of the law through the permit system. When these three things are done, and well done, the law will be enforced. Until they are done it will not.

"The failure of the Federal enforcement service is sometimes claimed to mean that the eighteenth amendment has failed. It means nothing of the sort. We are infinitely better off now, with all deductions made for wretched enforcement, than we were before. The law has not failed. What has failed is Federal enforcement of it.

"The Secretary of the Treasury opposes any investigation. I am sorry, for official opposition to being investigated is always unwise. He has publicly defended conditions which our whole people know to be scandalous in the extreme. He has publicly denounced the proposal to let in the light. There remains but a single remedy, and that is to let the light in, fix responsibility for the facts disclosed, and let public opinion prescribe the cure.

"It has been charged, as though it were a crime, that I suggested Francis J. Heney to the Senate committee authorized to make the investigation I had demanded. I was asked to suggest a man. I did suggest Heney, as I had every right to do.

"Mr. Mellon's opposition to the investigation of the enforcement service will direct public attention and the attention of the investigating committee to the fact that Mr. Mellon was part owner of many thousands of barrels of Overholt whisky when the eighteenth amendment went into effect; to the fact that as late as March 31 of this year he was, on the authority of Senator REED of Pennsylvania, still interested in the proceeds of this whisky when sold; to the 10 illegal withdrawals of whisky, comprising more than 42,000 gallons, made from the Overholt warehouses near Pittsburgh, which led to indictments, and to the fact that the indictments were quashed and the men responsible were never punished.

"It will call the attention of the committee—and if it does not, I will—to the ghastly breakdown of the Federal enforcement service in Mr. Mellon's own city, in Mr. Mellon's own State, and in other States, and to the degradation of public morals and the increase of human misery which that breakdown has caused.

"I do not know whether it is legal for a man who has been in the whisky business for 40 years to be at the head of the law enforcement, but I do know that it is wrong.

"I do not know whether it is legal for a man who has had during his entire official life a pecuniary interest in large quantities of whisky to be at the head of law enforcement, but I do know that it is wrong.

"Understand me clearly. I have no personal feeling either for or against Mr. Mellon. I am not questioning Mr. Mellon's ability as a financier. I am not talking about investigating the taxation of Mr. Mellon's investments, about which I know nothing, nor the Income Tax Bureau, nor anything else except the failure of the Federal enforcement service. In that, as Governor of Pennsylvania, I am vitally concerned, and for that Mr. Mellon, as Secretary of the Treasury, is directly responsible.

"What our people and our Government need most of all is a return to first principles. Fall, Denby, Daugherty, and the Federal enforcement service have taken from us much of our former confidence in the Government. The truth alone can restore it.

"I resent the effort to shift the blame from them and the like to the men who have performed the great public service of exposing corruption. The Senate investigating committees have checked the oil men's raid upon the navy reserve, rescued public property, safeguarded the Roosevelt conservation policy, and revived hope for the future of the Department of Justice. They have earned, and in time will receive, the gratitude of the whole Nation.

"In the present temper of the people, no party can go before the voters with any hope of success on a platform of suppressing the truth and condoning unfaithfulness in public office. In a time like this it is not only good morals but good politics to come clean, let the truth be known, accept frankly what responsibility belongs to each party, and clean the house thoroughly before asking the voters to hand over the key for four years.

"I am a Republican, but I am not here to talk partisan politics. I am here to ask every one of you and the millions you represent, whatever your political faith, to unite in a common effort for righteousness in public life, for law enforcement, and for obedience to the Constitution of the United States.

"The issue before us is more than an economic issue; more than a political issue; above all, more than a partisan issue. It is a moral issue, the greatest that can be, the eternal issue between right and wrong. This time God and the people are on one side, and liquor on the other."

Governor Pinchot severely condemned Dr. Nicholas Murray Butler, president of Columbia University, for his attitude on the eighteenth amendment and the Volstead Act.

"To say that the prohibition law can not be enforced is childish, Nicholas Murray Butler and other nullifiers to the contrary notwithstanding," declared Governor Pinchot, and his 3,000 hearers rose in a body and cheered again and again.

"I am glad you feel that way about it, because that is the way I feel," said the governor. "These men have merely made themselves ridiculous."

ARIZONA STATE MEMORIAL STONE PROCEEDINGS (S. DOC. NO. 109)

Mr. CAMERON. Mr. President, I present the proceedings held in the Washington Monument, Washington, D. C., on the occasion of the dedication of a memorial stone placed in the monument by the State of Arizona, which I ask may be printed as a Senate document.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

PUEBLO INDIAN LANDS

Mr. BURSUM. I ask that this telegram, which relates to Senate bill 2932, to quiet the title to lands within Pueblo Indian land grants, and for other purposes, which was sent me by Mrs. Atwood, who is at the head of the Indian section of the Women's Federated Clubs of the United States, be read.

The PRESIDENT pro tempore. Without objection, the Secretary will read the telegram.

The reading clerk read as follows:

RIVERSIDE, CALIF., *May 11, 1924.*

Senator BURSUM,

Senate Office Building, Washington, D. C.:

Thank you for your help in this final draft of Pueblo bill. I have wired and sent messages to majority of Senators asking unanimous consent. What else can I do to help? Please wire reply.

STELLA M. ATWOOD.

Mr. BURSUM. I also have a letter, part of which I quote as follows:

I hope that Senate bill 2932, which is now on the calendar, may pass.

The letter is written by Mr. Burleigh, who is attorney for several of the Indian Rights Associations, and whose address is 67 Wall Street, New York. He is also attorney for the Women's Federated Clubs.

In view of these facts, I ask the Senator from Tennessee [Mr. MCKELLAR] if he will not be willing to permit the bill to come up?

Mr. MCKELLAR. The reason for my objection was a telegram I received on April 5, 1924, dated Chattanooga, Tenn., and addressed to me. The telegram is as follows:

CHATTANOOGA, TENN., *April 5, 1924.*

Hon. KENNETH D. MCKELLAR,

United States Senate, Washington, D. C.:

I understand Senator BURSUM has had the Pueblo Indian bill reported out of committee. The bill is not fair to the Indians and should not pass. Please see Chairman ALVA ADAMS and protest this measure. The women of America are trying to protect the Indians from the selfish exploitation of persons who place private gain above national honor. I earnestly and respectfully protest against the passage of this bill.

MRS. CLARENCE S. STEWARD,

Director for Tennessee General Federation of Women's Clubs.

As I said to the Senator from New Mexico, if this is a correct presentation of the matter, then in the interest of the Indians the bill should not pass. The Senator informs me that since that time the bill has been changed; how, I do not know. I think probably it would be better for the Senator to explain just how it has been modified, so as to protect the Indians. I agree with Mrs. Steward entirely that Congress should not pass any bill which would permit the exploitation of the Indians in any manner, shape, or form. I felt it was my duty to bring the matter to the attention of the Senate.

Mr. BURSUM. Mr. President, I desire to state to the Senator from Tennessee that at the time the telegram to which the Senator refers was sent there was objection by the Women's Federated Clubs. The objection was on account of the method of compensation provided in the bill for any loss which the Pueblo Indians might sustain. As the bill read at that time, it provided that the Secretary of the Interior should report to Congress any loss, with his recommendation. The Women's Federated Clubs insisted upon a procedure which would permit them to have the amount of the loss adjudicated by the Federal courts, and the amount found fixed in the nature of a judicial finding. That was agreed to, and now the bill is agreeable to all sides of this controversy, including the federated clubs, to which the lady who sent the telegram on April 5 last to the Senator from Tennessee referred. I assure the Senate that at present there is no objection from any quarter; all parties interested are agreeable to the passage of the bill, including the Indian Rights Association and others who had formerly opposed the bill.

The Senator from Colorado [Mr. ADAMS] was chairman of the subcommittee, and the senior Senator from New Mexico [Mr. JONES] and I were members of that subcommittee. The report of the Public Lands Committee was unanimous, and there is no controversy whatever at the present time. I am anxious that this matter should be disposed of so as to give the House some chance to consider the bill at this session. This is the culmination of nearly two years' work. Therefore I ask unanimous consent that the bill be brought up for consideration.

Mr. McKELLAR and Mr. WILLIS rose.

The PRESIDENT pro tempore. Is there objection? The Chair is not willing at this time in the afternoon to permit debate upon the request for unanimous consent.

Mr. McKELLAR. In view of what the Senator from New Mexico has said, that the clubs have signified their willingness to approve the legislation, and that an agreement has been made, I suppose I should not object. I have no interest in the matter other than to see that justice is done to all concerned.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

Mr. WILLIS. I object.

The PRESIDENT pro tempore. Objection is made.

MEMORIAL ADDRESSES ON THE LATE REPRESENTATIVE HUMPHREYS

Mr. HARRISON. I send to the desk an order which I desire to have adopted.

The PRESIDENT pro tempore. The order will be read.

The order was read and agreed to, as follows:

Ordered, That on Sunday, May 25, 1924, at the conclusion of the memorial addresses on the life, character, and public services of Hon. HENRY GARLAND DUPRÉ, late a Representative from the State of Louisiana, the business of the Senate be suspended for memorial addresses on the life, character, and public services of Hon. BENJAMIN G. HUMPHREYS, late a Representative from the State of Mississippi.

PROTECTION OF ALASKAN FISHERIES

Mr. JONES of Washington. Mr. President, I had hoped to call up a bill passed by the House relating to the salmon fisheries of Alaska, but it is so late in the day that I am not going to ask the Senate to consider it this afternoon. Those who are directly interested in the legislation have agreed upon some amendments to the provision that makes the bill reasonably satisfactory to them.

Mr. McKELLAR. To what bill does the Senator refer?

Mr. JONES of Washington. House bill 8143, a bill passed by the House dealing with the salmon fisheries of Alaska. The salmon-fishing season is coming on, and it is very necessary that the measure should be passed. I merely wish to state that I shall endeavor to call up the bill some time to-morrow if it is possible to do so.

EXECUTIVE SESSION

Mr. WADSWORTH. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened.

EXTRADITION WITH BULGARIA

In executive session this day the following treaty was ratified, and, on motion of Mr. WADSWORTH, the injunction of secrecy was removed therefrom:

To the Senate:

I transmit herewith, to receive the advice and consent of the Senate to ratification, a treaty for the extradition of fugitives from justice, signed between the United States and Bulgaria at Sofia on March 19, 1924.

CALVIN COOLIDGE.

THE WHITE HOUSE.
Washington, April 15, 1924.

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, an extradition treaty between the United States and Bulgaria, signed at Sofia on March 19, 1924.

Respectfully submitted.

CHARLES E. HUGHES.

DEPARTMENT OF STATE,
Washington, April 14, 1924.

EXTRADITION TREATY BETWEEN THE UNITED STATES OF AMERICA AND BULGARIA

The United States of America and Bulgaria desiring to promote the cause of justice, have resolved to conclude a treaty for the extradition of fugitives from justice between the two countries, and have appointed for that purpose the following plenipotentiaries:

The President of the United States of America,

Charles S. Wilson, envoy extraordinary and minister plenipotentiary of the United States of America to Bulgaria, and

His Majesty the King of the Bulgarians,

Christo Kalfoff, minister for foreign affairs and worship of Bulgaria,

Who, after having communicated to each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles.

ARTICLE I

It is agreed that the Government of the United States and the Government of Bulgaria shall, upon requisition duly made as herein provided, deliver up to justice any person who may be charged with, or may have been convicted of, any of the crimes specified in Article II of the present treaty committed within the jurisdiction of one of the high contracting parties and who shall seek an asylum or shall be found within the territories of the other; provided that such surrender shall take place only upon such evidence of criminality as, according to the laws of the place where the fugitive or person so charged shall be found, would justify his apprehension and commitment for trial if the crime or offense had been there committed.

ARTICLE II

Persons shall be delivered up according to the provisions of the present treaty who shall have been charged with or convicted of any of the following crimes:

1. Murder, comprehending the crimes designated by the terms parricide, assassination, manslaughter when voluntary, poisoning, or infanticide.

2. The attempt to commit murder.

3. Rape, abortion, carnal knowledge of children under the age of 12 years.

4. Abduction or detention of women or girls for immoral purposes.

5. Bigamy.

6. Arson.

7. Willful and unlawful destruction or obstruction of railroads, which endangers human life.

8. Crimes committed at sea:

(a) Piracy, as commonly known and defined by the law of nations or by statute;

(b) Wrongfully sinking or destroying a vessel at sea or attempting to do so;

(c) Mutiny or conspiracy by two or more members of the crew or other persons on board of a vessel on the high seas for the purpose of rebelling against the authority of the captain

or commander of such vessel, or by fraud or violence taking possession of such vessel;

(d) Assault on board ship upon the high seas with intent to do bodily harm.

9. Burglary, defined to be the act of breaking into and entering the house of another in the night time with intent to commit a felony therein.

10. The act of breaking into and entering the offices of the Government and public authorities, or the offices of banks, banking houses, savings banks, trust companies, insurance and other companies, or other buildings not dwellings with intent to commit a felony therein.

11. Robbery, defined to be the act of feloniously and forcibly taking from the person of another goods or money by violence or by putting him in fear.

12. Forgery or the utterance of forged papers.

13. The forgery or falsification of the official acts of the Government or public authority, including courts of justice, or the uttering or fraudulent use of any of the same.

14. The fabrication of counterfeit money, whether coin or paper, counterfeit titles or coupons of public debt, created by national, State, provincial, Territorial, local, or municipal governments, bank notes or other instruments of public credit, counterfeit seals, stamps, dies, and marks of State or public administrations, and the utterance, circulation, or fraudulent use of the above-mentioned objects.

15. Embezzlement or criminal malversation committed within the jurisdiction of one or the other party by public officers or depositaries, where the amount embezzled exceeds $100 or Bulgarian equivalent.

16. Embezzlement by any person or persons hired, salaried, or employed, to the detriment of their employers or principals, when the crime or offense is punishable by imprisonment or other corporal punishment, by the laws of both countries, and where the amount embezzled exceeds $100 or Bulgarian equivalent.

17. Kidnapping of minors or adults, defined to be the abduction or detention of a person or persons, in order to exact money from them, their families, or any other person or persons, or for any other unlawful end.

18. Larceny, defined to be the theft of effects, personal property, or money, of the value of $25 or more, or Bulgarian equivalent.

19. Obtaining money, valuable securities, or other property by false pretenses, or receiving any money, valuable securities, or other property, knowing the same to have been unlawfully obtained, where the amount of money or the value of the property so obtained or received exceeds $100 or Bulgarian equivalent.

20. Perjury or subornation of perjury.

21. Fraud or breach of trust by a bailee, banker, agent, factor, trustee, executor, administrator, guardian, director, or officer of any company or corporation, or by anyone in any fiduciary position, where the amount of money or the value of the property misappropriated exceeds $100 or Bulgarian equivalent.

22. Crimes and offenses against the laws of both countries for the suppression of slavery and slave trading.

23. Willful desertion or willful nonsupport of minor or dependent children.

24. Extradition shall also take place for participation in any of the crimes before mentioned as an accessory before or after the fact, provided such participation be punishable by imprisonment by the laws of both the high contracting parties.

ARTICLE III

The provisions of the present treaty shall not import a claim of extradition for any crime or offense of a political character, nor for acts connected with such crimes or offenses, and no person surrendered by or to either of the high contracting parties in virtue of this treaty shall be tried or punished for a political crime or offense. When the offense charged comprises the act either of murder or assassination or of poisoning, either consummated or attempted, the fact that the offense was committed or attempted against the life of the sovereign or head of a foreign State or against the life of any member of his family, shall not be deemed sufficient to sustain that such crime or offense was of a political character or was an act connected with crimes or offenses of a political character.

ARTICLE IV

No person shall be tried for any crime or offense other than that for which he was surrendered.

ARTICLE V

A fugitive criminal shall not be surrendered under the provisions hereof when, from lapse of time or other lawful cause, according to the laws of the place within the jurisdiction of which the crime was committed, the criminal is exempt from prosecution or punishment for the offense for which the surrender is asked.

ARTICLE VI

If a fugitive criminal whose surrender may be claimed pursuant to the stipulations hereof be actually under prosecution, out on bail, or in custody for a crime or offense committed in the country where he has sought asylum, or shall have been convicted thereof, his extradition may be deferred until such proceedings be determined and until he shall have been set at liberty in due course of law.

ARTICLE VII

If a fugitive criminal claimed by one of the parties hereto shall be also claimed by one or more powers pursuant to treaty provisions, on account of crimes committed within their jurisdiction, such criminal shall be delivered to that State whose demand is first received.

ARTICLE VIII

Under the stipulations of this treaty neither of the high contracting parties shall be bound to deliver up its own citizens.

ARTICLE IX

The expense of arrest, detention, examination, and transportation of the accused shall be paid by the Government which has preferred the demand for extradition.

ARTICLE X

Everything found in the possession of the fugitive criminal at the time of his arrest, whether being the proceeds of the crime or offense or which may be material as evidence in making proof of the crime, shall so far as practicable, according to the laws of either of the high contracting parties, be delivered up with his person at the time of surrender. Nevertheless, the rights of a third party with regard to the articles referred to shall be duly respected.

ARTICLE XI

The stipulations of the present treaty shall be applicable to all territory, wherever situated, belonging to either of the high contracting parties or in the occupancy and under the control of either of them, during such occupancy or control.

Requisitions for the surrender of fugitives from justice shall be made by the respective diplomatic agents of the high contracting parties. In the event of the absence of such agents from the country or its seat of government, or where extradition is sought from territory included in the preceding paragraphs, other than the United States or Bulgaria, requisitions may be made by superior consular officers. It shall be competent for such diplomatic or superior consular officers to ask and obtain a mandate or preliminary warrant of arrest for the person whose surrender is sought, whereupon the judges and magistrates of the two Governments shall respectively have power and authority, upon complaint made under oath, to issue a warrant for the apprehension of the person charged, in order that he or she may be brought before such judge or magistrate that the evidence of criminality may be heard and considered; and if on such hearing the evidence be deemed sufficient to sustain the charge, it shall be the duty of the examining judge or magistrate to certify it to the proper executive authority, that a warrant may issue for the surrender of the fugitive.

In case of urgency the application for arrest and detention may be addressed directly to the competent magistrate in conformity to the statutes in force.

The person provisionally arrested shall be released, unless within three months from the date of arrest in Bulgaria or from the date of commitment in the United States the formal requisition for surrender, with the documentary proofs hereinafter prescribed, be made as aforesaid by the diplomatic agent of the demanding Government or, in his absence, by a consular officer thereof.

If the fugitive criminal shall have been convicted of the crime for which his surrender is asked, a copy of the sentence of the court before which such conviction took place, duly authenticated, shall be produced. If, however, the fugitive is merely charged with crime, a duly authenticated copy of the warrant of arrest in the country where the crime was committed and of the depositions upon which such warrant may have been issued shall be produced with such other evidence or proof as may be deemed competent in the case.

ARTICLE XII

In every case of a request made by either of the high contracting parties for the arrest, detention, or extradition of fugitive criminals the appropriate legal officers of the country where the proceedings of extradition are had shall assist the officers of the Government demanding the extradition before

the respective judges and magistrates by every legal means within their power, and no claim whatever for compensation for any of the services so rendered shall be made against the Government demanding the extradition: *Provided, however,* That any officer or officers of the surrendering Government so giving assistance, who shall in the usual course of their duty receive no salary or compensation other than specific fees for services performed, shall be entitled to receive from the Government demanding the extradition the customary fees for the acts or services performed by them, in the same manner and to the same amount as though such acts or services had been performed in ordinary criminal proceedings under the laws of the country of which they are officers.

ARTICLE XIII

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional methods and shall take effect on the date of the exchange of ratifications, which shall take place at Sophia as soon as possible.

ARTICLE XIV

The present treaty shall remain in force for a period of 10 years, and in case neither of the high contracting parties shall have given notice one year before the expiration of that period of its intention to terminate the treaty it shall continue in force until the expiration of one year from the date on which such notice of termination shall be given by either of the high contracting parties.

In witness whereof the above-named plenipotentiaries have signed the present treaty and have hereunto affixed their seals.

Done in duplicate at Sophia this 19th day of March, 1924.

[SEAL] CHARLES S. WILSON.
[SEAL] CH. KALFOFF.

ADJOURNMENT

Mr. WADSWORTH. I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, May 13, 1924, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 12, 1924

PRINCIPAL DELEGATES OF THE INTERNATIONAL COMMITTEE ON ELECTRICAL COMMUNICATIONS TO BE HELD IN MEXICO CITY, MEXICO, IN 1924

Charles Beecher Warren, of Michigan.
Wallace E. White, jr., of Maine.
Allen H. Babcock, of California.

UNITED STATES ATTORNEY

Ross R. Mowry, of Iowa, to be United States attorney, southern district of Iowa, vice Ralph Pringle, deceased.

REGISTER OF THE LAND OFFICE

Paul E. Bellamy, of South Dakota, to be register of the land office at Rapid City, S. Dak., vice James R. Sharp, term expired.

PUBLIC HEALTH SERVICE

The following-named officers for promotion to the grades as indicated below, to rank as such from the date set opposite their names:

To be surgeon

Passed Asst. Surg. John D. Reichard, May 12, 1924.

To be passed assistant surgeons

Asst. Surg. Edward B. Faget, June 15, 1924.
Asst. Surg. Leo W. Tucker, June 15, 1924.

Appointment of the following-named doctors to be assistant surgeons, to take effect from date of oath:

Dr. Forrest N. Anderson. Dr. Erval R. Coffey.
Dr. Marvin P. Moore. Dr. Wilhelm R. Schillhammer

PROMOTIONS IN THE REGULAR ARMY

To be colonel

Lieut. Col. William Henry Waldron, Infantry, from May 7, 1924.

To be lieutenant colonel

Maj. Walter Campbell Baker, Chemical Warfare Service, from May 7, 1924.

To be chaplain with the rank of captain

Chaplain George Jefferson McMurry, United States Army, from May 6, 1924.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

ADJUTANT GENERAL'S DEPARTMENT

Maj. Resolve Potter Palmer, Quartermaster Corps, with rank from July 1, 1920.

AIR SERVICE

Lieut. Col. Charles Hart Danforth, Infantry (detailed in Air Service), with rank from July 1, 1920.

REAPPOINTMENT IN THE REGULAR ARMY

BUREAU OF INSULAR AFFAIRS

Maj. Gen. Frank McIntyre, United States Army, to be Chief of the Bureau of Insular Affairs, with the rank of major general, for a period of four years from August 17, 1924, with rank from October 6, 1917.

PROMOTIONS IN THE NAVY

MARINE CORPS

Brig. Gen. Eli K. Cole to be a major general (temporary) in the Marine Corps, subject to the examination required by law, from the 3d day of June, 1924.

Col. Dion Williams to be a brigadier general in the Marine Corps, subject to the examination required by law, from the 3d day of June, 1924.

Lieut. Col. Harold C. Reizinger, assistant paymaster, to be an assistant paymaster in the Marine Corps, with the rank of colonel, from the 3d day of June, 1924.

Second Lieut. Edgar G. Kirkpatrick to be a first lieutenant in the Marine Corps from the 1st day of January, 1922.

Second Lieut. Clarence H. Yost to be a first lieutenant in the Marine Corps from the 4th day of January, 1922.

Second Lieut. John D. O'Leary to be a first lieutenant in the Marine Corps from the 12th day of March, 1922.

Second Lieut. Clyde H. Hartsel to be a first lieutenant in the Marine Corps from the 26th day of March, 1922.

Second Lieut. Grover C. Darnall to be a first lieutenant in the Marine Corps from the 28th day of March, 1922.

Second Lieut. Delmar Byfield to be a first lieutenant in the Marine Corps from the 28th day of March, 1922.

Second Lieut. Charles Connette to be a first lieutenant in the Marine Corps from the 13th day of April, 1922.

Second Lieut. Arthur C. Small to be a first lieutenant in the Marine Corps from the 18th day of April, 1922.

Second Lieut. James Ackerman to be a first lieutenant in the Marine Corps from the 2d day of May, 1922.

Second Lieut. Henning F. Adickes to be a first lieutenant in the Marine Corps from the 20th day of May, 1922.

Second Lieut. Ralph C. Alburger to be a first lieutenant in the Marine Corps from the 1st day of June, 1922.

Second Lieut. Benjamin W. Atkinson to be a first lieutenant in the Marine Corps from the 8th day of June, 1922.

Second Lieut. William L. Bales to be a first lieutenant in the Marine Corps from the 27th day of June, 1922.

Second Lieut. Ralph C. Battin to be a first lieutenant in the Marine Corps from the 2d day of July, 1922.

Second Lieut. Frederick C. Biebush to be a first lieutenant in the Marine Corps from the 6th day of July, 1922.

Second Lieut. Edmond McC. Callaway to be a first lieutenant in the Marine Corps from the 18th day of July, 1922.

Second Lieut. Gale T. Cummings to be a first lieutenant in the Marine Corps from the 25th day of July, 1922.

Second Lieut. Roy W. Conkey to be a first lieutenant in the Marine Corps from the 26th day of July, 1922.

Second Lieut. Terrell J. Crawford to be a first lieutenant in the Marine Corps from the 1st day of August, 1922.

Second Lieut. Howard B. Enyart to be a first lieutenant in the Marine Corps from the 12th day of August, 1922.

Second Lieut. George Esau to be a first lieutenant in the Marine Corps from the 18th day of August, 1922.

Second Lieut. Edwin J. Farrell to be a first lieutenant in the Marine Corps from the 19th day of September, 1922.

Second Lieut. Augustus H. Fricke to be a first lieutenant in the Marine Corps from the 24th day of September, 1922.

Second Lieut. Julian N. Frisbie to be a first lieutenant in the Marine Corps from the 21st day of October, 1922.

Second Lieut. Carl Gardner to be a first lieutenant in the Marine Corps from the 3d day of November, 1922.

Second Lieut. Gordon Hall to be a first lieutenant in the Marine Corps from the 12th day of November, 1922.

Second Lieut. Guy B. Hall to be a first lieutenant in the Marine Corps from the 15th day of November, 1922.

Second Lieut. Frank W. Hanlon to be a first lieutenant in the Marine Corps from the 17th day of November, 1922.

Second Lieut. William S. Fellers to be a first lieutenant in the Marine Corps from the 18th day of November, 1922.

Second Lieut. James B. Hardie to be a first lieutenant in the Marine Corps from the 1st day of January, 1923.

Second Lieut. George L. Hollett to be a first lieutenant in the Marine Corps from the 2d day of January, 1923.

Second Lieut. Herbert S. Keimling to be a first lieutenant in the Marine Corps from the 27th day of January, 1923.

Second Lieut. Ralph D. Leach to be a first lieutenant in the Marine Corps from the 2d day of March, 1923.

Second Lieut. George W. McHenry to be a first lieutenant in the Marine Corps from the 2d day of March, 1923.

Second Lieut. William L. McKittrick to be a first lieutenant in the Marine Corps from the 9th day of March, 1923.

Second Lieut. Charles W. Pohl to be a first lieutenant in the Marine Corps from the 4th day of April, 1923.

Second Lieut. Bernard W. Pravitz to be a first lieutenant in the Marine Corps from the 10th day of April, 1923.

Second Lieut. Stanley E. Ridderhof to be a first lieutenant in the Marine Corps from the 17th day of April, 1923.

Second Lieut. Edward A. Robbins to be a first lieutenant in the Marine Corps from the 26th day of April, 1923.

Second Lieut. Thomas McK. Schuler to be a first lieutenant in the Marine Corps from the 13th day of May, 1923.

Second Lieut. Morris L. Shively to be a first lieutenant in the Marine Corps from the 3d day of July, 1923.

Second Lieut. Max D. Smith to be a first lieutenant in the Marine Corps from the 26th day of July, 1923.

Second Lieut. David A. Stafford to be a first lieutenant in the Marine Corps from the 28th day of July, 1923.

Second Lieut. William J. Stamper to be a first lieutenant in the Marine Corps from the 2d day of August, 1923.

Second Lieut. Jay D. Swartwout to be a first lieutenant in the Marine Corps from the 17th day of August, 1923.

Second Lieut. George H. Towner, jr., to be a first lieutenant in the Marine Corps from the 23d day of August, 1923.

Second Lieut. Leslie H. Wellman to be a first lieutenant in the Marine Corps from the 30th day of August, 1923.

Second Lieut. Walter W. Wensinger to be a first lieutenant in the Marine Corps from the 12th day of September, 1923.

Second Lieut. Ervin R. Whitman to be a first lieutenant in the Marine Corps from the 17th day of October, 1923.

Second Lieut. Marvin V. Yandle to be a first lieutenant in the Marine Corps from the 31st day of October, 1923.

POSTMASTERS

ALABAMA

Anna H. Kinney to be postmaster at Elberta, Ala., in place of A. H. Kinney. Office became third class April 1, 1924.

ARIZONA

Charles E. Hand to be postmaster at Winkelman, Ariz., in place of C. E. Hand. Incumbent's commission expired February 11, 1924.

CALIFORNIA

William Braucht to be postmaster at Whittier, Calif., in place of J. S. Todd. Incumbent's commission expired February 11, 1924.

IDAHO

Amanda O. Holmes to be postmaster at Plummer, Idaho, in place of A. O. Holmes. Incumbent's commission expired February 4, 1924.

Robert N. Molloy to be postmaster at Orofino, Idaho, in place of R. N. Molloy. Incumbent's commission expired April 23, 1924.

ILLINOIS

Mark Simpson to be postmaster at Waterman, Ill., in place of L. E. Whitford, resigned.

Samuel A. McCullough to be postmaster at Irvington, Ill., in place of S. A. McCullough. Office became third class April 1, 1924.

Stephen C. Galecner to be postmaster at Eldorado, Ill., in place of C. T. Wilson, removed.

INDIANA

Clara A. Salin to be postmaster at Denham, Ind., in place of C. A. Salin. Office became third class April 1, 1924.

IOWA

Charlie C. Clifton to be postmaster at Thompson, Iowa, in place of C. C. Clifton. Incumbent's commission expired March 22, 1924.

KENTUCKY

John G. Fisher to be postmaster at Berry, Ky., in place of I. K. Dowd. Incumbent's commission expired February 4, 1924.

Minnie O. Tschiffely to be postmaster at Pewee Valley, Ky., in place of C. W. Robinson, jr., resigned.

Agnes P. Simpson to be postmaster at Graham, Ky., in place of A. P. Simpson. Office became third class April 1, 1924.

Mollie L. Aliphin to be postmaster at Crittenden, Ky., in place of W. J. Schneider. Office became third class January 1, 1924.

William M. Jack to be postmaster at Clenton, Ky., in place of E. P. King, resigned.

LOUISIANA

Ector R. Gammage to be postmaster at Westlake, La., in place of F. L. LeBlanc. Incumbent's commission expired February 11, 1924.

Edward S. Rogers to be postmaster at Berwick, La., in place of J. E. Ryan. Incumbent's commission expired May 6, 1924.

Mattie B. Peyton to be postmaster at Keatchie, La., in place of M. B. Peyton. Office became third class April 1, 1924.

John A. Marchand to be postmaster at Gonzales, La., in place of J. A. Marchand. Office became third class April 1, 1924.

MAINE

Alvin H. Perley to be postmaster at Charleston, Me., in place of A. H. Perley. Office became third class April 1, 1924.

MASSACHUSETTS

Fred W. Trasher to be postmaster at Marblehead, Mass., in place of J. F. Williams, resigned.

MISSOURI

Mary M. Wightman to be postmaster at Bethany, Mo., in place of E. W. Prentiss. Incumbent's commission expired January 23, 1924.

Ruby M. Ratcliff to be postmaster at Matthews, Mo., in place of F. E. Sibley. Office became third class October 1, 1923.

Sullivan Brigman to be postmaster at East Prairie, Mo., in place of E. C. DeField, resigned.

MONTANA

George W. Patterson to be postmaster at Havre, Mont., in place of T. W. McKenzie. Incumbent's commission expired March 11, 1924.

NEBRASKA

Hillery D. Bartley to be postmaster at Crookston, Nebr., in place of L. K. Musser, resigned.

NEVADA

Lillie A. Wist to be postmaster at Manhattan, Nev., in place of L. A. Wist. Office became third class April 1, 1924.

NEW JERSEY

Belle H. Smith to be postmaster at Springfield, N. J., in place of A. A. Sickley. Incumbent's commission expired January 28, 1924.

NEW YORK

Perry Deyo to be postmaster at New Paltz, N. Y., in place of Luther Hasbrouck, resigned.

Copeland E. Smith to be postmaster at Olean, N. Y., in place of H. D. Sibley. Incumbent's commission expired March 3, 1924.

William W. Carpenter to be postmaster at Monticello, N. Y., in place of J. M. Kelly. Incumbent's commission expired March 22, 1924.

Walter N. Durland to be postmaster at Hurleyville, N. Y., in place of M. W. Billings. Incumbent's commission expired August 29, 1923.

Berton G. Johnson to be postmaster at Cooperstown, N. Y., in place of G. H. Carley. Incumbent's commission expired May 6, 1924.

Daniel T. Evans to be postmaster at Chittenango, N. Y., in place of C. A. Nichols. Incumbent's commission expired February 14, 1924.

Margaret M. Senecal to be postmaster at Champlain, N. Y., in place of W. W. Gettys. Incumbent's commission expired April 23, 1924.

NORTH CAROLINA

Joseph S. Mitchell to be postmaster at Draper, N. C., in place of T. R. Hundley, resigned.

Sue M. Vick to be postmaster at Bailey, N. C., in place of M. C. Glover, resigned.

OHIO

Ben J. Filkins to be postmaster at Wakeman, Ohio, in place of J. L. Murray. Incumbent's commission expired September 19, 1922.

Robert E. Friel to be postmaster at Lore City, Ohio, in place of R. E. Friel. Incumbent's commission expired March 22, 1924.

Guy G. Patchen to be postmaster at Columbiana, Ohio, in place of F. D. Lodge, resigned.

OKLAHOMA

Howard E. Sowle to be postmaster at Vici, Okla., in place of H. E. Sowle. Incumbent's commission expired April 29, 1924.

Henry C. Cashon to be postmaster at Webbers Falls, Okla., in place of J. W. Rowland, removed.

SOUTH DAKOTA

Will C. Bromwell to be postmaster at Wessington Springs, S. Dak., in place of W. C. Bromwell. Incumbent's commission expired January 23, 1924.

Lewis W. Ford to be postmaster at Wakonda, S. Dak., in place of L. W. Ford. Incumbent's commission expired April 14, 1924.

C. Albert Zeitner to be postmaster at Mission, S. Dak., in place of C. A. Zeitner. Office became third class April 1, 1924.

TEXAS

Oliver P. Maricle to be postmaster at Wichita Falls, Tex., in place of Ed Howard. Incumbent's commission expired February 24, 1924.

William M. Willis to be postmaster at Timpson, Tex., in place of Lula Ezell. Incumbent's commission expired January 31, 1924.

Lillie M. Ragsdale to be postmaster at Richardson, Tex., in place of L. A. Pyeatt. Incumbent's commission expired April 9, 1924.

Dunn R. Emerson to be postmaster at Marlin, Tex., in place of C. H. Hamilton. Incumbent's commission expired April 5, 1924.

Alois J. Skarda to be postmaster at Bloomington, Tex., in place of G. H. Kindred. Incumbent's commission expired April 9, 1924.

Jesse P. Smith to be postmaster at Smiley, Tex., in place of J. W. Pouncey. Office became third class January 1, 1924.

Edgar W. Hargett to be postmaster at Richards, Tex., in place of J. L. Montgomery. Office become third class April 1, 1923.

Clara C. White to be postmaster at Megargel, Tex., in place of C. C. White. Office became third class January 1, 1924.

George F. Bates to be postmaster at Lyons, Tex., in place of G. F. Bates. Office became third class April 1, 1924.

James D. Heaton to be postmaster at Barry, Tex., in place of J. D. Heaton. Office became third class April 1, 1924.

WEST VIRGINIA

Crawford E. White to be postmaster at Triadelphia, W. Va., in place of S. J. Armstrong. Office became third class January 1, 1924.

WYOMING

Epsie L. Winn to be postmaster at Superior, Wyo., in place of James Syme, declined.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 12, 1924

REGISTER OF THE LAND OFFICE

Paul E. Bellamy to be register of the land office at Rapid City, S. Dak.

PROMOTIONS IN THE ARMY

Patrick Henry Hudgins to be captain, Veterinary Corps.

Harry Donnell Ayres to be captain, Infantry.

Daniel Philip Buckland to be first lieutenant, Cavalry.

Philip McIlvaine Whitney to be first lieutenant, Infantry.

John Morris Works to be first lieutenant, Field Artillery.

Read Wipprecht to be captain, Ordnance Department.

Duncan Hodges to be first lieutenant, Signal Corps.

Ernest Byron Thompson to be second lieutenant, Coast Artillery Corps.

Felix Nicholson Parsons to be second lieutenant, Coast Artillery Corps.

Lutz Wahl to be assistant to The Adjutant General, with rank of brigadier general, Adjutant General's Department.

Harry Taylor to be Chief of Engineers, with rank of major general, Corps of Engineers.

Edgar Jadwin to be assistant to Chief of Engineers, with rank of brigadier general, Corps of Engineers.

Irving Moriarty to be major on retired list of the Regular Army.

Henry Benton Sayler to be major, Ordnance Department.

William Ward Wise to be captain, Chemical Warfare Service.

Christian Hildebrand to be first lieutenant, Infantry.

Joseph Holleman Warren to be first lieutenant, Infantry.

Edgar Mortimer Gregory to be first lieutenant, Coast Artillery Corps.

John David Frederick to be first lieutenant, Infantry.

Richard Ray Coursey to be first lieutenant, Infantry.

Horace Joseph Caterer to be first lieutenant, Medical Administrative Corps.

Louis Augustus Carter to be chaplain, with rank of major.

James Alexander Smart to be first lieutenant, Medical Corps.

William Wayne Murphey to be first lieutenant, Ordnance Department.

POSTMASTERS

ARIZONA

James A. Jones, Phoenix.

CONNECTICUT

Frank J. Serena, Saugatuck.

IDAHO

Edith M. Smylie, Genesee.
John P. Eimers, Grangeville.

INDIANA

Alexis G. Coffman, Roachdale.
John N. Hunter, South Bend.

KENTUCKY

Ed J. Salm, Hawesville.
Clyde S. England, Russell.

LOUISIANA

Annie B. Netterville, Newellton.
Daniel Crowe, Vivian.

MONTANA

Margaret McGlumphy, Sumatra.

NEW JERSEY

Harriet C. Rosenkrans, Branchville.
Anne W. Campbell, Tabor.

WISCONSIN

Charles L. Calkins, Rhinelander.

HOUSE OF REPRESENTATIVES

MONDAY, *May 12, 1924*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Lord and our God, again within the shadow of Thy presence all alarms have been stilled. We therefore with quiet confidence come before Thee with thanksgiving. Settle and fix our plans and purposes with Thy wisdom. Within the peaceful folds of Thy Spirit, give counsel. Grant that all our achievements may bear the mark of a high and splendid Christian faith. In every situation may we know that Thy arm is sufficient and our defense is sure. In the name of Jesus we pray. Amen.

The Journal of the proceedings of Saturday, May 10, 1924, and Sunday, May 11, 1924, was read and approved.

CONFEDERATE MEMORIAL EXERCISES

Mr. COLLIER. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. COLLIER. Mr. Speaker and gentlemen of the House, on the 25th of May, at Arlington Cemetery, in the Confederate section, will be held Confederate memorial day services. The gentleman from Mississippi [Mr. WILSON] will deliver the address. I am requested by the commander of the Confederate Veterans' Camp, No. 171, to deliver an invitation to Congress to be present on that occasion. I will read the invitation:

HEADQUARTERS CAMP NO. 171, U. C. V.,
CONFEDERATE MEMORIAL HOME,
1322 VERMONT AVENUE NW.,
Washington, D. C., May 9, 1924.

To the United States House of Representatives:

Camp 171 United Confederate Veterans of Washington respectfully invites the Members of the House of Representatives to attend the Confederate Memorial Day services at Confederate section, Arlington National Cemetery, at 3 p. m., Sunday, May 25, 1924.

Very respectfully,

FRED BEALL,
Commander Camp 171, U. C. V.

It gives me great pleasure to extend this invitation on behalf of Camp 171, United Confederate Veterans.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Welch, one of its clerks, announced that the Senate had passed with amendments the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed bill and joint resolution of the Senate of the following titles,

in which the concurrence of the House of Representatives was requested.

S. 2676. An act authorizing the Secretary of War to lease or in his discretion to convey by quitclaim deed a certain tract of land in the military reservation of Santa Rosa Island, Fla.; and

S. J. Res. 89. Joint resolution authorizing and permitting the State of Arkansas to construct, maintain, and use permanent buildings, rifle ranges, and utilities at Camp Pike, Ark., as are necessary for the use and benefit of the National Guard of the State of Arkansas.

SENATE BILLS REFERRED

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 2676. An act authorizing the Secretary of War to lease or in his discretion to convey by quitclaim deed a certain tract of land in the military reservation of Santa Rosa Island, Fla.; to the Committee on Military Affairs.

S. 112. An act providing for a comprehensive development of the park and playgrounds system of the National Capital; to the Committee on the District of Columbia.

THE PHILIPPINE ISLANDS

Mr. FAIRFIELD. Mr. Speaker, I ask unanimous consent that the minority members of the Committee on Insular Affairs be given five days to file minority views on the bill H. R. 8856, to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands and to provide for the future political status of the same.

The SPEAKER. The gentleman from Indiana asks unanimous consent that he may have five days to file minority views on House bill 8856. Is there objection?

Mr. DYER. Reserving the right to object, I would like to know what the expectations of the gentlemen are as to having the bill referred to taken up in the House for consideration, or whether it is to be permitted to sleep continuously until the Congress expires?

Mr. FAIRFIELD. The chairman of the committee begs leave to inform the gentleman that he will use every effort possible to bring the bill before the House at this session.

Mr. DYER. Has the committee authorized the gentleman to ask for a rule?

Mr. FAIRFIELD. The committee has authorized me to use every parliamentary means to secure action on the bill.

Mr. DYER. That does not include authority to ask for a rule. I suggest to the gentleman that he ask authority of the committee to get a rule from the Committee on Rules.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE GREAT NORTHWEST

Mr. WATKINS. Mr. Speaker, I ask leave to address the House for one minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. WATKINS. Mr. Speaker, I want to announce to the Members of the House that to-night, at 8 o'clock, in the caucus room, third floor of the House Office Building, one of the best orators of the country will speak. There is no admission fee and there will be no collection. Frank Branch Riley, of Portland, Oreg., will speak on "The Lure of the Great Northwest." I urge every Member of the House to be present. It will be time profitably spent.

EXTENSION OF STREETS NEAR WALTER REED GENERAL HOSPITAL

The SPEAKER. This is District of Columbia day.

Mr. ZIHLMAN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 114) to vacate certain streets and alleys within the area known as the Walter Reed General Hospital, District of Columbia, and to authorize the extension and widening of certain streets.

Mr. STALKER. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. The gentleman from New York makes the point of order that no quorum is present. Evidently there is no quorum present.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

The motion was agreed to; the Doorkeeper closed the doors, and the Sergeant at Arms was authorized to bring in absent Members.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Doughton	Little	Sanders, N. Y.
Bacharach	Doyle	Lowrey	Schafer
Black, N. Y.	Drane	McDuffie	Sears, Fla.
Bloom	Edmonds	McFadden	Sears, Nebr.
Boies	Fish	McNulty	Seger
Boylan	Funk	MacLafferty	Sherwood
Britten	Gallivan	Magee, Pa.	Sinnott
Browne, N. J.	Garber	Mead	Sites
Browne, Wis.	Geran	Michaelson	Snyder
Burdick	Gilbert	Miller, Ill.	Stengle
Butler	Graham, Pa.	Mills	Strong, Ka.
Cable	Greene, Mass.	Montague	Sullivan
Campbell	Griffin	Moore, Va.	Sweet
Canfield	Hammer	Moores, Ind.	Swing
Carew	Haugen	Morin	Swoope
Casey	Howard, Okla.	Morris	Taber
Celler	Huddleston	Mudd	Tague
Clark, Fla.	Hull, Morton D.	Newton, Minn.	Taylor, Colo.
Cleary	Hull, William E.	O'Connell, N. Y.	Upshaw
Collins	Humphreys	Paige	Vare
Connolly, Pa.	Jeffers	Park, Ga.	Ward, N. C.
Corning	Kahn	Peavey	Ward, N. Y.
Crowther	Kelly	Perkins	Wason
Cullen	Kendall	Perlman	Watson
Curry	Kiess	Quayle	Welsh
Darrow	LaGuardia	Ransley	Williams, Tex.
Davey	Langley	Reed, W. Va.	Wilson, La.
Deal	Lehlbach	Rogers, N. H.	Winslow
Dempsey	Lilly	Rosenbloom	Winter
Dickstein	Lindsay	Rouse	Yates

The SPEAKER. Three hundred and twelve Members have answered to their names. A quorum is present.

Mr. LONGWORTH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

Mr. ZIHLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 114, and, pending that, I ask unanimous consent that general debate be limited to two hours, to be confined to the purposes of the bill, that one half of the time be controlled by the gentleman from Texas [Mr. BLANTON] and the other half by myself.

Mr. CRAMTON. The Speaker, reserving the right to object, we hear a good deal in the newspapers about the need of more legislation for the District and the demands the District Committee are going to make for an extra day, and all that sort of thing. Why is it necessary to have two hours of general debate on every more or less unimportant bill that comes up from that committee? The bill before us does not require two hours of debate.

Mr. ZIHLMAN. I will say to the gentleman, the acting chairman of the committee felt he was forced to ask for that length of time for general debate. Personally I prefer to confine it to 30 minutes, but there are certain Members of the House who are opposed to the bill——

Mr. WINGO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WINGO. When the House adjourned on Saturday it was dividing on the hospital bill. What is the status of that bill?

The SPEAKER. That was on the rule.

Mr. WINGO. The House was in the midst of a division on that. What is its status; does it come up this morning?

The SPEAKER. It comes up when the chairman of the Rules Committee calls it up again.

Mr. WINGO. In other words, we await the action of the Chairman of the Rules Committee?

Mr. CRAMTON. If the gentleman from Maryland will yield further, I do not feel it is the business of other Members of the House to protect the committee against itself. It seems to me that the Committee on the District, if it wants to get a number of bills through, ought to be able to content itself with a less extended general debate. However, I will withdraw my objection.

Mr. GARRETT of Texas. Will the gentleman yield?

Mr. ZIHLMAN. I will.

Mr. GARRETT of Texas. I would like to ask if the bill which the gentleman proposes to call up is the one proposing to open up Fourteenth Street and through Walter Reed Hospital?

Mr. ZIHLMAN. It is the bill closing four or five streets.

Mr. GARRETT of Texas. But opening up Fourteenth Street through the Walter Reed Hospital. Is that the bill?

Mr. ZIHLMAN. Yes.

Mr. GARRETT of Texas. It ought to take about one minute to discuss that.

Mr. GREEN of Iowa. Mr. Speaker, reserving the right to object, I want to ask if this bill has not been debated at some length at a prior time? I am sure I heard some vigorous speeches in relation to it.

Mr. ZIHLMAN. There have been only about 15 minutes' debate, during the last session of the Congress, I will say to the gentleman.

Mr. GREEN of Iowa. I think 15 minutes is enough for the bill.

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, I want to state to the gentleman from Michigan that there is quite a strong contest over this bill, and I have been requested for 55 minutes of the time against the bill. With the understanding the gentleman from Maryland and myself had in regard to the time I shall not object.

The SPEAKER. Is there objection?

Mr. LINTHICUM. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether I can get 10 minutes of that time?

Mr. ZIHLMAN. Yes.

Mr. JOHNSON of Washington. Mr. Speaker, reserving the right to object, and I shall not, of course, I should like to announce to the House that I shall offer some time this afternoon the conference report on the immigration bill carrying out the instructions of the House and shall call the bill up on Thursday immediately after the disposition of the business on the Speaker's desk.

The SPEAKER. Is there objection to the request of the gentleman from Maryland that general debate on this bill be limited to two hours, half to be controlled by the gentleman from Texas and half by himself? [After a pause.] The Chair hears none, and it is so ordered.

The question is on the motion of the gentleman that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 114, with Mr. SANDERS of Indiana in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill S. 114, which the Clerk will report.

The Clerk read as follows:

An act (S. 114) to vacate certain streets and alleys within the area known as the Walter Reed General Hospital, District of Columbia; and to authorize the extension and widening of Fourteenth Street from Montague Street to its southern terminus south of Dahlia Street, Nicholson Street from Thirteenth Street to Sixteenth Street, Colorado Avenue from Montague Street to Thirteenth Street, Concord Avenue from Sixteenth Street to its western terminus west of Eighth Street west, Thirteenth Street from Nicholson Street to Piney Branch Road, and Piney Branch Road from Thirteenth Street to Butternut Street, and for other purposes.

Mr. ZIHLMAN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. ZIHLMAN. Mr. Chairman, the bill which is pending before the committee has received the unanimous approval of the District of Columbia Committee of the Senate; it has been unanimously passed by the Senate; it has the approval of the War Department and the Secretary of the War Department; it has been unanimously approved by members of the Federal Highway Commission——

Mr. FROTHINGHAM. Will the gentleman yield?

Mr. ZIHLMAN. Not just now; in a moment.

Mr. FROTHINGHAM. The gentleman does not want to make a misstatement.

Mr. ZIHLMAN. The gentleman will certainly allow me to make a brief statement, and I will be glad to yield. It has been unanimously approved by the District Commissioners and by the members of the Federal Highway Commission. It has been unanimously approved by the civic and trade organizations of the District of Columbia. It has practically the unanimous approval of the citizens of the northwest section of the city of Washington and of the adjacent Maryland territory. It provides for the closing of five streets through Walter Reed Hospital Reservation, including Thirteenth and Fifteenth Streets, as carried on the plan of the permanent Highway Commission of the District of Columbia.

Mr. GARRETT of Texas. Will the gentleman yield there?

Mr. ZIHLMAN. In a moment I will be glad to yield.

It is not proposed in the plan submitted by the Surgeon General's office to extend Fourteenth Street, which has been referred to by the gentleman from Texas, through Walter Reed Hospital. It is proposed to extend it through what is known as the medical center, between the museum and the out center and the faculty officers' quarters, according to the plan submitted by the Surgeon General's office. It is not proposed by the Surgeon General's office in the plan they have submitted to put any part of the hospital proper on that portion of the ground between Fourteenth and Sixteenth Streets, but it is proposed that on the Sixteenth Street end of the reservation there shall be a museum, a library, a faculty officers' quarters, and other buildings of the hospital proper will be placed between Fourteenth Street and Georgia Avenue. As a matter of fact, they are in closer proximity to the existing car line on Georgia Avenue than they are to Fourteenth Street.

I want to quote here from the statement of Col. Charles W. Kutz, of the United States Army, formerly engineer commissioner of the District of Columbia. He says:

If the plan in mind—that is, the putting of Fourteenth Street through Walter Reed Hospital at a lowered grade, so that the main walks and drives of the hospital can be carried overhead on bridges—if that were not in mind, if it were a question of putting through Fourteenth Street at grade, I believe the commissioners would indorse whole-heartedly the view expressed here this morning that it would be a great mistake; that it would be a serious mistake to reproduce within those grounds the conditions which exist to-day on Georgia Avenue.

But in suggesting a depressed grade we believe that we are safeguarding the patients against accident; that we are not interfering with the development of these grounds as a park; and that, in addition to serving a large territory to the north of Walter Reed Hospital, we will also provide very convenient means of transportation for the hospital people themselves.

Then, too, if the extension of Fourteenth Street meant the extension of a street through the hospital proper, it, too, might be criticized as being so objectionable as being unworthy of consideration.

But, as we understand the purpose in mind, it is intended to create on this reservation a medical center; not only a hospital but a medical school, a nurses' training institution, a museum, and a library, in addition to officers' quarters.

As we understand the tentative plans, all these auxiliary activities are proposed to be placed within the area between Fourteenth and Sixteenth Streets, and that all the hospital buildings—the hospital itself—will lie between Fourteenth Street extended and Georgia Avenue. So that what is proposed is not a street through a hospital but a street through a medical center, avoiding the hospital, but furnishing easy means of communication to both groups of activity.

We believe that the hospital people themselves as recently as 1917 contemplated the eventual opening of Fourteenth Street. If you will examine the plan you will find that, even as to the temporary buildings, not one of them is built within the lines of Fourteenth Street, but they are carefully arranged on both sides of the street, evidently indicating the contemplation of a highway, though not necessarily a public highway.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. In a moment. I read further:

We are greatly interested in the hospital. We do not want to do anything that will mar its development or interfere with its use as a hospital; but we do believe that the people to the north will eventually require greater transportation facilities than will be available on Georgia Avenue and Fourteenth Street alone.

Now I want to say, for the information of the House, that the Walter Reed Hospital plans of development can not be carried out under the existing conditions, because Thirteenth Street and Fifteenth Street and the streets running from east to west on the reservation must be closed by act of Congress before this reservation can be developed. I want to make it clear, further, that already more than one-half of Fourteenth Street through this reservation is dedicated and opened by act of Congress, but before this reservation can be developed fully all these streets which are marked in blue on this map [indicating] from Fourteenth Street up to Alaska Avenue must be closed by act of Congress. The District has already expended a considerable amount of money in improving these streets, which will be closed entirely under the provisions of this bill.

Mr. KINDRED. Mr. Chairman, will the gentleman yield for a moment?

Mr. ZIHLMAN. In a moment.

Mr. FROTHINGHAM. I understand that the gentleman stated that the War Department favored this?

Mr. ZIHLMAN. Yes.

Mr. FROTHINGHAM. I understand that General Ireland opposed it two years ago.

Mr. ZIHLMAN. The gentleman is a member of the Committee on Military Affairs, and he certainly does not mean to say that one officer of the Army can make a policy for the whole department or would oppose a policy adopted by the War Department.

Mr. FROTHINGHAM. The evidence given as to what effect that will have is the best evidence we can get.

Mr. ZIHLMAN. Has the gentleman any information as to the attitude of General Ireland now, in view of the sweeping indorsement of this bill by the head of the Army?

I said formerly at one time that certain officers of the Army were opposed to this bill, and I was asked by the War Department who it was that gave me that information. If officers of the Army are opposed to this bill, they certainly have not indicated it to this committee having this legislation in charge.

Mr. FROTHINGHAM. Does not the gentleman think that the evidence of the officers of the Medical Corps, when the question relates to a hospital, is much better evidence than that even of the Secretary of War or that of anyone who can not pass upon the medical effect of the proposal?

Mr. ZIHLMAN. I have just stated that no medical officer has opposed the provisions of this bill.

Mr. FROTHINGHAM. The head of it has.

Mr. ZIHLMAN. There is a question as to that.

Mr. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. ROGERS of Massachusetts. I notice that the gentleman's bill provides that the grade of the streets on the hospital grounds shall be subject to the approval of the Secretary of War. I understand the gentleman contemplates that this bill, when enacted, will result in a depressed road along the line of Fourteenth Street through the hospital grounds. Am I correct in that?

Mr. ZIHLMAN. Through the medical center.

Mr. ROGERS of Massachusetts. Would the gentleman object to changing the language of his bill so as to have it stipulated in the law that the grade must be depressed? Otherwise the Secretary of War would have the power to let the street run through on the same general level as the hospital grounds.

Mr. ZIHLMAN. If that would remove the opposition of certain Members of the House to this legislation, I would have no objection to it, but if it does not remove their objection I would not consent to that, although it is the purpose of the War Department and the plan of the District Commissioners.

Mr. ROGERS of Massachusetts. If it would be the fair and proper thing to do, why not amend the bill by stipulating what you think ought to be done without its being expressly provided?

Mr. ZIHLMAN. I will come to that.

Mr. KINDRED. Does not the proposed change of the street as suggested by this measure conform to the general plan of development of the Walter Reed Hospital along the line of making it fireproof and anticipating the expenditure of a great deal of additional money there, in order to make the present inadequate frame buildings safe for patients?

Mr. ZIHLMAN. I will answer the gentleman by presenting him with a map prepared by the Surgeon General's office, upon which it is provided for the extension of this street through this section of the hospital reservation.

Mr. KINDRED. And plans are already under way and perhaps will be made soon, if not already made, to develop this along the line of a fireproof hospital?

Mr. ZIHLMAN. Yes.

Mr. REECE. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. I yield to the gentleman from Tennessee.

Mr. REECE. It is contemplated in this development of the extension of the streets, that the hospital is going to be moved into that section?

Mr. ZIHLMAN. No. The hospital proper, according to the plans of the War Department, is to be built between Fourteenth Street and Georgia Avenue. This bill provides for the closing of those streets through the reservation and for the extension of Fourteenth Street through what is known as the medical center, subject to the approval of the Secretary of War.

Mr. REECE. It struck me as though this would be to the great detriment of the hospital.

Mr. ZIHLMAN. I will state to the gentleman that the Secretary of War, who is the chairman of the Federal Highway Commission, held public hearings on this question before approving this bill, and that this plan of closing these streets and extending this one street through the reservation has the approval of the Secretary of War, the War Department, and the Federal Highway Commission, composed of the Secretary of War, the Secretary of the Interior, and the Chief of Engineers of the United States Army.

Mr. GARRETT of Texas. Will the gentleman yield?

Mr. ZIHLMAN. I yield to the gentleman from Texas.

Mr. GARRETT of Texas. The streets referred to that are to be closed through this hospital reservation are already, as a matter of fact, closed.

Mr. ZIHLMAN. They are physically closed; yes. But it requires an act of Congress to close the streets for all time.

Mr. GARRETT of Texas. The real purpose of closing these streets by this bill is to open up Fourteenth Street through the reservation, and that is considered more important than the closing of the streets which are physically closed now. Is not that true?

Mr. ZIHLMAN. No. I will say to the gentleman that it is impossible for the War Department to mature its plans and begin construction until Congress by legislation closes these streets.

Mr. GARRETT of Texas. I agree with the gentleman as to the closing of these other streets, but I am against the proposition of opening up this one street. The War Department has never asked for the closing of these other streets before the Military Affairs Committee, if I remember correctly.

Mr. ZIHLMAN. Yes; they have.

Mr. GARRETT of Texas. Nobody objects to the closing of these other streets, but some do object to the opening of Fourteenth Street.

As I understand it, the purpose of opening Fourteenth Street through the reservation is to permit the development of all that country north of there and the extension of additions which are being opened north of the Walter Reed Hospital. Now, I want to ask the gentleman this question: Can not the traction company approach the Walter Reed Hospital down Fourteenth Street to the south boundary line of the reservation, go west and cross under Sixteenth Street at the large canyon or gully there, go up the west side of Sixteenth Street until they strike Alaska Avenue, and go out Alaska Avenue and give the people all the service they will get by going through the Walter Reed Hospital Reservation?

Mr. ZIHLMAN. I will say to the gentleman that the plan of opening Fourteenth Street through the reservation is the plan of the Army engineers, and that plan has been submitted to all concerned and has their approval.

Mr. GARRETT of Texas. It has been considered by all concerned; but it would cost $60,000 more to follow the other route. That is the only difference, is it not?

Mr. ZIHLMAN. No; there is more difference in it than that.

Mr. GARRETT of Texas. What is the difference in serving those people?

Mr. ZIHLMAN. Oh, there is a material difference in serving these people.

Mr. JOHNSON of South Dakota. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. JOHNSON of South Dakota. Did the District Committee insist that this bill be given consideration to-day and why is it brought up ahead of other legislation that is pending before that committee?

Mr. ZIHLMAN. I will say to the gentleman that this bill has been on the calendar for some months and was on the program submitted to the majority leader as being one of the bills which we desired to bring before the House. This bill has given way to the rent bill and other legislation since it has been on the order of business. The members of the District Committee are unable to understand the opposition to this bill, which has been carefully considered by competent authorities of the District and which has the approval of the Secretary of War and every legally constituted authority to deal with this subject. It has the unanimous approval of the District Committee of the Senate and the unanimous approval of the District Committee of the House. It was unanimously passed by the Senate, and we certainly urge the enactment of this bill into law.

Mr. JOHNSON of South Dakota. If the gentleman will yield I can explain my opposition. It is simply because I do not think it is for the best interests of the veterans in that hospital.

Mr. ZIHLMAN. In answer to that I will say to the gentleman that competent Army officers—who certainly must have at heart the welfare of the veterans and the sick—have gone on record publicly as advocating this as the best method of solving this problem and of keeping an additional avenue of

entrance into the District open for the rapidly growing sections in northwest Washington and the adjacent territory in Maryland.

Mr. McKENZIE. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. McKENZIE. I could not hear the question asked by the gentleman from South Dakota [Mr. JOHNSON], but I assume it is along the same line of the one I have in mind. I want to ask the gentleman from Maryland whether or not in the consideration of this bill there were any representatives of the American Legion, the Veterans' Bureau, or the Disabled Veterans of the United States, who took part in the World War, who appeared before the committee and asked that this bill go through.

Mr. ZIHLMAN. I will say to the gentleman, no, and there was not a single resident of the District or a single veteran or member of the American Legion who has ever voiced opposition to this measure. The only opposition is the opposition voiced by the members of the Military Affairs Committee and other Members of the House. I have not heard a single objection raised by any veteran or any resident of the District.

Mr. McKENZIE. Was there any notice given?

Mr. ZIHLMAN. The matter was carried in the papers and everybody was familiar with it.

Mr. JONES. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. JONES. If the District docket is as crowded as the gentleman has been stating it is, could not the committee find something more important than the opening of a street to take up the time of the House on probably the last District day of the session?

Mr. ZIHLMAN. I will say to the gentleman that this bill does not only open one street but it closes six streets, which must be closed before the Government can go ahead with its program of construction. This matter is of vital importance not only to the District but to the Federal Government, and it has been on the calendar for months.

Mr. JONES. To run a street through Walter Reed Hospital?

Mr. ZIHLMAN. This bill not only closes five streets through the Walter Reed Reservation, but it provides for the opening up of many streets in that vicinity, in the northwest section of the city. It is a matter of tremendous interest to the city of Washington.

Mr. JONES. Is there a provision in this bill which will keep them from ever building a street-car track through these grounds?

Mr. ZIHLMAN. No; the bill states that the plan is to be subject to the approval of the Secretary of War.

Mr. JONES. But there is nothing to keep them from building street-car tracks through there if they want to?

Mr. ZIHLMAN. No, sir. There has been a tremendous development in the northwest section of the city, and owing to the extension of other streets being blocked by Rock Creek Park, the Soldiers' Home, Rock Creek Cemetery, and the Columbia Institution for the Deaf, the only extension into that growing section of Maryland at present is Georgia Avenue with its single car line, and this extension means still further development of the northwest section north of the hospital reservation, and the solving of the housing problem in the District will be materially hastened.

Since the adoption of the permanent highway plan for the District of Columbia, it has been carried out with only minor changes, and with the exception of Thirteenth Street and Fifteenth Street, which are closed through the reservation, under the provisions of this bill.

In a few years Georgia Avenue will certainly become the most crowded street leading into Washington, and the closing of Fourteenth Street would materially handicap the entire northwest section of Washington, as it is essentially needed to help accommodate the traffic of the future.

Mr. Chairman, I reserve the balance of my time.

Mr. BLANTON. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. DALLINGER].

Mr. DALLINGER. Mr. Chairman, to my mind this bill presents a most extraordinary proposition. I do not suppose that in any other city in the United States any such proposition as this would be seriously considered. Certainly no such proposition has ever been considered before even in the District of Columbia. You are all familiar with the Soldiers' Home. North Capitol Street is a great artery leading north from the Capitol, but there never has been any suggestion of an extension of North Capitol Street through the Soldiers' Home grounds. The cars go around through Michigan Avenue.

It is said that it is necessary to develop the real estate from the present end of Fourteenth Street northward to the Walter Reed Hospital grounds. This can be done without extending this street, with its frequent, noisy street cars, through the grounds, and it would not make two minutes' difference in the time of travel on Fourteenth Street.

Here is a map. Here is Georgia Avenue, here is Sixteenth Street, and here is Fourteenth Street. There is absolutely no reason why they can not extend Fourteenth Street to the southern boundary of the hospital grounds and then, through an arrangement with the War Department, skirt the southern and western boundaries of the Walter Reed Hospital grounds so that the cars can swing around on a curve without interfering with Sixteenth Street and then proceed northward. In other words, there could be a wider avenue for just a short distance on Sixteenth Street and along Alaska Avenue, constructed on land now belonging to the Government, until you get north of the hospital grounds, and then the extension of Fourteenth Street can be continued. It would not take two minutes longer for the traveling public.

The only argument in favor of extending this great thoroughfare through the middle of this hospital reservation where so many of the veterans of the World War are being cared for is that by so doing you can save two minutes and there will be a straight street instead of a little detour. I do not think that the proposition need any more than be stated to show its unwisdom; and I want to state, Mr. Chairman, that I would vote against it if I was the only Member of the House to do so.

Mr. FROTHINGHAM. Does the gentleman think it is a good thing for nervous patients to have street cars running right through the reservation near the hospital?

Mr. DALLINGER. I think, in answer to my colleague, that it is a preposterous thing to have the continual noise of street cars through the hospital grounds. They will be obliged to remove some buildings, which they say are only temporary buildings, but everybody knows that this great thoroughfare, with a car line on it, is going right through the middle of the grounds.

Mr. JOHNSON of South Dakota. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. JOHNSON of South Dakota. The gentleman from Massachusetts recalls that at the hearings on the so-called Langley bill, which is the hospital building bill, it was stated that there would be approximately $1,000,000 appropriated if that bill passes without amendment which would be utilized at Walter Reed Hospital, now under discussion.

Mr. DALLINGER. So I understand.

Mr. JOHNSON of South Dakota. Would it not seem preposterous to the gentleman for the Government to expend $1,000,000 in increasing the facilities of that hospital and then run a double-track street-car line through the very place where we are erecting these buildings?

Mr. DALLINGER. I should say such a proposition is perfectly preposterous and inconsistent.

Whether it was wise or unwise to select this particular location for this great veterans' hospital is not the question before us. That is a settled question. The land has been taken and the hospital buildings erected. There is this great reservation there with Georgia Avenue on one side and Sixteenth Street and Alaska Avenue on the other and it ought to remain intact just the same as the Soldiers' Home grounds.

Mr. RANKIN. Will the "Senator" yield?

Mr. DALLINGER. Certainly.

Mr. RANKIN. This is really an Army hospital at any rate, is it not?

Mr. DALLINGER. Yes.

Mr. RANKIN. And it belongs to the Regular Army Establishment?

Mr. DALLINGER. Yes.

Mr. RANKIN. And it is not an emergency proposition?

Mr. DALLINGER. No.

Mr. RANKIN. Therefore, to run this street through there, it seems to me, would very likely interfere with the Regular Army operations from time to time.

Mr. DALLINGER. There is no doubt of it.

Mr. LINTHICUM. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. LINTHICUM. Not only is it an Army hospital but the running of a street through there is recommended by the War Department, is it not?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BLANTON. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. HULL].

Mr. HULL of Iowa. Mr. Chairman and gentlemen of the House, this proposition to dismember and divide the Walter Reed Hospital grounds is not a new proposition. It was referred to our committee, the Committee on Military Affairs, and, I think, very properly referred there, in 1921. At that time the Secretary of War and the War Department were all opposed to the proposition of opening a street through Walter Reed Hospital, for they sent a bill to our committee and asked us to close all the streets, including Fourteenth Street, and the communication was signed by the Secretary of War.

It is true that the Secretary of War has written a letter indorsing the proposition of opening the street known as Fourteenth Street through these grounds at the present time. I do not know what influenced the Secretary of War to change his mind. I do know that there has been a lobby here.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. HULL of Iowa. I will.

Mr. HILL of Maryland. Does not the gentleman think the Secretary of War has come to realize the truth of the conditions at the Walter Reed Hospital? I will say that until I spent a month there I was against it, but when I saw the needs of the proposed extension I became in favor of it. I changed my mind.

Mr. HULL of Iowa. I do not know what the gentleman thinks, but if he thinks that this is a good thing for mental patients, to have a street car running alongside the hospital, he has no comprehension of the needs of mental patients.

Mr. HILL of Maryland. Will the gentleman yield again for me to explain that this proposed line is to run through the administration part and not through the part occupied by mental patients.

Mr. HULL of Iowa. Oh, the gentleman was there for a few days, but he does not know anything about it.

Mr. HILL of Maryland. I was not there as a mental patient.

Mr. HULL of Iowa. I think the gentleman ought to have been; he ought to be sent back. [Laughter.]

Mr. HILL of Maryland. I want to say that this proposed extension goes entirely through the administration portion of the hospital grounds.

Mr. HULL of Iowa. If the gentleman will sit down a minute, I want to say that the gentleman did not examine the Walter Reed grounds and does not seem to know. Now, here on this plan you will see Fourteenth Street, and here is the psychopathic hospital over here for mental patients. That is where the gentleman ought to have been. [Laughter.]

But, all joking aside, is it not absurd? Did you ever hear anything like it? Did any of you ever hear of running a street-car system through hospital grounds? Go into any city where there is a hospital and you will see signs saying that this is a zone of quiet. They get them as far away as they can from the street-car system. Here is a proposition to permit the street-car system to run through the Walter Reed Hospital grounds, and here on this chart you will see the psychopathic hospital with hundreds of patients in it.

Mr. KNUTSON. Is it not a fact that it is only about three or four blocks away from Sixteenth Street?

Mr. HULL of Iowa. Two blocks from Fourteenth to Sixteenth Street. You have only 100 acres there, and just the minute you permit that street to go through you take off over 30 acres of the most valuable part of the grounds, and you will practically ruin the entire hospital grounds that you have already spent millions of dollars upon and are going to spend millions of dollars more.

Mr. GARRETT of Texas. Will the gentleman yield?

Mr. HULL of Iowa. Certainly.

Mr. GARRETT of Texas. If you permit this street-car system to run through there, how long will it be before they will be appealing to Congress to move the hospital grounds?

Mr. HULL of Iowa. That is what the real-estate men expect to do just as soon as they get this divided up. They have already picked out the ground and they are going to ask Congress to buy other grounds.

Mr. McSWAIN. Will the gentleman yield?

Mr. HULL of Iowa. Yes.

Mr. McSWAIN. Have the real-estate men other plans available for hospital sites?

Mr. HULL of Iowa. Yes; I think they have them all picked out now.

Now, if you look at this map you will see Thirteenth Street; here is Fourteenth Street, and Fourteenth Street up to the present time is opened up to this point. We have bought the additional ground recently and have asked to close all these streets. They were all being closed, including Fourteenth Street, up to this point, so as to make one compact hospital ground.

Mr. THATCHER. Is there any street car now running through the hospital grounds?

Mr. HULL of Iowa. No; and you do not want them. You do not want a street-car line in the grounds at all. They do go right by the grounds. I want to say that at the time General Ireland was before our committee, General Glennan, the commandant at the hospital, was before our committee, and some others, and we investigated this very thoroughly. I went out there five or six times. I took some of the best experts on hospitals in this country and asked them to investigate and let me know what they thought of it, and not one person that I asked an opinion of indorsed it. They all said that it was absurd to propose any such thing as to divide these hospital grounds.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. HULL of Iowa. I will.

Mr. CONNALLY of Texas. Does the Surgeon General of the Army approve this bill?

Mr. HULL of Iowa. The Surgeon General as far as I know does not approve of it at the present time, but the gentleman from Texas knows that it is somewhat embarrassing for an officer of the Army to contradict or to differ from those higher up, and I presume he would decline to do so at this time.

Mr. CONNALLY of Texas. In such a case would not the Secretary of War be more apt to defer to the Surgeon General than the Surgeon General would be afraid to express his opinion to the Secretary of War?

Mr. HULL of Iowa. If he had he would not have recommended putting this through, because the Surgeon General in the hearings on June 2, 1921, very explicitly went on record as opposed to the proposition.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. HULL of Iowa. Yes.

Mr. SUMMERS of Washington. The hospital authorities having passed on this unfavorably, the gentleman does not have the idea that Congress is going to overrule the judgment of those men and put the street-car line through these hospital grounds.

Mr. HULL of Iowa. I have some confidence in Congress and I hope it will defeat the proposition here emphatically so that we will never hear of it again. It should not have been brought in here at this time.

Mr. SUMMERS of Washington. I think they will.

Mr. KING. If the gentleman will yield for an inquiry, is it not the fact that there is a double line of street cars running the entire length of the hospital grounds on Georgia Avenue?

Mr. HULL of Iowa. Yes.

Mr. KING. Is it not a fact that during the war that leads up to the present time nearly all the activities of the hospital have taken place along that street-car line?

Mr. HULL of Iowa. It does now.

Mr. KING. Does the gentleman know what the hospital authorities think of the sound of the street cars, what effect it has upon psychopathic patients?

Mr. HULL of Iowa. Whenever they place a hospital they place it away from sound. They do not put a hospital right up against a street-car line and they never did. They get the hospital just as far away from the street as it is possible.

Mr. HILL of Maryland. When I went up for observation they put me right up to the street cars on Georgia Avenue.

Mr. NEWTON of Minnesota. That is to deaden the sound. [Laughter.]

Mr. HULL of Iowa. I want to read you what General Ireland said in the hearings on June 2, 1921.

> The people who want this railroad put through the reservation, of course, have an interest in securing transportation north of the reservation.

Now, you see at that time they wanted transportation north of the reservation. That is what they want to-day, and that is the only reason this bill comes in here, that the street-car company wants a short cut and does not want to go to the expense of building the street-car line around by the Walter Reed Hospital grounds. Now, I have no objection to the building up of Washington, but I do not think it is necessary when you do that to destroy beautiful hospital grounds such as you have at Walter Reed. I think it is a mistake, and I hope that this Congress will not go on record as favoring

any such absurd proposition. I yield back the remainder of my time. [Applause.]

The CHAIRMAN. The gentleman yields back four minutes.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the time we are to yield to the gentleman from Illinois [Mr. McKENZIE] may be controlled by him.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the time yielded to the gentleman from Illinois——

Mr. BLANTON. That the time to be yielded to him by me and the gentleman from Maryland be controlled by him.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the time yielded by himself and the gentleman from Maryland to the gentleman from Illinois [Mr. McKENZIE] may be controlled by the gentleman from Illinois. Is there objection?

Mr. LINTHICUM. Reserving the right to object, how much time is that?

Mr. BLANTON. Twenty-five minutes.

Mr. LINTHICUM. It does not extend the two hours?

Mr. BLANTON. No; it does not extend it at all.

The CHAIRMAN. Is there objection? [After a pause]. The Chair hears none.

Mr. BLANTON. I yield the gentleman from Illinois 10 minutes.

Mr. ZIHLMAN. I yield the gentleman 15 minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for 25 minutes.

Mr. McKENZIE. Mr. Chairman and gentlemen of the committee, I shall not consume very much time in this discussion. It is a matter that is so simple to my mind that I feel it is really in a sense a waste of time to take two hours in discussing it. If there were really any necessity for this legislation, or if it were to be legislation that would be of assistance for all the people concerned, I might be willing to sacrifice my views to some extent, so far as the patients in the hospital are concerned. But, gentlemen, there is no real necessity for this legislation, and in my judgment a much better solution of this can be had than is provided in this bill. You understand, of course, that Sixteenth Street bounds the Walter Reed Hospital grounds on the west side. Across Sixteenth Street is Rock Creek Park and the Zoo. Now, over here, some distance south of the hospital grounds, there is a ravine, and up here [indicating on map] there is another depression under Sixteenth Street. Now, the solution that ought to be made of this problem is for the street-car line to come up Fourteenth Street to a point near the south boundary of the hospital grounds, come across, go under Sixteenth Street, build a station in the park for unloading people who want to visit the park, thence paralleling Sixteenth Street to the ravine or depression under Sixteenth Street, thence passing under Sixteenth Street, going up Alaska Avenue to Fourteenth Street and out, and in that way they will accommodate the people who wish to visit the park by landing them in the park. You know, if you have been out along Sixteenth Street, that a man takes his life in his hand when he wishes to cross. People who wish to go and visit the park and land on the opposite side have to cross Sixteenth Street. The plan I suggested would land them right in the park and would take care of those who wished to visit the hospital grounds. The only objection I think, perhaps, is the expense. The engineers who testified in the hearing which was held in 1921 estimated that the plan would cost perhaps $280,000.

The plan to cut a depression through Walter Reed Hospital grounds will cost possibly $200,000. Another plan that was suggested this morning was simply to come around through Walter Reed Hospital grounds, which would destroy the park effect of the ground, and that ought not to be done. Now, gentlemen, there were some statements made here this morning that the Secretary of War and that the Surgeon General of the United States Army have changed their minds with regard to this subject. It may be the Secretary of War has changed his mind, but I can understand how Army officers change their minds. My 12 years' experience on the Committee on Military Affairs has taught me that Army officers have one opinion in their hearts and another one which they often express publicly when they come before committees, and that is to express what is supposed to be the wishes of the War Department, which is no reflection on an officer. No man can sit on this floor to-day and convince me that General Ireland, that splendid Surgeon General of our Army, favors this outrage. Not for one minute. It may be that they have silenced his tongue. It may be that he is not out making speeches against this thing. But in his heart I am sure that he feels just as he did when he appeared before our committee on June 2, 1921. And I want to read to you what he said then. I asked him this question:

Do you contend that the noise from street cars, such as we are having now from cars going up and down the street here—and I will say that that noise is such that as you are speaking at that end of the table those of us who happen to be in this corner of the room can not hear what you are saying—do you contend that that sort of noise has a detrimental effect upon the patients in the hospital, especially if they happen to be nervous patients?

General IRELAND. Yes, sir; most decidedly.

Mr. McKENZIE. That would be, at least, one reason why we should not permit the opening of this street to accommodate those gentlemen who, as Mr. MILLER has intimated, are interested in simply making a little more money out of some land which they have probably bought for speculative purposes?

Mr. MILLER. That was my suspicion.

Mr. McKENZIE. Yes; a suspicion, but it seems to have been a well-grounded suspicion. Why should these unfortunates who are compelled to remain out there for treatment be subjected to that sort of nuisance, when, as a matter of fact, the same object could be attained by going around the reservation? Those sick boys should have quiet and should be permitted to wander around through the reservation and sit under the shade of the trees without incurring the danger of being killed.

[Applause.]

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Wait until I give you his answer.

I read:

General IRELAND. You have stated the situation exactly. There are three outstanding reasons why the railroad should not go through this reservation: First, we must have a zone of quiet if we are to give the best treatment to sick people, and that is particularly true in the case of the nervous and mental cases. Then there is the danger of running street cars through the reservation, and we want to make part of this reservation a park where the patients can go out and spend the day. On such a day as this, for instance, patients that can be up and around have no business in the wards. They will do much better outside.

Mr. LAZARO. Mr. Chairman will the gentleman yield now?

Mr. McKENZIE. Yes.

Mr. LAZARO. Is it not our plain duty to consider the welfare of these patients instead of the street-railway people?

Mr. McKENZIE. Absolutely. And I want to say, gentlemen, that those were the sentiments of General Ireland in June, 1921, when he came before our committee. I know General Ireland well enough to know that those are his sentiments to-day, and will continue to be his sentiments. If those people up here were marooned and had no way of escape, I would not object to this measure; but by making a circle around there you will fulfill all that the necessities require, and that would be that they want to get this land back and then sell to the Government another hospital site.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. KNUTSON. I was out in Walter Reed for two months, three years ago, and I may say that half of the boys asked me to do what I could against the proposed legislation suggested at this time.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. COLE of Iowa. Will the gentleman tell us who is back of this movement? Is there any public sentiment for it? What is it?

Mr. McKENZIE. Well, the petition at that time purported to come from the people living north of the hospital grounds, that they wanted transportation.

But here is something to keep in mind, gentlemen. This hospital was established in 1908 by the Congress of the United States. We went out there and bought ground. The land was a wilderness, a forest. We said it would be a beautiful place for a hospital. I agreed with that. We bought some land. Then we needed more land. We found if we wanted to make a great school out there we must have more land. We now have about 100 acres out there. We bought additional land, and the purpose of the Government was not only to make that a great hospital for the eastern part of our country, just as the Letterman Hospital is a great hospital for the western part of the country, but to make it a great school and something that the Nation can be proud of. And now, gentlemen, are we, at the behest of people for pecuniary interest or simply for convenience, to lay that all aside, cut down this forest, build up mansions out there where they can charge these exorbitant rates that they impose upon the people of the District, and benefit only a few people?

I want to appeal to you, gentlemen of the House, who are here, that we ought at least to stand here and defend the rights of those who can not come here and speak for themselves, and those are the boys who are out there receiving treatment. [Applause.]

If we do that, Fourteenth Street will never be opened through this ground, but which will ever be preserved for the invalids and the injured of our Army in the future as well as at present. [Applause.]

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield for one more question?

Mr. McKENZIE. Yes.

Mr. COLE of Iowa. What is the feeling on the part of the patients in the hospital on this proposition?

Mr. McKENZIE. Of course, I can not answer that question. But if you dig a trench through there, you can imagine what it would be.

Mr. KNUTSON. It would cut the grounds in two.

Mr. McKENZIE. Yes. When the boys become convalescent, want to walk through these grounds, what would it be with a big cut dividing it? For God's sake let us have one place in Washington where a sick soldier can sit down under a tree and hear the birds sing without its being brought to our attention that somebody is trying to make money out of it. [Applause.]

Mr. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the enacting clause. However, I understand the motion must wait until the end of general debate.

Mr. ZIHLMAN. Mr. Chairman, I yield five minutes to the gentleman from Maryland [Mr. HILL].

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the committee, I dislike very much to disagree with the distinguished acting chairman of my own committee, the Committee on Military Affairs, and I dislike also to disagree with my colleague on the Committee on Military Affairs, the gentleman from Iowa [Mr. HULL]. I might say that he got me in the wrong part of the hospital in his remarks; but I want to say to this committee—and the only reason I rise is to say this—that before I had actual personal experience of conditions at Walter Reed Hospital I was just as strongly against this bill as the acting chairman of the Committee on Military Affairs or the gentleman from Iowa [Mr. HULL].

I voted against it when it was before the Military Affairs Committee, but after I had seen the conditions in Walter Reed Hospital in reference to transportation and in reference to the location of this proposed street I changed my mind, and I feel strongly that this street should be cut through.

It is not necessary for me to say that I have no pecuniary interest in it. I own no real estate and I am affiliated with nobody who owns real estate. I am looking at this matter at the present time from the point of view of the inmates of the Walter Reed Hospital.

The situation is this: To the right of this blue print you see Sixteenth Street with no car lines, and there ought not to be any car lines there; to the left you see Georgia Avenue, which has car lines. Fourteenth Street, at the present time, runs from the northern to the southern limit of the Walter Reed Hospital Reservation. You are not now asked to consider anything except less than one-half of the indicated length of Fourteenth Street, because the existing law and the existing physical conditions already have opened Fourteenth Street more than half of its length. Fourteenth Street is now open from the "X" mark to the top of the map. The only part you are concerned with is the Fourteenth Street right from that "X" mark to the bottom of the map.

Now, what is the situation in the Walter Reed Hospital? I heard this talk about the sick soldiers before I saw Walter Reed Hospital. I am just as much for diverting the minds of sick soldiers with birds, trees, and other things, as is the chairman of the Military Affairs Committee, who so feelingly spoke about those things. But I spent one month out there in a snow storm and I saw those men trying to get to town. There was no way to get to town; there is no decent transportation and there is no adequate transportation for the people in that reservation from the reservation to the city.

Now, what is the situation about disturbing the peace and quiet of the soldiers in the Walter Reed Hospital? Here is your administration building toward the left of the map, toward Georgia Avenue [indicating on map]. You have your street cars on Georgia Avenue. When I was at the Walter Reed Hospital I lived in this shack right here [indicating]. Now, that shack is comparatively near Georgia Avenue, and we could not hear the street cars and they did not disturb us. In that same shack were men who were about to die and two or three men died while I was there.

Mr. BLANTON. Will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. BLANTON. Will the gentleman tell us, for information, in the size of the ordinary block here, how far it is from the east side of that brick administration building over to Georgia Avenue, approximately?

Mr. HILL of Maryland. I should say perhaps one or two blocks.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. HILL of Maryland. Mr. Chairman, may I have one minute more?

Mr. ZIHLMAN. Mr. Chairman, I yield the gentleman an additional minute.

The CHAIRMAN. The gentleman from Maryland is recognized for one additional minute.

Mr. HILL of Maryland. Now, gentleman, the situation is this: Over here toward the right of the map you have not got the sick soldiers anywhere. Over toward the right of the map you have nothing except the administration building and you have no sick soldiers anywhere.

Mr. BLANTON. Is it not a fact that Thirteenth Street would run right through that administration building?

Mr. HILL of Maryland. Thirteenth Street would absolutely ruin the whole place, and would run directly through it. So, gentlemen, I ask that you pass this bill in the interest of furnishing transportation to the men who have got to live there and do business in that hospital.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. McKENZIE. Mr. Chairman, I yield three minutes to the gentleman from Washington [Mr. SUMMERS].

The CHAIRMAN. The gentleman from Washington is recognized for three minutes.

Mr. SUMMERS of Washington. Mr. Chairman and gentlemen, you have heard about this Fourteenth Street extension for a couple of years. It seems to me it is very largely a question of whether we are going to put real estate first or sick ex-service men first in our consideration. Now, that is really the problem that we are confronting at this time. I am for the ex-service men. Everybody who has traveled out to Walter Reed knows there is a street-car line coming right along by the corner of the hospital grounds, and busses are operating over on the other side. Except as a real-estate proposition I see no reason why the grounds should be marred by the construction of a street-car line through the midst of them. I see no reason why disabled men, who are there trying to regain their health, should be annoyed by the constant clatter of street cars. Everybody knows there is a quiet zone marked as you approach every hospital. Why should we deliberately arrange for the construction of a noisy street-car line right through the most important ex-service men's hospital in this part of the United States?

Mr. CONNERY. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. CONNERY. Would not the proposed Fourteenth Street line run right alongside of the neuropsychiatric part of the hospital, where the men need the most quiet?

Mr. SUMMERS of Washington. I understand it would do so. It would not only annoy these patients constantly and harass their nerves but it would be a constant menace to many of those fellows who are crippled, some of the mentally and others physically, who would have to be crossing the tracks.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. GARRETT of Tennessee. As I have understood this matter—although I confess I have not given great study to it—it is to be a tunnel proposition?

Mr. SUMMERS of Washington. A tunnel would not be objectionable. My understanding is that part of it is to be bridged over but no tunnel constructed.

Mr. KNUTSON. It will be an open cut. The gentleman is a doctor, and I will ask the gentleman whether in his opinion the putting of Fourteenth Street through there and allowing street cars to operate would not retard the recovery of the patients because of the noise from the street cars?

Mr. SUMMERS of Washington. Undoubtedly noise must retard the recovery of hospital patients or you would not universally see a quiet-zone sign posted as you approach every hospital.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. BLANTON. Mr. Chairman, I yield the gentleman two minutes.

The CHAIRMAN. The gentleman from Washington is recognized for two additional minutes.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. SUMMERS of Washington. Yes.

Mr. BLANTON. The gentleman is a physician himself?

Mr. SUMMERS of Washington. Yes.

Mr. BLANTON. And the gentleman gives it as his medical opinion that running this street-car line through Fourteenth Street, which would bring it within one block of the main administration building and along certain wards, would be detrimental to the patients in that hospital?

Mr. SUMMERS of Washington. It is wholly because I believe it would be detrimental to the patients that I asked for two or three minutes time in which to oppose this proposal.

Mr. BLANTON. Now, a question on another point. Where there are patients using these grounds—convalescent patients—walking around the grounds, some of them affected mentally, would or would not carrying this double-track street-car line through Fourteenth Street within a block of the administration building and along these wards be dangerous to such patients?

Mr. SUMMERS of Washington. I have just stated that, in my opinion, it would be not only a menace to their health but dangerous to their lives.

Mr. LINTHICUM. Would it be any more dangerous than the car line along Georgia Avenue?

Mr. SUMMERS of Washington. Georgia Avenue is outside of the hospital grounds.

Mr. BLANTON. And Georgia Avenue is policed by military police.

Mr. WOODRUFF. There are street cars on Georgia Avenue now.

Mr. BLANTON. Yes; and it is policed.

Mr. SUMMERS of Washington. And this would be adding an additional hazard.

Mr. ZIHLMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Chairman, from what has been said one would believe that this street was immediately adjacent to where the patients are. The truth of it is this street is from one block to a block and a half from where the hospital wards are to be located.

Mr. STEPHENS. Will the gentleman yield?

Mr. LINTHICUM. Let me start first.

Mr. STEPHENS. I want to say the hospital wards above there are right on Fourteenth Street.

Mr. LINTHICUM. The gentleman is in error. Here is a plat of the intended layout. Over here to the east are the wards of the hospital, a block away from this street. Here is a school between the wards and Fourteenth Street and student officers' quarters. On the west side of the street are the faculty officers, the library, and the museum. Therefore the patients in this hospital are from one block to a block and a half away from the proposed street, and there are no patients on the west side, but there is a library and a museum and one other building.

Remember also that this property on the west side of Fourteenth Street was not a part of the original hospital grounds. It has been subsequently purchased for other buildings—for the museum, for the library, and the faculty officers. Therefore the patients really have nothing to do with going over there, unless they want to go over to visit the library, the museum, or the faculty quarters. So that absolutely the entire hospital grounds are within the old purchase and not on the west side of Fourteenth Street, the subsequent purchase.

Remember another thing, this street is to be depressed. It is to be below grade.

Mr. ROGERS of Massachusetts. Will the gentleman yield?

Mr. LINTHICUM. No; I decline to yield.

Mr. ROGERS of Massachusetts. Is that in the bill?

Mr. LINTHICUM. No; not in the bill, but guaranteed, and I should welcome such an amendment. This street is to be depressed. There are to be bridges across this street carrying those who want to visit the library, the museum, or the faculty quarters.

There was a public hearing on this matter. The hospital authorities voiced strenuous protest against the plan, and as a result, the Highway Commission, consisting of the Secretary of War, the Secretary of the Interior, and the Chief of Engineers of the United States Army, held a public hearing in the board room of the District Building on June 23, 1921, and subsequent after this full hearing the commission recommended the opening of Fourteenth Street through the reservation. It is absolutely indorsed not alone by the commissioners but also by the War Department, and the War Department will have charge of this hospital, which is an Army hospital.

Can anybody imagine that the Secretary of War would want to do something injurious to the patients of that hospital?

Gentlemen, there is another point you want to remember. Sixteenth Street and Fourteenth Street and Georgia Avenue are the only north and south streets possible between the east side of Rock Creek Park and the west side of Soldiers' Home, which means that they are the only north and south streets between Connecticut Avenue leading to Chevy Chase and Rhode Island Avenue leading to Hyattsville. Anyone who lives in the northwestern section of the city and comes down Sixteenth Street in the morning can realize that there must be additional accommodations for north and south traffic in the District of Columbia. Only this morning when I came down, the automobiles were lined up on Sixteenth Street waiting for the traffic officer to let them cross U Street for two blocks, and they were solid. I got through there in a space of about 18 inches between an automobile and about 2 feet between another line of automobiles. So that it is a matter of necessity that the District of Columbia, if she proposes to grow, must have additional accommodations for north and south traffic.

You have been talking here about high rents. You passed through this House the other day a bill extending the rent law, and yet if you do not give this additional traffic accommodation you can not build up that section of the territory to the satisfaction of home owners and residents of the District of Columbia and the building of homes in this section. I feel, with an automobile owned by almost everybody, with thousands of them on every hand, we must give additional traffic accommodations, and we must open up additional territory if the District of Columbia intends to grow, and grow she will. If she can not grow in this beautiful section out that way, she must grow in some other section, and I contend we ought to give these accommodations when by all who have studied this question, by the War Department, by the District of Columbia, by the citizens' associations, and by absolutely everybody who has studied the question, the opening of Fourteenth Street has been recommended, and not one veteran has opposed its opening.

Now, gentlemen, another thing: Do you not imagine that the patients themselves want additional transportation into Washington? It is a matter of impossibility for them to get on a Sixteenth Street bus in the morning, they are so congested.

Mr. HILL of Maryland. It is not only for the soldiers themselves, but for their wives, mothers, and families in Washington, who can not get to the Walter Reed Hospital easily.

Mr. LINTHICUM. I was coming to that point. As I say, you can not get on a Sixteenth Street bus coming to the city in the morning, and in the evening going out they are so congested that it is difficult. You can not get on a Georgia Avenut street car unless you hang by the strap or stand on the platform. It is not a question of giving the people generally transportation, but it is a question of giving the patients a chance to come into the city of Washington and go out. The friends of all the patients there do not own automobiles. What they want is an opportunity to go out and visit the patients in the hospital. They need transportation on Fourteenth Street to go and visit the patients just as much as the general public need transportation on Fourteenth Street to go beyond the hospital.

In conclusion, I want to say that you must bear in mind that all of the citizens' associations, the Secretary of War, and the people who have given the question deep study have been convinced that this street ought to be opened.

There is another thing we ought not to forget, and that is that while we are opening Fourteenth Street we are closing other streets; we are closing these other streets, which will give the hospital a solid block east of Fourteenth and up to Georgia Avenue, where all the patients are contained, and where all the administration buildings are contained, and where all the adjunct buildings except three are contained in that great body of ground. We close these other streets and give them a solid section for the hospital.

On the newly acquired property we give accommodation for the library, for the museum, for the faculty officers. I do not believe that the street is going to interfere one particle with any patients. I believe it is going to be a great accommodation to them, a great accommodation to their friends and relatives. I want to say to you that in the treatment of a patient one of the best doctors in the world is a visit from a dear friend who comes out to the hospital to see him. [Applause.] Medicines do a lot, medicines accomplish a great deal; but I tell you what the patients want in all diseases is a visit from their friends, and we should make it possible for their friends to visit them whenever and wherever they can. [Applause.]

Mr. GARRETT of Texas. Can not all of their friends visit them now; are they precluded?

Mr. LINTHICUM. If the gentleman will give me a minute, I will answer his question.

Mr. BLANTON. All my time is promised.

Mr. GARRETT of Texas. Well, the question answers itself.

Mr. BLANTON. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. ROGERS].

Mr. ROGERS of Massachusetts. Mr. Chairman, I am sorry to find myself in disagreement with some of my friends from Maryland, to whom this project evidently means a great deal. I am actuated, however, in opposing this bill by a sense of duty which, I believe, is predicated on a rather exceptional knowledge of the situation. I do not wish to arrogate to myself a more intimate knowledge concerning Walter Reed Hospital conditions than other Members of the House, but many Members of the House know that for years I visited almost daily that institution. In all of my experience and acquaintance with the conditions there, in all of my conversations with men at the hospital, I have never found an officer or a patient who did not insist that it was almost criminal to open Fourteenth Street through the hospital grounds. They may be wrong, they may be misled or misguided, but the officer personnel of that hospital, the afflicted soldiers and other patients who are there, as far as my personal contact has gone, have been invariably opposed to this project.

Now, gentlemen, it is said by various Members in discussing the bill that Fourteenth Street, when extended, will go through the hospital grounds on a grade lower than the general level of the hospital. There is not a word requiring that in the bill. All that is said in the bill is that the grade of the street through the hospital grounds shall be subject to the approval of the Secretary of War. You and I can not say what the present Secretary of War may do or what some future Secretary of War might do. Just as the present Secretary of War, in spite of the advice of his own Surgeon General, was actuated to support this bill in its present form, so the present or future Secretary of War may later say, "I think it is perfectly proper to have this great boulevard teeming with street cars and automobiles traverse the hospital grounds on the general hospital level."

I suspect—and I hope I do no one an injustice—I suspect this language is drawn as it is in the bill on the very theory that later it may be possible to arrange to have that street put through on the same general level with the hospital grounds. If it was the intent of the people who advocate the bill to have the street depressed, why did not they say so? Nothing in the world could be easier than to set it forth in unmistakable language in the bill itself.

Here is a map which has been produced by the proponents of the bill. I want you to note the width of the hospital reservation between Sixteenth Street and Georgia Avenue. It is about the width of my thumb nail, about three-quarters of an inch wide. The maximum width of this hospital reservation from east to west is only a few hundred yards. I want you to contrast, if you will, the disparity between that thumb-nail width of the hospital and the great expanse to the east and west where other traffic arteries may be located.

Why in the world is it necessary to bisect that little space with all this region east and west of the hospital grounds available for the pushing through of highways for commerce, street cars, and motoring? I do not want to impair or impede the development of the important section to the north. We want to have a prosperous and growing community in the State of Maryland just beyond the District line. But I ask any man why in all conscience we must take this poor narrow line, a few hundred yards wide, out of all the possible opportunities and proceed to drive a great boulevard through at that one point. Is there any reason that appeals to the sense and judgment—to say nothing of the philantrophy and fair dealing—of Members of the House in that proposition? It is said that there is a plan that will put these hospital buildings as such on one side of Fourteenth Street extended, and certain other buildings, a part of the same general scheme, on the other side of Fourteenth Street extended. Who knows, gentlemen——

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROGERS of Massachusetts. May I have one additional minute?

Mr. BLANTON. I yield the gentleman one minute.

Mr. ROGERS of Massachusetts. But who knows whether the present scheme is destined to be a permanent one, whether it is going to be one from which we should never deviate? Here we have a single hospital and reservation established by Congress, maintained by Congress, and I think worthy of the protection of Congress. Gentlemen, there can be no reason for a step like this. The Surgeon General of the Army is on record against it. The commanding officer of the Walter Reed Hospital has been on record against it in the past. It is true Army officials can not be so vocal now, because the Secretary of War has taken an adverse position. The Secretary of War took that position on the advice of an Army engineer. The Army engineer likes to have a straight line instead of a curved line. The alternative would have involved a curved line. The Army engineer opposed it, and the Secretary of War indorsed the Army engineer. But is it not our duty to say we had rather protect the welfare and well-being of those men always, even at the expense of a slight curvature of the backbone of Fourteenth Street? [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Texas. Mr. Chairman, I think we ought to have a quorum here to consider an important measure like this, and I make the point of order there is no quorum present.

The CHAIRMAN. The gentleman from Texas makes the point of order there is no quorum present. The Chair will count. [After counting.] Three hundred and two Members are present, a quorum.

Mr. BLANTON. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Chairman and gentlemen of the committee, when I was a member of the Committee on Military Affairs substantially this same bill was brought before that committee. A unanimous action was taken against it; then when these proponents of the bill found that it could not possibly get through the Committee on Military Affairs that had charge of War Department property a switch was made and the same subject matter was reported on a subsequent bill through the Committee on the District of Columbia. That is the parliamentary situation. Now, the Walter Reed Hospital was established in 1908 for the purpose of making it a great American Army hospital. Forty-two acres of land were owned at that time, and subsequently this development was continued until something upward of 100 acres have been acquired, that extended fairly on the north to the Maryland line. I am exceedingly sorry to disagree with my friend from Maryland [Mr. ZIHLMAN] on the merits of this proposition. Street cars can reach this territory by running up Georgia Avenue turning this way [illustrating] and turning to the west north of the hospital grounds and then on north. You can reach it this way by going around, as was suggested by the gentleman from Massachusetts [Mr. DALLINGER]. You can reach it this way out Georgia Avenue where there is a car line now turning the corner reaching this district in here that they want to reach now from Fourteenth Street. It does seem to me by extending the street-car line and the street and bisecting Walter Reed Hospital grounds you destroy practically all of this territory in here. An open cut is what is being devised not only for a double-track street-car line, but for vehicles as well, making it absolutely impossible to cross this thing except by approaches on bridges or whatever method the Government will find to be necessary to install. And by the way the Government is to pay for all this, too. Walter Reed Hospital was established for a great medical school ultimately, and it was thought only to take the land in the vicinity adapted to that purpose when the Congress bought it. Why you might as well ask to extend streets through the Capitol grounds or through the Soldiers' Home, or through Arlington Cemetery, or any other place that Congress has set apart with a sort of sanctity to it. Persons since 1908, living on this tract of land out there, thought that Fourteenth Street was barred, and any man who bought his land since that time had full knowledge that Fourteenth Street was not to extend through. Now, the real estate boomers have gone out in that country and bought the land and are trying to force this thing through. That was demonstrated when it came before the Committee on Military Affairs. Everyone coming before the Committee on Military Affairs on this proposition was opposed to it. General Ireland, as has been said over and over again, opposed the extension of this street. Now, General Ireland has been mellowed, I dare say, through the action of his superior officers and says it is up to the Congress, but I for one will never vote to cut Walter Reed Hospital in two and ruin it for the purpose that Congress had in view when it bought that site. [Applause.]

MESSAGE FROM THE SENATE

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed with amendments the bill (H. R. 8350) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1925, and for other purposes, in

which the concurrence of the House of Representatives was requested.

EXTENSION OF STREETS NEAR WALTER REED GENERAL HOSPITAL

The committee resumed its session.

Mr. McKENZIE. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. GARRETT]. [Applause.]

Mr. GARRETT of Texas. Mr. Chairman and gentlemen of the committee, I would gladly aid in the development of all of that part of the country out in Maryland north of Walter Reed Hospital, and also the District of Columbia, and would willingly help those people out in most any way that I could without disturbing the quiet of Walter Reed Hospital.

I am always glad to see development going on, and I am glad to see all those new homes being built out there. If there was any necessity even for the advancement of the building of these homes or for the opening up of this street I might content myself with remaining silent and letting this bill pass. But it is not necessary. No Member of Congress who has been north on Sixteenth Street and north on Fourteenth Street and Colorado Avenue but is familiar with this situation. He knows that it is not necessary, and the most that can be said of the proposition is that it is very desirable. I submit it to the judgment of this House that if there was no Secretary of War, if there was no General Ireland at the head of the Medical Corps, if there was nobody to make a recommendation and we were called upon to pass upon this question in the first instance, how many of us would say that Fourteenth Street should be opened and extended through this hospital? Here is a territory that has been segregated and set apart for disabled, sick, and afflicted soldiers from out of the World War, of whom our hospitals are full, of these suffering patriots who so unselfishly offered their lives for their country; how many of us would say, "Why, yes; let us run that street-car line right through that ground and put a double track on it, and in the morning hours, when these patients might want to rest, we will send a hundred street cars between 6 o'clock and 8.30 o'clock through those grounds, in order that the people out beyond there might be accommodated with street-car service and save them, as has been stated, about a minute and a half of time"? Not one of us would agree to it.

Mr. CHINDBLOM. How many automobiles?

Mr. GARRETT of Texas. Oh, you just go out Sixteenth Street and if you want to know how many automobiles there are, go down to Sixteenth and U Streets and try to cross. It is a wonder to me that many pedestrians do not get killed at the crossing. There are in this hospital sick men of the World War.

There are men who went out to fight for their country and returned wounded, crippled, and disabled. You know this Congress said, "We will make you as comfortable as we can. We will erect a hospital and furnish you with everything that is necessary, and with the best hospital skill we can get in the Army, and we will give you a quiet place where you can recuperate and get well," and now does the same Congress, at the behest of real-estate development, propose to disturb those men and to permit the rattle of cars through there by the thousands and thousands every day, and by our action split Walter Reed Hospital grounds wide open with a double-track street-car system and permit automobiles and every kind of vehicles to thunder along those streets? To my mind it is unthinkable. The first time it was brought before the Committee on Military Affairs a map was laid down before us and General Ireland sat at the head of the table and pointed out the direful results that he believed would come to these patients if this street was opened up through this hospital. I made up my mind then and I said, "No; run this street somewhere else." It has been demonstrated over and over again that they can go from the southern boundary of the Walter Reed reservation on Fourteenth Street, west to Sixteenth Street, and cross under Sixteenth Street and proceed along the west side of Sixteenth Street to Alaska Avenue, and out Alaska Avenue north, and give the people in that section of the city and Maryland the same service that would be given if Fourteenth Street should be extended.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield to the gentleman two additional minutes.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Texas. Yes.

Mr. OLIVER of Alabama. This bill does one important thing that the House ought not to overlook. It seeks to close a number of streets that ought to be closed. If you just strike out Fourteenth Street you will close them all.

Mr. GARRETT of Texas. I would close them all, Fourteenth Street as well as the others. As the others are already physically closed, all we have to do is to amend this bill and close up Fourteenth Street and end this controversy once for all, and let them understand they must proceed in some other manner.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Texas. Yes.

Mr. CHINDBLOM. Will the proponents of this bill want the bill if you strike out Fourteenth Street?

Mr. GARRETT of Texas. I do not think so.

Mr. CHINDBLOM. I was going to suggest to strike out the enacting clause to show them just what we mean.

Mr. GARRETT of Texas. If you strike out the enacting clause they will come back at another Congress. If you close up Fourteenth Street now it will remain closed until the Congress of the United States gets ready to move the hospital somewhere else. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BLANTON. Mr. Chairman, I yield one minute to the gentleman.

Mr. HULL of Iowa. That is exactly what the War Department asked our committee to do.

Mr. GARRETT of Texas. Yes; in the first instance they asked that Fourteenth Street be closed up. Our committee was favorable to that, and I think it is favorable to it now, and I think the Congress would be favorable to it.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Texas. Yes.

Mr. BEGG. If Fourteenth Street were opened, either the ground west could not be used for the badly crippled or else it would have to be crossed overhead?

Mr. GARRETT of Texas. The gentleman is exactly right. There would be no safe way to cross Fourteenth Street, no matter whether depressed or on the level. If you have got street cars running through that ground the whole length of it, and automobiles, and everything else, no patient on earth would want to go to Walter Reed Hospital if he knew that such conditions existed.

Mr. CONNALLY of Texas. Mr. Chairman, will my colleague yield?

Mr. GARRETT of Texas. Yes.

Mr. CONNALLY of Texas. Is there a street-car line on Georgia Avenue at the entrance?

Mr. GARRETT of Texas. Yes.

Mr. CONNALLY of Texas. And they could increase the street-car service on that line, could they not?

Mr. GARRETT of Texas. There is no question about that. There is no reason for opening Fourteenth Street, but for the fact of all that territory out there is to be built up and developed, which would be done easier by going through Walter Reed than by going around it.

I have no objection to the building up of that beautiful section of the city, but I say let them go around the sick men when they go home instead of going through this hospital ground set apart for them. [Applause.]

Mr. BLANTON. Mr. Chairman, I hesitate to be the only member of the committee to speak against this bill, and I also hesitate to speak against it when all the newspapers of Washington are for it and when all of the citizens' associations of Washington are for it, because I know that when they make up their minds to pass a bill we can hardly stop it. I know how unpopular it will make you to vote against their bill, and I know what it means to be unpopular with the Washington newspapers. [Laughter.] They sting you every time they get a chance; they bark at you continually; they demean you and try to belittle you all the time. That is what you get and the penalty you pay if you oppose them, but notwithstanding their continual unwarranted attacks, I oppose them whenever I think it is necessary and take my medicine like a man. But I am recompensed some after all. In my mail this morning I got a letter from a splendid gentleman in Pennsylvania and one from Maryland. They both said practically the same thing. They said, "BLANTON, do not let those Washington papers stop you from doing your work. Go on and do it, for every time they attack you they make you stronger with the people all over the country." So you, colleagues, should not be afraid to follow my policy. When it is necessary to oppose these Washington newspapers, oppose them.

Now, let me show you the mandate that the Washington Times gave all of us last Saturday with reference to this bill. Here are excerpts from what the Washington Times, in its editorial last Saturday, said to us Members of Congress:

The extension of this important District thoroughfare has the indorsement of Secretary Weeks, all high officials of the War Department and Army, and of all citizens' associations in that section of the District. In a letter to Congressman STUART F. REED, chairman of the House District Committee, Commissioner Rudolph, chairman of the board of District Commissioners, states that "There is no District legislation now pending that is of more vital importance to the development of the northern part of the District than this bill" and also to the adjacent communities in the State of Maryland which are being developed so rapidly.

The permanent highway plan recognized Fourteenth Street as the rapid transit or street-car line adjacent to Sixteenth Street and diverted Fourteenth Street west one square to the line of Fifteenth Street at a point one square north of the present Fourteenth Street car barn, so that the car line on Fourteenth Street would furnish the general public of Washington with street-car transportation to the upper half of Rock Creek Park.

During the ensuing 10 years the 1¼ miles has been completely built up with moderate-priced brick houses of a good type and small apartments. This development has extended to Fifteenth Street on the west and as far east as Georgia Avenue. The improvement of this section has furnished homes to more families during a 12-year building period than has the development of any other section of the city during an equal period.

Thus, this distinguished editor of the Washington Times has uppermost in his mind the development of the northern part of the District and the adjacent communities in Maryland.

Is it a question of the best interests of the Walter Reed Hospital boys or a question of the development of the northern part of the District and of Maryland? I do not blame our colleagues from Maryland for wanting this bill to pass. I do not blame them at all. It is natural. It is natural that the gentleman from Maryland [Mr. HILL] should be for it because the Times says it is to develop a part of Maryland.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HILL of Maryland. I am not interested in that section because it is a wet or a dry section. As a matter of fact, it is a dry section.

Mr. BLANTON. And the dry section is extending northward, and a little later on the gentleman will find it will get drier and drier in and around even the city of Baltimore.

Mr. HILL of Maryland. I want to say to the gentleman that this part has been getting wetter and wetter.

Mr. BLANTON. Mr. Chairman, this is after all mainly a question of recognition. You can have two bills of equal privilege, you know, and the Speaker can recognize the chairman whose bill he deems of the most importance, and the one he deems most urgent. It is a question of recognition here for us to decide. Which is most important, protecting Walter Reed Hospital, or developing northern Washington? I know it is important to the northern part of the District to develop it and grant new car service. I do not decry that at all. The Times editorial and this bill are highly important to the building up of the northern part of the District, and I know it is important to certain parts of Maryland in order to develop them. I do not deny that. The bill is important for those purposes, but the question is whether those purposes are of more importance than taking care of the poor, sick, and crippled men who are in the hospital on their beds—suffering. They are the ones I have in mind.

Shall we give their interests recognition first, and take care of them in preference to all of these subdivisions that have been put on out here along Alaska Avenue? Shall we think more of the able-bodied individuals who are occupying those fine new residences along Alaska Avenue in northern Washington and southern Maryland, or shall we think first of these suffering boys in the various wards of Walter Reed Hospital, many of them sometimes suffering torture? I am for giving recognition to them and taking care of those boys, and for subjecting this entire bill to their interests.

Here is the administration building [indicating on map]. The gentleman from Maryland [Mr. HILL], who has been a patient out there, tells us it is just about a block or two from there to the Georgia Avenue car line. That is not far for them to go, just a block or two. And he tells you that Thirteenth Street, if extended, would split this brick administration building wide open. If that is the case, then the Fourteenth Street double street-car line would be only a block away to the west of the main administration building, and it cuts off all of these wards here [indicating]. It runs along all of these wards here [indicating] and the wards close by. Our distinguished colleague from Washington, Doctor SUMMERS, gives it as his medical opinion that it will injure these boys from a medical standpoint as to their health and also be a dangerous menace to them when they are afflicted with mental diseases.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HILL of Maryland. Will the gentleman estimate about how many city blocks it is from Fourteenth Street to Georgia Avenue?

Mr. BLANTON. From here [indicating on map]?

Mr. HILL of Maryland. Yes.

Mr. BLANTON. It is probably three and a half or four blocks.

Mr. HILL of Maryland. Would not the gentleman think it was a little more than that?

Mr. BLANTON. If the gentleman from Maryland [Mr. HILL] says it is a block or two from here [indicating the administration building] to Georgia Avenue and this administration building is on Thirteenth Street, which is only a block from Fourteenth Street [indicating], the gentleman himself would fix it at two and a half or three blocks, but I estimate it is about four blocks.

Mr. HILL of Maryland. It is a pretty long distance.

Mr. BLANTON. Yes. But let me tell you this: You can go around these grounds if you want to with your double-track car line. This Georgia Avenue street-car line, as all of you know, runs down to Florida Avenue there by the baseball park. It connects with every car line in this District at U Street and Florida Avenue. It has a street-car connection where you can get transfers to almost every car line in the city. Let me call your attention to this fact. Why can they not extend this Georgia Avenue street-car line in different directions out into Maryland and take care of your Maryland people in that vicinity, who are sought to be taken care of by this bill?

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. CHINDBLOM. Does the gentleman recall that the proposed extension of Fourteenth Street will pass right through that portion of the grounds in which are the buildings now housing men suffering from mental diseases?

Mr. BLANTON. There is no sort of question about that.

Mr. CHINDBLOM. From mental diseases?

Mr. BLANTON. That is the case. I yield to the gentleman from Maine.

Mr. HERSEY. I want to know, on account of what you have said, if you have ever been there?

Mr. BLANTON. Oh, I have been there numerous times.

Mr. HERSEY. I live right by the side of Walter Reed Hospital, and the proposed Fourteenth Street car line will not interfere with the mental patients or any other patients there.

Mr. BLANTON. It will run right by this ward?

Mr. HERSEY. That is not a ward. That is where they teach them industrial work. There are no sick patients there at all.

Mr. BLANTON. Does not the gentleman know that these wards here [indicating on map] are the wards that are used for the disabled officers?

Mr. LINEBERGER. Will the gentleman yield to me?

Mr. BLANTON. Yes; I yield.

Mr. LINEBERGER. The gentleman says it is used for that purpose now, but this is for all time and we have a wonderful location out there and we may want to use those buildings some day for an entirely different purpose.

Mr. BLANTON. I want to say to the distinguished gentleman from Maine [Mr. HERSEY], because he usually has splendid judgment, that I am surprised now at his position. I follow him many times, especially on prohibition. Outside of our colleague, the gentleman from Maryland [Mr. HILL], I do not not know of another ex-service man or an American Legion man who is in favor of this bill, not one. If the members of the committee know of any I wish they would give us their names. I do not know of one who appeared before the committee and asked that this street-car line be put in there.

Mr. HERSEY. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. HERSEY. Speaking about those buildings that look like wards there now, the development of Walter Reed is to be in accordance with a special plan, and those buildings will come out of there when that development takes place.

Mr. BLANTON. Well, maybe so, but when that occurs, and they do not any longer have need of the hospital grounds, then it is plenty of time to open Fourteenth Street through those grounds with car lines.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BLANTON. I regret I have not time. Congress will still be in session, and there will be bills brought here again on the floor, and the Times will give us instructions as to what it wants passed, and we will act on their instructions and pass another bill some time. We can probably do that then; but I want to say this to the gentleman from Massachusetts [Mr. ROGERS] that the gentleman ought not to move to strike out the enacting clause of this bill, because the gentleman will do injury to the real necessities of Walter Reed Hospital. If he has the interests of the Walter Reed Hospital boys most at heart, the gentleman will not move to strike out the enacting clause but will do this: On page 2, in line 1, if we will strike out the first three words, "except Fourteenth Street," and if we will then strike out all of section 3, we will then close up all streets and alleys in the grounds and maintain those hospital grounds in the way that Congress intended they should be maintained when they were first procured. That is what ought to be done with this bill, and there will be such an amendment offered by the gentleman from Illinois [Mr. MCKENZIE] to strike out those three words at the top of page 2, and then to strike out all of section 3. That is what I tried to get the gentleman from Maryland [Mr. ZIHLMAN] to agree to do this morning. If the gentleman will agree to that, he will not find many, I believe, who will vote against this bill. That much of the bill ought to be passed in order to close up all streets and alleys now in these hospital grounds, and I hope no one will move to strike out the enacting clause, but that we will adopt the McKenzie amendments to thus perfect the bill and have the hospital grounds there maintained permanently for the benefit of our injured service men.

Mr. MCKENZIE. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. MCKENZIE. Your suggestion is to strike out section 3 entirely.

Mr. BLANTON. Yes; and strike out the first three words at the top of page 2. May I say this to the gentleman from Illinois? I do not believe there is any man here who has studied this bill closer than he has. Does he not believe that will reach what ought to be done in connection with this bill?

Mr. MCKENZIE. I will say to the gentleman from Texas it will satisfy me on the main proposition in the bill and will keep Fourteenth Street closed, and the other legislation to enable them to go around these grounds is something that ought to be brought in in another bill, in my judgment.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. CHINDBLOM. I would like to raise this question as to striking out the enacting clause. I want to call the gentleman's attention to the fact that this bill has passed the Senate, and if we simply amend it, we will send it to conference.

Mr. BLANTON. The gentleman need not be afraid about that. If there is any change in the House plan the House would have a chance to act on it under our rules.

Mr. LINTHICUM. Will the gentleman yield now?

Mr. BLANTON. Yes.

Mr. LINTHICUM. The gentleman stated a while ago that no veteran had appeared in favor of this bill.

Mr. BLANTON. If any have appeared other than the gentleman from Maryland [Mr. HILL], I do not know of it.

Mr. LINTHICUM. Do you know of any who appeared against the bill at the general hearing?

Mr. BLANTON. None at all. Whether they knew of it or not, I do not know.

Mr. LINTHICUM. It was published in the papers and everybody knew of it.

Mr. FROTHINGHAM. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. FROTHINGHAM. I merely want to ask the gentleman how much of a hearing the committee had on this bill anyway?

Mr. BLANTON. I think the committee reported this bill out on the strength of past hearings. If they had one on this bill, I do not know of it. If there is a single—I want to repeat this because it is important—if there is a single ex-service man from Walter Reed Hospital, outside of our one colleague here, who has declared himself in favor of this bill, please tell me who he is. I yield to any man in the House to tell me that. Since no one accepts the challenge, I will proceed. I do not believe these boys out there know anything about this bill. I do believe that they would not agree to it if they did. I think they ought to be consulted. I think the opinion of Surgeon General Ireland against this bill should have more force and weight here, and the opinion of our distinguished colleague, Mr. SUMMERS, an eminent physician, who said it would be detrimental to the boys to have a double-track railroad run through there, ought to have more weight than the desires of realtors to develop. I think we ought to give more weight to their opinions and suggestions than we should give to that of the Secretary of War.

Mr. HERSEY. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HERSEY. I want to say that, of my own knowledge, I know these hospital boys are for the extension of Fourteenth Street.

Mr. BLANTON. Has the gentleman consulted them?

Mr. HERSEY. I have been at all the meetings.

Mr. BLANTON. The gentleman is referring to citizens' meetings. When did the gentleman consult them?

Mr. HERSEY. They were present at our meetings. I do not think the gentleman can find a single soldier boy who is against it.

Mr. BLANTON. Well, they did not appear before the committee reporting this bill. On prohibition questions I would follow the gentleman from Maine from here to New Zealand, because he is absolutely sound on prohibition; but I can not follow him on this question. Now, in conclusion let me say again that I hope the gentleman from Massachusetts [Mr. ROGERS] will not carry out his intention to move to strike out the enacting clause. Let us properly frame this bill, adopt the amendments that I have suggested, and we will have a good bill.

Mr. ROGERS of Massachusetts. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. ROGERS of Massachusetts. I should be glad to save in the bill what is good, but when you work the Fourteenth Street extension problem out we have got to draft a plan to turn to the left when you reach the hospital grounds, go north, and circumnavigate the hospital grounds; that is a matter of engineering, a matter of some difficulty, and I do not think it is the sort of thing that the House can properly do in a discussion under the five-minute rule.

Mr. BLANTON. You could do it this way, to strike out, as I have suggested, the words at the top of page 2, "except Fourteenth Street," and then strike out all of section 3. That would do exactly what the gentleman from Massachusetts wants done. You thereby close up the streets and alleys in the hospital grounds that are now open and which should be closed. There should be ample hospital grounds for these boys who are sick, and then we will not have to fight this question over again. I doubt if you will be able to get another bill out of committee, and you have got to get it out before you can pass it. We have this bill now on the floor, and we have a right to pass it, and we can frame it just as we want it by adopting the amendments that I have suggested.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. UNDERHILL. I would like to have the gentleman have one minute more in order to ask him a question.

Mr. BLANTON. The gentleman from Illinois now has all the time left.

Mr. MCKENZIE. I yield to the gentleman one minute more.

Mr. UNDERHILL. I want to say to the gentleman from Texas that it is not necessary to have legislation to go around Walter Reed Hospital. If the suggestion of the gentleman from Texas goes through, probably the District Commissioners and those interested will see to it that there is a method of getting around the hospital grounds instead of persisting in their efforts to go through.

Mr. BLANTON. I think the gentleman is correct.

Mr. UNDERHILL. Undoubtedly the hospital sooner or later will have to be abandoned, but we do not need to abandon it now.

Mr. MILLER of Washington. And it will have to be abandoned if it is cut up.

Mr. UNDERHILL. Sure.

Mr. ZIHLMAN. Mr. Chairman, I ask for the reading of the bill.

The Clerk read as follows:

Be it enacted etc., That in order to provide for the necessary extensions and additional buildings to be erected at the Walter Reed General Hospital, in the District of Columbia, all public streets, except Fourteenth Street, and alleys included within the area bounded by Sixteenth Street on the west, Alaska Avenue on the northwest,

Fern Street on the north, Georgia Avenue on the east, and Aspen Street, as platted on the official survey map, on the south, be, and the same hereby are, vacated, abandoned, and closed, the portions of public streets within said area which are hereby abandoned and closed by this act being known as Thirteenth Street, Fifteenth Street, Dahlia Street, Dogwood Street, and Elder Street.

Mr. McKENZIE. Mr. Chairman, I offer the following amendment, to strike out on page 2, in line 1, the words "except Fourteenth Street."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 1, strike out the words "except Fourteenth Street."

Mr. ROGERS of Massachusetts. Mr. Chairman, I offer a preferential motion, to strike out the enacting clause.

Mr. BEGG. Mr. Chairman, a point of order. Can the gentleman from Massachusetts take the gentleman from Illinois off his feet after he has been recognized?

The CHAIRMAN. The Chair understands the gentleman from Illinois [Mr. McKENZIE] has yielded.

Mr. ROGERS of Massachusetts. Mr. Chairman, I think almost every Member of the House now in the Chamber has exactly the same purpose as mine in dealing with this legislation. The question is as to the method to be pursued in order to reach our objective. The gentleman from Illinois [Mr. McKENZIE] moves to amend by striking out the words "except Fourteenth Street" in line 1, page 2. The effect of his amendment would be to leave the remainder of the bill so far as applicable before the House for further consideration. I have moved, deliberately and after reflection, to strike out the enacting clause, for this reason: I think there ought to be an outlet to the north somewhere between Sixteenth Street and Georgia Avenue. I think that northern region ought, for the general welfare of the District, to be opened up; there ought to be at least one more through artery to points north, northeast, and northwest. On the other hand, to work out that plan will probably involve a further examination of the whole project. It will perhaps involve an inquiry as to whether it is practicable to go north on Fourteenth Street extended to the south line of the Walter Reed Hospital, then turn west and then north and northeast along the hospital reservation. My own notion is that some plan like that is the best way out for the general welfare, including the welfare of the hospital patients. Or possibly a subway under the hospital grounds may be found feasible.

To determine the best method will require engineering and investigation. The investigation hitherto made by engineers of the War Department has been on the theory that we would bisect the hospital grounds. My guess as to the temper of this committee is that it will not authorize that. We want to evolve something else, but we can not do it on the floor of the House to-day. The best alternative must be worked out by engineers and surveys in order to achieve the most practicable plan possible.

Therefore it seems to me that the wisest and the fairest method of achieving our result is to strike out the enacting clause immediately and let the Committee on the District of Columbia a little later bring in a plan that will achieve the results we all agree are appropriate.

Mr. HILL of Maryland. As I understand, and I would like to be corrected if it is not correct, that portion of Fourteenth Street above the middle line running across is already open, is it not?

Mr. ROGERS of Massachusetts. There is a kind of street there, but it looks more like a dump than a street.

Mr. HILL of Maryland. I would like to ask the gentleman if the whole thing could not be solved by tunneling with an appropriate service station in the Walter Reed grounds to serve the Walter Reed people—to tunnel under the southern portion of Fourteenth Street? Would there be any objection to that?

Mr. ROGERS of Massachusetts. I think that might well be a desirable solution and the best solution, but you and I can not decide that here to-day. It involves a question we have not before us; it involves a question that, so far as we know, has not been considered by the expert advisers of the Government. Furthermore, section 1 involves the closing of certain other streets with the exception of Fourteenth Street. It is at least possible—I am not able to make a positive assertion—that if we deny the opening of Fourteenth Street there may be some readjustment necessary as to the other streets contemplated in section 1. In other words, gentlemen, to open Fourteenth Street is the purpose of the bill before us. It is part of a general scheme, and everything hangs upon what we do about Fourteenth Street. If we eliminate the extension of Fourteenth Street, there is really nothing left of the bill. Therefore we ought to recommit it to the Committee on the District of Columbia and give that committee a chance to submit the proposition to us de novo.

Mr. UNDERHILL. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. UNDERHILL. To oppose the amendment to strike out the enacting clause. Mr. Chairman, I have refrained from taking part in this discussion up to the present time, because at the last session of Congress I opposed the Fourteenth Street extension on certain definite grounds, and this bill met many or most of the objections which I raised at that time, consequently it would not look well for me to look up further objections to the bill. I object strenuously to striking out the enacting clause for the following reasons: If you adopt the amendment of the gentleman from Illinois, you will really accomplish something constructive. It is my opinion that no legislation is necessary to go around the Walter Reed Hospital grounds. That can be done. You do accomplish, however, the closing of several streets now in the Walter Reed grounds which are unnecessary when some other means are provided to reach the city from that section of the outskirts of the city. Now, if you close those streets, if you show that Congress has some constructive idea on this problem, you will find that the commissioners and others interested are going to find a solution of it, and they are going to go around the hospital grounds. You are going to close up and make one reservation for the hospital patients for a few years, and then later on, maybe 5, 10, or 15 years, you are going to abandon the hospital in the interests of the growth of the city.

Mr. ROGERS of Massachusetts. Will the gentleman yield?

Mr. UNDERHILL. I do.

Mr. ROGERS of Massachusetts. If I may state this: If the motion to strike out the enacting clause carries, I had hoped and expected the chairman of the Committee on the District of Columbia, when he went into the House, to move that the bill be recommitted to the District of Columbia. Now, when it goes back to the District of Columbia Committee, that committee will be able to make at their leisure, with expert assistants probably, the needed program.

Mr. UNDERHILL. The gentleman does not know the District Committee. If you expect to refer this back to the District Committee and get anything out this session, you are mightily mistaken. This has passed the Senate. At the most it will go to conference. I have no doubt as to the outcome of that conference, and that the will of the House will be considered by the conferees. If you send it back to the committee, you can not possibly take action on it this session, and we will lose just that much time; we will lose all the efforts put in by the committee, and also lose what has been unheard of in the committee, at least this session, and that is the practically unanimous report on a bill without a fight.

Mr. BLANTON. Is not the parliamentary situation this, that if the committee here adopts the motion of the gentleman from Massachusetts and strikes out the enacting clause, that sends it back to the House, and the question before the House is whether or not we will strike out the enacting clause? There will not be a motion to recommit.

Mr. ROGERS of Massachusetts. That is in event the motion for the previous question is moved and passed, and I propose to give the gentleman from Maryland so far as I am concerned an opportunity to get the bill back to the committee.

Mr. BLANTON. But the proponents of this bill who want these streets opened up will not give that opportunity, but they will force the striking out of the enacting clause and these streets ought to be closed up.

Mr. UNDERHILL. I can not yield further. It has become almost a habit in the Committee of the Whole House on the state of the Union to strike out the enacting clause of every bill the District of Columbia Committee reports. It is a wrong method. If the District of Columbia Committee is unable to handle a situation—if it brings in a report it ought to be the moral duty, if it is not the real duty, of the Members of the House to offer some constructive legislation giving the District the benefit of their great wisdom.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. OLIVER of Alabama. From a reading of the hearings everyone seems to be agreed that these streets should be closed, and certainly we are accomplishing something constructive and helpful to Walter Reed Hospital by closing those streets.

Mr. UNDERHILL. That is what I am pleading for.

Mr. TILSON. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. TILSON. What serious objection is there to the plan suggested by the gentleman from Maryland [Mr. HILL] of making a covered passageway through these grounds? Now, to have to go around all those grounds for all time to come for all those people who live north, it is a long time to look forward to.

Mr. UNDERHILL. My friend from Connecticut need not be alarmed. They will go around for some time, but the growth of the city will require the removal of the hospital ultimately.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. MURPHY. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Ohio is recognized for five minutes.

Mr. MURPHY. Mr. Chairman and gentlemen of the committee, I have listened with a great deal of interest to the discussion of this matter of opening a street through the hospital grounds, and I am surprised at the tenacity with which some gentlemen who are in favor of the measure are persisting in their advocacy of it at this time.

There are many ways of killing a measure and there are many ways of getting it by; and while I would not for a minute charge the gentleman from Massachusetts with using a subtle method of keeping this matter before the attention of a committee which seems inclined to want to put this street through, yet I would bring to your attention the fact that now before the committee there is an opportunity to settle for a long time the question of cutting up and cutting through this hospital reservation, and that suggestion has been made by a number of gentlemen, including the gentleman from Texas [Mr. BLACK] and the gentleman from Texas [Mr. BLANTON] and others who are anxious to settle for all time the status of this reservation.

If we knock out the enacting clause at this particular time, the bill goes back and again becomes a plaything for those who are dreaming of real-estate development and speculation beyond the hospital reservation.

Now, there is no question but that those who have this real-estate development and speculation in mind will find some way to get around this reservation, and I think we, as the custodians of the people's property at this time, when we have an opportunity to do something constructive, if it is necessary to do something of that kind in Committee of the Whole, should take such action as will forever close all these streets and take the entire matter away from the committee, so that the question will be settled, and those who want to speculate in the northwest will know that this matter can not be juggled in the future.

Now is the time to settle it. I hope this committee will settle it. I do not think we should strike out the enacting clause. We should act on the amendment of the gentleman from Illinois [Mr. MCKENZIE] which seeks to do something constructive, whereas the motion to strike out the enacting clause means to make it the plaything hereafter and perhaps give to the real estate speculators the opportunity to do things that ought not to be done. If those who are trying to get away with this should succeed, it will not be long before they might want to run streets through Arlington and through the Soldiers' Home grounds.

I believe in development, and I like to see things that are constructive take place; but here is a subtle proposition to put it back into committee again. I hope the motion to strike out the enacting clause will be defeated and that the amendment of the gentleman from Illinois [Mr. MCKENZIE] to strike out the three words will be adopted.

Mr. ROGERS of Massachusetts. Mr. Chairman, I would like to withdraw the motion to strike out the enacting clause, if it is capable of the construction that has been suggested.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to withdraw his motion to strike out the enacting clause. Is there objection?

There was no objection.

Mr. MCKENZIE. Mr. Chairman, section 1 of this bill provides for the closing of all the streets to Walter Reed grounds except Fourteenth Street. The amendment which I have offered will close Fourteenth Street also. That is what we want to do. That will be an affirmative declaration of this House of the policy that we desire to pursue so far as Walter Reed is concerned.

Another thing: The Senate has gone on record as favoring the opening of Fourteenth Street through Walter Reed Hospital grounds. If the House adopts this amendment it will be at least notice to the Senate that the House does not approve of such a proposition. Then, of course, they will not agree to the amendment, and the bill will undoubtedly go to conference, and if the Senate persists in desiring to open Fourteenth Street through the hospital grounds we will meet them at that trench, and this bill will be as dead as if we struck out the enacting clause; but we will have the credit at least of trying to do something constructive.

I want to say that if this amendment is adopted we will follow it with others to strike out sections 2 and 3, and thereby accomplish the purpose in mind of protecting Walter Reed Hospital. [Applause.]

Mr. HERSEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Maine is recognized for five minutes.

Mr. HERSEY. Mr. Chairman, I think there is some misunderstanding in the House. The committee reported this bill favorably; they were unanimous in their decision. I fear that there are men in this House who are listening to objections that are not well founded. Two years ago there was a hearing had upon this question of opening Fourteenth Street. I think those are the only hearings that were printed. Objections were then made to the extension of Fourteenth Street until Walter Reed and the surrounding neighborhood had been canvassed somewhat in relation to it.

Here is a map before you which represents the situation upon the ground at the present time. There are a lot of temporary buildings to be soon taken down. Since two years ago Walter Reed has had an architect and a landscape architect—two architects—to make a plan of the grounds and adapt this to the extension of the Fourteenth Street car line. The Fourteenth Street car line, when completed through, will not interfere with any of the new buildings to be erected there. All of them will be taken down. There are a lot of buildings there that are not in the way of the Fourteenth Street car line at all.

The Ninth Street car line is on Georgia Avenue and runs to a certain part of the city, while the Fourteenth Street car line runs to another section of the city.

Now, I live over near here [indicating on map], and I know what is going on in that neighborhood. I belong to one of the communities there that holds its meetings once a month, and right near the hospital there is another community. Those communities have met with the Walter Reed Hospital management, and they have discussed this fully with the Walter Reed management. The soldiers have attended those meetings, and we know them all, because we are well acquainted with the soldiers and visit them. This is my neighborhood here [indicating], and the people there are as much interested in Walter Reed, its beauty, and everything else, for its care and benefit, as any Member of this House who does not know anything about it. [Applause.]

I want to say that this is perfectly agreeable to the people of this community and to the Walter Reed Hospital management, and the Walter Reed Hospital management have made their plans accordingly. There is no objection from a single soldier who lives there to the Fourteenth Street car line going through the reservation.

Mr. MILLER of Washington. Will the gentleman yield?

Mr. HERSEY. Yes.

Mr. MILLER of Washington. Where, in the general scheme of things, is the neighborhood in which the gentleman is interested?

Mr. HERSEY. My neighborhood is over here [indicating], and there is another neighborhood.

Mr. KNUTSON. The gentleman uses the Georgia Avenue car line?

Mr. HERSEY. I use the Georgia Avenue car line, of course, because there is no Fourteenth Street car line.

Mr. KNUTSON. The gentleman will not deny that if the Fourteenth Street car line is put through, it will cut the Walter Reed Hospital reservation in two?

Mr. HERSEY. Well, look at it, gentlemen. Here is the Walter Reed Hospital reservation from there to there [indicating on map]. There are 75 acres in the Walter Reed Hospital reservation, and where it is proposed to be cut through there will not be a building nearer than this big building over here [indicating], with these temporary buildings out of the way. All of the Walter Reed Hospital development lies in this section here [indicating].

Mr. HULL of Iowa. Will the gentleman yield?

Mr. HERSEY. Yes.

Mr. HULL of Iowa. Where is the medical school that is to cost $750,000? Where is that located?

Mr. HERSEY. There it is [indicating]. That building is not yet constructed.

Mr. FROTHINGHAM. Will the gentleman yield?

Mr. HERSEY. There is one more thing I want to say before I conclude. This extension of Fourteenth Street and Alaska Avenue have no car line. There is a large settlement of people here [indicating] and it will be further developed. Those people can not possibly reach a car line at all without going across to Georgia Avenue, which is distant almost eight blocks.

Mr. KNUTSON. But they have a bus line running on Sixteenth Street.

Mr. HERSEY. But a bus line does not take the place of a car line.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. ZIHLMAN. Mr. Chairman, I move to strike out the last two words. I certainly hope the committee will not adopt this amendment without putting some provision in the bill which will give to the vast territory north of the Walter Reed Hospital reservation ingress and egress, if it is necessary to circumvent this hospital ground.

Now, there has been a very bad case of nerves developed about a street-car line going through this hospital reservation. The same gentlemen who are opposing the extension of Fourteenth Street objected to what was originally a medical center, an idea of the General Staff of the Army, and have never called attention to the fact that the wounded and disabled soldiers were placed on the Georgia Avenue car line. It was the idea to put a medical center at the other end of Sixteenth Street, with the White House at this end and the medical center, with a museum and library, at the other end. The original plan, as presented by the Surgeon General's office, did not provide for hospital wards between Fourteenth Street and Sixteenth Street, but provided for a medical center. Here is a map showing that, drawn in the office of the Surgeon General of the Army.

I want to say that during the months of the war and for a period after the war the patients at the Walter Reed Hospital were put on a car line. Where did they put the patients of Walter Reed Hospital? Did they put them on the Sixteenth Street end of the reservation among these quiet oaks that have been spoken of this morning? No. They put the patients of Walter Reed Hospital during the war and during some years following the war on the Georgia Avenue end of the reservation.

They originally made plans to provide for a medical center on the Sixteenth Street end and made plans which provided that Fourteenth Street should be extended through this reservation. Then afterwards, when they conceived the idea of this recreation center, they spoke of it as a medical center when they came here for appropriations, but when they come here opposing legislation which will develop that section of the District and of Maryland they call it the Walter Reed Hospital grounds.

Originally, it was not intended that Fourteenth Street should be closed, but that was one more street they were going to allow to go through in order to develop that section of the District.

Now, I feel, gentlemen of the committee, that if you are going to adopt this amendment of the gentleman from Illinois [Mr. MCKENZIE], which will have the result of closing Fourteenth Street, there ought to be some language in the bill that would provide for the carrying of this street around the hospital grounds.

Mr. BEGG. Will the gentleman permit a question right on that statement?

Mr. ZIHLMAN. Yes.

Mr. BEGG. Would the distances be unreasonable if that section in there were boulevarded so that it went around the hospital? Would that be unfair to the people living above?

Mr. ZIHLMAN. I would say that I think the people who have bought property and bought homes north of the hospital, under the impression that Fourteenth Street, which is already opened to-day more than halfway through the hospital grounds, was going to be opened, are entitled to that thoroughfare; but if you are not going to give them that, you certainly ought to provide in that same bill some method by which the hospital grounds can be circumvented.

Mr. ROGERS of Massachusetts. Does the gentleman think it requires legislation to do that?

Mr. ZIHLMAN. I certainly think it does.

Mr. BUTLER. Will the gentleman indicate how that can be done?

Mr. ZIHLMAN. The gentleman from Massachusetts made a very fair statement on that point and he has said that it is an engineering and a technical proposition. It is rather difficult to frame parliamentary or legislative language that will carry out that purpose, but some one who has sufficient technical knowledge ought to offer an amendment to the next section of the bill providing that that thoroughfare can be carried around the reservation.

Mr. UNDERHILL. Will the gentleman yield?

Mr. ZIHLMAN. I yield.

Mr. UNDERHILL. Does the gentleman believe there is anything that would prevent the commissioners from granting a franchise or a right of way on Sixteenth Street by Walter Reed Hospital, provided we pass this bill with the amendment of the gentleman from Illinois?

Mr. ZIHLMAN. I certainly do. It is the adopted policy of the Commissioners of the District of Columbia not to allow any car line on Sixteenth Street, and this car line would have to be either on the western boundary of the reservation or on the eastern boundary of Rock Creek Park across Sixteenth Street, if it is not extended on Fourteenth Street, and there will have to be legislation providing for tunneling Sixteenth Street.

Mr. STEPHENS. Would it not be possible to take some ground off of the west side of the hospital property for the car line along Sixteenth Street and Alaska Avenue?

Mr. ZIHLMAN. Yes.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. ZIHLMAN) there were—ayes 97, noes 10.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 2. That under and in accordance with the provisions of subchapter 1 of chapter 15 of the Code of Law for the District of Columbia, the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to institute in the Supreme Court of the District of Columbia a proceeding in rem to condemn the land that may be necessary for the extension and widening of Fourteenth Street from Montague Street to the southern boundary of the Walter Reed General Hospital grounds, Nicholson Street from Thirteenth Street to Sixteenth Street, Colorado Avenue from Montague Street to Thirteenth Street, Concord Avenue from Sixteenth Street to its western terminus west of Eighth Street west, Thirteenth Street from Nicholson Street to Piney Branch Road, and Piney Branch Road from Thirteenth Street to Butternut Street, all in accordance with the plan of the permanent system of highways for the District of Columbia, and Piney Branch Road to a width of not exceeding 60 feet between Butternut Street and Blair Road northwest: *Provided, however*, That of the amount found to be due and awarded by the jury in said proceedings as damages for, and in respect of, the land to be condemned for said extensions or widening, plus the cost and expenses of the proceedings hereunder, four-tenths shall be assessed against the property which the jury shall find to be benefited.

Mr. ZIHLMAN. Mr. Chairman, I offer an amendment, which I send to the desk.

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. ZIHLMAN: Page 3, line 9, after the word "benefited," strike out the period, insert a comma, and the following language: "and the District Commissioners are hereby authorized to extend Fourteenth Street from the southern boundary of the Walter Reed Hospital to the western boundary thereof and thence to Alaska Avenue."

Mr. BLANTON. Mr. Chairman, I make the point of order against the amendment that it is not germane to the paragraph or to the bill itself. The Chair will note that the primary purpose of the bill is to extend Fourteenth Street directly north through the Walter Reed Hospital grounds. There was no intention on the part of the committee to change the course of Fourteenth Street at the southern boundary and have it run west to Sixteenth Street and then north along Sixteenth Street to Alaska Avenue and along Alaska Avenue, that being the intention now of the Zihlman amendment. It is entirely foreign to the purpose of the bill and is in no particular germane to the purpose of the bill.

The CHAIRMAN. May the Chair inquire of the gentleman from Texas what extension and widening of Fourteenth Street is contemplated in section 2?

Mr. BLANTON. The Chair understands that Fourteenth Street as it was originally laid out would go through Walter Reed Hospital and continue on its northerly course, and the

purpose of the Zihlman amendment is to have Fourteenth Street when it reaches the southern boundary of Walter Reed Hospital not to continue in its course but turn west along the southern boundary of the Walter Reed Hospital grounds to Sixteenth Street and then up Sixteenth Street north and then along Alaska Avenue northeast. There is nothing in this bill that contemplated any such program as that. That is wholly foreign to the purposes of the bill.

Mr. BEGG. Mr. Chairman, I think just one word will satisfy the Chair. On page 2, lines 17, 18, and 19, Fourteenth Street is specifically mentioned. I submit to the Chair that the germaneness has nothing to do with whether Fourteenth Street runs north for six blocks or runs north for four blocks and then west for one block and north for one block. The germaneness has nothing to do with the direction. It is dealing with the street, and even Fourteenth Street is specifically mentioned. Therefore the amendment must be germane to the paragraph as well as to the bill.

Mr. ZIHLMAN. Mr. Chairman, if the Chair will indulge me, I call the attention of the Chair to the title of the bill which is a bill providing for the extension and widening of Fourteenth Street, and I call the attention of the Chair also to the fact that the bill provides for the opening of the street fully half a mile south of the Walter Reed Hospital Reservation.

The CHAIRMAN. The Chair is ready to rule. It seems clear to the Chair that the amendment is germane to the provisions of the section and the Chair will overrule the point of order.

Mr. ZIHLMAN and Mr. ROGERS of Massachusetts rose.

Mr. ROGERS of Massachusetts. Mr. Chairman, I rise for the purpose of asking the gentleman from Maryland a question.

The CHAIRMAN. The gentleman from Maryland is entitled to recognition on his amendment if he desires it.

Mr. ZIHLMAN. Mr. Chairman, I call the attention of the committee to the fact that this bill was not primarily intended, as the gentleman from Texas said, to provide for the opening of Fourteenth Street through the Walter Reed Hospital Reservation. It provides for the closing of all the streets through the reservation that are marked in blue and it provides for the opening of those streets, some of them, half a mile south of the reservation. Therefore, if it is the intention of this committee to close Fourteenth Street along with Thirteenth Street and Twelfth Street, and the other streets running from east to west, there should be authority given to the District Commissioners to provide for passing around the hospital reservation and up Alaska Avenue to the territory to the north, and all I want to do is to give that authority to the District Commissioners.

Mr. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield for a question?

Mr. ZIHLMAN. I will.

Mr. ROGERS of Massachusetts. Is there anything in section 2, as it appears in the printed bill, which is concerned with the invasion of the Walter Reed Hospital territory? In other words, does section 2 in any respect require modification as a result of the committee action just taken on section 1?

Mr. ZIHLMAN. I do not quite understand the gentleman's question.

Mr. ROGERS of Massachusetts. I want to ask the gentleman whether in view of the action just taken by the Committee of the Whole, as to section 1, any modification is required of section 2 in the printed text.

Mr. ZIHLMAN. No; I do not think so.

Mr. ROGERS of Massachusetts. Is it not a fact that section 2 deals with the acquisition of property south of and altogether outside of the Walter Reed reservation?

Mr. ZIHLMAN. Yes.

Mr. ROGERS of Massachusetts. Therefore the ger'leman would say, under the action taken by the committee as to section 1, that section 2 can stand without modification?

Mr. ZIHLMAN. I should say so.

Mr. ROGERS of Massachusetts. As it now stands it will carry out the will of the committee?

Mr. ZIHLMAN. Yes. The reason why I offered it to section 2 is that section 3 may be stricken out, and I would not have any opportunity to offer it.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. I do not know whether the members understand the purport of the amendment offered by the gentleman from Maryland [Mr. ZIHLMAN]. Here is what the gentleman from Maryland proposes to do. There is an unopened strip between the present terminus of the Fourteenth Street car line and the southern boundary of Walter Reed Hospital that is not now open with car lines.

Mr. ZIHLMAN. Oh, that is a full mile from the present car line to the Walter Reed grounds.

Mr. BLANTON. That is about what I was going to state. As a matter of fact, it is not a mile, as I understand it, but about a thousand feet.

Mr. ZIHLMAN. No; it is more than that; it is about 7,000 feet.

Mr. BLANTON. Whatever it is, section 2 of the bill, so far as opening up that territory is concerned, is a good section. Just carrying that out will render a great benefit instead of doing harm. I have no objection to it at all. As a matter of fact, it really ought to be passed. But here is what the amendment of the gentleman from Maryland does: After you open that up and get to the southern boundary line of the hospital he proposes that you change the course of Fourteenth Street; that instead of its going north he wants it to go west along the southern boundary line of the hospital reservation and then up along Sixteenth Street to Alaska Avenue, and so on.

Mr. BYRNS of Tennessee. Would that carry with it the right of the street car line to run their cars along there and up Alaska Avenue and Sixteenth Street?

Mr. BLANTON. If the District commissioners approved of it.

Mr. BYRNS of Tennessee. It would take affirmative action.

Mr. BLANTON. Yes; not by Congress, but by the commissioners. There may come a time when we will no longer need the hospital grounds. Of course, I am talking about the future—in the course of years. Then, with the Zihlman amendment adopted, you would have a crooked Fourteenth Street with car lines running west to Sixteenth Street, and then north, when then it would be a good deal better to go straight ahead. I do not know that the commissioners of the District want that done. I do not know that the commissioners of the District want street car lines running that close to Sixteenth Street. It would spoil Sixteenth Street for a thoroughfare. It has been understood all along that Sixteenth Street is never to have a car line on it. I should regret to see a double-track car line along that splendid thoroughfare that runs out to the country to the north. The District commissioners may find another preferable way to get through. By leaving section 2 as it is in the bill, with whatever changes it takes to make it conform to the McKenzie amendment, the commissioners have the right to frame that proposition in a way that will meet the program of the city with reference to streets and parks. I hope we will not adopt the amendment offered by the gentleman from Maryland to thus twist Fourteenth Street around so many angles.

Mr. HULL of Iowa. Mr. Chairman, I want to say a few words in opposition to the amendment of the gentleman from Maryland [Mr. ZIHLMAN]. I do not think the House really understands what that would do. I have been trying to figure it out in my own mind. It is a dangerous amendment, it seems to me, to adopt without investigation. You have perfected the bill in such a way that it is a good bill. It should be passed in the present form. I hope you will not ruin the bill by putting something on it that may destroy the merits of the bill. In my opinion there is a way, which the gentleman from Illinois has suggested, to get the street-car system out where they want it without hurting the Walter Reed Hospital grounds. I am inclined to think that the gentleman's amendment, if it was carried into effect, will hurt, if not destroy, the Walter Reed grounds. I hope it will not carry.

Mr. McKENZIE. Mr. Chairman, I move a substitute for the amendment of the gentleman from Maryland, to strike out section 2.

The CHAIRMAN. The Chair will suggest to the gentleman that that is not a proper substitute.

Mr. ROGERS of Massachusetts. Mr. Chairman, I desire to offer a substitute for the amendment of the gentleman from Maryland.

The CHAIRMAN. Does the gentleman from Illinois desire to debate his amendment? The gentleman can debate it if he desires.

Mr. McKENZIE. I will wait until the gentleman from Massachusetts offers his substitute.

The Clerk read as follows:

Substitute by Mr. ROGERS of Massachusetts for the amendment offered by Mr. ZIHLMAN: Page 3, line 9, after the word "benefited," insert "the District commissioners are hereby authorized to run a street west from Fourteenth Street along the southern boundary of the Walter Reed Hospital Reservation to the southwest corner."

Mr. ROGERS of Massachusetts. Mr. Chairman, the effect of this amendment is simply to give an outlet to Fourteenth Street when extended to the south line of the hospital land. I think it does not do anything very different from that proposed to be accomplished by the amendment of the gentleman from Maryland. The only objection to the amendment of the gentleman from Maryland is that it calls an east to west street Fourteenth Street when it ought not, and it calls the street Fourteenth Street even when it runs north and northeast along the line of Sixteenth Street and Alaska Avenue.

It seems to me that what we want to accomplish is to get an outlet to the west from Fourteenth Street extended so that there will not be a dead end at the southern point of the Walter Reed Hospital grounds where Fourteenth Street strikes the hospital line.

Mr. HULL of Iowa. Would the Walter Reed Hospital be expected to furnish the land on which this street is situated?

Mr. ROGERS of Massachusetts. Not at all. The amendment would allow the street to be run along the southern boundary of the Walter Reed Hospital. I think it would be a good thing from the standpoint of the hospital as well as of the public to have that street so extended. We ought to encourage a car-line service for the soldiers and the employees of the hospital as well as for those who live north of this locality.

Mr. HULL of Iowa. Are not there streets south of Walter Reed Hospital over that line they could run on? Surely, there are several from the end of the line at the present time to the Walter Reed Hospital. It is over a mile.

Mr. ROGERS of Massachusetts. I think there are no streets near by now, but, of course, they can be cut. My theory, however, is that it is a good thing for the Walter Reed Hospital reservation to be flanked by a street and ultimately by a car line along its southern boundary line.

Mr. HERSEY. Will the gentleman yield right there?

Mr. ROGERS of Massachusetts. Certainly.

Mr. HERSEY. The amendment of the gentleman from Illinois [Mr. MCKENZIE] striking out section 2 would strike out the authorization for the opening of a great many other streets that ought to be opened different from Fourteenth Street.

Mr. ROGERS of Massachusetts. I see no reason why section 2 should be stricken out. The gentleman from Illinois and myself are in the most complete accord as to the objective sought by his earlier amendment. It seems to me that the retention of section 2 is absolutely in line with the action that the committee has taken in connection with the amendment to section 1.

Mr. BEGG. Will the gentleman yield?

Mr. ROGERS of Massachusetts. I will.

Mr. BEGG. Is the gentleman sure that if Fourteenth Street is continued out to the hospital grounds and these property holders this side of the hospital grounds want to donate land for a street, is the gentleman sure that the city commissioners would need authorization from Congress to put that street through?

Mr. ROGERS of Massachusetts. The gentleman from Maryland, who is well versed in these matters, says that it would. I have no personal information or opinion.

Mr. BEGG. Will the gentleman yield for a further question?

Mr. ROGERS of Massachusetts. Surely.

Mr. BEGG. The gentleman knows that daily almost there are allotments laid out in this city and new streets located. Now, I have not been here very long, but in five years I do not recall our passing on any location of streets.

Mr. ROGERS of Massachusetts. I do not think there can be any harm in giving that authority, even assuming that the authority already exists.

Mr. BEGG. Mr. Chairman, the only time I care to take of the committee is this. It seems to me rather foolish for this House, in committee this afternoon, with no maps, no engineers' reports, nor anything to try to run a street from Fourteenth Street to Sixteenth Street. Now, it seems to me, if it is not contrary to the general plan of the city already adopted, the city commissioners can establish a street any place they want to if the property holders owning the property are willing to donate the property for street purposes, and if I am correct in that contention it seems to me we are absolutely working in the dark. I think both amendments ought to be defeated, so far as I am concerned, and both paragraphs ought to be kept in there in order to continue to keep the street up to where it now stops at the end of the hospital line.

Mr. GARRETT of Texas. If the gentleman will yield, as a matter of law the commissioners have that right now. If the amendment offered is changed, would it not be construed to mean that it conveys the right to the commissioners to pass over a sufficient portion of the southern boundary line of the Walter Reed Hospital to get out Sixteenth Street.

Mr. BEGG. I think if we put this amendment on we are authorizing the commissioners to condemn private and Government property——

Mr. HERSEY. The commissioners can not open a street without the consent of Congress.

Mr. BEGG. I rather think the gentleman is in error.

Mr. BLANTON. The gentleman from Maryland is right.

Mr. BEGG. I think the gentleman from Texas is in error. I have been here five years and there was never a single time vacated streets in the northwest part of Washington where there have been thousands of houses built. I would like to ask the gentleman from Texas [Mr. BLANTON], who claims to know more about the District, as far as its needs are concerned——

Mr. BLANTON. Oh, no.

Mr. BEGG. If we ever vacated any streets beyond Wisconsin Avenue within the past year, or any other streets?

Mr. BLANTON. No. In regard to new additions the commissioners already have authority; but in regard to the old established streets, like Fourteenth Street, we have authority.

Mr. BEGG. If the property holders want to donate a new street from Fourteenth to Sixteenth Street to the city, we do not need to have an act; the commissioners have authority.

Mr. BLANTON. But the gentleman does not want a dead end.

Mr. BEGG. If the property holders want it, I want it; but it does not make any difference to me. I would rather have a dead end than an open end wrongly placed by a crowd of men in the Hall of Congress without any maps or any engineering report.

Mr. MCKENZIE. Mr. Chairman, if this section is to remain in the bill—and it seems to be the consensus of opinion that it would be better to leave it in than to strike it out—I think the amendment of the gentleman from Massachusetts should be adopted, at least to show the feeling of Congress with regard to this matter. Now, if we go ahead and simply order Fourteenth Street opened up to the hospital grounds, to the southern boundary of the hospital grounds, the dead end, as it has been called, then the argument will be, and it can be made with a great deal of force, that Congress, having done this and provided for no outlet, then it must be we must go through the grounds. Now, my thought about it is this, that the street-car company in constructing a street-car line and going under Sixteenth Street and then paralleling Sixteenth Street and back to this avenue we spoke of this morning in the earlier part of this debate, it would not run up to the hospital grounds flush, but they would probably angle for some considerable distance away from the grounds and reach this depression under Sixteenth Street. Then they would go up along on the land of the park and come under Sixteenth Street and go on. But if we are going to leave this section 2 in, I think as a matter of declaration on the part of Congress, emphasizing the fact that we do not want them to go through Sixteenth Street, to say that we want them to have a right to go out to Sixteenth Street, is a good argument.

Mr. BEGG. Instead of stopping all the other street openings that are not objected to, why not strike out that part relating to the opening and condemning of the Fourteenth Street extension?

Mr. MCKENZIE. I think I will offer that as an amendment or substitute.

Mr. OLIVER of Alabama. Mr. Chairman, I think it would be a mistake to adopt the amendment offered by the gentleman from Massachusetts [Mr. ROGERS]. His own statement made to the House a few minutes ago in support of his motion to strike out the preamble, in my judgment, shows that it would be unwise to adopt his amendment. The House will recall that he then felt this bill should be sent back to the committee in order that it might consult with the District engineer and provide how Fourteenth Street could be extended so as to connect with Sixteenth without passing over any part of the grounds of the Walter Reed Hospital. Now, if the amendment offered by the gentleman from Illinois [Mr. MCKENZIE] is adopted this whole matter will be thrown into conference and the conferees will be authorized to go carefully over the matter with the District engineer, so as to intelligently recommend how the different street extensions referred to in section 2 of the bill can be best accomplished.

The House by striking out in the first section the words "except Fourteenth Street" has now voted to close all streets in so far as they intrude on the hospital grounds. The conferees then will be clothed with full authority to make

recommendations relative to the extension of these streets, subject to two limitations on which the House has just expressed itself, namely, that no street must enter on or cross over any part of the hospital grounds and that no street-car line shall be located on or along Sixteenth Street. Subject to these limitations, the conferees are quite free to reach some agreement looking to an extension of the streets so that a connection can be had with Sixteenth Street.

The CHAIRMAN. The question is on agreeing to the amendment to the amendment.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. BEGG. Mr. Chairman, let us have a division.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 28, noes 23.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question now is on agreeing to the amendment offered by the gentleman from Maryland [Mr. ZIHLMAN] as amended.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. OLIVER of Alabama. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from Alabama demands a division.

The committee divided; and there were—ayes 34, noes 17.

So the amendment as amended was agreed to.

Mr. McKENZIE. Mr. Chairman, I ask unanimous consent to insert in line 8 of page 2, after the word "Street," the words "Fourteenth Street."

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to return to the first section for the purpose of offering an amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. McKENZIE: Page 2, line 8, after the word "Street," insert the words "Fourteenth Street."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CHINDBLOM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. There is an amendment pending, to strike out the section.

Mr. CHINDBLOM. I want to offer a perfecting amendment. On line 14 of page 2 strike out the second word "and," and on line 15 of page 2 strike out the word "directed."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amendment offered by Mr. CHINDBLOM: Page 2, line 14, after the word "authorized," strike out the words "and directed."

Mr. CHINDBLOM. Mr. Chairman, it may well be, in view of the changes that have been made in the bill or that will be made if the House approves the action of the committee, and particularly in view of the last amendment offered by the gentleman from Maryland [Mr. ZIHLMAN], as amended by the amendment offered by the gentleman from Massachusetts [Mr. ROGERS], that the Commissioners of the District may not find it conformable to the best interests of the District to proceed with the condemnation of land for all of these streets just as it is provided in the bill. For that reason I think it ought to be left optional with them as to whether they will proceed or not.

Mr. BLANTON. I think the gentleman is eminently correct. We ought not to direct them. They ought to have discretion.

Mr. CHINDBLOM. By using these words "and directed" we compel them to act, even against their own best judgment. They have the positive orders of Congress to proceed and condemn these streets. I hope the amendment will prevail.

Mr. ZIHLMAN. I accept the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made on this bill.

Mr. McKENZIE. Mr. Chairman, in view of the situation I withdraw my motion to strike out section 2.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to withdraw his motion to strike out section 2. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

SEC. 3. That when Fourteenth Street shall be opened for traffic to the south boundary of the property known as the Walter Reed General Hospital grounds, numbered for purposes of assessment and taxation as parcel 89 sub 7, the control and jurisdiction of that part of Fourteenth Street as laid down on the plan of the permanent system of highways of the District of Columbia which lies within the said hospital grounds shall immediately pass to the Commissioners of the District of Columbia, the same in all respects as other streets and avenues in the District of Columbia: *Provided*, That the grade of the street through the hospital grounds shall be subject to the approval of the Secretary of War.

Mr. McKENZIE. Mr. Chairman, I move to strike out section 3.

The question was taken, and the motion was agreed to.

The Clerk read as follows:

SEC. 4. That an amount sufficient to pay the necessary costs and expenses of the condemnation proceedings taken pursuant hereto and for the payment of the amounts awarded as damages is hereby authorized, payable out of the revenues of the District of Columbia; the amounts collected as benefits to be covered into the Treasury of the United States to the credit of the revenues of the District of Columbia.

Mr. ZIHLMAN. Mr. Chairman, I move to strike out the numeral "4" and insert the numeral "3," section 3 having been stricken out.

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ZIHLMAN: Page 3, line 23, strike out the figure "4" and insert in lieu thereof the figure "3."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Chair is under the impression that he did not put the unanimous-consent request of the gentleman from Texas. The gentleman from Texas [Mr. BLANTON] asks unanimous consent to revise and extend the remarks he made on this bill. Is there objection? [After a pause.] The Chair hears none.

Mr. ZIHLMAN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SANDERS of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (S. 114) to vacate certain streets and alleys within the area known as the Walter Reed General Hospital, District of Columbia; and to authorize the extension and widening of Fourteenth Street from Montague Street to its southern terminus south of Dahlia Street, Nicholson Street from Thirteenth Street to Sixteenth Street, Colorado Avenue from Montague Street to Thirteenth Street, Concord Avenue from Sixteenth Street to its western terminus west of Eighth Street west, Thirteenth Street from Nicholson to Piney Branch Road, and Piney Branch Road from Thirteenth Street to Butternut Street, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. ZIHLMAN. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is now on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. Without objection, the title will be amended to conform with the bill as amended.

There was no objection.

The SPEAKER. Without objection, a similar House bill will be laid on the table.

There was no objection.

On motion of Mr. BLANTON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

IMMIGRATION BILL

Mr. JOHNSON of Washington. Mr. Speaker, I present a conference report on the immigration bill for printing under the rules.

The Clerk read the title of the bill as follows:

A bill (H. R. 7995) to limit the immigration of aliens into the United States, and for other purposes.

APPROPRIATIONS FOR THE DEPARTMENTS OF STATE AND JUSTICE, AND FOR THE JUDICIARY, AND FOR THE DEPARTMENTS OF COMMERCE AND LABOR

Mr. SHREVE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 8350, a bill making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table H. R. 8350, disagree to all Senate amendments, and ask for a conference. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, is that satisfactory to the minority?

Mr. SHREVE. Yes; I have already consulted with the gentleman from Alabama [Mr. OLIVER], who is the ranking minority member.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The Chair appoints the following conferees: Mr. SHREVE, Mr. TINKHAM, and Mr. OLIVER of Alabama

REVENUE BILL

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the revenue bill, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Iowa asks unanimous consent to take from the Speaker's table the revenue bill, disagree to all Senate amendments, and ask for a conference. Is there objection? [After a pause.] The Chair hears none.

The Chair appoints the following conferees: Mr. GREEN of Iowa, Mr. HAWLEY, Mr. TREADWAY, Mr. GARNER of Texas, and Mr. COLLIER.

THE FEDERAL CONSTITUTION

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. The gentleman from Alabama asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. OLIVER of Alabama. Mr. Speaker, the American Bar Association has rendered an invaluable public service in stimulating during the past 12 months a study of the Federal Constitution, and the practical results accomplished are such as to justify an earnest hope that the work so splendidly begun will be continued.

Early in the fall of 1923 practically all of the national civic organizations devoted a week to the study of our fundamental law in accordance with a program carefully prepared by the American Bar Association. Later, through its influence, a group of great newspapers arranged a nation-wide contest between high-school students from every section. This contest resulted in many thousands of addresses dealing with the Constitution of the United States being carefully prepared and delivered by the youth of our country before assembled audiences which, in the course of the various stages of the contest, are estimated to have exceeded 12,000,000.

In my home State of Alabama the Age-Herald, one of the leading newspapers of the South, published at Birmingham, devoted great publicity and fine inspirational effort to making the contest a success. I was so impressed with the importance and far-reaching results of this contest sponsored by the newspapers that I wrote to Hon. F. I. Thompson, editor of the Age-Herald, for a copy of the first-prize oration awarded to Mr. Jack Turner, a 16-year-old student of the John Herbert Phillips High School, of Birmingham, who was one of the final seven national contestants. Mr. Thompson, in his reply, well states the purpose of this contest, which I take the liberty of here quoting:

In promoting this contest the Age-Herald was moved by at least a dual consideration. In the first place, the purpose was to bring the meaning of the Constitution emphatically to the attention of the people in such a manner as to impress them with its fundamental significance to the American Nation. In the second place, in the midst of criticisms of our constitutional establishments, including the indispensable functions of the Supreme Court and at a time when radical and bizarre influences are unduly aggressive, the Age-Herald was convinced that the Constitution itself and its wise and comprehensive provisions form the most complete, forcible, and irrefutable arguments in its favor.

Nowhere is there to be found more genuine reverence for our institutions nor more sincere love of country than among the young men and young women on the very threshold of life, with their ideals yet unspoiled and with their minds still plastic to receive these indelible impressions that shall color their ideas and opinions throughout life. Nowhere else is there to be found that enthusiasm which bridges all chasms and leaps all sophistry. Nowhere else would it be possible to find a more disinterested support of the document on which our Government is founded. From no other source would the citizenship more cordially receive and approve the well-deserved eulogies of the Constitution which the young women prepared and delivered in such unselfish purpose.

The Age-Herald regards it as a distinction and high privilege of public service to have acted as sponsor in Alabama for this contest. The Constitution is based on the tried and tested principles of fairness, liberty, and justice which the centuries have proved to be eternal and irreplaceable. A study of this document of the ages is the most deadly blow that can be struck at the specious and spurious doctrines that are now current. The contest, it is hoped, is not the end, but the beginning of a more intensive understanding of the American Constitution, the corner stone of our form of Government, which is already the object of the admiring regard of the whole world.

The following is a copy of the very splendid and interesting oration by Mr. Turner:

"When the doors of Independence Hall were thrown open, September 17, 1787, proclaiming the close of the Constitutional Convention, the world received not only a model Constitution but the answer to the question which had confronted students of political science since the dawn of history—the question of whether or not liberty and union could be successfully united. Every nation in every age has attempted in some measure to realize this golden ideal in government. Glorious Greece walked forth in the pride of her freedom, so intent on liberty that she forgot the need, the necessity, of union, and Greece perished. Mighty Rome fostered and exalted union for its strength and power, until she became a tyrant, and Rome fell.

"Then how did America find the solution to the problem over which the ancients labored through the ages? Why did America succeed? It was not that there arose a patriotic Moses, who led us out of the political wilderness, nor was it that we were blessed with some superminded philosopher who devised a perfect system for us to follow. The secret of the solution lies in the document which since its birth has been the classical model for hundreds of Republics—those fundamental laws, the American Constitution. It was the product of the reasoning of 50 of our statesmen, the greatest of the eighteenth century, and the fact that these men succeeded in establishing a Constitution which has solved the ancient problem is not proof or even suggestion that their work was accidental. The fact that this law has been our rule without change for a century and a half, which has seen more scientific advancement than all the time of man before them, does not tell us their work succeeded by chance.

"That convention, which was destined to draw up 'the most wonderful work ever struck off at a given time by the brain and purpose of man,' was, as Jefferson said, 'an assembly of demigods,' and the document which was formed through the intellectual reasoning and understanding employed by the writers does approach so near to perfection it would seem that Providence must have been their guide and inspiration. In the group there were representatives from all the walks of life. In thinking, however, they were philosophers, broad-minded and prophetic minded. In fact, they foresaw an immediate era of mechanical and scientific discovery. Knowing that changes in the Constitution would be necessary with such advancement, they determined to make this supreme law flexible and elastic, yet firm and durable. It is true that these men, no matter how wise, could not determine in detail the nature of the coming progress, but they had one constant, tangible element upon which they could base all of their articles—human nature. They knew, as we know, that human nature, with all its emotions, jealousies, weaknesses, and virtues, had been the same when the great pyramids were built as it was in their time. They knew also that it would continue to be fundamentally the same after those pyramids had crumbled to dust, and it was upon this basic understanding that they built their reasoning.

"It is not profitable to look into the past unless we are solving through the past problems of the future. Our question is whether or not the United States will continue to exist as the model Republic of freedom and justice and whether our Constitution will always serve as practically as it has served for a hundred and fifty years. As we look back we are inspired with a feeling of confidence. We think of how these supreme laws were born in the minds of our pioneer statesmen in that age that 'tried men's souls.' We recall how their patriotic desires lacked the urge of personal profit. We think of how those 13 States which were held loosely together by that rope of sand, the Articles of Confederation, became firmly united by the American Constitution. We remember how a national spirit

sprung up, which has grown with a religious fervor throughout the years, and then we recall how this document which was our guide through the uncertain time of birth again suffered severe strain fourscore and seven years later. But we remember also how it survived this the most terrible of civil wars and how those States were brought back together under the same flag, the same President, and under that same Constitution. They reunited to form the most prosperous Nation on earth. Soon they held the world's balance of power, and when the dark clouds of war hovered over the entire world in 1914, when Mars threatened to wipe out all humanity, the United States of America intervened and the world was made 'safe for democracy.'

"As we look back into the strains and storms our Constitution has stood, from the strife that existed in the beginning through the gash made by Civil War and even through the experience undergone in the recent holocaust of 'deliberate scientific destruction,' we have a right to believe, if it is properly understood and judiciously interpreted, it will carry us and our prosperity on forever. But there is one recurring question left to us and our descendents. We know, as the framers knew, that 'new occasions teach new duties' and that constitutional modifications will be necessary in order to progress with science and civilization. If there were such a thing as science and civilization standing still, we could leave our Constitution as it is, and we would continue to exist forever as we do to-day. But that is impossible.

"This generation and the generations to come will have the problem of making such amendments as their respective modern ages may require. There is one rule for us to follow. The preamble of the Constitution must be our guide. We must bear in mind that there are certain fundamental laws which embody man's inalienable rights. Our forefathers recognized that these rights had been given man by Almighty God and that their duty was only to shield and guard them. They recognized, as the preamble bears witness, that the personal liberties guaranteed to every citizen must not only be preserved but must be protected. If you and I would lay claim to these guaranties of the Constitution, we should first of all make sure that we have fully complied with the recognized duties of American citizenship. Having measured up to this standard, if we will exercise an attitude of alert vigilance, if we will constantly watch the legislative movements of our Government, if we will always remember the momentous significance of the preamble, then 'that government of the people, by the people, for the people, shall not perish from the earth.'"

The following excellent article on "Representative government" by Hon. John B. Knox, a distinguished citizen and lawyer of Alabama, and president of the Constitutional Convention of Alabama of 1901, will prove of interest and help to students of the Constitution:

I

In establishing this Government our fathers steered away from the direct and discredited democracies of Greece and Rome and established here under a written Constitution a representative Republic, which Mr. Gladstone in truth declares was the finest piece of government making ever struck off by any set of men in a given time.

It furnishes the one successful attempt at government of the people, by the people, and for the people, in the history of the world.

It has succeeded not as in Greece and Rome, by assembling the people en masse to try cases and pass laws, but by dividing the Government into three coordinate branches, the executive, legislative, and judicial, each separate and independent of the other, and each equal in dignity and in power. More than this, it is one Government as to national affairs and foreign relations, and many separate governments as it affects the local and domestic interests of the people. Unsettle this balance, make one branch of the Government subordinate to another, and you overthrow your Constitution and plant seeds for the destruction of your Government and the loss of your liberties.

And mark you, each in its respective capacity is appointed by and is the servant and representative and under the control of the American people.

Now, if the people can appoint a good Executive they can appoint good legislators and a good judiciary. The fault, if fault there be, is not with the system, but with the people themselves.

II

Again, each department of this Government is a trustee to the people both for upholding and for administering its own jurisdiction—not upon Democrats nor upon Republicans, but upon Democrats and Republicans alike when an issue arises which involves the prerogative of the branch of the Government which he is intrusted to administer. The power to declare war, for instance, is invested by the Constitution in Congress, and Congress would render itself infamous should it allow this power to be usurped by the Executive. On the other hand, the power of making treaties of peace, and other treaties, is invested in the President "by and with the advice and consent of the Senate," and each would be recreant to its duty and unfaithful to its trust should it fail to perform its proper function.

III

But please observe, the power of negotiating and making treaties of peace was not invested in the Executive alone. The Constitution provides that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." In this duty then the Senate exercises quasi executive functions. It is in a certain sense a coexecutive with the President.

Our fathers who rescued from the wilderness the magnificent domain we enjoy, who framed our Constitution and established this Government, it seems, did not altogether confide in the superlative wisdom and inspired altruism of either department of the Government, and hence the system of checks and balances and divided authority provided in the Constitution, the wisdom of which is every year becoming more apparent.

An examination, therefore, by the Senate of the terms of this treaty is not a presumption. In doing so it exercises not only a high prerogative but discharges a sacred obligation.

Again, by and with "the advice and consent" means more than mere consent. It means that the Senate shall be fully informed, shall be frankly consulted, and as in the case of a consulting physician exercise its independent judgment.

If the Executive refuses to extend to it the confidence to which it is entitled, the Senate may and should indefinitely withhold its consent until fully informed as contemplated in the Constitution.

IV

In the Long Parliament in England and in the States General in France the legislative branch beheaded the Chief Executive, usurped every function of government, and assumed absolute dominion with a result which should not, it would seem, invite emulation. But that you say was long ago; men are better now. And yet for the adoption of reconstruction measures growing out of the Civil War we find a partisan majority seeking to override and impeach the Executive merely because in the conscientious exercises of his executive prerogative he resisted a movement to place the heels of more than 4,000,000 slaves upon the necks of their former masters. The message in which President Johnson vetoed this inhuman reconstruction measure is well known, and is one of the ablest ever delivered by any President. He retained Mr. Lincoln's Cabinet and endeavored to carry out his policies as the diary of Gideon Welles, Secretary of the Navy in both Cabinets, will sufficiently show. But what is not so well known is that Mr. Charles Sumner, who lead this movement, some years later confessed to Senator Henderson, of Missouri, who with six others went against his party and successfully resisted these impeachment proceedings, that in that vote he, Henderson, was right, and he, Sumner, was wrong.

But if the dominance of the legislative branch is dangerous, the dominance of the executive branch is more dangerous, as witness our neighbor Republic of Mexico. Mr. Diaz, if I mistake not, commenced his administration under a constitution which precluded his being his own successor. With a well-organized machine and an army he persuaded the people to remove the restriction and continued in absolute power practically for life. Who is so dense as not to know that Central and South America present a constellation of republics with constitutions in form as good as ours, ruled by dictators, who call themselves Presidents, and where it requires an army and a revolution to change an administration.

Napoleon, too, was a man of the people—a man who defied liberty only to overthrow it—and whose beau ideal was not France, but the house of Bonaparte!

Idealism with some executives begins and ends with the I.

V

And finally, in this day of spirit rappings and world visions, of anarchy and radicalism, of the enshrining of every new fad and dogma simply because it is new, of the wasteful expenditure of billions of dollars of the people's money without any adequate check or commission therefor only to be ground from them later by oppressive taxes, what our country needs in religion and in statesmanship is a new baptism in orthodoxy and in conservatism.

My complaint is not against a political party. All government by the people must needs be party government. The country needs and must have two great parties, not sectional, but national, the one a check on the other, the principles and policies of which are openly stated and sincerely advocated before the bar of public opinion. Our danger is not in constitutional government, but in personal government backed by secret organizations, which multiply with remarkable rapidity, which are absorbing every branch of business activity, and last but not least has invaded and seized even the police power of

the Government, thereby menacing the whole country with a state of absolute lawlessness!

We have seen that political parties can be patriotic.

We have seen the Democratic Party as one man support Mr. McKinley in the Spanish-American War, and the Republican Party as one man support Mr. Wilson in the greatest war of all times.

It may be and the time may not be far distant when another coalition of every patriotic citizen without regard to past party affiliations may be demanded for the preservation of our property, of our liberty, and even of life itself.

In the meantime, let us, Democrat and Republican alike, go back to the Constitution, the aegis of our protection, the inherited Magna Charta of our liberty.

Let us make it and enshrine it as our statue of liberty. And with united voices let us say to all bolsheviki, to all open or secret conspiracies against law and order, as Lord Bulwer makes Richelieu to say:

"Around her form I draw
The awful circle of our solemn church;
Let but man place foot within that holy ground,
And on his head, yea though he wear a crown,
I launch the curse of Rome!"

REGULATION OF THE PRACTICE OF OPTOMETRY IN THE DISTRICT OF COLUMBIA

Mr. ZIHLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3236, a bill to regulate the practice of optometry in the District of Columbia.

Mr. BLANTON. Mr. Speaker, will the gentleman from Maryland yield?

Mr. ZIHLMAN. Yes.

Mr. BLANTON. There was a program agreed upon on bills which if followed would finish the Gilbert bill. We are about two-thirds through that bill, and we ought to finish it one way or another. We have exhausted all general debate on it. The bill has been read, and there was a motion to strike out the enacting clause, which failed, and it will take only a short time to finish it.

Mr. UNDERHILL. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. UNDERHILL. The gentleman from Kentucky [Mr. GILBERT] is not here, and it would be hardly fair to take up the bill in his absence.

Mr. BLANTON. I know he is necessarily detained, but, nevertheless, I think we ought to take up that bill.

Mr. ZIHLMAN. I will say to the gentleman from Texas that I understand there is going to be a great deal of opposition to that bill, and I hope to get through a few bills about which there is no controversy.

Mr. BLANTON. But there is opposition to the bill which the gentleman has called up.

Mr. SANDERS of Indiana. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman from Indiana demands the regular order. The gentleman from Maryland moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3236.

Mr. ZIHLMAN. Mr. Speaker, pending that motion, I ask unanimous consent that general debate on this measure be dispensed with.

Mr. CHINDBLOM. Mr. Speaker, reserving the right to object, I would like to ask a question. It has been announced in the press that there is a great deal of very important legislation pending for the District. Is this the most important bill you have pending?

Mr. ZIHLMAN. I will say to the gentleman from Illinois the important bills to which he refers are matters of very deep-seated and widespread controversy, and I had hoped to take up these matters that were uncontested and dispose of them.

Mr. CHINDBLOM. I am not going to object, Mr. Speaker, but there will be a request for an extra day, or two or three days, perhaps, to consider District matters, and we are evidently taking up less important legislation than they actually have pending.

Mr. BLANTON. Mr. Speaker, I reserve the right to object. If the gentleman will ask that general debate be limited to 30 minutes to the side, I shall not object, but there is some very strong opposition to this bill.

Mr. JOHNSON of Washington. To this eye-doctor bill?

Mr. BLANTON. This is the optometry bill.

Mr. JOHNSON of Washington. We ought to finish that up with five minutes debate on a side and get rid of these spectacle peddlers.

Mr. BLANTON. Well, 20 minutes to the side.

Mr. ZIHLMAN. Mr. Speaker, I modify my request, and ask that general debate be confined to 40 minutes, one-half to be controlled by the gentleman from Texas and the other one-half by myself.

The SPEAKER. The gentleman from Maryland asks unanimous consent that general debate be limited to 40 minutes, one-half to be controlled by himself and one-half by the gentleman from Texas. Is there objection? [After a pause]. The Chair hears none.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3236, with Mr. SANDERS of Indiana in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of H. R. 3236, which the Clerk will report.

The Clerk read the title of the bill.

Mr. ZIHLMAN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. ZIHLMAN. Mr. Chairman, I reserve my time. Will the gentleman from Texas please use some time?

Mr. BLANTON. Mr. Chairman, the only objection I have to this bill is that it places absolute power in the board provided for in the bill, which could be controlled to the detriment of certain deserving parties interested in this business. There is entirely too much control lodged in such boards, affecting every kind and class of professional business in the District.

Mr. JOHNSON of Washington and Mr. HILL of Maryland rose.

Mr. BLANTON. I yield first to the gentleman from Washington.

Mr. JOHNSON of Washington. I would like to say very frankly to the gentleman that I hope we will not take a lot of time on this bill. Personally, I dislike to see the Government going into boards and commissions and arms of the Government itself, but cities regulate the spectacle peddler and he is now out of business. He has gone the way of the clock maker, and it is a crime to have them going around and robbing the people and ruining people's eyes, and therefore I am for this bill strong. That is all I need to say.

Mr. BLANTON. Yes; and I am for such a bill strong if it is properly safeguarded, but would not place the absolute control in one particular little board that without an appeal could keep out all competition, if they wanted to.

Mr. JOHNSON of Washington. They do not do that. If they had a city council here they would recommend this.

Mr. HILL of Maryland. Will the gentleman yield for a question?

Mr. BLANTON. In just a moment. I want first to answer the gentleman from Washington. We must decide whether this bill safeguards all worthy practitioners. I can explain this to you by calling attention to an affidavit that I have along another line concerning a similar bill that will be brought in here soon with respect to the further restriction of securing licenses in the plumbing business in Washington.

I have an affidavit from an expert plumber who owns his residence here in Washington, which cost several thousand dollars, and he has been living in it for some time with his wife and little children. He has been an expert plumber for twenty-odd years, and because he moved to Washington and would not join in with a certain little clique that is controlling the licenses, they have refused to license him and have refused to let him work at his trade of plumbing, although he has been an expert plumber for twenty-odd years.

Mr. LAZARO. Will the gentleman yield for a question?

Mr. JOHNSON of Washington. He can make more money, probably, fixing up automobiles.

Mr. BLANTON. I yield to the gentleman from Louisiana.

Mr. LAZARO. Has not your State a board of medical examiners to license physicians and a board to license druggists and a board to license nurses?

Mr. BLANTON. Yes; and I am in favor of such proper boards.

Mr. LAZARO. Do you not think people's eyes are vital to them?

Mr. BLANTON. That is exactly what I was coming to. If we would open this question up and see that every interest connected with this particular profession and business was protected, I would be just as strongly in favor of this bill as any-

one; but we have not done that, and our committee has not done that. We ought to look into these matters and see just exactly who is behind such a board and see just exactly the kind of power they are going to manipulate here and see what control they are going to make of it, and see that the people are properly protected, and then I would be in favor of such a board. If this bill safeguards all such rights, then I am in favor of it.

Mr. HILL of Maryland. Is there not some existing board to which this could be referred without the creation of another board?

Mr. BLANTON. Yes; there is some regulation now, but they claim it has not sufficient powers and they want this bill passed to give them sufficient powers.

Mr. HILL of Maryland. Is there any compensation provided for this board? I presume they will have secretaries and officers.

Mr. BLANTON. They will get all compensation from fees charged, but not from the Government.

I do not care to take up any more of the time of the committee. If we had opened up the hearings and given everybody a chance, it would be a different matter. We have another bill before us very much like this, and I have received protests against it from all over the country. There are two schools involved and one school is trying to take advantage of the other, and the one that is being taken advantage of by the bill has been protesting against its passage. Until we give both sides a hearing on that bill, we ought not to report it or try to pass it. We ought to see that everybody is properly protected. That is all I want to say on this bill. I reserve the balance of my time.

Mr. ZIHLMAN. Mr. Chairman, I wish the gentleman from Texas would use up his time.

Mr. BLANTON. Have the bill read under the five-minute rule; I am through.

Mr. ZIHLMAN. Then, Mr. Chairman, I ask the reading of the bill.

The Clerk read as follows:

SEC. 2. That on and after six months from the passage of this act it shall be unlawful for any person in the District of Columbia to engage in the practice of optometry or to hold himself out as a practitioner of optometry, or attempt to determine by an examination of the eyes the kind of eyeglasses required by any person, or hold himself out as a licensed optometrist when not so licensed, or to represent himself as capable of examining the eyes of any person for the purpose of fitting glasses, excepting those hereinafter exempted, unless he shall have fulfilled the requirements and complied with the conditions of this act and shall have obtained a license from the District of Columbia Board of Optometry, created by this act; nor shall it be lawful for any person in the District of Columbia to represent that he is a lawful holder of a license as provided by this act when in fact he is not such lawful holder, or to impersonate any licensed practitioner of optometry, or shall fail to register the certificate as provided in section 13 of this act.

Any person violating any of the provisions of this act shall be guilty of a misdemeanor, and upon conviction for the first offense shall be fined not more than $500, and upon conviction for any subsequent offense shall be fined not less than $500 nor more than $1,000, or be imprisoned in the District jail not less than three months nor more than one year, or both, in the discretion of the court.

Mr. SUMMERS of Washington. Mr. Chairman, I offer the following amendment; that wherever the words "hold himself out" are used substitute "represents himself to be."

Mr. HILL of Maryland. I object to that and make a point of order against it. That raises an entirely different question than that presented by the bill.

The CHAIRMAN (Mr. TINCHER). The point of order is overruled.

Mr. ZIHLMAN. I will accept that amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. SUMMERS of Washington: Wherever in the bill the words "hold himself out" occurs, strike them out and insert "represents himself to be."

Mr. WINGO. Is that the correct language?

Mr. SUMMERS of Washington. If the gentleman can make better English of it, I am perfectly willing.

Mr. WINGO. Oh, I agree with the gentlemam from Washington as to the desirability of the amendment. I am talking about the exact structure of the amendment. I ask the Clerk to read the language as it would read if the amendment is adopted.

The Clerk read as follows:

That on and after six months from the passage of this act it will be unlawful for any person in the District of Columbia to engage in the practice of optometry or to represent himself to be a practitioner of optometry, etc.

Mr. WINGO. It should include the word "to." The amendment should be that wherever that language occurs in the text it shall be amended so that it will read "or represents himself to be." Then that will take care of both phrases.

Mr. SUMMERS of Washington. I will modify my amendment, Mr. Chairman, in that respect.

The CHAIRMAN. The gentleman from Washington modified his amendment, and the question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Three members of the board shall constitute a quorum for the transaction of business, and should a quorum not be present on the day appointed for any meeting those present may adjourn from day to day until a quorum be present.

Mr. WINGO. Mr. Chairman, I move to strike out the last word. The question has been asked me as to the Columbia Optometric Society: What kind of an organization is it, when was it organized, and how?

Mr. ZIHLMAN. I can only say to the gentleman that it is an organization composed of the optometrists of the District of Columbia. I do not know how long it has been in existence. It is made up of the most reputable men in the profession.

Mr. WINGO. I do not know, but there is a difference between these specialists. This includes, I suppose, men like Edmonds, and all of that type of firms come under this bill.

Mr. JOHNSON of Washington. Nearly all the firms have an expert optometrist.

Mr. WINGO. This is a regular society, a proper organization, is it?

Mr. ZIHLMAN. Yes.

Mr. WINGO. I have no personal interest in it; but when Members asked me to develop it I told them I did not know, but I presumed it was composed of reputable men. I presumed it was composed of reputable men and was an actual bona fide organization. There is no question about that in the mind of the committee?

Mr. ZIHLMAN. No.

Mr. WINGO. I withdraw the pro forma amendment.

The Clerk read as follows:

SEC. 7. That the secretary-treasurer shall receive as compensation for his services an annual salary to be determined by the board, which salary and all other expenses of the board necessary in carrying out the provisions of this act shall be paid from the funds in the custody of the secretary-treasurer for the use of the board upon requisition signed by the secretary-treasurer and countersigned by the president of the board; and on the 30th day of June of each year if any surplus remains the members of the board shall be paid such reasonable compensation out of the funds in the custody of the board as the Commissioners of the District of Columbia may determine: *Provided, however*, That said compensation and expenses shall not exceed the amount received by the board under the provisions of this act.

Mr. BLANTON. Mr. Chairman, when a man is examined to practice law he pays a fee and gets his license. When he practices a certain number of years he is entitled to a license in the appellate courts and in the Supreme Court of the United States. He does not have to pay an annual license fee. He pays a fee for his first license. The license fee for the Supreme Court of the United States is only $10. But you charge an initial license fee in this bill of $25, and you make a fund here in this bill to pay not only the secretary-treasurer of the organization a salary but provide that whatever surplus is left over at the end of the year, after holding two meetings a year, the members of this board shall receive compensation within the limit of that surplus. That is paid out of the initial fee of $25 that he has to cough up when he gets his license. It does not stop there, for after paying the $25 he has to pay $10 every year for the continuation of the license.

Mr. UNDERHILL. If the gentleman will yield, let me say that that is to keep a check on these people. It is not simply to provide a fund. You have to pay each year for the automobile license.

Mr. BLANTON. Does the gentleman from Massachusetts think that there is any more reason for charging an original fee of $25 to one of these professionals than there is for others?

When a lawyer pays $10 for his license he is done and does not have to pay $10 a year for each year thereafter.

Mr. UNDERHILL. I do not want to reflect on the legal profession or the value of their services.

Mr. BLANTON. A man could make a mistake and get the wrong kind of a lawyer and might have a million of dollars involved in a financial way that would become a loss, hence there is as much necessity of getting a good lawyer as there is of getting a good eye doctor.

Mr. UNDERHILL. If the gentleman will yield right there, let me say that if I had a million dollars I would rather lose it than to lose my eyesight.

Mr. BLANTON. Oh, yes; all of us would rather do that.

Mr. WINGO. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. WINGO. May I suggest also to the gentleman from Texas that whenever you license a lawyer he goes into court and other lawyers come in contact with his work, but you take one of these optometrists and all of his work is done privately. His fellow optometrists have not much of a way of checking him up unless some person should go over to another one of them, maybe, and he finds out what has been done. There is quite a distinction. Suppose there are 50 optometrists in this city, a large number I should think, they would only pay $500 a year. I will tell you what I think will happen. I think you will find out that this fund will not be sufficient, and they will come in here and appeal to the liberality of our friend from Illinois [Mr. MADDEN] next year for an appropriation to be paid out of the Public Treasury, and I think that would be proper.

Mr. BLANTON. I doubt whether they would ever get it through the present chairman of the Committee on Appropriations. The gentleman from Arkansas is speaking facetiously.

Mr. WINGO. I think his well-known liberality in these matters would justify me in saying they will.

Mr. STEPHENS. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. STEPHENS. Would it not be just as much of an argument to make that a physician should pay every year?

Mr. BLANTON. Just as much. When he makes a mistake his error is covered up in the ground.

Mr. STEPHENS. But the argument would go just as far.

Mr. BLANTON. Just as far.

Mr. STEPHENS. Absolutely.

Mr. WOODRUFF. As a matter of fact, we have doctors and dentists who have to pay a fee now. They may not in the District of Columbia, perhaps——

Mr. BLANTON. They pay a practitioner's tax, not a license fee.

Mr. WOODRUFF. In the State of Michigan the dentists pay a fee of $1.

Mr. BLANTON. That is a tax for the expense of the State examining board.

Mr. STEPHENS. Do they pay every year?

Mr. WOODRUFF. Every year.

Mr. ZIHLMAN. They have been asked if they did not think the fee was high, and they say with the limited number here they are willing to pay it.

Mr. BLANTON. In view of the fact that this is not going to come out of the Public Treasury I am not going to say anything more against it.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

SEC. 9. That on and after six months from the passage of this act, as set forth in section 2 hereof, every person desiring to practice optometry, or, if now in practice, to continue the practice thereof, except as herein otherwise provided, shall take an examination as provided in this act and shall fulfill the other requirements as in this act provided.

Mr. FITZGERALD. Mr. Chairman, I move to strike out the last word for this reason: The members of this committee will note this is different from almost any other act we have passed, and from most of the acts of the States in reference to the practice of certain professions and callings because it requires those now legally engaged in the practice to take a limited examination.

Mr. UNDERHILL. If the gentleman will yield, I had the same opinion the gentleman has in regard to this bill until I looked at the next page, and I would like to ask the gentleman if he has read the proviso:

Provided, however, That failure to pass the standard examination after having qualified under the limited examination as in this paragraph set forth shall not disqualify him as a lawful practitioner.

Mr. FITZGERALD. I understand he must pass the limited examination or he will be disqualified. Now, I felt a little responsibility about this, because I drew the report made to the House on this bill, and I confess this phase of it had not been called to my attention at the time, but since then I have received a call from a gentleman who I asked to put his objections to the bill in writing, and this was one of the objections, with the suggestion that this made the bill, as he said, ex post facto, but what he meant was retroactive and to that extent unconstitutional. Now my own judgment about the matter is it does not make this bill unconstitutional but that this Congress has full power and authority to provide at least a limited examination of those who are to practice this profession in the District of Columbia, and that the limited examination which is specified here, which they may be required to take which will qualify them to practice irrespective of whether they can pass the other examination or not, is a very proper examination which any practitioner of optometry ought to be qualified to pass in order lawfully to practice on the people of the District. However, I felt this responsibility about it, and I felt I ought to call the attention of the committee to this fact that this provision is in here directing or requiring those in the practice should pass this limited examination.

Mr. UNDERHILL. Mr. Chairman, I move to strike out section 10.

The CHAIRMAN. Section 10 has not yet been read.

Mr. UNDERHILL. Then I move to strike out the sufficient number of words to obtain the floor. I would like to ask the attention of some of the legal talent in the House in regard to their interpretation of the law. I do not care from which side of the House it comes, but my experience with a similar bill in another body has led me to believe that such a provision as this would be declared unconstitutional or rather that this bill would be declared unconstitutional. Consequently it had better be stricken out as it would jeopardize the whole bill by leaving it in. The only question in my mind is whether the proviso on page 8, "That failure to pass the standard examination after have qualified under the limited examination as in this paragraph set out shall not disqualify him as a lawful practitioner," in other words a man who has been practicing optometry in this District for the past 5, 6, or 12 years or more under the provisions of this law unless he is able to pass this limited examination would be prohibited from practice. The courts would clearly hold in this instance that it was unconstitutional because it was retroactive.

Mr. FITZGERALD. I would like to ask the gentleman if he has taken into consideration that although such a provision in a State law would probably be held unconstitutional, it would probably not be so in this case? Most of the State constitutions have such provisions as would prevent infringement upon the rights of those who had already entered upon certain lines of employment, but there is no such reservation in regard to the Federal District. I heard a former Senator from Mississippi, Mr. John Sharp Williams, make an able presentation of the subject in the Senate. He said we often overlook the fact that Congress has more ample powers over the Federal District than over the States. The powers of Congress under the Federal Constitution with regard to this Federal District are broader than the powers over the peoples of the several States and more ample than the powers of the States over their own people under the limitations of their constitutions. I believe that this provision in section 9 providing for a limited examination of those already in the practice of optometry is a wise provision and that it is constitutional.

Mr. WINGO. My attention has been directed to the provision referred to; and I think that even if this were a statute passed by a State legislature, the provision in the bill is plainly constitutional. I think you take care of that situation, and I think some of the gentlemen may have an idea that the courts have gone further on that question than they really have done. Here is the viewpoint they will ultimately come to in connection with people who are dealing with the public in a technical way: When you give them a reasonable opportunity to demonstrate that they are capable, and you provide them with a limited examination, such as is provided here, and then with a yearly examination, here is where you will get them if they are not capable and competent. The gentlemen who drew this bill evidently had this in mind. You give them a limited examination and then an annual examination, and a man has no vested right in either fraud or incompetency. If that is true, here is where they will weed out those who are not competent. We will say they may be occupying a position

in a reputable concern, or as an assistant to one who is competent. They will say, "We will let you stand on the limited examination." Then, if a man starts out for himself and can not measure up to the standards of a profession where he is holding himself out to his prospective customers, they would have a right to hold that he was not competent. You are refusing to give to him a certificate of competency. That is all you are doing.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. UNDERHILL. Mr. Chairman, may I have three minutes more?

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WINGO. He is asking for an annual certificate of competency in his profession, and no man has a right to receive a false certificate issued by a public board—a certificate of incompetency.

Mr. BEGG. The courts usually hold that a legislative body has the right to require certain standards in any profession. I think you will find that they have.

Mr. WINGO. Some gentlemen are fearful, I think, that the courts have gone further. I have not refreshed my memory recently as to that, but I think I am clear enough in my recollection to be led to believe that the language you have here will be sustained.

Mr. UNDERHILL. That is the common-sense view that I would take as a layman. However, I wanted legal and professional advice on the matter in order that the constitutionality of the law might not be questioned later on.

Mr. WINGO. Let me make this suggestion: Somewhere or other in the bill, as a new section, if it is not already in, insert a provision to the effect that if a part of the bill should be declared unconstitutional it shall not invalidate all of the bill.

Mr. UNDERHILL. Mr. Chairman, I will withdraw my pro forma amendment.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

SEC. 13. That every person desiring to be licensed as in this act provided shall file with the secretary-treasurer of the board upon appropriate blank to be furnished by said secretary-treasurer an application, accompanied by the recommendation of two reputable citizens, verified by oath, setting forth the facts which entitle the applicant to examination and license under the provisions of this act. The said board shall hold at least two examinations each year. In case of failure at any standard examination, the applicant, after the expiration of six months and within two years, shall have the privilege of taking a second examination by the board without the payment of an additional fee. In case of failure at the limited examination hereinbefore provided for, the applicant shall, after the expiration of six months and within two years, have the privilege of taking a second examination without the payment of an additional fee.

Every applicant who shall pass the standard examination or the limited examination, as the case may be, and who shall otherwise comply with the provisions of this act, shall receive from the said board under its seal a license entitling him to practice optometry in the District of Columbia, which license shall be duly registered in a record book to be properly kept by the secretary-treasurer of the board for that purpose, which shall be open to public inspection; and a duly certified copy of said record shall be recorded in the clerk's office of the Supreme Court of the District of Columbia, and shall be admitted as prima facie evidence in all courts of the District of Columbia in the trial of any cause, and it shall be the duty of the clerk of the Supreme Court of the District of Columbia to keep a special book for the purpose of recording said licenses, and shall, upon application and by the payment of a fee of 50 cents, deliver to any person applying therefor a certificate that the license has been recorded in compliance with the provisions of this act. Each person to whom a certificate of license shall be issued by said board shall keep same displayed in a conspicuous place in his principal office or place of business wherein said person shall practice optometry, and shall, whenever required, exhibit the said certificate to any member or agent of the board.

The CHAIRMAN. On line 5 of page 10, at the beginning of the line, there should be a correction in the spelling of the word "purpose." Without objection, the correction will be made.

There was no objection.

Mr. CRAMTON. Mr. Chairman, it is my recollection that there was some provision in this bill about turning the fees over to the use of the board instead of turning them into the Treasury.

Mr. ZIHLMAN. That is true.

Mr. CRAMTON. Where is that provision?

Mr. ZIHLMAN. The fees received are turned over to all boards of this character.

Mr. BLANTON. The fees are paid by the applicants.

Mr. CRAMTON. I do not care by whom they are paid, but there ought not to be a provision here to make it a matter of personal interest to the board.

Mr. BLANTON. The fees are paid to the secretary. That is on page 8 or 9 or somewhere in the latter part of the bill.

Mr. UNDERHILL. It is at the bottom of page 5.

Mr. WINGO. Mr. Chairman, will the gentleman from Michigan yield?

Mr. CRAMTON. Certainly.

Mr. WINGO. The gentleman was not here a little while ago when we had up that question. I suggested that at the outside there would not be over 40 or 50 of these applicants in the District. It would not be over $500 a year. I suggested that it would not be long before it would be suggested that these fees be paid into the Treasury, and then they would ask that the board be paid. In due time we may expect this board to be paid out of the Treasury.

Mr. BEGG. The gentleman at the head of the optometry association came to my office and said that the reason why they made the fees as high as they were was that they wanted to be self-supporting. On that ground I think we would not want that money to be paid into the Treasury.

Mr. CRAMTON. The policy is wrong of setting up a board and saying to that board, "You can go out and drag in here as many applicants as you can, and however ill prepared the applicants may be for the performance of the duties they undertake the more you get, the more fees you get, and the bigger salary your secretary gets."

Each one has a direct interest in encouraging applications, and there is only one way of encouraging applications and that is to lead people to believe they are going to be able to pass. It seems to me you weaken this proposition by making it directly to the financial interest of the officers themselves to encourage people that they are going to pass.

Mr. ZIHLMAN. This is the procedure followed not only here but in many of the States. I had something to do with the passage of a bill providing for a board of examiners on accountancy. I know that bill provided they should administer their own fees, and the bill providing for a dental board provided that they should administer their fees, and if there was any excess it should be paid into the Treasury.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAMTON. Mr. Chairman, I ask for one minute more.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to proceed for one additional minute. Is there objection? [After a pause.] The Chair hears none.

Mr. CRAMTON. I assume the committee would not want to consider an amendment, and as the section has been passed I do not see that anything can be done.

Mr. WINGO. Would the gentleman be in favor of striking it all out and providing for a straight appropriation?

Mr. CRAMTON. I am opposed absolutely to the principle.

Mr. WOODRUFF. I will state to the gentleman that in the State of Michigan the fees for the licensing of those who desire to engage in the practice of dentistry are collected by the State board of dental examiners, and the yearly fees so collected are used to pay the expenses of the State board of dental examiners. I believe that is the practice in several of the States.

Mr. CRAMTON. I agree that Michigan is a model in most things but I would not claim it is in everything. There must be a few exceptions.

The Clerk read as follows:

SEC. 14. That the said board shall charge the following fees for examinations, registrations, and renewals of certificates: The sum of $25 for a standard or a limited examination. Every registered optometrist who desires to continue the practice of optometry shall annually, on or before the 10th of January of each year, pay to the secretary-treasurer of the board a renewal registration fee to be fixed annually by the board, not to exceed $10, for which he shall receive a renewal of his certificate. In case of neglect to pay the renewal fee as herein provided the board shall have authority to revoke such license and the holder thereof may be reinstated by complying with the conditions specified in this section, but no license or permit may be revoked without giving 60 days' notice to the delinquent, but the board shall only have the right to renew such license on the payment of the renewal fee with penalty of $5: *Provided*, That retirement from practice for a period of not exceeding five years shall not deprive the holder of said license the right to renew the same upon the payment of the fee herein required.

The CHAIRMAN. Without objection, the word "of" will be inserted after the word "license" in line 14, page 11.

There was no objection.

The Clerk read as follows:

SEC. 20. That the provisions of this act shall not apply—

(a) To physicians and surgeons practicing under authority or license issued under the laws of the District of Columbia for the practice of medicine and surgery.

(b) To persons selling spectacles and [or] eyeglasses and who do not attempt, either directly or indirectly, to adapt them to the eye, and who do not practice or profess the practice of optometry.

Mr. BEGG. Mr. Chairman, I offer an amendment: On page 13, strike out lines 14 to 17, inclusive.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BEGG: On page 13, strike out all of lines 14, 15, 16, and 17.

Mr. BEGG. Mr. Chairman, I would like to have the attention of the committee, and it may be they can change my mind. I have offered an amendment to strike out lines 14 to 17, inclusive. If you can tell me how a man can sell me eyeglasses, even under a prescription, unless he is an optometrist, I would be glad to have that information.

Mr. JOHNSON of Washington. Did the gentleman ever hear of any window glass being sold as eyeglass?

Mr. BEGG. I think my remarks are serious; at least, I think they are.

Mr. JOHNSON of Washington. Mine are serious, too.

Mr. BEGG. I do not think they are serious.

Mr. WINGO. I think both gentlemen agree, but have failed to observe what each other said.

Mr. BEGG. I am of the opinion—although I am not particularly interested, because I am not buying any glasses to-day—that with these lines in the bill every quack eyeglass man in town can continue to practice. What is the language?

That the provisions of this act shall not apply—

To persons selling spectacles and [or] eyeglasses and who do not attempt, either directly or indirectly, to adapt them to the eye.

Well, how can he sell a man eyeglasses? He will give them to him and let him try them on, and if a man says he can see out of them, he will take them.

Mr. ZIHLMAN. But motor glasses are eyeglasses, and sunglasses are eyeglasses. There are a great many forms of glasses sold besides specially prepared glasses.

Mr. BEGG. I undertand that, but it seems to me the gentleman is killing the bill by these lines.

Mr. ZIHLMAN. I do not think so.

Mr. BEGG. It makes it apply only to the man who practices, the eye doctor.

Mr. ZIHLMAN. This provision applies to persons selling spectacles and eyeglasses and who do not attempt to adapt them to the eye.

Mr. BEGG. If the gentleman will pardon me, if I have a store down here and do not attempt to adapt eyeglasses to the eye I can give a man a pair of eyeglasses and tell him to put them on, and if he says they suit him he can take them, and I can continue doing that right along. If I do that, I can not be touched under this provision, it seems to me.

Mr. UNDERHILL. That has not been the way it has been adjudicated in the States.

Mr. BEGG. Perhaps this particular provision has not been adjudicated. I submit to every man in the House that this language will let any man sell eyeglasses just so long as he refrains from saying the glasses do not fit or if he does not attempt to adapt them to the eye.

Mr. JOHNSON of Washington. The gentleman thinks it would apply to a man who would say, "Here is a pair of eyeglasses; put them on and see whether you can read the letters 'Z,' 'E,' and 'X.'"

Mr. BEGG. There is no question about that in my mind.

Mr. JOHNSON of Washington. He would merely say, "See if you can read the letters 'Z,' 'E,' and 'X.'"

Mr. BEGG. Certainly; because the seller is not fitting him or attempting to adapt them to his eyes. All he does is to hand him a pair of glasses and tell him to put them on.

Mr. FITZGERALD. It seems to me that would be violating this law.

Mr. BEGG. No; he would not be violating this law, because the man himself is putting glasses on and determining himself whether they fit. I am not going to insist on my amendment. I merely offered it for the purpose of calling the attention of the committee to the fact that I believe this language simply undoes what the committee is trying to do.

Mr. ZIHLMAN. The men engaged in this business proposed this.

Mr. BEGG. I understand that; but I do not believe it is the right thing.

Mr. ZIHLMAN. And it is in every bill in every State.

Mr. WINGO. Do you not think you could possibly reach what both of you are thinking of by putting in a short amendment so that it will read:

To persons selling spectacles and eyeglasses, such as sunglasses, motor goggles, and other similar protective devices, who do not attempt, either directly or indirectly, to adapt them to the eye.

Do you not think that would cover it? The idea is to prohibt a man from going ahead and selling something that he pretends and represents as correcting a defect in the vision. That is the object, of course. The committee did not intend to have this apply to a man who would come along and sell you a pair of sunglasses or a pair of motor goggles to protect you against dust. The committee did not intend that such a man would have to be a licensed optometrist.

Mr. BEGG. Of course not.

Mr. UNDERHILL. You can send out to Chicago to any of the mail-order houses now and they will send you a gross of such glasses and there is no law in any State to prevent it.

Mr. WINGO. The reason I make that suggestion is because you have here the danger of leaving a loophole. One of my friends asked me what was in the bill and I said it was a long bill but a short title would be, "A bill to prevent grafters from selling window glass to negroes for spectacles." That is really what you are trying to get at. The average intelligent man will look into the capacity of a man before he attempts to purchase eyeglasses, but you have peddlers and crooks going around and taking money away from negroes and illiterate people and selling them nothing but plain window glasses for spectacles and charging them $5 or $10 for attempting to fit their eyes, and people of that kind ought to be protected against such grafters.

Mr. BEGG. They could do that very thing under the bill with this provision in it.

Mr. WINGO. That is why I suggested this change.

Mr. CRAMTON. Mr. Chairman, after listening to the discussion the purpose of the champions of the bill is very apparent. It is the purpose of the bill as drawn, and that seems to be the purpose of the committee, to permit anyone to sell glasses, no matter how strong or how weak the lens may be, whether it is just plain window glass or very strong lens, and to sell them without being subject to this act so long as the person who does the selling does not pass upon the question of whether they are going to injure or help the person who wears them. In other words, no matter how much the glasses might ruin the sight of the person wearing them, there is no prohibition on their sale here, so long as it can not be proven that the man who makes the sale assumed to say they would be helpful to the eyes. As the gentleman from Arkansas has said, the peddling of window glass is not prevented at all by this language. It is wide open to sell glasses as worthless as can be conceived or as ruinous as can be conceived, as long as you can not prove in court that the person that made the sale made a fitting. It is all right, if that is the kind of bill you want.

Mr. UNDERHILL. I would defer somewhat to the special knowledge of the gentleman from Michigan ordinarily, but I am basing my position on the fact that this is the language used in similar laws in practically every State in the Union, including his own, and it does effectively prevent the faker from prescribing for a patient, and does not prevent the dealer in sunglasses or the dealer in goggles or spectacles from selling the gentleman from Michigan or myself a colored sunglass or an automobile protecting glass.

Mr. CRAMTON. When we pass a law with reference to the regulation of the practice of medicine, we forbid a man prescribing. We forbid his practicing medicine. We forbid his furnishing something to cure what is wrong with you.

Mr. FITZGERALD. Oh, no; if the gentleman will permit right there, we do not. A man in order to violate the ordinary run of laws—I will say the law of your State and mine—must take money for the remedy in order to come within the criminal prohibition of the act. In other words, we can regulate only the practice of some learned profession. We can not prohibit the sale——

Mr. CRAMTON. The gentleman does not mean that the test under this language is the question of whether a man is taking money for his alleged skill, because there is no

claim that these glasses are going to be given away, and whatever part is involved in the cost of the glasses, for the skill of fitting them, is not the question here.

Mr. FITZGERALD. No; I am drawing the gentleman's attention to the fact that all we can do is to limit the practice of a learned profession or calling which requires some education and training. We are not attempting in any way to limit the sale of any sort of an article, and we have not any right to do that, and I speak because the gentleman said that a man may be licensed to practice medicine and not permitted to give any sort of thing as a remedy to a person.

Mr. CRAMTON. It just comes to my mind, since the law of Michigan has been cited here, that I recall opposing the enactment of an optometry law in my State when I was in the legislature because we were establishing entirely too many boards of this sort; but if you want to pass such a bill, I suppose it is a good thing to have it full of holes, so that it will not interfere too much with the course of nature.

Mr. UNDERHILL. The practice under the provisions of similar laws in the States was that a fakir set up in his store or on the street a chart and prescribed for the patient. The only knowledge that he had of optometry or of eye trouble was to place the chart at a certain distance, and if the patient said "I can read the bottom line" he told him the glasses were correct and sold them to him. That resulted in a great deal of harm, and people in some cases were made blind. Under this law any man who attempts to prescribe or who attempts to use a chart and then sells glasses to correct defective vision can be prosecuted.

Mr. CRAMTON. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. CRAMTON. Under this, as drawn, a man comes down the street with his case of glasses and sees the colored man that the gentleman from Arkansas speaks of and says, "You ought to be wearing glasses." He says, "I expect I should." That is all right. He says, "Here is a pair." And he puts them on and goes off. That may be destructive. He may have ruined the man's eyesight, but this bill does not reach him.

Mr. LAZARO. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. LAZARO. Is it not true that anyone who cares at all for his eyes should go to a man competent to examine his eyes, and after he gets his prescription is it not true that he should go to a good optician?

Mr. UNDERHILL. Absolutely so.

Mr. LAZARO. Just as you go to a good doctor for a prescription, and then after you get your prescription you go to a good druggist to fill it.

Mr. UNDERHILL. I agree with the gentleman, and the bill seeks to assist the patient to find reputable persons.

Mr. BEGG. Mr. Chairman, I withdraw my amendment.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 21. That wherever in this act the singular number is used it shall be interpreted as meaning either singular or plural if compatible with the sense of the language used, and when in this act the masculine gender is used it shall be construed as meaning also the feminine gender if not inconsistent with such use.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 18, after line 23, add a new section, as follows:

"SEC. 22. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such a provision to other persons or circumstances shall not be affected thereby."

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. ZIHLMAN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SANDERS of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 3236) to regulate the practice of optometry in the District of Columbia, and had directed him to report the same back to the House with amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. ZIHLMAN. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The motion was agreed to.

The SPEAKER. Is a separate vote demanded on any of the amendments? If not, the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ZIHLMAN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

ENROLLED HOUSE JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. ROSENBLOOM, from the Committee on Enrolled bills, reported that on May 10, 1924, they presented to the President of the United States, for his approval, the following House joint resolution:

H. J. Res. 195. Joint resolution authorizing an appropriation for the participation of the United States in two international conferences for the control of the traffic in habit-forming narcotic drugs.

INDEBTEDNESS OF THE KINGDOM OF HUNGARY

Mr. CRISP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8905, to authorize the settlement of the indebtedness of the Kingdom of Hungary to the United States of America.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. SANDERS of Indiana in the chair.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that the first reading of the bill will be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Chairman and gentlemen of the committee, this bill is to fund the indebtedness owed the United States by the Kingdom of Hungary. This loan was not made under the provisions of law to lend money to our allies to aid in the prosecution of the war, but was loaned for humanitarian purposes. After the armistice there was a great deal of suffering in Hungary; babies and women were dying by the thousands and the United States Government authorized the Grain Corporation to sell foodstuffs to Hungary to save the lives of thousands of women and children. The amount advanced to Hungary totaled $1,685,000.

Hungary, as you know, is in a very depleted condition and has never been able to meet any of the sum due us and has paid nothing on it and can not until this matter be funded. When the loan was made the United States and the other allied nations and friendly nations which furnished food to save life had a first lien on the assets of Hungary, which, of course, in the long run amounted to nothing but the obligation of Hungary to repay this indebtedness. Hungary's finances are still in a very depleted condition. She can not meet any of her obligations unless she can float a rehabilitation loan. This bill provides for funding the indebtedness of Hungary of $1,600,000, and is exactly in terms with the settlement of the indebtedness of Great Britain and Finland with this one exception, the exception being that the Secretary of the Treasury is authorized to cancel the first lien that the United States might have on the assets of Hungary, making it subject to the rehabilitation loan of $50,000,000 which is to be floated, and the United States is not to do that unless all the other allied creditor nations who stand in the same position with the United States as to the first lien make the same cancellation.

England, Switzerland, France, Holland, and other allied countries advanced foodstuffs when we did, and they have in common with the United States a first lien on the resources of Hungary. This simply authorizes the Secretary of the Treasury to waive the lien in favor of this rehabilitation loan of $50,000,000, provided all the other nations which made advances for humanitarian purposes—the purchase of food to save human life—make the same waiver. If they do not waive it, the United States does not waive it. Now, the Congress of the United States did this identical thing so far as Austria was concerned. We advanced foodstuffs to Austria, and in March, 1922, Congress postponed that indebtedness 25 years and waived its first lien for the purpose of enabling Austria to float a rehabilitation loan. This does exactly the same thing. This funds the indebtedness of Hungary for 62 years, and the interest is calculated on the amount of the indebtedness at 4½ per

cent up to December 15, 1923. The same rate of interest was figured on the indebtedness of England and Finland. The total amount due at this time on this funding of principal and interest was $1,900,000 and a few odd dollars, practically $2,000,000.

Mr. ABERNETHY. Will the gentleman yield?

Mr. CRISP. In a second I will be glad to yield to the gentleman. This funding is under the same terms as that of England and Finland. For the first 10 years the interest is 3 per cent. After that it is 3½ per cent. It is payable over a period of 62 years amortized and payable in gold, and the Government of the United States accords Hungary the right to settle the indebtedness by accepting at par any bonds of the United States of America that were issued after April, 1917, with the exception, as I have before stated, of making this loan subject to the lien of the rehabilitation loan of $50,000,000. It is identical with the settlement made with England and Finland. This does not make the indebtedness of the United States subject to any reparation claims, but only for this rehabilitation loan. Now I will yield to my friend from North Carolina.

Mr. ABERNETHY. I am not going to oppose the bill. I opposed the settlement of the British loan, but was in a small minority. The gentleman is still on that commission——

Mr. CRISP. I have the honor to be on that commission; yes, sir.

Mr. ABERNETHY. Is the gentleman in a position to give the House any information about what is going to happen with the indebtedness of France to this Government, whether anything has been done or the purpose or what they are trying to do? It seems that is one of the largest nations that does not seem to have any regard for any of her obligations to this country as far as I can ascertain, and I want to know what the status is, if there is any.

Mr. CRISP. I think I can answer for the commission. The commission is doing everything that we can to try to bring about a funding and settlement of the indebtedness due this Nation, not only by France but by all the other creditor nations, and the commission is always very happy when it can present to the House a settlement and funding of any indebtedness, even of any of the small nations. The amount here involved compared with our foreign indebtedness is infinitesimal, less than two million, but we are glad to present it because we think that is notice to the other creditor nations that the United States expects them to settle their indebtedness, and we hope these matters will have a salutary effect on the other nations.

Mr. ABERNETHY. Are there any diplomatic reasons why we should not say to France that we expect her to settle what she owes to the United States?

Mr. CRISP. The gentleman from North Carolina will understand that I am a minority member of the commission, and also that our diplomatic correspondences with other nations of the world are conducted by the President of the United States, our Chief Executive, who is charged with that responsibility, but I know it is the desire of the commission and the Chief Executive to do all that they can to bring about the funding of our foreign indebtedness. We recognize, of course, it is impossible for these creditor nations owing collossal sums to pay in cash, and therefore we are anxious to fund and amortize their indebtedness, which we believe will insure its ultimate payment and tend to stabilize the world's economic condition. The Foreign Debt Commission, and I feel I am authorized to say the Chief Executive, are doing all they can to try to induce the debtor nations to settle with us.

Mr. KINDRED. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. KINDRED. Going back to the question of Hungary, the gentleman has spoken of the debt being about $2,000,000. Does that refer to the whole balance now due?

Mr. CRISP. Yes. I will answer the question of the gentleman from New York. The total indebtedness of Hungary to the United States, arising from the sale of foodstuffs to sustain life, furnished through the Grain Corporation, amounted to $1,685,835.61. The accrued interest on it up to the time of this funding of the indebtedness, calculated at 4½ per cent, the same as was done with Great Britain and Finland, brings the total principal to $1,939,000.

Mr. KINDRED. It has been said that other debtor nations perhaps have not paid their interest. Has Hungary paid any interest at all?

Mr. CRISP. When this was funded they paid $745 to reduce it, so that the bonds and obligations could be worked out in even dollars.

Now I do not care to take up any further time of the House. I do not think the agreement and the form of bonds used in this settlement, which is exactly the same form of bond as was used in the case of England and Finland, has ever been placed in the CONGRESSIONAL RECORD, and it may be of convenience in the future to find the form of that agreement and the bond if placed in the RECORD. Therefore, Mr. Chairman, I ask unanimous consent to extend my remarks by including in the RECORD a copy of the report in which is contained a copy of the agreement made with Hungary, and a copy of the bond that is to be executed under the agreement.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks by inserting the report as indicated. Is there objection?

There was no objection.

Following is the report referred to:

[House of Representatives, Report No. 654, Sixty-eighth Congress, first session]

SETTLEMENT OF THE DEBT OF HUNGARY TO THE UNITED STATES

Mr. CRISP, from the Committee on Ways and Means, submitted the following report, to accompany H. R. 8905:

The Committee on Ways and Means, to which was referred the bill (H. R. 8905) to authorize the settlement of the indebtedness of the Kingdom of Hungary to the United States of America, having had the same under consideration, unanimously report it back to the House without amendment and recommend that the bill do pass.

The World War Foreign Debt Commission negotiated a settlement with the minister of Hungary at Washington, which was embodied in an agreement executed, with the approval of the President and subject to that of Congress, on April 25, 1924, pursuant to authority conferred by the act of Congress approved February 9, 1922, as amended by the act of Congress approved February 28, 1923.

The indebtedness, in the principal amount of $1,685,835.61, was incurred in connection with food purchased on credit from the United States Grain Corporation for relief purposes, and is evidenced by one of a series of obligations of the Government of Hungary designated as "Relief Series C, of 1920," which, according to their express terms, are a first lien upon all the assets and revenues of Hungary.

The agreement, with the exception hereinafter referred to, follows in substance that made with the British and Finnish Governments, the basic date of the bonds to be issued being December 15, 1923. The principal sum of the debt, as of that date, is $1,939,000 and is payable in annual installments, beginning with $9,600 on December 15, 1924, and increasing with due regularity to $75,000 on December 15, 1985. Any payment of principal may be deferred for not more than two years from its due date, but the payment falling due in the next succeeding year can not be postponed for more than one year from its due date, and the payment falling due in the second succeeding year can not be postponed at all until the payment due two years previous thereto shall have been made. Payments of principal may also be made before maturity on giving not less than 90 days' notice. Interest is payable on the unpaid balances semiannually at the rate of 3 per cent per annum to December 15, 1933, and at the rate of 3½ per cent per annum thereafter. One-half of the interest accruing between December 15, 1923, and December 15, 1928, may be funded into bonds with maturities similar to those of the original issue. All payments on account of principal or interest are to be made at the Treasury of the United States or at the Federal Reserve Bank of New York in United States gold coin of the present standard of value or in obligations of the United States issued after April 6, 1917.

The exception referred to appears in section 7 of the agreement, which provides that the bonds to be issued shall be secured in the same manner and to the same extent as the obligations of the Government of Hungary now held by the United States, and authorizes the Secretary of the Treasury to release all or any part of such security for the purpose specified, provided that substantially all other creditor nations holding obligations of Hungary similarly secured release to a similar extent the security enjoyed by their respective obligations. No such question of security was involved in the settlements with the British and Finnish Governments.

The Government of Hungary is to-day in serious financial difficulties and it appears that a reconstruction loan is imperative in order to bring about a rehabilitation of its finances. In order to obtain this loan it is contemplated that the lien upon the assets and revenues of Hungary, enjoyed by the series of obligations of the Government of Hungary referred to, shall be subordinated to that of the reconstruction loan just as similar liens were subordinated to that of the reconstruction loan recently floated by the Government of Austria.

Section 7 of the agreement makes it possible for this Government to cooperate in this respect with other governments having similar claims against Hungary and to extend to the Government of Hungary terms of a similar nature to those already extended to the Government of Austria under authority conferred by joint resolution passed by Congress and approved by the President on April 6, 1922.

A copy of the letter written by the Secretary of the Treasury, chairman of the World War Foreign Debt Commission, to the President, submitting to him for his approval the agreement made by the World War Foreign Debt Commission with the Government of Hungary providing for the funding of its indebtedness, a copy of said agreement and the form of the bond to be executed are annexed hereto.

WORLD WAR FOREIGN DEBT COMMISSION,
Washington, April 25, 1924.

DEAR MR. PRESIDENT: The World War Foreign Debt Commission, created under the act of Congress approved February 9, 1922, as amended by the act of Congress approved February 28, 1923, having received the representative appointed by the Government of the Kingdom of Hungary to consider the refunding of the indebtedness of that Government to the United States, reports as follows:

The Government of the Kingdom of Hungary designated as its representative Count Laszlo Szechenyi, its envoy extraordinary and minister plenipotentiary at Washington, who advised the commission that he had been instructed by his Government to express its desire to refund its indebtedness to this country, provided that terms could be agreed upon with which it would be possible for it to comply. Frequent conferences resulted between representatives of the commission and the Hungarian minister at Washington, at which the minister emphasized particularly the fact that his Government is to-day in serious financial difficulties and that a reconstruction loan has become imperative in order to enable it to rehabilitate its finances.

After full consideration by the commission of the problems involved in refunding the indebtedness of the Government of Hungary to this country, the minister indicated that he would be willing to enter into an arrangement on behalf of his Government to refund the indebtedness in question on terms similar to those embodied in the agreement executed by the United States with the Government of Finland on May 1, 1923, the total amount of the indebtedness to be determined as of December 15, 1923, accrued interest to that date to be computed at the rate of 4¼ per cent per annum, the repayment of the indebtedness so determined to be provided for by the issue at par as of that date of bonds in the principal amount of $1,939,000, and the immediate payment in cash of any amount found to be due over and above that figure.

The minister pointed out, however, that the indebtedness of his Government to the United States is evidenced by one of a series of obligations designated as "Relief series C of 1920," the other obligations of this series being held by other creditor nations of Hungary; that this series of obligations, according to its express terms, is a first lien on all the assets and revenues of Hungary; and that the success of the reconstruction loan referred to makes it essential that the lien enjoyed by this series of obligations be subordinated to that of such loan. He accordingly made his consent to enter into the foregoing agreement contingent upon appropriate provision for the subordination of the lien enjoyed by the obligation of the Government of Hungary now held by the United States to that of the loan, suggesting that some such course of action be provided for as in the case of the relief obligation of the Government of Austria held by this Government, by embodying in the form of agreement and bond as executed by the Government of Finland two amendments worded substantially as follows:

To be inserted as section 7 of the agreement:

"Security: The payment of the principal and interest of all bonds issued or to be issued hereunder shall be secured in the same manner and to the same extent as the obligation of Hungary in the principal amount of $1,685,835.61, described in the preamble to this agreement; that is to say, shall be 'a first charge upon all the assets and revenues of Hungary and shall have a priority over costs of reparation under the treaty of Trianon or under any treaty or agreement supplementary thereto, or under arrangements concluded between Hungary and the Allied and Associated Powers during the armistice signed on November 3, 1918': *Provided, however,* That all or any part of such security may be released by the Secretary of the Treasury of the United States on such terms and conditions as he may deem necessary or appropriate in order that the United States may cooperate in any program whereby Hungary may be able to finance its immediate needs by the flotation of a loan for reconstruction purposes, if and when substantially all other creditor nations holding obligations of Hungary similar to that held by the United States and described in the preamble to this agreement, to wit, Denmark, France, Great Britain, Holland, Norway, Sweden, and Switzerland, shall release to a similar extent the security enjoyed by such obligations. The Secretary of the Treasury of the United States shall be authorized to decide when such action has been substantially taken."

To be inserted as the third paragraph of the bond:

"The payment of the principal and interest on this bond is secured in the same manner and to the same extent as the obligation of Hungary in the principal amount of $1,685,835.61 described in the preamble to said agreement, subject to release in whole or in part by the Secretary of the Treasury of the United States under authority conferred by section 7 of said agreement."

You will note that the form of agreement as amended makes it clear that the bonds to be issued pursuant to its terms shall in the first instance have the same security as that now enjoyed by the obligation of the Government of Hungary held by the United States, but makes it possible for this Government to cooperate with other governments having claims against Hungary in the manner required in the pending program for the financial reconstruction of Hungary. The authority conferred upon the Secretary of the Treasury in the latter connection by the amendments agreed to is substantially the same as that conferred upon him with reference to the relief obligation of the Government of Austria held by the United States by the joint resolution passed by Congress and approved by the President on April 6, 1922.

Briefly, the agreement accords to the Government of Hungary, with respect to the repayment of its indebtedness to the United States, terms similar to those already extended to the Governments of Great Britain and Finland and, with respect to the security enjoyed by the indebtedness, terms of similar nature to those already extended to the Government of Austria.

On April 7, 1924, at a meeting of the commission, by appropriate resolution unanimously adopted, the Secretary of the Treasury, as chairman of the World War Foreign Debt Commission, with the approval of the President and subject to the approval of Congress, was authorized and directed to execute for the commission on behalf of the United States of America, under the terms of the act of Congress approved February 9, 1922, as amended by the act of Congress approved February 28, 1923, an agreement with the Government of Hungary providing for the refunding of its indebtedness to the United States upon terms substantially similar to those embodied in the agreement concluded by the United States with the Government of Finland on May 1, 1923, the form of agreement and bond as executed by the Government of Finland to be amended substantially as above indicated.

I have the honor to hand you herewith for your approval such agreement, executed in two counterparts pursuant to the foregoing resolution, together with one copy thereof for your files.

The commission believes that a settlement of the debt of the Government of Hungary to the United States on the basis specified is fair and just to both Governments and recommends for submission to Congress the terms embodied in the agreement herewith.

Should you see fit to indorse your approval on the two counterparts of the agreement herewith, I should appreciate it if they might be returned to me, in order that one copy may be transmitted to the Hungarian minister at Washington and the other to the Treasurer of the United States, to be held pending such action as Congress may take in the matter.

Respectfully submitted.

A. W. MELLON,
Secretary of the Treasury and
Chairman of the World War Foreign Debt Commission.

THE PRESIDENT,
The White House.

AGREEMENT MADE THE 25TH DAY OF APRIL, 1924, AT THE CITY OF WASHINGTON, D. C., BETWEEN THE GOVERNMENT OF THE KINGDOM OF HUNGARY, HEREINAFTER CALLED HUNGARY, PARTY OF THE FIRST PART, AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE UNITED STATES, PARTY OF THE SECOND PART

Whereas Hungary is indebted to the United States as of December 15, 1923, upon an obligation maturing January 1, 1925, in the principal amount of $1,685,835.61, described as "Relief Series C of 1920," together with interest accrued and unpaid thereon; and

Whereas Hungary desires to fund said indebtedness to the United States, both principal and interest, through the issue of bonds to the United States, and the United States is prepared to accept bonds from Hungary upon the terms and conditions hereinafter set forth:

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Amount of indebtedness: The amount of the indebtedness to be funded, after allowing for cash payments made or to be made by Hungary, is $1,939,000, which has been computed as follows:

Principal amount of the obligation to be funded	$1,685,835.61
Interest accrued thereon from May 29, 1920, to Dec. 15, 1923, at the rate of 4¼ per cent per annum	253,917.43
Total principal and interest, accrued and unpaid as of Dec. 15, 1923	1,939,753.04
To be paid in cash by Hungary April 25, 1924	753.04
Total indebtedness to be funded into bonds	1,939,000.00

2. Repayment of principal: In order to provide for the repayment of the indebtedness thus to be funded, Hungary will issue to the

United States at par, as of December 15, 1923, bonds of Hungary in the aggregate principal amount of $1,939,000, dated December 15, 1923, and maturing serially on each December 15 in the succeeding years for 62 years, in the amounts and on the several dates fixed in the following schedule:

December 15—	
1924	$9,600
1925	9,800
1926	10,000
1927	10,200
1928	10,400
1929	11,000
1930	11,500
1931	12,000
1932	12,000
1933	12,500
1934	12,500
1935	13,000
1936	13,500
1937	13,500
1938	14,000
1939	14,500
1940	15,000
1941	15,500
1942	16,000
1943	17,000
1944	17,500
1945	18,000
1946	19,000
1947	19,500
1948	20,500
1949	21,000
1950	22,000
1951	22,500
1952	23,500
1953	24,000
1954	25,000
1955	26,000
1956	27,000
1957	27,500
1958	28,500
1959	29,000
1960	30,000
1961	32,000
1962	33,000
1963	35,000
1964	36,000
1965	38,000
1966	40,000
1967	41,000
1968	42,000
1969	44,000
1970	45,000
1971	47,000
1972	48,000
1973	50,000
1974	51,000
1975	53,000
1976	55,000
1977	57,000
1978	59,000
1979	62,000
1980	64,000
1981	66,000
1982	68,000
1983	71,000
1984	73,000
1985	75,000
Total	1,939,000

Provided, however, That Hungary may at its option, upon not less than 90 days' advance notice to the United States, postpone any payment falling due as hereinabove provided to any subsequent June 15 or December 15 not more than two years distant from its due date, but only on condition that in case Hungary shall at any time exercise this option as to any payment of principal, the payment falling due in the next succeeding year can not be postponed to any date more than one year distant from the date when it becomes due unless and until the payment previously postponed shall actually have been made, and the payment falling due in the second succeeding year can not be postponed at all unless and until the payment of principal due two years previous thereto shall actually have been made.

All bonds issued or to be issued hereunder to the United States shall be payable to the Government of the United States of America, or order, shall be issued in such denominations as may be requested by the Secretary of the Treasury of the United States, and shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit A." The $1,939,000 principal amount of bonds first to be issued hereunder shall be issued in 62 pieces, in denominations and with maturities corresponding to the annual payments of principal hereinabove set forth.

3. Payment of interest: All bonds issued or to be issued hereunder shall bear interest, payable semiannually on June 15 and December 15 in each year, at the rate of 3 per cent per annum from December 15, 1923, to December 15, 1933, and thereafter at the rate of 3½ per cent per annum until the principal thereof shall have been paid.

4. Method of payment: All bonds issued or to be issued hereunder shall be payable, as to both principal and interest, in United States gold coin of the present standard of value, or, at the option of Hungary, upon not less than 30 days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder: *Provided, however*, That Hungary may at its option, upon not less than 90 days' advance notice to the United States, pay up to one-half of any interest accruing between December 15, 1923, and December 15, 1928, on the $1,939,000 principal amount of bonds first to be issued hereunder, in bonds of Hungary dated and bearing interest from the respective dates when the interest to be paid thereby becomes due, with maturities arranged serially to fall on each December 15 in the succeeding years up to December 15, 1985, substantially in the manner provided for the original issue in section 2 of this agreement, and substantially similar in other respects to the original issue of bonds under this agreement.

All payments, whether in cash or in obligations of the United States, to be made by Hungary on account of the principal or interest of any bonds issued or to be issued hereunder and held by the United States, shall be made at the Treasury of the United States in Washington, or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York, and if in cash shall be made in funds immediately available on the date of payment, or if in obligations of the United States shall be in form acceptable to the Secretary of the Treasury of the United States under the general regulations of the Treasury Department governing transactions in United States obligations.

5. Exemption from taxation: The principal and interest of all bonds issued or to be issued hereunder shall be paid without deduction for, and shall be exempt from, any and all taxes or other public dues, present or future, imposed by or under authority of Hungary or any political or local taxing authority within the Kingdom of Hungary, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Hungary, or (c) a corporation not organized under the laws of Hungary.

6. Payments before maturity: Hungary may at its option on any interest date or dates, upon not less than 90 days' advance notice to the United States, make advance payments in amounts of $1,000 or multiples thereof on account of the principal of any bonds issued or to be issued hereunder and held by the United States. Any such advance payments shall first be applied to the principal of any bonds which shall have been issued hereunder on account of interest accruing between December 15, 1923, and December 15, 1928, and then to the principal of any other bonds issued or to be issued hereunder and held by the United States, as may be indicated by Hungary at the time of the payment.

7. Security: The payment of the principal and interest of all bonds issued or to be issued hereunder shall be secured in the same manner and to the same extent as the obligation of Hungary in the principal amount of $1,685,835.61, described in the preamble to this agreement; that is to say, shall be "a first charge upon all the assets and revenues of Hungary and shall have a priority over costs of reparation under the treaty of Trianon or under any treaty or agreement supplementary thereto, or under arrangements concluded between Hungary and the Allied and Associated Powers during the armistice signed on November 3, 1918": *Provided, however*, That all or any part of such security may be released by the Secretary of the Treasury of the United States on such terms and conditions as he may deem necessary or appropriate in order that the United States may cooperate in any program whereby Hungary may be able to finance its immediate needs by the flotation of a loan for reconstruction purposes, if and when substantially all other creditor nations holding obligations of Hungary similar to that held by the United States and described in the preamble to this agreement, to wit, Denmark, France, Great Britain, Holland, Norway, Sweden, and Switzerland, shall release to a similar extent the security enjoyed by such obligations. The Secretary of the Treasury of the United States shall be authorized to decide when such action has been substantially taken.

8. Exchange for marketable obligations: Hungary will issue to the United States at any time, or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds issued or to be issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal, and/or in fully registered form, and otherwise on the same terms and conditions, as to dates of issue and maturity, rate or rates of interest, security, exemption from taxation, payment in obligations of the United States issued after April 6, 1917, and the like, as the bonds surrendered on such exchange. Hungary will deliver definitive engraved bonds to the United States in accordance herewith within six months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the

definitive engraved bonds will, at the request of the Secretary of the Treasury of the United States, deliver temporary bonds or interim receipts in form satisfactory to the Secretary of the Treasury of the United States, within 30 days of the receipt of such request, all without expense to the United States. The United States, before offering any such bonds or interim receipts for sale in Hungary, will first offer them to Hungary for purchase at par and accrued interest, and Hungary shall likewise have the option, in lieu of issuing any such bonds or interim receipts, to make advance redemption, at par and accrued interest, of a corresponding principal amount of bonds issued or to be issued hereunder and held by the United States. Hungary agrees that the definitive engraved bonds called for by this paragraph shall contain all such provisions, and that it will cause to be promulgated all such rules, regulations, and orders as shall be deemed necessary or desirable by the Secretary of the Treasury of the United States in order to facilitate the sale of the bonds in the United States, in Hungary, or elsewhere, and that if requested by the Secretary of the Treasury of the United States it will use its good offices to secure the listing of the bonds on the stock exchange in Budapest.

9. Cancellation and surrender of relief obligation: Upon the execution of this agreement the payment to the United States of cash in the sum of $753.04, as provided in paragraph 1 of this agreement, and the delivery to the United States of the $1,939,000, principal amount of bonds of Hungary first to be issued hereunder, together with satisfactory evidence of authority for the execution of the agreement and the bonds on behalf of Hungary by its envoy extraordinary and minister plenipotentiary at Washington, and of appropriate action by the Reparation Commission so as to assure by its approval to the bonds of Hungary to be issued hereunder the same priority over reparations as that now enjoyed by the obligation of Hungary in the principal amount of $1,685,835.61 described in the preamble to this agreement, the United States will cancel and surrender to Hungary, at the Treasury of the United States in Washington, the obligation of Hungary last described.

10. Notices: Any notice, request, or consent under the hand of the Secretary of the Treasury of the United States shall be deemed and taken as the notice, request, or consent of the United States, and shall be sufficient if delivered at the Legation of Hungary at Washington or at the office of the Minister of Finance in Budapest, and any notice, request, or election from or by Hungary shall be sufficient if delivered to the American Legation at Budapest or to the Secretary of the Treasury at the Treasury of the United States in Washington. The United States, in its discretion, may waive any notice required hereunder, but any such waiver shall be in writing, and shall not extend to or affect any subsequent notice or impair any right of the United States to require notice hereunder.

11. Compliance with legal requirements: Hungary represents and agrees that the execution and delivery of this agreement and of the bonds issued or to be issued hereunder have in all respects been duly authorized, and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement and the issuance of bonds hereunder have been completed as required by the laws of Hungary and/or applicable treaties and in conformity therewith.

12. Counterparts: This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof Hungary has caused this agreement to be executed on its behalf by its envoy extraordinary and minister plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, as chairman of the World War Foreign Debt Commission, with the approval of the President, all on the day and year first above written, subject, however, to the approval of Congress, pursuant to the act of Congress approved February 9, 1922, as amended by the act of Congress approved February 28, 1923, notice of which approval, when given by Congress, will be transmitted in due course by the Secretary of the Treasury of the United States to the Legation of Hungary at Washington.

THE GOVERNMENT OF THE
KINGDOM OF HUNGARY,
By LASZLO SZECHENYI,
Envoy Extraordinary and
Minister Plenipotentiary.

THE GOVERNMENT OF THE
UNITED STATES OF AMERICA.

For the commission:

By A. W. MELLON,
Secretary of the Treasury and
Chairman of the World War Foreign Debt Commission.

Approved:

CALVIN COOLIDGE, *President.*

EXHIBIT A

(Form of bond)

THE GOVERNMENT OF THE KINGDOM OF HUNGARY

Sixty-two year 3–3½ per cent gold bond

Dated December 15, 1923—maturing December 15, ——.

$ ——— No. ——.

The Government of the Kingdom of Hungary, hereinafter called Hungary, for value received promises to pay to the Government of the United States of America, hereinafter called the United States, or order, on the 15th day of December, ——, the sum of ——— dollars ($———), and to pay interest upon said principal sum semi-annually on the 15th day of June and December in each year, at the rate of 3 per cent per annum from December 15, 1923, to December 15, 1933, and at the rate of 3½ per cent per annum thereafter until the principal hereof shall have been paid. This bond is payable as to both principal and interest in gold coin of the United States of America of the present standard of value, or, at the option of Hungary, upon not less than 30 days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder. This bond is payable as to both principal and interest without deduction for, and is exempt from, any and all taxes and other public dues, present or future, imposed by or under authority of Hungary or any political or local taxing authority within the Kingdom of Hungary, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Hungary, or (c) a corporation not organized under the laws of Hungary. This bond is payable as to both principal and interest at the Treasury of the United States in Washington, D. C., or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York.

This bond is issued under an agreement dated April 25, 1924, between Hungary and the United States, to which this bond is subject and to which reference is made for a further statement of its terms and conditions.

The payment of the principal and interest on this bond is secured in the same manner and to the same extent as the obligation of Hungary in the principal amount of $1,685,835.61, described in the preamble to said agreement, subject to release in whole or in part by the Secretary of the Treasury of the United States under authority conferred by section 7 of said agreement.

In witness whereof Hungary has caused this bond to be executed in its behalf at the city of Washington, D. C., by its envoy extraordinary and minister plenipotentiary at Washington, thereunto duly authorized.

The Government of the Kingdom of Hungary:

By ——— ———,
Envoy Extraordinary and
Minister Plenipotentiary.

Dated December 15, 1923.

(Back)

The following amounts have been paid upon the principal amount of this bond:

Date ———. Amount paid ———.

Mr. CRISP. Mr. Chairman, I yield such time to the gentleman from Ohio [Mr. BURTON] as he may desire.

Mr. BURTON. Mr. Chairman and gentlemen of the committee, the gentleman from Georgia [Mr. CRISP] has stated the whole case. I do not think it is necessary to add anything. The amount of the proposed loan to Hungary for reconstruction is 250,000,000 gold kroner. The gold kroner is worth 20½ cents, so that the amount would be a little over $50,000,000. The proposed bonds to the United States, aggregating a little less than $2,000,000, would be in the same class with other relief loans made by other countries to Hungary. The aggregate of those loans is about $900,000. It must be stated that for the payment of these loans the revenues of Hungary are pledged, although if the 250,000,000 gold kroner loan for reconstruction should be made, that would have a prior claim. The proposition for giving preference rests on the theory that it is necessary for the very life of that country, and that such a loan would add to the ability of Hungary in the long run to pay this smaller amount due to us. Similar preference for a loan of 650,000,000 gold kroner was granted to Austria.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. BURTON. Yes.

Mr. CHINDBLOM. Does the gentleman mean to say that the obligations to the other countries on the part of Hungary were about $900,000?

Mr. BURTON. Yes; that is in gold values. The indebtedness to these other countries as given out by them is in their paper currencies. To Denmark it is 477,000 kroner, to France 992,000

francs, to Great Britain 128,000 pounds. This last is the largest. Then there is the indebtedness to Holland, Norway, Sweden, and Switzerland. They aggregate at the present value of foreign currency in this country about $900,000.

Mr. CHINDBLOM. It is interesting to note that the total amount was $2,585,000, of which the United States loaned $1,685,000, and all the other countries $900,000.

The CHAIRMAN. The Clerk will read.

The Clerk read the bill as follows:

Be it enacted, etc., That the settlement of the indebtedness of the Kingdom of Hungary to the United States of America, made by the World War Foreign Debt Commission and approved by the President upon the following terms, is hereby approved and authorized:

Principal amount of obligation to be funded, $1,685,835.61; interest accrued thereon to December 15, 1923, at the rate of 4½ per cent per annum, $253,917.43; total principal and interest accrued and unpaid as of December 15, 1923, $1,939,753.04; less payment in cash by Hungary on April 25, 1924, $753.04; total indebtedness to be funded into bonds, $1,939,000.

The principal of the bonds shall be paid in annual installments on the 15th day of December, up to and including December 15, 1985, on a fixed schedule, subject to the right of the Government of Hungary to make these payments in three-year periods; the amount of the first year's installment shall be $9,600, the installments to increase with due regularity until, in the 62d year, the amount of the installment shall be $75,000, the aggregate installments being equal to the total principal of the debt.

The Government of Hungary shall have the right to pay off additional amounts of the principal of the bonds on any interest date upon 90 days' notice.

Interest shall be payable upon the unpaid balances at the following rates, on December 15 and June 15 of each year:

At the rate of 3 per cent per annum, payable semi-annually, from December 15, 1923, to December 15, 1933, and thereafter at the rate of 3½ per cent per annum, payable semiannually until final payment.

The Government of Hungary shall have the right to pay up to one-half of any interest accruing between December 15, 1923, and December 15, 1928, on the $1,939,000 principal amount of the bonds first to be issued in bonds of Hungary dated as of the respective dates when the interest to be paid thereby becomes due, payable as to principal on the 15th day of December in each succeeding year, up to and including December 15, 1985, on a fixed schedule, in annual installments, increasing with due regularity in proportion to and in the manner provided for payments to be made on account of principal of the original issue of bonds, bearing the same rates of interest and being similar in other respects to such original issue of bonds.

Any payment of interest or of principal shall be made in United States gold coin of the present standard of value or at the option of the Government of Hungary, in any United States Government obligations issued after April 6, 1917, such obligations to be taken at par and accrued interest.

The payment of the principal and interest of the bonds shall be secured in the same manner and to the same extent as the obligation of Hungary which is to be funded: Provided, however, That all or any part of such security may be released by the Secretary of the Treasury on such terms and conditions as he may deem necessary or appropriate in order that the United States may cooperate in any program whereby Hungary may be able to finance its immediate needs by the flotation of a loan for reconstruction purposes, if and when substantially all other creditor nations holding obligations similar to that held by the United States which is to be funded, to wit, Denmark, France, Great Britain, Holland, Norway, Sweden, and Switzerland, shall release to a similar extent the security enjoyed by such obligations.

The Secretary of the Treasury shall be authorized to decide when this action has been substantially taken.

Mr. CRISP. Mr. Chairman, I move that the committee rise and report the bill to the House, with the recommendation that it pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SANDERS of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 8905) to authorize the settlement of the indebtedness of the Kingdom of Hungary to the United States of America, had directed him to report the same back to the House with the recommendation that it pass.

Mr. CRISP. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. CRISP, a motion to reconsider the vote whereby the bill was passed was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. NEWTON of Minnesota. Mr. Speaker, I desire to prefer a unanimous consent request, that on Wednesday of this week, when the gentleman from Nebraska [Mr. SHALLENBERGER] concludes his address of 30 minutes, the gentleman from California [Mr. LEA] and the gentleman from Kansas [Mr. HOCH], both members of the Committee on Interstate and Foreign Commerce, shall each have 20 minutes' time in which to address the House upon section 15a of the transportation act, which is the subject matter of the address of the gentleman from Nebraska.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that on Wednesday of this week, when the gentleman from Nebraska [Mr. SHALLENBERGER] concludes his address, the gentleman from California [Mr. LEA] and the gentleman from Kansas [Mr. HOCH] each have 20 minutes' time in which to address the House upon section 15a of the transportation act. Is there objection? [After a pause.] The Chair hears none.

STOCK-RAISING HOMESTEADS

Mr. SINNOTT. Mr. Speaker, I call up the conference report on Senate bill 381.

The SPEAKER. The gentleman from Oregon calls up the conference report on Senate bill 381, which the Clerk will report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) "to amend section 2 of the act entitled 'An act to provide for stock-raising homesteads, and for other purposes,' approved December 29, 1916 (Stat. L. p. 862)," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 2 and 3.

That the Senate recede from its disagreement to the amendment of the House numbered 4, and agree to the same.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "; but no right to occupy such lands shall be acquired by reason of said application until said lands have been designated as stock-raising lands, unless the applicant actually establishes his residence and resides on the land"; and the House agree to the same.

N. J. SINNOTT,
ADDISON T. SMITH,
JOHN E. RAKER,
Managers on the part of the House.

E. F. LADD,
ROBT. N. STANFIELD,
A. A. JONES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) to amend section 2 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916 (39 Stat. L. p. 862), submit the following statement explaining the effect of the action agreed on:

The action agreed on in no way changes the purpose of the House amendments, but merely makes clear an ambiguity in the House amendment which might otherwise be subject to the interpretation that only the actual land on which the residence was located could be occupied by the entryman.

N. J. SINNOTT,
ADDISON T. SMITH,
JOHN E. RAKER,
Managers on the part of the House.

Mr. SINNOTT. Mr. Speaker, this is a unanimous report of the managers on the part of the House and also on the part of the Senate. In the House amendments there was an ambiguity that might leave the action of the House amendments subject to the interpretation that only the land actually occupied by the house could be occupied by the entryman, whereas it was intended that as soon as he established his residence upon the land applied for he could occupy all the land, and the effect of the action of the conferees is to clear up that ambiguity.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. O'CONNELL of New York, indefinitely, on account of sickness in family.

To Mr. VARE, for several days, on account of death of his sister.

To Mr. TAGUE (at the request of Mr. CONNERY), indefinitely, on account of illness.

To Mr. BANKHEAD, for four days, on account of important business.

To Mr. BOIES, indefinitely, on account of important business.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNALLY of Texas. Mr. Speaker, it seems that next Wednesday is to be largely devoted to speech making. I ask unanimous consent to address the House for 20 minutes on that day.

The SPEAKER. The gentleman from Texas asks unanimous consent to address the House on Wednesday next for 20 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. TINCHER. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on Wednesday next.

The SPEAKER. The gentleman from Kansas asks unanimous consent to address the House for 10 minutes on Wednesday next. Is there objection? [After a pause.] The Chair hears none.

HAND PLAN—REIMBURSEMENT COUNTIES—NATIONAL FORESTS

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may extend my remarks by printing as a part of them what is known as the Hand plan on reforestation and reimbursement, together with extracts from the laws of the various States regarding taxation, as well as information and statements I have received from various people over the United States in regard to reimbursement to counties wherein the United States takes over and reserves public lands for providing timber for the whole people of the United States. I wanted to make my statement clear, so that there will be no misunderstanding of it.

The SPEAKER. The gentleman from California asks unanimous consent to extend the matter he has indicated in the RECORD by inserting the various documents he has mentioned. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker and gentlemen, under the permission given me by the House, I will take the opportunity to discuss what is known in the West as the "Hand plan" of reimbursement of the counties in the 16 Western public-land States where forest reserves have been created, as it affects those counties' revenues by reason of the lands thus withdrawn being relieved of taxation, and in turn the several counties where the lands are located, being deprived of taxes that they would get were the lands in private ownership.

The "Hand plan" provides for the Federal Government reimbursing the several counties in which the national forests are located by way of payment by the Government to the counties an amount that would be paid in taxes by a private owner were the lands in private ownership.

This plan does not in the least question the foresight and wisdom in establishing national forests nor in being maintained.

They are created for all the people of the United States, for present and future use. The Government holds these national forests as a proprietor for all its people. They will redound to the benefit of all the citizens of this country. Therefore this payment to the counties in reimbursement of what they lose in the way of taxes not being assessed and collected from the Federal Government, should come out of the General Treasury of the Federal Government, to which fund the whole citizenry contributes.

To carry on this plan of county reimbursement, on May 25, 1922, H. R. 11789—Sixty-seventh Congress, second session—was introduced.

On December 5, 1923—Sixty-eighth Congress, first session—H. R. 148 was introduced. The two bills are identical in language. They both authorize the Secretary of the Interior to cary on the provisions thereof.

After reflection it seemed more appropriate to have the Secretary of Agriculture perform this work. Therefore, I introduced H. R. 8844 on April 22, 1924. The same as the other two bills, with the exception that the Secretary of Agriculture is named in the latter bill instead of the Secretary of the Interior. H. R. 8844 is as follows:

A bill (H. R. 8844) to provide compensation in lieu of taxes for the several States with respect to certain lands of the United States within the borders of said States, and for other purposes

Be it enacted, etc., That when used in this act, unless the context indicates otherwise, the term "lands of the United States" means lands set apart, reserved, or withdrawn under the provisions of section 24 of the act of Congress approved March 3, 1891, entitled "An act to repeal timber culture laws, and for other purposes," and acts amendatory thereof and supplemental thereto, or obtained or acquired under the act of March 1, 1911 (36 Stat. L. p. 961), and acts amendatory thereof and supplemental thereto.

The term "Secretary" means the Secretary of Agriculture.

SEC. 2. That the United States Government hereby assumes, subject to the conditions of this act or any subsequent act of Congress, the payment to the several States of sums of money equivalent to the amounts which such States would receive from the taxation of said lands of the United States within their respective borders if such lands were owned by individuals.

SEC. 3. That the Secretary shall, as soon as practicable after the passage of this act and annually thereafter, at such time of the year as the legislature of the State may designate, send a statement to the governor, or such other officer as the legislature may designate, of every State in which such lands are located, describing the location, size, and character of all lands of the United States within the border of such State, together with such information respecting such lands as he may possess which may be useful in properly determining their value.

SEC. 4. That no payments shall be made to any State under the provisions of this act until such State has, with respect to the lands of the United States in question, acting through its officers and agents duly authorized therefor—

(1) Properly assessed such lands of the United States at a rate no higher than that at which other similar lands within such State are assessed.

(2) Applied to such assessed valuation a factor no higher than the tax rate applied to the assessed value of other similar lands within such State.

(3) Secured in this manner, a figure from which shall be deducted any allowances made by such State to its taxpayers in similar cases for prompt payment of taxes or for any other reason.

(4) Certified the figures so reached with respect to each piece of such lands of the United States, accompanied by statements as to the methods employed in arriving at such figures, to the Secretary.

(5) Furnished the Secretary with such further information as he may request respecting the methods employed in valuing and assessing such lands of the United States and in assessing and taxing other similar lands within the State.

(6) Complied with such rules and regulations as the Secretary may prescribe for carrying out the provisions of this act.

SEC. 5. That the Secretary shall receive and examine the figures submitted by the States under the provisions of section 4. In the event that any State shall submit figures with respect to any lands of the United States, based (1) on a higher valuation than the Secretary believes to be the actual value of such lands, or (2) on a higher rate of assessment or of taxation than he believes is employed in the case of other similar lands within such State, or (3) in whole or in part on any other improper consideration, he shall so revise and reduce such figures as to allow and compensate for such error or miscalculation. Such revised and reduced figures shall be final and conclusive when so determined by the Secretary, except that he may, in his discretion, permit any State affected by such revision or reduction to offer such evidence and argument respecting the matters in question as he may deem advisable, after which the Secretary may change his determination in such manner as he shall deem proper.

SEC. 6. That the Secretary shall certify to the Secretary of the Treasury annually and as promptly as practicable with respect to every State receiving benefits hereunder the amounts to which such State is entitled under the provisions of this act. The Secretary of the Treasury shall thereupon cause such amounts to be paid to the designated officers of the State indicated. Whenever the Secretary shall deter-

mine that any State has, for any reason, been paid more than the amounts to which it is entitled under the provisions of this act, he shall deduct such overpayments from the next amounts certified to the Secretary of the Treasury for payment to such State.

SEC. 7. That no payments shall be made to any State, under the provisions of this act, with respect to any such lands of the United States which do not remain such for the entire tax year of the State in which they are located, nor with respect to any such lands of the United States which the State might lawfully tax by reason of the fact that the beneficial interest in such lands is not vested in the United States.

SEC. 8. That the Secretary shall have power to prescribe rules and regulations for carrying out the provisions of this act.

SEC. 9. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to enable the Secretary of the Treasury from time to time to make the payments required by this act.

The "Hand plan," county reimbursement plan, written by Mr. Charles E. Hand, and issued by the Placer County Chamber of Commerce, Eldorado County Chamber of Commerce, and boards of supervisors of Placer and Eldorado Counties jointly, presents the subject in concrete form, and is:

FOREST EXCHANGE BILLS AND COUNTY REIMBURSEMENT PLAN

The united chambers of commerce of Eldorado and Placer Counties and the joint boards of supervisors of said counties submit the following as their views on the exchange bills now pending in Congress and also advance reasons why the Federal Government should reimburse the counties in which forest districts lie, and earnestly request the hearty cooperation and indorsement of chambers of commerce, boards of supervisors, and other civic bodies in a matter which we deem to be right and just and which is of vast importance to California as well as to other Western States and is of particular interest to those counties, portions of which are in the Shasta Plumas, Tahoe, and Eldorado National Forests, for the reason that the exchange bills referred to herein cover those particular forests.

In order to show the position of Congressman JOHN E. RAKER on this subject we quote from a letter received by this committee from Mr. RAKER a few days ago, as follows:

> "The Hand proposition is right and to my mind unanswerable, but while I have been working on it in the House certain Senators have been working on it on a little different line in the Senate. We have not proceeded very far because of the general opposition in the East to provide for taxation for western counties in which forest reserves are situated, and then the contention that we are receiving now as much, if not more than we could by direct taxation, from the revenue and receipts from permits, timber, etc., from the national forests. However, notwithstanding this contention and opposition, the Hand proposal will continue to have my favorable and earnest consideration and attention."

The district forester in his statement on the exchange bills announces the policy of the Government, as follows:

> "Our first energies should be directed toward acquiring lands which are already within the national-forest boundaries and are chiefly valuable for timber production and watershed protection, etc.
>
> "Secondly, our energies should be directed to a logical rounding out of present forest units. It is a fact that our present boundaries are in many cases unsatisfactory, many irregularities being made for the sole purpose of excluding private lands at the borders of the forests where the excluded areas are absolutely forest lands. It is extremely desirable to acquire them and re-form our boundaries along permanent physical lines.
>
> "The Forest Service was consulted in drawing the boundaries of the various bills introduced, and that the boundaries of the forests mentioned do not now include areas of fine timber-producing lands which should ultimately be in public ownership, and it is hoped that through land-exchange legislation that they may be gradually acquired."

The matter was brought to the attention of the Eldorado County Chamber of Commerce and was by that body referred to its legislative committee, and Mr. Hand was added as a special member for the occasion, and Supervisor Schroeder was appointed by the board of supervisors to represent that body in this matter.

In the discussion in the separate chambers and also at the joint meeting of the chambers and boards of supervisors of Placer and Eldorado Counties the policy of the Government acquiring privately owned lands within the present boundaries, and also acquiring privately owned lands within the new or proposed boundaries of the forests were considered very objectionable because of the fact that every additional acre acquired by the Government ceases to be revenue producing, thus adding to the already overburden of the counties. The chambers of commerce and boards of supervisors believe the principle on which the national forests were created to be right, in so far as conservation is concerned, and we have no objection to the Government acquiring privately owned lands, within or without the forests, provided legislation whereby the National Government would reimburse the counties along the lines suggested herein later, and which the bill prepared by Representative JOHN E. RAKER two years ago at the request of Mr. Hand would remedy, thus relieving the counties and placing the burden where it belongs, even though we are not fully satisfied with the exchange provisions in the four bills, for we view them as along similar lines as the old scrip and lieu land acts, and just as wide open to fraud.

A little over a year ago Mr. Paul G. Redington, district forester at San Francisco, sent out a circular letter to the various forest supervisors in his district, in which he quotes from a paper on the subject of exchange lands within forests which was read at Spokane by Mr. Huntington Taylor, general manager of the Edward Rutledge Timber Co., and which Mr. Redington advised "will form a basis to argue on should you—meaning his forest supervisors—have the opportunity to discuss the general subject with boards of supervisors and other public officials."

In the paper read by Mr. Taylor, he says that—

> "The question of the effect of land exchange on the tax receipts of the States and counties is important, but there seems to be small cause for public alarm."

We certainly believe the effect on the counties to be "important," so much so that unless relief measures are forthcoming, some, if not all, of the counties will be seriously injured in their sources of revenue from taxation. Mr. Taylor says that "in the timber regions the stumpage owner will have a keen interest in tax matters for a good many years to come, and there will be small likelihood of his supporting any measure which will mean an abrupt increase in his taxes."

The big timber interests are behind and backing the exchange bills, consequently they must be satisfied; so also is the district forester, Secretaries of Agriculture and Interior, but how about the counties, and what provision has been made for reimbursing them for this loss of revenue? Have the county boards of supervisors been consulted? Are they willing that the boundaries of the forests be enlarged by the taking in of vast areas of lands outside the present boundaries and from which they are now receiving tax revenue, said lands by the exchange bills to become publicly owned and therefore not subject to taxation? Are the taxpayers who maintain county government in counties a portion of which is in the Shasta, Plumas, Eldorado, and Tahoe Forests, willing that cut-over lands, now owned by private individuals, be taken in exchange for standing timber, thus losing their percentage on stumpage sales? We do not think so, and believe that they are entitled to consideration and to be heard in the matter.

On the subject of cut-over lands, owned by private individuals within the forests, Mr. Taylor mentions the possibility of the timber concerns allowing the taxes to become delinquent and uses the following language:

> "Unquestionably as time goes on, and the accumulated burden of taxes becomes heavier, the private owner will be forced to unload his cut-over lands."

This is a serious problem, for should it happen the lands would become delinquent, be sold to the State for taxes, and would cease to be revenue producing, or would fall into the hands of stock raisers and would lose most of their value as forest-producing lands. We are convinced that the Government should acquire the cut-over lands and allow them to reforest, but this should not be done at the expense of the counties in which the forests are located. The Federal Government should reimburse the counties, thus placing the burden where it belongs—that is, upon all of the people of the United States—and the counties should not be compelled to bear this burden for possibly 200 years, which time it would take for reforestation.

Quoting again from Mr. Taylor:

> "The national forests now turn over 35 per cent of their gross incomes to the counties in which they are situated. In some localities this already overbalances the tax returns which would have been secured if the lands had passed to private ownership," and so forth.

If the statement of Mr. Taylor is true, then, from the standpoint of the National Government, it is but another argument in favor of reimbursing the counties on a valuation basis, as it would be a gain for the Nation, and there is no question but that the counties would be better satisfied. We disagree with Mr. Taylor and doubt if there is a forest in the United States where the above is true, unless it be in one particular year, but surely it is not true covering a period of years. It is not so with any of the forests in California. Plumas County is receiving more revenue from stumpage sales than is any other county in the State. We have compiled the figures in all of the forests in this State and know that they are receiving very little returns from the sale of Government-owned timber.

In the year 1921 the Federal Government paid into the treasuries of the 39 counties in California in which district forests lie the sum of $132,406, or an average of about $340 per county.

The greater part of the Eldorado National Forest is in Eldorado County, and is in part in Placer, Amador, Alpine, and a small part in

Nevada. In the year 1915 the Federal Government paid into the treasury of Eldorado County as returns from all sources, including timber sales, pasturage, and so forth, the sum of $1,271.34; in 1916, $1,947.44; in 1917, $1,466.22; in 1918, $1,823.88; in 1919, $2,485.80; and in 1920 the sum of $2,828.02, making a grand total for a period of six years of $11,782.80, an average of less than $2,000 a year. The figures quoted are taken from the books of the treasurer of Eldorado County, and his certificate was forwarded to Representative RAKER, and are not based on the mere say so of some person who is trying to create the impression that the counties are receiving substantial revenue from the forests. Trinity County alone has upward of 16,000,000,000 feet of Government-owned standing timber, and practically none of it is being sold, hence no revenue, and such is the case in the other counties, parts of which are in forest reserves. The large timber concerns now operating are not buying timber from the Government on a stumpage basis but are cutting over their own lands, thus decreasing their assessed valuation, and in this county they get a reduction in assessed valuation of $13 per acre on each acre cut over; so you see it means decreased valuation of privately owned lands within the forests and increased valuation on lands outside the forest to produce revenue sufficient to maintain county government.

A vast amount of timber is now being advertised for sale in the Lassen National Forest. Should this sale be consummated the counties in this forest would receive their percentage; but how about the next 150 or 200 years, which time it would take for reforestation, and what would the average be per year?

We have examined the exchange bill relative to the Eldorado Forest and find that in addition to the 840,128 acres already within the old forest boundaries, this bill, if enacted into law, would take in 133,000 additional acres, 125,551 of which additional acres are in Eldorado County.

A careful study and examination has been made, and we find that a large portion of the 125,551 acres aforesaid is privately owned and on which taxes are now being paid to the county, and that the present assessed valuation of what is in private hands is $905,924. This valuation computed at our average tax rate of $2.28 on the $100 valuation means that we will lose in taxes upward of $20,000 per year, in addition to what we are already losing in the original forest, should the boundaries proposed in the exchange bills relative to this forest and the spirit of the bill and declared policy of the Government, that of "acquiring all privately owned lands," be carried out; and if it is not carried out, what then is the purpose of the bills?

The matter of the loss of an assessed valuation to Eldorado County of $905,924 and an annual loss of upward of $20,000 in taxes may not be considered much by some of the large counties of the United States; but to us, with a total assessed valuation of about $10,000,000 and a population of about 7,000—it seems to us to be quite a considerable sum and prompts us to again ask that before the exchange bills pass provision be made to reimburse the counties. The Department of Agriculture should see these things, and the justice of what we ask should appeal to its officials as well as to the Congressman and Senator from East and West, North or South.

In the matter of the Tahoe Forest, we have computed the acreage that the bill will add to the present forest reserve, and we find 452,480 acres will be annexed to the already large acreage of the old forest should that bill become the law. We find that the proposed new boundaries of the Shasta and Plumas Forests will add to those forests hundreds of thousands of acres, from many of which said acres the counties are now receiving revenue from taxation which will be lost to them should the bills be passed and the policy of the Government be carried out.

A glance at the map of the United States showing the national forests thereon will convince a person of the importance to the West of a relief measure such as we ask, and more particularly to California, with a series of national forests along almost the entire east side of the State and for many miles along the coast. It would provide for the National Government reimbursing the forest counties on a valuation basis of Government-owned lands, the valuation to be fixed as per privately owned lands within the same forest or upon a standing-timber basis, either of which we believe to be just and equitable ways to solve the problem.

We wish to make our position clear, and being more familiar with the Eldorado National Forest than with any of the other forests we will use it as an example. The present forest contains 840,128 acres of land, 553,388 acres of which are Government-owned lands and, being in a national forest, are not subject to entry or to taxation. There are 246,740 acres of land in this forest, owned by private individuals, and the average assessed valuation of this privately owned land is about $12 per acre. As above stated, there are 553,388 acres owned by the Government, which said last number of acres of land at the average assessed valuation of $12 per acre, as per privately owned lands within said forest, is a loss to us in assessed valuation of $6,500,000 and will continue to be so long as the law remains as it is.

The fact that $6,900,000 is lost to Placer, Eldorado, Amador, Alpine, and a part of Nevada in assessed valuation means at our present rate of taxation we are losing in taxes annually about $150,000. And if the exchange bill relative to this forest is passed, it will take an additional $20,000 per annum from the revenues of Eldorado County. I am assuming that those who are familiar with the rapidity with which timber and grazing lands have been taken up in the past will realize that every acre of available land within all forests would long ago have been in private hands had not the reserves been created.

The Government-owned timber on the Eldorado reserve has been cruised and estimated, and the figures disclose that there are 4,841,862,000 feet, board measure. An estimate of $1.50 stumpage per thousand feet, which is a low estimate indeed, would fix a valuation of more than $7,000,000 on the timber alone, and with the land values would make a total valuation of upward of $10,000,000.

The Department of Agriculture fixed a valuation of $300,000,000 on the national forests inside the State of California. This amount includes the valuation of all resources of the forests, such as land values, timber, forage, mineral, and water resources.

In the year 1920 the United States Bureau of Public Roads fixed a valuation on the timber and forage resources in the national forests of California at $146,599,866. The valuation by the Bureau of Public Roads was made for the purpose of determining what each county in which there are national forests is entitled to for road building from the Federal Government under the act of July 11, 1916.

The value placed on timber and forage resources in the various counties is as follows:

Placer County	$1,896,353
Nevada County	1,062,235
Amador County	746,361
Sierra County	4,807,023
Eldorado County	4,256,417

In the year 1921 Placer County received from the Federal Government as returns from all national-forest resources the sum of $2,998; Nevada County received $2,094; Amador County received $351; Sierra County $5,085; and Eldorado $1,984.

Interesting comparisons can be made by computing the taxes on the national-forest resources at the present county-tax rate of the various counties, and for this comparison we will use 50 per cent of the valuation as fixed by the United States Bureau of Public Roads, which included the valuation placed by that bureau on timber and grazing resources only. On a 50 per cent basis in Amador County the taxes would be $8,884 instead of $312; in Placer County, $25,999.75 instead of $2,998; Nevada County, $18,589.05 instead of $2,094; Eldorado County, $59,589 instead of $1,984; Lassen County, $84,882 instead of $6,951; Plumas County, $147,665 instead of $17,806; Siskiyou County, $207,138 instead of $10,470, and if the national-forest resources in California were assessed at half the value as placed thereon by the United States Bureau of Public Roads and taxed at a 2.5 per cent the total revenue for all the counties in which forest districts lie would be $1,832,498 instead of $132,406, which last-named amount being the sum total of what was paid to all of the counties for the year 1921.

Since $132,406 was the total amount based on sales of timber and grazing resources and divided proportionately and paid into the treasuries of the various counties in which national forests lie, how in the face of these figures can any person who has the knowledge and regard for facts make statements to the effect that the returns from timber sales, grazing, etc., overbalance the tax return which would have been secured if the lands had passed to private ownership?

In six counties—Lassen, Plumas, Sierra, Siskiyou, Trinity, and Tuolumne—the value of national-forest resources is greater than the assessed value of the real estate, improvements, and personal property outside the forests. In Sierra, Trinity, and Tuolumne Counties if the national-forest resources were assessed at half the value placed thereon by the United States Bureau of Public Roads they would still be greater than the assessed value of the real estate outside.

Some interesting comparisons can also be made as to percentage of area of counties within and without national-forest boundaries. Three counties—Del Norte, Plumas, and Trinity—have approximately two-thirds of their area in national forests. Four counties—Modoc, Sierra, Siskiyou, and Tulare—have over 40 per cent of their area in the national forests. Three counties—Eldorado, Fresno, and Tuolumne—have over one-third of their area in the national forests. Five counties—Glenn, Lassen, Madera, Placer, and Shasta—have one-fifth of their area in national forests, and Tehama County has almost one-fifth. Five timbered counties—Del Norte, Plumas, Trinity, Modoc, and Tuolumne—have a lesser area assessed than is in the national forests.

We are firm believers in the conservation of our natural resources and consider ourselves as friends of the Forest Service, and are sure that the enactment of a law such as we propose will result in placing the Forest Service on a more firm basis, but under the present law do not believe the burden properly distributed. Instead of the few people who reside in counties a part of which happens to be in a district forest being compelled to bear the burden, the 110,000,000 people who reside in all of the United States should assume their just proportion, for surely they are as much interested in conservation as are the people who live in a county or combination of counties comprising

a district forest. The man who contemplates building in New York, Washington, or San Francisco, on the farms of the Middle West, or in the Prairie States, must have timber; his interest in that respect lies in our national forests; yet the community in which he lives is not restricted as are the counties in which the forests are, because of the fact that all of their lands are open to entry and to taxation. No part of Sacramento or any of the other valley or bay counties are in a forest reserve; the forest counties have been cut in two, so far as taxation is concerned, for the benefit of those counties and also for the benefit of all of the people of the United States.

The entire California delegation in Congress should be behind us in this matter; and they can not say that they are not interested in the welfare of their sister counties, for they are. Our prosperity adds to their prosperity. We are decreasing in population, all of which hurts business in their counties, and such is the case in nearly all of the counties in which district forests lie. The outside counties must look to these forests for material for their factories and shops, and if they carry out their building program they must have timber; they must have box stuff for their orchards, and must look to these forests for electricity for lights and power and for water for domestic and irrigation purposes. We perform all police powers, furnish the courts, finance the prosecutions of all persons committing crimes within the forests. We must construct roads, build bridges, and erect and maintain schools within the forests; then why are we not entitled to be reimbursed?

There are bright prospects of the passage of the Raker reimbursement measure, and the benefits to the counties would be many and far-reaching. It is a matter of mutual interest, and cooperation is necessary. We shall be pleased to hear from you, and trust that you will take immediate action by writing your Congressman and both Senators urging their hearty indorsement of the reimbursement plan.

Respectfully,

ELDORADO COUNTY CHAMBER OF COMMERCE
AND BOARD OF SUPERVISORS.
PLACER COUNTY CHAMBER OF COMMERCE
AND BOARD OF SUPERVISORS.

When H. R. 4830, "A bill to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor," was being considered by the House (see CONGRESSIONAL RECORD of April 16, 1924, pp. 6501–6514; CONGRESSIONAL RECORD of April 23, 1924, pp. 6977–6997) I offered the provisions of H. R. 8844 as an amendment, but upon a point of order it was ruled out of order. The provisions of H. R. 8844 should have gone on that bill. (H. R. 4830, Sixty-eighth Congress, first session, was approved June 7, 1924—Public, No. 270, Sixty-eighth Congress.)

On the provisions of section 7 of H. R. 4830 and its effect on taxation I submit the views of Mr. Hand, which are to the point and go to the provisions of reimbursement provided for in H. R. 8844:

PLACERVILLE, *May 10, 1924.*

Hon. JOHN E. RAKER,
Washington, D. C.

MY DEAR JUDGE: After reading the proceedings of the House when H. R. 4830 was under consideration, I wish to extend to you and also to Representative BOX, of Texas, my most earnest congratulations. The bill contains some good features, but section 7 is an outrage on the rights of the States, and I would like to know just when the power was delegated to the Federal Government to interfere in local matters and exempt from taxation individuals and corporations in the insidious manner in which it was done in this case.

Centralization of power in the Federal Government is taking place very rapidly, and the rights of the States are constantly disappearing, and it would seem about time that usurpation of purely State powers should be stopped and we get back to first principles. The taking of Federal control over local matters in a way which could not be done directly under the Constitution and the Bill of Rights should not be tolerated.

If the Government wishes to assist the timberman, it should be done in such a manner that all sections of the Nation would make equal contribution and not, as in this case, place another burden on the forest counties. If the Government as a whole can not afford to finance the national forests, then it should not expect the sparsely settled forest counties to do this for it. The forest counties should simply pay in proportion to what is paid by other sections of the Nation—no more, no less—and all should be paid out of the general funds of the Nation; then all would contribute to a national necessity.

The questionable benefits which section 7 of the bill gives to the timber owner is taken wholly from the forest counties. It reduces assessable valuation in those units of government, consequently commensurate values must be found elsewhere or the tax rate increased in order to raise sufficient funds to finance local communities.

Section 7 of the bill enables owners to donate lands "chiefly valuable for the growing of timber to the United States." They can donate or devise that intangible thing known as title, but reserve to themselves everything in sight, such as timber, mineral, grazing rights, and other rights, and time only can tell what claims will be made under the "other rights" reservation. There is no limit to the time when these rights shall cease; they are perpetual to themselves, their heirs and assigns forever. The owners will convey absolutely nothing of value. There is no material value in that intangible thing known as title; they will reserve all of the values, such as timber, forage, minerals, and other rights, and have escaped all forms of taxation on the land.

It may be that the lighthouse Mr. CLARKE referred to and on which Mr. MADDEN commented is to be used in an endeavor to throw light on the invisible thing known as title. Mr. CLARKE may wish to know just what kind of a thing title is when sewed up in the manner it is in his bill, for the naked eye discloses nothing that the owners will actually convey; the owner will still retain the use, benefits, and profits. We know that the bill deprives the counties of the taxes they are now receiving on the lands, but that benefit accrues to the timberman and not to the Federal Government. The Federal Government has taken it from the counties and given it to the timberman. When conveyance is made to the United States the owner will be relieved of the expense of fire protection; his lands and crops will be perpetually cared for by the United States at no expense whatever to himself. You will note the owner is always on the right side.

Mr. CLARKE could use his lighthouse in enforcing the preferential clause of section 7, which also provides that preference in sales shall be given to those "engaged in agriculture in the States in which such national forest is situated." In following each board through the many avenues of trade, and when finally satisfied that it had found its proper place on the farm, the lighthouse will be useful in guiding back to the forest the multitude of officials necessary to enforce this provision.

I will be pleased to receive a few more copies of your bill, No. 148, and would also like to have a couple of copies of 4830 and also a couple of copies of the McNary bill.

With kind personal regards, I remain,

Very truly yours, C. E. HAND.

The Legislature of California on May 11, 1921, passed Assembly Joint Resolution No. 17, reading as follows:

CHAPTER 60

ASSEMBLY JOINT RESOLUTION NO. 17, RELATIVE TO THE COMPENSATION OF COUNTIES CONTAINING LAND IN NATIONAL FOREST RESERVES EXEMPT FROM LOCAL TAXATION

(Filed with secretary of state May 11, 1921)

Whereas by national law and under national regulations many thousand acres of land in California have been placed in national forests; and

Whereas the counties in which such lands are situated derive no revenue therefrom in the form of taxation, yet give the same fire, police, and health protection; and

Whereas these national forests are set apart for the use and enjoyment of all of the people of the United States: Therefore be it

Resolved by the assembly and senate jointly, That it is just and equitable that the National Government recompense the counties in which such lands are situated by reason of the inability of these counties to secure revenue therefrom in the form of taxation; and be it further

Resolved, That the Senators and Representatives from California in Congress be memorialized to use their influence to secure the enactment of such national laws as will secure to the counties affected just compensation in this matter; and be it further

Resolved, That the clerk of the assembly be, and he hereby is, directed to forward copies of these resolutions to the Secretary of Agriculture of the United States, and to each Member of the Congress of the United States from the State of California. (Statutes and Amendments to the Codes, California, 1921, pp. 2194–2195.)

The Legislature of California at its forty-fifth session, on May 8, 1923, adopted a joint resolution approving the purposes of H. R. 11789 (H. R. 8844, 68th Cong., hereinbefore set out in full), which joint resolution is in words and figures following:

CALIFORNIA LEGISLATURE,
ASSEMBLY CHAMBER, FORTY-FIFTH SESSION,
Sacramento, Calif., June 13, 1923.

Please note the following joint resolution adopted by the Legislature of California May 8, 1923:

Assembly Joint Resolution No. 17—Relative to memorializing Congress to adopt a bill introduced by Hon. JOHN E. RAKER to provide compensation in lieu of taxes for the several States with respect to certain lands of the United States within the borders of said States, and for other purposes.

Whereas Hon. JOHN E. RAKER, Member of Congress from the second district of California, has introduced a bill in the House of Representatives (H. R. 11789) which provides: "That the United States Govern-

ment hereby assumes, subject to the conditions of this act or any subsequent act of Congress, the payment to the several States of sums of money equivalent to the amounts which such States would receive from the taxation of said lands of the United States within their respective borders if such lands were owned by individuals"; and

Whereas the amount which California would receive from the taxation of the lands of the United States within the boundaries of the State and "set apart, reserved, or withdrawn under the provisions of section 24 of the act of Congress approved March 3, 1891," would be over $5,000,000 annually; and

Whereas this amount would be distributed almost entirely among the remote and mountainous counties of the State, thus greatly benefiting communities where assessed valuations are low by reason of the exemption from annual taxation of the lands of the United States above referred to; and where the cost of building and upkeep of roads and highways is high on account of the mountainous surface; and where the population is sparse because these lands of the United States are withdrawn from settlement, improvement, and development under the homestead laws; and where forest depletion, contrary to economic demands and forest perpetuation, are the results of high taxes; and

Whereas the lands of the United States above referred to, comprising at least half the area of several mountain counties and nearly one-fifth the total area of the State, while exempt from annual taxation, are being put to commercial and industrial uses for the benefit of all the people of the United States, which places these lands on the same basis as to use with assessed and taxed lands used for the same purposes; and

Whereas it is only just and right that a heavy burden of local annual taxation should not be placed on the people of any State in which and by reason of the fact that extensive areas of land and great natural resources are set aside and reserved for the economic use and benefit of all the people of the United States: Now, therefore, be it

Resolved by the assembly and senate jointly, That the Legislature of the State of California approves the purposes of the bill referred to and respectfully requests its support and adoption by the Congress of the United States at the earliest possible date; and be it further

Resolved, That any moneys returned to the State of California under said or any similar bill be so returned to said State for the benefit of the several counties in which any such lands are situated, the same to be paid to said counties in the proportion in which said lands are so situated.

Resolved, That the speaker of the assembly be authorized to transmit copies of this resolution by mail to the Governors of the States of Oregon, Washington, Idaho, Montana, Wyoming, Utah, Nevada, Colorado, New Mexico, and Arizona with the request that similar action be taken by their respective legislatures; and be it further

Resolved, That the speaker of the assembly be authorized to transmit copies of this resolution, by mail, to all the Members of Congress and the Senate of the United States.

FRANK F. MERRIAM,
Speaker.

Attest:
ARTHUR A. OHNIMUS,
Chief Clerk.

Mr. Hand made the following statement before the Senate Select Committee on Reforestation:

PLACERVILLE, CALIF., *October 1, 1923.*

Hon. JOHN E. RAKER,
Alturas, Calif.

MY DEAR JUDGE: I see by the press that you have arrived in the land of the free, and that you will be home in a few days.

Judge, your impression of Europe must have been a bad one, for I see you wish to stop immigration for at least 10 years. We have been protecting infant industries for years at the behest of the manufacturer, but have not given sufficient consideration to infant Americans, and I have always maintained that the basic way to protect American labor is to put up bars to immigration. However, immigration is not the subject I wish to write you on.

The committee of the United States Senate on national forests and reforestation, the personnel of which is Senator CHARLES L. MCNARY, of Oregon; Senator MOSES, of New Hampshire; Senator COUZENS, of Michigan; Senator HARRISON, of Mississippi; and Senator FLETCHER, of Florida, are making a study of forest problems with a view to preparing a bill for introduction at the session of Congress which convenes in December next.

This committee has held hearings in several of the States, and on September 6 last a hearing was held at San Francisco, at which time I was present and presented for their consideration the plan of county reimbursement as embodied in the bill introduced by you in the Sixty-seventh Congress.

I was nicely treated by the Senators. Senator MCNARY informed me that I raised the two most important questions to be considered by their committee, and he assured me that the plan would receive earnest consideration. He agrees that the counties are not now being sufficiently reimbursed. However, I am of the opinion that he leans rather to an increased percentage than to the valuation basis, but I also feel that he could be easily convinced that the valuation basis is right. Can you not take this phase of the subject up with him?

I am inclosing you a copy of the argument I made, all of which will appear in the official record of the hearing.

Would be pleased to hear from you, and should you write Senator MCNARY would like to have a carbon copy of your letter for my files.

With best wishes, I am

Yours very truly,

C. E. HAND.

—

First. The enactment of a law such as is embodied in bill H. R. 11789, introduced by Representative JOHN E. RAKER at the second session of the Sixty-seventh Congress.

Second. Extension of the boundaries of the present forests and the creation of new national forests where practicable.

The rapidity with which the forests are being denuded means that something in the way of reforestation and conservation must be done to meet future needs, but it should be accomplished in a just way so that the hearty cooperation of all will be assured. The subject is one of large scope and will permit of consideration from various angles in order that results be accomplished and justice meted out to the counties in which national forests are located.

The Raker bill, if enacted into law, would provide compensation in lieu of taxes for the several States with respect to forest lands of the United States within the borders of said States.

The following is a portion of the Raker bill:

> "*Be it enacted, etc.*, That when used in this act, unless the context indicates otherwise, the term 'lands of the United States' means lands set apart, reserved, or withdrawn under the provisions of section 24 of the act of Congress approved March 3, 1891, entitled 'An act to repeal timber culture laws, and for other purposes.'
>
> "SEC. 2. That the United States Government hereby assumes, subject to the conditions of this act or any subsequent act of Congress, the payment to the several States of the sums of money equivalent to the amounts which such States would receive from the taxation of said lands of the United States within their respective borders if such lands were owned by individuals."

You will note that the Raker bill provides for reimbursement of counties on a valuation basis and not on the percentage of timber sales and grazing as is now the law. I believe that this provision of the Raker bill is right, for the reason that the forest counties are not now being adequately reimbursed, nor will an increase of the percentage from sales of timber and grazing cure this condition. The exchange bills have been passed and the timber owner will be availing himself of the provisions of these acts and trading his cut-over lands for standing timber, value for value, no money will pass, hence no percentage for the counties in which the exchange is made, and during the period of reforestation the forest counties will be compelled to bear the burden, with no returns from that portion of the lands under reforestation until the timber shall have matured, a matter of some 200 years.

Oregon has approximately 15,000,000 acres in national forests, while there are 18,891,161 acres in the national forests of California, or about one-fifth of the total area of this State. In the year 1921 the Federal Government paid to the State of California the sum of $132,406 as returns for county shares in the timber sales and grazing. Can this amount be considered just or equitable reimbursement when approximately 19,000,000 acres are included in the area of the national forests of this State and a valuation of $300,000,000 placed thereon by the Department of Agriculture, and a valuation of $146,599,866 on two of the resources of the California forests, viz, timber and grazing by the United States Bureau of Public Roads?

The United States Bureau of Public Roads fixed a valuation on the timber and forage resources of the Eldorado National Forest at $4,256,417, and the Department of Agriculture a valuation on all of the resources, including land values, timber, forage, mineral, and water of this forest at $10,000,000. The Federal Government paid into the treasury of Eldorado County as returns from all sources, including timber sales, forage, etc., in 1915, $1,271.94; in 1916, $1,947.44; in 1917, $1,466.22; in 1918, $1,828.88; in 1919, $2,445.80; in 1920, $2,828.02, making a total for a period of six years of less than $2,000 per year, and if the percentage had been increased from 25 to 50 per cent that county would have been receiving for the period above named an average of less than $4,000 per annum. A sum which in no sense could be considered as just and adequate reimbursement. Over 34 per cent of Eldorado County is in a national forest, therefore the lands are not open to entry, and can never be taxed to help pay the expense of defraying county government. The same conditions prevail in all of the forest counties of the United States, whether in Oregon, Michigan, Mississippi, New Hampshire, Florida, California, or any other State.

To relieve this condition it will be necessary that instead of the few people who reside in counties a part of which happens to be in a district forest being compelled, as under the present law or an

increased percentage law, to sustain this loss of revenue unaided the 110,000,000 people who reside in all of the United States should assume their just proportion, for surely they are as vitally interested in conservation of forest resources as are the people who live in a county or combination of counties comprising a national forest.

The person or concern contemplating building in New York, Washington, or San Francisco, on the farms of the Middle West, or in the Prairie States must have timber; his interest in that respect lies in our national forests, yet the community in which he lives is not restricted, as are the counties in which the forests are located, because of the fact that all lands and resources outside the forests are open to entry and when located are subject to taxation.

The forest counties have been cut in two, so far as taxation is concerned, for the benefit of all the people of the United States. All must look to these forests for material for their factories and shops, and, if they carry out their building program, they must have timber, they must have box stuff for their orchards, and must look to these forests for electricity for lights and power and for water for domestic and irrigation purposes and also for the protection of navigable streams. The forest counties perform all police duties, furnish the courts, finance the prosecution of all persons committing crime within the forests, must construct roads, build bridges, erect and maintain schools within the forests. Why, then, are not the forest counties entitled to a just and adequate reimbursement when their resources have been taken from them by national legislation to be enjoyed by the people of the entire Nation?

Hundreds of thousands of acres of standing timber in the United States are being cut each year, and annually the person or concern owning the lands so cut over furnishes to the county assessor description of the lands from which the timber has been removed and they are allowed a reduction in assessed valuation. In Eldorado County privately owned lands with the timber standing thereon are assessed at $20 per acre valuation, and when the timber is removed therefrom a valuation of $3 is placed thereon for assessment purposes, which is a reduction of $17 per acre valuation on each acre so cut over, and a similar reduction is made in all other forest counties, so you see it means decreased valuation of privately owned lands within the forests and increased valuation on property outside of the forests to produce revenue sufficient to meet the needs of county government, and in the course of probably 50 years the counties will be "holding the sack," so to speak, unless remedy is forthcoming.

The $146,599,866 valuation of timber and forage resources of this State, as fixed by the bureau of public roads, was made for the purpose of determining what each county in which there are national forests is entitled to for road building. I believe this to be a just and equitable valuation on which reimbursement to the counties should be made. The 39 counties of this State would then receive approximately $3,000,000 annually to be divided among them, according to valuation within their borders, instead of $132,406 as in 1921 and $157,000 as in 1922. Oregon would receive a sum proportionate to the high forest valuation within that State.

Under this method the Federal Government would be paying annually a sum approximating $20,000,000 and dividing the same according to forest values among the several States in which national forests lie. This sum would be nearing a just and equitable reimbursement, and if the Raker bill were the law the above examples would be brought about and the Federal Government would retain for its own use the revenues derived from all sources within the forests, and the counties, when preparing annual budgets, would then have a basis on which to figure.

I am convinced that the Federal Government should acquire, either by purchase or under the provisions of the exchange bills, all cut-over lands within the present forests and allow them to reforest. I realize that under present conditions this can not be done by private owners, excepting at a financial loss which the private owner is not prepared to face, due to the heavy rate of taxation and because he does not expect to share in the ultimate returns after reforestation. This burden of expense should be borne by the public, title and products vested in the public, and the public securing the benefits of the ultimate returns.

In regard to the extension of the boundaries of the present forests, there is a strip approximating 10 miles in width along the entire west side of the pine forests of California extending from the Oregon line to Tahachipi, most of which has been cut over and is potentially fitted for timber culture; in the neighborhood of 5,000,000 acres in California could be added to the present forests, and the same is true in many of the other States. However, before the extension of the boundaries and the Government acquiring ownership to the lands provision should be made to justly compensate the counties for the loss of revenue they would sustain.

There are some who advocate that forest returns be divided among the counties on an acreage basis instead of giving credit to the county in which the particular sale happens to be made. I do not believe it would be fair to expect the forest counties of Washington, Oregon, and California, where much of the merchantable timber is now standing, to be compelled to accept the same amount per acre as Nevada, Utah, or Idaho and other States, where the forest acreage is large and the timber is not so plentiful or valuable.

For the purpose of the following comparisons I will use the figures of the United States Bureau of Public Roads on values in counties of California, which will clearly show the injustice of the acreage basis.

Shasta County has 549,806 forest acres, valued at $3,667,611. Ventura County has 550,885 acres, valued at $709,694. In other words, one forest acre in Shasta County is valued at more than five times the value of an acre in Ventura County. Ventura has a larger acreage, yet it has a $3,000,000 less value.

Butte County has 107,829 forest acres, valued at $2,537,740, or $23.53 per acre. Would it be just to compel Butte County to share this valuation with Los Angeles County, which has 664,958 forest acres valued at $1,419,825, or $2.20 per acre, one acre in Butte County being valued at more than 10 acres in Los Angeles County, and Los Angeles County has six times the number of forest acres as there are in Butte County.

Lassen County has 557,766 acres, valued at $6,791,569, or $11.75 per acre. Santa Barbara County has 626,876 acres valued at $1.28 per acre.

Sierra County has a valuation of $23.20 per acre.
San Diego County a valuation of $1.24 per acre.
Calliveras County has a forest value of $23.65 per acre.
Orange County a valuation of $1.24 per acre.
Plumas has a value per acre of $18.36.
Riverside, $1.33 per acre.
Tehama, $20.16 per acre.
Inyo, $2.30 per acre.

Federal, State, city, and county governments levy on assessed or appraised valuations and collect all revenue on valuations. Acres in counties vary in valuation the same as forest acres vary in value, and I submit that it would be just as fair for the State of California to pass legislation forcing San Francisco to divide revenue it receives from taxation in that county and share the same with Alpine and other counties of this State as it would be for the Federal Government to pass laws compelling forest counties to share forest resources with counties having a lesser value and with counties which may never have stumpage sales to share.

During the hearings had by the Select Committee of the Senate on Reforestation in 1923 and 1924 many of the witnesses appearing before said committee gave their opinion that some method should be devised so as to reimburse the counties in which such national forests were located. An extract of a few of such statements is as follows:

PLACERVILLE, CALIF., *February 7, 1924.*

Hon. JOHN E. RAKER,
Washington, D. C.

DEAR JUDGE: I am inclosing you some matter taken from the record of the hearings held by the Select Committee of the Senate on Reforestation. The hearings are filled with statements such as the inclosed, and what I am sending is just one picked here and there to show you the general trend on the question of taxation.

I have read the hearings carefully and find that in the Southern States, the Pacific States (excepting only the redwood district of the Pacific States), Idaho, Montana, the Lake States, etc., that the evidence is to the effect that reforestation, in so far as the individual owner is concerned, is out of the question, due to the taxation problem.

If there is anything further I can do, please let me know. I will be plad to get part 7 of the hearings, as I do want to see the statement of Mr. John W. Blodgett, whom I understand is to have a statement in that number.

With kind personal regards, I remain,
Very truly yours,

C. E. HAND.

Excerpts from statement of Mr. Langdon C. Bell, of the committee on forestry of the Hardwood Manufacturers' Institute. The institute is one of 14 associations of lumber manufacturers and timber owners of the National Lumber Manufacturers' Association.

Who uses the lumber, who is to be benefited by, and who should bear the burden of the expense of a forestry program?

Part 2, page 224:

"We are told by those who ought to know that at the present time there are only 15 timber-exporting States. This means that there are only 15 States producing a greater quantity of lumber than they use. The figures are for all woods.

"We are told that in less than 10 years there will be only five States exporting lumber.

"There are now, we are told, 33 States that are dependent for their timber supply upon other States of the Union.

"Pennsylvania imports four-fifths of its timber; Iowa nine-tenths of the timber it uses.

"The people who live in the 33 timber-importing States include more than three-fourths of the population of the United States. It is claimed that within 10 years the people residing in the timber-importing States will comprise 95 per cent of the entire population of the United States.

"Under these circumstances can there be any doubt about the fact that the forestry problem is a national problem, the expense and burden and risk of which should be borne by the people as a whole?

"Hardwood-lumber manufacturers are entirely in sympathy with the thought that an adequate forestry program should be made effective; as citizens and taxpayers they are willing to carry their fair share of the burden and expense thereof, but they are unwilling for the burden and expense thereof to be placed upon the lumber industry.

"They hold that the hardwood manufacturers should be no more burdened with the cost of such measures than the man who buys the lumber from them and puts it into flooring, interior trim, or furniture, or the man who owns a house in which the wood is used, or the man who lives in it."

From statement of Mr. Carl M. Stevens, of the firm of Mason & Stevens, professional foresters, Portland, Oreg.:

"Mr. STEVENS. Here in the Pacific Northwest we have a very large acreage of timbered land owned by the Federal Government. In approaching this forest problem from the point of view of the private owner we immediately come up against the possible competition from that ownership. We believe that the Federal Government should bear like burdens and do the same kind of business that we will be obliged to do. If they are, we see the solution of a great many problems which now look almost insurmountable.

"A private owner who goes into the business of reforestation will have to sell on the same market that the Government itself sells on. If the Federal Government's legislative branch should instruct its Forest Service to do the same kind of business, to bear the same kind of burden, and to produce a comparable profit as compared to our properties, then there would be no question on the part of, I think, a very large number of the owners in this territory as to what they shall do with their cut-over lands.

"Colonel GREELEY. I would like to get your idea on that a little more specifically, Mr. Stevens. You speak of the Federal Government bearing the same burden.

"Mr. STEVENS. I mean simply this, Colonel Greeley: That, for instance, in one of the properties I am now studying I came up against a national forest. That county has something like 300,000 acres of nationally owned land and an estimate made by the Forest Service of somewhere nearly 8,000,000,000 feet. The people for whom I am working have an acreage very much less than that. I haven't either the Federal or the private figures at hand with me now, but I am absolutely confident that the contribution which has been made to the local community so far by the Forest Service has been practically negligible compared to the support which the private timber has been obliged to furnish.

"Senator MOSES. You mean that the amount of revenue from the national forests that has been paid and the county has received is not comparable to the amount of taxes paid by your client?

"Mr. STEVENS. I would put it this way, Senator MOSES: The problem with these properties out here and with these counties out here is the problem of financing this period after the virgin crop is removed to the time when the second crop will come in, and I mean as a matter of broad policy that if the Federal Government chooses to go into the business of producing wood crops unless they want to assume the whole burden they ought to go into the business of producing wood crops on a footing exactly similar to that in which private companies will have to go into the same business and in order that they can conduct the business in the same way, bear an equivalent burden, and sell on the same basis. In other words, if the Federal Government now owns two-thirds of the acreage and timber in a State or a county and they expect the other one-third owned by private owners to go into the same business, certainly, it seems to me, it is no more than reasonable for the Federal Government to instruct its manager of its estate to do business in exactly the same way." (Part 5, p. 739.)

From statement of Mr. Roscoe Haines, Anaconda Copper Co., Bonner, Mont.:

"The CHAIRMAN (Senator MCNARY). Well, wouldn't that all suggest more seriously that if you should take that land out of private ownership and place it in Government ownership your taxes would be higher?

"Mr. HAINES. They might, but the tendency is to increase the valuations all the time. If they don't get it in one place, they will get it some place else. They have so much revenue to raise; and some of the counties are in the position where they are absolutely dependent on the standing timber for a considerable portion of their revenue, amounting to, between the railroads and the timber, as much as 95 per cent in individual counties.

"* * * but some of the counties are even now getting into a position where they don't know what they are going to do." (Part 5, p. 969.)

From statement of Hon. SCOTT LEAVITT, Representative in Congress, second district, Montana:

"Mr. LEAVITT. That raises the question of the sources of money for carrying on the expense of the counties; and I wonder along that line whether this has been considered: The lumbermen, I think, are holding on as has been testified here to-day to their cut-over lands, to some extent, because they fear that they are going to be the ones who will have to pay the taxes, anyway; and if they let go of these cut-over lands it will mean an increase in the percentage of taxes on the lands they hold that have timber on them." (Part 5, p. 989.)

From statement of Mr. Charles H. Worcester, of 19 South La Salle Street, Chicago:

"Mr. WORCESTER. Due to the local taxation situation, and the fact that there is no incentive for private enterprise to engage in the 100-year process of reforesting lands, and due to the fact that the majority of the people who own these lands would not be able to do it from a financial point of view.

"Senator COUZENS. It would be profitable for the Government but not for the individual?

"Mr. WORCESTER. I do not know that it would be profitable for the Government. It is not a question of profits. The thing has to be dealt with and viewed as an altruistic proposition which the people of the United States have to contribute to for their own benefit.

"Senator FLETCHER. Do you think it would be at a loss to the Government?

"Mr. WORCESTER. It has to be done more in some sections of the country than in others, but the whole people of the United States use so much timber per capita every year and it would seem as if it was necessary in the future for the Government to do something to provide for those needs.

"Senator FLETCHER. Do you mean that the Government might reasonably expect to come out even on such a venture?

"Mr. WORCESTER. I should think so." (Part 4, p. 520.)

Excerpts from letter of President Warren G. Harding to Hon. JOHN D. CLARKE, Member of Congress. Date of letter January 24, 1923. Subject: Proposed Federal forestry bill introduced by Mr. CLARKE:

"No matter how generously the Federal and State Governments may appropriate to create forest reserves or to protect forest lands from fire, private interests should be given every encouragement to do their full share in growing timber, and one of the most effective forms of encouragement is an appropriate liberalization of taxation.

"Many years are required to grow timber of merchantable size, and there is not much inducement to landowners to incur the expense of forestation, protection, and taxes, decade after decade, in order to produce at last a timber crop which a future generation shall harvest."

Excerpts copied from statements of various parties who appeared before the Select Committee of the United States Senate on Reforestation.

Personnel of committee: CHARLES L. MCNARY (chairman), GEORGE H. MOSES, JAMES COUZENS, DUNCAN U. FLETCHER, PAT HARRISON.

Washington, D. C., hearing, Wednesday, March 7, 1923:

Excerpts from statement of Hon. Henry C. Wallace, Secretary of Agriculture:

"The problem of providing adequate revenues for counties whose taxable resource is chiefly forest lands, during the interval when a crop is being grown, has not yet been solved." (Hearings, part 1, p. 6.)

"Twenty-eight States are now importers of timber, and the whole Nation will benefit from the increased production of timber at any point, and (2) the protection of denuded and cut-over areas which will yield no commercial products for many years is of greater moment to the public than to the owner of the land." (Part 1, p. 8.)

"Adjustment of forest taxation: In securing general and sustained timber growth on private lands the adjustment of taxes to the long-time nature of timber crops probably ranks second in importance to fire protection." (Part 1, p. 17.)

"Senator FLETCHER. There might be something in that. But while the public welfare requires that our forests should be maintained and developed, the question in my mind is whether you will ever get it by depending on private enterprise, because the profits are not there; it is not to the individual's advantage to wait so long for the results, and the returns to come from the growing of timber. It seems to me it is a public inter-

est that must be subserved, and the public must take an interest and contribute some way; must engage in some active effort." (Part 1, p. 21.)

Excerpts from statement of Mr. Hugh P. Baker, representing the American Paper & Pulp Association and National Forest Programme Committee:

"I believe that wrong taxing has wiped out more forests in this country than all of the furniture industry has wiped out in this country."

"Chairman McNARY. Now, you have spoken of the tax problem, and that subject interests me greatly. It is one of our problems. You say no tax is collected while the timber is growing, but when it is cut there is a tax as high as 40 per cent of the purchase price which goes to the Government?"

Mr. Baker answering Senator McNARY as follows:

"There is a low land tax, just as we tax our agriculture a low land tax, and then there is a constant land tax, but very low. And then when the timber is cut there is a yield or severance tax, which in some cases has run as high as 45 per cent." (Pt. 1, pp. 30-31.)

Thursday, March 8, 1923:

Excerpts from statement of Mr. Wilson Compton, secretary and manager of the National Lumber Manufacturers' Association, Washington, D. C.:

"Provision may well be made to reimburse local taxing units from the returns from such Government-acquired lands or otherwise for the loss of taxes involved." (Pt. 1, p. 52.)

"If the public is to expect earnest, successful effort by forest industry to perpetuate itself and its resources, there must be an equally sympathetic and helpful attitude toward the problem of the industry exhibited in all contacts with it by the public and by governmental agencies of whatever character. A successful forest policy means more than tree growing." (Pt. 1, p. 52.)

Statement of Col. W. B. Greeley, Chief Forester of the United States:

"Senator COUZENS. Then it all goes back to what was developed in our trip South; that the reforestation depends on taxation and fire, does it not?

"Mr. GREELEY. Those are the two main things; yes, sir." (Pt. 3, p. 289.)

"Congressman LEAVITT. Yes. Of course, this exchange idea appeals to me very much. I believe that as far as the Government and the timber owners are concerned, that is the way out; but that doesn't meet, in my mind, the taxation question. The objection to this exchange is going to come from counties like Flathead, where their source of tax revenue will be cut off. That is where I have heard such talk—in western Montana.

"Colonel GREELEY. They lose, both going and coming, the tax on the private land and the 25 per cent of the value of the timber that is given in exchange—the 25 per cent they would get." (Pt. 5, p. 990.)

"Mr. GREELEY. The point here is that there has got to be a great deal of study and hard work given to the devising of forest tax laws that are effective from both standpoints—the standpoint of taxing growing timber in a reasonable way and also from the standpoint of giving the counties and townships the current revenue they need. It is not a proposition that is going to be worked out overnight. It is going to take a great many years to work it out. And obviously it is something that has got to be worked out and put into effect through State legislation.

"Senator HARRISON. Well, what, if anything, can the Federal Government do along that line?

"Mr. GREELEY. I think that the Federal Government can do a great deal to assist the States by conducting investigations, modeling tax laws, etc.

"Senator HARRISON. You would not do it through the enactment of any law; that is, you would not make it a condition of an appropriation?

"Colonel GREELEY. I do not favor that, Senator. I will come to that in just a moment.

"The CHAIRMAN (Senator McNARY). Pardon me, but before you leave that question of taxation: I can conceive that great hardships will follow such a scheme as a severance tax in counties where there is a heavy forested area." (Pt. 3, p. 317.)

"Mr. GREELEY. Now, that is one of the things I have chiefly in mind in saying that the forest-taxation problem is not a single problem and it is not going to be quickly solved. Before it can be solved you have got to meet the needs of the local political unit for stable revenue, just as well as the needs of the timber owner for some adjustments in taxing his property." (Pt. 3, p. 319.)

"Senator HARRISON. Of course in the West, as I understand, the Government owns great quantities of land that they are not paying any taxes on. Naturally that makes a lot of those counties poor. But in the South that does not exist." (Pt. 3, p. 319.)

"The CHAIRMAN (Senator McNARY). The thought suggested by Senator HARRISON—and it runs through the record—is that 75 per cent of the problem of reforestation is fire protection. You may protect your forests all right from fire, but you are not going to get anyone to take an interest in it and give it that moral support which is necessary to make it a success unless you do get a satisfactory tax law applicable to private property.

"If you were protecting my piece of land from fire, it would not necessarily interest me in reforestation, unless I could satisfactorily adjust that property so far as taxation is concerned." (Pt. 3, p. 319.)

"Senator COUZENS. It seems to me that the questions of taxation and fire protection are so interwoven that they can not be segregated; and if we are to invite or urge or help private capital to reforest, we have got to combine the two. I do not see how you can get away from it. It seems to me that any other way is wasteful.

"Mr. GREELEY. Well, there is no question about their being closely interwoven. The only question in my mind is which method will bring the most rapid progress.

"Senator COUZENS. All of the testimony we took in the South, with a few exceptions, indicate that no private owner of timberland would undertake under any circumstances to grow forests unless he was assured of what the ultimate cost would be over a period of, say, 30 or 40 years. Is that not correct? Was not that the general trend of the testimony?

"Mr. GREELEY. You will find particularly among the large timber companies frequently an expression of opinion that they can not go into it until the tax uncertainty is settled." (Pt. 3, p. 322.)

"Senator McNARY. One of the greatest grievances of the western people of which I know—and I was born there and know whereof I speak on the subject—has been the great areas that the Government ties up and keeps away from development; and naturally you find people rebelling against keeping it off the tax rolls." (Pt. 4, p. 465.)

"Gov. LOUIS F. HART, of the State of Washington. If the Federal Government enters into a program of reforestation independent of the State government, it likewise means adding a considerable area to the Federally owned and controlled lands in this State and taking from the State tax rolls without any corresponding recompense to the State for such protection as it may give.

"Already one-third of the area of this State is in Government reserves, and as long as the burden of local government includes the protection of logged-off lands some arrangement should be made by which the State could be reimbursed for such expenditure without placing an unnecessary burden on the already heavily tax-ridden property of the State.

"Some 20 years or more ago many thousands of acres of our best timberland were set aside into forest reserves for the benefit of future generations. At that time I was unable to understand just what that meant, but as I see billions of feet of the timber on these reserves being sold at low prices and on long time, perpetually keeping them off the tax rolls, I appear to be getting a gleam of light.

"I desire to enter the emphatic protest of this State against the further extension of the principle embodied in the act of Congress of March 20, 1922, whereby the valuable timber of the forest reserves will be traded for logged-off lands neither fit for reforestation or pasturage, and these embraced within the forest reserves, and still further increase the area of nontaxable land." (Pt. 5, p. 804.)

From statement of Mr. F. E. Pape, State supervisor of forestry, Olympia, Wash.:

"The CHAIRMAN (Senator McNARY). What might Congress do in aiding you in the protection of your forests?

"Mr. PAPE. The appropriation should be very largely increased on the basis that Congress is figuring on now which I think is purely an aid proposition, but I think they ought to reach the correct basis on this: That the Government should contribute on its holdings here on about the same basis as private individuals would pay if they were contributing to the support of the State government.

"Colonel GREELEY. Well, the Government is doing that now isn't it, Mr. Pape?

"Mr. PAPE. In a very small way.

"Colonel GREELEY. We are protecting the national forests if that is what you mean.

"Mr. PAPE. You are protecting the national forests, but what about all of this other area that is going off our tax rolls year after year? And I say if the Government is going to say to the State of Washington, 'we want you to grow timber,' then they should come in and contribute their share." (Pt. 5, p. 826.)

"Mr. PAPE. Now, if you are going to say to the State, 'You shall keep 95 per cent or 80 per cent, whatever it is in this State growing timber,' and all of this is going back to your Eastern

States to supply your population in the East with lumber, why should the State of Washington be required to put up money year after year in growing these forests without some aid from the Federal Government? That is the view I take of it.

"Senator MOSES. It is not in the power of the Federal Government to demand that, Mr. Pape.

"Mr. PAPE. Well, it might not be in the power of the State to do these things, either; but if you want it done, somebody has got to pay the bill."

Mr. George S. Long, lumber and timber business. (Mr. Long's taxes for the year 1922 amounted to $583,490.) Address at Tacoma, Wash.:

"Mr. LONG. Well, it is an old story, and I can't put any new angles to it except to say that it is a question of taxation and carrying charges. Now, I am talking about that which this hearing is called for in this district, the Douglas fir district; for we face a condition out here, not a theory, an absolute condition, and that pertains to taxation.

"Keeping fire out simply solves the problem that timber will grow. It does not solve the economical problem of growing timber at a profit, and that is what you have got to solve if you ask private individuals to do it." (Pt. 5, p. 838.)

"Mr. LONG. That is what these forests are for; they are for everybody. That is the reason you are talking about growing it. It is to supply the future needs of our own countrymen. It is a public stunt; it is a public effort; it is no more the duty of the lumberman than it is of the dentist. You are growing a forest for posterity; for the public, and the public should pay the bill.

"Senator MOSES. Of course, the most popular tax in the world is the one that the other man pays.

"Mr. LONG. Yes; that is what I mean, and if we are to take part in this growing of a new forest by everybody contributing a mite to it it might be popular; I don't know. But if that were done everybody would have an interest in it, but I think that it is one of the things that is very, very largely the public's question; the public's interest; the public's duty.

"I would not enter upon the game of reforestation at all, Colonel Greeley, if they didn't fix the tax question first. Then when you fix that I will divide the other expense any old way you want to. If you will take care of the tax question, I will take care of all of them. So far as the Weyerhauser Timber Co.'s costs are concerned, I won't ask you to divide it at all. We will take care of all of it ourselves if you will take care of the tax question.

"Colonel GREELEY. You see I am working from the opposite standpoint. Let us take care of the fire protection and let you take care of the tax proposition.

"Mr. LONG. I know that is the favorite stunt, as I just told you. You see the tax figures there [indicating tax statement filed by Mr. Long]. That is my position there. No; I don't think that we want to get an eclipse over our eyes because of this nice, beautiful theory that all we have to do is to keep the fire out of the timber. That is 'fine stuff,' and it is right that the timber will grow; while that will take care of the physical question, yet you have questions more vital than the physical question in this game.

"Colonel GREELEY. My position is simply this, Mr. Long: I appreciate the importance of the tax situation fully; at the same time I don't believe, taking the western forestry districts by and large, that the present or probable taxation of cut-over land is nearly as large an obstacle as you seem to view it.

"Mr. LONG. Well, are you talking about to-day?

"Colonel GREELEY. Yes, sir.

"Mr. LONG. I am talking about to-morrow, the next day, 5 years from now, 10 years from now, 20 years from now, 30 years from now, when during all of that period I can't withdraw from that property one single cent of revenue. I have got to pay the taxes every year, every year, every year, for 30 or 40 or 50 or 60 years; and I have got to take all the ups and downs that represent public whims about taxation—such a 'blind alley' that no man with one grain of common sense would ever start without some kind of a flash light to at least tell him where he must get off. That is the proposition. You are jumping into the unknown, absolutely the unknown, except as the past has told the story, and there is a record of the past in taxation matters.

"Colonel GREELEY. You anticipate a proportionate rise of taxation on cut-over lands?

"Mr. LONG. As soon as they come to have a value, Colonel Greeley; yes; sure. What else can they do? What else can they do? What would the necessities of public sentiment do to the Weyerhauser Timber Co. if we had 100,000 acres of second-growth timber out here 25 years old, or 20 years old? They would say, 'Well, now, in about 10 or 15 years more that is going to be worth $100 an acre, so it is worth $50 an acre now.' You could not stop that any more than you could the tides of the ocean, so far as taxation is concerned, or any other matter; and you should realize that sentiment if you want private citizens to engage in the business of growing forests under existing tax laws." (Part 5, pp. 843-844.)

From statement of Hon. Alex Polson, State senator, logger, and manufacturer, Hoquiam, Wash.:

"We can't carry it and pay the taxes, because by and by it will commence to produce forests, and the tax assessor will think they are valuable and begin to assess them at high values that will confiscate them. We will have to have some relief from taxes when that time comes or get out of the business.

"Senator FLETCHER. You have your forest-fire protection system better organized now?

"Mr. POLSON. We can protect the forests against everything except taxes, and we would like to have you help on that. On everything else, I think, we are equal to the occasion—everything except taxes. If you can help us out on the tax problem we certainly will appreciate it.

* * * * * * *

"Mr. POLSON. You will have plenty of timber in the East if you will take some interest in the reforesting of it. I do claim that in all of these five States we are entitled to all of the revenue from the forests and the mines and everything in our States, just the same as the eastern man had. With all due respects to Governor Pinchot, his fortune was left to him by his forefathers, who made it out of the natural resources of the eastern country." (Part 5, p. 866.)

From statement of Mr. J. J. Donovan, Bloedel-Donovan Lumber Co., Bellingham, Wash.:

"Mr. DONOVAN. Now, in this western country, or the five States that are timber-producing States, a statement has been prepared and has been or will be submitted to you in print—I believe it is already before you—showing that about two-thirds of the entire timbered area of these five States is owned by the State or the Nation, and that about one-half of all of the merchantable timber of these five States is on that two-thirds area." (Part 5, p. 858.)

"The Western States, with their forests, were not treated exactly right in having such a large portion of their area reserved to the National Government as compared with the Eastern States, and therefore we rather resent the Eastern States telling us just what we should do with these forests and taking all of the money away and spending it somewhere else." (Part 5, p. 860.)

From statement of Hon. Nathan Eckstein, member of the State tax investigation committee of the State of Washington:

"I think, first of all, the Federal Government should give the State full return for the national forests which the Government owns, and that is not being done. It must be realized that we are one of 48 States. The rest of the country had all of the land given the individual owners, and is now on the tax rolls.

"If the Federal Government had not kept the land, we would have it on the tax rolls now and would get a revenue from it." (Part 5, p. 857.)

From statement of Mr. William C. Butler, Lyman Timber Co., Everett, Wash.:

"Mr. BUTLER. I think if the State was properly supported by the Nation, under the distinct program that you were building or you were growing a forest for the public at large, then I think the county would do anything, provided they got some financial assistance. They must have some financial assistance, because they have got all of these improvements which you have heard described; they have got these obligations and they must get something on the tax rolls or must get contributions or taxes from some source." (Part 5, p. 853.)

From Mr. Mark E. Reed, logger, Shelton, Wash.:

"Well, I think, as Mr. Long does, that the greatest problem we have to face is taxation. If there is any way by which the National Government could make a contribution direct out of the forest reserve sales to the State to be apportioned back to the counties, the several counties of the State, irrespective of the reforestation problem in the meantime, we might be able, where the people of these counties saw some real money coming back from the Government, to reimburse them * * * there has got to be something to offset the prejudice they have that a reduction of values of land for reforestation purposes will not increase their taxes." (Part 5, p. 851.)

From statement of M. L. T. Murray, West Fork Timber Co., Tacoma, Wash.:

"Senator FLETCHER. You want a portion of that tax to go to the counties and not all to the State?

"Mr. MURRAY. Of course something would have to be worked out to take care of the counties that would naturally lose from any such system (referring to reforestation).

"The CHAIRMAN (Senator MCNARY). Is it your opinion that the increase in the value of stumpage would absorb the item of taxes over a period of years?

"Mr. MURRAY. I could not answer that question, Senator, because that is looking into the dim future. I would not want to take a chance, personally, on it." (Part 5, p. 833.)

Mr. John S. Bradley, of the Bradley Logging Co.:

"Mr. BRADLEY. I give my opinion as to the problem of reforestation. I am convinced that this can not be successfully accomplished by the private owner alone. The annual menace of forest fires, over which he has very little control, practically forbids the attempt; besides, the excessive cost of interest and taxes levied annually upon his holdings urge upon him the necessity of harvesting his crop as rapidly as possible." (Part 5, p. 800.)

From statement of Mr. A. W. Laird, of Potlatch, Idaho, president of Western Forestry & Conservation Association, president of the North Idaho Forestry Association, and president of the Potlatch Timber Protective Association:

"Senator MCNARY. Government increase of fire protection, would that be inducement sufficiently for timbermen privately to reforest?

"Mr. LAIRD. Not without relief from taxation.

"The CHAIRMAN. Yes; so there are two factors?

"Mr. LAIRD. Yes, sir; they are important ones. You see, Idaho has a very large part of its domain in the national forest reserves and is a State with only 400,000 people in it; so the tax burden on the people who have property, who have to pay taxes, is quite a considerable bill.

"The CHAIRMAN. The extent of the Government's holding in Idaho is 69 per cent or greater.

"Senator FLETCHER. Mr. Laird, you might consider this thought in connection with the demand for relief from taxation on cut-over lands: Whether you want to delay until you can get the State to say that they will not tax cut-over lands at all for a period of years, or only nominally, as you suggest the counties must have some money, some income, in order to pay their expenses. Now, if they relieve cut-over lands from taxation, won't they have to make it up by increasing the tax on your timberland; so that in the end you would not save so much after all?" (Pt. 5, p. 890.)

From statement of Mr. C. L. Billings, land agent of Edward Rutledge Timber Co., Coeur d'Alene, Idaho:

"Mr. BILLINGS. In discussing whether or not we can cut down taxes on cut-over land I just want to leave this impression with you gentlemen. It is obvious to all of us that, having certain bills to meet, you have to have the valuation to assess your levy against to reach it, to meet them. So long as we live here—that is, so long as the timber industry lives here and pays taxes—we can take it for granted, no matter what kind of tax reform is put in, if you take taxable property off the tax rolls and put it in either Federal or State ownership, the burden of taxation has got to remain on what you have left. We will get our share of that increase, and that tax will be directly in proportion to the tax that we are already paying." (Pt. 5, p. 907.)

From statement of Mr. H. G. Miller, president Kalispell Lumber Co., Kalispell, Mont.:

"Senator MCNARY. Well, assume that you remove the trees and it takes a hundred years to grow a new crop, and that the Government and the State owned the land; how are you going to support your county and State governments during that period?

"Mr. MILLER. When the county authorities come to that bridge they will find a way to cross it, and they will make up that deficit in their budget by putting the tax on the industry—the logging and the lumbering.

"At the present time I will tell you what would practically take effect. If the process of the lands passing into the hands of the Federal Government takes place, it will create a deficit in county finances. The deficit will be made good by a direct tax, in my opinion—by a direct tax on logs and lumber products. In relieving the industry of these taxes you are simply going around the block and coming back, and will depend on the same people for the same tax." (Pt. 5, p. 951.)

From statement of Judge Marvin E. Rosenberry, judge of the Supreme Court of the State of Wisconsin:

"Judge ROSENBERRY. The first proposition to be considered is the matter of taxation. Speaking from the standpoint of towns, villages, and counties, and particularly where the State has acquired large areas, they find it very difficult to adjust their local requirements to the matter of taxation. * * * As a proposition otherwise than acquiring the property outright by either the State or the Federal Government it seems to me the fundamental problem relates to taxation." (Pt. 4, p. 558.)

Statement of John W. Blodgett, president of the National Lumber Manufacturers' Association, Grand Rapids, Mich.:

"The CHAIRMAN. Do you want the private owners to go out of the forestry business and turn it over to the Government?

"Mr. BLODGETT. I have been reluctantly driven by quite a survey of the situation to the conclusion that only by such action on the part of the Federal Government will we get anywhere.

"I hope that the committee will not lose sight of this one fundamental fact: That whenever economic conditions warrant individual operation and initiative you can rely upon the American business man to step into that breach just at the very first moment, and then the function and the duty of the Government will cease so far as buying large tracts of land is concerned, but that time is so far in the future and the necessity of action is so imminent that we are up against the other proposition."

I wrote the following letter to each State forester, inquiring what provision the States had made for such reimbursement when the State owned forest lands:

Hon. ——— ———,

State Forester, ——— ———.

In re: Taxation—State-owned forests.

MY DEAR SIR: Would you kindly advise me what provisions, if any, have been made by your State relative to reimbursement for taxes lost by the State by reason of State-owned forests? In other words, has your State made any provision for the State and county reimbursement by reason of loss of taxes when the State has obtained and now owns forest lands which are not subject to direct taxation as privately owned lands?

If it would be convenient for you to furnish me copy of such laws or synopsis and citation thereof, I would appreciate it very much. Kindly send same to my address, Room 292, House Office Building, Washington, D. C. I am,

Yours most truly, JOHN E. RAKER, M. C.

The States of Pennsylvania, New Jersey, Michigan, Massachusetts, Connecticut, Vermont, and New York replied, showing that the State provided a tax against State forest lands, which is turned over to the counties, townships, or cities in which the State forest land is located.

These letters are as follows:

PENNSYLVANIA DEPARTMENT OF FORESTS AND WATERS,
Harrisburg, January 29, 1924.

Hon. JOHN E. RAKER, M. C.
Washington, D. C.

MY DEAR MR. RAKER: Your letter of January 19 and copies of House and Senate bills Nos. 148 and 1553 are received.

The Commonwealth of Pennsylvania made the first purchase of State forest land in 1898. Additional tracts were added from time to time, and the State forests now comprise 1,130,510 acres.

It was necessary to reimburse townships wherein State lands were located so that they would not be entirely deprived of taxes from those tracts. With this in view, acts were passed providing a fixed annual charge of 5 cents per acre on all State forest land.

The auxiliary forest reserve laws, which were passed in 1913, provide a separate classification for privately owned timberlands. Lands so classified are assessed at not more than $1 per acre. A fixed annual charge of 4 cents per acre for school and road purposes is paid by the Department of Forests and Waters to townships wherein auxiliary forest reserves are located. As a rule, timberlands in Pennsylvania are not assessed unreasonably high, and to date but 26,213 acres have been placed in this class.

Copies of the laws authorizing the purchase of State forest land, the payment of fixed charges on timberlands for school, road, and county purposes, and the classification of auxiliary forest reserves are attached.

Sincerely yours, R. Y. STUART,
Secretary.

STATE OF NEW JERSEY,
DEPARTMENT OF CONSERVATION AND DEVELOPMENT,
Trenton, March 13, 1924.

Hon. JOHN E. RAKER,
Member House of Representatives, Washington, D. C.

DEAR SIR: I am sorry to have been rather tardy in replying to your inquiry of March 3 relative to forest taxation. I am inclosing a copy of the latest printed edition of our forestry laws. This booklet is now in process of revision. However, the provision dealing with forest taxation, as given in section 6, chapter 47, P. L. 1905, on page 7, and chapter 214, P. L. 1908, given on page 10, will give you the text of the legislation as it now stands in connection with the tax situation on State-owned forest land.

There is no exemption from taxation or any tax preference on forest land in New Jersey aside from this provision for State forest property.

DEPARTMENT OF CONSERVATION AND DEVELOPMENT.
C. P. WILBER, *State Forester.*

STATE OF MICHIGAN,
DEPARTMENT OF CONSERVATION,
Lansing, March 8, 1924.

Hon. JOHN E. RAKER,
House of Representatives, Washington, D. C.

DEAR SIR: Your letter of March 3 is received.

Act 116, Public Acts of Michigan, 1917, provides that a flat rate of 5 cents per acre on all lands to which the State owns title shall be paid to the separate counties in which such lands are located. This is for construction and improvements of highways and is in lieu of any and all taxes assessed on State lands under previously existing statutes.

I am sorry that we can not furnish you with a copy of this law, as our supply is exhausted.

Very truly yours, MARCUS SCHAAP, *State Forester.*

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF CONSERVATION,
DIVISION OF FORESTRY, STATE HOUSE,
Boston, March 6, 1924.

Hon. JOHN E. RAKER, M. C.,
Room 292, House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: Your letter of March 3 regarding taxation of State-owned forests received. I inclose copy of the sections of our general laws which apply to this taxation. You will note in section 13 it is stated "in 1925," etc. This is simply an extension of the date in the new revision of our general laws, but the same operation has been taking place for a long time.

I am also inclosing a copy of our forest taxation law, which was passed two years ago, which I think will be of interest to you, to show the way we are handling the taxation of private forest lands.

If I can be of any further service to you, please let me know.

Very truly yours,

WM. A. L. BAZELEY, *Commissioner.*

REIMBURSEMENT FOR LOSS OF TAXES ON LAND USED FOR PUBLIC INSTITUTIONS, ETC.

[General Laws, ch. 58]

SEC. 13. In 1925 and in every fifth year thereafter the commissioner shall between April 1 and June 1 determine as of April 1 the fair cash value of all land in every town owned by the Commonwealth and used for the purposes of a public institution under the department of mental disease, the department of public welfare, or the department of correction, a fish hatchery or game preserve, a State military camp ground, or a State forest. This determination shall be in such detail as to lots, subdivisions, or acreage as the commissioner may deem necessary, and to assist him in making it he may require oral or written information from any officer or agent of the Commonwealth or of any town therein and from any other inhabitant thereof, and may require such information to be on oath. Such officers, agents, and persons, so far as able, shall furnish the commissioner with the required information in such form as he may indicate within 15 days after being so requested by him.

SEC. 14. The commissioner, under the preceding section, not later than June 10 of each year in which he makes such determination, shall notify the assessors of each town where the Commonwealth owns land for the purposes therein named of his determination of the value of such land in such town. A board of assessors aggrieved by said determination may, within 10 days after the date of the notice, apply for a correction thereof to the board of appeal from decisions of the commissioner of corporations and taxation. Said board shall give a hearing to such assessors not later than July 15 following, and shall seasonably notify them and the commissioner of the time and place of the hearing. After the hearing said board of appeal shall notify said board of assessors and the commissioner of its finding as to the value of the land in question, and its decision shall be conclusive.

SEC. 15. The valuation determined under the two preceding sections shall be in effect for the purposes of sections 13 to 17, inclusive, during the year in which such valuation is made and the four succeeding years, and until another valuation is made under said sections, except that whenever land is acquired by the Commonwealth for the purposes named in section 13 the commissioner shall adopt the assessed valuation of said land made in the year last preceding such purchase, and such assessed valuation shall be the valuation of the land for the purposes of sections 13 to 17, inclusive, until a new valuation is made by the commissioner under sections 13 and 14.

SEC. 16. In every year, not later than August 1, the commissioner shall deliver to the State treasurer a statement as to the value of land subject to sections 13 to 17, inclusive, in each town and of the amount of money to be paid to each of such towns as determined by the following section.

SEC. 17. The treasurer in every year, not later than November 15, shall reimburse each town in which the Commonwealth owns land for the purposes named in section 13 an amount in lieu of taxes upon the value of such land as reported to him by the commissioner under the preceding section, determined by multiplying each thousand dollars of valuation or fractional part thereof by the rate provided for under section 58 of chapter 63.

[Chap. 360]

An act providing for the taxation of forest products and the classification and taxation of forest lands

Be it enacted, etc., as follows:

SECTION 1. The General Laws is hereby amended by striking out chapter 61 and inserting in place thereof the following:

CHAPTER 61

TAXATION OF FOREST PRODUCTS AND CLASSIFICATION AND TAXATION OF FOREST LANDS

SECTION 1. An owner of forest land, valued on the town tax list of the preceding year for land and growth at not more than $25 per acre, and which does not contain more than 20 cords per acre on the average, but which is so stocked with trees as to promise a minimum prospective average yield per acre, exclusive of water, bog, or ledge, of 20,000 board feet for softwoods or 8,000 board feet for hardwoods, or for mixtures of the two, such volume between said limits determinable by the relative percentages of the two classes of growth, may apply in writing to the town assessors to have said land listed as classified forest land, and such application shall contain a description of said land sufficiently accurate for identification.

SEC. 2. Within 30 days after the receipt of said application the assessors shall decide whether the property fulfills the requirements for classification and shall notify the owner of their decision, giving their valuation of the tract as land alone, and if within 10 days of notification the owner accepts their decision the assessors shall give him a certificate containing the name of the owner and a description of the parcel to be classified, and stating that the land described conforms to the requirements for classification under this chapter. Upon the recording of this certificate by the owner in the registry of deeds for the county or district where the land lies, the parcel shall become classified forest land. Each parcel of land so classified shall thereafter be designated in the annual valuation list of the town, in the column provided for the description of each parcel of land, as classified forest land so long as the parcel remains so classified. The valuation and tax annually assessed upon land classified under this chapter shall not include the value of forest trees growing thereon. When classified forest land is sold or otherwise changes title, the obligations nad benefits of this chapter shall devolve upon the new holder of the title.

SEC. 3. The standing growth on classified forest land shall not be taxed, but the owner of such land, except as hereinafter provided, shall pay a products tax of 6 per cent of the stumpage value upon all wood or timber cut therefrom, and one-tenth of such taxes collected by the town shall be paid to the State treasurer. Trees standing on such land shall not be included in the town valuation in apportioning the State or county tax among the towns. But an owner of classified forest land may annually cut, free of tax, wood or timber from such land, not exceeding $25 in stumpage value: *Provided*, That such wood or timber is for his own use or for that of a tenant of said land only. Buildings or other structures standing on classified forest land shall be taxed as real estate with the land on which they stand. Classified forest land shall be subject to special assessments and betterment assessments. The owner shall make a sworn return to the assessors before May 1 of each year of the amount of all wood and timber cut from such land during the year ending on the preceding April 1.

SEC. 4. When in the judgment of the assessors classified forest land contains on the average per acre 25,000 board feet for softwoods or 10,000 board feet for hardwoods, or for mixtures of the two, such volume between said limits determinable by the relative percentages of the two classes of growth, they shall notify the owner that two years from date of notification the forest products tax of 6 per cent of the value of the standing timber based on the above volumes will be levied and that the land and timber will at that time be taken from the classified list and placed in the general property tax list. Should the owner elect to reduce within two years the volume of timber below the volume mentioned in the preceding sentence the land shall remain classified; but, if at the end of five years from time of cutting, the growth stock on the tract does not meet the requirements for classification contained in section 1 the tract may be taken from classification by the assessors and any taxes due thereon collected. An owner may withdraw his land from classification at any time by the payment of the land tax and the forest products tax of 6 per cent on the estimated value of the standing timber. Within 30 days after an owner requests to withdraw his land from classification the assessors shall determine the taxes due thereon, which shall be paid before the land is taken from the classified list. When in the judgment of the assessors classified forest land becomes more valuable for other use than the production of trees they may, after 30 days' notice, withdraw said land from classification, and any taxes due thereon shall be paid at

the time of withdrawal: *Provided*, That the owner may appeal from such withdrawal to the commissioner, whose decision shall be final. Whenever land is withdrawn from classification the assessors shall record in the registry of deeds for the county or district where the land lies a certificate setting forth such withdrawal and containing reference by book and page to the record of the certificate under which said land was classified.

SEC. 5. In case of dispute as to the eligibility of land for classification or as to the volume of wood or timber contained on such land or cut therefrom, either party may appeal to the State forester, who shall examine the property and hear both parties, and whose decision shall be final.

SEC. 6. Any owner of classified forest land who fails to comply with the requirements of this chapter shall, upon conviction thereof, be punished by a fine of not less than $10 nor more than $500, and in addition to said penalty the land may be withdrawn from classification by the assessors.

SEC. 7. Notwithstanding the passage of this act, all land and the trees, wood, and timber thereon which are on the date when this act takes effect subject to the provisions of chapter 61 of the General Laws shall continue to be subject thereto in accordance therewith.

(Approved May 2, 1922.)"

STATE FORESTER, STATE FOREST FIRE WARDEN,
Hartford, Conn., March 5, 1924.

Mr. JOHN E. RAKER, M. C.,
House Office Building, Washington, D. C.

MY DEAR MR. RAKER: I am in receipt of your letter of the 3d, relative to forest taxation, and take pleasure in sending you a copy of our forest laws. You will see on pages 33 to 41 laws relating to taxation. The statute relative to the taxation of State forests is on page 41. We have felt from the first that if we should try to set aside State forests without providing for taxation there would be opposition on the part of the local citizens.

If there are any further questions in regard to this subject, I shall be glad to hear from you.

Yours very truly,

A. F. HAWES, *State Forester.*

COMMISSIONER OF FORESTRY, STATE OF VERMONT,
Montpelier, March 11, 1924.

JOHN E. RAKER, M. C.,
House Office Building, Washington, D. C.

DEAR SIR: Your letter of March 3d in regard to taxation of State-owned forests has been received, and we are pleased to hand you copy of No. 28 of the Acts of 1919, which has to do with this subject.

If we can be of further assistance to you, we shall be glad to have you call on us.

Very truly yours,

FOREST SERVICE,
By IDA P. CALCOGNI, *Secretary.*

No. 28. An act to amend sections 465 and 722 of the General Laws relating to the classification of State forest reserves for tax purposes

It is hereby enacted by the General Assembly of the State of Vermont:

SECTION 1. Section 465 of the General Laws is hereby amended so as to read as follows:

"SEC. 465. State forests; taxation: The governor is hereby authorized, upon recommendation of said forester, to accept gifts of land to the State, the same to be held, protected, and administered as a State forest reserve. All proceeds from the sales of timber or other products from such lands shall be paid to the State treasurer and be used at the discretion of said forester in the furtherance of the forestry interests of the State. All lands held as State forest reserves shall be appraised under the provisions of section 722 of the general laws and set to the State in the grand list of the town where located, and the State shall pay taxes thereon."

SEC. 2. Section 722 of the General Laws is hereby amended so as to read as follows:

"SEC. 722. Young timberlands; classification; special tax: Land fully stocked with forest trees not more than 15 years old, except scattered trees the presence of which does not increase the assessed value of the property; land incompletely or partially stocked with forest trees not more than 15 years old, when planted with a sufficient number of additional trees to assure a spacing of approximately 6 by 6 feet over the entire area; lands held as State forest reserves, and open land planted with not less than 1,000 forest trees to the acre, shall be classified as forest land: *Provided*, In each case that the trees planted are of the following species: Ash, basswood, oak, maple; white, Scotch, or Norway pine; European larch, white or Norway spruce, or any other species approved by the State forester: *And provided further*, That said forester approves the manner in which the trees are planted: *And provided further*, That such land is outside the limits of a city or village. Land so classified shall thereafter be taxed annually under the general tax law at the local rate on a valuation of the land alone, such valuation to be established by the listers at the time of classification, in no case to exceed $3 an acre, and such valuation shall be maintained until the year 1950. In such year the land alone shall be revalued without regard to the above limit, and the valuation then established shall be maintained for a further period of 50 years, taxes being levied annually under the general tax law on such valuation at the local rate. Whenever a commercial cutting is made, the owner of the timber shall pay a special tax on the gross stumpage value of the amount cut, which is hereby assessed at 10 per cent of such value."

STATE OF NEW YORK,
CONSERVATION COMMISSION,
Albany, March 5, 1924.

Hon. JOHN E. RAKER,
Washington, D. C.

DEAR SIR: We are in receipt of your letter of March 3, 1924, relative to taxation of State lands of the forest preserve.

The forest preserve was created by chapter 283 of the Laws of 1885, the lands were at that time exempt from taxation. The next year provision was made for the payment of taxes on said lands by chapter 280 of the Laws of 1886.

Our tax laws were codified in 1896, and provision was made therein for the taxation of forest-preserve lands by chapter 908 of the laws of that year. The provision has been changed slightly from time to time, the last amendment being chapter 650 of the Laws of 1923.

By reference to the laws mentioned we think you will obtain the information that you desire.

Very truly yours,

ALEXANDER MACDONALD, *Commissioner.*
By A. B. STROUGH, *Land Clerk.*

The States of Minnesota, Washington, Wisconsin, and Maryland are working along the line of the "Hand plan" as it affects State forest lands, as will appear from the letters of Sate officers of said States:

MINNESOTA STATE FOREST SERVICE,
OFFICE OF THE FORESTER,
St. Paul, March 11, 1924.

Hon. JOHN E. RAKER, M. C.,
House of Representatives, Washington, D. C.

DEAR SIR: I have your letter of March 8. This State has not made any provision whereby townships or counties are reimbursed for taxes on account of State-owned lands. At the last session of the State legislature this department drafted a bill for reimbursing townships for the loss of taxes due to the location of State forests within their boundaries. No action was taken on this bill. For your information I am inclosing herewith a copy of the bill.

I would suggest that you get in touch with the State Forester of Pennsylvania. This State has such a law on its books, and it has been working for some time. I am sure that you will be able to get very good information from them.

Yours very truly,

G. M. CONZET,
Acting State Forester.
By ARTHUR F. OPPEL,
Supervisor of the New State Forests.

An act providing a fixed charge on lands acquired by the State for State forests, and the distribution of revenue so derived for school, road, and general revenue purposes in the townships in which they are located.

Be it enacted by the Legislature of the State of Minnesota:

SECTION 1. That from and after the passage of this act all lands now acquired or hereafter to be acquired by the State for State forests and which now are exempt from taxation shall be subject to an annual charge of 3 cents per acre for the benefit of the townships in which State forests are located, one-third of the revenue to be used for the benefit of the schools, one-third for the benefit of the roads, and one-third for general revenue purpose of the township.

SEC. 2. The State forester shall certify to the respective school districts and townships throughout the State in which State forests are located, and to the State treasurer the number of acres owned by the State therein for State forest purposes and the amount of charge in favor of each district and township. The State forester shall draw his warrant in favor of each of the treasurer of each said school district and each said township treasurer, which said warrant after the approval and counter signature of the State auditor shall be paid by

the State treasurer to the respective school districts or townships in whose favor the same may be drawn.

SEC. 3. There is hereby appropriated from the general revenue fund of the State out of any moneys not otherwise appropriated the sum of $20,000 for the fiscal year ending June 30, 1924, and $20,000 for the fiscal year ending June 30, 1925, which shall be credited to the forestry board to be used therefor as provided in this act.

SEC. 4. All acts and parts of acts inconsistent with this act are hereby repealed.

STATE OF WASHINGTON,
DEPARTMENT OF CONSERVATION AND DEVELOPMENT,
Olympia, March 11, 1924.

Hon. JOHN E. RAKER,
House Office Building, Washington, D. C.

DEAR SIR: Replying to your letter of March 8 relative to taxation of State-owned forests you are advised there is no provision for reimbursements of counties on lands acquired by the State; in other words, the counties derive no taxes from State-owned lands.

We are inclosing a bill introduced in the last legislature whereby the State could automatically acquire forest lands which have reverted to the county for nonpayment of taxes, the State to administer and protect the timber on such lands until it is of commercial value. Upon the sale of the timber the State would deduct enough money to cover the cost of administration, and the balance would revert to the counties. This bill was defeated.

We are also inclosing a copy of the forest protection laws of Washington, and call particular attention to page 29, chapter 3, "Reforestation."

Yours very truly,

T. J. GOODYEAR,
Assistant State Supervisor of Forestry.

CONSERVATION COMMISSION,
STATE OF WISCONSIN,
Madison, Wis., March 7, 1924.

Hon. JOHN E. RAKER, M. C.,
Washington, D. C.

DEAR SIR: Your letter of the 3d received regarding the taxation of State-owned forest land.

Wisconsin has approximately 400,000 acres of public land. Of this acreage, 159,000 acres was purchased for forest reserve purposes and the bulk of it is blocked up in two counties. In our State there are no unorganized areas. Every part of the State has a town, county, and State government, and in the towns in the State land areas the percentages of State-owned land run as high as 60 per cent. This has always constituted a very serious grievance in the eyes of the local inhabitants, inasmuch as the State is barred by the uniformity laws of its constitution from returning to the towns and counties any tax money in lieu of the exemptions on lands held for forest, park, or other public purposes.

There is some effort made by the State to partially reimburse these towns by assisting in the construction of roads on these State-owned lands, but everything considered no tax money is paid back to the local governments by the State on account of the taxes lost by reason of the State owning forest or park properties. This has always been a sore spot in these communities and one of the things that has led to serious opposition to a forest program in this State. It will be necessary for a constitutional amendment to be passed before this situation can be remedied. I regret that we do not have any pamphlets that would detail this situation in a more precise way. In case you want any further information we shall be glad to be at your service.

Very truly yours,

C. L. HARRINGTON,
Superintendent of Forests and Parks.

AGRICULTURAL AND MECHANICAL COLLEGE OF TEXAS,
College Station, Tex., March 11, 1924.

Hon. JOHN E. RAKER,
House Office Building, Washington, D. C.

DEAR MR. RAKER: Your letter of March 3 is received. The last legislature appropriated a small sum for buying several thousand acres of State forest lands, and it is the intention to add to this acreage from year to year by additional purchases. The initial appropriation granted by the last legislature was in the shape of a rider to our general forestry appropriation bill and contained no reference to the payment of taxes. I have discussed the matter of taxing State forests with a number of our legislators and members of the Texas Forestry Association. The general conclusion seems to be that as our State forest acreage increases the next legislature or the one following will make provisions to have the State forests pay the local and county taxes.

Yours very sincerely,

E. O. SIECKE,
State Forester.

UNIVERSITY OF MARYLAND, STATE DEPARTMENT OF FORESTRY,
Baltimore, Md., March 7, 1924.

Hon. JOHN E. RAKER,
House of Representatives, Washington, D. C.

DEAR SIR: I have your letter of March 3, inquiring about provisions for reimbursing the local units for loss of taxes on State forest lands.

Under our existing laws, State-owned lands are exempt from both county and State taxes. Up to the present time we have acquired such small areas of State forest that the loss of taxes has not been considered a serious problem. We do, however, realize that if the State embarks on an acquisition policy, such as we are now advocating, it will be necesary to pay into the county revenue on such lands in lieu of the loss of taxes.

The plan we have in mind is similar to that in Pennsylvania, where the State would pay on a basis of 5 cents per acre to the county for road and school purposes on land held in State forests.

Very truly yours,

P. W. BESLEY, *State Forester.*

The other States replied that no provision had as yet been made for such reimbursement.

The Acting Forester, Mr. E. A. Sherman, of the United States Forest Service, furnished me with a compilation of the laws of certain States which pertain to the taxation of State-owned forests. The letter and compilation are as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, February 25, 1924.

Hon. JOHN E. RAKER,
House of Representatives.

DEAR MR. RAKER: With further reference to your letter of February 7:

I take pleasure in attaching herewith a compilation of the provisions in State laws which pertain to the taxation of State-owned forests. In supplying this, however, I wish to state that our information on the subject is not complete.

In the case of Massachusetts, for instance, we have compiled the laws, as you will note, through the regular sessions for 1915, and since that time we have compiled only the laws for 1921. There is a period of six years in which the laws of Massachusetts have not been compiled by this office. The same is true for the various other States in different degrees. For up to date information on the subject, therefore, it would be my suggestion that you take this matter up with each of the States which have State forestry departments.

I am inclosing a list of such departments for your information, if you wish to follow that course.

Very sincerely yours,

E. A. SHERMAN, *Acting Forester.*

PROVISIONS IN STATE LAWS PERTAINING TO TAXATION OF STATE-OWNED FORESTS

Massachusetts, through regular session, 1915: Land acquired under this act (L. 1914, ch. 720, which permits acquisition of lands for State forests) shall be exempt from taxation; but the Commonwealth shall reimburse cities and towns in which such lands are situated for taxes lost by reason of their acquisition in the same manner, and to the same extent as in the case of lands acquired for public institutions under the provisions of chapter 607 of the acts of the year 1910. (That chapter requires the tax commissioner beginning in the year 1910 and every fifth year thereafter, to deliver to the State treasurer a statement as to the value of lands owned by the State and used for public institutions in each city and town. The rate per thousand for which the State shall reimburse cities and towns is required to be equal to the average of the annual rates for the three preceding years. As amended by chapter 282, Laws of 1921, the assessed valuation of State forest lands every five years, beginning in 1925, shall be reduced by deducting therefrom the value of all forest products removed from such land between the 1st day of April on which it was last assessed, and the 1st day of April in the year in which the reimbursement is to be made.)

Michigan: Provision is made (act 116 of the Public Acts of 1917) for the payment yearly by the State into the treasury of each county in which is located any State-tax homestead or State swamp lands under the control and supervision of the Public Domain Commission a tax of 5 cents per acre, or major portion thereof, for all such lands as belong to the State, said funds to be expended upon trunk-line highways within the county, if there are such; otherwise upon the other highways of the county.

Minnesota: Itasca State Park: Forestry board is authorized to accept for the State of Minnesota donation of land within the limits of the park; and the donors may reserve to themselves for a period not exceeding 10 years from the date of such donation the right to cut and remove from the said lands all the white pine, Norway pine, jack pine, spruce, cedar, tamarack, and balsam timber 8 inches in diameter and over. All the taxes levied on such timber which the donors may reserve to themselves shall be paid by the State of Minnesota for a period not exceeding 10 years.

New Jersey, through regular session, 1915: The title of all lands acquired by the State for forestry reservations shall be taken in the name of the State, and all such forestry reservation lands shall be exempt from taxation from the time of their acquisition.

There shall be paid annually to the treasurer of each township or other municipality in which lands are held as State forest reserves, under the act to which this act is a supplement (L. 1905, ch. 47) the sum of 2 cents per acre for each acre of such reserve in said township or other municipality.

New York, through regular session, 1918: All wild or forest land within the forest preserve and also all such lands owned by the State in the towns of Altona and Dannemora, county of Clinton, except the lands in the town of Dannemora upon which buildings and inclosures are erected and maintained by the State for the use of State institutions, together with said buildings thereon, shall be assessed and taxed at a like valuation and rate as similar lands of individuals within the counties where situated. No tax for the erection of a schoolhouse or opening of a road shall be imposed on the State lands unless such erection or opening shall have first been approved in writing by the conservation commission.

North Carolina, through regular session, 1915: Said State forests shall be subject to county taxes assessed on the same basis as are private lands, to be paid out of moneys in the State treasury not otherwise appropriated.

Pennsylvania, through regular session, 1921: Fixed annual charge on State forests in lieu of taxes is made for the benefit of:

(1) Roads in the townships in which State forests are located, in the sum of 2 cents per acre.

(2) Schools in the respective districts in which the State forests are located, in the sum of 2 cents per acre, provided the said school districts shall each levy and collect a tax for the support of its schools of not less than 4 mills on the dollar of the assessed valuation of property in such district.

(3) Counties in which State forests are located, in the sum of 1 cent per acre.

In the case of auxiliary forest reserves (areas of privately owned land devoted exclusively to the growing of merchantable forest trees) the lands are subject to an annual charge (to be paid from State funds) of 2 cents per acre for the benefit of the schools, and 2 cents per acre for the benefit of the roads in the respective districts in which the reserves are located.

Vermont, through regular session, 1919: All lands held as State forest reserves shall be appraised under the provisions of section 722 of the General Laws and set to the State in the grand list of the town where located, and the State shall pay taxes thereon.

Wisconsin, through regular session, 1913: The said lands (State forest reserve) shall be included in the tax roll of each of said towns and shall be subject to taxation for all except State purposes at a rate not to exceed 1¼ per cent of the assessed value in said several towns, and the State of Wisconsin hereby expressly consents to such taxation of such lands.

The following letters from Mr. Charles J. Gilmore, of Sacramento, Calif., are quite illuminating on this subject:

SACRAMENTO, CALIF., *February 29, 1924.*

Hon. JOHN E. RAKER, M. C.,
House of Representatives, Washington, D. C.

MY DEAR JUDGE: I am taking the liberty of writing you relative to your bill (H. R. 148) concerning reimbursement to the States by the United States for lands withdrawn for forestry purposes.

At the outset, please bear in mind that I favor, unqualifiedly, conservation of our natural resources. Let us not follow in the paths of our forefathers and destroy that natural wealth that an all-wise and beneficent Providence has bestowed upon us. Reforestation is, generally speaking, possible, but in no instance will second-growth timber equal in texture, fiber strength, or durability the primeval forest wood. Neither will all cut-over areas reforest even under the most advantageous conditions that the hand of man can provide. These two factors necessitate conserving the natural growth and the utilization of all forest products in accordance with the most modern and advanced scientific methods.

But to effectually provide for conservation to the degree that is demanded by the inroads made upon our natural forests and their constant decimation by their natural enemies—fire and insects—as well as the hand of man, some fair method of carrying the burden must be provided. It is not just nor equitable to require the political subdivisions wherein are situate those tax-free forest areas to continue being the physical repositories of the future timber supply for the benefit of the posterity of the whole United States.

The United States as a whole went into the World War, and the United States as a whole is paying the bill; the United States as a whole established the Fleet Corporation for the benefit of the shipping of the United States, and the United States as a whole is paying the bill. Who can say that the Kansas farmer or the Wyoming cattleman or the Nevada sheepman was directly interested in the affairs of the Shipping Board or the merchant marine? Yet each must bear his proportionate part of the cost.

So it is with the forest problem. The same rules will apply. It may be that the New Yorker on Broadway is not a party in interest in the forest problem of California; but by the same rule of reasoning neither is the Kansas farmer, the Wyoming cattleman, nor the Nevada sheepman a party in interest in the affairs of the Nation that pertain to salt-water transportation. But the fact remains that the United States is one whole, indivisible political unit, and a benefit to the least of these is a benefit to the whole. The United States went into the business of reclaiming lands, notwithstanding that it was directly beneficial to only a few, but the expense of constructing those reclamation works and putting water on the land was taken from the contributions of the whole people in the United States.

The proposition submitted to Congress in your bill, No. 148, is not a departure from any established rule of the United States. On the contrary, ample precedents may be found to show that payment to the several States for losses incurred by reason of forest withdrawals is in line with the established policy of Congress. The act approved June 9, 1916 (39 Stat. 218), provided for the payment of delinquent taxes on the forfeited lands of the Oregon & California Railroad Co. situate in the States of Oregon and Washington. The act approved February 26, 1919 (40 Stat. 1179), made similar provisions as to lands within the forfeiture of the Coos Bay Wagon Road grant in Oregon. Further, it will be noted that the Congress provided for payment of such delinquent taxes on the basis of the returns of the county assessors. Thus we have an answer to the oft-repeated assertion that the States will have to revamp their assessment and tax-collecting methods if the United States will offer to pay any returns to the States upon a valuation of national-forest lands.

The ordinary demands of justice should require that the United States as a whole contribute to the cost of preservation and conservation of that future timber supply, at least to the same extent that the whole people must now contribute to the expense of Government maintenance in other lines. Nor can it be argued in defense of the present method of governmental control that the counties within which these vast tracts of Government-owned timberland are located directly reap the benefits of such withdrawals. You already have before you cold figures in refutation of that claim, and space prohibits me from recapitulating them. Suffice to say that prior to the expiration of the 75 or 100 years when it is estimated those areas will be cut over several of the forest counties in California will go out of business, and the county that will take over the bankrupt's affairs will obtain not an asset but a liability.

Considering every element concerned with the proposition and giving and granting to the opposition every fair vantage ground they can attain, I yet have to find one single logical argument against the enactment of your bill. It is not contrary to public policy, it is not unconstitutional, it is not unconscionable, it is not unfair, it is not inequitable, it is not any of the things that those opposed to it may impute to it. On the other hand, every theory of right, justice, law, equity, and fair dealing is in its favor.

I sincerely hope that whatever else may happen, that this measure will, before the end of this session, receive the approval of Congress and the signature of the President. It will right a grave wrong and a serious injustice that the United States is now and for some time last past has been visiting upon the forest counties of the 11 forested States.

With my kindest regards and sincere wishes for your continued success, I am

Very truly yours, CHAS. L. GILMORE.

SACRAMENTO, CALIF., *May 3, 1924.*

Hon. JOHN E. RAKER, M. C.,
House of Representatives, Washington, D. C.

MY DEAR JUDGE: Because of the great interest that is now being taken in your bill (H. R. 148) to provide reimbursement to forest States, and particularly since its indorsement, by resolution, by the northern district, State Federation of Women's Clubs, at Sacramento on April 29, 1924, I have received many calls for a copy of the bill from active working organizations in the several counties of this State.

Therefore I would like to know if it is possible to obtain 25 copies of the bill to the end that I can place them in this State, where they will do the most good.

If I may have that number, I will certainly appreciate their receipt.

With my kindest personal regards, wishing you continued success, I am

Very truly yours, CHAS. L. GILMORE.

The northern district, State Federation of Women's Clubs in regular convention assembled at Sacramento, Calif., unanimously adopted the following resolution on April 30, 1924:

Whereas in withdrawing and placing within permanent national forests 18,891,161 acres of Government land within the State of Cali-

fornia for the purpose of conserving national resources thereof, the United States Government has thereby withdrawn from all forms of State and county taxation standing timber and forage lands valued at $146,599,866, according to the valuation of the United States Bureau of Public Roads; and

Whereas the 39 counties of California wherein is located this vast domain receive a mere pittance from sales of standing timber and fees for grazing permits, and said counties are required within that area to perform police powers, equip, maintain, and operate schools, equip, maintain, and operate courts for the punishment of offenders against the forest and other laws; construct, repair, and maintain roads and bridges, and to perform such other acts as may be necessary to the maintenance of good order and preservation of the public peace and security: Now, therefore, be it

Resolved, That the delegates of the State Federation of Women's Clubs, northern district, in regular convention assembled, indorse the principles of reimbursement as contained in H. R. 148, introduced in the House of Representatives of the United States on December 5, 1923, by Hon. JOHN E. RAKER, Member of Congress, representing the second congressional district of California, now pending before the House Committee on Public Lands to the effect that said forest counties are entitled to reimbursement by the United States in such sum as they would receive from the taxation of said lands of the United States within their respective borders if such lands were owned by individuals; and be it further

Resolved, That copies of this resolution be sent to all Representatives in Congress from California and to Senators SHORTRIDGE and JOHNSON.

The United Chamber of Commerce of the Sacramento Valley at a meeting held in Sacramento December, 1923, discussed and finally indorsed what is known as the Hand plan for the reimbursement of forest counties by the Government. The plan is embodied in the Raker bill now before Congress and is familiar to all who have read the exchange of letters between Colonel Greeley and Charles E. Hand, as published in the Democrat. The plan is equitable.

The above appeared as an editorial in the Mountain Democrat of December 22, 1923, published at Placerville, Calif.

I am submitting the following letters, which discuss the plan set out in H. R. 8844 (H. R. 148):

MASON & STEVENS, FOREST ENGINEERS,
Portland, Oreg., February 8, 1924.

Judge JOHN E. RAKER,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN RAKER: Some correspondence has passed between Mr. C. E. Hand of Placerville, Calif., and myself with reference to H. R. 148, "a bill to provide compensation in lieu of taxes for the several States with respect to certain lands of the United States within the borders of said States, and for other purposes." I understand from Mr. Hand that some of this correspondence has been made available to you.

I am thoroughly in accord with the spirit of H. R. 148 and believe, further, that there is a very general and strong demand throughout the West for just this sort of legislation. This bill accomplishes what in my opinion is perhaps the greatest single step which can be taken toward a correct solution of our so-called forest problem. However, the whole subject should be recognized in its proper perspective. It seems to me that H. R. 148 might well recognize openly, as it does informally, that it is a substitute for the legislation which now is operative, which returns 25 per cent and then 10 per cent of the gross receipts of the Forest Service to the local communities in lieu of taxes. It must be recognized also, though this has no place in legislation, that the net return from H. R. 148 or similar legislation will not be greater by and large than that provided by the present law. The reimbursements as now provided do not fall at the right time nor in the right place. That is the only difficulty.

It seems to me that you might be able to win much more general support for this legislation with this idea quite openly in mind. The eastern Senators and Congressmen should be given to understand very plainly that what the West wants is not more payment on account of these lands but payment at the right time to be helpful to the greatest possible extent. It strikes me, too, that you might find Senator MCNARY quite open on this point and perhaps willing to help out by the introduction of similar legislation in the Senate. This is not only on account of his S. 1553, "for relief of Lincoln County, Oreg.," but because he sometime ago advanced the idea that the present 25 per cent return from gross revenues should be doubled. I believe that he found Colonel Greeley not unresponsive to his suggestion.

Congress in its recent investigations, seeking to learn by what means the Federal Government might best help on this so-called forest problem, should have been everywhere confronted by the idea in H. R. 148. I am certainly glad to note that you yourself have so correctly analyzed the situation, and I certainly wish you the best of success with your bill.

Cordially yours,

CARL M. STEVENS.

SAN FRANCISCO, CALIF., *January 12, 1923.*

Hon. JOHN E. RAKER,
Washington, D. C.

MY DEAR RAKER: Since I saw you in Sacramento I have given some study and thought to your bill providing for taxation of national-forest resources, and I feel that I was mistaken in making the suggestion that the taxation should be on an acreage basis. The appraisal of these resources by the United States Bureau of Public Roads shows a great difference in values in the different counties, which would make it inequitable to pay 10 cents per acre to all counties. After all, the only equitable basis is on the valuation, and there is no reason why property owned by the Government should be on a different basis from privately owned property. For these reasons, after giving your bill careful reconsideration, I have no suggestions to make in the way of amendments.

During the past three months I have had opportunity to talk this matter over with quite a number of interested people—timber owners, stockmen, and others—and all agree that something should be done along the line provided by your bill; but practically all seem to think it is hopeless, especially on account of the preponderance of influence of eastern States in the House. However, it is my belief that if we stick to this proposition we can finally put it over, as there is no question that it is absolutely just and right and fair to our mountain counties.

With kind personal regards, I am,

Yours very truly,

GEO. H. RHODES.

PLACERVILLE, CALIF., *March 28, 1924.*

Hon. JOHN E. RAKER, M. C.,
Washington, D. C.

DEAR JUDGE RAKER: I understand the reforestation matter is coming up for hearing in committee soon, and I hope the committee will properly consider the merits of the claim of the forest counties for adequate reimbursement for taxes lost to the counties by reason of the fact that national-forest land is perpetually withdrawn from settlement and taxation. We believe in conservation, but we believe the expense should be shared by all who benefit, and not alone by poor counties like this. Some say the 25 per cent of the gross receipts we get is adequate, but the fallacy of that is shown by the fact that we would gladly give this 25 per cent in exchange for taxes at the rate paid by similar private lands. Then we should have a fixed amount to depend on and not risk having a feast or famine as timber sales may be heavy or light.

Wishing you the fullest measure of success in your advocacy of adequate reimbursement, I am,

Sincerely yours,

H. E. DILLINGER.

PLACERVILLE, CALIF., *February 25, 1924.*

Hon. JOHN E. RAKER, M. C.,
Washington, D. C.

MY DEAR JUDGE: Your bill No. 148, to compensate forest counties, is a step in the right direction, and, to my mind, will solve the problem of forest taxation.

For eight years I was county auditor of a county in which the Federal Government has set aside large areas of forest lands; in fact, 34 per cent of the total area of the county was Government-owned forest lands, not open to entry and therefore not subject to taxation. As auditor it was my duty to prepare the annual budget, and due to the fact that such large areas were set aside and not on our tax rolls placed such a burden on what remained subject to taxation that it made the matter of raising sufficient moneys to support county government very difficult indeed. This was very apparent when it came to bond issues for public improvement, and our people have always been of the opinion that inasmuch as the national forests are for the benefit of all of the people of the Nation the burden should be borne by all those who are receiving the benefits. This, to my mind, is the only just way.

In the event your bill should become the law the forest counties would automatically relinquish the 25 per cent they are now receiving from the sales of forest resources and the Federal Government would retain for its own use all moneys received from this source, and in the long run the Federal Government would be compensated. What is necessary is immediate relief of forest townships and counties, and your bill furnishes the needed relief. The local taxing unit can not and should not be expected to carry this burden for 75 or 100 years while the trees are growing with no returns therefrom. This is a matter for the Federal Government and not one for the sparsely settled forest county.

The exchange bills having been passed and now operative, the private owner is rapidly exchanging cut-over lands for standing timber, and in each case where this is done the county must not only stand the loss of the taxes each year on the lands so exchanged but must also lose the 25 per cent on the timber, and this condition will continue without any returns to the county from such lands during the period

of reforestation, which will require in the pine country in the neighborhood of 100 years before anything like matured timber can be cut from such lands.

Yours sincerely, TED C. ATWOOD.

CALIFORNIA METAL AND MINERAL PRODUCERS' ASSOCIATION,
San Francisco, April 10, 1924.

MR. CHARLES HAND,
Placerville, Calif.

DEAR SIR: We are advised by Mr. Rhodes, of this city, that you are sponsoring bill H. R. 11789, introduced by Congressman RAKER, providing for the taxation of the national forest reserves within the several States.

This appears to be a meritorious measure, and I would be pleased to have copies of any statistical matter that you may have in support of the bill for the consideration of the board of directors of this association at a meeting to be held in the near future.

Yours most truly,

ROBT. I. KERR, *Secretary-Treasurer.*

ORDER OF BUSINESS

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent that on next Friday evening, between the hours of 8 and 11 o'clock, it shall be in order to consider bills on the Private Calendar unobjected to.

The SPEAKER. The gentleman from Ohio asks unanimous consent that it shall be in order on Friday evening next, from 8 until 11 o'clock, to consider bills on the Private Calendar unobjected to. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, there is no objection to that, but I would like to ask the gentleman if he thinks it probable that we can at some time not too remote have a period in which we can consider those bills on the Private Calendar that are objected to?

Mr. LONGWORTH. I shall be glad to talk with the gentleman about that.

Mr. BLANTON. Will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. BLANTON. I understand a bill has been reported by the Committee on Public Buildings and Grounds—and there is a similar bill which has passed the Senate—accepting a tract of 70 acres of land from a citizen in Washington for park purposes. In case that tract of land is accepted by the Congress, there is a wealthy lady here who is to give another park connecting the former one with the Potomac River. It is very important that that bill should be passed immediately. Could not the gentleman arrange to have that bill come up before the House to-morrow morning?

Mr. LONGWORTH. I had not heard of the bill before.

Mr. BLANTON. There is no opposition to it at all, and it is a mere question of accepting a gift. The committee has looked into it carefully. I have looked all over the proposition myself, and I know it is to the interest of the District to accept the park, because we will get another one that adjoins it from a very rich lady here.

Mr. LONGWORTH. I would like to have an opportunity to consult the Speaker before doing that.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. LONGWORTH]?

There was no objection.

LEAVE OF ABSENCE

Mr. LOWREY. Mr. Speaker, apropos of the requests for time to make speeches on Wednesday, I ask permission to be absent from the House on that day on important business.

The SPEAKER. Without objection, the request is granted.

There was no objection.

ADJOURNMENT

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p. m.) the House adjourned until to-morrow, Tuesday, May 13, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

469. A letter from the Secretary of the Treasury, transmitting supplementary report in response to House Resolution 51, regarding purchase of a site for a Federal building in Kenosha, Wis., said site to cost about $110,000 instead of $140,000 previously estimated; to the Committee on Public Buildings and Grounds.

470. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the office of the Superintendent, State, War, and Navy Department Buildings, for the fiscal year ending June 30, 1924, and to remain available until June 30, 1925, for rebuilding elevators, $25,000 (H. Doc. No. 272); to the Committee on Appropriations and ordered to be printed.

471. A communication from the President of the United States, transmitting a supplemental estimate of appropriation pertaining to the legislative establishment of the United States for the fiscal year ending June 30, 1924, for "contingent expenses, United States Senate: Miscellaneous items, exclusive of labor, $50,000" (H. Doc. No. 273); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McKENZIE: Committee on Military Affairs. H. R. 9124. A bill authorizing the sale of real property no longer required for military purposes; without amendment (Rept. No. 710). Referred to the Committee of the Whole House on the state of the Union.

Mr. WURZBACH: Committee on Military Affairs. H. R. 1539. A bill for the relief of Caleb Aber; without amendment (Rept. No. 711). Referred to the Committee of the Whole House.

Mr. BLACK of New York: Committee on Claims. H. R. 2745. A bill for the relief of J. M. Farrell; without amendment (Rept. No. 712). Referred to the Committee of the Whole House.

Mr. BULWINKLE: Committee on Claims. H. R. 3595. A bill for the relief of Daniel F. Healy; with an amendment (Rept. No. 713). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 8343. A bill for the relief of Jim Hennessee; without amendment (Rept. No. 714). Referred to the Committee of the Whole House.

Mr. KNUTSON: Committee on Pensions. H. R. 9178. A bill granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; without amendment (Rept. No. 715). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9131) for the relief of Martha Janowitz, and the same was referred to the Committee on War Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SPROUL of Kansas: A bill (H. R. 9173) providing for the furnishing of cars to shippers, receiving freight for shipment and the prompt transportation of same, the making and publishing of rules for the transporting of freight, and prescribing penalties for a violation thereof, and for other purposes, in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. WINGO: A bill (H. R. 9174) to establish the Mena National Park in the State of Arkansas; to the Committee on the Public Lands.

By Mr. LINEBERGER: A bill (H. R. 9175) to protect the coastal navigable waters of the United States from obstruction and injury by prohibiting the discharge therein of oil from vessels, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. GASQUE: A bill (H. R. 9176) granting the consent of Congress to the counties of Marion and Florence, in the State of South Carolina, to construct a bridge across the Pee-dee River at or near Allisons Ferry, S. C.; to the Committee on Interstate and Foreign Commerce.

By Mr. SUMMERS of Washington: A bill (H. R. 9177) granting the consent of Congress to the counties of Kittitas and Grant, in the State of Washington, to construct a bridge across the Columbia River at or near Vantage Ferry, Wash.; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON: A bill (H. R. 9178) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; committed to the Committee of the Whole House.

By Mr. DYER: A bill (H. R. 9179) to punish the unlawful transmission in interstate commerce or through the mails of gambling machines, fraudulent devices, pistols, and revolvers, and for other purposes; to the Committee on the Judiciary.

By Mr. SIMMONS: A bill (H. R. 9180) to amend subsections (1), (2), and (3) of section 302 of the war risk insurance act, as amended; to the Committee on World War Veterans' Legislation.

By Mr. BROWNE of Wisconsin: A bill (H. R. 9181) to amend an act entitled "An act to provide revenue to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," approved September 21, 1922; to the Committee on Ways and Means.

By Mr. MILLIGAN: A bill (H. R. 9182) to amend the act entitled "An act to regulate commerce," approved February 4, 1887, as amended June 29, 1906, April 13, 1908, June 18, 1910, February 17, 1917, March 2, 1917, May 29, 1917, August 10, 1917, and February 28, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. BLAND (by request): Joint resolution (H. J. Res. 262) to authorize the United States Shipping Board to adjust the claim of the Near East Relief; to the Committee on the Merchant Marine and Fisheries.

By Mr. BEEDY: Joint resolution (H. J. Res. 263) establishing a commission for the participation of the United States in an appropriate commemoration of the Lafayette Centenary, authorizing an appropriation to be utilized in connection with such observance, and for other purposes; to the Committee on the Library.

By Mr. BERGER: Concurrent resolution (H. Con. Res. 22) calling upon the President of the United States to invite the representatives of nations which are signatories to the treaty of Versailles to attend an international conference to revise the terms of the treaty; to the Committee on Foreign Affairs.

By Mr. CONNERY: Memorial of the Legislature of the State of Massachusetts petitioning Congress to enact legislation to prevent the manufacture of shoes in factories owned by the Federal Government; to the Committee on the Judiciary.

By Mr. BURDICK. Memorial of the Legislature of the State of Rhode Island indorsing the passage by Congress of House bill 1, relating to the crime of lynching; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 9183) granting an increase of pension to Harriet E. Tally; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9184) granting a pension to Mary A. Patton; to the Committee on Invalid Pensions.

By Mr. CONNERY: A bill (H. R. 9185) donating a captured German cannon or field gun and carriage to the Overseas Post, No. 240, the Veterans of Foreign Wars, Lynn, Mass., for decorative and patriotic purposes; to the Committee on Military Affairs.

By Mr. KEARNS: A bill (H. R. 9186) granting a pension to Mary A. Taylor; to the Committee on Invalid Pensions.

By Mr. KETCHAM: A bill (H. R. 9187) granting a pension to John U. Coker; to the Committee on Invalid Pensions.

By Mr. LANHAM: A bill (H. R. 9188) granting a pension to Josie Hicks; to the Committee on Invalid Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 9189) granting a pension to Catherine W. Crockett; to the Committee on Invalid Pensions.

By Mr. TILLMAN: A bill (H. R. 9190) granting an increase of pension to Charles W. Colemon; to the Committee on Pensions.

Also, a bill (H. R. 9191) granting a pension to Artie Noles; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2725. By the SPEAKER (by request): Petition of Board of Estimates and Apportionment, City of New York, opposing proposal now pending in the United States Senate to place a 10 per cent tax on sale of radio sets and parts; to the Committee on Ways and Means.

2726. By Mr. CONNERY: Petition of Sons of American Revolution, indorsing restoration and repairing of the frigate *Constitution;* to the Committee on Military Affairs.

2727. By Mr. GALLIVAN: Petition of Family Welfare Society, of Boston, Mass., recommending early and favorable consideration of House bill 487, known as the Fitzgerald accident compensation bill; to the Committee on the District of Columbia.

2728. Also, petition of American War Veterans' Association of City of Boston and County of Suffolk Employees, Boston, Mass.; also petition Vicinity Council No. 1, Department of Massachusetts, United Spanish War Veterans, Chelsea, Mass., urging passage of Bursum bill over President's veto; to the Committee on Pensions.

2729. Also, petition of Old Colony Lodge, No. 143, Brotherhood of Railroad and Steamship Clerks, Boston, Mass., recommending early passage of the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2730. By Mr. LINEBERGER: Petition of Charlotte M. Knox and others, in favor of the eighteenth amendment and Volstead Act; to the Committee on the Judiciary.

2731. Also, petition of Mrs. Gertrude E. Fuller and others, in support of equal rights amendment; to the Committee n the Judiciary.

2732. Also, petition of Thurborn E. Towle and others, favoring the passage of House bill 3683; to the Committee on World War Veterans' Legislation.

2733. By Mr. NEWTON of Minnesota: Petition of Minneapolis Chapter, No. 1, Disabled American Veterans of the World War, in opposition to the ruling of the United States Veterans' Bureau that requires two years' premedical schooling for entrance into the study of chiropractic, and urging the repeal of this rule; to the Committee on World War Veterans' Legislation.

2734. Also, petition of the Saturday Lunch Club of Minneapolis, that the United States shall not engage in or prepare for offensive warfare and that our Government call upon all nations to make similar declaration; to the Committee on Foreign Affairs.

2735. By Mr. RAKER: Petition of Clerks' Association, Operating Department, Pennsylvania Railroad system, Elmira, N. Y., opposing further measures of regulatory legislation; to the Committee on Interstate and Foreign Commerce.

2736. Also, petition of Fresno Federal Business Association, Fresno, Calif., resolution urging Federal Government to put into use confiscated boats and automobiles; to the Committee on Appropriations.

2737. Also, petition of Fred Detmers, Los Angeles, Calif., in re tax on articles of jewelry, including spectacles and eye glasses, in excess of $25 in value; to the Committee on Ways and Means.

2738. Also, petition of Second Church of Christ, Scientist, New Orleans, La., resolution calling for a constitutional amendment for world peace; to the Committee on Foreign Affairs.

2739. Also, petition of United Veterans' Council, San Francisco, Calif., urging passage of Bursum bill; to the Committee on Invalid Pensions.

2740. Also, petition of Hollenbeck Ebell Club, Los Angeles, Calif., in re Senate bill 2313, relative to the Five Civilized Tribes of Indians in Oklahoma; to the Committee on Indian Affairs.

2741. Also, petition of Harry Arrivee, State Soldiers' Home, Ohio, urging the appointment of a liquor commission to control the manufacture, sale, and consumption of all intoxicants; to the Committee on the Judiciary.

2742. Also, petition of David C. Mills, National Association of the Fur Industry, New York City, in re House bills 5949 and 745; to the Committee on Agriculture.

SENATE

TUESDAY, *May 13, 1924*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee for the sunlight of the morning. Grant that our hearts may be filled with the sunlight of Thy presence, and that we may realize how good it is to live, our whole being throbbing with the purpose of living rightly, of fulfilling the tasks given unto us, and so engaging our occupations with the high purposes of Thy will that we may be to others an example of righteous endeavor to do that which shall be for the best of our loved land and all who are near and dear to us. We ask in Jesus Christ's name. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GREEN of Iowa, Mr. HAWLEY, Mr. TREADWAY, Mr. GARNER of Texas, and Mr. COLLIER were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) to amend section 2 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916 (39th Stat. L. p. 862).

The message further announced that the House had passed the bill (S. 114) to vacate certain streets and alleys within the area known as the Walter Reed General Hospital, District of Columbia; and to authorize the extension and widening of Fourteenth Street from Montague Street to its southern terminus south of Dahlia Street, Nicholson Street from Thirteenth Street to Sixteenth Street, Colorado Avenue from Montague Street to Thirteenth Street, Concord Avenue from Sixteenth Street to its western terminus west of Eighth Street west, Thirteenth Street from Nicholson Street to Piney Branch Road, and Piney Branch Road from Thirteenth Street to Butternut Street, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3236. An act to regulate the practice of optometry in the District of Columbia; and

H. R. 8905. An act to authorize the settlement of the indebtedness of the Kingdom of Hungary to the United States of America.

TAX REDUCTION

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SMOOT. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the President pro tempore appointed Mr. SMOOT, Mr. MCLEAN, Mr. CURTIS, Mr. SIMMONS, and Mr. JONES of New Mexico conferees on the part of the Senate.

PETITIONS AND MEMORIALS

Mr. ROBINSON presented the petition of the Women's Committee for the Children's Amendment (composed of representatives of sundry women's organizations) at Washington, D. C., praying for the passage of House Joint Resolution 184, proposing an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

Mr. McKINLEY presented resolutions adopted by the board of trustees of the Sanitary District of Chicago, Ill., favoring an investigation by the Surgeon General of the United States Public Health Service of the sanitary conditions of the waters of Lake Michigan, in the region adjoining the Grand Calumet River, etc., which were referred to the Committee on Commerce.

Mr. CAPPER presented the petition, numerously signed, of clerks of the Kansas City, Mo., terminal railway post office, praying for the passage of legislation granting increased compensation of postal employees, which was referred to the Committee on Post Offices and Post Roads.

Mr. WILLIS presented a petition of sundry citizens of Cincinnati, Ohio, praying an amendment to the Constitution granting equal rights to women, which was referred to the Committee on the Judiciary.

Mr. McLEAN presented the memorial of the board of directors of the Connecticut Chamber of Commerce, at Hartford, Conn., remonstrating against the passage of House bill 487, the so-called Fitzgerald workingmen's compensation bill for the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented the petition of sundry janitorial employees of the Meriden (Conn.) post office, praying for the passage of legislation granting increased compensation to postal employees, which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions of the congregations of St. John's Church, of Hartford; the First Methodist Episcopal Church of Middletown, and the Whitneyville Congregational Church of Whitneyville; the Y's Men's Club, of Meriden, and of sundry citizens of Greenwich, all in the State of Connecticut, praying for the participation of the United States in the Permanent Court of International Justice, which were referred to the Committee on Foreign Relations.

He also presented the petition of Bridgeport Aerie No. 420, Fraternal Order of Eagles, of Bridgeport, Conn., praying for the modification of the Volstead prohibition act, so as to legalize the manufacture and sale of beverages with a 2.75 per cent alcoholic content, which was referred to the Committee on the Judiciary.

He also presented petitions of the department of health, the Connecticut Child Welfare Association, and the New Haven Council of Jewish Women, all of New Haven; the Meriden Central Labor Union, of Meriden, and the Greenwich League of Women Voters of Greenwich, all in the State of Connecticut, praying an amendment to the Constitution regulating child labor, which were referred to the Committee on the Judiciary.

He also presented the petition of the women's committee for the children's amendment (composed of representatives of sundry women's organizations) at Washington, D. C., praying for the passage of House Joint Resolution 184, proposing an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

Mr. McNARY, from the Committee on Appropriations, to which was referred the bill (H. R. 7220) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1925, and for other purposes, reported it with amendments and submitted a report (No. 531) thereon.

Mr. LODGE, from the Committee on Foreign Relations, to which was referred the bill (H. R. 6357) for the reorganization and improvement of the foreign service of the United States, and for other purposes, reported it with amendments and submitted a report (No. 532) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McLEAN:

A bill (S. 3299) to amend section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended May 15, 1916, and May 26, 1920; to the Committee on Banking and Currency.

By Mr. BRANDEGEE:

A bill (S. 3300) to fix the salaries of officers and employees of the Court of Appeals of the District of Columbia, the Supreme Court of the District of Columbia, the United States Court of Claims, and the United States Court of Customs Appeals; to the Committee on the Judiciary.

By Mr. BAYARD:

A bill (S. 3301) for the relief of Maurice J. Coleman; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 3302) granting a pension to George Wolfer; to the Committee on Pensions.

By Mr. EDGE:

A bill (S. 3303) for the relief of Frederick MacMonnies; to the Committee on Claims.

HOUSE BILLS REFERRED

The following bills were each read twice by title and referred as indicated below:

H. R. 3236. An act to regulate the practice of optometry in the District of Columbia; to the Committee on the District of Columbia.

H. R. 8905. An act to authorize the settlement of the indebtedness of the Kingdom of Hungary to the United States of America; to the Committee on Finance.

The PRESIDENT pro tempore. The morning business is closed.

INCREASE OF PENSIONS—VETO MESSAGE

Mr. BURSUM. Mr. President, I gave notice last Friday that to-day I would move to take up Senate bill 5, the pension bill, which was vetoed by the President. I now ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 5.

Mr. FLETCHER. Inasmuch as we adjourned yesterday the unfinished business does not come before the Senate until 2 o'clock.

Mr. BURSUM. Then I move that the Senate proceed to the reconsideration of the bill (S. 5) granting pensions and increases of pensions to certain soldiers and sailors of the Civil and Mexican Wars and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows, and to certain Spanish War soldiers, and certain maimed soldiers, and for other purposes.

The PRESIDENT pro tempore. The Senator from New Mexico moves that the Senate proceed to the reconsideration of Senate bill 5.

Mr. SIMMONS. What is the motion?

The PRESIDENT pro tempore. The motion is that the Senate proceed to the reconsideration of the bill, using the common parlance, recently vetoed by the President.

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The roll will be called.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Ernst	Lodge	Shields
Ashurst	Fernald	McKellar	Shipstead
Ball	Fess	McKinley	Shortridge
Bayard	Fletcher	McLean	Simmons
Borah	Frazier	McNary	Smith
Brandegee	Gerry	Mayfield	Smoot
Brookhart	Glass	Moses	Spencer
Broussard	Gooding	Neely	Stanfield
Bruce	Hale	Norbeck	Stephens
Bursum	Harreld	Norris	Sterling
Cameron	Harris	Oddie	Swanson
Capper	Harrison	Overman	Trammell
Caraway	Heflin	Owen	Wadsworth
Colt	Howell	Pepper	Walsh, Mass.
Copeland	Johnson, Minn.	Phipps	Walsh, Mont.
Cummins	Jones, N. Mex.	Pittman	Warren
Curtis	Jones, Wash.	Ralston	Watson
Dale	Kendrick	Ransdell	Weller
Dial	Keyes	Reed, Pa.	Wheeler
Dill	King	Robinson	Willis
Edge	Ladd	Sheppard	

Mr. CURTIS. I wish to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent owing to illness. I ask that the announcement may stand for the day.

The PRESIDENT pro tempore. Eighty-three Senators have answered to their names. There is a quorum present. The question is upon agreeing to the motion of the Senator from New Mexico [Mr. BURSUM] that the Senate proceed to the reconsideration of Senate bill 5.

The motion was agreed to.

The PRESIDENT pro tempore. The question is, Shall the bill (S. 5) pass, the objections of the President to the contrary notwithstanding?

Mr. BURSUM. Mr. President, "millions for the disabled"; that is a familiar sound. We have heard that doctrine preached from every soap box in this country. We have heard the chorus of the antibonus army shouting to the heavens, "Millions for the disabled."

If this be true, now is the accepted time and this Chamber the proper place to give evidence of the truth of that statement. The essential feature of the pending bill is to provide for the disabled.

Every Senator in this Chamber knows that the bonus bill is going to become law and that the cost will approximate $100,000,000 annually for 20 years. I am for the bonus bill because, in my opinion, it represents an obligation of the Government.

I am wondering what human genius can devise a rational excuse on the grounds of economy to refuse to take care of the disabled to the extent of $40,000,000 for the first year, approximately $20,000,000 for the second year, no additional appropriation for the third year, and less appropriation every year thereafter in proportion to the number of pensioners dropped from the roll on account of death.

In other words, how can any man explain why, in the name of economy, we can afford to expend in the aggregate $2,000,000,000 but we can not find funds to expend in the aggregate $60,000,000 in aid of the disabled, the crippled, the decrepit, the infirm, and the dependent orphans of veterans?

The pending bill is considered most fair and reasonable. It is regarded generally as a well-balanced bill. That opinion seems to have been shared by the other branch of Congress, which passed the bill without proposing a single amendment and with scarcely any opposition.

The bill extends the present $72 rate to all of the veterans of the Civil War. This provision should not be regarded as an increase, but, in effect, as making available the rate which Congress intended.

Every fair person must admit that practically 90 per cent of the survivors of the Civil War are totally incapacitated and unable to care for themselves, their average age now being past 81.

The bill would allow aged widows 74 and over $45 a month, an increase of $15. The Indian war veterans are given a maximum of $50, proportioned upon disability. The minor children of veterans of all wars are given a uniform rate of $8 per month, doing away with the vicious, discriminatory provisions in this regard now on the statute books. For instance, under the present law, the child of a veteran of the Regular Army receives only $2 per month, the child of the Spanish war veteran receives $4 per month, the child of the veteran of the Civil War receives $6 a month, while the first child of the veteran of the World War receives $10 a month. Thus under our present pension laws there is a discrimination between children, which this bill seeks to abolish and to put all on a plane of equality.

The Spanish War veteran is given a maximum of $50 and a minimum of $20, based upon disability. As I have already said, the essence of this bill is premised upon disability.

Approximately one-half of the total cost will benefit aged widows over 74 years of age. The records show that their ages range from 74 to 94. The most numerous beneficiaries under the bill, next to the Civil War widows, within the very near future, will be the veterans of the war with Spain.

The magnitude of the tasks encountered and the glory of the achievements of our volunteer Army in the war with Spain have never been fully appreciated by the general public. On account of inadequate information, it has frequently been the custom to refer to this war as little more than an outing or picnic for the gallant officers and men who took part. My attention has been called to an address made by Bruce J. Newlon, commander of the Department of Nebraska, at the Sixteenth Annual Encampment of the United Spanish War Veterans, held at Omaha, on June 13 last. Among other things, Commander Newlon stated that of every 1,000 who enlisted, 25 joined the "silent majority," making a mortality rate more than three times as great as in the World War; that our boys were fed upon embalmed beef and armed with rifles 25 years old, pitted against an enemy equipped with the new German Mauser, which carried a steel-jacketed bullet a mile and a half; that during the World War 85 per cent of the regimental officers were Spanish War veterans; that of the First Nebraska Regiment of 1,022 enlisted men, 425 were wounded; that in a single engagement the commanding officer and 36 other officers were shot down.

And what do these boys think of the attitude of Congress? Commander Newlon said:

> When you apply for a pension they forget that it rained 45 inches in one month in the Philippine Islands, the thermometer standing around 100 to 120° F., and embalmed beef as a ration with a fight starting every morning at 2 o'clock.

The Nebraska commander further pointed to the fact that while the Spanish War cost approximately $1,200,000,000, the Government acquired property valued at $8,000,000,000

The Omaha World Herald, resurrecting a short editorial from its files said:

> We have never given the Spanish-American War veteran quite the honor that is his due. He did great things for us. He was a volunteer soldier. He acted in a hurry. He suffered. He bled. He endured hardships. He had his sickness, and he won. The war with Spain enlisted hundreds of thousands of men. Many more than were called for. Many of them never came back. Not a battle was lost in that war by American troops. Not an inch of ground was covered by retreat.

Mr. President, the question is now squarely up to Congress whether we shall stand by these boys and do the fair, decent, human thing, or stand by the miserable dollar.

The President states:

> It will take an additional $58,000,000 for the next fiscal year to meet the increased pensions provided by the bill.

The Pension Bureau estimated a cost of fifty-five millions for the first year, and that estimate did not take into account deductions for losses from the rolls on account of death of widows, which may be conservatively estimated at 24,000 for the ensuing fiscal year, thereby reducing the amount of necessary expenditure by $14,000,000; so that $40,000,000, in my judgment, would be a more accurate estimate of the probable cost to the Government for the first 12 months.

Past experience has shown that pension estimates have exceeded actual costs. For example, the estimates for the present

fiscal year exceeded the actual cost by $23,000,000, and that sum represents the unexpended balance which will not be withdrawn from the Treasury, although having been appropriated by the Congress for that purpose; so that if this bill should become a law, the actual increase in the matter of appropriations in excess of the present fiscal year for pension purposes would approximate $17,000,000.

The President quotes the Commissioner of Pensions as having stated that the proposed addition to the pension roll will total approximately $242,000,000 for the first five years, which would mean the equivalent of an annual increase of approximately $48,000,000. To bring about such an accomplishment of expense it would be necessary that no veteran or widow be dropped from the roll; that they all continue to live, and that additional pensioners be added to the rolls.

I am sure the country would rejoice if the veterans and widows of veterans of the Civil War might continue to live within the land of the Union which they so heroically defended and preserved, for another four score years; but you and I know that fate has determined otherwise. We know that 50,000 will be dropped from the rolls this year by death; we know that no pensions are paid to estates; that no pensions are granted to the dead, and that when a veteran or a widow dies the pension dies and the appropriation to that extent ceases.

We know that 49,399 died last year. We know that the average age of the veteran is 81 years and of the widow 74. The principal increase of this bill does not extend to all of the widows of the Civil War but is limited to those 74 to 94 years of age. This class of widows number 149,000. They will be entitled to $45 per month under this bill. Five years from now, if alive, the youngest of these will be 79, and the oldest 99. How many of these widows are likely to survive the five-year period? At the rate of 2,000 deaths per month, which is less than the average during the present and preceding year, 120,000 will have disappeared from the rolls, which, in effect, means a reduction of annual expenditure in the sum of $64,800,000 at the end of the five-year period, or $10,000,000 more than the total estimated gross additional cost for the first year after the passage of the pending bill, which, admittedly is the maximum annual cost, and this estimate does not take into account the losses from the pension roll caused by the death of veterans, which, in all probability, will be proportionately large. It is natural to expect that as their age increases the death rate will be more rapid.

So beyond any question of doubt or of controversy the facts are that at the end of the five-year period the most extravagant estimate can not justify the assertion that there will be any increase whatsoever, but, as a matter of fact, there will be a very large decrease of expenditure by the Government on account of pensions, so far as they may be affected by the pending bill.

The message further quotes the Commissioner of Pensions as having stated that the proposed addition to the pension roll will total for the first 10 years $415,000,000, or the equivalent of $41,500,000 annually.

Upon the most liberal basis of mortality tables at the end of the 10-year period there may be living of the present number of 158,000 not to exceed 1,700 veterans of the Civil War. At this same period the number of surviving widows of the Civil War will, in all probability, not exceed 75,000 out of a present roll of 257,000. These probable results mean, in effect, a loss of 182,000 widows from the pension roll, involving a reduction of expenditure and disbursements by the Government approximating $92,000,000. They also mean the loss of 157,151 veterans from the roll, causing a reduction of disbursements by the Government for pension purposes in the sum of $135,778,464; so that the total amount of reduction at the end of the 10-year period caused on account of losses by death will involve 157,151 veterans, 182,000 widows of veterans of the Civil War, which, translated into dollars, means that the annual disbursements for pension purposes by the Government will be reduced in the sum of $227,778,464.

In my opinion $75,000,000 will cover the pension outlay 10 years from now unless the disabled World War veterans shall in the meantime be given a pensionable status in lieu of the present arrangement for compensation under the Veterans' Bureau. There is that possibility, but it has nothing whatever to do with this bill, because, so far as I know, no such program is in contemplation at the present time.

It is admitted that every survivor of the Civil War is drawing $50 per month, and many of them, in number 41,000, are drawing $72. The fact remains, however, that in spite of the Pension Department's effort to speed up the granting of the $72 pensions—and they are being granted at the rate of 1,500 a month—as so many are dying the number exceeds the number of those granted the additional pension. In other words, the veteran is dying much faster than it is possible for the Pension Department to grant the $72 pension, with all of the legal requirements of proofs and applications necessary to obtain the benefits under the present law. The truth of the matter is that, outside of a very, very few, all of these veterans are totally incapacitated and physically unfit to take care of themselves.

I know of no finer or more appropriate attitude toward those veterans who served this country so faithfully in 1861 than the attitude taken by Daniel Webster toward the veterans of the Revolutionary War at the laying of the corner stone of Bunker Hill Monument in 1825, when he said:

> Venerable men! We should stand before you, not you stand before us. You have come down to us from a former generation. Heaven has bounteously lengthened out your lives that you might behold this joyous day.

I say that that is the attitude that we should take toward the aged defenders who so nobly served our Nation in time of need, and who now themselves are in need on account of advanced age and the infirmities that come with advanced age.

The message also refers to provisions of the bill wherein it is alleged that the limits of the war period will be extended from April 13, 1865, to August 20, 1866; also that there are other questionable provisions providing for the pensioning of civilians and relating to the pensioning of certain classes of widows.

Mr. President, these objections are trivial. The provisions complained of are not factors in the increase of appropriations or causing additions to the pension rolls. The fixing of the beginning and the end of the war is merely a statutory declaration intended to clarify existing conditions. Why, Mr. President, up to 1894 the Pension Office granted a pension to every veteran and every widow entitled to a pension who had served up to August 20, 1866. Furthermore, no less an authority than the Supreme Court of the United States decided that the official ending of the war was August 20, 1866. Subsequently to 1894 the Pension Office established the principle that a pensionable status would depend upon the locality where the veteran happened to serve as to the date of ending the war. For instance, if the service in any way was connected with service in Tennessee the limitation might be 1865. If the service was connected with any activity within the State of Texas, or anywhere along the border, the limitation was fixed at August 20, 1866. In the case of enlistment on the border of Virginia one side or the other of a street might make a difference of one year in the period recognized as constituting the war.

There were similar rules relating to the Navy. If the service was south of a certain latitude, the time might be fixed as July, 1865, or April, 1866. Furthermore, there were a hundred and more boats—I have a list of them, but I will not take the time of the Senate to read them—which, under that practice, must be classified; so that under such a regulation every service must be checked up from beginning to end, which involved great overhead expense.

There is nothing to be gained by continuing now, at this late date, a practice of that kind, because every last veteran who desired a pension obtained it and was pensioned under the basis of 1866 up to 1894 and on to 1913; so that in the matter of securing pension approvals, proofs in support of the application in accordance with the regulations adopted after 1913 were unnecessarily burdensome. There ought to be only one date fixed as the date of ending the war, so as to prevent confusion. It will not be the means of adding any substantial number to the pension rolls or perhaps any number whatever. In fact, I can not see how it can possibly affect a single pension unless some veteran dies and leaves a widow, and in that case, although he had been on the pension roll, his service must be rechecked and reinvestigated, and it will cause a great deal of expense and the consumption of a great deal of time, which is entirely unnecessary.

With reference to the pensioning of civilians, we are adding nothing new to the present law. Certain civilians were pensioned under the law of 1862, and the pending bill gives them the benefit of the increased rates. Who were these civilians? Provost marshals, contract surgeons, pilots of steamboats. They were given a sort of semimilitary status, and they were pensioned under the act of 1862. This bill makes no change in that respect.

Mr. President, every reasonable person must concede that $45 a month is not an extravagant sum out of which to take care of a helpless, aged widow past 74 years of age; nor is

it reasonable to assert that $72 is an extravagant sum for the monthly allowance to care and provide for the physically incapacitated veteran whose average age is past fourscore and one. Indeed, Mr. President, the monthly allowances provided are meager and can only serve the purpose intended by a most rigid economy and more or less assistance from generous friends and relatives.

President Lincoln, in his address at Gettysburg, solemnly announced the duty of this country to provide for those who had borne the brunt of battle, the widow and the dependent orphan. We were then a comparatively poor Nation as measured by wealth. It does not seem possible that this Nation, in the enjoyment of the zenith of its industrial glory and power, having amassed a national wealth that no other nation or group of nations of the world can compare with, should now acquiesce in a program which in effect means repudiation of that solemn pledge made by Lincoln at Gettysburg. To do this will subject the defenders of the country to the generosity of public charity. I say we have no legitimate right to place upon the veteran or his widow the brand of a beggar who must seek charity for existence. If this be done, it will be pursuant to a policy of greed and selfishness. If this be done, it will sadden the hearts and curtail the days of these aged veterans and widows. Such a policy will not tend to arouse the pride of patriotic Americans. The time has not yet arrived when the dollar may be considered superior to obligation due humanity.

The question is now squarely up to the Congress. We are called upon to choose between the principles of the almighty dollar or the pursuit of a policy of human consideration of the obligations which righteously attach to the Government in the discharge of its duty toward those who sacrificed their lives, their health, their all in behalf of the honor, integrity, and glory of America, and who made possible the realization of peace, happiness, and liberty of a free people who now occupy a position of leadership among the nations of the world.

The men and women of every State, county, city, and hamlet of this Republic are intensely interested in this matter, and as trustees for the time being of the people's wealth we may expect to be held to accountability.

There are no new reasons or conditions existing now that did not exist at the time this bill passed the Senate by a record vote of 51 to 10. I see no reason why I should change my views at this time. I was one who voted for and supported the present bill when it came up for consideration before the Senate. I shall again vote for the bill, and sincerely hope and trust that it may become law.

Mr. President, I have here some telegrams which I desire to have placed in the RECORD. I ask unanimous consent to have them printed in the RECORD at the end of my remarks. I will send up only a few.

[See Appendix.]

The PRESIDENT pro tempore. Without objection, the request is granted.

Mr. BURSUM. I have one in particular from the State of Tennessee which I will read. It is dated Johnson City, Tenn., addressed to me, and reads:

For weeks we, the tuberculous and disabled patients of the Spanish-American War, comprising the membership of Lieutenant H. L. McCorkle Camp, No. 2, United Spanish War Veterans, have been expectantly waiting what relief that is embodied in Senate bill 5. Our destitute families are in need; we are unable to provide. Our fondest hopes are shattered by a stunning presidential veto. In the name of humanity and justice, we earnestly and humbly beg that you relentlessly exert every earthly means within your power to secure the necessary number of our friends in the Senate in a final effort to enact this bill into a law at the earliest possible period. We appreciate the great work you and our friends have already done for us regarding this bill but we are suffering and dying for the want of relief, which you can give us. Please read to Senate, if you think advisable.

Deservedly your friends,

LIEUTENANT H. L. MCCORKLE CAMP,
UNITED SPANISH WAR VETERANS,
D. H. MCDANIEL, *Adjutant.*
J. S. GRAY, *Commander.*

I have hundreds of similar telegrams from veterans suffering from sickness and in distress begging that the Government recognize its just obligations.

My attention was called to a recommendation made on the 30th day of June, 1923, contained in a report by the honorable Secretary of the Interior, Mr. Work, which reads as follows:

Included in the activities of the Department of the Interior is the payment of pensions to soldiers and their widows of the Civil, Spanish-American, and preceding wars in which the United States has engaged since the foundation of the Nation. The ravages of time have now overcome these survivors of the Civil War, and in their old age it is my belief that the pensioning of them should no longer be based upon a showing of disability due to wounds and disease. On the contrary, both the veterans and widows should receive a pension from the Government after having reached a certain age, and the pension paid to them should be adequate to fully support them. I therefore recommend that some legislation be enacted by Congress to increase the pensions of Civil War veterans and their widows, thereby more fully recognizing the debt the Government owes them for the service they performed in preventing the disruption of the Union.

That, Mr. President, is the recommendation of the present Secretary of the Interior, made on June 30, 1923, the same year in which this Congress assembled. That is exactly what we have done in this bill.

Mr. President, again I desire to emphasize and call attention to the death loss, especially the first and the second years after this bill would become a law. I want to emphasize the fact that there is no justification for the statement that this bill would cost $215,000,000 for 5 years, or $415,000,000 for 10 years. At the end of the first year there will be dropped from the roll 25,000 widows, drawing at the rate of $45 a month, which means, $13,500,000. Twenty-five thousand veterans, drawing $72 per month, means $18,000,000. The second year the losses will be fully as great, if not more, so that at the end of two years' time the expenditures will have been reduced by $63,000,000, or $5,000,000 more than is claimed by anyone as the cost of this bill.

It is well known that the pension dies with the death of the veteran or other beneficiary. How can they estimate costs for veterans after death? There is only one way any such estimate could have been possibly suggested, namely, on the basis that these veterans and widows would live on and on, forever and forever. Permit me to say that in my opinion the Pension Bureau will not justify or make any such estimate; that this estimate rather comes from General Lord, of the Budget Bureau.

APPENDIX

LONG BEACH, CALIF., *May 4, 1924.*

Senator BURSUM,
United States Senate, Washington, D. C.:

Surely our President does not mean to say welfare of soldiers only important in time of war and in time of peace. Taxpayers come first. No country, no flag; nothing to pay taxes on only for our brave soldiers who gave up their lives and bodies that the Nation might live, and who are now quickly passing away. Must that debt be so soon forgotten, so sparingly commemorated and compensated? Not if Congress is heard and heeded. Government money is soldiers' money. Congress knows where duty lies, and our President will scarcely weigh in balance with economy the life's blood and painful sacrifices of Nation's beloved heroes.

Respectfully,

MRS. KATE KELLY,
Widow of James Kelly, Twenty-fifth Volunteer New York National Guard, P. O. Box 877, Los Angeles, Calif.

VAN WERT, OHIO, *May 5, 1924.*

Senator H. O. BURSUM,
United States Senate, Washington, D. C.:

Comrades very bitter against cruel veto by President. Statement given press that it is same bill vetoed by Harding is untrue. At half the cost this benefits many more. Statement that the expenditure is unwarranted is a slap in the face of every comrade who served his country in time of need. The same may be said of his statement that no conditions exist which justify this law. He has been told over and over of the suffering in old age of the veterans who are of those who saved this Union, and made it possible for him to be President of the greatest country on earth. This statement is an insult to Congress, which has said that there was warrant for this expenditure and that conditions did exist which justified. If this is sacred truth, let the President go to the memorial and look in the face of the immortal Lincoln and then find fault with his soldiers as a class. They were a class which saved the Nation and were never before so offensively spoken of. The obligation to these feeble old men is more holy than the debt to any other. A demagogue must have suggested to the President to estimate the cost for five or ten years in advance to make the amount appear large when all know that death decreases payments rapidly. There is not one word of praise for what the heroes have done nor admission of present necessities and increased needs and cost of living. Justice to them that have been heretofore counted so worthy demands that the law be passed over the veto.

G. M. SALTZGABER, *Commander in Chief G. A. R.*

WASHINGTON, D. C., *May 5, 1924.*

Senator H. O. BURSUM,
Senate Office Building, Washington, D. C.:

The veto of President Coolidge is so unjust to the feeble old veterans who so nobly saved their country that I can not find words sufficiently strong to characterize it. With their just claims against the Government they are ignominiously turned from the door of help and hope. It can not be possible that this great Nation has forgotten those who saved it from disunion. On behalf of suffering and deserving comrades I appeal to the branch of the Government best representing the people, the American Congress, to right this grievous wound and pass the Bursum pension bill over the veto of the President. The old men and women whom we thought had earned a Nation's gratitude, now at the average of 81 years, plead on bended knees to Congress to give them aid in their enfeebled old age, and thus give expression to a prayer for simple justice, which, I am sure, the people of our Nation will heartily approve. Thanks to these Union veterans and Almighty God the Government at Washington still lives. With broken hearts they and the widows will appeal everywhere that Congress may override the cruel veto.

GAYLORD M. SALTZGABER,
Commander in Chief Grand Army of the Republic.

NEWTON HIGHLANDS, MASS., *May 7, 1924.*

Senator BURSUM,
Washington, D. C.:

Thomas Burnett Camp, No. 10, of Newton, Mass., request you use all in your power to override veto of President Coolidge on your bill.

PHILIP BUTLER,
Adjutant, 72 Circuit Avenue, Newton Highlands, Mass.

LAKEMAN, MO., *May 5, 1924.*

Senator BURSUM,
United States Senate, Washington, D. C.:

The Civil War veterans and widows of Missouri beg Congress to pass the Bursum bill over the veto.

Maj. A. J. ROOF.

AUBURNDALE, MASS., *May 8, 1924.*

Senator BURSUM,
Senate Chamber, Washington, D. C.:

Camp 10, United Spanish War Veterans, Department of Massachusetts, to a man our camp want to go on record as opposed to the President's veto on the Bursum pension bill.

EDWARD HILDRETH,
Commander, 203 Lexington Street, Auburndale.

TOLEDO, OHIO, *May 5, 1924.*

Hon. Senator BURSUM,
United States Senate, Washington, D. C.:

The veterans of Toledo Post, Forsyth Post, Volunteer Post, and Ford Post, Grand Army of the Republic, and the aged widows of deceased veterans of our several relief corps pray and urge the passage of the Bursum bill, notwithstanding the President's veto. The youngest of our veterans is now well along in his eightieth year; some are blind; many with impaired vision; many deaf, or partially so; and some on crutches or with canes. They are supported and cared for by their children or relatives or the help and charity of friends. In a very few years there will be none left of the veterans of the Civil War, and only the history and the memories of their noble deeds, sacrifices, and sorrow.

TOLEDO POST,
FORSYTH POST,
VOLUNTEER POST,
FORD POST,
Grand Army of the Republic.

WASHINGTON, D. C., *May 5, 1924.*

Senator HOLM O. BURSUM,
Senate Office Building, Washington, D. C.:

The veto of the Bursum bill by President Coolidge is a shock to Spanish War veterans throughout the country. That bill—including, as it did, the veterans of all wars except the World War, as well as their widows and orphans—was very conservative. It would have gone far toward eliminating the discrimination of which the Spanish War veterans have so long and with good reason complained. The President himself, we have every reason to believe, recognized that there was discrimination against the Spanish War veterans. Such treatment of the old veterans no doubt will greatly encourage the foreigners who are here advocating slackers' oaths education and pledging of our children never to take up arms, either offensive or defensive, and the formation of "resisters' associations." Unless it is the desire of the Government to destroy the American spirit, the Bursum bill should be reconsidered and passed. I hope the Spanish War veterans can rely upon your vote to secure that result.

ALBERT D. ALCORN,
National Commander in Chief,
United Spanish War Veterans.

ST. LOUIS, MO., *April 1, 1924.*

ALBERT D. ALCORN,
Washington, D. C.:

The following wire sent to Senators and Congressmen from Missouri:

"United Spanish War Veterans of the Department of Missouri vigorously oppose amendment to the Bursum bill which was offered by Senator REED of Pennsylvania. This amendment would come into effect after hundreds of Civil War veterans have died. The men did not defer action in 1861. They gave victory to the world. We should give them comfort now. Trust you will oppose the amendment and lend your support to passage of the Bursum bill."

HERMAN A. FINKE,
Department Commander, United Spanish War Veterans.

Mr. DIAL. Mr. President, as I said the other day, I have no desire to bring up any unpleasantness of the Civil War. However, I have no apologies to make for my action. I look on the vote which we are about to take now as one of the most important the Senate has ever taken. These are momentous times. We are going to establish a precedent as to whether we are going to allow pensions of all wars to be pyramided and pyramided beyond the endurance of the taxpayers of this country to sustain.

We were told many years ago by Mr. McKinley, who was afterwards President, when a pension bill passed the House that the Government would never be asked to enlarge that amount. But instead of that being true, in 1918 a large additional pension was granted to those very pensioners. In 1920 $65,000,000 per annum was granted to those pensioners, and to-day, outside of the present bill, all of the Civil War soldiers whose names were on the rolls 90 days are drawing the magnificent sum of $50 per month, and this bill proposes to increase that pension to $72 per month. Even where they are clothed and fed and taken care of at the soldiers' homes, those soldiers are drawing $50 a month under the present law, and if they can show that they need a little extra pension, all they have to do is to make a meager showing before the proper official and they will be granted $22 a month extra. But under this bill the pensions of all the soldiers of the Civil War are to be increased to $72 a month, irrespective of the condition of the soldier physically, irrespective of his condition financially, irrespective of whether he was within a thousand miles of a battle.

I think this bill was not sufficiently debated when it was passed, nor, with all due respect to Senators, did they consider the matter as carefully as they should have. Many of us were committed to increase the pensions of disabled Spanish War soldiers, and that was a correct proposition, because they are the most modest class of soldiers and because the disabled of that war are drawing only a mere pittance of what the disabled of other wars are drawing. They do not even draw as much as widows of Civil War veterans, and some of those widows were not born until 17 years after the war.

I have the highest regard, respect, and sympathy for the wife who lived with her husband through troublesome times and helped bear the burdens of the family and the responsibility of raising the family, but I confess that the sentimentality of granting a pension to a young woman who married an old man just before he was ready to be buried for the purpose of geting a pension does not appeal to me. Some of that class of people are drawing to-day more than the disabled soldiers of the Spanish-American War receive.

I want this Government to take good care of the disabled of all wars, but I am not strong in favor of a service pension for any able-bodied soldiers. It is not a good principle, and the vote to be cast to-day will establish a precedent to be followed hereafter. It is the policy of this Government to take good care of disabled soldiers. We should not carry sentimentality beyond all reason.

I am committed to some bill looking to the end of taking better care of the Spanish-American War disabled boys. I understand such a bill has been reported favorably to the House by the proper committee and is now on the calendar. I introduced a similar bill here the other day when I thought this bill would be defeated, and I hope the committee will soon act upon it and that we will pass it at this session. But, Mr. President, if the Senate will allow me to say so, I fear Senators

did not consider carefully what this bill contained when they promised to vote for it in order to take care of the disabled soldiers of the Spanish-American War. If they had known the full purport of this bill they would not have made that promise. Having made it under a misapprehension, I feel that the promise is no longer binding upon them.

There is no excuse in morals or in good business why a pension should be granted to Civil War soldiers who enlisted after the end of the war. That is absolutely unjustifiable, and I feel that the President of the United States is entitled to support for having pointed that out in this bill and for having the courage and the firmness to veto the bill. We should remember that there are other people in this country besides pensioners. I feel kindly toward the aged, I feel kindly toward the infirm, but this bill brings in all the classes, irrespective of their condition.

So I feel that if anyone made a promise such as I have spoken of, he is released from it after looking into the drastic provisions of the bill. If we pass this bill over the veto, I do not see how there can be any talk against pensions hereafter. All you would have to do with a measure would be to label it "pensions" and we would swallow it, hook, line, and sinker, and also the rod.

In 1918 there was a fine increase, and in 1920 there was another enormous increase to this class of pensioners, at a time when this country had just emerged from the most destructive war the world ever saw. Yet they are going on and piling pensions on top of pensions for this class of soldiers and all the time adding new names to the list.

We should have regard for the boys of the last war. As the President of the United States points out, if this bill is passed there will be an appropriation of $415,000,000 in the next five years, almost a quarter of a billion dollars, almost enough to pay one-third of a bonus to the soldiers of the last war.

The annual increase under this bill will be about $58,000,000. Just the other day we passed a bill for the State Department, the Department of Commerce, the Department of Labor, and the Department of Justice, which carried about the same amount. Just think, this one increase is equal to all that and with no return to the Government. It is now proposed to increase pensions, as the President of the United States has said, 25 per cent at one time. It is all out of proportion.

Then we should consider our constituents at home. I can not forget that class of people and that class of taxpayers. Yesterday we heard the junior Senator from Massachusetts [Mr. WALSH] state the conditions of factory labor in the Northeast, and I believe the senior Senator from Massachusetts [Mr. LODGE] confirmed his statement. He stated that the mills are running something like only 20 per cent of the time, and many of the laborers are walking the streets with no work at hand. Yet here we are, trying to strangle enterprise, trying to decrease prosperity in the country, trying to augment the burdens of the taxpayers by putting this uncalled-for, unnecessary, out-of-place, additional tax burden upon them.

I send to the desk and ask to have read the President's veto message. It is exceedingly short and possibly some Senators did not hear it read the other day because they have not paid attention to the bill as they would like to have done.

The PRESIDENT pro tempore. The message will be read, as requested.

The reading clerk read as follows:

To the Senate:

I am returning herewith Senate bill 5, "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows, and to certain Spanish War soldiers, and certain maimed soldiers, and for other purposes," without my approval.

For the next fiscal year the effect of this act will be to take an additional $58,000,000 of the moneys paid by the taxpayers of the Nation and add it to the pension checks of the veterans of the wars from 1812 to 1902 and their widows and dependents. This is the effect for the first year, but the burden upon the taxpayers will continue for many years to come. While impossible of accurate estimation, the Commissioner of Pensions states that the proposed addition to the pension roll will total approximately $242,000,000 for the first 5 years and $415,000,000 for the first 10 years.

No conditions exist which justify the imposition of this additional burden upon the taxpayers of the Nation. All our pensions were revised and many liberal increases made no longer than 1922. Every survivor of the Civil War draws $50 per month, and those in need of regular aid and attendance, which already includes 41,000 of them, draw $72 per month. As others come to need this the law already gives it to them. The act also proposes to extend the limits of the war period from April 13, 1865, to August 20, 1866, so that those who enlisted during this year and four months of peace now become eligible for the same treatment of those who fought through the war. There are other questionable provisions providing for the pensioning of civilians, and relating to the pensioning of certain classes of widows.

But the main objection to the whole bill is the unwarranted expenditure of the money of the taxpayers. It proposes to add more than 25 per cent to the cost of the pension rolls. It is estimated that it would bring the total pension bill of the country to a point higher than ever before reached, notwithstanding it is now nearly 60 years since the close of the Civil War. A generous Nation increased its pensions to well over a quarter of a billion annually, and has already bestowed nearly $6,250,000,000 in pensions upon the survivors of that conflict and their dependents. While there has been some decrease in the annual expense, it is now proposed by a horizontal increase to pay all survivors $72 each month, without regard to age, to their physical condition, or financial condition. With the other proposals a new high record of cost would be established.

The need for economy in public expenditure at the present time can not be overestimated. I am for economy. I am against every unnecessary payment of the money of the taxpayers. No public requirement at the present time ranks with the necessity for the reduction of taxation. This result can not be secured unless those in authority cease to pass laws which increase the permanent cost of government. The burden on the taxpayers must not be increased, it must be decreased. Every proposal for legislation must be considered in the light of this necessity. The cost of commodities is diminishing. Under such conditions the cost of government ought not to be increasing. The welfare of the whole country must be considered. The desire to do justice to pensioners, however great their merit, must be attended by some solicitude to do justice to taxpayers. The advantage of a class can not be greater than the welfare of the Nation.

CALVIN COOLIDGE.

THE WHITE HOUSE, *May 3, 1924.*

Mr. DIAL. I now send to the desk and ask to have read a very short letter which I received from an old soldier a short time ago. He is one who is drawing a pension. I submit that his letter is a better answer to the bill than I could make. I had it read the other day, but possibly some Senators who are here now were not present then. I ask to have the letter read for the benefit of Senators who are now present.

The PRESIDENT pro tempore. The letter will be read, as requested by the Senator from South Carolina.

The reading clerk read as follows:

Senator DIAL.

DEAR SIR: I have been reading the doings of the Senate in regard to the pension bill, and was very much interested in your remarks on the question, and agree with you that no pension ever ought to have been paid except to those who really needed it, and if paid should be according to length of service. Now, a man who enlisted 90 days before the war closed, and got a big bounty and never heard a gun fired, gets the same as the one who served three years and suffered all the hardships of war. If the 90-day man gets $50 per month, the 3-year man ought to get $600; that would be in proportion to time of service.

The whole pension business has been for votes. Neither party dared to oppose a bill of the other. The National Tribune's love for the old soldier is for revenue only. I have had dozens of letters from the Tribune, begging for my subscription, but refused to send me a blank, which was free only to subscribers. A man in a soldiers' home supported by the Government ought not to have a pension, and a rich man ought to be ashamed to take one. I am a 3-year veteran of the Civil War and get a pension, which I need, and am thankful for it, but never expected to get so much, and have been surprised every time it was increased. I am well along in my ninetieth year, which accounts in part for this poor writing, but I wanted to say a few words, and hope you will excuse them.

Yours truly, ——— ———.

Mr. DIAL. Mr. President, I believe that I have already called the attention of the Senate to the fact that last year over $263,000,000 was paid out in pensions. That was the peak year since the Civil War. If the pending bill is passed that amount would be increased very greatly, about $600,000,000 more. I am wondering if the people back home, the people who are worth while, the people who work and carry on the country and support our Constitution, will think we are ever going to

stop if we keep on increasing pensions from year to year? Will we never stop discouraging them? I want every Senator to be prepared to answer his constituents if they ask him what reason they can assign for giving pensions to people who enlisted after the Civil War, from April 13, 1865, to August 20, 1866. Why should they be so liberal with other people's money as to give pensions to people who were in no danger whatsoever, people who rendered no service to their country and whose only claim to a pension is that their names were on a militia list?

I have done all I can do to bring the matter to the attention of the Senate. I sincerely hope that upon second thought Senators will sustain the President's veto. I think if we had considered the matter a little more at length before the bill passed, it never would have passed the Senate, and it would not have been necessary for the President of the United States to veto it. But at this late day let us do our duty and thereby show the taxpayers we are not deaf and blind to their interest.

Mr. FLETCHER. Mr. President, without attempting to discuss the subject in detail, I feel that I ought to make a brief statement. I voted for the bill when it was before the Senate. If I have ever erred at any time in the past with reference to any measure intended for the relief or benefit of ex-soldiers, it has been in the direction of generous and liberal treatment. My disposition has been all the while to meet the reasonable requests of those who have rendered service to their country in time of war. But to override the President's veto is a different matter.

The President submitted his veto with an apparent justification which can not be disregarded. I have listened this morning to the Senator from New Mexico [Mr. BURSUM] with regard to the veto message and his statement somewhat in answer to the points raised in the President's message. He has not, however, it seems to me, satisfactorily answered the objections raised by the President. The President said the passage of the bill would mean an increase of $58,000,000 the first year. The Senator from New Mexico said the Pension Bureau estimates it at $55,000,000. That is not a very great difference. The Senator himself, I believe, placed it at $40,000,000. That of itself is a very considerable increase in these times when we are all advocating a genuine, substantial reduction in taxation. It is a considerable addition to the taxation which must be paid by the people at a time when we are all urging economy in public expenditures. The President further said:

While impossible of accurate estimation, the Commissioner of Pensions states that the proposed addition to the pension roll will total approximately $242,000,000 for the first 5 years and $415,000,000 for the first 10 years.

The Senator from New Mexico questions that because he figures that a certain number of deaths will take place; but while, of course, that is true the difference remains all more or less an estimate on his part, as it is more or less a guess as to the precise amount on the part of anyone who would undertake to discuss it.

Mr. BURSUM. Mr. President, will the Senator yield to me for a moment?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from New Mexico?

Mr. FLETCHER. I yield.

Mr. BURSUM. Does not the Senator believe that the experience we have had during all these years is a reliable guide? For instance, there were forty-nine thousand and several hundred deaths of pensioners last year. Does not the Senator believe that as age advances the death rate will not diminish but of necessity must be more rapid?

Mr. FLETCHER. I realize that. I also recall that when I came to the Senate in 1909, at which time the then Senator from West Virginia, Mr. Scott, was the chairman of the Committee on Pensions, I heard him urge an increase of pensions and say, "hundreds of these veterans died yesterday; hundreds of them will die to-morrow," and so on, estimating that in a comparatively brief period of time pensions would all cease; yet the President in his message states, with reference to the bill now before us:

It is estimated that it would bring the total pension bill of the country to a point higher than ever before reached, notwithstanding it is now nearly 60 years since the close of the Civil War.

So that instead of decreasing pension expenditures we have gone on increasing them until now this is the climax: Sixty years after the Civil War we are paying more than at any time during the interval.

Mr. BURSUM. Mr. President, will the Senator from Florida yield further?

Mr. FLETCHER. I yield to the Senator.

Mr. BURSUM. It is true that we are now experiencing the peak of expense.

Mr. FLETCHER. I have previously heard that, too.

Mr. BURSUM. And it is also true that the peak, so far as numbers is concerned, passed some time ago, and we are on the downward slide. There is this fact also to be considered; it costs much more money to take care of the totally incapacitated persons than it does to take care of the person who is only partially disabled.

Mr. FLETCHER. I realize that. I am not intending to go really into the merits of these claims for pensions. I have been voting for them right along year after year.

Mr. BURSUM. I do not want to disturb the Senator, and I hope he will pardon my interruption, but I merely want to say one word more; that is, that the principal benefits from this bill, if it be passed, will accrue to the very aged widows; that is, those who are over 74 years of age are the ones who will reap the substantial increase, and the record shows that their ages range between 74 and 94 years.

Mr. SIMMONS. What are they now getting?

Mr. BURSUM. They are now getting $30 per month, and this bill would give that class of widows $45. It is that class of widows who are the beneficiaries to an extent of about one-half of the cost of the bill. I do not see how we can deny that kind of helpless disability. It is a pitiable situation.

Mr. FLETCHER. That condition is discussed by the President, who uses very strong and forceful language. With the clearness and directness which characterizes all of his utterances, the President says:

No conditions exist which justify the imposition of this additional burden upon the taxpayers of the Nation. All our pensions were revised and many liberal increases made no longer ago than 1920.

Then he proceeds:

Every survivor of the Civil War draws $50 per month, and those in need of regular aid and attendance, which already includes 41,000 of them, draw $72 per month.

Mr. BURSUM. What the President states is true; 41,000 of them do draw that amount of pension, but there is nothing in the message about the 149,000 very aged widows; and there is where one-half the expense of the bill lies. The rate of $72 per month for the veterans themselves, as a matter of fact, will not be of any great moment or significance, because they will all get that rate of pension anyway. The only reason for extending it to them is on account of the proof requirements and the machinery and the investigations of the department which do not keep pace with the number of deaths. In many cases the veterans die before their applications can be passed upon. They make an application for an increase; it takes three months to act on the application; and before the three months have expired the veteran is dead.

Mr. SIMMONS. Mr. President, if the Senator will allow me, what is the rate of increase allowed the veterans?

Mr. BURSUM. The bill merely makes the general rate $72 a month. The maximum is the same as it is now, but the bill does away with the necessity of making application and investigation and the proofs on the theory that 90 per cent of the pensioners are already incapacitated, and it is an injustice to subject them to the necessity of making the application and submitting the proofs and conducting investigations when in many such cases the soldiers die before they can get the amount which Congress intended to give them. There is no increase of the maximum to the veterans. They receive the same maximum which is already provided by law. It is precisely what Secretary Work, of the Interior Department, recommended in his report of June 30, 1923, and which is quoted in the report on the bill.

Mr. FLETCHER. The Senator's argument would lead very largely to the conclusion that the chief beneficiaries would be the widows, and they are the ones who really need it. The question then naturally arises, why should not the bill be confined to increasing the pensions of the widows and leave the others alone? But that is not done under the bill.

There is another point which the President raises which is answered to some extent by the Senator, who cites a decision of the Supreme Court. I can not question what the President says. In his message he says:

The act also proposes to extend the limits of the war period from April 13, 1865, to August 28, 1866, so that those who enlisted during this year and four months of peace now become eligible for the same treatment as those who fought through the war.

That would appear to be unfair to those who actually engaged in the conflict.

Mr. President, without going further into the merits of the situation, let me say that I favored especially some features of this bill; in fact, on December 10, 1923, I introduced a bill, being Senate bill 814, which was referred to the Committee on Pensions, proposing to increase the pensions of the surviving soldiers of various Indian wars to $40 and their widows to $20 per month. That bill has never been reported out by the committee, although its main features are embodied in the bill now under consideration. I think those proposed to be benefited by that bill are entitled to some increase. So far as the Seminole Indian war veterans in Florida are concerned, of whom, I think, there are some seven or eight hundred, they now receive only $20 a month and widows $12 under the general law. Those veterans certainly are entitled to more liberal treatment by the Government. They saw actual service and very dangerous, trying, and hazardous service; they gave a good account of themselves, and they ought to be dealt with on a more generous scale than they have been in the past, and so in the case of their widows.

The Spanish-American War veterans ought to be treated better than they have been treated. I favor the feature of this bill which covers those veterans. I understand that a bill has been introduced in the other House which has been reported out by the committee—at any rate, it will be reported out, I think—which will embody the features of this bill with respect to the Spanish-American War veterans.

The Senator from South Carolina [Mr. DIAL] has introduced a bill in the Senate, being Senate bill 3250, proposing to increase the pensions of the soldiers and sailors of the war with Spain.

Mr. DIAL. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Florida yield to the Senator from South Carolina?

Mr. FLETCHER. I yield.

Mr. DIAL. I understand the bill has been favorably reported in the House and is now on the calendar there.

Mr. FLETCHER. Then that bill will undoubtedly come up for consideration, and I shall be decidedly in favor of such a measure. As I have said, I think the Spanish-American War veterans have not been fairly dealt with, and they ought to be put on a different basis from that which we have heretofore given to them. We shall probably have an opportunity to consider that bill at this session, and I hope we shall also have an opportunity to consider the bill with reference to Indian war veterans.

While, as I have said, I voted for the bill now before the Senate in the first instance, yet in view of the strong message of the President, in view of the fact that some of the matters embodied in this bill can be taken care of otherwise, and in view of the proper consideration which is due the action of the Chief Executive, after he has thoroughly considered the question and the general situation throughout the country, I do not feel justified in ignoring his message and in overriding his veto. I shall therefore have to vote to sustain the veto.

Mr. WADSWORTH. Mr. President, since the bill now under discussion passed, the Senate has passed the revenue bill. While no one may prophesy the form that bill will take when it emerges from conference, nevertheless one must take into consideration the condition of the bill as it was passed by the Senate. The chairman of the Committee on Finance has announced since the passage of that bill by the Senate that, regardless of the obligations which may be incurred by the passage of the so-called Bursum bill, and regardless of the obligations which may be incurred by the passage over the President's veto of the so-called bonus bill, the revenue bill itself will result in a deficit of $150,000,000. This brings us fact to face, Mr. President, with a very serious situation, from which there is no escape except by taking stock of the money which we may cover into the Treasury and the money which we propose to spend from the Treasury and acting accordingly.

As to this bill, which the President informs us will result in imposing an annual expenditure upon the United States Government of $58,000,000, personally I have never been completely persuaded that the increases in pensions provided in the bill for the veterans of the Civil War are justified. I have always had grave doubt as to the wisdom of raising them to any such figures. I have, on the other hand, believed and still believe, that the veterans of the Spanish War deserve approximately the increase provided by the bill.

I think I may say at this time, Mr. President, that of all our groups of veterans the Spanish War veterans, thus far at least, have been the most moderate in their requests upon the Federal Government. Their number is small, and perhaps they have not been able to make the same impression that larger groups have been able to make upon the Congress, but whatever the reason may be, those veterans have proceeded upon modest lines in a conservative and patriotic spirit, and I have had and still have a very deep sympathy for them.

Like the Senator from Florida [Mr. FLETCHER], I intend to vote to sustain the veto of this bill by the President on the ground that we simply can not afford the expense involved in it, especially in view of the situation created by the revenue bill.

Like the Senator from Florida, I hope that legislation may proceed giving a better treatment to the Spanish War veterans. I believe they deserve it, and the country can afford it. There is now pending in the House, so I am informed, a bill having that object in view, and the Senator from South Carolina [Mr. DIAL] has introduced a bill similar in character here in the Senate. I shall hope for an opportunity of supporting either of those measures, and I intend to vote to sustain the veto of the President upon this bill.

Mr. NEELY. Mr. President, I arise to charge the President of the United States with having become a lobbyist. As such, his activities are being carried on at the breakfast table in the White House, where his powerful and penetrating propaganda is being delivered to Members of the Congress who have been previously feasted on buckwheat cakes saturated with New England maple sirup.

Since Eve was tempted by the serpent with the forbidden fruit in the Garden of Eden, never has there been offered to weak and erring humanity another such irrisistible temptation as buckwheat cakes and sirup, sweeter than the honey of the Hybla bees.

The seriousness of my charge against the President is accentuated by the fact that the victims of his attack are the veterans of our various wars and the dependent widows and children of those who fought and sacrificed and suffered for their country.

The President is lobbying against the surviving soldiers and sailors of the Civil and Mexican Wars; he is lobbying against the widows and the minor and helpless children of these soldiers; against the widows of the soldiers of the War of 1812; against the Indian war veterans and their widows; and against the soldiers of the Spanish-American War, for all of whom the Bursum bill, which the President recently vetoed, either provides reasonable pensions or richly deserved increases of the pensions which have been previously awarded them.

In support of my charge, I read from an article which appeared in the Washington Evening Star of last Thursday, as follows:

COOLIDGE LINES UP FORCES FOR ACTIVE LEGISLATIVE DRIVE—CONFERS WITH PARTY LEADERS IN EFFORT TO PUSH IMPORTANT MEASURES—THREATS OF COALITION SPUR G. O. P. TO ACTION—ADJOURNMENT OF CONGRESS JUNE 7 SUGGESTED TO THE EXECUTIVE

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The President and Republican leaders had a breakfast conference and later met with Senator LODGE, of Massachusetts, Republican Senate leader, and Chairman SMOOT, of the Senate Finance Committee.

MEETS HOUSE LEADERS

The House leaders attending the conference included Speaker GILLETT, Representative LONGWORTH, of Ohio, the floor leader; Chairman SNELL, of the Rules Committee, Representative BEGG, of Ohio, Chairman GREEN, of the Ways and Means Committee, Chairman MADDEN, of the Appropriations Committee, and members of the Republican steering committee.

While Senators LODGE and SMOOT were at the White House Senator BORAH, Republican, Idaho, also was called into their conference, which had to do primarily with the status of financial measures, including the tax bill and the Bursum pension measure, vetoed last week.

BONUS BILL VETO EXPECTED

His (the President's) attitude on this point led most of the House leaders to believe that he would veto the soldiers' bonus bill, which has been submitted to him, and might be lukewarm toward the postal salary bill unless a provision is incorporated to raise funds for meeting the pay increase by an increase in postage rates.

Particular importance also is attached by Mr. Coolidge to the Bursum pension bill, which he vetoed last week. He is understood to have asked for assurances that its passage would be prevented, but the congressional leaders were unable to give him any positive information on that subject.

It thus appears that the President is not content with having vetoed the Bursum bill, but that he is attempting to usurp the legislative functions of the Congress and seeking to exact assurances from leaders of the Senate and the House that his veto of this most meritorious measure shall not be overridden.

The President's message in explanation of his veto is characteristic not only of the man who wrote it, but also of those who are managing the campaign to reelect him President. Big business and accumulated wealth, which are always the most chronic, if not the most conscientious, objectors to the paying of taxes, will find in this message additional reasons for increasing their activity in behalf of the President's renomination in June and his reelection in November.

The following significant statements are contained in the message:

> I am returning herewith Senate bill No. 5, an act granting pensions and increases of pensions * * * without my approval. No conditions exist which justify the imposition of this additional burden upon the taxpayers of the Nation.

Does the President mean that there could be no justification for paying a needy Civil War veteran or his widow a pension of $72 a month? Does he mean that there could be no justification for paying a pension to a surviving Spanish-American War veteran who needs it and deserves it? Does the President believe that the sum of $72 a month exceeds the amount necessary to support a veteran and his family?

Has the President recently tried the interesting but impossible experiment of supporting a family of four or five on an allowance of $72 a month?

As a matter of course, we all desire and intend to protect the taxpayers to the utmost, but neither the taxpayers nor legislators desire economy, even in the matter of taxation, at the expense of honesty and justice to the surviving soldiers of our various wars or those left dependent by our veterans.

The President further says, among other things:

> The main objection to the whole bill is the unwarranted expenditure of the money of the taxpayers. * * * No public requirement at the present time ranks with the necessity for the reduction of taxation. I am for economy.

Of course, he is for economy. So am I. But the President is for economy first and justice to our surviving soldiers afterwards; while I am for justice to our veterans first and for economy after justice shall have been done. Therefore I intend to vote to pass this bill, the President's veto to the contrary notwithstanding.

In disapproving this measure it appears that the President has been actuated solely by financial motives. It is obvious that he is considering not the necessities of the soldiers or their widows or their orphans but the cost in dollars and cents of paying them such just compensation as will enable them comfortably to live the remainder of their days.

It is clear that the President has forgotten the cost to our soldiers of winning our various wars, of preserving our country and defending its institutions. He now thinks only of the cost of granting pensions and increases of pensions of adequate proportions. He is now unmindful of the fact that our soldiers at Shiloh, at Manassas, at Chicamauga, and the bloody angle at Gettysburg did not count in blood or limb or life itself the cost of saving the Union and preserving the foundations upon which this, the greatest and the richest Nation in the world, has been established and perpetuated.

If the President believed that there is no justification for paying a needy surviving defender of our country as much as $72 a month as a pension, how can he justify his receiving from the Treasury a salary of $75,000 a year, or, to be more specific, a salary in excess of $205 a day?

While I make no objection to the salary paid the President, I nevertheless contend that if his services are worth more than $205 a day in time of peace, $72 a month is not an excessive amount to pay a needy, deserving soldier for the services he rendered his country in time of war.

I invite the attention of all our soldiers and sailors and the attention of all the widows and orphans of our soldiers and sailors to the fact that this is the second time a Republican President has vetoed this pension bill. It was first vetoed by President Harding. It now has been vetoed by President Coolidge. And we are wondering if Congress can pass any bill providing an increase of pensions which a Republican President will permit to become a law.

Since President Coolidge has taken the position that it will be too costly to the country to pay the beneficiaries of the Bursum bill pensions of $72 a month, I hope that our veterans and the widows and orphans of soldiers will decide next November that it will be too costly to pay Mr. Coolidge $205 a day to be President for the next four years.

Mr. DIAL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Adams	Ernst	Lodge	Sheppard
Ashurst	Fernald	McKellar	Shields
Ball	Fess	McKinley	Shipstead
Bayard	Fletcher	McLean	Shortridge
Borah	Frazier	McNary	Simmons
Brandegee	Gerry	Mayfield	Smith
Brookhart	Glass	Moses	Smoot
Broussard	Gooding	Neely	Spencer
Bruce	Hale	Norbeck	Stanfield
Bursum	Harreld	Norris	Stephens
Cameron	Harrison	Oddie	Sterling
Capper	Heflin	Overman	Swanson
Colt	Howell	Owen	Trammell
Copeland	Johnson, Calif.	Pepper	Wadsworth
Cummins	Johnson, Minn.	Phipps	Walsh, Mass.
Curtis	Jones, N. Mex.	Pittman	Walsh, Mont.
Dale	Jones, Wash.	Ralston	Watson
Dial	Kendrick	Ransdell	Weller
Dill	Keyes	Reed, Mo.	Wheeler
Edge	King	Reed, Pa.	Willis
Elkins	Ladd	Robinson	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, there is a quorum present. The question is, Shall Senate bill No. 5 pass, notwithstanding the objections of the President of the United States?

Mr. DIAL. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. REED of Pennsylvania (when Mr. GREENE's name was called). I was asked to announce that the Senator from Vermont [Mr. GREENE] is absent on account of illness, and, if present, would vote "nay."

Mr. LODGE (when his name was called). I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD], who is unavoidably absent.

I join with me the junior Senator from Wisconsin [Mr. LENROOT] in my pair with the Senator from Alabama. The Senator from Wisconsin and I, if permitted to vote, would vote to pass the bill over the veto, and the Senator from Alabama [Mr. UNDERWOOD] would vote against passing it over the veto. I have given a double pair.

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN], and therefore withhold my vote.

The roll call was concluded.

Mr. ROBINSON. The junior Senator from Georgia [Mr. GEORGE], the junior Senator from Michigan [Mr. FERRIS], and the junior Senator from New Jersey [Mr. EDWARDS] are necessarily absent. If they were all present and permitted to vote, the Senator from Georgia [Mr. GEORGE] would vote "nay," and the Senator from Michigan [Mr. FERRIS] and the Senator from New Jersey [Mr. EDWARDS] would vote "yea." The Senator from Georgia [Mr. GEORGE] is paired on this vote with the Senator from Michigan [Mr. FERRIS] and the Senator from New Jersey [Mr. EDWARDS].

Mr. ERNST. I have a general pair with the senior Senator from Kentucky [Mr. STANLEY]. I do not know how he would vote if present. I vote "nay."

The roll call resulted—yeas 53, nays 28, as follows:

YEAS—53

Adams	Fernald	Ladd	Robinson
Ashurst	Fess	McKellar	Shields
Brandegee	Frazier	McKinley	Shipstead
Brookhart	Gerry	McLean	Shortridge
Broussard	Gooding	McNary	Spencer
Bursum	Hale	Moses	Stanfield
Capper	Heflin	Neely	Walsh, Mass.
Colt	Howell	Norbeck	Walsh, Mont.
Copeland	Johnson, Calif.	Norris	Watson
Cummins	Johnson, Minn.	Oddie	Wheeler
Curtis	Jones, N. Mex.	Phipps	Willis
Dale	Jones, Wash.	Pittman	
Dill	Kendrick	Ralston	
Elkins	Keyes	Reed, Mo.	

NAYS—28

Ball	Ernst	Owen	Smoot
Bayard	Fletcher	Pepper	Stephens
Borah	Glass	Ransdell	Sterling
Bruce	Harreld	Reed, Pa.	Swanson
Cameron	Harrison	Sheppard	Trammell
Dial	King	Simmons	Wadsworth
Edge	Mayfield	Smith	Weller

NOT VOTING—15

Caraway	George	Lenroot	Stanley
Couzens	Greene	Lodge	Underwood
Edwards	Harris	McCormick	Warren
Ferris	La Follette	Overman	

The PRESIDING OFFICER. On this question the yeas are 53, the nays are 28. Less than two-thirds of all the Senators present and voting having voted in the affirmative, the bill does not pass.

ORDER OF BUSINESS

Mr. WADSWORTH. Mr. President, ordinarily at 2 o'clock the War Department appropriation bill would be laid before the Senate. It is now three minutes of 2; and if the Senator from Washington desires to endeavor to get up a bill which he tells me he wants to bring up, I have no objection.

Mr. JONES of Washington. As the Senator has said, it is only a couple of minutes before 2 o'clock. So I will wait until later in the afternoon, in the hope that I may be able to get the bill up.

ORDER FOR EVENING SESSION ON THE CALENDAR

Mr. CURTIS. Mr. President, I would like to submit a unanimous-consent request. We are away behind in the consideration of the calendar, and I ask unanimous consent that on day after to-morrow, Thursday, and not later than half past 5, the Senate shall take a recess until 8 o'clock, and that at the evening session nothing but unobjected bills on the calendar shall be taken up, under Rule VIII, and that at not later than 11 o'clock that night the Senate shall either adjourn or take a recess until the next day.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement requested by the Senator from Kansas?

Mr. ROBINSON. Mr. President, I think some arrangement ought to be made to proceed with the calendar, and perhaps the arrangement suggested by the Senator from Kansas is as good as can be effectuated. I have no objection to the unanimous-consent request which he proposes.

Mr. DIAL. Mr. President, may I ask the Senator if he intends to take up only unobjected bills on the calendar?

Mr. CURTIS. Only unobjected bills under Rule VIII, so there will be only five minutes' debate.

Mr. EDGE. Reserving the right to object, did not the Senator from Kansas first suggest Wednesday evening?

Mr. CURTIS. No; I suggested Thursday evening. I have talked with several Senators and they have said they would like to have at least one day's notice. So I made it Thursday evening.

Mr. EDGE. I shall not object, although it is very inconvenient for me personally to be here Thursday evening.

The PRESIDING OFFICER. The Senator from Kansas requests unanimous consent that on Thursday afternoon, at not later than half past 5 o'clock, the Senate shall take a recess until 8 o'clock Thursday evening, and that the time on Thursday evening shall be devoted to the consideration of unobjected bills on the calendar under Rule VIII, and that the Senate shall recess or adjourn, at its pleasure, not later than 11 o'clock p. m. Is there objection? The Chair hears none and the unanimous-consent agreement is entered into.

The agreement was reduced to writing as follows:

It is agreed by unanimous consent that on Thursday, May 15, 1924, at not later than 5.30 p. m. the Senate take a recess until 8 p. m.; that at the evening session the Senate shall consider only unobjected bills on the calendar under Rule VIII, and at not later than 11 p. m. take a recess or adjourn until Friday.

WAR DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER. The hour of 2 o'clock having arrived the Chair lays before the Senate the unfinished business, which is House bill 7877.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7877) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1925, and for other purposes.

Mr. WADSWORTH. Mr. President, since the session on yesterday, my attention and that of members of the Committee on Appropriations has been called to three items of appropriations for the support of the Western Branch of the National Soldiers Home, situated at Leavenworth, Kans. As I explained yesterday, the committee found it necessary, in the treatment of the appropriations for the several soldiers' homes, to make certain increases, none of them very large, but necessary to support the number of members who are now resident at the homes. In the case of the Western Branch at Leavenworth three of the items I am convinced were overlooked in the committee. I desire now to offer three amendments, one to the item for "subsistence," one to the item entitled "household," and one to the item entitled "repairs."

On page 101, line 18, under "subsistence," I move to strike out the numerals "$202,500" and substitute therefor the numerals "$204,340."

The amendment was agreed to.

Mr. WADSWORTH. On the same page, line 19, under "Household," I move to strike out the numerals "$132,500" and insert in lieu thereof the numerals "$134,940."

The amendment was agreed to.

Mr. WADSWORTH. On the same page, line 20, under "repairs," I move to strike out "$46,500" and insert in lieu thereof "$49,640."

The amendment was agreed to.

Mr. WADSWORTH. Those three changes will bring those appropriations to the amount of the estimates of the home. The total for the Western Branch Home, which is found in line 21, page 101, should be changed to $562,580.

The PRESIDING OFFICER. The correction will be made accordingly.

Mr. PITTMAN. Mr. President, I had about concluded my speech in this connection on yesterday. I am not going forward at this time at any length, because the Senator from Idaho [Mr. GOODING] has a speech prepared on another phase of the subject, and in a very few moments I intend to yield the floor to that Senator. Later on in the debate I desire to go more fully into the question, as affecting discriminations against the interior country under the present act.

I realize that there are a great many protests being made against the measure. These protests undoubtedly are based largely on a misunderstanding as to the meaning of the amendment. This is not the old long and short haul bill that has originated the fights in the past. The old long and short haul bills that have heretofore been fought out have denied to the Interstate Commerce Commission the right to permit a departure from the fourth section in any case. This amendment permits a departure from the fourth section in the case of competition between railroad lines, but does not permit a departure from the fourth section by railroads to meet water competition. That is the distinction. There are those who have feared that the amendment intended to give some control to the Interstate Commerce Commission over water transportation. It does not do so. The common carrier referred to in the amendment is described in the act itself as a carrier engaged in railroad transportation or transportation by rail, and by water jointly where both the rail and water transportation facilities are under the same management and control. Therefore that question is not involved.

Mr. President, it is a fact that water transportation has ceased to exist on the inland waterways of the country. I charged that on yesterday, and the Senator from Florida [Mr. FLETCHER] stated that possibly it was not due to railroad competition. If it is not due to railroad competition, I ask to what is it due? As I stated on yesterday, it has been the policy of the Government for half a century to attempt to build up water transportation on the inland waterways of the country, and we have utterly failed. Are we going to permit that condition to continue? Yet at every session of Congress we appropriate huge sums of money for the purpose of making the waterways navigable.

If transportation is not run off of the rivers by the railroads, what does run it off? The fact remains that before the railroads paralleled the rivers, much commerce was carried by boats. Since the railroads have paralleled the rivers, there are no boats. If that is not due to railroad competition, to what is it due? As a matter of fact, I read yesterday from the hearings before the House committee to show what has happened even to the Government transports on the Mississippi River. When they started in prepared to extend that transport system to Minneapolis, the railroads paralleling the river instantly reduced their freight rates in competition with it, and therefore the Government did not construct the line.

Going on with the testimony of Mr. NEWTON before the House committee on the bill to appropriate money to carry on the Government transport system, I read further:

For instance——

Mr. WALSH of Montana. Mr. President, will the Senator explain what the Government barge line is?

Mr. PITTMAN. I will in just a few moments. I would like to finish quoting from this hearing first. Mr. NEWTON said:

For instance, the barge rate is 80 per cent of the rail rate that parallels the river, but the rail rates that parallel the river are about 58 per cent of the average rail rate of the country, so that the barge rate is not more than 50 per cent of the average rail rates.

As I said yesterday, rail transportation is more expeditious than water transportation, and, of course, it is essential that water transportation be carried for less than rail transportation where they parallel each other. So the barge or boat system is compelled to charge only 80 per cent of what the rails charge paralleling the river. The railroads paralleling the river charge only 58 per cent of what they charge throughout the rest of the country. It is perfectly simple. It has happened all up and down every river in the country.

Mr. NEWTON went on further in the hearings to say, in answer to questions:

Mr. RAYBURN. Well, this is true, is it not, that the act specifically provides that where a rate is put into effect to meet water competition by a railroad company, that that rate can not be increased after that unless the railroad company can show changed conditions?

Mr. NEWTON of Missouri. Well, but that is the surest way to absolutely insure the destruction of water competition. Here is the point: The country does not get the benefit of water transportation by getting a potential water rate down the river, because for every dollar the rail line loses carrying commerce up and down the banks of the river it has to penalize the interior to make up for that loss.

Mr. RAYBURN. Exactly.

Mr. NEWTON of Missouri. And that is why we are interested in transportation from the national standpoint.

Mr. RAYBURN. Now, under the act, the commission has a right to set a maximum or a minimum rate or a maximum and a minimum rate.

Mr. NEWTON of Missouri. I think the provision you put in was "reasonably compensatory," that the rates must be "reasonably compensatory."

Mr. RAYBURN. Therefore they can not be put into effect unless they at least have the approval of the commission. In other words, if the commission does not approve a rate they can veto it?

Mr. NEWTON of Missouri. I think that has been the practice.

Mr. RAYBURN. Then your objection would go to the administration of the act?

Mr. NEWTON of Missouri. I think so. I am thoroughly convinced that most of the criticism is due to the failure to enforce the spirit of the act dealing with water transportation.

Let me show you this, now. From New Orleans to Fort Smith is a distance of 494 miles. The rate on 100 pounds of first-class freight is $1.94½—494 miles. From St. Louis to New Orleans, 718 miles, the rate is $1.73. Because the barge line can not get to Fort Smith you have got nearly 300 miles less haul for $1.94½, as compared with $1.73 for 700 miles. And from Dallas, Tex., to New Orleans, 515 miles, where there is no chance for water competition, the rate is $2.08½ per hundred. So the barge line has, of course, to go up against that competition. But the point is this: The barge line is carrying now great quantities of wheat. In the month of August last year we carried 1,300,000 bushels of wheat from St. Louis to New Orleans, and the saving between the water rate and the rail rate on that wheat from St. Louis south was 20 per cent differential, saving the shipper $53,000.

Mr. COOPER. But, Mr. NEWTON, this is a fact, is it not: Regardless of the rate competition along the river, the barge lines have done pretty well, have they not?

Mr. NEWTON of Missouri. I am glad you raised that question, Mr. COOPER. The only way you can develop water transportation is to carry on this experiment until you eliminate these obstructions.

Now, as to the division of rates, let me show you that handicap. From New Orleans to Davenport, Iowa, on 100 pounds of coffee—a joint rail and water haul—the railroad hauls that freight for 400 miles and gets 38.3 cents for its service, the barge line hauls it 973 miles and gets 11.7 cents in the division of freight.

Mr. HUDDLESTON. Who makes the division?

Mr. NEWTON of Missouri. The railroads. The Interstate Commerce Commission permits the railroads to make their local freight rate, and then the barge line, in order to get the through haul, has to fit into the through haul, and they make the local rate so high that it takes it all away from the barge line.

Mr. HUDDLESTON. I do not quite understand yet who makes the division.

Mr. NEWTON of Missouri. Well, if the barge line takes the freight it has to take it on the railroad basis. The railroad says: "Well, these are our rates. We will haul it through for a certain amount."

Mr. HUDDLESTON. The railroads will haul that 100 pounds of coffee from New Orleans to Davenport for how much?

Mr. NEWTON of Missouri. Here is what they do: They make the rate from Davenport to New Orleans so low that the rail rate from St. Louis to New Orleans is only approximately 11.7 cents; they make the rate from St. Louis to Davenport so high, as compared with their through rate from Davenport to New Orleans, that the rail rate from St. Louis to New Orleans is only 11.7 cents.

Mr. HUDDLESTON. And that is done with the approval of the Interstate Commerce Commission?

Mr. NEWTON of Missouri. Yes, sir.

Mr. HUDDLESTON. So the Interstate Commerce Commission is responsible for it?

Mr. NEWTON of Missouri. Yes; and we have had that matter up before the commission. We were there two years ago trying to get them to decide the question, and finally they decided it by saying, "Go back and settle it yourselves."

Mr. President, the Chamber of Commerce of New York, the Chamber of Commerce of New Orleans, the Chamber of Commerce of Toledo, Ohio—in fact, practically all the chambers of commerce and business bodies east of the Mississippi River—have appeared before the Interstate Commerce Commission and opposed the new applications of the western railroads for relief under the fourth section. As I stated yesterday, every western transcontinental railroad has made application to the Interstate Commerce Commission to change the rates on 43 commodities so that they will be able to charge the out-of-pocket cost to the Pacific coast and charge more to the interior points; in other words, they are now attempting to get back to the pre-war basis. Prior to the World War all of these discriminations existed out in the West. When the Railroad Administration of the Government assumed control it abolished all of these departures from the fourth section.

Now, what is involved? Remember that at the present time I am not speaking of this from the standpoint of discrimination; that is a subject that is going to be treated by the Senator from Idaho [Mr. GOODING]. I am discussing this question only from the point of the destruction of shipping through the Panama Canal and on the inland waterways of the country. I repeat that the great business associations of the East are opposed to the Interstate Commerce Commission granting these applications of the western roads. They have protested against such action; and yet those same associations are opposed to any legislation with regard to the fourth section.

Now let me show how inconsistent and idiotic their position in this matter is: The Interstate Commerce Commission has adopted a criterion as the basis for granting this relief. Now, what is that criterion? It is in writing and has been published by the Interstate Commerce Commission. It reads:

> In the light of those two similar considerations we are of the opinion and find that in the administration of the fourth section the words "reasonably compensatory" imply that a rate properly so prescribed must (1) cover, and more than cover, the extra or additional expense in handling the traffic to which it applies.

In other words, the criterion laid down by the Interstate Commerce Commission is that a rate is "reasonably compensatory" if it pays the actual cost of handling freight to the Pacific coast plus 1 cent.

Now, mind you, Mr. President, the Senator from Iowa [Mr. CUMMINS], who is one of the authors of this act which we seek to amend, stood upon the floor of the Senate and said that that was never the intention of Congress. The Senator from Utah [Mr. SMOOT], now sitting in his seat, also declared that that was never the intention of Congress; that what Congress meant by a "reasonably compensatory rate" was a rate that would not only pay the actual cost of moving the freight but would contribute toward a fair return on the property.

Mr. SMOOT. Which would contribute its share toward a fair return on the property.

Mr. PITTMAN. Which would contribute its share toward a fair return on the property. Yet in spite of those speeches by leaders of this body, in spite of every speech made on this floor, in spite of the legislative history of section 4, the Interstate Commerce Commission publishes a criterion by which they will be governed in determining these applications.

Mr. President, the commission have in the past carried that criterion out; they have in the past given to the western roads a rate to the Pacific coast so low that they could divert half of the freight moving by water through the Panama Canal. Applications are now pending for the same relief; all of the western railroads are now asking that they be given a low rate to the Pacific coast in order that they may get at least one-half—that is what they say, "one-half"—of all of the traffic passing through the Panama Canal. Why should not the Interstate Commerce Commission grant them that rate? It is in accordance with their criterion; it is in accordance with their past decisions.

As a matter of fact, Mr. President, unless this power shall be taken away from the Interstate Commerce Commission, or, at least circumscribed, they will grant the applications, and when they do so that which the railroads avowedly seek will happen, and one-half of the traffic will disappear from the Panama Canal. Mind you, they admit that one-half will dis-

appear, but whenever there is fixed a rate so low as to drive one-half of the transportation off the Panama Canal it will also drive the other half off. That was the history of transportation on our rivers.

Mr. President, the great business organizations of the East are opposed to these applications of the western railroads; but what good does their opposition do? What good has it ever done? It has never done any good, and it can not do any good. There is only one way to reach the desired end, and that is for the Congress of the United States to say to the Interstate Commerce Commission, "You have violated the powers that we intended to give you even after you were openly informed as to what those powers were, and the only way we can stop you apparently is to take them away from you."

Suppose the great business organizations of New Orleans knew that the only way in which they could prevent the granting of this relief asked for by the western railroads was to take the action which is now proposed here; what would they do? They would do just what we are seeking now to do. Suppose, for instance, the Chamber of Commerce of the City of New York, which in a recent hearing before the Interstate Commerce Commission protested against these applications of the western railroads, knew that the only way they could make their protest effectual was by doing what we are seeking to do to-day and taking that discretion away from the Interstate Commerce Commission; what would they do? What would the Chamber of Commerce of Toledo, Ohio, do? What would all of the great business organizations do? They would do exactly what we are trying to do.

The whole history on this matter shows what is likely to happen. In 1887 the Congress of the United States adopted the fourth section of the interstate commerce act, which prescribed as the policy of this Government that no railroad company should be allowed to charge more for a short haul than for a long haul when the short haul was included within the long haul. Then they wanted to allow some little discretion because there might be some special cases where a certain part of that haul was competitive, and what did they do? They said that in special cases and where the circumstances were dissimilar an exception might be made. The actual wording was that the railroads should not be allowed to charge a greater amount for the short haul than the long haul "under substantially similar circumstances and conditions." That was the exact wording of the act.

What happened then? The Supreme Court of the United States held that whether the circumstances and conditions were similar was a matter to be determined by the railroads. Consequently, from 1887 the railroads found that the circumstances and conditions were not similar when the railroads were put in competition with boats. What did they do? They made the rates on the railroads at points of competition with the boats so low that they drove the boats off, and then they made the rates higher for the shorter haul and earned the same amount. The Congress of the United States never intended that, and in 1910 there occurred one of the greatest debates in the history of the Senate on that very question. The Congress of the United States was so incensed at the construction put upon those words that they struck out those words from the act.

Then what happened? Congress having still left in the act the power to grant these exceptions in special cases, the Interstate Commerce Commission utilized the words "special cases" to enable the railroads to continue to do everything that was done before the language was stricken out in 1910. But a few days ago the chairman of the Interstate Commerce Commission, Mr. Hall, said the meaning of section 4 was not changed by striking out the words "under similar circumstances and conditions." Think of it! The Congress of the United States having been led to believe that these discriminations and these outrages were being committed under certain language, purposely struck that language out as notice to the Interstate Commerce Commission that they did not want such practices to continue; and yet, with that knowledge, the same body, which is a creature of the Congress of the United States, took another two words in the act, the words "special cases," and allowed the same discrimination and the same destructive rates, so far as water competition was concerned, that were allowed before.

Then what happened? In 1920 Congress, still trying to exert some control over the Interstate Commerce Commission, still trying to impress them with what the policy of this Government was with regard to transportation, provided expressly that they should not grant any rate which was lower for the long haul than for the short haul unless the long-haul rate was reasonably compensatory.

The Interstate Commerce Commission knew what Congress intended by the words "reasonably compensatory," because the question was debated here. When we speak of something being compensatory, it does not take a lawyer to understand the meaning. When it is stated that a man is not going to be required to labor for a wage that is not compensatory, we know what it means. Everybody knew what "compensatory" meant except the Interstate Commerce Commission; and yet, after Congress amended the act of 1920, what did they do?

They did exactly the same thing that they did prior to 1910 and exactly the same thing that they did prior to 1920. They established the criterion that I have just read, which said that "reasonably compensatory" meant out-of-pocket cost plus. That is what they did, and they are still doing it.

What language are you going to put into the law that will impress upon the Interstate Commerce Commission the policy of this Congress? You have tried for 40 years to put something of that kind into it. There is but one thing that you can put into it that will have that effect, and that is what is in this amendment. You can say to them: "You can not charge more for a short haul than for a long haul, except in the cases that we are going to mention"; and those cases are as set forth in this bill, as when two railroads meet at a competitive point and the line of one of them is circuitous and the other direct, or when there is a great national emergency, such as famine or disaster, or when the transportation is solely for the export trade. That is what we have done in this amendment. We have taken away from them the power to allow railroads to put water transportation out of business, as they have done for 50 years, in violation of the policy of this Government.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. SMOOT. Some of us have passed through this ordeal twice now and have come out of it with the thought that we won a victory, and in the end we found that there was a failure. I hope that the Senator now will allow no amendment in any way, shape, or form to be made to his proposed amendment, because when this amendment is adopted there will be no question as to its meaning, and even the Interstate Commerce Commission can not construe it in any other light than that in which Congress intended that the law of 1910 should be construed.

If we can get the attention of the Senate, and point out the discriminations—not ordinary ones, but wicked discriminations—against many of the Western States, as we did in 1910, the time referred to by the Senator from Nevada, there is no question as to what the Senate will do. When it was pointed out in 1910 it was a revelation not only to the Senators themselves but to the people generally.

The proposition is one that I came up against personally many times. I would go to San Francisco to buy a few carloads of wool. I would step into the Southern Pacific office and ask them what the freight rate on wool was. They would say: "Seventy-five cents a hundred." I would say: "I have two or three cars that I want to ship." "Do you want to ship them to Boston or Philadelphia?" I said: "Neither; I want to ship them to Provo." "Oh, well, the freight rate to Provo is $2.25 a hundred"—75 cents to Boston, and the distance not a third!

That is what we have run up against right along, and that was pointed out in 1910. I could stand upon this floor and point to such cases by the hundreds. It is unjust; it is unfair; and I hope the next bill that we pass here will be one that never can be misconstrued by any person or any organization of the Government.

Mr. PITTMAN. Mr. President, I thank the Senator for that statement.

Mr. WALSH of Montana. Mr. President, will the Senator suffer an interruption?

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Nevada yield to the Senator from Montana?

Mr. PITTMAN. I yield.

Mr. WALSH of Montana. As I understand the history of this matter and the grounds upon which the distinction has been made authorizing the lesser rate for the long haul than for the shorter haul included within the long haul, the cases fell within two classes—one where there is water competition and the other where there is rail competition to a common point.

Mr. PITTMAN. Yes.

Mr. WALSH of Montana. Before there was any legislation on the subject at all, were not those two grounds practically the only grounds upon which railroads did make a lesser charge for the long haul than for the shorter haul?

Mr. PITTMAN. I think so.

Mr. WALSH of Montana. It would seem absurd to make a higher charge for the short haul than for the longer haul unless one of those two conditions prevailed; so that that was really the situation that was intended to be met by the very first law in relation to the subject, was it not?

Mr. PITTMAN. It was.

Mr. WALSH of Montana. And we have been working 30 years, and we have not reached it yet.

Mr. PITTMAN. No. Congress has understood it for 30 years. The Interstate Commerce Commission has knowingly violated it for 30 years, since its establishment, as I have stated before. In spite of the debates each time Congress amended the law so as to correct that wrong, every time after that the Interstate Commerce Commission went right back to where it was before, and it adopted the criterion which I read. That is the basis on which the commission will grant these discriminations.

The basis upon which Congress granted the discriminations was one thing. The basis upon which the Interstate Commerce Commission grants them is another. We stated that no discriminations could be granted in any case except where the rate for the longer haul was reasonably compensatory. The Senator from Iowa [Mr. CUMMINS], the chairman of the committee, interpreted that on the floor of the Senate. He did not interpret it according to the commission's criterion. Congress accepted this interpretation, and it was accepted in the debates, that "reasonably compensatory" had the ordinary intelligent meaning—that it meant that the rate should contribute its reasonably fair part to the just and fair return on the property. The Interstate Commerce Commission finds that it is not necessary to do that at all, but that if the rate pays the actual cost of handling the freight, plus 1 cent, that is sufficient.

Mr. WALSH of Montana. Mr. President, adopting that interpretation of the last revision of Congress, just what kind of a showing does the Interstate Commerce Commission require of a railroad company when it applies for permission to put in force the lesser rate for the long haul?

Mr. PITTMAN. I asked that very question of Chairman Hall when he was on the stand; and he said that if the railroad companies could show them that they would not get the freight if they did not put the rate down there, and that they would get it if they did put it down there, they considered that it was a contribution to their overhead charges.

Mr. WALSH of Montana. But really, in practice, the interpretation given to the statute, as it now stands, is the interpretation that was given to the statute before the amendment was made?

Mr. PITTMAN. It is the same that was given it before 1910. It is the same that was given it before 1920. What I am warning these men who are seeking to improve their rivers and harbors is that the applications that are now pending before the Interstate Commerce Commission must be granted unless this authority is canceled.

Mr. RANSDELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Louisiana?

Mr. PITTMAN. I do.

Mr. RANSDELL. The Senator evinces by his argument a great deal of friendliness—and I am very glad indeed to see it—for water transportation in this country, not alone for that on the interior rivers but for our coastwise commerce. I, perhaps, missed part of the Senator's remarks, but I should be glad to have him elucidate so that we can not misunderstand just how the adoption of this provision would assist in placing the boats back on our great rivers like the Ohio, the upper Mississippi, the Missouri, and the lower Mississippi. I am not quite sure that I follow the Senator; but even if we adopt this provision and annul this long and short haul clause, how is that going to prevent the railroads from discriminating in favor of river points as against interior points, provided they are not on the same line?

Mr. PITTMAN. I will explain that.

In the first place, there are two provisions in the interstate commerce act. One of them is that the commission shall fix maximums or minimums or maximums and minimums for railroads. That is one thing; but this provision that exists here now is an exception to the whole act. That is what they use.

Here is your river, and here is a railroad on each side of it. The railroad from the head of the river to the mouth of the river, from the head of navigation to New Orleans, has a rate, and that rate is so low that a boat can not run from the head of the river to its mouth and make any money on the freight rate that the railroad charges on that stuff.

Mr. RANSDELL. That is true to a great extent I am willing to admit.

Mr. PITTMAN. Now, how can the railroad do that and make a living? Because, as has been testified to——

Mr. RANSDELL. Pardon me; the point I want to get is how the adoption of this provision of the Senator's would prevent the railroad from continuing to do that if it desired to do it.

Mr. PITTMAN. For the simple reason that they could not afford to make the railroad rate from St. Louis to New Orleans 1 cent per 100 pounds if they could not get any more than 1 cent per hundred from St. Louis to any point in between, and they could not obtain a higher rate to the intermediate point if my amendment is adopted.

Mr. RANSDELL. But they could charge more out to Kansas City, for instance, or to Little Rock, though they are not on the same line. They would be exactly in the same direction, however.

Mr. PITTMAN. That is all true enough.

Mr. RANSDELL. Or they could charge more to Nashville, on the east side, or to points like Meridian, Miss., or Birmingham, Ala.

Mr. PITTMAN. Yes; but they could not do it at the places en route there.

Take a railroad, for instance, that goes from Kansas City through Shreveport, La., to New Orleans. They can have a rate, if they want it, to New Orleans, of 50 cents. They can have a rate of $6 a hundred to Shreveport if they want it, and they can have a rate of $6 a hundred to every other point between Kansas City and New Orleans that is not on a river, and they do that; but that is contrary to the policy of section 4, and it is contrary to the policy of this country. The only reason why they can do it is that there is a provision in the law which states that in special cases they may allow a greater charge for the short haul than for the long haul, the shorter being included in the longer, and that is where it is, if the long-haul rate is reasonably compensatory, under the misconstruction of the Interstate Commerce Commission. The purpose of my amendment is to prevent this.

As a matter of fact, the rate from Kansas City to New Orleans is not compensatory. It does not pay the railroad its proportion of a fair return on the property. The railroads know it; the Interstate Commerce Commission knows it; but it puts boats out of business, because boats are not as attractive where the rates are the same; and how do railroads make it up? They make it up by charging more along their line for the short haul than they do for the noncompensatory rate at the terminals.

You can not force on a railroad company a rate that is confiscatory. Consequently they can not force down the rates at the intermediate points. They are entitled to a rate that pays a fair return; but they do, under this exception, allow them a rate that is confiscatory, just so that they can run the boats out of business.

Suppose the railroads did not have the authority in competition with water—and that is all this applies to, competition with water—to charge less for the long haul than the short haul. What would be the result? The result would be that along their whole system from New York to New Orleans, from Chicago to New Orleans, from Kansas City to New Orleans, they would have to have the same rate to New Orleans that they had to every point this side of New Orleans. They could not have any less. As the rates to the water-competition point, if required over the whole system, would not pay, all rates would be raised.

Mr. RANSDELL. The Senator means they could have the same, but no less?

Mr. PITTMAN. No less than that. What is the result? They would not make it 50 cents down to New Orleans for the through rate, because if they should say to the Interstate Commerce Commission that it was a compensatory rate, then they would admit such rate to be a fair rate for intermediate points.

Mr. RANSDELL. Then, if the Senator is correct in his assumption, the boats would go back on the rivers, would they not?

Mr. PITTMAN. Yes. Why have they gone off? I would like to have some man like the Senator, who is constantly standing here and asking us to appropriate money to improve navigation on the Mississippi River, to tell us why the boats went off the rivers.

Mr. RANSDELL. I have always had the idea that they were driven off by the railroads, which charged very high rates to interior points and very low rates to river points. I do not think there is any question about that. I am very

sympathetic, I will say to the Senator, with the unfortunate situation that exists to-day in the intermountain section.

Mr. PITTMAN. I am not talking about the intermountain section.

Mr. RANSDELL. I know the Senator is not, but his friends are, and he lives out there, and I think I know human nature pretty well. I am very sympathetic with what you gentlemen have in mind, and if you can get the proposition in such shape that you will assist in utilizing the great highways which the Creator gave us in these wonderful rivers, and which I believe are actually needed to help carry the commerce of the country, I think you will get my cordial cooperation in this matter. But I do not believe you have it quite arranged yet. I think a great many people will be found in the United States who are exceedingly anxious to see the boats go back on the rivers. Not only that, but we would like to see fair treatment for those great sections of our country that help to pay taxes to improve the rivers and get no benefit from it. I wish to reiterate what the Senator from Utah said, that we have had so much trouble about this matter that I think Senators should be very, very careful now and be sure they are right when they pass a measure like this, so that it can never be misunderstood.

Mr. PITTMAN. That is what the railroad managers say; be careful, and do not do anything.

Mr. RANSDELL. I do not think that slur of the Senator is quite deserved, for no one can ever charge me with being a railroad man. The Senator, perhaps, did not intend that. A man who for 25 years has stood here in Congress and advocated waterway improvements, as I have, and stood for completing our waterways should certainly never be connected with the railroads in a slurring manner like that.

Mr. PITTMAN. Mr. President, I have the very highest respect for the integrity of my friend from Louisiana, and I do not intend to charge him with being under the influence of the railroads; but the railroads have a motive in fighting this proposition. The Senator has no motive in fighting it, but he has not the same energy in fighting for transportation on the Mississippi River that he should have. As a matter of fact, he has fought for appropriations ever since he has been in Congress, and the very guise under which he got most of them was a plea to make the Mississippi River navigable. He has been perfectly contented as long as we appropriated money to make it navigable, whether it ever had a boat on it or not. As a matter of fact, it has no boats on it, and the Senator is just as happy as if it did have.

Mr. RANSDELL. Will the Senator yield?

Mr. PITTMAN. I yield.

Mr. RANSDELL. That is another very unwarranted statement, and I am surprised at my amiable friend saying a thing of that kind. Certainly you can not use a river until it is navigable.

Mr. PITTMAN. How long would it take to make that river navigable?

Mr. RANSDELL. In 1874 we started out to improve the Ohio to a depth of 6 feet. I entered Congress in 1899 and was an earnest advocate of improving the Ohio so that it would have not 3 or 4 months of navigation but 12 months of navigation. In 1910 we adopted a project for a 9-foot channel from Pittsburgh to Cairo. In the act of 1910 we said that we were going to make that river absolutely navigable for 12 months and that it would be completed in 10 years. That was 14 years ago, and yet Congress has gone on in the most unbusinesslike manner, and we are still five or six years from the completion of the Ohio River project. No chain is stronger than its weakest link. How can the Ohio, the biggest feeder of the Mississippi, be used until it is made navigable for 12 months? There are railroads running along each bank of the river. Those railroads can serve the public every day in the year. The river can not serve them——

Mr. PITTMAN. Let me ask the Senator a question.

Mr. RANSDELL. Let me finish this. The Senator asked me a question. The river can not serve them except when the boats can run, and the boats can run only in high water. The Senator speaks about the Mississippi being made navigable. There are a great many shallow bars on that river. I have here the report of Colonel Ashburn, in charge of the barge line, which will show the Senator that two years ago it was impossible to operate boats on that river. Why should it not be made navigable? Beyond question it ought to be.

I yield now, if the Senator wants to ask me another question; or I yield the floor.

Mr. PITTMAN. I like to hear the Senator talk. When I was a boy living on the Mississippi River, a long time ago——

Mr. RANSDELL. That was a long time ago; I remember it.

Mr. PITTMAN. Since that time probably a hundred and fifty million dollars has been spent on the Mississippi River to make it navigable, and at that time probably not five or six million dollars had been spent to make it navigable. I remember when from a hundred and fifty to two hundred boats were docking every day at Vicksburg.

Mr. RANSDELL. How many railroads ran into Vicksburg then?

Mr. PITTMAN. The Senator has come directly to the point. There were but few railroads down there then, but what I am getting at is this, the river was navigable there, and any number of boats ran on it before any money was spent to improve it, but now, after a hundred and seventy-four million dollars has been spent on the river, there are no boats, and in this bill you are asking for more money for the river, but you are suggesting no means of getting boats on the river.

Mr. RANSDELL. The Senator is mistaken. We have a barge line there. We are trying to persuade the people to operate that barge line. We are trying to show them that it can be done. On the Ohio River, which we are improving, great corporations like Jones & Laughlin, of Pittsburgh, and the United States Steel Corporation have, in the last two years, built wonderful fleets. They carry very large commerce down the Ohio during the four or five months of water navigation.

There is a tendency on the part of the people to return to the use of the river, but the Senator knows that when the railroads ran on both sides of the river and gave such cheap rates to river points the boats could not possibly compete, and the railroads drove the boats out of business just as he has said. I have said that many a time on this floor, and I say it again.

Mr. PITTMAN. What does the Senator propose to keep them from driving the boats off?

Mr. RANSDELL. I am trying to assist in building up a barge line there and have it give such effective service, so much cheaper than the railroads are giving, that they can make some money, and I am willing, I will say to the Senator, to assist him in any legislation that will compel the railroads to give fair treatment to the boats. Congress has been trying to accomplish that for many years. The Senator himself stated here that we had legislated on the subject more than once. I recall helping to pass that legislation myself, but we do not seem to have gotten anywhere with it. I am willing to help pass any reasonable legislation that will prevent unfair treatment of river transportation.

Mr. PITTMAN. How on earth could this amendment hurt the river transportation?

Mr. RANSDELL. I have not said that it would.

Mr. PITTMAN. Then, what has the Senator in mind?

Mr. RANSDELL. I am asking questions.

Mr. PITTMAN. I know; but the Senator said that I had not won him yet. I want to state one thing—that the Senator had better be more careful about winning some of the rest of us than having us win him. The Senator understands there has been request for this continuous outpouring of the people's money to improve this river year after year for 50 years, and now he comes here and says, "If you get some reasonable scheme to help them I will join you." The Senator admits the railroads have run the boats off, but he does not offer a single suggestion to prevent it.

Then he, the Senator from Louisiana—a State on the Mississippi River—asks men who do not live on the Mississippi River, who do not live on any river, or on any harbor, to come in and help get through an appropriation year after year amounting to millions of dollars, while he sits idly by and says, "Well, there are no boats on the river. The railroads can run them off, and we are not going to do anything against the railroads."

Mr. RANSDELL. In further answer to the Senator, I would like to say that one of the reasons why the railroads have succeeded in driving the boats out of business is because in the early days the boats were the only means of transportation. There were no highways, there were no railroads, and if boats could serve the people for four or five months out of the year it was a great deal better than for the people to haul with log wagons over the plains and through the forests. But when the railroads came on the scene and gave very good service, and afforded transportation so much cheaper than the boats were able to furnish it in this very unsatisfactory commerce of just a few months, the boats were driven out; and the object of improving the rivers, I will say to the Senator, is to give us continuous service, not for four or five months but for the whole year.

Mr. PITTMAN. When the Senator and I were boys on the Mississippi River did the boats tie up on that river where the Senator was at any time of the year?

Mr. RANSDELL. Yes; they tied up a good while there. The Senator has seen them when he used to live at Bunchs Bend, in northeast Louisiana, on the banks of the Mississippi. I have seen five of them. In 1882 I went to live in East Carroll Parish, and I have lived there ever since. I have seen at one time the smoke of five boats tied up on sand bars in the river. There were plenty of them in those days.

Mr. PITTMAN. That was not many out of 500.

Mr. RANSDELL. I mean at one time. They were tied up on sand bars. They could not proceed because of the shallow bars. But there was not a railroad on either side of the river then. The people would frequently have to wait for a month or six weeks or two months for their freight; but they would get it eventually. Now, of course, with a good railroad on either side of the river, they are not going to do business with boats unless the boats can travel the entire year. The boats have now been driven off, and the feeders of the Mississippi are unnavigable, except for brief periods. I will say to the Senator that the great river on which the distinguished Senator from Missouri [Mr. REED] lives—the Missouri—is a navigable stream but a short portion of the year, the upper Mississippi is a navigable stream for only a few months, and the Ohio is not a navigable stream except for a limited period. We are trying to complete that system. There is a bill in Congress now providing for the absolute completion of the Missouri to Kansas City, the upper Mississippi to St. Paul, and the Ohio to Pittsburgh within a period of five years. When those rivers are all completed you will see a great many boats on them. In the meantime we have been doing what we could. I have never failed to vote for any legislation to help protect the boats from unfair rail competition.

Mr. PITTMAN. But the Senator is not going to vote for this amendment?

Mr. RANSDELL. I did not say I would not. The Senator is assuming that I am not for his amendment. I have not said so at all. I will say to the Senator that I have been leaning very strongly toward his amendment. He is assuming something without any authority.

Mr. PITTMAN. The Senator said I had not convinced him yet.

Mr. RANSDELL. I beg the Senator's pardon. I said I would like to have him give me some information. If he could get provisions inserted in his amendment which would assure me that the effect of the measure would be to put the boats back on the river, I would be with him strong. Now, with his eloquence, let him convince me of that, or, if his measure does not accomplish it, let us pull together and change it so that it will do that; then I will be with him.

Mr. PITTMAN. If the Senator will ask any railroad man, or ask anyone a member of the Interstate Commerce Committee, he will learn that if we do not allow them to charge a confiscatory rate at points where there is water competition, they will have to charge more. On the Senator's argument, if the railroads had to charge more at competitive points with the boats, the boats could charge more, and on his very argument that the boats could charge more, the boats can run. If the Senator can think of anything better to ask anybody around here to propose, I want him to do it, because I tell him that there are a great many people in this country who are getting tired of voting for 40 years to appropriate millions of the people's money to make rivers navigable when the people on the river do not care to use them.

Mr. REED of Missouri. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. PITTMAN. I yield.

Mr. REED of Missouri. I am very sorry to hear the debate on what I regard as a highly meritorious proposition take the turn it has just assumed. The proposition brought forward by the Senator from Nevada ought to be voted upon on its merits, on its general benefit to the entire community, or it ought to be rejected because it is not a good measure for the entire country. I do not know why any man should be asked to demonstrate that it will put boats on the river before he can ask people to support the measure. I do not believe the amendment will gain any strength by the implied threat that if it is not passed there will be no more money appropriated for the rivers of the country. I hardly think that is the way to get votes, if the Senator from Nevada will permit me to say so.

Mr. PITTMAN. I did not say that as a threat. I said it as a common-sense proposition, that the country is getting quite tired of having appropriations made to improve navigation without getting transportation.

Mr. REED of Missouri. The Senator said it in a certain connection, and I am not criticizing him; but I say it is a poor way to get votes for a measure which I believe to be perfectly meritorious in itself and which I intend to support, and the principle of which I have supported ever since I have been in the Congress.

Mr. PITTMAN. So have I.

Mr. REED of Missouri. But the other question, which is a question by itself, relating to the virtue or the vice of appropriating money for the rivers, is one that ought to be settled by itself. I can not see why the Senator from Louisiana, whom I esteem very highly, would have demanded to know that the amendment was at once to relieve against unjust railroad rates and also carry with it an improvement of the rivers.

Mr. GOODING. Mr. President, will the Senator from Missouri yield?

Mr. REED of Missouri. I am here by the grace of the Senator from Nevada.

Mr. PITTMAN. I am going to yield the floor inside of three minutes.

Mr. REED of Missouri. Then I shall not further trespass on the Senator's time, but will take the floor for a few moments in my own right a little later.

Mr. WALSH of Montana. Mr. President, will the Senator from Nevada permit a slight interruption on my part?

Mr. PITTMAN. Certainly.

Mr. WALSH of Montana. I have been following the line of thought indicated by the questions propounded to the Senator from Nevada by the Senator from Louisiana, and I am not able to follow the line of thought he has in mind, namely, that the amendment offered by the Senator from Nevada will not have a tendency to restore river navigation. As I understand the Senator, his view is that a railroad company which has a line paralleling a river may be disabled from charging rates along the river for the short haul greater than for the long haul, but that the same railroad may have another line penetrating into the interior of the country and it will impose on that part of its line the burden of sustaining itself by reason of the lower rates which it must give along the river. The Illinois Central is in that situation. It has a line, as we all know, running practically parallel with the Mississippi River from Chicago to New Orleans, and it has also a line running west as far as Sioux City. Although it might be guilty of charging lesser rates along the Missouri River, I take it the Senator's idea is that it could impose very heavy rates upon transportation out as far as Sioux City, and thus balance up. Of course, there is a limit, however, to what it can charge those people.

But let me put to the Senator the case of competition with the river. Take the case of a railroad line running from the city of New York to the city of St. Louis. Foreign merchandise going to the city of St. Louis may either go by the port of New Orleans or may go by the port of New York, either by rail or by water. The railroad charges a less rate from New York to St. Louis, or no higher rate than the rate from New York by water to New Orleans and St. Louis. Of course, the railroad is going to get the business. In order to get the business, however, it has to make a rate to St. Louis practically as low as the water rate; but it can not live on that rate, and so it must charge a higher rate to intermediate points between New York and St. Louis. If it were prohibited from charging a higher rate from New York to intermediate points than it charges clear through to St. Louis, as a matter of course it would have to charge, in order to make a living, a higher rate upon its through freight to St. Louis, and accordingly competition on the part of the boats would not be as strong, and they would have a chance to live that they otherwise would not have. Therefore, why is not the tendency of the amendment to which the Senator from Nevada is now addressing our attention to promote transportation carried by water rather than by land?

Mr. RANSDELL. Mr. President, will the Senator from Nevada permit me to answer the Senator from Montana?

Mr. PITTMAN. Certainly.

Mr. RANSDELL. I will say in reply to the Senator that I am inclined to think he stated the case very fairly and correctly, and I am sorry if I gave the impression in what I said that I am opposed to the idea of the amendment, for I have always favored it.

Mr. WALSH of Montana. As I understood the Senator, he favored it, not, however, because it would help restore river transportation, but upon some other consideration.

Mr. RANSDELL. The Senator misunderstood me. I said I thought there had been very great unfairness in many sections

of the country, and that I was particularly interested in the development of the waterways and the use of those waterways. I simply asked the Senator from Nevada to explain to me as fully as he could how the commerce of the waterways was going to be restored; and if this amendment was not going to restore it, then I tried to indicate to him that I would aid him to frame it in such way that it would restore the commerce of the waterways and at the same time accomplish what the intermountain States so badly need. I understand they are charged outrageously high rates by the railroads.

Mr. WALSH of Montana. But the line of argument which I have advanced to the Senator certainly must have occurred to him.

Mr. RANSDELL. It has occurred to me.

Mr. WALSH of Montana. There was no acuteness upon my part, so I was a little surprised when the Senator from Louisiana asked the Senator from Nevada to explain to him how the amendment would tend to restore water transportation.

Mr. RANSDELL. I wanted to get the reason for the faith that seemed to be so strongly in the mind of the Senator from Nevada who was making such an eloquent speech about how the boats had been driven off the rivers by the onslaughts of the railroads and driven off the Panama Canal, and how they were going to come back. I wanted to understand his reasoning about it, as I had heard it reasoned more than once and as the Senator from Montana reasoned just a moment ago in explaining it, because his explanation is the same I have heard before.

Mr. PITTMAN. As the Senator has reasoned it out before in that way, why did he ask the Senator from Nevada? As a matter of fact, I tried to reason it out to the Senator in the same way, but I was not as clear as the Senator from Montana.

Mr. OVERMAN. Mr. President, will the Senator yield to me?

Mr. PITTMAN. I yield to the Senator from North Carolina.

Mr. OVERMAN. New Orleans is a water point and so is Norfolk, Va. I will give the Senator a concrete case to show how water transportation works. A barrel of molasses was shipped from New Orleans to my town, Salisbury, N. C., and another barrel shipped to Lynchburg, Va., which is near Norfolk. They had been charging more to my town than they had charged Lynchburg, which was 150 miles further. Would the amendment cover such a case as that? In other words, the molasses could be shipped to Lynchburg, Va., and shipped back along the same line to my town, and money saved on the freight charges.

Mr. PITTMAN. I do not know on what ground they charge more for the short haul than they do for the long haul.

Mr. OVERMAN. That is the point. They claim it is on the line near Norfolk.

Mr. PITTMAN. Do they claim it is water competition?

Mr. OVERMAN. Yes.

Mr. PITTMAN. Then I will say that if the Senator is charged more for the short haul than the long haul which he has just described, and permission to make that charge is granted by the Interstate Commerce Commission on the ground that Lynchburg is included within the water points, that discrimination would be removed by the amendment.

Mr. SMITH. I think perhaps the Senator from North Carolina may be mistaken.

Mr. OVERMAN. I do not know whether that is the case now, but that was the case that existed 10 years ago, I think, when I introduced the amendment now contained in section 4, which I thought would correct the situation. It has not corrected it by reason of the fact of the discretion given to the Interstate Commerce Commission.

Mr. SMITH. I think the Senator refers to what was commonly known as a base point. They selected certain interior points like Atlanta, Ga., for instance, which they used as a base for rate making in certain zones. I think perhaps Lynchburg may have been in that category.

Mr. OVERMAN. Lynchburg is in another classification district, although it is in a neighboring State.

Mr. SMITH. It came within the definition of base point, like Atlanta, Ga., rather than under the water competition.

Mr. OVERMAN. I understand the water competition argument, but I did not know how it would affect the interior points.

Mr. PITTMAN. I ask permission to place in the RECORD in parallel columns section 4 of the transportation act as it now exists and the amendment which I have introduced, so Senators may be enabled to readily see the change that is proposed in the existing law. I have tried to describe the change. As a matter of fact the change simply means that they can not grant this exception and departure from section 4 to meet water competition. It does not affect it as far as making exceptions between railroads is concerned.

The PRESIDING OFFICER. Without objection, the request of the Senator from Nevada is granted.

The matter referred to is as follows:

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SEC. 406. Section 4 of the Interstate Commerce act is hereby amended to read as follows:

"SEC. 4. (1) That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act, but this shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance: *Provided*, That upon application to the commission such common carrier may in special cases, after investigation, be authorized by the commission to charge less for longer than for shorter distances for the transportation of passengers or property; and the commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section; but in exercising the authority conferred upon it in this proviso the commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed; and if a circuitous rail line or route is, because of such circuity, granted authority to meet the charges of a more direct line or route to or from competitive points and to maintain higher charges to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between the competitive points; and no such authorization shall be granted on account of merely potential water competition not actually in existence: *And provided further*, That rates, fares, or charges existing at the time of the passage of this amendatory act by virtue of orders of the commission or as to which application has theretofore been filed with the commission and not yet acted upon shall not be required to be changed by reason of the provisions of this section until the further order of or a determination by the commission.

"(2) Wherever a carrier by railroad shall in competition with a water route or routes reduce the rates on the carriage of any species of freight to or from competitive points it shall not be permitted to increase such rates unless after

MR. PITTMAN'S AMENDMENT TO HOUSE BILL 7877

Amendment intended to be proposed by Mr. PITTMAN to the bill (H. R. 7877) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1925, and for other purposes, viz:

On page 96, after line 6, insert a new paragraph to read as follows:

"That paragraph (1) of section 4 of the interstate commerce act, as amended, is amended to read as follows:

"'(1) That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act, but this shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance: *Provided*, That upon application to the commission a common carrier by rail may, after public hearing, be authorized by the commission to charge less for longer than for shorter distances for the transportation of passengers or property only in a case where the route via the applicant rail carrier or rail carriers is longer than via the route of some other rail carrier or rail carriers between the same points; but in exercising the authority conferred upon it in this proviso the commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed; and if a circuitous rail line or route is granted authority to meet the charges of a more direct rail line or rail route to or from competitive points and to maintain higher charges to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between competitive points: *Provided further*, That the commission may, with or without hearing, upon its own motion or upon application of carrier or shippers, in cases of emergency such as drought or disaster, authorize during the continuance of said emergency any common carrier or carriers to charge or receive a greater compensation for a shorter than for a longer distance.

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hearing by the commission it shall be found that such proposed increase rests upon changed conditions other than the elimination of water competition."

MR. PITTMAN'S AMENDMENT—CON.

"'Where any common carrier has or common carriers have in effect any rate, fare, or charge which is less for the longer than for the shorter distance between two points (the shorter being included within the longer distance), and which has been authorized by the commission or as to which application was filed with the commission on or before February 17, 1911, and not yet acted upon by it, such rate, fare, or charge shall not become unlawful (except by order of the commission) until after 12 months following the passage of this amendatory act; nor shall such rate, fare, or charge in effect via circuitous rail carrier or rail carriers become unlawful if it shall have been authorized by order of the commission, after public hearing, based on no less a showing than that upon which the commission is herein authorized to grant relief.

"'*Provided*, That nothing in this section contained shall prevent the commission from authorizing or approving departures from the provisions of this section in so far as applicable to import or export rates, including rates applicable to traffic coming from or destined to a possession or dependency of the United States, or to a block system of express rates established by order or with the approval of the commission or permitted by it to be filed.'

"Paragraph 2 of section 4 of the interstate commerce act, as amended, is hereby repealed."

INCREASE OF PENSIONS—BILL INTRODUCED

Mr. BURSUM asked and obtained leave to introduce a bill (S. 3304) granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows, and to certain Spanish War soldiers, and certain maimed soldiers, and for other purposes, which was read twice by its title and referred to the Committee on Pensions.

EXTENSION AND WIDENING OF STREETS

The PRESIDING OFFICER (Mr. LADD in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 114) to vacate certain streets and alleys within the area known as the Walter Reed General Hospital, District of Columbia; and to authorize the extension and widening of Fourteenth Street from Montague Street to its southern terminus south of Dahlia Street, Nicholson Street from Thirteenth Street to Sixteenth Street, Colorado Avenue from Montague Street to Thirteenth Street, Concord Avenue from Sixteenth Street to its western terminus west of Eighth Street west, Thirteenth Street from Nicholson Street to Piney Branch Road, and Piney Branch Road from Thirteenth Street to Butternut Street, and for other purposes.

Mr. BALL. I move that the Senate disagree to the amendments of the House of Representatives, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and Mr. BALL, Mr. JONES of Washington, and Mr. KING were appointed conferees on the part of the Senate.

WAR DEPARTMENT APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7877) making appropriation for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1925, and for other purposes.

Mr. WARREN. Mr. President, I desire to amend the bill by adding to the amendment of yesterday, at the commencement, the word "Hereafter." It was inadvertently left out.

The PRESIDING OFFICER. Without objection, the amendment will be made.

Mr. GOODING. Mr. President, the friends of this measure found themselves in this position: The Committee on Interstate and Foreign Commerce of the House of Representatives has a great number of railroad bills before it, but with the exception of one bill of very little importance no hearings have been held on those bills by that committee. So I and others who were supporting this measure felt that to take up the time of the Senate without some chance of getting the measure before the House would be fruitless. That is the reason why an amendment will be offered to the Army appropriation bill affecting the long and short haul provision of the interstate commerce act.

Mr. President, no question enters into the life of this Nation more deeply than that of transportation. It is of vital importance to every State in the Union, to every community, and to every industry; no State, city, nor community, nor industry can develop beyond its transportation, and our country will be just as big and just as great as its transportation facilities. Beyond them it can not develop.

If our country is to reach its full greatness as a Nation, then transportation rates must be reasonable, just, and fair, and without discrimination to any State in the Union, to any community, or to any industry. Nor can this country develop to the full extent of which it is capable without the development of water transportation on our inland waterways and without the development also of coastwise shipping. As I see it, a great crisis confronts this Nation in the matter of transportation, and unless we permit the development of our inland waterways by eliminating discrimination against water transportation by our own Government, through the Interstate Commerce Commission, then the mighty growth and development that has taken place in America in the last few years will be forced to come to a standstill for the lack of adequate transportation.

Mr. President, our railroads will always remain the greatest factors in our transportation. The man who would deliberately impair the great railroad system of America is an undesirable citizen and should be branded as an anarchist. On the other hand, the railroads that grind so fine that they take the last drop of blood that any product will bear to carry it to market and that for their own selfish interest destroy the usefulness of our inland waterways, which nature has created to lighten the burdens of humanity, by forcing upon some of the States of the Union a discrimination in freight rates for the purpose of destroying water competition so that the railroads may have a monopoly of transportation in this country are a hundred times more dangerous to this Government than the anarchist or the Bolshevik, for the Bolshevik is never dangerous to any country so long as those who control the great wealth of the country are forced to give the people a square deal.

Mr. President, the interstate commerce act to regulate transportation was passed February 4, 1887. That act created the Interstate Commerce Commission for the purpose of regulating the railroads and provided that unjust and unreasonable preferences between persons, localities, or communities, subjecting any one of them to unjust or unreasonable discriminations, were unlawful. The Interstate Commerce Commission has stopped discrimination as between individuals in the same locality by refusing the railroads the right to rebate to favored shippers, but it has not stopped discrimination so far as localities are concerned. In fact, the Interstate Commerce Commission has been the instrumentality through which the Government has permitted discrimination in freight rates between the States by allowing the railroads to charge more for the shorter haul than for the longer haul where the railroads come in competition with water transportation, until the Government has succeeded in practically destroying water transportion upon our rivers and at the same time has impaired the growth and development of our coastwise transportation.

Senate bill 2327, on which extensive hearings have been held by the Interstate Commerce Committee of the Senate covering a period of something more than three weeks, proposes to amend the fourth section of the interstate commerce act by making it absolute, so far as permitting violations by the railroads to meet water competition is concerned. It interferes in no way with violations of the fourth section upon circuitous railroads, nor does it interfere with violations of the fourth section on imports or exports, nor on express rates, and it gives the Interstate Commerce Commission a year within which to eliminate

all violations of the interstate commerce act that have been permitted for the purpose of destroying water competition.

The fourth section of the act to regulate commerce reads as follows:

That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive a greater compensation in the aggregate for the transportation of passengers, or a like kind of property, under substantially similar circumstances and conditions, for a shorter than for a longer distance over the same line in the same direction, the shorter being included within the longer distance, but this shall not be construed as authorizing any common carrier within the terms of this act to charge and receive as great compensation for a shorter as for a longer distance: *Provided, however,* That upon application to the commission appointed under the provisions of this act such common carrier may in special cases, after investigation by the commission, be authorized to charge less for the longer than for shorter distances for the transportation of passengers or property; and the commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section of this act.

Very early in the history of this act the commission and the courts ruled that the dominating words of the act were "under substantially similar circumstances and conditions" and that it was for the carriers, in the first instance, to determine whether the circumstances and conditions were similar or dissimilar. If the conditions and circumstances were dissimilar, the rule did not apply. After a few unsuccessful attempts to stop discrimination by violations of the fourth section it became a dead letter and little or no attention was paid to it.

On June 18, 1910, the fourth section was amended by striking out of the words "under similar circumstances and conditions," leaving in the words "in special cases after investigation." This virtually made the section absolute so far as the railroads were concerned. It gave to the commission permission "in special cases after investigation" to grant the railroads the right to charge less for the longer than for the shorter haul.

The debates in Congress lead to the conclusion that Congress intended that "special cases" should mean exactly what the words imply, that the commission should not have authority to grant relief unless the carrier by proper showing made out a "special case."

The commission in construing the amended section ruled that the only change that had taken place was to transfer the determination of the right to charge less for the long than for the short haul from the railroads to the commission.

On February 28, 1920, section 4 was further amended by adding the words:

But, in exercising the authority conferred upon it in this proviso the commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed; and if a circuitous rail line or route is, because of such circuity, granted authority to meet the charges of a more direct line or route to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is no longer than that of the direct line or route between the competitive points; and no such authorization shall be granted on account of merely potential water competition not actually in existence.

Mr. President, when the fourth section was amended by the act of 1920, providing that no violation should be permitted unless the rate was reasonably compensatory and that no authorization should be granted merely because of potential water competition not actually in existence, it was thought by those who had been fighting against the violation of the fourth section that they had won a great victory.

It was believed and argued by friends of the measure that a compensatory rate must mean a rate that would enable the railroads to pay operating expenses and give a fair return on the capital invested; but from the violations in existence to-day it is quite evident that the Interstate Commerce Commission has given but very little weight to the words "reasonably compensatory," and, in view of the fact that the Interstate Commerce Commission has permitted violations of the fourth section where only potential water competition exists, it is believed by all those who have suffered through discrimination of the fourth section of the interstate commerce act that, unless an amendment to that provision of the act shall be made denying the Interstate Commerce Commission the authority to authorize violations of the interstate commerce act as against water transportation, there is very little hope for any future development of the interior States of the West or for the development of water transportation upon our inland rivers or our coastwise shipping through the Panama Canal.

Mr. President, when this Government undertook to regulate our railroads it assumed a mighty responsibility, for freight rates are a tax that the people must pay for the use of the railroads, and when that tax is controlled and regulated by the Government it should be a fair tax, a just tax, and without discrimination. When this Government permits railroad corporations to discriminate in the interest of some great city, of some great industry, as against smaller communities or smaller industries, then the Government no longer represents fairly and justly the interest of all its people in its regulation of the railroads.

Mr. President, discrimination in freight rates by railroads when the rates were fixed by those who owned and operated the roads was bad enough; but when this Government passes an act to regulate commerce, and fixes the freight rates so that the railroads may earn a fair return on their investment, and then permits the railroads to discriminate against States or communities or individuals so that communities and individuals are forced to pay an increased freight rate to make up the loss for those who receive a lower freight rate for the longer haul than for the shorter haul, then this Government adopts a policy that is un-American and dangerous to the best interests of this Republic.

Mr. President, ever since railroads became a factor in the transportation problems of this country there has been a bitter struggle between water transportation and rail transportation; but the struggle has not been an even one or a fair one, for, with the Interstate Commerce Commission on the side of the railroads, transportation upon our rivers has not had a fighting chance to exist. It can be said that this Government, through the Interstate Commerce Commission, has practically destroyed water transportation upon our inland waterways, for everywhere and at every place where there is water transportation in any part of this country, with the exception of the Great Lakes in the territory east of Chicago, the Interstate Commerce Commission has permitted the railroads to charge less for the longer haul than for the shorter haul, and up until the act of 1920 the Interstate Commerce Commission permitted violations of the fourth section where there was the faintest suspicion of potential water competition in this country, which has made it impossible to interest capital in building river boats to establish transportation upon rivers, and at the same time it has impaired the growth and development of our coastwise shipping.

Mr. President, Congress has forbidden the railroads to operate ships through the Panama Canal; yet we permit the Interstate Commerce Commission to violate the fourth section of the interstate commerce act by making freight rates so low to the coast that it is not possible to develop to any great extent coastwise shipping through the Panama Canal, for capital is not going to take a chance of building vessels for our coastwise business when the Interstate Commerce Commission permits the railroads to destroy its investment.

Where this Government, through the Interstate Commerce Commission, failed to destroy water competition the railroads through different methods have succeeded in completing the destruction. This interesting story was told to the Interstate Commerce Committee in its hearings on Senate bill 2327 by Judge Simms, of Tennessee, who for many years represented that State in Congress. He told the story of how the merchants along the Tennessee River formed a corporation and put a river boat upon the river for the transportation of freight. All went along very nicely until an agent of some one appeared upon the scene and bought up all the freight this river boat carried and transferred it to the railroads. Of course the river boat was put out of commission with a great loss to those who formed the corporation.

This is only one story of hundreds that might be told of the destruction of water transportation on our rivers by the railroads. Let us not think the railroads were alarmed over the little feight that this river boat was carrying on the Tennessee River. What the railroads have been fighting for and what they have succeeded in getting with the assistance of the Interstate Commerce Commission by the destruction of water transportation is a monopoly of transportation in this country. No river boat or any other water transportation has been permitted to exist that the railroads could destroy, and Congress created an instrumentality—not intentionally, of course—that has most effectively destroyed water transportation and, in my judgment, has created in this country a condition that is dangerous to the best interests of its people.

The railroads themselves openly admitted that the purpose of the violations of the fourth section is to destroy water competition. The western railroads fought very bitterly the building of the Panama Canal. Jim Hill used to boast that before the transcontinental railroads got through their fight against the Panama Canal there would be pond lilies growing in its channel. Mr. Blakely, general freight agent of the Northern Pacific, at a meeting of the general freight agents of all the transcontinental railroads in Salt Lake City last June, together with members of the Intermediate Rate Association, made the statement that the building of the Panama Canal was a mistake as far as the West was concerned and that the canal should be filled up. Most of the general freight agents of the transcontinental railroads agreed with Mr. Blakely. I was present at that meeting and branded Mr. Blakely's statement as un-American.

Mr. President, I find that we have appropriated altogether for rivers and harbors in this country the sum of $1,200,000,000. In the last 22 years we have expended upon our rivers and harbors $750,000,000, and last year I voted for an appropriation of $56,000,000 for rivers and harbors. I understand that there are two appropriation bills before Congress at the present time dealing with this subject. I am not quite sure as to the amounts of the appropriations contained in the two bills, but the one before the Senate at the present time makes an appropriation of $37,000,000 for rivers and harbors. Altogether we will have presented here in the Senate something more than $100,000,000 of appropriations for rivers and harbors, I understand.

Mr. President, I want to continue to vote for appropriations for rivers and harbors, for I do not believe this country can reach its fullest greatness as a Nation without the development of water transportation upon our rivers and our coastwise shipping; but it seems to me it is a waste of money to continue appropriating hundreds of millions of dollars for the improvement of our rivers with a governmental policy that makes it impossible to develop water transportation upon our inland waterways, for capital will never invest in river boats as long as there is the slightest danger that their investment may be destroyed by permitting a railroad to charge less for the longer haul than for the shorter haul. Such a Government policy, in my judgment, is outrageous, and it demonstrates very clearly that as far as transportation is concerned in this country, the railroads have this Government by the throat, and dictate its policy on transportation. I want to say, Mr. President, that as far as I am concerned, if it is going to be the policy of this Government to permit violations of the fourth section to destroy water transportation upon our rivers and water transportation through the Panama Canal, then I have cast my last vote for appropriations for rivers and harbors.

Mr. President, I have long been convinced that our troubles in this country are not that there is too much government in business but that there is too much big business in government. The citizens of my State who have seen great freight trains that are almost a mile long pass their doors are unable to understand why they should pay a freight rate as high or higher than the people who live on the Pacific coast, where the haul in some cases is a thousand miles longer. You can not convince the people in my State who have suffered from these discriminations that the railroads of this country are not dominating the Government as far as transportation is concerned.

Discriminations in freight rates against communities in this country are un-American; and with such a policy forced upon the country by our Government it is not strange that we have a few anarchists in America, and the only wonder is, Mr. President, that there are not more anarchists in America than we have at the present time. It is these discriminations in freight rates that are forcing a great many people to change their minds in favor of Government ownership of railroads; and as far as I am concerned, Mr. President, if it is going to be the policy of this Government to permit the railroads to discriminate against the people of my State, then I am going to fight for Government ownership of railroads, with the hope that some day Idaho will have an opportunity to develop its mighty resources, which are not excelled in any State in the Union.

Mr. President, the present policy of our Government in permitting discriminations in freight rates is building up great centers of population at the expense of the interior, for capital will never invest in any State or in any community that is cursed with a discrimination in freight rates or where there is the slightest danger of a discrimination in freight rates. One thing that Congress should do for all time is to pass legislation that will stop this discrimination or publicly admit to the people of the United States that the policy of this Government is to destroy water transportation through permitting discrimination in freight rates in favor of our railroads.

Mr. President, this Government appropriated and spent $378,531,302 for the building of the Panama Canal. When the Panama Canal was built, the people of my State and those of other interior States of the West believed that with the building of the Panama Canal they would be able to reach the markets of the world without discrimination; but to-day the Panama Canal hangs as a nightmare over the people of the interior States of the West, because they know and understand that, unless Congress passes legislation that will make the fourth section absolute as far as water transportation is concerned, the Interstate Commerce Commission will permit violations of the fourth section as against water transportation through the Panama Canal that will make impossible the development of the mighty resources of the West. The policy of this Government in permitting these discriminations, together with a policy of the Interstate Commerce Commission that permits western railroads to charge, in many cases, 100 per cent higher freight rates for the movement of low-priced farm products to tidewater westbound, as compared with freight rates to the Eastern markets on a mileage basis, has denied to the people of my State and other interior States of the West an opportunity to use the Pacific Ocean, which, no doubt, God Almighty created for the use of all the people, and they are denied, to a large extent, the use of the Panama Canal, which they were taxed to help build, as well as the people of every other State in the Union.

Mr. President, the State of Idaho is nearer tidewater and nearer the markets of the world, taking them as a whole—the Orient, South America, and Europe—than the State of Ohio is to tidewater at New York and the markets of the world; yet, through excessive freight rates west bound to tidewater many of the low-priced farm products of Idaho are forced over the long haul to the eastern markets and the markets of Europe.

Mr. President, all the people of the West ask for is a square deal, the same rights and the same privileges that the people of the Eastern States enjoy, so that we may develop our own resources, but with a discrimination in freight rates forced upon us by our own Government the West has not a fighting chance to develop its mighty resources. Mr. President, under our governmental policy of discriminating in freight rates against the interior States of the West and the South, we are building up great centers of population in this country at the expense of the interior, a most dangerous policy for any government to pursue, for the best interest of every government lies, as far as possible, in a proper distribution of its people, for a congested condition of population in any country always adds to the burdens of government.

In my State and in the interior States of the West, where much of the raw material of this country is produced, capital can not be interested in building manufacturing institutions nor is our jobbing interest safe under a policy that permits railroads to charge more for the shorter haul than for the longer haul, and, of course, Mr. President, that is true of every part of the country where there is a discrimination in freight rates. And as much as I regret to say it, nevertheless it is true, the population of some of the interior States of the West is going backward, and yet, to use a western phrase, we have not yet scratched the mighty resources of the West.

Mr. President, nations, like individuals, have their birth, their youth, their manhood, and their old age. This country is passing from its youth to early manhood; there is much yet to do before we reach our full greatness as a nation, but under a governmental policy that permits the railroads to impair and destroy water transportation upon our rivers and along our coasts this country can never reach its full measure of greatness. Under the present policy of this Government we can not expect or hope that capital will invest in river boats or in coastwise vessels when every few days the Interstate Commerce Commission is granting the railroads violations of the fourth section to destroy water competition.

Already, through a governmental policy that discriminates against the interior States of the West and the South, we have built up great centers of population in this country, and if we continue that policy there is some danger that the prophecy of Lord Macaulay, the great English historian, who predicted the downfall of this Republic, may some day come true. In a letter to Mr. R. H. Randall, of Virginia, written by Lord Macaulay in 1857, a part of which I will read, he says:

I have long been convinced that institutions purely democratic must, sooner or later, destroy liberty or civilization or both. You may

think that your country enjoys an exemption from these evils. I will frankly own to you that I am of a very different opinion. Your fate I believe to be certain, though it is deferred by a physical cause. As long as you have a boundless extent of fertile and unoccupied land your laboring population will be more at ease than the laboring population of the Old World, and while that is the case the Jefferson politics may continue to exist without causing any fatal calamity. But the time will come when New England will be as thickly populated as old England. Wages will be as low and will fluctuate with you as with us. You will have your Manchesters and Birminghams, and in those Manchesters and Birminghams hundreds of thousands of artisans will assuredly sometimes be out of work. Then your institutions will be fairly brought to the test. * * *

It is quite plain that your Government will never be able to restrain a distressed and discontented majority, for with you the majority is the Government and has the rich, who are always a minority, always at its mercy. The day will come when in the State of New York a multitude of people, none of whom has more than half a breakfast or expects to have more than half a dinner, will choose a legislature. On one side is a statesman preaching patience, respect for vested right, strict observance of public faith. On the other is a demagogue ranting about the tyranny of capitalists and usurers, and asking why anybody should be permitted to drink champagne and ride in a carriage, while thousands of honest folks are in want of necessaries. Which of the two candidates is likely to be preferred by a workingman who hears the children cry for more bread?

I seriously apprehend that you will, in some such season of adversity as I have described, do things which will prevent prosperity from returning; that you will act like people who would, in a year of scarcity, devour all of the seed corn and thus make the next year one not of scarcity but of absolute famine. There will be, I fear, spoliation. The spoliation will increase the distress; the distress will produce spoliation. There is nothing to stop you. Your Constitution is all sail and no anchor.

As I said before, when a society has entered on the downward progress, either civilization or liberty must perish. Either some Cæsar or Napoleon will seize the reins of government with a strong hand, or your Republic will be fearfully plundered and laid waste by barbarians in the twentieth century, as the Roman Empire was in the fifth, with this difference—that the Huns and Vandals who ravished the Roman Empire came from without, while your Huns and Vandals have been engaged within your own country by your own institutions.

Mr. President, I do not agree with Lord Macaulay that there is any danger of the downfall of this Republic, for I have confidence in the American people and believe that our problems will all be worked out for the best interests of all the people, and if the time ever comes I am sure that our Constitution will meet the test; but let us not forget there is always danger to any government when those in control do not legislate wisely for the best interests of all the people. Abuse long continued, with discrimination and special privileges given by governments to the selfish interests of a country have strewn the pathway of civilization with the sad stories of the downfall of governments as far back as history tells the story of the achievements of mankind.

Mr. President, the time has come when this Government must give serious thought and consideration to our problems of transportation if the growth and development of this country are not to be impaired. In the matter of transportation we have been following a blind trail without any thought or consideration of the future. We have permitted the railroads, through the Interstate Commerce Commission, to destroy water transportation upon our rivers and to impair our coastwise transportation. At the same time, the railroads have not kept pace with the growth and development of this country, and, as I see it, this country to-day is facing a crisis in the matter of transportation.

I have a table here which I offer for the RECORD that shows the ton-miles of freight hauled by all the railroads in the United States, beginning with 1890, up to and including 1923, a period of 33 years. In reading the ton-miles I will give just the first figures for the years I use for comparison to show the marvelous growth in the number of ton-miles hauled by our railroads. "Ton-mile" is the term used by the railroads to measure the volume of business transacted. I ask that the table be inserted in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Ton-miles all railroads

1890	76,207,047,000
1891	81,073,784,000
1892	88,241,050,000
1893	93,588,112,000
1894	80,335,105,000
1895	85,227,546,000
1896	95,328,360,000
1897	95,139,022,000
1898	114,077,576,000
1899	123,667,257,000
Total	932,884,829,000
1900	141,596,551,000
1901	147,077,136,000
1902	157,289,370,000
1903	173,221,279,000
1904	174,522,000,000
1905	186,463,110,000
1906	215,877,551,000
1907	236,601,390,000
1908	218,381,555,000
1909	218,802,987,000
Total	1,869,833,019,000
1910	255,016,910,000
1911	253,783,702,000
1912	284,080,745,000
1913	301,730,291,000
1914	288,637,042,000
1915	277,134,816,000
1916	366,173,174,000
1917	398,263,062,000
1918	408,778,061,000
1919	367,161,371,000
1920	413,698,749,000
1921	309,533,365,000
Total	3,913,991,288,000
1922	339,945,894,000
1923	413,562,132,000

Mr. GOODING. In 1890 the railroads handled in round numbers 76,000,000,000 ton-miles. In other words, all the railroads in the United States hauled a ton of freight 76,000,000,000 miles, or they hauled 76,000,000,000 tons of freight 1 mile. From 1889 to 1901, a period of 11 years, the ton-miles hauled by our railroads had increased to 147,000,000,000, or an increase of almost 100 per cent. From 1901 to 1913, a period of 12 years, the ton-miles hauled over our railroads had increased to 301,000,000,000, or a little over 100 per cent of an increase from 1901 to 1913.

From 1913 to 1923 the freight handled by our railroads had increased to 413,000,000,000 ton-miles, an increase for those 10 years of 37 per cent, and for the months of January and February of this year, I understand, the railroads show an increase as compared with January and February of 1923.

The increase of ton-miles of freight hauled by our railroads in 1923 was 443 per cent over 1890, when the railroads, as I have shown, hauled 76,000,000,000 ton-miles of freight. The increase from 1913 to 1923 of 112,000,000,000 ton-miles of freight is practically equal to the total tonnage of all the railroads in the United States in 1898, when the railroads for that year hauled 114,000,000,000 ton-miles.

Mr. President, I offer a table for the RECORD, showing the total number of miles of railroads in use in this country in 1890 up to and including 1923. This table shows very conclusively that the railroads are not keeping pace with the wonderful development that is going on in America, and unless something is done to meet the transportation needs of the country the transportation of this country will be broken down and the whole country will be seriously impaired from the lack of adequate transportation.

The PRESIDING OFFICER. Is there objection to the insertion of the table?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Number of miles of railroad operated

Year	First track	Other main tracks	Yard track and sidings	Total
1890	156,404	9,760	33,711	199,875
1891	161,275	10,426	35,742	207,443
1892	162,397	10,848	37,807	211,050
1893	169,779	11,632	40,451	221,862
1894	175,690	12,169	41,941	229,794
1895	177,746	12,348	43,181	233,275
1896	181,982	12,439	44,717	239,138
1897	183,284	12,794	45,934	242,012
1898	184,048	13,006	47,589	245,333
1899	187,534	13,394	49,223	250,141
1900	192,586	14,975	52,153	258,794
Increase 1900 over 1890	35,152	4,315	18,442	59,909

Number of miles of railroad operated—Continued

Year	First track	Other main tracks	Yard track and sidings	Total
1900	192,556	14,075	52,153	258,784
1901	195,561	14,875	54,914	265,350
1902	200,154	15,819	58,220	274,193
1903	205,313	16,947	61,560	283,820
1904	212,243	18,337	66,492	297,072
1905	216,973	19,881	69,941	306,793
1906	222,340	20,981	73,760	317,085
1907	227,454	22,770	77,749	327,977
1908	230,494	23,699	79,452	333,645
1909	235,402	24,572	82,376	342,350
1910	240,830	25,353	85,581	351,764
1911	246,238	27,612	88,973	362,823
1912	249,852	29,366	92,019	371,237
Increase 1912 over 1900	47,296	15,291	39,866	112,453
1912	249,852	29,366	92,019	371,237
1913	253,470	30,826	95,211	379,507
1914	256,547	32,376	98,285	387,208
1915	257,569	33,662	99,910	391,141
1916	259,705	34,325	102,983	397,013
1917	259,705	35,065	105,582	400,252
1918	258,506	36,228	107,608	402,342
1919	258,524	36,729	108,636	403,889
1920	259,941	36,894	109,744	406,579
1921	258,361	37,613	111,555	407,529
1922	257,834	37,888	113,994	409,716
1923 (estimated)				410,716
Increase 1922 over 1912	7,982	8,522	21,975	39,479

Mr. GOODING. In 1890 we had in use in this country 156,404 miles of what is called first-track railroad and 9,760 miles of other main track that made up our double-track railroads. At the same time we had in use 33,711 miles of yard tracks and sidings, making a total of miles of track in use in 1890 of 199,875 miles. This mileage I am giving is for steam railroads.

In 1900 we had in use in this country, for all purposes, 258,784 miles of tracks, or an increase of 29 per cent over the number of miles of track in use for all purposes in 1890. In 1912, after a period of 12 years, we had in use for all purposes 371,237 miles of railroad tracks, an increase over 1900 of 43 per cent. In 1923, after a period of 11 years, we had in use in this country 410,716 miles of railroad track for all purposes, an increase of only 11 per cent. Our railroad trackage in this country for all purposes since 1890 shows an increase of 106 per cent, while our railroad tonnage shows an increase of 443 per cent.

Mr. President, since 1920 there has been an actual decrease of 2,107 miles in what is called first-track railroads. Since 1912 there has been an increase of 8,522 miles in our double-track roads, and in yard tracks and sidings there has been an increase of 21,975 miles, which makes up the increase of 11 per cent in the number of miles of track since 1912, a period of 11 years. It is now estimated that motor vehicles are handling 50 per cent as many tons of freight each year as our steam railroads. This tremendous increase in the use of motor vehicles has saved this country from a total collapse, as far as transportation is concerned, but let us not forget that we have only made a good beginning, as far as the development of our mighty resources in this country is concerned.

Unless something is done in the very near future to relieve the railroads by water transportation, there can not be any question but that this country, so far as its growth and development are concerned, must come to a standstill.

Mr. President, there is no doubt that we have made great strides in the efficiency of our railroads, and it has been brought about by the use of heavier rails and locomotives with greater tractive power and better equipment all the way around for the transportation of freight, but with only 11 per cent increase in the number of track miles, which includes single tracks, double tracks, yard tracks, and sidings, it must be apparent to everyone who has studied the transportation question that we are reaching a dangerous period in our transportation problems, and unless this country adopts a policy that will permit capital to invest in water crafts and at the same time inaugurates a policy that will permit low-priced agricultural products, together with the cheap basic materials in this country, to seek the nearest water transportation, then this country will be forced to come to a standstill for the need of adequate transportation.

Mr. President, if we are going to continue to be a mighty factor in the trade of the world, then we must have adequate transportation, and as far as possible we must have cheap transportation. Let us not forget that railroads have their limit of capacity as well as everything else in this world. Some of our great railroad systems already have all the transportation they can handle economically and with efficiency all the year around, and many of them are choked and blocked with transportation during the season of crop movement in this country.

Some of our railroads are no longer hungry for freight, and in the last few years some of our railroads have placed an embargo on freight and only yielded when they were forced to do so by the Interstate Commerce Commission.

The peak in the increase in freight rates since the outbreak of the war reached 78 per cent above pre-war freight rates. The present freight rate on an average for the whole country is 55 per cent above pre-war rates. Freight rates in this country have become a burden to the people, but that is not strange with a governmental policy that destroys the use of its inland-water transportation.

Any policy of this Government that is right east of Chicago ought to be right west of Chicago, yet the fact remains that the Government has protected the Great Lakes and some of the rivers east of Chicago and made it possible for them to develop water transportation and give the people of the great industrial centers of the East cheaper transportation than is possible for the West to enjoy.

The South, with its great natural waterways which the Government has spent hundreds of millions of dollars to develop, together with its climate, its great coal fields, iron mines, and cotton fields, if we could develop transportation on its inland waterways, would become the industrial beehive of the country.

It is hardly necessary to discuss with Senators, I am sure, what discrimination in freight rates means to industry or to capital. I wonder if there is a Senator here who would permit discrimination in his own State. I am sure there is not one who would stand for it a minute if he could help himself, and he should not want to force upon the people of another State what he is not willing to accept for his own State, because he is not here representing alone his own Commonwealth but is here representing all the people of this great country.

I have here a copy of the application of the transcontinental railways for what they call "relief from the fourth section." We people who have suffered by this relief call it a violation of the fourth section. I ask that the letter of Mr. R. H. Countiss, making application to the Interstate Commerce Commission, be placed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

TRANSCONTINENTAL FREIGHT BUREAU,
Chicago, August 11, 1923.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I inclose herewith application No. 26 on behalf of transcontinental carriers for authority to depart from the long-and-short-haul provisions of the fourth section of the interstate commerce act in publication of proposed rates from eastern defined territories to Pacific coast terminals, as fully set forth in the application and exhibits attached to and made part thereof.

The carriers find it necessary at this time to present this application because of the great change which has taken place in the canal competition since my fourth section application No. 19 (I. C. C. No. 12063) and others were heard and decided, such change consisting of the greatly increased number of steamship lines and steamers which have entered into the intercoastal traffic via the Panama Canal, the very much lower rates which the steamship lines are carrying, and the much greater proportion of the westbound traffic which they are obtaining, the reaching of the steamship lines farther into the mid-western territory, the shutting out of the mid-western shippers and consequently the mid-western carriers from participation in the Pacific coast traffic by reason of an increasing part of it being forwarded from the Atlantic seaboard, and the need of the Pacific coast rail carriers for westbound traffic to enable them to furnish cars to handle the products of that territory, particularly those of the interior territory, which is dependent solely on rail transportation.

Since application No. 19 (I. C. C. No. 12063) was decided the carriers have made a number of material reductions in their westbound rates, the reductions on the various commodities approximating 25 per cent. These reductions have been applied as maxima to intermediate destinations and, taken in connection with the rates now proposed to the terminals, will very materially narrow the spread between the rates to the intermediate points and those proposed to the terminals as compared with those contained in fourth section application No. 19 (I. C. C. No. 12063). The carriers believe that in the reductions which have been made they have gone as far as it is possible for them to go on these commodities without fourth section relief, both in meeting the water competition and in the reduction of their rates to the interior terrritory.

Yours very truly,

R. H. COUNTISS, *Agent.*

Mr. GOODING. I have a list of commodities showing the present rates and the rates asked by the transcontinental railroads, showing the reductions it would mean at Pacific coast points. There are about 50 of the commodities altogether. The application for violation of the fourth section would not reduce the freight rates to a single point in the interior, but would make a reduction to Pacific coast points, their terminals, of from 20 to 48 per cent, covering practically all, or a large part of the commerce that is hauled by the railroads. I ask that the list may be placed in the RECORD at this point.

The table shows the present rates, Chicago to Pacific coast, and rates asked for by the railroads in violation of the fourth section.

Present rates apply as a maximum at intermediate points; no reductions are proposed to intermediate points.

If application is granted, rates to Pacific coast points will be lower than to interior by the amount shown.

The PRESIDING OFFICER. Without objection, permission is granted.

The list is as follows:

Commodity	Minimum	Present rate	Proposed rate	Reduction
Ammonia, phosphate of	50,000	$2.66	$1.00	$1.66
Ammunition	40,000	1.40	1.10	.30
Compounds, boiler	60,000	1.10	.90	.50
Dry goods	40,000	1.58	1.10	.48
Electric appliances	50,000	1.20	.90	.30
Iron and steel articles:				
Pipe bands and rods	80,000	1.20	.75	.45
Bar iron, etc	80,000	1.00	.75	.25
Shingle bands and ties	80,000	1.00	.75	.25
Billets and blooms	80,000	1.00	.75	.25
Bolts and nuts	80,000	1.00	.75	.25
Horseshoes	80,000	1.00	.75	.25
Castings and forgings	50,000	1.20	.90	.30
Plate and sheet	80,000	1.00	.75	.25
Sheet iron, corrugated	50,000	1.15	.90	.25
Boiler flues	40,000	1.25	1.00	.25
Do	60,000	1.00	.75	.25
Nails and spikes	50,000	1.30	1.05	.25
Do	80,000	1.00	.75	.25
Cast-iron pipe	60,000	1.00	.75	.25
Pipe fittings	60,000	1.00	.80	.20
Structural iron and steel	40,000	1.25	1.00	.25
Do	80,000	1.00	.75	.25
Soda alumini	50,000	1.20	1.00	.20
Magnesium sulphate	60,000	1.20	1.00	.20
Packing-house products	40,000	1.60	1.20	.40
Paint	50,000	1.25	1.00	.25
Paper and paper articles:				
Bags	40,000	1.25	1.00	.25
Bags, gummed and tissue paper	40,000	1.35	1.00	.35
Bags, books, etc	40,000	1.25	1.00	.25
Boxes	40,000	1.25	1.00	.25
Boxes, fiber, pulp, or strawboard	40,000	1.35	1.00	.35
Labels	50,000	1.35	1.00	.35
Wall paper	40,000	1.35	1.00	.35
Carpet lining	40,000	1.25	1.00	.25
Do	40,000	1.35	1.00	.35
Book paper	40,000	1.25	1.00	.25
Do	40,000	1.35	1.00	.35
Writing paper	40,000	1.25	1.00	.25
Paper, news, poster, etc	40,000	1.25	1.00	.25
Tissue paper	40,000	1.35	1.00	.35
Wrapping paper	40,000	1.25	1.00	.25
Rails and fastenings	80,000	1.00	.75	.25
Axle, wheels, and forgings	60,000	1.00	.75	.25
Rice and rice products	60,000	1.05	.75	.30
Roofing material	50,000	1.10	.90	.20
Rosin	60,000	1.20	.75	.45
Soap	60,000	1.25	1.00	.25
Sodium	60,000	1.00	.75	1.00
Tinware	22,000	1.86	1.50	.36
Vehicles, self-propelling, viz:				
Pressed-steel car sides	40,000	1.25	1.00	.25
Do	80,000	1.00	.75	.25
Cable rope	50,000	1.20	.90	.30
Wire rods	80,000	1.00	.75	.25

Mr. GOODING. In the last Congress I introduced Senate Resolution 472, requesting the Interstate Commerce Commission to inquire into the influence which had been used and the pressure that had been brought to bear upon the railroads to apply for relief from the fourth section. The Interstate Commerce Commission sent its field men out and held hearings all over the country. On February 4, 1924, the commission rendered its report to the Senate. It is a very interesting report. I have a copy of it here. I want to show the Senate how permission to violate the fourth section has been given to the railroads. The report shows that since the amendment of the fourth section on February 17, 1911, there have been filed with the commission 12,513 applications. There were 5,776 applications granted, 4,393 denied, 1,059 withdrawn, and 153 current applications not yet acted on, and 1,329 so-called temporary applications filed prior to February 18, 1911, which are in effect. Out of 5,579 applications granted only 303 were heard. All of those applications were granted practically without any investigation at all and without any hearings, at least with the exception of the 303. Adding to the 5,276 applications granted without hearing the 1,329 applications in effect February 17, 1911, we have altogether in effect 6,605 fourth-section violations without hearing.

In this report are some telegrams that passed between the Chicago Association of Commerce and the executive officers of the transcontinental railroads and their representatives.

In order that I may be able to make these telegrams clear that I shall read into the RECORD I wish to say that Mr. J. P. Haynes, who plays a leading part in these telegrams, occupied the position of traffic director from the Chicago Association of Commerce, and that Mr. R. H. Countiss was chairman of the standing-rate committee of the transcontinental freight bureau, an organization that included all of the transcontinental railroads in this country.

Mr. President, these telegrams can be found in the report made to the Senate by the Interstate Commerce Commission on Senate Resolution No. 472, which required the Interstate Commerce Commission to make an investigation into the influence of propaganda brought about by the railroads for the violations of the fourth section of the interstate commerce act.

On August 4, 1923, the Chicago Association of Commerce wired the Union Pacific Railroad as follows:

Please advise why fourth section application is not filed with the commission. After many conferences with shippers certain commodities and rates were agreed to on which relief was found necessary, and the subject has been dragging since February last. If more prompt action is not taken, shippers will make other arrangements and will not be interested. Wire answer.

On August 4, 1923, the Union Pacific Railroad wired the transcontinental freight bureau, of which Mr. Countiss is chairman, as follows:

Chicago Association of Commerce complaining bitterly about delay in filing fourth-section application. Understood it was agreed this application should be presented to commission by committee. What is delaying that action?

On August 4, 1923, the director of traffic, Chicago Chamber of Commerce, sent a telegram to the chairman of the board of directors of a transcontinental road reading as follows:

Please advise why fourth-section application is not filed with commission. After many conferences with shippers certain commodities and rates were agreed to on which relief was found necessary, and the subject has been dragging since February last. If more prompt action is not taken, shippers will make other arrangements and will not be interested. Necessity for fourth-section relief was manifested in your annual report to stockholders. Wire answer.

On the same date he sent the following telegram to executives of four other transcontinental roads:

Please advise why fourth-section application is not filed with commission. After many conferences with shippers certain commodities and rates were agreed to on which relief was found necessary, and the subject has been dragging since February last. If more prompt action is not taken, shippers will make other arrangements and will not be interested. Wire answer.

The following telegrams were sent by executives of those transcontinental lines in reply to the above telegrams:

Replying your wire 4th regarding filing with commission our fourth-section application on proposed rates from territory Chicago and west. The outcome of this effort to obtain relief from fourth section is of deep concern to transcontinental lines, and we are anxious to safeguard each step. Please be assured that we are in earnest in the matter and we are proceeding as expeditiously as possible.

I quote some further telegrams:

Message to Mr. Gray—

Mr. Gray is president of the Union Pacific Railroad Co.—

To-day we supposed fourth-section application had been filed; am inquiring Countiss's reason for delay.

Yours, 4th: Am not aware any delay filing fourth-section application other than what was necessary in order to have it in proper shape. Am wiring Toll to at once file the application prepared by Toll and Hastings.

Further regarding your telegram, 4th: Mr. Countiss filed the fourth-section application with commission Saturday by mail with understanding executive traffic officers, if deemed advisable, will arrange conference with commission later.

Further your wire, 4th. Fourth-section application all ready for presentation to commission, but lines think should be personally presented by committee of executives, feeling it would have more weight with commission if presented in this manner. Will probably be disposed of in a very few days.

Matter of fourth-section application will be called to attention of other lines interested, and this company will undertake to expedite filing, which has been delayed to decide on most forcible method of presentation.

On August 6, 1923, the Transcontinental Freight Bureau wired the Union Pacific system as follows, and this is the last telegram I shall read, Mr. President:

Your B-16, 4th instant, fourth-section application all ready for presentation to commission, but several lines think should be personally presented by committee of executives. Understand Santa Fe and Northern Pacific in correspondence with other executives on this point. California lines had originally suggested personal presentation by me, but such personal presentation would carry no weight with commission.

I understand, Mr. President, that it is not an unusual thing for the executives of roads to appear in a body before the Interstate Commerce Commission, and that they did make such a visit in the interest of the applications that I have here which cover a wide range of commodities. Fortunately for the West, there was some new blood upon the commission that objected to the violations of the fourth section that were asked for by the transcontinental railroads from Chicago to the Pacific coast being allowed without hearings. These telegrams that have passed between the associated chamber of commerce and the executives of the transcontinental railroads should destroy the confidence in at least some of the members of the Interstate Commerce Commission who have always shown an unfriendliness toward the shippers. I have a very high regard for the spirit of fairness of some of the members of the commission, but that is not true as far as all of the members are concerned. With these executives and their representatives and Mr. Countiss there seemed to be no thought of submitting information and facts in regard to this application for the violation of the fourth section. The question that was to be considered was how could the Interstate Commerce Commission best be given to understand that chief executives of the transcontinental railroads wanted these violations.

Mr. Countiss, who holds a high position with the railroads and no doubt draws a very large salary from the railroads and is considered one of the greatest railroad men in this country, was sure he had no influence with the commission, but that a visit to the Interstate Commerce Commission by the executives would bring about these violations in short order.

So that Senators may understand what these violations will mean to the South and States west of Chicago—if they are allowed—I have prepared a map which shows what these violations mean to the West and the South, together with the unreasonableness in our freight rates of the West and the South at the present time. First, I want to call the Senate's attention to the violations of the fourth section on wool rates from the Pacific coast to Boston.

Mr. President, it can be seen from the map on the wall of the Senate Chamber that there are no violations in all of this territory [indicating] east of Chicago, with the exception of a few down here [indicating] in some of the Southern States. The rate on wool in bales from Portland, Oreg., to Boston, Mass., a distance of 3,300 miles, is $1.50 a hundred. With a 30,000-pound car the railroad earns for that haul from Portland to Boston $450.

The rate from Pocatello, Idaho, to Boston on baled wool—a shorter haul by 716 miles—is $2.44 a hundred in carload lots. On that carload of wool the railroad earns $732 per 30,000-pound car. The lines east of Chicago get for their 1,038 mile haul 27½ per cent of the $1.50 rate from Portland to Boston, or 27½ per cent of $732, or $123.75. The railroads east of Chicago earn 11.9 cents per mile on their car. The lines between the Missouri River and Chicago get 17½ per cent of the balance, or $57.10, or 11.7 cents per car-mile. The Union Pacific Railroad, for a haul of 1,058 miles from Pocatello to Omaha, receives the balance, or $551.15, or 52 cents per car-mile for a 30,000-pound car of wool. So they get practically five times as much for hauling a carload of wool from Pocatello to Omaha per mile as do the roads between Omaha and Chicago.

At a hearing in a wool-rate case in Boise, Idaho, I think something like two years ago, when the railroads were asking to reduce the freight rates from Portland to Boston to $1.35 a hundred, a rate expert for the Union Pacific Railroad testified that $1.35 a hundred from Portland to Boston would be a compensatory rate.

Under the Esch-Cummins Act, in which the rate of earning for the railroads is fixed at 5¾ per cent, if a rate of $1.35 a hundred for a 3,300-mile haul from Portland, Oreg., to Boston, Mass., is a compensatory rate, then a rate of $2.44 a hundred from Pocatell, Idaho, a haul of 2,500 miles, must surely be an unreasonable and a discriminatory rate. Yet that is the condition from which the people of Idaho are suffering. These violations of the fourth section occur all through the western section of the country on all the railroads, including the Northern Pacific, the Great Northern, the Chicago, Milwaukee & St. Paul, the Southern Pacific, and the Santa Fe. All of the interior States in the West suffer in the same way, so far as wool shipments are concerned, as do the people of Idaho; and the Union Pacific earns five times as much per car-mile as the eastern roads earn. These violations are actually occurring to-day, and the people are paying the freight, not only on one railroad but on all of them.

I wish to discuss what the effect would be if the applications of the transcontinental railroads should be granted. On the Union Pacific Railroad on dry goods in carload lots from Chicago to Seattle, Wash., a distance of 2,445 miles, the present rate is $1.58 a hundred. The railroads have asked the commission for a rate from Chicago to Seattle of $1.10 a hundred. From Chicago to Scranton, Iowa, on the Chicago & North Western Railroad, a distance of 376 miles, the present rate is $1.11. Here [indicating on the map] is Scranton, Iowa, and if the violation of the act is permitted the rate to that point from Chicago, for a haul of 375 miles, will be a cent a hundred more on dry goods than will be the rate to San Francisco or Portland or Seattle or any other coast points. There is not a question of doubt in my mind that such a discrimination will be permitted unless we make the fourth section absolute.

Mr. SMITH. Where is the point of origin of that shipment?

Mr. GOODING. At Chicago; the haul is 376 miles and the present rate is $1.11, while the railroads are asking for a rate to San Francisco, Portland, and Seattle of $1.10 a hundred. The commission has the authority to give them that rate and there is not any doubt in my mind that those rates will be put into effect.

From Chicago to Ogallala, Nebr., a distance of 820 miles, on dry goods in carload lots at present the rate is $1.58 a hundred. Ogallala is here [indicating on the map], but the people of Ogallala and west are now paying the same rate on dry goods that the people of Portland, Seattle, and San Francisco are paying. We think that is unfair and unjust. When we have a fixed earning for a railroad of 5¾ per cent, surely the people in part of this great country [indicating the interior] are making up the difference in the cost of hauling halfway across the continent for the people over here in Seattle.

If all that were not done for the purpose of destroying water competition, if it were necessary for the railroads to have that violation in order to exist, the situation might be entirely different; but the fact is that the freight to the Pacific coast is only about 2 per cent of the total freight that goes through the canal at the present time. The railroads will lose more money in reducing the rates 48 per cent to the people of the coast towns than they will make up in what they will take away from the boats that are going through the Panama Canal.

Mr. BROOKHART. Mr. President——

Mr. GOODING. I yield to the Senator from Iowa.

Mr. BROOKHART. In this amendment, as I read it, there is allowed the right to charge less for the long haul than for the short one where one railroad is competing with another. Why should that be any more than where a railroad is competing with water?

Mr. GOODING. No; it is not where they are competing with one another. It is only where one railroad goes directly through the country and where there is a circuitous route that comes around a long way, perhaps two or three hundred miles longer. In such a case the present act permits the longer railroad—and this amendment does not change that—to charge the same rate as the short line. That is, if the short road is 1,000 miles long, and the circuitous road is 1,200 miles long, it permits the violation in the 200 miles between the 1,000-mile point and the 1,200-mile point.

Mr. BROOKHART. But if we are going to deny the railroads, under this amendment, the right to charge less for the long haul than for the short haul because it competes with water transportation, it seems to me the same principle would deny them the right when they are competing with one another.

Mr. GOODING. There are a good many roads running through the eastern section of the country, and there are times when it is almost impossible for them to handle all the freight over one line; and the discriminations that are allowed are so small that they can not really be called discriminations, and I believe they should not be touched.

Mr. BROOKHART. I think it is quite as uneconomic to haul that freight away around Robin Hood's barn as it is to permit a greater charge for the short haul than for the long haul.

Mr. GOODING. There is not any question about it, and some time Congress will stop all that. When the rails first break down in our transportation we are going to stop the hauling of this freight around out of the way.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from South Carolina?

Mr. GOODING. I yield.

Mr. SMITH. In response to the suggestion made by the Senator from Idaho with reference to permission to make a departure from this provision where a circuitous route is in competition with a direct one, the testimony before the committee, as indicated by the Senator from Idaho, was to the effect that it was in favor of economy, because freight originating at one point and reaching another, both of them served by the more circuitous as well as by the more direct route, could be handled for the betterment of all parties concerned by virtually allowing this departure from the ordinary rule rather than have the congestion and loss of business that would result from trying to use the direct route where the freight was in excess of the capacity of the direct route.

Mr. GOODING. Yes; we have reached that condition in this country to-day—a most dangerous condition, to my mind, if we are going on to develop the industries of the country.

Mr. BROOKHART. During Government operation we sent all the freight as nearly as possible along the short line, and the saving in that respect certainly was very great to the Government and to the people of the United States. It seems to me that the competition of all these roads is at the expense of the people, and has a tendency to increase the inbetween rates.

Mr. SMITH. If the Senator will allow me, this is the very identical principle that the Senator from Idaho is attempting to establish—that we need and should have all the transportation that we can economically utilize—and it goes without saying that our water facilities should not be destroyed by an artificial fixing of rates that is not compensatory to the other class of carriers, namely, the railroads; but when it comes to a competition between the railroads in a congested section competition indicates just the opposite.

Mr. CUMMINS. Mr. President, will the Senator yield to me for a moment?

Mr. GOODING. Yes; I yield.

Mr. CUMMINS. I am in favor of the amendment that will be proposed by the Senator from Idaho or the Senator from Nevada. I understand that the application for leave to depart from the provisions of the fourth section, which the Senator is now discussing, is based upon water competition, and I do not think there ought to be any departures from the fourth section on account of water competition; but I am afraid the Senator from Idaho is venturing into some suggestions that would be very disastrous for the country which he particularly represents, and I do not want by sitting silent to seem to give assent to these suggestions.

Take the freight rate from Chicago to Portland or Seattle. Every freight rate over any given line, if it were properly adjusted, would be made up according to the cost of the service. To be absolutely fair and equitable, it would be made up according to the cost of the service. All people ought to be willing to pay according to the cost of the service, if that rule could have been adopted originally. Every freight rate is made up of three parts: First, the initial terminal charge; second, the final terminal charge; and third, the haulage charge. Now, if a freight rate from Chicago to Spokane as compared with the freight rate from Chicago to Scranton, in Iowa, were made up in that way, the freight rate from Chicago to Spokane would be a great deal more than it is now.

Mr. GOODING. I am not discussing that. I think the Senator misunderstood me entirely.

Mr. CUMMINS. I am afraid that what the Senator has said might lead to the conclusion that he wanted all these freight rates to be logically made up.

Mr. GOODING. On a mileage basis. Is that the Senator's thought?

Mr. CUMMINS. It would be a mileage basis, with the exception of the terminal charge at each end of the route. The Senator from Idaho does not want any such system to be imposed upon the railways of this country, as logical as it may be, does he?

Mr. GOODING. I am sure that would not be feasible or practicable. I understand that a railroad must make a lower rate for the long haul; but what I am complaining about is the unreasonableness that exists in the West and South, the discrimination that exists.

Mr. CUMMINS. I do not dispute about that.

Mr. GOODING. I am complaining about the discrimination that makes it impossible to develop communities, all in the interest of the Pacific coast, for the purpose of destroying an instrumentality that this country must have if it is going to grow and develop at all—water transportation.

Mr. CUMMINS. I am entirely in sympathy with the Senator from Idaho about that; but I do not want the impression to get abroad that the Interstate Commerce Commission has been unfair and unjust because it has permitted an illogical system of making rates to develop and to continue.

I can not conceive of an instance in which there ought to be a higher rate for the shorter haul than the longer haul induced by water competition, and I am willing to stand with the Senator from Idaho to abolish that possibility, and I am willing to do it largely because we have not enough transportation facilities now in the United States. The railroads are saying, and I believe they are saying truly, that if we develop our internal transportation facilities to meet the demands of commerce we must spend from $750,000,000 to $1,000,000,000 per year in order to meet the growth of commerce; and it is plainly economical—I think it is plainly imperative—that water transportation shall be permitted to carry the commodities which it is fitted to carry at a lower price than they can be hauled upon a railway, because railway transportation always costs more, especially on the coast-to-coast business from the western coast to the eastern coast. It will always cost more to haul freight across the mountains and across the continent on the railways than it will cost to haul it through the Panama Canal.

Mr. GOODING. That is true; but I can not agree that it will cost any more to haul freight over our transcontinental railroads than it now costs to haul freight between Chicago and New York or Boston, because the fact is that the transcontinental railroads are hauling as many tons of freight per horsepower or tractive power, as it is called, as the eastern railroads. All the grades on the transcontinental railroads have been practically eliminated. All the curves have been eliminated. In my own State, on the Union Pacific, freight trains almost a mile long go down the valley of the Snake. No other road in the United States hauls as many tons or as many freight cars in a train, I am told, as down the valley of the Snake toward tidewater at Portland, and yet we pay 100 per cent higher freight rates than the people east of Chicago. We pay 40 per cent more of a freight rate westbound on wheat than the people of Montana pay over the Northern Pacific or the Great Northern.

Mr. CUMMINS. The Senator must not understand me to defend any such adjustment of the rates as that.

Mr. GOODING. No; I understand the Senator.

Mr. CUMMINS. I think that is absolutely indefensible.

Mr. GOODING. I want to say, as far as the transcontinental railroads are concerned, that they have an advantage over all the eastern railroads. Located along their lines are the greatest forests in America, the finest timber in the world. They have their own coal mines. The climatic conditions out there are not excelled in any State of the Union. In my State we have no blizzards or cyclones, and it is safe to say that the Union Pacific operates as cheaply as, if not cheaper than, any other railroad in the United States, and yet the Interstate Commerce Commission permits them to charge unreasonable freight rates with all these discriminations. On all of the freight originating east of Chicago the people at the State line pay the same freight that the people at Portland and Seattle pay, although the haul to the coast is a thousand miles longer. That is what we have to meet. That is what I complain about—unreasonable, unjust freight rates and discriminations—because if this application is allowed now, Portland and Seattle will job back into our territory. Our people can not even serve themselves through a jobbing house. We can not interest anybody to build a manufacturing institution out there, although, as I have said, out in that great country we produce a large part of the raw products of the country; but we are at a standstill and going back, all because of this discrimination.

I am satisfied that unless Congress acts that application is going to be allowed. I am willing to vote for appropriations for the development of our rivers in the South, because I know we can not go on without water transportation. When you realize that in the last 10 years we have only increased 11 per cent in track mileage, while we increased practically 200 per cent as far as the ton-mile haul of business on railroads is concerned, where are we drifting? Yet every movement

that has ever been permitted, every violation that has ever been permitted, has been for one purpose only, and that is the destruction of water transportation.

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. GOODING. I yield.

Mr. BROOKHART. Is it not the Senator's theory that the rates to these water points having been determined under the law to be compensatory this adjustment will be made by a reduction of the rates which are excessive at the intermediate points?

Mr. GOODING. We are not asking any reduction. All we are asking for is the same freight rates. As I have said, I think the rates are unfair, and I think there is some discrimination in that long haul, but we are not complaining about that. What we are trying to defend and protect ourselves against is a discrimination in the long haul, a cheaper freight rate for the shorter haul, so that we can go on and invite capital into our our State with the hope that we will delevop it so as to make it possible for our people to have homes out there.

Mr. BROOKHART. That discrimination can only be removed in one of two ways, either by raising the rates to points in competition with water transportation or by lowering the rates at points in Idaho and my State, for instance. Is not that correct?

Mr. GOODING. As far as the revenue is concerned, it is not necessary to increase any of the rates; they are entirely too high, in my judgment. The railroads are earning revenue enough. Possibly no railroad in the United States is earning more revenue than the Union Pacific; yet as to all the transcontinental railroads I agree there should be some reduction. But we are not fighting for that now. What we are asking for is to have our investment out there protected, which is the same every other Senator would demand for his own State and for his own city and his home.

On packing-house products in carload lots from Chicago to Seattle, Wash., a distance of 2,445 miles, via the Union Pacific, the present freight rate is $1.60 per 100.

The railroads have asked the Interstate Commerce Commission for a rate from Chicago to Seattle of $1.20 per 100.

From Chicago to Dale Creek, Wyo., on the Union Pacific, a distance of 1,028 miles, the present rate is $1.20. Of course, if this application is allowed, the people of Dale Creek, Wyo., will be paying the same freight rate as the people at Portland and Seattle, although the distance is 1,417 miles longer from Chicago to Seattle than it is from Chicago to Dale Creek.

From Chicago to Table Rock, Wyo., a distance of 1,232 miles, the rate on packing-house products is $1.60 a hundred, the same rate as the people of Portland, Seattle, Tacoma, and all coast towns are paying at the present time. That is what the people of the West are complaining about, although we are not asking legislation on that.

Mr. FLETCHER. May I interrupt the Senator to inquire if his argument leads to this, that railroad rates ought to be based on mileage? That would not be a right principle, would it, on which to base the rates?

Mr. GOODING. No; I am not asking that. The average railroad haul in this country is 188 miles. I am sure we all understand that when there is a short haul there is a good deal of expense in connection with the terminals at each end, but there should not be much difference in the rate on a mileage basis for a haul after it gets to six or seven hundred miles. The 3,000-mile haul, of course, should be some cheaper per mile, possibly, than a thousand-mile haul, but the people whose freight moves 1,400 miles should not pay 100 per cent more than the people whose haul is 3,000 miles. That is an unfair and unjust discrimination; and yet, with all that, while we are finding fault with that, we are not asking for legislation. But when I live only 376 miles from Chicago and pay a rate of $1.11, and they haul the same goods out to Seattle and Portland and San Francisco for $1.10, that is a crime; it is un-American; and no government can live under such a policy as that.

Mr. FLETCHER. I can see the Senator's objection and the ground for it. It looks as if the rate to his point is too high. But is it not a fact that the rate to and from the coast seems so low owing entirely to water competition, and the railroads have to meet the water competition or they can not get the business?

Mr. GOODING. The point I am making is that if we permit the interior to develop, the transcontinental railroads will have more business than they can handle. Our country is going backward notwithstanding it has not scratched the great resources as yet, but you can not develop a country when there is discrimination in freight rates. The Senator understands that, of course.

Mr. FLETCHER. I can understand that; and I would not favor that at all; but whether you would get lower rates, even though the rates to the coast were raised, is a question.

Mr. GOODING. We are more interested in seeing that the fellow west of us has not a cheaper freight rate than we have. We can pay the same freight rate he can, and are willing to do it, even if it is 1,000 miles farther, but we are never going to quit fighting as long as we are forced to pay more than he does for half the service he gets. No Senator would want to force any such condition as that upon any State in the Union, it seems to me.

Mr. ASHURST. Mr. President——

Mr. GOODING. I yield.

Mr. ASHURST. How would Senators or anyone else like it if, when they started home in a taxicab, they were charged a very high price, but the farther they went the less they were charged, and if for a small journey they were charged a high price? Would they like that kind of competition? Would that be fair? Is there any man here or elsewhere, and if there is, I would like to see him, who will say he is honestly for this sort of thing being perpetrated on our people—the long and the short haul injustice? No man who has ever spoken yet has said it was right. No man here or elsewhere has ever said it was an honest thing to do. There is excuse, apology, defense; but no man yet has ever risen to say that it is an honest device.

Mr. GOODING. There is only one justification for it, and that is the destruction of water competition; and that is its purpose, and that is why it has been permitted. There is no other excuse, and the railroads are fair enough to admit it. It is said now that if these violations are permitted, more than half the boats that are now going through the Panama Canal will have to find other business in some other part of the world.

Mr. KING. Mr. President, did the evidence before the Committee on Interstate Commerce reveal the fact that there has been for more than two years cut-throat competition between the boats engaged in coastwise traffic from ocean to ocean, as a result of which the freight rates upon cargoes from eastern ports to western ports, and vice versa, have not only been lower than what they were in the past but have been so low that most of the boats have lost money, and that the purpose was not only to destroy some of the competing lines but perhaps to affect the railroads? I do not know so much as to the latter, but I was interested to know whether there was proof before the committee respecting competition between the coastwise boats.

Mr. GOODING. No; no evidence of that kind was offered to the committee.

Mr. KING. Of course, if there is such competition—and I know there is and has been—the Interstate Commerce Commission, if it has jurisdiction—and if it has not it should be clothed with jurisdiction—ought to fix their rates as well as they fix the rates upon the railroads.

Mr. GOODING. I quite agree with the Senator. It will likely be necessary to regulate commerce through the Panama Canal and on our inland waterways, but we had better develop some commerce before we do that. We have not the commerce at the present time, and what little we have is not hurting the railroads at all. Of course, the whole fight all the way through on the part of the railroads is to destroy water competition, so that they may have a monopoly, and that is what all the great industries are striving for nowadays.

Out of my State we have a power company, one of the subsidiaries of the General Electric. They have gathered up all the power plants in my State. Some of them, I am quite sure, they paid an unreasonable price for, but the object, of course, was to secure a monopoly, and this year they have succeeded in increasing the power rates, because they control all the power developed in the State of Idaho. No one else I know of has an electric plant left anywhere in the State. That is the same policy the railroads have pursued to destroy all competition. They do not want competition.

On paint in car lots from Chicago to Seattle, Wash., a distance of 2,445 miles, via the Union Pacific, the present freight rate is $1.25 per hundred.

The railroads have asked the Interstate Commerce Commission for a rate from Chicago to Seattle of $1 per hundred.

From Chicago to Brule, Nebr., on the Union Pacific, a distance of 829 miles, the present rate is $1 per hundred.

If this application is allowed by the Interstate Commerce Commission, the people of Brule, Nebr., will pay the same rate

as the people of Seattle, although the haul is 1,616 miles longer than to Brule, Nebr.

From Chicago to Ozone, Wyo., a distance of 1,017 miles, the rate on paint in carload lots is $1.25 per hundred.

The present rate to Seattle is $1.25 per hundred.

At the present time the people of Ozone, Wyo., and all points west on the Union Pacific are paying the same freight rates on paint as Seattle. If this fourth section violation is allowed the Union Pacific, the people of Ozone, Wyo., will continue to pay a freight rate of $1.25 per hundred on paint, but the people of Seattle will pay a rate for a haul that is 1,428 miles longer than the haul from Chicago to Ozone, Wyo., of $1 per hundred.

On bar iron in carload lots from Chicago to Seattle, Wash., a distance of 2,445 miles, via Union Pacific, the present freight rate is $1 per hundred.

The railroads have asked the Interstate Commerce Commission for a rate from Chicago to Seattle of 75 cents per hundred.

From Chicago to Kearney, Nebr., on the Union Pacific, a distance of 674 miles, the present rate is 75 cents per hundred.

If this application is allowed by the Interstate Commerce Commission, the people of Kearney, Nebr., will pay the same rate as the people of Seattle, although the haul will be 1,771 miles longer than to Kearney, Nebr.

From Chicago to Borie, Wyo., a distance of 1,004 miles, the rate on bar iron, in carload lots, is $1 per hundred. The present rate to Seattle is $1 per hundred.

At the present time the people of Borie, Wyo., and all points west on the Union Pacific are paying the same freight rate on bar iron as Seattle. If this fourth section violation is allowed the Union Pacific, the people of Borie, Wyo., will continue to pay a freight rate of $1 per hundred on bar iron, but the people of Seattle, will pay a rate for a haul that is 1,441 miles longer than the haul from Chicago to Borie, Wyo., of 75 cents per hundred.

Mr. WALSH of Montana. Mr. President——

Mr. GOODING. I yield.

Mr. WALSH of Montana. I would like to inquire of the Senator whether this power now exercised by the Interstate Commerce Commission under the existing act was defended before the Committee on Interstate Commerce or advocated by any public bodies speaking for any constituency as in the public interest, or whether it was advocated solely by the railroad companies?

Mr. GOODING. The committee had before it two of the commissioners, Mr. Campbell and Mr. Hall. Mr. Campbell showed the disadvantage to the country very generally in his statement before the committee, while Mr. Hall practically justified the violations of the fourth section in the interest of the railroads.

Mr. WALSH of Montana. Did Mr. Hall make the argument that it was a wise policy to permit this discrimination?

Mr. GOODING. He seemed to think so. I thought he thought so. Mr. Campbell was just as positive that it was a dangerous policy, an unfair one, an unjust one.

Mr. WALSH of Montana. I was not speaking about those who urged that it was a dangerous policy, an unjust policy, an unwise policy. We have heard those arguments in the Senate repeatedly, but I have never heard any argument on the other side of the question from any public body or chamber of commerce or other representative speaking in the public interests.

Mr. GOODING. The Chicago Chamber of Commerce was before the commission asking permission to violate in the interest of Chicago. They wanted trade violations, violations permitted in the interest of trade in certain communities, while the people of New York, Boston, and practically all points east of Chicago were fighting the applications that I am now discussing. It was a fight over that territory for its business as between the different commercial points in the country. Chicago was asking for the violation. New York and the other cities east were opposing it.

Mr. WALSH of Montana. Just what was the line of argument generally put up by the Chicago people in favor of the violation?

Mr. GOODING. The Chicago people called this [indicating] intermountain territory their territory. They think they are entitled to the territory and the trade in the West, and of course their argument is that commerce is shipped around through the Panama Canal from New York and they are denied opportunity to participate in the business, although the traffic through the Panama Canal does not prove that at all.

Mr. WALSH of Montana. Then the argument is that the discrimination would help build up Chicago as against New York?

Mr. GOODING. Yes. In other words, the people living in the far West are a good deal in the position of the bone over which the dogs are quarreling, with no opportunity to develop our own resources, no opportunity to build up manufacturing institutions or even jobbing houses, if the violations are allowed.

They are fighting over that country out there. That is what it all means. That is what they ask for, and they admit it. The president of the Chamber of Commerce of Boston claimed that the commission has no right to divide up the territory and give it to Chicago or to say what manufacturers shall do business out there. At the same time they are opposing the bill that is before the Congress at the present time because they want some violations of their own. They have some violations now into the Southern States by the water route and over the railroads into different points. I do not know whether I am going to have the time to discuss them or not. That is the whole question that is involved. It is just a fight over the business between the great centers in the country. They seem to have influence enough with the Interstate Commerce Commission, and railroads, I am sorry to say, to get all the violations they wanted.

The Chicago, Milwaukee & St. Paul Railroad, on dry goods in carload lots from Chicago to Seattle, a distance of 2,190 miles, has a present freight rate of $1.58. They have asked the Interstate Commerce Commission for a rate from Chicago to Seattle of $1.10. The Milwaukee & St. Paul, the Northern Pacific, and the Great Northern all joined with the Union Pacific in asking for the violation.

From Chicago to Bongards, Minn., on the Milwaukee, a distance of 457 miles, the present rate, is $1.10. If this application is allowed by the Interstate Commerce Commission, the people of Bongards, Minn., would pay the same rate as the people of Seattle, although the haul would be 1,733 miles longer than to Bongards, Minn.

From Chicago to Mahto, N. Dak., a distance of 828 miles, the rate on dry goods in carload lots is $1.58 per hundred and the present rate to Seattle is $1.58 per hundred. At the present time the people of Mahto, N. Dak., and all points west on the Chicago, Milwaukee & St. Paul are paying the same freight rate on dry goods as Seattle. If the fourth section violation is allowed the Chicago, Milwaukee & St. Paul, the people of Mahto will continue to pay a freight rate of $1.58 per hundred on dry goods, but the people of Seattle will pay a rate for a haul that is 1,362 miles longer than the haul from Chicago to Mahto of $1.10.

The violations I have shown on the Union Pacific exist on all the railroads—the Milwaukee & St. Paul, the Great Northern, the Northen Pacific, the Santa Fe, the Missouri Pacific, and every other railroad.

Mr. CUMMINS. The Senator means if the applications shall be granted?

Mr. GOODING. Yes.

Mr. CUMMINS. It is to be hoped they will not be granted.

Mr. GOODING. I do not believe they can be stopped unless some legislation is enacted that will make it absolute. Every amendment to the fourth section of the interstate commerce act has been ineffective. The Senator from Iowa himself believed he had proposed an absolute provision preventing it, but it has not prevented it. The Interstate Commerce Commission has gone on and permitted the violations, almost as many as there were before the Senator's amendment to the fourth section was adopted.

Mr. CUMMINS. Mr. President, will the Senator yield to me for a moment?

Mr. GOODING. Certainly.

Mr. CUMMINS. That is substantially correct. I have always believed in a rigid fourth section, for I have always believed that the true rule in making a freight rate is the cost of the service, including in the cost of the service a reasonable return upon the capital employed in the enterprise. When we came to amend the law in 1920 the then Senator from Washington, Mr. Poindexter, being a member of the committee, made exactly the same claim for the territory from which he came—and he was a resident of Spokane, Wash.—that the Senator from Idaho now makes. I believed that his contention was sound and just. But there was great difference of opinion in the committee with respect to the matter. There was still greater difference when the bill came in to the conference committee. We finally compromised the respective claims upon the one side and the other. There was a great deal to be said on both sides.

I recognize that my friend from Idaho has not stated fully, nor would I expect him to state fully, the reasons which are urged by the railway companies and by some communities for what he calls violations of the fourth section. Suffice it to say that the controversy was finally compromised by the use of the words now in the law, namely, that in any event if the charge

was less for the longer haul than for the shorter, the charge for the longer haul must be compensatory. I had no doubt with regard to the meaning of that phrase. I have no doubt now with regard to the meaning of the phrase. I believe it contemplates that the railway companies shall secure or receive from the traffic involved in the longer haul a return that will not only pay what railway companies call the out-of-pocket costs, but will contribute a fair share of the rewards that must be given to capital.

Mr. SMITH. If the Senator will allow me, the amendment of the Esch-Cummins law went further than the mere proviso to which the Senator has referred. It is absolute except the proviso which says "only in special cases," and even in those special cases the rates must be compensatory.

Mr. CUMMINS. That phase of the law of 1920 has already been remarked upon. I have no doubt whatever, and I told the Senate so when we came to discuss the matter before the Senate, that the requirement that the charge should be at least a compensatory one would practically prevent a greater charge for the shorter haul than for the longer one. No one has been more disappointed than I over the construction which the Interstate Commerce Commission has given to that part of the law.

Mr. WALSH of Montana. As I understand it also, they construe "special cases" to mean every case of water competition, because apparently in every case which ever arose where there is water competition they apparently have reduced the rate. That was always so. Those were always "special cases."

Mr. CUMMINS. At least the Interstate Commerce Commission has not given much attention, as I understand it, to the phrase "special cases." I regret that very much. I do not look upon it as a fault in the law, but it is a fault with the interpretation of the law.

Mr. BRUCE. Mr. President, will the Senator from Iowa yield to me?

Mr. CUMMINS. I am speaking in the time of the Senator from Idaho. I would be very glad, so far as I am concerned, to yield to the Senator from Maryland.

Mr. BRUCE. Oh, no; I shall not ask that.

Mr. CUMMINS. I understand perfectly that the rigid application of the fourth section, as it originally was or as it would be without qualification, would disrupt the commerce of some communities, would disturb the commerce of some communities very much. I am thinking now rather of the southeastern country than I am of the western country. I can understand how in New England and New York, with their access by water to certain points along the Atlantic seacoast and the distribution of the freight carried to the interior in competition with direct railway lines from New England or New York to the interior of Georgia or Louisiana or Tennessee or any point that can be reached from the eastern seacoast, there might have to be some rearrangement of the conditions there existing.

But if the doctrine is a righteous one, sooner or later we shall be compelled to readjust those situations; and I do not believe there is a better time to do it than the present.

So far as the violation, so called, of the fourth section by the competition of rail carriers is concerned, it is abundantly provided for in an exception that is found in the amendment that will be offered by the Senator from Nevada [Mr. PITTMAN] or by the Senator from Idaho [Mr. GOODING]. It does not entirely forbid the charge so far as the competition between rail carriers is concerned—at least, I so understand the amendment—but it does, if I correctly interpret it, prevent a railway company from reducing its rates in order to meet water competition. I think that it is perfectly idle to attempt to adjust railway rates in order to meet what we ordinarily know as water competition. These two facilities for commerce are so utterly unlike, and the cost of maintaining and operating the one is so dissimilar from the cost of maintaining and operating the other that each must stand upon its own bottom. I, for one, believe that the water transportation of the United States, which can be carried on more cheaply than rail transportation, ought to take the traffic to which it is adapted. That is economic; that is fair; and we can not maintain a water competition in any other way.

I may also say that in the effort to maintain and build up water transportation we provided, by the act of 1920, for the first time in the history of railway regulation, that the Interstate Commerce Commission should have the authority to establish minimum rates as well as maximum rates. From 1887 up to 1920 the only authority which the commission had was to establish maximum rates, and the railway companies were at perfect liberty to reduce their rates according to their own desires or according to their own views of their interests as much as they pleased, limited only by a provision of the law that they must not discriminate as against any person or any locality; but, with that exception, their rates could be reduced below the maximum according to their own pleasure.

We provided in 1920—and what we provided it for was to preserve or build up water transportation—that the Interstate Commerce Commission could establish minimum rates. We intended that to meet just the condition that was suggested by the Senator from Louisiana [Mr. RANSDELL]. When the southern Mississippi River was at a low stage we did not intend that the railway companies on either side of it could reduce their rates so as to destroy that competition. When the upper Mississippi River, the Ohio River, and the upper Missouri River were frozen so that there could be no transportation upon those streams we intended that the railway companies should not be permitted to raise their rates during the interrupted period and then reduce their rates when the rivers were again able to resume their functions.

Mr. OVERMAN. Mr. President, will the Senator from Iowa yield?

Mr. CUMMINS. I have not the floor; I am trespassing upon the courtesy of the Senator from Idaho.

Mr. GOODING. I am glad to yield to the Senator from North Carolina.

Mr. OVERMAN. I understood the Senator from Idaho to say that the amendment would not meet the situation on the southeastern seaboard. If the amendment would meet the situation in the West, as described by the Senator from Idaho, I should like very much for the Senator from Iowa to explain why it would be a good thing for the West and the Mountain States and would not be a good thing for North Carolina and Tennesse, for instance.

Mr. CUMMINS. I am not able to answer that definitely. This amendment at least protects the southeastern section of the country in its water transportation; that is to say, a railway running directly from Virginia or from New England or from New York into North Carolina can protect itself, if it be the longer line, by application to the Interstate Commerce Commission, but it can not protect itself against the competition which exists by carrying the freight by water from Baltimore or from New York or from Boston to those points. We have always intended to give to the southeastern section of the country the benefit of their cheaper water transportation, and I think this proposed legislation would fairly secure it.

Mr. WALSH of Montana. If I may interrupt the Senator, take the rates from New York to New Orleans. Do roads passing through Knoxville, Tenn., or Salisbury, N. C., or Atlanta, Ga., make a lower rate from New York to New Orleans than they do, for instance, from New York to Atlanta?

Mr. CUMMINS. This amendment, if enacted into law, would prevent that.

Mr. WALSH of Montana. So it would be of benefit to all western North Carolina and Tennessee and northern Georgia and northern Alabama just the same as it would to the territory west of the Mississippi River?

Mr. CUMMINS. Undoubtedly; that is the very purpose of the amendment.

I am obliged to the Senator from Idaho [Mr. GOODING] for yielding to me.

Mr. GOODING. I thank the Senator from Iowa for the interruption.

Mr. President, I desire to refer to some violations on the Missouri Pacific. The present rate on dry goods to Little Rock, Ark., from Chicago, a distance of 634 miles, is $1.90½ a hundred. The railroads have asked for a rate on dry goods from Chicago to New Orleans, in carload lots, of $1.53 a hundred. If these violations are allowed by the Interstate Commerce Commission, the people of Little Rock will have to pay, for a 278-mile shorter haul, 37 cents more a hundred.

The rate on dry goods from Chicago to San Francisco, a distance of 3,408 miles, is $1.58 a hundred. The people of Little Rock, for a haul 2,774 miles shorter than the haul to San Francisco, will pay a rate of 31½ cents a hundred more.

Mr. President, these violations are not confined to the West alone, but they have been even more numerous in the South than in the West. That is due to the fact that there is more water transportation in the South. I feel, therefore, that the South is as much interested, if not more interested, in preventing violations of the fourth section than is the West.

Mr. BROOKHART. Mr. President——

Mr. GOODING. I yield.

Mr. BROOKHART. In making an investigation of the Mississippi River the special committee looked into that question quite extensively, and I may say that if the map to which the Senator has been referring were extended to the Southwest

it would show discriminations quite as great as those that have occurred in the West, and all for the purpose of destroying the cheaper water competition, of course. When that is destroyed or lessened the railroad rates always rise. That is the condition which exists now. There is not much water transportation except upon the Government barge line on the Warrior River and on the Mississippi up to St. Louis, and that, of course, does not meet the traffic situation. As an instance of the discrimination, it is possible to ship canned goods from Cedar Rapids, Iowa, to Baltimore and then get the water rate around to Seattle more cheaply than they can be shipped direct on the railroad from Cedar Rapids to Seattle. That is one of the situations which has been developed.

Mr. GOODING. Of course, we must develop in this country water transportation and then permit low-price farm products and low-price basic materials to seek the nearest water transportation. It is going to be impossible for the railroads, with the growth and development that is coming to this country, even to undertake to take care of the traffic; and unless we commence developing our rivers and enacting legislation that will make it profitable for capital to build water craft, the country must come to a standstill from the lack of proper transportation facilities.

Mr. President, I desire to refer to some further violations. On the Missouri Pacific the rate on soap in carload lots from St. Louis, Mo., to Alexandria, La., a distance of 642 miles, is 61½ cents a hundred; the rate on soap in carload lots from St. Louis to New Orleans, a distance of 835 miles, is 42½ cents a hundred. It will be seen, therefore, that the people of Alexandria, although the haul to that point is 193 miles shorter than the haul to New Orleans, are paying a rate at the present time of 19 cents a hundred more than the people of New Orleans are paying.

The rate on agricultural implements in carload lots from St. Louis to Alexandria, La., a distance of 642 miles, is 80 cents a hundred. The present rate from St. Louis to New Orleans, a distance of 835 miles, on agricultural implements is 64 cents a hundred. The haul to Alexandria is 193 miles shorter than the haul to New Orleans, and yet the rate on agricultural implements is 16 cents a hundred more when shipped to Alexandria than when shipped to New Orleans.

Mr. President, I find that it is impossible for me to get through this evening, and if it meets with the approval of the chairman of the committee I should like to yield the floor at this point. If he insists, however, upon going on, I will try to continue; but I find myself a little tired, and I have a great many rates here that I want to discuss yet.

TERMS OF DISTRICT COURT IN WYOMING

Mr. WALSH of Montana. Mr. President, if it is the purpose of the Senator to suspend here, I ask leave to report from the Committee on the Judiciary favorably, with amendments, House bill 4445, to amend section 115 of the act of March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary"; and I submit a report (No. 533) thereon. I invite the attention of the Senator from Wyoming to the bill. It is a local measure.

The PRESIDING OFFICER (Mr. LADD in the chair). Without objection, the report will be received.

Mr. WARREN. Mr. President, as this is entirely a local matter and pertains only to Wyoming, with the consent of the Senator from New York I will ask for its immediate consideration.

Mr. WADSWORTH. I make no objection, Mr. President.

Mr. McKELLAR. What is the request?

Mr. WARREN. For the consideration of a bill which simply adds another point for holding court in Wyoming.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. Without objection, the unfinished business will be temporarily laid aside. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with amendments.

The amendments were, on page 1, line 7, after the word "Wyoming," to strike out "and the Yellowstone National Park"; on page 2, line 12, after the word "appoint," to insert "among others"; on line 13, after the words "deputy marshals," to strike out "for the Yellowstone National Park"; and in line 14, after the words "reside in," to strike out "said park" and insert "the Yellowstone National Park," so as to make the bill read:

Be it enacted, etc., That section 115 of the act approved March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary," be, and the same is hereby, amended so as to read as follows:

"SEC. 115. The State of Wyoming shall constitute one judicial district, to be known as the district of Wyoming. Terms of the district court for said district shall be held at Cheyenne on the second Mondays in May and November, at Casper on the first Monday in February, at Evanston on the second Tuesday in July, and at Lander on the first Monday in October; and the said court shall hold one session annually at Sheridan, and in said national park, on such dates as the court may order. The marshal and clerk of the said court shall each, respectively, appoint at least one deputy to reside at Casper, and one to reside at Evanston, and one to reside at Lander, and shall also maintain an office at each of those places: *Provided*, That until a public building is provided at Casper suitable accommodations for holding court in said town shall be furnished free of expense to the United States. The marshal of the United States for the said district may appoint among others one or more deputy marshals, who shall reside in the Yellowstone National Park.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. WALSH of Montana. Mr. President, there is a brief report on this bill. I ask that it be published in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report is as follows:

TERM OF COURT AT CASPER, WYO.

Mr. WALSH of Montana, from the Committee on the Judiciary, submitted the following report to accompany H. R. 4445:

The Committee on the Judiciary, to whom was referred the bill (H. R. 4445) to amend section 115 of the act of March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary," having considered the same, report favorably thereon with the recommendation that the bill do pass with amendments.

The bill amends section 115 of the so-called Judicial Code, so as to provide for holding a term of court at Casper, in the State of Wyoming, a change which the growing importance of that city seems to require. In the consideration of the measure attention was called to the fact that a part of Yellowstone Park lies within the exterior boundaries of the State of Montana, and that under section 92 of the general act referred to the State of Montana is a judicial district. It results, accordingly, that there is an overlapping of jurisdiction under the two sections referred to as to that part of the Yellowstone Park so within the boundaries of the State of Montana, a serious matter should a crime be committed within that area. It is in the last degree doubtful whether Congress has the power to include within the same district, territory being parts of two States, in view of the provision of Article VI of the amendments to the Constitution of the United States providing that defendant is entitled to trial in the State and district within which the crime was committed.

The committee can see no reason for attempting to extend the jurisdiction of the district of Wyoming over that portion of the park within the State of Montana while consequences of the gravest character might ensue from the attempt to do so. It accordingly recommends that the bill be amended by striking out the language in lines 7 and 8, page 1, "and the Yellowstone National Park," and to make the bill a harmonious whole that further amendments as follows be made:

After the word "appoint," at the end of line 12, page 2, insert the words "among others."

Strike out the words, in lines 13 and 14, page 2, "for the Yellowstone National Park," and the words "said park," in line 14, and insert after the word "in," in line 14, page 2, the words "the Yellowstone National Park."

PUEBLO INDIAN LANDS

Mr. BURSUM. Mr. President, I ask unanimous consent for the present consideration of Senate bill 2932, to quiet the title to lands within the Pueblo Indian land grants, and for other purposes.

The PRESIDING OFFICER. The Senator from New Mexico asks unanimous consent for the present consideration of Senate bill 2932. Is there objection?

Mr. ASHURST. Mr. President, I have no objection to the bill being discussed, but I want to have the bill and the report read. For the last three or four years I have had an enormous number of protests against any bill proposing to take away from the Pueblo Indians any part of their lands.

Mr. BURSUM. Mr. President, will the Senator yield for a moment?

Mr. ASHURST. I yield.

Mr. BURSUM. I desire to say to the Senator from Arizona that all of the differences of opinion have been reconciled.

All of the associations which heretofore have objected have withdrawn their objections.

At the time the bill was last introduced there was one objection, namely, the method of compensation of the Indians. That has been reconciled to the entire satisfaction of those who were formerly opposed to the bill; and yesterday I received a telegram from Mrs. Atwood, who is at the head of the Women's Federated Clubs, and also a letter from Mr. Burleigh, of New York, who is attorney for the Indian Rights Association, requesting that the bill be passed as soon as possible. There is no objection or disagreement whatever at this time.

Mr. JONES of New Mexico. Mr. President, I may say that a subcommittee of the Committee on Public Lands, consisting of the Senator from Colorado [Mr. ADAMS], the Senator from New Mexico [Mr. BURSUM], and myself, have been considering this bill for a number of months—in fact, ever since the present session of Congress began—and the bill has been entirely reformed from the shape in which it was a year or more ago. The subcommittee reported to the general Committee on Public Lands, and there was a unanimous report, as I understand, in favor of reporting out the bill as it is; and I think there is no objection to the bill now from any source. There is none that I know of.

Mr. BURSUM. The amendments which are proposed by the committee meet with the entire approval of all of these associations and those who have heretofore opposed the bill.

Mr. WILLIS. Mr. President, when the Senator from New Mexico submitted his request last evening I objected to the consideration of the bill, because I had had certain representations from my constituents to the effect that the rights of the Indians were not properly protected. I have gone over the correspondence that has come to me, and have conferred with the Senator from New Mexico, and he has assured me, and indeed convinced me, that those rights have been properly protected in the bill. I therefore have no objection to the consideration of the bill, and trust that it may be passed.

Mr. ASHURST. Mr. President, I surely shall not object to the consideration of the bill in view of the statements that have been made, especially by the two Senators from New Mexico; but I ask that the bill be read, and that the report of the committee be read. I shall not object to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate bill 2932?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Public Lands and Surveys, with amendments.

The PRESIDING OFFICER. The Secretary will read the bill.

The reading clerk proceeded to read the bill.

Mr. ASHURST. Mr. President, the Pueblo Indians have been in possession of these lands for 200 or 300 years, we know. During the Lincoln administration they came here, and President Lincoln assured them that they never would be deprived of the ownership and title to these lands. Now we find the title in dispute. We find legislation necessary to settle the title to the lands. How, when, and why, since they have been in possession of this land for 200 or 300 years, under what circumstances, because of what act or omission on the part of any official, did it happen that these lands are now in peril, and that a suit to quiet title must be brought? I should like to know something about them.

Mr. BURSUM. Mr. President, I can explain to the Senator from Arizona how that came about, if he will yield to me.

Mr. ASHURST. I yield, of course.

Mr. BURSUM. This controversy has been in existence since the United States took over New Mexico. Prior to that time there were certain lands which had been granted by Spain to non-Indians and certain lands which had been granted to Indians. When the United States took over New Mexico the Congress extended certain grants of land to the Indians and included the lands of the non-Indians and also of the Indians, and the grants were made subject to the rights of third parties.

That is the reason why this matter is up. It is not that any non-Indians have gone on as squatters, or have gone on and filed, or have attempted to take away from the Indians any lands; but a cloud on the title arose by reason of the decision of the Supreme Court in 1913 in what is known as the Sandoval case—a whisky case—which reversed the doctrine of the Supreme Court laid down in 1876. Therefore it was necessary to have some kind of legislation which would settle and adjudicate the controversy on the basis of equity and right and giving to each that to which he was entitled.

Mr. ASHURST. That is a very frank and a very concise statement. Now, a word: What is the area in acres or square miles of the present Pueblo lands?

Mr. BURSUM. The total of the present Pueblo lands is 340,000 acres, divided into 20 pueblos.

Mr. ASHURST. Under this bill, will that area be diminished?

Mr. BURSUM. No; it will not be diminished. These lands which are owned by non-Indians are inside. The lands in controversy amount to about 10 per cent of the total lands—34,000 acres. This bill provides that if at any time the Federal Government shall have failed in any way to protect the rights of the Indians, in due season the Indians shall be reimbursed and paid and compensated, the amount of the compensation to be fixed by judicial finding of the Federal court. That is what these Indian rights associations were asking for, and precisely that which they asked for and insisted upon is what the committee has given them. I may say that the Federated Women's Clubs, which Mrs. Atwood is at the head of, and Mr. Burleigh, who is the attorney at New York for several of the Indian rights associations, are anxious that the bill as now modified, with the suggested amendments of the committee, shall pass at the earliest moment, so that it may be considered by the other House. The committee has put in, I suppose, a year's work on this, trying to reconcile the differences.

Mr. ASHURST. I believe the committee has been very faithful.

Mr. WILLIS. Mr. President, will the Senator permit an interruption? I wish to ask a question of the Senator from New Mexico.

Mr. ASHURST. I yield for that purpose.

Mr. WILLIS. There is one matter that I neglected to bring to the attention of the Senator from New Mexico. One of my correspondents makes this statement:

> This bill does not provide for any compensation to the Pueblos where white settlers are permitted to settle upon and hold land inside of Pueblo grants.

Mr. BURSUM. That is just what it does do. This amendment provides for that very thing.

Mr. WILLIS. Precisely.

Mr. ADAMS. Mr. President, will the Senator yield for just one second?

Mr. ASHURST. Yes; I yield.

Mr. ADAMS. I have been serving on this committee with these gentlemen who have known of this matter for a long time. It was new to me, and consequently I have gone into it with a good deal of care.

If the bill is open to criticism, it is not because the Indian is not being looked after, but because he is being looked after too much at the expense of the United States. If there is any criticism, it is to come from those who are interested in the United States Treasury and not the Indian. I think it might be open to argument that the United States is assuming a rather unnecessary burden, but it is done in an effort to go to the limit to protect the rights of the Indian.

As to the earlier bills, I would concur with those who objected to the bills. The rights of the Indian were not fully protected; but now the bill has gone over to the other extreme. There are these conflicting claims. Not only the Indian but the settler has been upon the land for several hundred years. It is not a recent conflict. When the Spaniards came in about 1540 they found these colonies there. Some of their people settled, and they settled in communities. They made wide grants rather regardless of actual settlement, and this is an effort to provide a method of adjudication and to establish titles. It resembles in a way the water-adjudication statutes with which the Senator from Arizona is familiar with in his State. It provides for a proceeding the cost of which is borne by the United States exclusively.

The United States files the bill, makes the survey, and carries all of the costs for the purpose of ascertaining what is the real fact. The Indian is protected. An effort is made to protect the settler; and the bill then goes the one step beyond, and provides that if the Indian loses his apparent title to any part of the land, if the United States, acting as the guardian of the Indian, could have protected him by seasonable prosecution, the United States shall make good to the Indian the value of the land which has been lost through the neglect of the United States. All this is done upon the theory laid down by the Supreme Court that the United States is the guardian of these Indians, and imposing upon the United States the responsibility which a guardian has to carry in case of any neglect of the interests of his ward.

Mr. ASHURST. I think the explanations have been clear——

Mr. ADAMS. May I add one further word in reference to the moneys which the Government may have to appropriate, in order that the Government's side may appear? Certain money will ultimately have to be appropriated to make good, and the bill provides that that money shall be used for the purpose of purchasing for the Indians land and water rights to replace those which he loses.

Mr. ASHURST. That is just the point I wanted to ask, if the Indian is to have money distributed to him it may or may not be sufficient; but if he is to have the right to select lands in lieu of those he loses, I will be content.

Mr. BURSUM. To show how far the committee has gone in favoring the Indian, it is provided in the bill that in the event a non-Indian shall have a superior title to Spanish land grants, no writ of ouster shall issue, but that the value of that land shall be reported to Congress so as to preserve for the Indian those lands, notwithstanding the fact that there may be outstanding a title superior to that of the Indian.

Mr. ASHURST. I withdraw my request to have the bill read, but I do ask that the bill and the report be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill and report were ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That in order to quiet title to various lots, parcels, and tracts of land in the State of New Mexico for which claim shall be made by or on behalf of the Pueblo Indians of said State as hereinafter provided, the United States of America, in its sovereign capacity as guardian of said Pueblo Indians, shall, by its Attorney General, file in the District Court of the United States for the district of New Mexico its bill or bills of complaint with a prayer for discovery of the nature of any claim or claims of any kind whatsoever adverse to the claim of said Pueblo Indians, as hereinafter determined.

SEC. 2. That there shall be, and hereby is, established a board to be known as "Pueblo Lands Board" to consist of the Secretary of the Interior, the Attorney General, each of whom may act through an assistant in all hearings, investigations, and deliberations in New Mexico, and a third member to be appointed by the President of the United States. The board shall be provided with suitable quarters in the city of Santa Fe, N. Mex., and shall have power to require the presence of witnesses and the production of documents by subpœna, to employ a clerk who shall be empowered to administer oaths and take acknowledgments, shall employ such clerical assistants, interpreters, and stenographers with such compensation as the Attorney General shall deem adequate, and it shall be provided with such necessary supplies and equipment as it may require on requisitions to the Department of Justice. The compensation and allowance for travel and expenses of the member appointed by the President shall be fixed by the Attorney General.

It shall be the duty of said board to investigate, determine, and report and set forth by metes and bounds, illustrated where necessary by field notes and plats, the lands within the exterior boundaries of any land granted or confirmed to the Pueblo Indians of New Mexico by any authority of the United States of America, or any prior sovereignty, or acquired by said Indians as a community by purchase or otherwise, title to which the said board shall find not to have been extinguished in accordance with the provisions of this act, and the board shall not include in their report any claims of non-Indian claimants who, in the opinion of said board after investigation, hold and occupy such claims of which they have had adverse possession, in accordance with the provisions of section 4 of this act: *Provided, however*, That the board shall be unanimous in all decisions whereby it shall be determined that the Indian title has been extinguished.

The board shall report upon each pueblo as a separate unit, and upon the completion of each report one copy shall be filed with the United States District Court for the District of New Mexico, one with the Attorney General of the United States, one with the Secretary of the Interior, and one with the Board of Indian Commissioners.

SEC. 3. That upon the filing of each report by the said board, the Attorney General shall forthwith cause to be filed in the United States District Court for the District of New Mexico, as provided in section 1 of this act, a suit to quiet title to the lands described in said report as Indian lands, the Indian title to which is determined by said report not to have been extinguished.

SEC. 4. That all persons claiming title to or ownership of any lands involved in any such suit or suits, may in addition to any other legal or equitable defenses which they may have or have had under the laws of the Territory and State of New Mexico, plead limitation of action, as follows, to wit:

(a) That in themselves, their ancestors, grantors, privies, or predecessors in interest or claim of interest, they have had open, notorious, actual, exclusive, continuous, adverse possession of the premises claimed, under color of title from the 6th day of January, 1902, to the date of the passage of this act, and have paid the taxes lawfully assessed and levied thereon to the extent required by the statutes of limitation or adverse possession of the Territory or of the State of New Mexico, since the 6th day of January, 1902, to the date of the passage of this act, except where the claimant was exempted or entitled to be exempted from such tax payment.

(b) That in themselves, their ancestors, grantors, privies, or predecessors in interest or claim of interest, they have had open, notorious, actual, exclusive, continuous, adverse possession of the premises claimed with claim of ownership, but without color of title, from the 16th day of March, 1889, to the date of the passage of this act, and have paid the taxes lawfully assessed and levied thereon to the extent required by the statutes of limitation or adverse possession of the Territory or of the State of New Mexico, from the 16th day of March, 1899, to the date of the passage of this act, except where the claimant was exempted or entitled to be exempted from such tax payment.

Nothing in this act contained shall be construed to impair or destroy any existing right of the Pueblo Indians of New Mexico to assert and maintain unaffected by the provisions of this act their title and right to any land by original proceedings, either in law or equity, in any court of competent jurisdiction and any such right may be asserted at any time prior to the filing of the field notes and plats as provided in section 13 hereof, and jurisdiction with respect to any such original proceedings is hereby conferred upon the United States district court for the district of New Mexico with right of review as in other cases: *Provided, however*, That any contract entered into with any attorney or attorneys by the Pueblo Indians of New Mexico to carry on such litigation shall be subject to and in accordance with existing laws of the United States.

SEC. 5. The plea of such limitations, successfully maintained, shall entitle the claimants so pleading to a decree in favor of them, their heirs, executors, successors, and assigns for the premises so claimed by them, respectively, or so much thereof as may be established, which shall have the effect of a deed of quitclaim as against the United States and said Indians, and a decree in favor of claimants upon any other ground shall have a like effect.

The United States may plead in favor of the pueblo, or any individual Indian thereof, as the case might be, the said limitations hereinbefore defined.

SEC. 6. It shall be the further duty of the board to separately report in respect of each such pueblo—

(a) The area and character of any tract or tracts of land within the exterior boundaries of any land granted or confirmed to the Pueblo Indians of New Mexico and the extent, source, and character of any water right appurtenant thereto in possession of non-Indian claimants at the time of filing such report, which are not claimed for said Indians by any report of the board.

(b) Whether or not such tract or tracts of land or such water rights could be or could have been at any time recovered for said Indians by the United States by seasonable prosecution of any right of the United States or of said Indians. Seasonable prosecution is defined to mean prosecution by the United States within the same period of time as that within which suits to recover real property could have been brought under the limitation statutes of the Territory and State of New Mexico.

(c) The fair market value of said water rights and of said tract or tracts of land (exclusive of any improvements made therein or placed thereon by non-Indian claimants) whenever the board shall determine that such tract or tracts of land or such water rights could be or could have been at any time recovered for said Indians by the United States by seasonable prosecution of any right of the United States or of said Indians, and the amount of loss, if any, suffered by said Indians through failure of the United States seasonably to prosecute any such right.

The United States shall be liable, and the board shall award compensation, to the pueblo within the exterior boundaries of whose lands such tract or tracts of land shall be situated or to which such water rights shall have been appurtenant to the extent of any loss suffered by said Indians through failure of the United States seasonably to prosecute any right of the United States or of said Indians, subject to review as herein provided. Such report and award shall have the force and effect of a judicial finding and final judgment upon the question and amount of compensation due to the Pueblo Indians from the United States for such losses. Such report shall be filed simultaneously with and in like manner as the reports hereinbefore provided to be made and filed in section 2 of this act.

At any time within 60 days after the filing of said report with the United States District Court for the District of New Mexico as herein provided the United States or any pueblo or Indians concerned therein or affected thereby may, in respect of any report upon liability or of any finding of amount or award of compensation set forth in such report, petition said court for judicial review of said report, specifying the portions thereof in which review is desired. Said

court shall thereupon have jurisdiction to review, and shall review such report, finding, or award in like manner as in the case of proceedings in equity. In any such proceedings the report of the board shall be prima facie evidence of the facts, the values, and the liability therein set forth, subject, however, to be rebutted by competent evidence. Any party in interest may offer evidence in support or in opposition to the findings in said report in any respect. Said court shall after hearing render its decision so soon as practicable, confirming, modifying, or rejecting said report or any part thereof. At any time within 30 days after such decision is rendered said court shall, upon petition of any party aggrieved, certify the portions of such report, review of which has been sought, together with the record in connection therewith, to the United States Circuit Court of Appeals for the Eighth Circuit, which shall have jurisdiction to consider, review, and decide all questions arising upon such report and record in like manner as in the case of appeals in equity, and its decision thereon shall be final.

Petition for review of any specific finding or award of compensation in any report shall not affect the finality of any findings nor delay the payment of any award set forth in such report, review of which shall not have been so sought, nor in any proceeding for review in any court under the provisions of this section shall costs be awarded against any party.

SEC. 7. It shall be the further duty of the board to investigate, ascertain, and report to the Secretary of the Interior, who shall report to the Congress of the United States, together with his recommendation, the fair market value of lands, improvements appurtenant thereto, and water rights of non-Indian claimants who, in person or through their predecessors in title prior to January 6, 1912, in good faith and for a valuable consideration purchased and entered upon Indian lands under a claim of right based upon a deed or document purporting to convey title to the land claimed or upon a grant, or license from the governing body of a pueblo to said land, but fail to sustain such claim under the provisions of this act, together with a statement of the loss in money value thereby suffered by such non-Indian claimants. Any lands lying within the exterior boundaries of the pueblo of Nambe land grant, which were conveyed to any holder or occupant thereof or his predecessor or predecessors in interest by the governing authorities of said pueblo, in writing, prior to January 6, 1912, shall, unless found by said board to have been obtained through fraud or deception, be recognized as constituting valid claims by said board and by said court, and disposed of in such manner as lands the Indian title to which has been determined to have been extinguished pursuant to the provisions of this act: *Provided*, That nothing in this section contained with reference to the said Nambe Pueblo Indians shall be construed as depriving the said Indians of the right to impeach any such deed or conveyance for fraud or to have mistakes therein corrected through a suit in behalf of said pueblo or of an individual Indian under the provisions of this act.

SEC. 8. It shall be the further duty of the board to investigate, ascertain, and report to the Secretary of the Interior the area and the value of the lands and improvements appurtenant thereto of non-Indian claimants within or adjacent to Pueblo Indian settlements or towns in New Mexico, title to which in such non-Indian claimants is valid and indefeasible, said report to include a finding as to the benefit to the Indians in anywise of the removal of such non-Indian claimants by purchase of their lands and improvements and the transfer of the same to the Indians, and the Secretary of the Interior shall report to Congress the facts with his recommendations in the premises.

SEC. 9. That all lands, the title to which is determined in said suit or suits, shall, where necessary, be surveyed and mapped under the direction of the Secretary of the Interior, at the expense of the United States, but such survey shall be subject to the approval of the judge of the United States District Court for the District of New Mexico, and if approved by said judge shall be filed in said court and become a part of the decree or decrees entered in said district court.

SEC. 10. That necessary costs in all original proceedings under this act, to be determined by the court, shall be taxed against the United States and any party aggrieved by any final judgment or decree shall have the right to a review thereof by appeal or writ of error or other process, as in other cases, but upon such appeal being taken each party shall pay his own costs.

SEC. 11. That in the sense in which used in this act the word "purchase" shall be taken to mean the acquisition of community lands by the Indians other than by grant or donation from a sovereign.

SEC. 12. That any person claiming any interest in the premises involved but not impleaded in any such action may be made a party defendant thereto or may intervene in such action, setting up his claim in usual form.

SEC. 13. That as to all lands within the exterior boundaries of any lands granted or confirmed to the Pueblo Indians of New Mexico, by any authority of the United States of America or any prior sovereignty, or acquired by said Indians as a community by purchase or otherwise and which have not been claimed for said Indians by court proceedings then pending or the findings and report of the board as herein provided, the Secretary of the Interior at any time after two years after the filing of said reports of the board shall file field notes and plat for each pueblo in the office of the surveyor general of New Mexico at Santa Fe, N. Mex., showing the lands to which the Indian title has been extinguished as in said report set out, but excluding therefrom lands claimed by or for the Indians in court proceedings then pending, and copies of said plat and field notes certified by the surveyor general of New Mexico as true and correct copies shall be accepted in any court as competent and conclusive evidence of the extinguishment of all the right, title, and interest of the Indians in and to the lands so described in said plat and field notes and of any claim of the United States in or to the same. And the Secretary of the Interior within 30 days after the Indians' right to bring independent suits under this act shall have expired, shall cause notice to be published in some newspaper or newspapers of general circulation issued, if any there be, in the county wherein lie such lands claimed by non-Indian claimants, respectively, or wherein some part of such lands are situated, otherwise in some newspaper or newspapers of general circulation published nearest to such lands, once a week for five consecutive weeks, setting forth as nearly as may be the names of such non-Indian claimants of land holdings not claimed by or for the Indians as herein provided, with a description of such several holdings, as shown by a survey of Pueblo Indian lands heretofore made under the direction of the Secretary of the Interior and commonly known as the "Joy Survey," or as may be otherwise shown or defined by authority of the Secretary of the Interior, and requiring that any person or persons claiming such described parcel or parcels of lands or any part thereof, adversely to the apparent claimant or claimants so named as aforesaid, or their heirs or assigns, shall, on or before the thirtieth day after the last publication of such notice, file his or their adverse claim in the United States land office in the land district wherein such parcel or parcels of land are situate, in the nature of a contest, stating the character and basis of such adverse claim, and notice of such contest shall be served upon the claimant or claimants named in the said notice, in the same manner as in cases of contest of homestead entries. If no such contest is instituted as aforesaid, the Secretary of the Interior shall issue to the claimant or claimants, or their heirs or assigns, a patent or other certificate of title for the parcel or parcels of land so described in said notice; but if a contest be filed it shall proceed and be heard and decided as contests of homestead entries are heard and decided under the rules and regulations of the General Land Office pertinent thereto. Upon such contest either party may claim the benefit of the provisions of section 4 of this act to the same extent as if he were a party to a suit to quiet title brought under the provisions of this act, and the successful party shall receive a patent or certificate of title for the land as to which he is successful in such proceeding. Any patent or certificate of title issued under the provisions of this act shall have the effect only of a relinquishment by the United States of America and the said Indians.

If after such notice more than one person or group of persons united in interest makes claim in such land office adverse to the claimant or claimants named in the said notice, or to any other person or group of persons who may have filed such contest, each contestant shall be required to set forth the basis and nature of his respective claim, and thereupon the said claims shall be heard and decided as upon an original contest or intervention.

And in all cases any person or persons whose right to a given parcel or parcels of land has become fixed either by the action of the said board or the said court or in such contest may apply to the Commissioner of the General Land Office for a patent or certificate of title and receive the same without cost or charge.

SEC. 14. That if any non-Indian party to any such suit shall assert against the Indian title a claim based upon a Spanish or Mexican grant, and if the court should finally find that such claim by the non-Indian is superior to that of the Indian claim, no final decree or judgment of ouster of the said Indians shall be entered or writ of possession or assistance shall be allowed against said Indians, or any of them, or against the United States of America acting in their behalf. In such case the court shall ascertain the area and value of the land thus held by any non-Indian claimant under such superior title, excluding therefrom the area and value of lots or parcels of land the title to which has been found to be in other persons under the provisions of this act: *Provided, however*, That any findings by the court under the provisions of this section may be reviewed on appeal or writ of error at the instance of any party aggrieved thereby, in the same manner, to the same extent, and with like effect as if such findings were a final judgment or decree. When such finding adverse to the Indian claim has become final, the Secretary of the Interior shall report to Congress the facts, including the area and value of the land so adjudged against the Indian claim, with his recommendations in the premises.

SEC. 15. That when any claimant, other than the United States for said Indians not covered by the report provided for in section 7 of this act, fails to sustain his claim to any parcel of land within any Pueblo Indian grant, purchase, or donation under the provisions

of this act, but has held and occupied any such parcel in good faith, claiming the same as his own, and the same has been improved, the value of the improvements upon the said parcel of land shall be found by the court and reported by the Secretary of the Interior to Congress, with his recommendations in the premises.

SEC. 16. That if any land adjudged by the court or said lands board against any claimant be situate among lands adjudicated or otherwise determined in favor of non-Indian claimants and apart from the main body of the Indian land, and the Secretary of the Interior deems it to be for the best interest of the Indians that such parcels so adjudged against the non-Indian claimant be sold, he may, with the consent of the governing authorities of the pueblo, order the sale thereof, under such regulations as he may make, to the highest bidder for cash, and if the buyer thereof be other than the losing claimant, the purchase price shall be used in paying to such losing claimant the adjudicated value of the improvements aforesaid, if found under the provisions of section 15 hereof, and the balance thereof, if any, shall be paid over to the proper officer, or officers, of the Indian community, but if the buyer be the losing claimant, and the value of his improvements has been adjudicated as aforesaid, such buyer shall be entitled to have credit upon his bid for the value of such improvements so adjudicated.

SEC. 17. No right, title, or interest in or to the lands of the Pueblo Indians of New Mexico to which their title has not been extinguished as hereinbefore determined shall hereafter be acquired or initiated by virtue of the laws of the State of New Mexico, or in any other manner except as may hereafter be provided by Congress, and no sale, grant, lease of any character, or other conveyance of lands, or any title or claim thereto, made by any pueblo as a community, or any Pueblo Indian living in a community of Pueblo Indians, in the State of New Mexico, shall be of any validity in law or in equity unless the same be first approved by the Secretary of the Interior.

SEC. 18. That the pleading, practice, procedure, and rules of evidence shall be the same in all causes arising under this act as in other civil causes in the Federal courts, except as otherwise herein provided.

SEC. 19. That all sums of money which may hereafter be appropriated by the Congress of the United States for the purpose of paying in whole or in part any liability found or decreed under this act from the United States to any pueblo or to any of the Indians of any pueblo, shall be paid over to the Bureau of Indian Affairs, which bureau, under the direction of the Secretary of the Interior, shall use such moneys at such times and in such amounts as may seem wise and proper for the purpose of the purchase of lands and water rights to replace those which have been lost to said pueblo or to said Indians, or for purchase or construction of reservoirs, irrigation works, or the making of other permanent improvements upon or for the benefit of lands held by said pueblo or said Indians.

TO QUIET THE TITLE TO LANDS WITHIN PUEBLO INDIAN LAND GRANTS, AND FOR OTHER PURPOSES

Mr. ADAMS, from the Committee on Public Lands and Surveys, submitted the following report to accompany S. 2932:

The Committee on Public Lands and Surveys, to whom was referred the bill (S. 2932) to quiet the title to lands within Pueblo Indian land grants, and for other purposes, having considered the same, report thereon favorably with the following amendments:

On page 4, line 17, after the word "Territory," insert the words "or of the State."

On page 5, line 4, after the word "Territory," insert the words "or of the State."

On page 6, strike out all of section 6 and insert in lieu thereof the following:

"SEC. 6. It shall be the further duty of the board to separately report in respect of each such pueblo—

"(a) The area and character of any tract or tracts of land within the exterior boundaries of any land granted or confirmed to the Pueblo Indians of New Mexico and the extent, source, and character of any water right appurtenant thereto in possession of non-Indian claimants at the time of filing such report, which are not claimed for said Indians by any report of the board;

"(b) Whether or not such tract or tracts of land or such water rights could be, or could have been at any time, recovered for said Indians by the United States by seasonable prosecution of any right of the United States or of said Indians. Seasonable prosecution is defined to mean prosecution by the United States within the same period of time as that within which suits to recover real property could have been brought under the limitation statutes of the Territory and State of New Mexico.

"(c) The fair market value of said water rights and of said tract or tracts of land (exclusive of any improvements made therein or placed thereon by non-Indian claimants) whenever the board shall determine that such tract or tracts of land or such water rights could be, or could have been at any time, recovered for said Indians by the United States by seasonable prosecution of any right of the United States or of said Indians; and the amount of loss, if any, suffered by said Indians through failure of the United States seasonably to prosecute any such right.

"The United States shall be liable, and the board shall award compensation, to the pueblo within the exterior boundaries of whose lands such tract or tracts of land shall be situated or to which such water rights shall have been appurtenant, to the extent of any loss suffered by said Indians through failure of the United States seasonably to prosecute any right of the United States or of said Indians, subject to review as herein provided; such report and award shall have the force and effect of a judicial finding and final judgment upon the question and amount of compensation due to the Pueblo Indians from the United States for such losses. Such report shall be filed simultaneously with, and in like manner as, the reports hereinbefore provided to be made and filed in section 2 of this act.

"At any time within 60 days after the filing of said report with the United States District Court for the District of New Mexico as herein provided, the United States or any pueblo or Indians concerned therein or affected thereby may, in respect of any report upon liability or of any finding of amount or award of compensation set forth in such report, petition said court for judicial review of said report, specifying the portions thereof in which review is desired. Said court shall thereupon have jurisdiction to review, and shall review, such report, finding, or award in like manner as in the case of proceedings in equity. In any such proceeding the report of the board shall be prima facie evidence of the facts, the values, and the liability therein set forth, subject, however, to be rebutted by competent evidence. Any party in interest may offer evidence in support or in opposition to the findings in said report in any respect. Said court shall, after hearing, render its decision so soon as practicable, confirming, modifying, or rejecting said report or any part thereof. At any time within 30 days after such decision is rendered said court shall, upon petition of any party aggrieved, certify the portions of such report, review of which has been sought, together with the record in connection therewith, to the United States Circuit Court of Appeals for the Eighth Circuit which shall have jurisdiction to consider, review, and decide all questions arising upon such report and record in like manner as in the case of appeals in equity, and its decision thereon shall be final.

"Petition for review of any specific finding or award of compensation in any report shall not affect the finality of any findings nor delay the payment of any award set forth in such report, review of which shall not have been so sought, nor, in any proceeding for review in any court under the provisions of this section, shall costs be awarded against any party."

On page 7, line 22, after the word "fraud," insert the words, "or to have mistakes therein corrected"; and in the same line strike out the word "general" and also the words "or by a special suit."

On page 7, line 23, after the word "of," insert the words "said pueblo or of"; and in the same line strike out the words "by the Attorney General."

On page 7, line 24, strike out the words "the last paragraph of section 4 of."

On page 9, line 16, strike out the word "suits" and insert in lieu thereof the words "court proceedings then pending."

At the top of page 12, lines 1 and 2, strike out the words "and shall not affect the adverse right or rights of any other person whatsoever."

On page 15, strike out all of section 19 and insert in lieu thereof the following:

"SEC. 19. That all sums of money which may hereafter be appropriated by the Congress of the United States for the purpose of paying in whole or in part any liability found or decreed under this act from the United States to any pueblo or to any of the Indians of any pueblo, shall be paid over to the Bureau of Indian Affairs, which bureau, under the direction of the Secretary of the Interior, shall use such moneys at such times and in such amounts as may seem wise and proper, for the purpose of the purchase of lands and water rights to replace those which have been lost to said pueblo or to said Indians, or for purchase or construction of reservoirs, irrigation works, or the making of other permanent improvements upon or for the benefit of lands held by said pueblo or said Indians."

This bill incorporates the greater portion of the provisions of Senate bill 726 heretofore referred to the Committee on Public Lands.

Consideration of the Senate bill 726 led to the making of many amendments and to the rephrasing of many parts. For the sake of clearness and in order that it might be more readily understood, both by the committee and by the Senate, it was deemed advisable to reintroduce Senate bill 726 with amendments, and it now appears as Senate bill 2932. Senate bill 726 was referred to the Secretary of the Interior, who furnished the committee with a report thereon, copy of which is attached hereto and made a part of this report, as the prin-

ciples involved in the bill which were approved by the Secretary of the Interior appear not to have been departed from, though altered in details.

This bill is an effort to provide for the final adjudication and settlement of a very complicated and difficult series of conflicting titles affecting lands claimed by the Pueblo Indians of New Mexico. In order to understand the necessity for the legislation proposed in this bill, it seems advisable to make a brief statement of some points in the very interesting history of the Pueblo Indians.

There are 20 pueblos involved with a total Indian population of between 6,500 and 8,000. Each pueblo consits of about 17,000 acres of land within its exterior boundaries, or a total of 340,000 acres in all.

These Indians were found by Coronado and the first Spanish explorers in 1541, many of them residing in villages and occupying the same lands that the Pueblo Indians now occupy.

The rights of these Indians to the lands occupied by them was recognized by the Spanish conquerors from early days. The first decree of record concerning them was issued by Charles V of Spain, dated March 21, 1551, when they were ordered gathered into pueblos or towns. In 1687 a grant of lands was made to them by the King of Spain, and from that time on until the termination of Spanish dominion grants of land were made at various times and the Spanish authorities supervised their affairs. The Spanish grant to each pueblo as finally confirmed by Congress became 4 square leagues, 1 league in each direction from the center of the village or the door of the church.

During the Spanish occupation of New Mexico some grants were also made to non-Indians by the Spanish Government. Upon the termination of Spanish sovereignty in this territory these Pueblo Indians came under the jurisdiction of Mexico, by the government of which they were given many political and civil rights. All of the land grants made to and held by the Indians have been and are now held in a type of communal occupancy and ownership.

Upon the acquisition by the United States from Mexico of the territory now comprising the State of New Mexico these Indians and the lands in question came under the jurisdiction of the United States. The relationship of the inhabitants of this territory and the Government of the United States was established by the treaty of Guadalupe Hidalgo in 1848. In 1859 Congress confirmed the Spanish grants to the Indians, subject, however, to any valid adverse rights should any exist.

While a matter of importance, the legal status of these Indians was not finally determined until 1913.

It was only by the decision of the case of the United States *v.* Sandoval (213 U. S. 28) that the Supreme Court of the United States definitely established the principle that these Indians were wards of the Government.

In an earlier case, that of the United States *v.* Joseph (94 U. S. 614), the Supreme Court of the United States, speaking of these Indians, said:

> "The character and history of these people are not obscure, but occupy a well-known page in the story of Mexico from the conquest of the country by Cortez to the cession of this part of it to the United States by the treaty of Guadalupe Hidalgo. The subject is tempting and full of interest, but we have only space for a few well-considered sentences of the opinion of the chief justice of the court whose judgment we are reviewing.
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> "For centuries," he says, "the Pueblo Indians have lived in villages, in fixed communities, each having its own municipal or local government. As far as their history can be traced, they have been pastoral and agricultural people, raising flocks and cultivating the soil. Since the introduction of the Spanish Catholic missionary into the country they have adopted mainly not only the Spanish language but the religion of a Christian church. In every pueblo is erected a church, dedicated to the worship of God according to the form of the Roman Catholic religion, and in nearly all is to be found a priest of this church, who is recognized as their spiritual guide and adviser. They manufacture nearly all of their blankets, clothing, agricultural and culinary implements, etc. Integrity and virtue among them is fostered and encouraged. They are intelligent as most nations or people deprived of means or facilities for education. Their names, their customs, their habits, are similar to those of the people in whose midst they reside or in the midst of whom their pueblos are situated. The criminal records of the courts of the Territory scarcely contain the name of a Pueblo Indian. In short, they are a peaceable, industrious, honest, and virtuous people. They are Indians only in feature, complexion, and a few of their habits; in all other respects superior to all but a few of the civilized Indian tribes of the country and the equal of the most civilized thereof. This description of the Pueblo Indians, I think, will be deemed by all who know them as faithful and true in all respects. Such was their character at the time of the acquisition of New Mexico by the United States; such is their character now.
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> "At the time the act of 1834 was passed there were no such Indians as these in the United States unless it be one or two reservations or tribes, such as the Senecas or Oneidas of New York, to whom, it is clear, the eleventh section of the statute could have no application. When it became necessary to extend the laws regulating the intercourse with the Indians over our new acquisitions from Mexico, there was ample room for the exercise of those laws among the nomadic Apaches, Comanches, Navahos, and other tribes, whose incapacity for self-government required both for themselves and for the citizens of the country this guardian care of the General Government.
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> "The Pueblo Indians, if, indeed, they can be called Indians, had nothing in common with this class. The degree of civilization which they had attained centuries before their willing submission to all laws of the Mexican Government, the full recognition by that Government of all their civil rights, including that of voting and holding office, and their absorption into the general mass of the population (except that they held their lands in common), all forbid the idea that they should be classed with the Indian tribes for whom the intercourse acts were made, or that in the intent of the act of 1851 its provisions were applicable to them. The tribes for whom the act of 1834 was made were those semi-independent tribes whom our Government has always recognized as exempt from our laws, whether within or without the limits of an organized State or Territory, and in regard to their domestic government, left to their own rules and traditions; in whom we have recognized the capacity to make treaties and with whom the Governments, State and National, deal, with a few exceptions only, in their national or tribal character and not as individuals.
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> "If the Pueblo Indians differ from the other inhabitants of New Mexico in holding lands in common and in a certain patriarchal form of domestic life, they only resemble in this regard the Shakers and other communistic societies in this country, and can not for that reason be classed with the Indian tribes of whom we have been speaking."

In the Sandoval case the Supreme Court took a different view as to the legal status of these Indians, and in holding that they were wards of the United States Government said:

> "The people of the Pueblos, although sedentary rather than nomadic in their inclinations and disposed to peace and industry, are nevertheless Indians in race, customs, and domestic government, always living in separate and isolated communities, adhering to primitive modes of life, largely influenced by superstition and fetichism and chiefly governed according to the crude customs inherited from their ancestors. They are essentially a simple, uninformed, and inferior people."

Speaking of its previous opinion in the Joseph case, the court said that the observations there made as to the character of these Indians "were evidently based upon statements in the opinion of the Territorial court, then under review, which are at variance with other recognized sources of information now available.

Up to the time of the decision of the Sandoval case in 1913 it had been assumed by both the Territorial and State courts of New Mexico that the Pueblos had the right to alienate their property. From earliest times also the Pueblos had invited Spaniards and other non-Indians to dwell with them, and in many cases Pueblos and individual Indians attempted to convey lands to non-Indians which under the decision of the Sandoval case they were not competent to do.

As a result of this situation, conflicts as to title and right to possession arose and exist in many instances. During the Sixty-seventh Congress extensive hearings were held and much testimony taken. This testimony was, by agreement of all interested parties, submitted to the present committee to be accepted as representing the evidence which would be presented if new hearings were had. These hearings disclosed that there are now approximately 3,000 claimants to lands within the exterior boundaries of the Pueblo grants. The non-Indian claimants with their families comprise about 12,000 persons. With few exceptions, the non-Indian claims range from a town lot of 25 feet front to a few acres in extent. It was stated, however, in the hearings by all parties that probably 80 per cent of the claims are not resisted by the Indians and only about 20 per cent of the number will be contested.

Another complication is due to the fact that under Spain and Mexico there were no surveys, hence descriptions were very loose and not subject to reliable identification for any great period of time. It is also alleged that non-Indian claimants have encroached upon Indian lands, have sought to enlarge the boundaries of their claims, and that the rights of the Indians are being constantly violated.

To settle the complicated questions of title and to secure for the Indians all of the lands to which they are equitably entitled is the purpose of this bill.

The committee had before it representatives of the Indians and of several associations which have interested themselves on behalf of the Indians and also representatives of the non-Indians. It also had before it representatives of the Bureau of Indian Affairs. These representatives, recognizing the necessity of a solution of these intricate problems and conscious of the fact that a failure to substantially agree upon a bill might lead to the total failure of legislation to this end, and having in

mind the experience in this respect during previous sessions of Congress, made earnest and sincere efforts to reach an adjustment of the various matters of difference. As a result, by concessions and compromises the present bill has been worked out with a view of establishing principles and creating and putting into operation the necessary legal machinery for the equitable adjustment of these conflicting land titles. Except on a few points, the representatives of all those interested are in accord.

The bill provides for the institution by the Attorney General of the United States of a bill or bills of complaint in the United States District Court for the District of New Mexico on behalf of the United States in its sovereign capacity as guardian of the Pueblo Indians for the purpose of quieting the title to the lands claimed to belong to these Indians and discovering the nature and character of adverse claims.

There is also established a board known as "Pueblo lands board," to consist of the Secretary of the Interior, the Attorney General, and a third member to be appointed by the President of the United States.

The Secretary of the Interior and the Attorney General may act through assistants in investigations and deliberations conducted in New Mexico. This board is to be provided with an office at Santa Fe, N. Mex., and is given the power to require the presence of witnesses and the production of documents and to employ necessary clerical assistance, interpreters, and stenographers, with such compensation as the Attorney General shall deem adequate.

It is made the duty of this board to investigate, determine, report, and describe the lands within the exterior boundaries of any lands granted or confirmed to the Pueblo Indians of New Mexico by any authority of the United States or of any prior sovereignty or acquired by said Indians as a community by purchase or otherwise, title to which the said board shall find not to have been extinguished in accordance with the provisions of this act. It is required that the board shall be unanimous in all decisions by which it is determined that the Indian title has been extinguished. The board is required to report upon each pueblo as a separate unit and to file one copy of the report with the United States District Court for the District of New Mexico, one with the Attorney General, one with the Secretary of the Interior, and one with the Board of Indian Commissioners. Upon the filing of each report, the Attorney General is required to file a suit to quiet the title to the lands described in said report as Indian lands, the Indian title to which is determined by the report not to have been extinguished.

Section 4, which is the portion of the act which heretofore has caused most of the controversy, is now approved by the representatives of the Indians and of the associations interested on behalf of the Indians and is also approved by the representatives of the non-Indians, except in one particular, and as to that no serious objection is now urged. This section provides that persons claiming title to any lands involved in such suits to quiet title may, in addition to any other legal or equitable defenses which they may have or have had under the laws of the Territory and State of New Mexico, plead limitations of action as follows:

"(a) That in themselves, their ancestors, grantors, privies, or predecessors in interest or claim of interest, they have had open, notorious, actual, exclusive, continuous, adverse possession of the premises claimed, under color of title from the 6th day of January, 1902, to the date of the passage of this act, and have paid the taxes lawfully assessed and levied thereon to the extent required by the statute of limitations, or adverse possession of the Territory of New Mexico, since the 6th day of January, 1902, to the date of the passage of this act, except where the claimant was exempted or entitled to be exempted from such tax payment.

"(b) That in themselves, their ancestors, grantors, privies, or predecessors in interest or claim of interest, they have had open, notorious, actual, exclusive, continuous, adverse possession of the premises claimed with claim of ownership, but without color of title, from the 16th day of March, 1889, to the date of the passage of this act, and have paid the taxes lawfully assessed and levied thereon to the extent required by the statute of limitation or adverse possession of the Territory of New Mexico from the 16th day of March, 1899, to the date of the passage of this act, except where the claimant was exempted or entitled to be exempted from such tax payment.

"Nothing in this act contained shall be construed to impair or destroy any existing right of the Pueblo Indians of New Mexico to assert and maintain unaffected by the provisions of this act their title and right to any land by original proceedings, either in law or equity, in any court of competent jurisdiction, and any such right may be asserted at any time prior to the filing of the field notes and plats as provided in section 13 hereof, and jurisdiction with respect to any such original proceedings is hereby conferred upon the United States District Court for the District of New Mexico with right of review as in other cases: *Provided, however,* That any contract entered into with any attorney or attorneys by the Pueblo Indians of New Mexico to carry on such litigation shall be subject to and in accordance with existing laws of the United States."

It is to be noted that this section makes substantial changes in reference to asserting rights or defenses based upon statutes of limitations from that which was provided in the bills pending in previous sessions of Congress. In order to successfully maintain a plea of limitations based upon adverse possession, under color of title, such adverse possession must have continued from January 6, 1902, to the date of the passage of this act, and must have been accompanied with the payment of the taxes lawfully assessed and levied thereon to the extent required by the statutes of limitations or adverse possession of the Territory of New Mexico since the said date, except where the claimant was exempted or entitled to be exempted from such tax payment.

Where the plea of limitations is based upon claim of ownership, but without color of title, adverse possession must be established from the 16th day of March, 1889, to the passage of the act, and the claimant must have paid the taxes lawfully assessed and levied thereon to the extent required by the New Mexico statute of limitations from the 16th day of March, 1899, except where the claimant was exempted or entitled to be exempted from such tax payment.

It is also provided that nothing in the act shall impair any existing right of the Pueblo Indians to assert and maintain their title by proceedings in any court of competent jurisdiction, and jurisdiction is expressly conferred upon the United States District Court for the District of New Mexico to hear such cases, and a right of review from such decisions is provided for.

It is further provided that contracts entered into by the Pueblo Indians with attorneys shall be subject to the existing laws of the United States requiring contracts between attorneys and Indians to be approved by the United States.

If a plea of limitation is successfully maintained, the bill entitles the claimant to a decree which shall have the effect of a quitclaim deed as against the United States and against the said Indians, and a decree in favor of claimants upon any other grounds shall have like effect.

It is further provided that the United States may plead in favor of the pueblo or of any individual Indian thereof the limitation provisions set out in the act.

Section 6 provides that the board shall investigate and report as to the extent, character, and value of lands and water rights within such pueblo land grant and which are not claimed for the Indians in the report of the board. The board shall also find and report whether or not such lands or water rights could have been at any time recovered for the Indians by the United States by the prosecution of any right of the United States or of the Indians within the periods fixed by the statutes of limitations of the Territory and State of New Mexico. Inasmuch as by the decision of the Supreme Court of the United States, referred to above, it was held that the United States was the guardian of these Indians, it seems to follow that if such guardian by reason of negligence has allowed the property of its wards to be lost there is at least a moral, if not a legal, obligation to make reasonable restitution for the loss suffered. Upon this theory this section provides that if the board finds that the United States has failed to recover for the Indians lands or water rights which could have been recovered by seasonable prosecution of the rights of the Indians that the United States shall be held liable and that the board shall award compensation to the pueblo whose lands and water rights have thus been lost to the extent of the loss suffered by the Indians through such failure on the part of the United States. Such loss is to be found and reported by the board. Such findings are, however, subject to review both by the United States District Court of the District of New Mexico and on appeal by the United States Circuit Court of Appeals. It should be noted in connection with this section that it is provided in section 19 of the act that all sums of money which may be appropriated by Congress for the purpose of paying any liability found or decreed under the provisions of the act shall not be paid over to the Indians or to the pueblo authorities but shall be paid over to the Bureau of Indian Affairs, which bureau, under the direction of the Secretary of the Interior, is directed to use such moneys for the purpose of purchasing lands and water rights to replace those which have been lost to said pueblo or for the purchase or construction of reservoirs, irrigation works, or the making of other permanent improvements upon or for the benefit of lands held by said pueblo.

It thus appears that the two sections in substance together provide for a substantial effort to restore to the Indians the lands and water rights which they have lost, or equivalent therefor, and it is not sought to turn over to the Indians any moneys to be expended by themselves. These Indians being wards of the Government, there is an obligation on the part of the Government to make reasonable and proper provision for them. By reason of the loss of lands from various causes, some of these pueblos do not have enough land to enable them to be self-supporting, and the United States Government has already recognized this situation for some years by making appropriations for their maintenance. The Government in its capacity of guardian will naturally make appropriations to provide the necessary lands and water rights so as to make these people self-supporting, as far as possible, and the record shows that their general disposition

is to be self-supporting and that their dependence upon the Government for some years past has been due to reduction of their available landed areas to a point where it is insufficient for the purpose of their own community farming and the grazing of their flocks. As a result the moneys so awarded, covering the loss of Indian lands, will probably not exceed in amount the appropriations which would otherwise be made in the natural course of affairs in the caring for these people, so that the loss to the Government by reason of this section will be comparatively slight.

Section 7 imposes a similar duty upon the board in reference to lands and water rights of non-Indian claimants who acquired title in good faith prior to January 6, 1912, and entered upon Indian lands under a claim of right but have failed to sustain their claim under the provisions of this act. This provision was inserted because of the consequences of the New Mexico enabling act, which went into effect on January 6, 1912. This section further contains a special provision applying only to the Pueblo of Nambé by reason of special circumstances there existing.

The bill provides for necessary surveys, and that such surveys shall be subject to the approval of the United States District Court for the District of New Mexico.

The bill further provides that the necessary cost in all original proceedings under the act shall be taxed against the United States, but that parties claiming the right to review by appeal or writ of error from the decision of the district court shall pay their own costs.

Section 13 provides that as to all lands within the exterior boundaries of any lands granted or confirmed to the Pueblo Indians by the United States or any prior sovereignty, or acquired by the Indians by purchase or otherwise, and which have not been claimed for said Indians by suit or the findings and report of the board, the Secretary of the Interior at any time after two years after the filing of the reports of the board shall file the field notes and plats for each pueblo in the office of the surveyor general of New Mexico at Santa Fe, N. Mex., showing the lands to which the Indian title has been extinguished as set out in the report, but excluding lands claimed by or for the Indians in court proceedings then pending, and copies of said plat and field notes certified by the surveyor general of New Mexico shall be accepted in any court as conclusive evidence of the extinguishment of the Indian title to the lands so described. The Secretary of the Interior is required within 30 days after the Indians' right to bring independent suits under this act shall have expired to cause notice to be published in some newspaper of general circulation issued in the county where the lands claimed by non-Indian claimants are located for five weeks, setting forth the names of the non-Indian claimants of lands not claimed by or for the Indians, with description of such holdings as shown by a survey of Pueblo Indian lands, heretofore made under the direction of the Secretary of the Interior, known as the "Joy survey," or as may be otherwise shown or defined by authority of the Secretary of the Interior, requiring that all those claiming any interest in such lands or any part thereof adversely to the apparent claimant so named, or their heirs or assigns, shall on or before the thirtieth day after the last publication of such notice file his or their adverse claim in the United States land office in the land district where such lands are situate, in the nature of a contest, setting forth the character and basis of such adverse claim, and notice of such contest shall be served upon the claimant in the same manner as in cases of contests of homestead entries.

If no such contest is instituted, the Secretary of the Interior shall issue to the claimants a patent or certificate of title for the lands described in the notice, but if a contest shall be filed it shall proceed to be heard and decided as contests of homestead entries are heard and decided under the rules of the General Land Office. Upon such contests either party may claim the benefit of the limitation provisions of this act, to the same extent as if he were a party to a suit to quiet title brought under the provisions of this act, and the successful party shall receive a patent or certificate to the land as to which he is successful in such proceeding. It is provided, however, that such patent or certificate of title shall only have the effect of a relinquishment by the United States and the Indians.

It is also provided in the act if any non-Indian party to such suit shall assert against the Indian title a claim based upon a Spanish or Mexican grant and the court shall decide that such claim is superior to that of the Indian claim, no final judgment against the Indian shall be entered or writ of possession allowed against the Indians or any of them or against the United States acting in their behalf. In such case the court will ascertain the area and value of land, the title to which has been found to be in other persons under the act. Such findings may be reviewed on appeal or writ of error, and if and when such findings adverse to the Indian claimant becomes final, the Secretary of the Interior shall report to the Congress such fact, including the area and value of the lands so adjudged against the Indian claim, with his recommendations in the premises.

This paragraph of the act indicates clearly the extent to which the effort has been made in drafting the act to fully protect the Indian titles and also the extent to which in negotiations between representatives of the Indians and the settlers the non-Indians have consented to go in conceding measures deemed necessary or advantageous in the protection of the Indians' interests. This is especially obvious to those who have knowledge of the history of these conflicting titles, the nature and extent of which it is needless to comment upon in this report.

It is also provided that when any claimant other than the United States for the Indians, not covered by the report provided for in section 7, fails to sustain his claim to any parcel of land within any Pueblo Indian grant, but has held and occupied such parcel in good faith, claiming a right and has improved the same, the value of the improvements upon said parcel of land shall be found by the court and reported to Congress by the Secretary of the Interior with his recommendations in the premises.

If any land adjudged by the court or board against any claimant is situate among land adjudicated in favor of non-Indian claimants, apart from the main body of the Indian land, and the Secretary of the Interior deems it to be for the best interests of the Indians that such land be sold, he may with the consent of the governing authorities of the pueblo sell the same to the highest bidder for cash, and if the buyer be other than the losing claimant the purchase price shall be used to pay to such losing claimant the adjudicated value of the improvement thereon and the balance to be paid over to the proper officers of the Indian community. If the buyer be the losing claimant, the buyer shall be entitled to have credit upon his bid for the value of his improvements.

Section 17 provides that no right, title, or interest in or to the lands of the Pueblo Indians of New Mexico to which their title has not been extinguished shall be hereafter acquired or initiated in any manner except as may hereafter be provided by Congress and that no sale or lease or other conveyance made by any pueblo as a community or any Pueblo Indian living in a community of Pueblo Indians in the State of New Mexico shall be of any validity unless first approved by the Secretary of the Interior.

This bill is submitted after many conferences and much consideration in the hope and belief that it will operate to secure a fair solution of a problem which has greatly distressed the entire State of New Mexico and especially the Indians living in these primitive pueblo communities and their neighbors and non-Indian land claimants with whom there have been constant misunderstandings and disputes for many years, and that it will tend to promote the peace and prosperity of these peoples.

DEPARTMENT OF THE INTERIOR,
Washington, January 4, 1924.

Hon. I. L. LENROOT,
Chairman Committee on Public Lands and Surveys,
United States Senate.

MY DEAR SENATOR LENROOT: Receipt is acknowledged of your request of December 18, for a report on Senate 726, being a bill to quiet the title to lands within Pubelo Indian land grants, and for other purposes.

Senate 726 has been compared with Senate 3855, Sixty-seventh Congress, fourth session, which bill passed the Senate on February 28, 1923, and was found to be identical. The bill has been gone over carefully. It seems to provide fair and just methods for settling the many conflicting claims within the Pueblo Indian reservations. It is understood that the provisions of Senate 3855, Sixty-seventh Congress, fourth session, as it passed the Senate on February 28, 1923, met with the general approval of practically all persons who took part in the hearings on the original Pueblo bill, and as the present bill is identical with the one just mentioned, this department recommends favorable action by the Congress on the proposed legislation.

Very truly yours,

HUBERT WORK, *Secretary.*

Mr. DIAL. Mr. President, I would like to ask the Senator from New Mexico a question. I have not read the bill. I presume this bill covers the question of the statute of limitation, and so forth?

Mr. BURSUM. The statutes of limitations of the State of New Mexico are binding, regardless of what we might do.

Mr. DIAL. This is in effect to give a money judgment against the United States?

Mr. BURSUM. Not exactly that; no money goes to the Indians.

Mr. DIAL. Not to the Indian as an individual, but to the Indians as a tribe?

Mr. BURSUM. No; not as a tribe. The improvements go to the Indians. We are making them anyway.

Mr. DIAL. How long has this kind of a bill been pending?

Mr. BURSUM. Two years. We passed a similar bill at the last session. This bill has been in the Senate several months.

Mr. DIAL. Mr. President, it seems to me the bill raises a very big question. I do not know much about these Indian

matters, but I can not see much necessity for the bill. However, it is pretty late in the day, and if other Senators want to go on with it I will not object now. But I can see where it might be very expensive to the United States.

Mr. BURSUM. There will not be much expense.

Mr. DIAL. I do not like to have Congress legislate in the dark, and it is actually growing dark at this time of day. I think this is a very far-reaching measure.

Mr. KING. May I inquire of the Senator from New Mexico what, in his opinion, will be the ultimate cost in dollars and cents to be paid out of the Treasury of the United States which will not be reimbursable out of any tribal funds?

Mr. BURSUM. I will say that there will not be a dime expended out of the Treasury on account of the bill unless it is found that the United States, as the guardian of these Indians, has been at fault. My opinion is that the amount involved is very small, and even should there be any amount found due, no money is to be given them, but the money is to be expended by the Bureau of Indian Affairs in improvements, and we are already making improvements for them.

Mr. KING. May I inquire whether they have any lands of their own and any funds of their own?

Mr. BURSUM. They have 306,000 acres of their own, the title to which is undisputed.

Mr. KING. Is this bill for the purpose of quieting title to other lands which the Government claims, and to which the Indians assert title?

Mr. BURSUM. It is to quiet title to lands which are claimed by non-Indians who have lived upon these lands for the last three centuries, and upon which there are certain Spanish grant claims. In order to protect the Indians the committee has provided that although a superior title might be held under some Spanish grant no writ of ouster shall issue in order to retain the lands from the Indian. There may or may not be any of those titles found superior. That is a matter for the courts to decide in case the Secretary of the Interior and the Attorney General deem it proper to bring legal proceedings, which they are empowered to do.

Mr. KING. If I understand the Senator—and I confess I am not familiar with the terms of the bill—the situation in brief is this, and I have only the statements just made by the Senator as a predicate for any observations I may make: There are grants which were formerly within the Republic or Kingdom of Mexico.

Mr. BURSUM. Yes; and of Spain.

Mr. KING. Of course, Spain and Mexico, and under the treaty of Guadalupe Hidalgo that territory was ceded to the United States, impressed with certain grants, actual and valid, or fictitious.

Mr. BURSUM. Yes.

Mr. KING. The Government of the United States subsequently allotted lands to the Indians, and in their allotments included lands which were impressed with these Spanish grants.

Mr. BURSUM. Exactly so.

Mr. KING. Now you want to take away from the settlers under the Spanish grants the lands which they and their predecessors in interest have had for three or four centuries, to use the Senator's expression, and give them to the Indians, and then you want the United States to pay the Spanish settlers or their successors?

Mr. ADAMS. No; that is not the case. May I correct that impression? The situation is this: If there has been any non-Indian in possession for a period longer than the statute of limitations, his title is good, and the United States does not have to make restitution. The only obligation of the United States is for the loss of lands which has occurred since the treaty of Guadalupe Hidalgo; that is, in 1848. The United States assumed no guardianship, of course, prior to that time. The theory of the bill, so far as the liability of the United States is concerned, is that laid down by the Supreme Court. The fact that the United States is the guardian of these Indians, that it has stood by and failed to protect the interest of its wards after that period, will require it to make restitution, if the United States could have recovered the land for the Indians. That is the condition described in the bill, that the obligation of the United States is contingent upon the fact that the United States has been neglectful of its duty as a guardian of the property of its ward.

Mr. KING. Will the Senator permit an interruption?

Mr. ADAMS. Certainly.

Mr. KING. I have tried to follow the statement of the Senator, and he always make a very clear and lucid one. Yet I am not quite able to understand now the position which he takes. May I retrace for a moment? These lands in question were within the cession to the United States?

Mr. ADAMS. Yes.

Mr. KING. They did not belong to the Indians over whom the United States assumes guardianship?

Mr. ADAMS. They did belong to the Indians. The Indians had Spanish grants. When the United States took them over, the United States confirmed the Spanish grants up to a certain extent, that extent being measured 1 league each way, giving to the Indian a definite allocation of lands measured 1 league in each direction, as they expressed it, to the four winds from the door of the church, the center of the Pueblo village. That confirmation was made subject to existing rights. There were the existing, bona fide rights within these grants which the United States made, and some of those existing rights had been held by non-Indians running for 50 or 100 to 200 years, just as the Indian held his.

Mr. KING. Does the United States challenge the rights of those persons or their successors?

Mr. ADAMS. No; the United States is not a party to these proceedings except in behalf of the Indians. The controversy exists between the settler within the confirmed grant and the Pueblo Indian settlement. The Pueblo Indian settlements are all communal in nature. There is no private ownership of land, so there is a square section of land of approximately 17,000 acres, I think, in each pueblo. There are some 26 or 27 different pueblos in different conditions. Some of them have been intruded upon very little; some more. In some instances the pueblo has been whittled down to comparatively a small amount of land. The general run of the land, as I understand it, is of a grazing character, of comparatively small value.

The question of the Spanish land grants is only a small part, so far as the settler is concerned. The Indians, through their communities, have in some instances sold lands within the grant. There were questions as to whether or not individual Indians could sell. The Supreme Court of the United States handed down conflicting decisions as to the legal status of the Indians. An earlier decision took the ground that the Indians were citizens, and that each Indian had a right to deed and convey, and that the communities had, and some deeds were made, some contracts were made, relying upon this decision, known as the Joseph case.

In a subsequent case the Supreme Court took a different view and held that the Pueblo Indians were not to be distinguished from the other Indians in the country, and that they were, in fact, wards of the Government, the earlier case having taken the ground that they were little nationalities and led an independent existence and had the right to contract and the right to convey and almost the right to make little treaties.

This is an effort to set up a tribunal in which, without cost either to the settler or to the Indian, these conflicting matters may be adjudicated, applying to the questions the statutes of New Mexico in reference to the limitations which are to apply.

Mr. KING. Why not leave it to the courts?

Mr. ADAMS. It is left to the courts. In the first instance, a board is appointed to survey and recommend. Then the matter goes into court in the shape of a suit to quiet title.

Mr. KING. How many acres are involved?

Mr. ADAMS. I do not know the acreage. I think there are a good many acres in all. There are some two or three thousand settlers involved and some eight or ten thousand Indians. It is a complicated matter, and the State of New Mexico is very much involved in it. It is finally gotten down to this point, that all of the conflicting interests, which have been at odds there for years, have come together and have said that this bill will work out the solution of this apparently insoluble problem.

Mr. KING. If it is adjudicated that the settlers other than the Indians are to be ousted, that their claims are inferior to those of the Indians, does it mean that the Government will have to reimburse those white settlers and others?

Mr. ADAMS. It does not.

Mr. KING. They will have to leave without compensation?

Mr. ADAMS. There are certain provisions whereby recompense is to be made for improvements erected in good faith upon the land. That is the substance of it.

Mr. KING. What does the Senator figure will be the possible limit of cost to be paid by the Government of the United States, the administrative activities of the boards and other instrumentalities set up, plus the amount which may have to be paid?

Mr. ADAMS. I do not know.

Mr. BURSUM. It would be less than $50,000.

Mr. DIAL. I would like to ask the Senator from Colorado if this is a report from the Committee on the Judiciary?

Mr. ADAMS. It is a report from the Public Lands Committee, to which the bill was referred.

Mr. DIAL. Would it not be proper to amend the bill and omit any liability on the part of the United States?

Mr. ADAMS. In that event the bill would not be satisfactory at all. The subcommittee could not recommend the bill unless all the balancing elements were there. It has resulted from innumerable conferences, trying to work out a balance which would be agreeable, and after many, many efforts they have reached this situation. If anything is left out, there would be no use in trying to pass the bill.

Mr. DIAL. I would be very glad to have the claimants settle their differences among themselves, and I did not want to bother the United States if I could help it.

Mr. ADAMS. The United States is supposedly the guardian of the Indians.

The PRESIDING OFFICER. The amendments will be stated.

The amendments of the Committee on Public Lands and Surveys were—

On page 4, line 17, after the word "Territory," insert the words "or of the State."

On page 5, line 4, after the word "Territory," insert the words "or of the State."

On page 6, strike out all of section 6 and insert in lieu thereof the following:

"SEC. 6. It shall be the further duty of the board to separately report in respect of each such pueblo—

"(a) The area and character of any tract or tracts of land within the exterior boundaries of any land granted or confirmed to the Pueblo Indians of New Mexico and the extent, source, and character of any water right appurtenant thereto in possession of non-Indian claimants at the time of filing such report, which are not claimed for said Indians by any report of the board.

"(b) Whether or not such tract or tracts of land or such water rights could be, or could have been at any time, recovered for said Indians by the United States by seasonable prosecution of any right of the United States or of said Indians. Seasonable prosecution is defined to mean prosecution by the United States within the same period of time as that within which suits to recover real property could have been brought under the limitation statutes of the Territory and State of New Mexico.

"(c) The fair market value of said water rights and of said tract or tracts of land (exclusive of any improvements made therein or placed thereon by non-Indian claimants) whenever the board shall determine that such tract or tracts of land or such water rights could be, or could have been at any time, recovered for said Indians by the United States by seasonable prosecution of any right of the United States or of said Indians; and the amount of loss, if any, suffered by said Indians through failure of the United States seasonably to prosecute any such right.

"The United States shall be liable, and the board shall award compensation, to the pueblo within the exterior boundaries of whose lands such tract or tracts of land shall be situated or to which such water rights shall have been appurtenant, to the extent of any loss suffered by said Indians through failure of the United States seasonably to prosecute any right of the United States or of said Indians, subject to review as herein provided; such report and award shall have the force and effect of a judicial finding and final judgment upon the question and amount of compensation due to the Pueblo Indians from the United States for such losses. Such report shall be filed simultaneously with, and in like manner as, the reports hereinbefore provided to be made and filed in section 2 of this act.

"At any time within 60 days after the filing of said report with the United States District Court for the District of New Mexico as herein provided the United States or any pueblo or Indians concerned therein or affected thereby may, in respect of any report upon liability or of any finding of amount or award of compensation set forth in such report, petition said court for judicial review of said report, specifying the portions thereof in which review is desired. Said court shall thereupon have jurisdiction to review, and shall review, such report, finding, or award in like manner as in the case of proceedings in equity. In any such proceeding the report of the board shall be prima facie evidence of the facts, the values, and the liability therein set forth, subject, however, to be rebutted by competent evidence. Any party in interest may offer evidence in support or in opposition to the findings in said report in any respect. Said court shall, after hearing, render its decision so soon as practicable, confirming, modifying, or rejecting said report or any part thereof. At any time within 30 days after such decision is rendered said court shall, upon petition of any party aggrieved, certify the portions of such report, review of which has been sought, together with the record in connection therewith, to the United States Circuit Court of Appeals for the Eighth Circuit, which shall have jurisdiction to consider, review, and decide all questions arising upon such report and record in like manner as in the case of appeals in equity, and its decision thereon shall be final.

"Petition for review of any specific finding or award of compensation in any report shall not affect the finality of any findings nor delay the payment of any award set forth in such report, review of which shall not have been so sought, nor, in any proceeding for review in any court under the provisions of this section, shall costs be awarded against any party."

On page 10, line 23, after the word "fraud," insert the words "or to have mistakes therein corrected"; and in line 24 strike out the word "general" and also the words "or by a special suit."

On page 24, line 24, after the word "of," insert the words "said pueblo or of"; and on page 71, line 1, strike out the words "by the Attorney General."

On page 11, line 21, strike out the words "the last paragraph of section 4 of."

On page 12, line 19, strike out the word "suits" and insert in lieu thereof the words "court proceedings then pending."

On page 15, lines 3 and 4, strike out the words "and shall not affect the adverse right or rights of any other person whatsoever."

On page 18, strike out all of section 19 and insert in lieu thereof the following:

"SEC. 19. That all sums of money which may hereafter be appropriated by the Congress of the United States for the purpose of paying in whole or in part any liability found or decreed under this act from the United States to any pueblo or to any of the Indians of any pueblo, shall be paid over to the Bureau of Indian Affairs, which bureau, under the direction of the Secretary of the Interior, shall use such moneys at such times and in such amounts as may seem wise and proper for the purpose of the purchase of lands and water rights to replace those which have been lost to said pueblo or to said Indians, or for purchase or construction of reservoirs, irrigation works, or the making of other permanent improvements upon or for the benefit of lands held by said pueblo or said Indians."

So as to make the bill read as printed on a preceding page.

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF HOBOKEN SHORE LINE

Mr. WADSWORTH. Mr. President, I think that none of the Senators here present will contend that I have endeavored to place obstacles in the way of passing bills by unanimous consent at this hour of the day daily. Therefore, I am going to see if I can do the same thing. I ask unanimous consent that the Senate proceed to the consideration of calendar 372, the bill (S. 2287) to permit the Secretary of War to dispose of and the Port of New York Authority to acquire the Hoboken Shore Line. The bill was reported from the Committee on Military Affairs, having the support of the War Department.

Mr. McKELLAR. Is it a unanimous report?

Mr. WADSWORTH. It is; and upon it the Senators from New York are in entire agreement.

Mr. KING. With what does the bill deal?

Mr. WADSWORTH. It has to do with authorizing the Secretary of War to sell the stock of the Hoboken Manufacturers Railroad Co., which the War Department owns and the Port of New York Authority wants to acquire.

Mr. KING. I am familiar with the matter.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Military Affairs with amendments on page 1, line 4, after the word "terms," to insert the words "and conditions"; in line 9, after the word "shore," to strike out the word "line" and insert the word "road"; on page 2, in line 8, after the word "proper," to insert the words "and sufficient"; in line 14, to strike out the word "however"; in line 16, after the word "war," to strike out the period and insert:

or other national emergency: *Provided further*, That in order to facilitate the interchange of freight between rail and water facilities, such railroad, if acquired by the Port of New York Authority hereunder, shall be operated in coordination with the piers and docks adjacent thereto so long as said piers and docks are owned and operated by the United States Government or by any agency thereof, or by any corporation a majority of whose stock is owned by the United States:

Provided further, That if the Port of New York Authority fails to agree upon terms and conditions of sale which are considered satisfactory by the Secretary of War, he is hereby authorized to sell and dispose of the stock of the Hoboken Manufacturers' Railroad Co., or all or any part of the real and personal property of the Hoboken Manufacturers' Co., to any purchaser or purchasers upon such terms and conditions as he may deem best, subject, nevertheless, to the provisos herein above stated: *Provided further*, That if the Secretary of War shall deem it to be in the public interest that any real or personal property owned by the said Hoboken Manufacturers' Railroad Co., not connected with the railroad itself, should be separately disposed of or held for later disposition, he is hereby authorized to cause such property to be transferred from the said Hoboken Manufacturers' Railroad Co. to the United States, and thereafter to sell the same upon such terms as he deems best; or, if more expedient, he is hereby authorized to form a corporation to acquire such property, and is authorized to cause such property, or any part thereof, to be transferred from the said Hoboken Manufacturers' Railroad Co. to such new corporations so organized and to accept in place thereof the stock of such new corporation and to hold the same until such time as he secures what he shall deem to be a fair and reasonable price for such property, at which time he is authorized to sell said property, in whole or in part, or the stock in the said new corporation to which such property is transferred, on such terms and conditions as in his judgment will best promote the public interest; and the Secretary of War is further authorized to make and impose any terms, conditions, or reservations necessary to effectuate the purpose hereof and to enter into such contracts as will effectuate the same: *And provided further*, That nothing in this act shall be construed as relieving or exempting the property acquired hereunder by the Port of New York Authority from any municipal taxes or assessments for public improvements, and nothing herein contained shall be construed as an expression on the part of the Congress as to whether the States of New York and New Jersey, or either of them, should relieve or exempt the said Port of New York Authority from taxation or subject the said port of New York or any of said property to taxation.

So as to make the bill read:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized, for such sum and on such terms and conditions as he may deem best, to sell to and dispose of, and the Port of New York Authority is authorized to acquire from the Secretary of War, the stock of the Hoboken Manufacturers' Railroad Co., said corporation being the lessee of the line known as the Hoboken Shore Road, now constituting part of Belt Line No. 13 in the comprehensive plan for the development of the port of New York, adopted by the States of New York and New Jersey under chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922, and ratified and confirmed by the Congress of the United States by Public Resolution 66, Sixty-seventh Congress; and the Secretary is authorized and empowered to take and accept in lieu of cash the bonds of the said Port of New York Authority, secured by such lien as the Secretary in his discretion may determine is proper and sufficient; and upon such acquisition the Port of New York Authority shall be authorized to operate the said railroad in State and interstate commerce in accordance with the provisions of the said comprehensive plan for the development of the port and the improvement of commerce and navigation: *Provided*, That the Secretary shall attach such conditions to such transfer as shall insure the use of such railroad facility by the United States in the event of war, or other national emergency: *Provided further*, That in order to facilitate the interchange of freight between rail and water facilities, etc.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to permit the Secretary of War to dispose of and the Port of New York Authority to acquire the Hoboken Shore Line."

PRACTICE OF DENTISTRY IN THE DISTRICT OF COLUMBIA

Mr. COPELAND. Mr. President——

Mr. McKELLAR. I hope there will be no more business this afternoon. It is very late, and we can not give the measures proper consideration.

Mr. COPELAND. There is one bill on the calendar which I would like to have considered this evening. Senators have been kind to the senior Senator from New York. Will they not be kind to the junior Senator? I desire to call up the dental bill, which has been agreed to by all the dentists and by the committee. I ask unanimous consent to have Senate bill 1785 immediately considered.

Mr. KING. What committee reported the bill?

Mr. COPELAND. The subcommittee on public health of the Committee on the District of Columbia. It has been passed on by the District of Columbia Committee, too.

Mr. McKELLAR. What does it propose?

Mr. COPELAND. Some modifications of the present dental law.

Mr. KING. To set up a dental board with cost to the Government?

Mr. COPELAND. It is the same sort of board that we have had previously; but it makes some changes in the details of the law.

Mr. McKELLAR. Does it give larger salaries?

Mr. COPELAND. No; there are no salaries involved.

Mr. McKELLAR. It authorizes the appropriation of how much money?

Mr. COPELAND. Not any.

Mr. KING. If it takes a dollar out of the Treasury of the United States, I shall object to its consideration.

Mr. COPELAND. It does not.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1785) to amend an act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto," approved June 6, 1892, and acts amendatory thereof, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment of the Committee on the District of Columbia was, in section 2, on page 2, line 7, after the word "three" to insert "to seven," so as to make the section read:

SEC. 2. That no person shall be eligible for appointment upon the board of dental examiners who has not been for five years next preceding his appointment a resident of and in the active and reputable practice of dentistry in the District of Columbia. Appointments shall be for a term of five years or until their successors are appointed and qualified, and shall be from a list of three to seven eligibles submitted by the dental societies of the District of Columbia; and no officer or member of the faculty of any dental school or college shall be eligible for appointment upon said board.

The amendment was agreed to.

The next amendment was, in section 3, on page 2, line 13, after the word "treasurer," to strike out "and" and to insert "who shall give bond to the United States in the sum of $2,500. The board," and at the beginning of line 19 to strike out "registration of," so as to read:

SEC. 3. The board of dental examiners shall organize by electing from its members a president and a secretary-treasurer, who shall give bond to the United States in the sum of $2,500. The board shall make and adopt such rules and regulations, not inconsistent herewith, as it deems necessary; it shall hold in January and June of each year, in such place as may be designated by said board, examinations to determine the fitness of applicants for licenses as dentists and oral hygienists, respectively, under this act.

The amendment was agreed to.

The next amendment was, in section 3, on page 2, line 22, before the word "oral," to strike out "registration as," so as to make the proviso read:

Provided, That the concurrence of a majority of said board shall be necessary to grant or revoke, respectively, either a license as dentist or oral hygienist, under this act.

The amendment was agreed to.

The next amendment was, in section 4, on page 2, line 25, after the word "proceedings," to insert "a complete record of the credentials of each licensee," and on page 3, in line 3, after the word "and," to strike out "a register," so as to make the section read:

SEC. 4. The board of dental examiners shall have an official seal and shall keep a record of its proceedings, a complete record of the credentials of each licensee, a register of persons licensed as dentists and oral hygienists, and of licenses by it revoked. A transcript of an entry in such records, certified by the secretary-treasurer under seal of the board, shall be evidence of the facts therein stated.

The amendment was agreed to.

The next amendment was, in section 8, on page 4, line 16, before the word "dental," to strike out "reputable," and in the same line, after the word "college," to strike out "as de-

fined" and insert "approved," so as to make the section read:

SEC. 8. Any person who desires to practice dentistry within the District of Columbia shall file with the secretary-treasurer of the board of dental examiners a written application for a license and furnish satisfactory proof that he is a graduate of a dental college approved by the board. Such application must be upon the form prescribed by the board, certified by oath, and accompanied by the required fee and a recent unmounted autographed photograph of the applicant.

The amendment was agreed to.

The next amendment was, in section 9, on page 5, at the end of line 5, to strike out the word "the" and to insert "That the"; in line 10, after the name "United States," to insert "approved by the board"; at the end of line 15, to strike out "applies; provided" and to insert "applies: *Provided*, That"; and, in line 24, after the word "examiners," to insert "under seal," so as to make the section read:

SEC. 9. An applicant for a license to practice dentistry shall appear before the board of dental examiners at its first meeting after the filing of his application and pass a satisfactory examination, consisting of practical demonstrations and written or oral test, or both, in the following subjects: Anatomy, anesthetics, bacteriology, chemistry, histology, operative dentistry, oral hygiene, oral surgery, orthodontia, pathology, physiology, prosthetic dentistry, materia medica, metallurgy, and therapeutics, and such other subjects as the board may from time to time direct: *Provided*, That the board of dental examiners may waive the theoretical examination in the case of an applicant who furnishes proof satisfactory to said board that he is a graduate from a reputable dental college of a State or Territory of the United States, approved by the board, and holds a license from a similar dental board, with requirements equal to those of the District of Columbia, and who, for five consecutive years next prior to filing his application, has been in the lawful and reputable practice of dentistry in the State or Territory of the United States from which he applies: *Provided*, That the laws of such State or Territory accord equal rights to a dentist of the District of Columbia holding a license from the board of dental examiners of the District of Columbia, who desires to practice his profession in such State or Territory of the United States. An applicant desiring to register in the District of Columbia under this section must furnish the board of dental examiners with a letter from the secretary of the board of dental examiners under seal of the State or Territory of the United States from which he applies, which shall state that he has been in the lawful and reputable practice of dentistry in the State from which he applies for five years next prior to filing his application, and shall also attest to his moral character and professional qualifications.

The amendment was agreed to.

The next amendment was, in section 10, on page 6, line 9, after the word "which," to insert "after being registered with the health officer," so as to make the section read:

SEC. 10. If such applicant passes the examination and is of good moral character, he shall receive a license from the board of dental examiners, attested by its seal, signed by the members of the board, and registered with the health officer, which after being registered with the health officer shall be conclusive evidence of his right to practice dentistry in the District of Columbia. If the loss of a license is satisfactorily shown, a duplicate thereof shall be issued by the board upon payment of the required fee.

The amendment was agreed to.

The next amendment was, in section 12, on page 7, line 6, after the word "examination," to insert "consisting of practical demonstrations and written or oral tests"; in line 10, before the word "signed," to strike out "and"; and in line 11, after the word "which," to insert "after being registered with the health officer," so as to make the section read:

SEC. 12. An applicant for a license as oral hygienist shall appear before the board of dental examiners at its first examination after the filing of his application and pass a satisfactory examination consisting of practical demonstrations and written or oral tests on such subjects as the board may direct. If such applicant passes the examination and is of good moral character, he shall receive a license from the board of dental examiners, attested by its seal, signed by the members of the board, which after being registered with the health officer shall be conclusive evidence of his right to practice as an oral hygienist in the District of Columbia according to the provisions of this act.

The amendment was agreed to.

The next amendment was, in section 14, on page 8, line 3, before the word "under," to insert "may operate only," and in line 4, after the word "dentist," to strike out "may operate in the" and to insert "in his," so as to make the section read:

SEC. 14. Any licensed dentist, public institution, or school authority may employ such licensed oral hygienist, who may remove calcic deposits, accretions, and stains from the surfaces of the teeth, but shall not perform any other operation on the teeth or tissues of the mouth. A registered oral hygienist may operate only under the general direction or supervision of a licensed dentist, in his office or in any public school or other institution. The board of dental examiners may suspend or revoke, with power to reinstate, the license of any dentist who shall permit any oral hygienist, operating under his supervision, to perform any operation other than that permitted under the provisions of this section, and it also may suspend or revoke, with power of reinstatement, the license of any oral hygienist violating the provisions of this act; the procedure to be followed in the case of such suspension, revocation, or reinstatement shall be the same as that prescribed by law in the case of suspension, revocation, or reinstatement of a licensed dentist.

Mr. KING. I would like to have section 14 of the bill read, to which the amendments just read apply.

The PRESIDING OFFICER. The section will be read as requested.

The reading clerk read the section as proposed to be amended.

Mr. KING. Of course, I have not the bill before me and I have never seen it before. I would like to ask the Senator from New York if the object of the provision just read is to prevent persons who are not fully qualified, who have not passed all examinations, from discharging the duties which usually belong to a qualified dentist?

Mr. COPELAND. That is the purpose.

Mr. KING. It is to let apprentices try their hand upon school children without charge?

Mr. COPELAND. Only under direction.

Mr. KING. There is nothing in the bill that gives the right to practice to a select class?

Mr. COPELAND. Oh, no. One has to be a qualified dentist and a graduate of a reputable school.

Mr. KING. What is the general object of the amendments?

Mr. COPELAND. It is simply to make it so that everybody who does practice within the District must be a qualified practitioner of dentistry and a graduate of a reputable school.

Mr. KING. Do not existing regulations require that?

Mr. COPELAND. No.

Mr. LODGE. The existing regulations are very poor. The bill is based on exactly similar laws which exist in Ohio and in Massachusetts, and, I think, in New York.

Mr. KING. I am in favor of such a medical bill, including bills that deal with the practice of dentistry. I offered in my own State the very first one of the medical bills that was enacted into law. I believe that dentists as well as doctors should be licensed and that there should be proper examinations to determine their qualifications.

Mr. COPELAND. I may say that this bill was formulated by the Dental Society in connection with Doctor Downing, the commissioner of education of Albany, who is a great authority on this matter. It is a model bill.

Mr. KING. Does the Senator think it is needed in the District of Columbia?

Mr. COPELAND. Absolutely.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, in section 16, on page 9, line 21, after the word "drugs," to insert "or afflicted with a contagious or infectious disease," so as to make the section read:

SEC. 16. The board of dental examiners may revoke or suspend the license of any dentist or any oral hygienist in the District of Columbia upon proof satisfactory to said board:

1. That said license or registration was procured through fraud or misrepresentation.

2. That the holder thereof has been convicted of an offense involving moral turpitude.

3. That the holder thereof is guilty of chronic or persistent inebriety, or addiction to drugs, or afflicted with a contagious or infectious disease.

4. That the holder thereof, through misleading advertising or otherwise, is guilty of conduct calculated or likely to deceive or defraud the public.

5. That such holder is guilty of conduct which, in the opinion of said board, disqualifies him to practice with safety to the public.

The amendment was agreed to.

The next amendment was, in section 18, on page 10, line 16, after the word "thereby," to insert "Any dentist whose license has been suspended or revoked may be reinstated and a new license issued to him when, in the judgment of the board of dental examiners, such action is warranted, provided such reinstated dentist shall pay all the costs of the proceedings resulting in his suspension and reinstatement and in addition thereto a fee of $25," so as to make the section read:

SEC. 18. If upon such hearing the board finds the charges sustained, it may revoke or suspend the license of any such dentist or oral hygienist. Such revocation shall take from the person named in such license all rights and privileges acquired thereby. Any dentist whose license has been suspended or revoked may be reinstated and a new license issued to him when, in the judgment of the board of dental examiners, such action is warranted, provided such reinstated dentist shall pay all the costs of the proceedings resulting in his suspension and reinstatement and in addition thereto a fee of $25.

The amendment was agreed to.

The next amendment was, in section 19, on page 11, line 11, before the words "of receipts," to strike out "balance" and to insert "total"; in line 12, after the word "any," to strike out "balance of fees" and to insert "funds," so as to make the section read:

SEC. 19. That in addition to the fees heretofore fixed herein each applicant for a license as dentist shall deposit with his application a fee of $20; with each application for a duplicate license a fee of $5 shall be paid to said board of dental examiners, and for each certificate issued by said board a fee of $1 shall be paid. That out of the fees paid to said board, as provided by this act, there shall be defrayed all expenses incurred in carrying out the provisions herein contained, including the detection and prosecution of violations of this act, together with a fee of $10 per diem for each member of said board for each day he may be actually engaged upon business pertaining to his official duties as such board member: *Provided*, That such expense shall in no event exceed the total receipts: *And provided also*, That at the close of each fiscal year any funds unexpended in excess of the sum of $1,000 shall be paid into the Treasury of the United States to the credit of the District of Columbia.

The amendment was agreed to.

The next amendment was, in section 20, on page 11, line 19, after the word "address," to insert "and such other information as the board may deem necessary"; in line 22, after the figure "$1," to insert: "On or before the 1st day of November of each year it shall be the duty of the secretary-treasurer of the board of dental examiners to mail to each dentist and oral hygienist licensed in the District of Columbia, at his last known address, blank form for registration"; and on page 12, line 5, after the name "District of Columbia," to strike out "within 10 days from said date," and in line 6, after the word "shall," to insert "at the end of 10 days from said date," so as to make the section read:

SEC. 20. During the month of December of each year every licensed dentist and oral hygienist shall register with the secretary-treasurer of the board of dental examiners his name and office address and such other information as the board may deem necessary upon blanks obtainable from said secretary-treasurer, and thereupon pay a registration fee of $1. On or before the 1st day of November of each year it shall be the duty of the secretary-treasurer of the board of dental examiners to mail to each dentist and oral hygienist licensed in the District of Columbia, at his last known address, blank form for registration. In the event of failure to register on or before the 31st day of December a fine of $5 will be imposed, and should the practitioner fail to register and pay the fine imposed and continues to practice his profession in the District of Columbia he shall at the end of 10 days from said date be considered as practicing illegally and penalized as otherwise provided for in this act. If he suspends his practice he may be reinstated at any time upon registering and paying the prescribed fee of $5. On or before the 1st day of February, annually, said board shall issue a printed register of the names and addresses so received, a copy of which shall be mailed or otherwise sent to each registrant thereon.

The amendment was agreed to.

The next amendment was, in section 21, on page 12, line 18, after the word "performs," to insert "or advertises to perform," and in line 20, after the word "jaw," to insert "mechanically, medicinally, or by the use of radiograms," so as to make the section read:

SEC. 21. Any person shall be regarded as practicing dentistry who is a manager, proprietor, operator, or conductor of a place for performing dental operations, or who for a fee, salary, or other reward paid or to be paid either to himself or to another person, performs or advertises to perform dental operations of any kind, diagnoses or treats diseases or lesions of human teeth or jaw, mechanically, medicinally, or by the use of radiograms, or attempts to correct malpositions thereof, or who uses the word "dentist," "dental surgeon," the letters "D. D. S.," or other letters or title in connection with his name which in any way represent him as being engaged in the practice of dentistry.

The amendment was agreed to.

The next amendment was, in section 22, on page 13, line 1, after the section number to strike out "On and after the passage of this act it shall be unlawful for any person or persons to practice or offer to practice dentistry or dental surgery under the name of any company, association, or corporation, and any person or persons practicing or offering to practice dentistry or dental surgery shall do so under his name only" and to insert "On and after the passage of this act it shall be unlawful for any person or persons to practice or offer to practice dentistry or dental surgery under any name except his proper name, which shall be the name used in his license granted to him as a dentist, as provided for in this act; and unlawful to use the name of any company, association, corporation, trade name, or business name in connection with the practice of dentistry as defined in this law," so as to make the section read:

SEC. 22. On and after the passage of this act it shall be unlawful for any person or persons to practice or offer to practice dentistry or dental surgery under any name except his proper name, which shall be the name used in his license granted to him as a dentist, as provided for in this act; and unlawful to use the name of any company, association, corporation, trade name, or business name in connection with the practice of dentistry as defined in this law. Any person convicted of a violation of the provision of this section shall be fined for the first offense not less than $100 nor more than $200, and upon a second or any subsequent conviction thereof by a fine not to exceed $500, and upon conviction his license may be suspended or revoked by said board.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STOCK-RAISING HOMESTEADS—CONFERENCE REPORT

The PRESIDING OFFICER (Mr. LADD in the chair) submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) to amend section 2 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916 (Stat. L. p. 862), having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 2 and 3.

That the Senate recede from its disagreement to the amendment of the House numbered 4, and agree to the same.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "; but no right to occupy such lands shall be acquired by reason of said application until said lands have been designated as stock-raising lands, unless the applicant actually establishes his residence and resides on the land"; and the House agree to the same.

E. F. LADD,
ROBT. N. STANFIELD,
A. A. JONES,
Managers on the part of the Senate.

N. J. SINNOTT,
ADDISON T. SMITH,
JOHN E. RAKER,
Managers on the part of the House.

The report was agreed to.

SPEECH BY FORMER SENATOR GILBERT M. HITCHCOCK

Mr. OVERMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by former Senator Gilbert M. Hitchcock as temporary chairman of the Nebraska Democratic State convention.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

STATE POLICY CONSTRUCTIVE, NATIONAL VERY HURTFUL TO THE MIDDLE WEST, SAYS G. M. HITCHCOCK TO DEMOCRATS, DEPICTING GREAT WRONGS TO AGRICULTURAL AMERICA

[Complete text of speech of former Senator Gilbert M. Hitchcock as temporary chairman at the Democratic State convention.]

We have gathered here to-day to start campaign organization for 1924. We not only have before us the State campaign as we had two years ago but the national campaign as we had four years ago.

Upon State questions and State experiences I shall have little to say, for the reason that we are to have those matters presented by a

man better qualified to discuss them than I am. I refer to our vigilant, vigorous, and militant governor, Charles W. Bryan.

Two years ago Mr. Bryan entered the campaign with certain definite declarations and pledges. Up and down this State he went, condemning extravagance and waste in State government. He revealed to the people the truth that Nebraska, under a series of Republican administrations, had become a State of burdensome and excessive taxation. He declared that if elected governor he would use the powers of his office to the utmost to cut down expenditures and reduce taxation. He particularly proclaimed his purpose to bring about the repeal of the code bill, which fastened upon the State of Nebraska a ponderous system of government suitable only for a rich and populous State. All he stipulated was that in electing him governor the people should also elect a Democratic legislature that would accept his leadership.

RECORD IS CLEAR

The people elected Governor Bryan and he has faithfully and triumphantly kept the pledges of the campaign. During the first six months of his administration the number of State employees was 300 less than during the first six months of the preceding administration. The cost of State government was reduced $867,000 in his first year. He could and he would have done more if the people who elected him had also elected a legislature which would have accepted his leadership. By a strange failure of popular judgment, however, the people trusted a Republican legislature and that body refused his urgent plea to repeal the code bill, and that expensive form of State government still remains to burden taxpayers. It must again be submitted to the voters of Nebraska, and Bryan is again to bear the banner of Democracy pledged to equality before the law, economy in government, and progress in legislation.

I can not, however, leave the subject of Governor Bryan's honorable and creditable administration without mentioning a service which he has rendered the people of this State somewhat outside of ordinary official duties. He had neither State machinery nor State funds to aid him but he grappled single-handed with the profiteer and forced him to yield. He used the prestige and prominence of his office so vigorously that he saved consumers several million dollars on their coal and gasoline, while reforms in bidding for road construction and in the purchase of materials have saved taxpayers hundreds of thousands more. I leave to him a more detailed report of his achievements in the interest of economy and good government.

In the interest of good government Governor Bryan should be supported in his coming term by a legislature and a complete list of executive officials who will stand by him and our ever-popular secretary of state, Charles W. Pool, in making the Democratic program effective.

NATIONAL POLICIES HURT

Now, let me draw your attention to national affairs. At once we are struck by the marked contrast. While the State administration for nearly two years has been doing what could be done to alleviate the hardships and improve conditions of the people of this State, the policy of the national administration has been the opposite.

The national policy has been not only adverse to western interests but destructive to western prosperity. It is not by accident or by chance that the prices of western products have been depressed. It is not by accident or by chance that the West has been compelled to pay higher prices for what it must buy. Western products have been depressed and eastern products raised by governmental action. The result has been a short-lived and false prosperity in the East and a protracted and serious depression in the West.

Here in the Middle West we may take Nebraska as a representative State. Our people depend on agriculture, and agriculture has been impoverished. The policy of this administration has been to deflate the credit and depress the prices of agriculture. That was followed by placing on the back of agriculture an enormous burden for the benefit of privileged manufacturers. These two policies, both followed by this administration, have threatened the West with bankruptcy while enabling the tariff-promoted factories to add hundreds of millions to their dividends.

IN THE MIDDLE WEST

Let me be specific. I have said that the prices of our western products have been depressed. Let me quote figures.

The United States Department of Labor compiles from time to time tabulated statistics of prices. These are wholesale and cover a large number of articles. Brought together and averaged, they go to make up what is designated as an "index number."

This Government publication takes 1913 as a normal year in prices before they were affected by the Great War.

The index number for 1913 on every commodity is therefore taken as 100. By the end of 1923, after violent fluctuations in prices, the index number of all commodities taken together was found to be 151. That meant that five years after the war prices on an average were found to be 51 per cent higher than before the war. While that means a material increase in the cost of living, it would in the main be compensated for by higher wages and salaries and would work no injustice if the increase in prices applied to all products with some degree of equality. This would naturally have been the case except for Government interference. Because of Government interference we find the grossest inequality. Some prices are far above the price level of 1913 because they have been pushed up by the iniquitous provisions of the Fordney tariff bill. Others are about the same as they were in 1913. In the main our agricultural products in the West are the ones which are about the same as before the war. In the main, also, the products which have been greatly advanced in price are manufactured goods which are tariff taxed.

In other words, what we in Nebraska must buy has greatly advanced in price, while the products which we sell have fallen to near the old level before the war. Our hundreds of millions of bushels of wheat, corn, rye, and oats sold, as the index figures for 1923 show, but little above the price level of the year before the war. The same is true of potatoes and poultry, while some of the products, like hogs and hides, even sold below the price level of 1913. Even cattle, which have improved somewhat and make the best showing, have an index number only slightly above the level of 1913.

BUYING AT HIGH PRICE

Those are the products we in the West raise and sell. How is it with those we must buy? The index number of prices prove that house furnishings have advanced 89 per cent; fuel, 85 per cent; clothing, 100 per cent. Steel and lumber and cement in proportion.

Agriculture in the West is receiving on an average about 15 per cent more for its products than 10 years ago and paying for what it buys 85 per cent more. That's what's the matter not only with the farmer but with the small towns and the larger cities that do business with the farmer. This accounts for the bankruptcy which has swept through the West. It accounts for the closing of 328 western banks within the last four months and the foreclosing of thousands of farm mortgages. Agriculture in the West was fairly prosperous, doing business on a fair margin, until its products were depressed down almost to pre-war levels while manufactured goods were maintained 85 per cent above pre-war levels.

When did this great disparity in price level between what we buy and what we sell occur? It can not be blamed upon the war, because the price level of agricultural products went up with other price levels as a result of the war. At the time the war closed farm prices were maintained in proportion to other prices. If we in the West had to pay double-price for what we bought, we still received double-price for what we sold. The war can not be held responsible for the present disparity.

DEPRESSING PRICES

Some powerful influences since the war closed, and especially within the past three years, have depressed the prices of those things we must sell and held high the prices of things we buy.

What are those influences?

The Republican policy of deflation in currency and credits set forth in the Republican platform of 1920 depressed our prices, combined with the Republican policy of isolation from the rest of the world, which has partly closed our foreign markets for farm products.

On the other hand, the Republican Fordney tariff bill passed two years ago has served to maintain and raise the prices of manufactured products. The disparity in prices thus produced between what we sell and what we buy has impoverished the West to a degree never before known in an equal number of years.

G. O. P. PROMISES KEPT

Lest we forget the deflation of prices and bank credits which the Republican Party at its convention in June, 1920, pledged itself to undertake, let me quote from the Republican platform of that year, as follows:

> "The prime cause of the high cost of living has been, first and foremost, a 50 per cent depreciation in the purchasing power of the dollar, due to a gross expansion of our currency and credit."
> * * *

The high cost of living was thus the excuse for the deliberate attack on the currency and credit of the country. The same plank, after denouncing the Democratic Party for expanding credit and currency, pledged the Republican administration as follows:

> "We pledge ourselves to earnest and consistent attack upon the high cost of living * * * by courageous and intelligent deflation of our overexpanded credit and currency."

This platform proposal made four years ago to deflate our bank credit and our currency was kept, and the result was a crash in the prices of farm products. The prices of manufactured goods were only slightly affected. They did not crash. The great combines could maintain prices; they could reduce production; they could close their factories until they could get the new high tariff bill passed, which made high prices for factories easy. That passed nearly two years ago. The high cost of living, therefore, continues, and the farmer and the farming regions remain as the victims not only of deflation but of the robber tariff.

CRASH FOLLOWS POLICY

On the day that the Republican National Convention four years ago proclaimed the intention of the Republican Party to undertake "Cou-

rageous and intelligent deflation of our overexpanded credit and currency," the market price of wheat in Omaha was $2.75 per bushel. In nine months by a rapid collapse it had fallen to $1.40, and now it is about $1. Corn was then selling in Omaha for $1.85 per bushel. Now it sells for 75 cents, or less than one-half. When the attack on currency and credit was proclaimed by the Republican Party four years ago, cattle were selling in Omaha for $15 a hundred pounds; now the price is about $11. After years of Republican deflation of currency and credit, hogs now sell in Omaha for less than $7 a hundred pounds, or just about half what they sold for four years ago.

This has all been done under pretense of reducing the cost of living, but we all know that but little change has occurred in the cost of living in four years.

Untold millions have been squeezed out of the West in the monstrous crash of prices of western products. Other millions have been exacted from the West in exorbitant prices for manufactured products artificially maintained by a tariff enacted at the dictation of the powerful combines of industry. Still other millions have been taken from the West by excessive freight rates.

These facts, for which the Republican Party is admittedly responsible, are the main cause of the hard times and depression which prevail over western food-producing States, notwithstanding bountiful crops.

IGNORE WORLD MARKET

These conditions have no doubt been aggravated by the delay in the rehabilitation of Europe. This delay has to a great extent reduced the foreign demand for our farm products. Instead of cooperating with European nations in reestablishing order, peace, and business conditions, we have stood aloof, arrogant in our boasted isolation. Our great merchant marine, built during the war, has been allowed to rust and rot in our harbors, and our surplus products have accumulated in the channels of commerce and been sold at prices not equal even to the cost of production.

Meanwhile millions of the people in Europe, particularly those in Germany, have suffered keenly for lack of our products and been compelled to see their children stunted and starving for lack of our food.

So much for the disastrous experience which the West has had with Republican policies for three years. If other parts of the country have fared better it has been only temporarily. The voracious West is the great consumer of American manufactures and the spoliation of the West has for the present destroyed its purchasing power. Already the tariff-favored factories and mills of the country are suffering a marked falling off in business. They are reducing production. They are discharging men. The day of reckoning is at hand. The railroads are feeling it. Car loadings have fallen off one-third as compared with a year ago. They are still falling off. Idle cars are multiplying. Commercial failures are increasing. Three years ago, when Harding became President, such failures averaged but little more than 100 per week. Now they run about 400 per week. A chill has come over the New York Stock Exchange, and the carefully nurtured boom of last fall has withered away. The great interests that financed the Republican Party and exacted the outrageous tariff are beginning to discover that one part of the country can not long prosper at the expense of another part. They are beginning to find out that the plundered consumer soon loses his capacity to buy.

A PARTY FAILURE

Everywhere we hear expressed the discontent and disappointment over Republican administration. The party has failed to establish prosperity. Failed to reduce the cost of living. Failed to assure a foreign market for our farm products. Failed to get back to normalcy. Failed even to govern honestly.

Revelations of shocking graft and corruption in high places and hurried attempts by Republican leaders to discredit and stop investigation have nauseated and enraged the country. No single individual is responsible alone for this condition. The Republican Party must answer for it as an organization.

We depend in America on party government, and it has been found the best form of government. It is better than individual government, which is autocracy, and it is better than group government, which is the great evil of European legislative bodies, and which is unstable. When it takes a coalition of several parties, with leaders of different groups in a cabinet, as we see in most European governments, we find uncertainty and frequent changes.

In America we have two great party organizations. The people intrust one or the other with power for a definite period and hold it responsible for results. The Republican Party has now had its chance. Placed in power by the election four years ago, it is now staggering through the last months of a discredited administration. It tried to turn our great Government-owned merchant marine over to the Shipping Trust and to vote Government subsidies in addition. It fastened on the country an outrageous tariff to enrich favored manufacturers at the expense of the people. It relieved highly prosperous business enterprises of taxes which should be paid on excessive profits. It used its power to enrich favored interests or classes, and it put in office men who carried the theory one step further by enriching themselves or their friends by graft and corruption.

DEMAND OF A PEOPLE

The Republican Party has become a class party. Its whole party machinery is used to promote the interests of privileged classes who finance its campaigns. When it wins they expect to realize on their investment. They at once demand the privileges and rewards. They demand places in the Cabinet and elsewhere for the Falls, the Mellons, and the Daughertys. They demand their subsidies, their tax exemptions, and their high tariffs.

At such times the people turn to the other great party organization for relief and salvation—the party founded by Jefferson, strengthened by Jackson, developed by Bryan, and glorified by Wilson.

The Democratic Party has no favored classes and no privileged interests. Poor in purse, it is rich in principle. Above all else, it teaches and it champions equal opportunities for all, special privileges for none.

It is for that party that we are gathered to-day to organize the Nebraska campaign. We are called upon to do our part in placing this State in line to share in the glories of a great Democratic victory.

ALASKAN FISHERIES

Mr. JONES of Washington. Mr. President, just before 2 o'clock I said I hoped to be able to have considered this afternoon the Alaskan fisheries bill, but one or more Senators desired to discuss the measure or some matters connected with it probably for 15 or 20 minutes, and it is so late that I will not try to call the bill up to-night, but I hope to get it up just as soon as there is an opening.

RECESS

Mr. WADSWORTH. Mr. President, I assume that while the Senate was considering the several measures which have been acted upon during the last half hour the unfinished business was temporarily laid aside.

The PRESIDING OFFICER. It was.

Mr. WADSWORTH. With the understanding that it is again before the Senate, I move that the Senate now stand in recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, May 14, 1924, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, *May 13, 1924*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our strength in ages past and our hope for years to come, with one accord we offer Thee our humble gratitude. Give each of us the blessing of a calm and thankful heart. Sustain us by Thy truth, which is so fadeless and pure, and may we never leave our peace of mind and rest of soul to the mercy of events. May all our labors be characterized by strength, firmness, and confidence, and always with the deepest concern for our country and good will for all humanity. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

URGENT DEFICIENCY BILL

Mr. MADDEN, chairman of the Committee on Appropriations, by direction of that committee presented the bill (H. R. 9192) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and for other purposes, which was referred to the Committee of the Whole House on the state of the Union.

CONTESTED ELECTION CASE, GORMAN AGAINST BUCKLEY

Mr. ELLIOTT, chairman of the Committee on Elections No. 3, presented a privileged report from that committee on the election case of Gorman against Buckley, which was referred to the House Calendar.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Welch, one of its clerks, announced that the Senate had passed bills and joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2159. An act authorizing annual appropriations for the maintenance of that portion of the Gallup-Durango highway across the Navajo Indian Reservation, and providing reimbursement therefor;

S. 1762. An act providing for the acquirement by the United States of privately owned lands within Taos County, N. Mex., known as the Santa Barbara grant, by exchanging therefor timber, or lands and timber, within the exterior boundaries of any national forest situated within the State of New Mexico;

S. J. Res. 107. Joint resolution declaring agriculture to be the basic industry of the country and for other purposes; and

S. 2848. An act to validate an agreement between the Secretary of War acting on behalf of the United States and the Washington Gas Light Co.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 2878. An act to authorize the sale of lands allotted to Indians under the Moses agreement of July 7, 1883;

H. R. 3684. An act for the enrollment and allotment of members of the Lac du Flambeau Band of Lake Superior Chippewas in the State of Wisconsin, and for other purposes;

H. R. 5799. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Seminole Indians may have against the United States, and for other purposes;

H. R. 1823. An act for the relief of the Long Island Railroad Co.;

H. R. 4161. An act authorizing the Commissioner of Indian Affairs to acquire necessary rights of way across private lands, by purchase or condemnation proceedings, needed in constructing a spillway and drainage ditch to lower and maintain the level of Lake Andes, in South Dakota; and

H. J. Res. 248. Joint resolution to provide for the remission of further payments of the annual installments of the Chinese indemnity.

The message also announced that the Senate had passed with amendments the bill (H. R. 7962) to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 8350) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1925, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. JONES of Washington, Mr. CURTIS, Mr. LODGE, Mr. OVERMAN, and Mr. HARRIS as the conferees on the part of the Senate.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Under clause 2, Rule XXIV, Senate bills and joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. J. Res. 107. Joint resolution declaring agriculture to be the basic industry of the country, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1762. An act providing for the acquirement by the United States of privately owned lands within Taos County, N. Mex., known as the Santa Barbara grant, by exchanging therefor timber, or lands and timber, within the exterior boundaries of any national forest situated within the State of New Mexico; to the Committee on Public Lands.

S. 2159. An act authorizing annual appropriations for the maintenance of that portion of Gallup-Durango Highway across the Navajo Indian Reservation and providing reimbursement therefor; to the Committee on Indian Affairs.

S. 2848. An act to validate an agreement between the Secretary of War, acting on behalf of the United States, and the Washington Gas Light Co.; to the Committee on Public Buildings and Grounds.

WHAT HAPPENED TO THE FARMERS OF IOWA

Mr. KOPP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on "What happened to the farmers of Iowa."

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD on the subject indicated. Is there objection?

There was no objection.

Mr. KOPP. Mr. Speaker and gentlemen of the House, as you know, Iowa, which I in part represent, is an agricultural State. In this respect it stands out preeminently. Within its four boundaries is the most wonderful body of farm land in all the world. Its black prairies are unsurpassed in richness by the valley of the Nile. Its rolling sections produce blue grass not excelled even by the famous blue-grass region of Kentucky. There is not a foot of waste land in the entire State. Many of the States, indeed, have a far greater area, but in agriculture Iowa stands first among them all.

It was my good fortune to be born on a farm. In fact, it was my privilege to be born in a log house; and, looking back, I know of no place where I would rather have been born. Land has always appealed to me, and what little I have been able to save has practically all been invested in farm land. Therefore I know the trials and struggles of the Iowa farmers. Their problems are my problems. Their misfortunes are my misfortunes.

In my time many changes have occurred on Iowa farms. I have seen improved machinery take its place. Well do I recall the old reaper, which simply dropped the grain. I saw that superseded by the self-rake, and then I saw the self-rake superseded by the self-binder. I saw the lumber wagon give way as a passenger vehicle to the spring wagon, the spring wagon to the buggy and the carriage, and the buggy and the carriage to the automobile. I have also seen changes in the financial condition of the farmers. Well do I recall the hard times that existed from 1893 to 1897. During those years the prices of farm products were so low that farmers could not sustain their families. Those were the days when in certain sections corn was often burned for fuel. Fortunately, in 1897 times began to improve. Gradually the farmers recovered from the distress which they suffered from 1893 to 1897. For years they made a steady advance. At no time, indeed, did they gain riches, for that was impossible; but they toiled and saved, and by industry, thrift, and economy they gradually acquired modest estates. While thus progressing they built better homes, established better schools, and in many ways added to the comfort, health, and happiness of their families.

During the period to which I have just alluded the farmers of Iowa were contented. Values were settled. Prices were stable. We could look forward with certainty and confidence. We knew that at the end of the year we would have a fair return for our labors. Under the conditions that then existed we had a square deal and could work out our own salvation.

The farmers of Iowa gained a proud position in the financial world. They were regarded as the best possible risks. It was a common saying that there was no better or safer security than a mortgage upon Iowa land. That was true. In those days the farmers of Iowa promptly paid principal and interest when due. Foreclosures of Iowa farm mortgages were then practically unknown. The farmers of Iowa then scarcely knew that there was such a thing as a court in bankruptcy.

How different it is to-day! Foreclosures of farm mortgages are taking place everywhere. Many farmers have been compelled to take refuge in the bankruptcy court. Practically our only real estate agents now are the county sheriffs and the trustees in bankruptcy. Thousands of farmers have thrown up their hands and, to avoid legal proceedings and complications, have willingly turned everything over to their creditors. Their equities are an entire loss. Their savings have been completely wiped out. Their efforts have all come to naught. Many families that a few years ago were in comfortable circumstances are to-day homeless and helpless. Such a change has far-reaching effects. It means that children will be deprived of many opportunities and advantages. It means that parents may not have a serene and contented old age. I personally know many of the people who have been victims of the distress that has swept over Iowa. Their misfortunes touch me deeply. I sympathize with every one of them.

What brought about this change in recent years? What happened to the farmers of Iowa?

The big interests that had much to do with bringing these calamities upon the farmers of Iowa, in order to hide their own guilt, have loudly proclaimed that the farmers themselves brought on these calamities. I deny this oft-repeated assertion of Wall Street. The farmers of Iowa did not cause their own misfortunes. For Wall Street to put the blame upon the farmers themselves is to add insult to injury.

There are no better people anywhere than the people of Iowa. They are warm-hearted and generous. They are whole souled. They love their fellow men. They live just beyond the great Mississippi—"out where the West begins." Well, indeed, did the poet describe the people of Iowa when he said:

> Out where the handclasp's a little stronger,
> Out where the smile dwells a little longer,
> That's where the West begins.
> Out where the sun is a little brighter,
> Where the snows that fall are a trifle whiter,
> Where the bonds of home are a wee bit tighter,
> That's where the West begins.

The people of Iowa are intelligent—none more so in all the States of the Union. Iowa has the lowest per cent of illiteracy of all the States. This we regard as our greatest and best achievement. The people on our farms are not behind the people of our cities in intelligence. Go to our farm homes and you will find there the best books and the best magazines. You will find there men and women of culture and refinement. I know that the East has always claimed a superior intelligence, but I also know that I am right when I say that, on the average, the farmers of Iowa read more and think more than the residents of any of the great cities of the East.

Let me briefly trace the misfortunes of the Iowa farmers. Their deplorable condition is due to inflation and deflation. Both are moral and economic crimes. Neither was brought on by the farmers. Let the blame rest where it belongs.

First, as to inflation: As soon as war was declared big business organized for plunder. It proceeded to Washington, and, in some strange and unaccountable way, induced the Government to let it have war contracts on a cost-plus basis. In these contracts the Government agreed to reimburse the contractors for all cost of labor and material, and, in addition, to pay the contractors as their profit a per cent of the cost. Thus, the more the cost the more the profit to the contractors. It was, therefore, to the interest of the contractors to make everything cost the Government the greatest possible amount. Prices mounted higher and higher. This was inevitable. False values were established in order that contractors might make enormous profits at the expense of the Government. Instead of paying the lowest possible price, the Government paid the highest possible price. Instead of following sound economic law, the Government put itself at the mercy of the big interests.

No wonder that the war cost such a vast sum. No wonder that 23,000 new millionaires were created during the war. If the business of the country were conducted upon such a basis now, in less than six months the country would blow up. In order to make such profiteering impossible in the future it has been strongly urged that in the next war money as well as men should be conscripted. I am in hearty accord with this movement, but I fear that if we succeed in passing such a law now it will be repealed as soon as we get into another war. You may depend upon it that as soon as another war begins big business will again organize for plunder. The big profiteers will pose as superpatriots, and while waving the flag will declare that the repeal of the law is necessary "in order to win the war." If another war comes, the big interests will make every effort to rob the American Government and the American people, just as they robbed them in the last war.

The cost-plus contracts were only one way in which the Government inflated the country during the war. There were many others.

What was the result of inflation? All values were unsettled. All adjustments that had been worked out by time among the different interests and industries were undone. No one knew what anything was really worth, and nearly everyone was trying to get fictitious prices for whatever he had to sell. Everywhere, on the streets, in the offices, in the stores, and in the banks, in fact, wherever men congregated it was stated that we had reached a new price level, and it was quite generally believed that this new price level would be permanent.

Notwithstanding the general belief that the new price level had come to stay, the farmers of Iowa were cautious. From the time the World War commenced until the armistice was signed Iowa land scarcely advanced 10 per cent. The farmers of Iowa instinctively felt that as soon as the armistice was signed deflation would begin. Hence there was but little activity in real estate during the war. Had deflation been begun by the Government through the Federal reserve bank at the time the armistice was signed Iowa would not have been overtaken by such an awful catastrophe. The Government, however, kept up its inflation policy. The Federal Reserve Board encouraged it. But the farmers of Iowa still hesitated to believe that the new price level would be permanent. This hesitation continued for six months after the armistice. Finally, seeing that the Government itself was still keeping up inflation, and also seeing that the Federal reserve bank was still concurring in that policy, the farmers finally concluded that the new price level had come to stay. Then, very naturally, land began to advance toward the new price level.

The boom followed and lasted until about July, 1920, a little over a year. Land doubled in price, the best corn land going from $225 an acre to $450 an acre. That boom was the worst thing that ever happened to Iowa. Let it be clearly remembered, however, that the boom was not brought on by the farmers. They were the victims of it, and not the cause of it. Farmers can not create a boom in real estate. Booms result from conditions over which the farmers have no control. In this case the boom was the direct result of the inflation policy of the Government, which no doubt found its inspiration in the war profiteers of Wall Street. If farmers could start a boom in farm land, they certainly would start one now. The boom lasted as long as the Government continued its inflation policy. When in the summer of 1920, the administration, through the Federal Reserve Board, deflated Iowa farmers, the land boom broke, and left behind a trail of ruin and disaster.

The first crime was inflation, which is never excusable in a Government that is solvent and has unimpaired credit, and which is just as certain to bring its penalties as is the violation of a law of nature. The second crime was the sudden, arbitrary, and brutal deflation of the Iowa farmers in the summer of 1920 by the Federal Reserve Board. I am fully aware that the Federal Reserve Board denies that it committed such a crime. Such a denial need occasion no surprise. Many a defendant in our courts has pleaded not guilty, and yet has been promptly convicted by a jury after a fair and impartial trial. Whatever the Federal Reserve Board may say or claim about it, the fact remains that it struck the farmers of Iowa a fatal blow. For the board to deny it and to assume that it can make us believe such a denial is no compliment to our intelligence. The farmers of Iowa can not be deceived even by the able and skilled defenders of the Federal Reserve Board. The farmers of Iowa know who struck the blow.

I would not abolish the Federal Reserve Board. It serves some good and useful purposes. In order to function, such a board must necessarily have large powers and wide discretion. When the Federal Reserve Board was established, it was taken for granted that such powers and discretion would be exercised wisely and justly. Unfortunately, that was not the case when the board deflated the farmers in 1920. The board at that time followed the wishes and directions of Wall Street. It was a cold-blooded and heartless transaction. It was secretly arranged. The big interests of the country knew what was coming, but the farmers were led, like sheep, to the slaughter. It may, indeed, be true that the members of the board thought that they were doing the right thing. It is characteristic of men who have been associated with, and have served the money powers to think in terms of money. Such men often have perverted views of life. But, even if the members of the board thought it was right to ruin the farmers, that did not make it so. In fact, it was a monstrous crime.

The local banks were in no way to blame for the deflation. Many of them protested vigorously against the policy of the Federal Reserve Board, but they were helpless. They had no power and could not do anything. As a matter of fact, the Iowa banks themselves became victims of the deflation policy of the Federal Reserve Board. When the farmers lost, the banks lost also. Many banks in the agricultural sections were closed. Many others had their surplus greatly impaired. For many it will take years to get back where they were before deflation set in. I know whereof I speak when I say that the Iowa bankers stood by the farmers nobly and heroically. Credit to whom credit is due. There may have been some exceptions, but exceptions only prove the rule. In the misfortunes that swept over Iowa the bankers had their full share of grief. Their troubled days were many, and their sleepless nights were not few. The Iowa bankers as a class are entitled to the highest praise.

But, it may be asked, Of what use is it to criticize the Federal Reserve Board after the damage has been done and after it can not be undone? In answer to such a question, I say that public criticism may prevent a recurrence of such a crime in the future. When men know that they will be called before the bar of public opinion, they sometimes hesitate to do an unconscionable thing. Let us not submit without a protest. Besides, the history of that critical time should not be forgotten.

We have been told again and again that only speculators in farm land were hurt. If this were true, it would not be a good defense of the Federal Reserve Board, for even speculators in land are entitled to fair treatment. But speculators were not the only ones that were hurt. By no means. They constituted but a small fraction of the injured parties. Many men and women, who had struggled and toiled for years, invested their savings in a farm, which they hoped to make a permanent home, and lost everything. It is a sad, sad story. My heart goes out to every one of these people. The big interests that deceived them by wrongful and unjust policies now ridicule these unfortunate people because they permitted themselves to be deceived. Was there ever greater outrage?

After these years of hardship, what is the condition of the Iowa farmer to-day? Everything is upon a new price level except the products of the farm. The farmers are compelled to buy on a high-price level and are compelled to sell on a low-price level. Under these conditions the farmers do not have a fair chance. They are handicapped in the race to begin with. No wonder many of them have left the farm. No wonder that more are constantly leaving.

Permit me to revert for just a moment to the claim that the farmers should have known that a new price level would not be maintained for farm products. Are they to blame for being mistaken as to this when, in fact, a new price level has been maintained for all other products? How could they know that farm products would be an exception?

Naturally, people wonder why the unfortunate condition of our farmers has not been remedied by legislation. I wish it were possible to correct and cure all evils by legislation. Unfortunately, such is not the case. Many things when once done can not be undone. If a man has his hand cut off, no surgeon, however skilled, can put it back on. From some diseases a recovery is impossible, even if the most eminent physicians are in attendance. Many efforts were made to aid farmers by legislation in the last Congress. Farm organizations were invited, and even urged, to suggest remedies, and every bill that had their approval was passed. I was glad to vote for all of these measures. Undoubtedly some benefit resulted from this legislation.

Legislation during the last Congress improved the credit facilities of the farmers, and now, in Iowa at least, there is no complaint on that score. The fact is, and this fact we should recognize, that men are often given too much credit. This is fully as disastrous as too little credit. When a bank makes too large a loan to a man it injures the man quite as much as it does itself. It is not uncommon for people to criticize banks for not making them larger loans. In most cases they should thank the banks for restricting their credit. Borrowed money must be repaid, and the larger the loan, in proportion to the assets, the more difficult to make repayment. To-day in Iowa the farmers are not suffering for lack of credit. The local banks are willingly and adequately taking care of their needs. Immediately following deflation, money could not be secured upon any terms. That condition, fortunately, has entirely disappeared.

The problem that remains is how to raise the level of prices for farm products to the general level of prices. This is a hard problem, and thus far has baffled solution.

We have been told by those whose interests are adverse to ours that we should not try to raise prices by arbitrary means; that, in fact, it would be wrong to do so; and that we should be content to submit to the law of supply and demand. If the law of supply and demand were really functioning throughout the whole economic world, I would be willing to take our chances with the rest, but the law of supply and demand has been largely suspended. In nearly all lines, aside from agriculture, it is to-day practically inoperative. Prices outside of the agricultural industry are very largely fixed by agreement and not by the law of supply and demand. The farmers, therefore, while submitting to the law of supply and demand, are at a very serious disadvantage.

It has been proposed that the farmers, when prices are too low, shall reduce the output and thus, following the methods of manufacturers, force up the prices. This is more easily said than done. This proposal sounds very well, but the difficulties in the way make it impossible of execution. Manufacturers are very limited in number, while the farmers number many millions. The greater the number the harder it is to act together. Besides, a manufacturer can shut down his factory and practically stop his expense, but the farmer can not close down his farm. He must keep on farming or the farm will go to rack and ruin. It has also been proposed that the farmers shall all unite and, by universal agreement among themselves, fix the price of farm products, regardless of the supply on hand. This also is impossible. Not enough farmers will join such an organization to make it a success. Possibly at some time in the future the farm organizations may be so complete, comprehensive, and effective that they can reduce the output or fix the price of farm products, regardless of the supply, by their own power, but they are not able to do that at this time. Other plans equally difficult have been proposed without avail. What, then, can be done?

There are certain forces in operation that in time will probably put prices of farm products on a parity with other prices. If we produced less than the demand in our own country, prices undoubtedly would go up. The national surplus, which must be exported and which must be sold in the markets of the world, depresses our domestic prices. Eventually there will be no surplus of farm products in this country. That will be brought about by the increase in population. We are increasing now at the rate of more than a million a year. There may be some increase in our production, but the increase in production will not keep pace with the increase in population. In the course of time, therefore, our population will consume all of our farm products. However, if we rely upon the increase in population to dispose of the surplus it will take considerable time—perhaps 10 years or more—for the farmers to come fully into their own again.

The farmers do not want to wait years for relief. They need it now. Immediate relief, however, can not be given unless some method is found for disposing of our surplus without depressing our domestic prices. Therefore we are confronted with this important question: Can we devise some way in which we can dispose of our surplus farm products abroad in a low market and at the same time create and maintain substantially higher prices on our farm products at home? That question has been engrossing the attention of Congress during this session. For months that question has been paramount in the mind of every friend of the farmer.

All of the big interests of the country deny that this can be done. However, practically all of them are doing that very thing in their own lines of business. They sell their surplus at a low price in Europe but maintain a high price for their products in America. When they say that a farmer can not do the same thing, the wish is father to the thought. They want farm products to remain cheap in America.

The big interests, nevertheless, claim to have a deep concern in us and are offering us much advice. The other day Julius H. Barnes, president of the United States Chamber of Commerce, suggested that the way—or, at least, one of the ways—to make the farmers prosperous was to reduce the taxes on the rich. According to men like Barnes we shall have a new earth and, perhaps, even a new heaven when the rich get their taxes reduced. Men of the Barnes type are always complaining about the taxes of the rich, but have never a word about the taxes of the poor. Judging him by the advice he has given us, I think Mr. Barnes has about as much sympathy for the farmers as an iceberg has for a wrecked ship. Mr. Barnes's attitude recalls a recent article in the Wall Street Journal, which, with evident satisfaction, compared the farmers to oxen pulling a heavy load up hill.

Different methods have been suggested for bringing about the desired result. These suggestions have been embodied in various bills, which are now pending in the House and Senate. The best known of these is the McNary-Haugen bill. It received this name because it was introduced in the Senate by Senator McNary, of Oregon, and in the House by Congressman Haugen, of Iowa. Congressman Haugen is the dean of the Iowa delegation. He is now serving his thirteenth consecutive term in Congress and is chairman of the great Committee on Agriculture. All know that he is one of the most useful, capable, and conscientious men in Congress.

By way of opposition it has been stated that any bill that may be passed for the purpose of marketing our surplus farm products in the foreign market in the manner indicated above will be in the nature of an experiment. This I readily admit, but I do not admit that this is a valid argument against such a bill. Experiments have meant much to the world. Most of our advancement and progress has been due to experiments. I am not afraid of a new thing simply because it is new.

I also readily admit that all legislation, whether along old lines or along new lines, should be sound. That is not only important but vital. The farmers do not want an unsound remedy. They know that such a remedy instead of making the situation better would only make it worse. The wrong medicine will not restore a sick man to health. It will only aggravate his condition; and the sicker the man the more danger in administering the wrong medicine. You may be assured that the farmers do not want to take a false step. They well know that they themselves would be the worst sufferers from such a course.

Perhaps no bill can be drawn that will give full relief to the farmers. Perhaps the prevailing conditions can not be wholly cured by legislation. I concede that no one can speak with absolute certainty on this subject. But, notwithstanding the doubts that may exist, let us make an effort. Let us do our best to lift the farmers out of the slough of despond in which they now find themselves. Let us not betray our trust. Under existing conditions indifference and inaction would be a crime.

It is not my purpose at this time to make an argument for or against any particular bill. What I now want to emphasize is the need of speedy action. I want to urge that at the earliest possible date an opportunity be given to consider farm relief in the House. The time is getting short. It has been proposed that Congress shall adjourn within a few weeks. We can not leave here until we have done justice to the farmers of the country. I also want to urge a spirit of unity among the friends of the farmers. We must not defeat ourselves by unnecessary division. For one, I stand ready to vote for any and all bills that in any sane way promise relief to the farmers.

The Representatives of the people in Congress, who are charged with legislation, must bear in mind that agriculture is the basic industry of the world. It preceded all other industries and it will survive to the end of time. Many of the representatives of the cities do not seem to understand this. Let me warn the cities that they can not be permanently prosperous unless the farmers become prosperous also. In the long run, we must either all go up together or all go down together.

Wall Street has indulged in much criticism of the farmers of Iowa during the past few years. It has denounced them as radicals and Bolsheviks. Again and again it has called them socialists. In behalf of my people I resent these foul and baseless slanders. Why, if our institutions ever become endangered, which God forbid, the farmers of Iowa will be found among the last defenders of the Constitution. Talk about socialists! Why, you can not find a socialist on the farms of Iowa. The farmers of my State have thus been maligned and vilified simply because they have resented and have protested against the injustice that has been done them. The gamblers of Wall Street, who find so much fault with the farmers of Iowa, should come out and meet them face to face. It would be a great education for these Wall Street gamblers to get acquainted with the farmers of Iowa. It would do them good. It would give them a better outlook on life. There are no millionaires among our farmers. The people who live on the farms are honest and God-fearing men and women. Their prayer is that they be given neither riches nor poverty. There are no social castes among the farmers. No one looks down upon his neighbors. No one thinks himself too important to give cordial recognition to all with whom he comes in contact. On the farms the people recognize that, though a man be poor and unfortunate, he is nevertheless, in the language of Robert Burns, "a man for a' that." I want to pay tribute to the women on the farms. They lead useful and busy lives. They find their joy in service—service in the home, service in the church, service in the community. They do not, like so many of the rich women of the large cities, waste their health and strength in chasing after selfish and foolish pleasures.

In the large cities you constantly speak of your criminal class. Such a class is wholly unknown on the farms of Iowa. No police officers are needed there. In many townships in my district not a single crime, not even a misdemeanor, has been committed for many years. Nowhere in all the world can you find better people, better communities, better institutions, and less crime than on the farms of Iowa.

Before concluding, let me speak a word of hope. A better day will surely come for the farmers of Iowa. Such land and such people can not permanently be held down. Our recovery may be hastened or retarded, but it will come as certainly as day follows night.

Iowa is not envious of any other State. Her good will goes out to all. In her youth one of her distinguished sons uttered these noble words, "Iowa, the affections of her people, like the rivers of her borders, flow to an inseparable union." In abbreviated form this sentiment was inscribed on the Iowa stone in the Washington Monument at the National Capital. We love all the States, but naturally and properly, like dutiful and grateful children, we love Iowa the best. The State song of Iowa, written by Major Byers, who was one of the boys in blue and who marched with Sherman to the sea, well expresses the universal feeling of our people:

You ask what land I love the best—
Iowa, 'tis Iowa,
The fairest State of all the West,
Iowa, O Iowa!
From yonder Mississippi's stream
To where Missouri's waters gleam,
O fair it is as poet's dream,
Iowa, in Iowa.

THE BALL RENT ACT

Mr. LAMPERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7962, the Ball Rent Act, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to take from the Speaker's table the Ball Rent Act, disagree to the Senate amendments, and ask for a conference. Is there objection?

Mr. BLANTON. I object.

EXTENSION OF REMARKS

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech I made in Brooklyn.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. LONGWORTH. What is it?

Mr. LINDSAY. It is a speech that I made in Brooklyn.

Mr. LONGWORTH. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

FREEDOM OF CONSCIENCE

Mr. LINDSAY. Mr. Speaker and gentlemen of the House, no words of mine can sufficiently emphasize the seriousness of the principle concerning which I am about to speak. I ask the indulgence of the House for the time allotted me on this subject. My poor ability at best is unequal to my theme, therefore I hope I shall not be asked to yield during my brief discourse. Thoughts of freedom of conscience have occupied the minds of all great men in proportion, it would seem, to their service in behalf of their fellow men and all posterity. So it is not surprising that the principle of religious freedom has been affirmed in varying expressions by such typical Americans as George Washington, Thomas Jefferson, Benjamin Franklin, Abraham Lincoln, and Woodrow Wilson. I am choosing these illustrious names at random. Were a complete list of all such expressions attempted, I believe it would include every patriot on the immortal roster of this great country.

In those stirring days of the American revolution the Jews gave their loyalty and cast their fortunes with the struggling young Republic. Witness the address of George Washington to the Hebrew congregation of Newport in 1790.

I shall not read it in its entirety, but I commend it to your future study. In part, the glorious Washington wrote:

All possess alike, liberty of conscience and immunities of citizenship. * * * For happily the Government of the United States, which gives to bigotry no sanction, to persecution no assistance, requires only that they who live under its protection, shall demean themselves as good citizens in giving it on all occasions their effectual support. May the children of the stock of Abraham who dwell in this land, continue to merit and enjoy the good will of the other inhabitants, while everyone shall sit in safety under his own vine and fig tree and there shall be none to make him afraid.

The same principle is voiced on many other occasions. In the course of discussing the Declaration of Independence, hear great Washington say again:

Every man who conducts himself as a good citizen is accountable alone to God for his religious faith, and should be protected in worshiping God according to the dictates of his conscience.

I ask your accord, gentlemen, with the words and spirit of George Washington. Compare his utterance with the propaganda of the hooded horde which seeks to set up standards of intolerance and religious discrimination contrary to the belief of the noblest character in our history, and profanes the sacred name of patriotism with religious persecution.

Thomas Jefferson, that incomparable and versatile genius to whom I turn for guidance in matters political, on April 21, 1803, sent to his friend Dr. Benjamin Rush certain manuscripts on which he had been at work for his private pleasure and conviction. These had for their purpose a comparison of the doctrines of Jesus with the moral precepts of the ancient philosophers.

I only wish to refer at this time to the personal letter of Thomas Jefferson which accompanied the manuscript.

In confiding this to you—

Writes Jefferson—

I know it will not be exposed to the malignant perversions of those who make every word from me a text for new misrepresentations and calumnies. I am, moreover, averse to the communica-

tion of my religious tenets to the public; because it would countenance the presumption of those who have endeavored to draw them before that tribunal, and to seduce public opinion to erect itself into that inquest over the rights of conscience, which the laws have so justly prescribed. It behooves every man who values liberty of conscience for himself to resist invasions of it in the case of others, or their case may, by change of circumstances, become his.

What wisdom, my colleagues, is contained in that last sentence! I feel it will bear repetition in italics:

It behooves every man who values liberty of conscience for himself to resist invasions of it in the case of others, or their case may, by change of circumstances, become his.

These words of Jefferson are as inspired as any he ever penned or spoke. How the glow of truth remains undimmed by time! Age can not mar, nor time efface, sincerity; and truth is eternal, a safe guide in any situation wherewith men or nations may be confronted. In matters of principle, that which is true is forever true.

Remember, gentleman of the House, my previous quotation is from that patriot who wrote the Declaration of Independence; he who as President of our infant Republic added the great western empire included in the Louisiana Purchase. This is the early father who succeeded the illustrious Franklin as minister to France—Jefferson—whose contribution to civilization and the growth of the United States is immeasurable, the builder of Monticello, the founder of a great university, the colleague of those whose very life and soul entered into the erection of this, our Government. This is the man who succeeded Patrick Henry in the Virginia Legislature, and took up his predecessor's glorious cry, "Give me liberty, or give me death!"

Forgive me, gentlemen, if I recall old glories. I do so not without reason, for of all Jefferson's accomplishments, one stands out as epochal in the history of the world. And it was this that brought a spontaneous glow to his great human heart. While serving as minister to France in 1785 he was brought word that the Virginia Legislature had adopted the "act for religious freedom" which he had introduced while serving as a member of that body. This was the first statute of religious freedom that had ever adorned the world. Jefferson was greatly pleased with the passage of this act. Copies were printed in French and Italian and distributed throughout Europe. These were received with rapture by the French liberals, especially Lafayette, and acclaimed, as Jefferson says:

Not at the courts, but by the people everywhere.

May I offer for your consideration the Americanism, the patriotism, the wisdom and understanding of Thomas Jefferson? I bow my head in humble admission of my inconsequence when I realize that I am to-day addressing the great Congress of the United States on a subject which merited the consideration of such a man.

Gentlemen, there is abroad in our land to-day an organized movement to deprive our fellow men of liberty of conscience in religion. Were I gifted with great eloquence, and though I possessed the divine fire of oratory, still would I approach this subject with reluctance. I consider it my duty to speak that the right to individual freedom of conscience shall not perish so long as this Government continues to function. I never thought the day would come when it would be necessary for a Member of the Congress of the United States to arise in defense of religious freedom for any inhabitant of this country. The right to such freedom is called inalienable in the Declaration of Independence itself. It is reaffirmed in the amendments included in the Bill of Rights. And now, 138 years after the passage of Virginia's act for religious freedom, there is a spirit of religious intolerance and bigotry being developed by deliberate methods to an evil end.

Men who are in some instances unscrupulous, in others thoughtless or ignorant, are spreading the hideous propaganda and injecting religious issues in Government affairs. And yet, so malevolent is their purpose, so fraught with danger are the consequences of linking religion and government, that I cannot even say—

Forgive them, for they know not what they do.

Indeed, a group of men who can countenance physical assault by a mob upon any individual, men who dare presume to invade by act or word the sacred precincts of a man's private conscience, men who invite the maelstrom of hate and suspicion which surely will attend a continuance of the methods of the Ku-Klux Klan, know not only what they do but why they do it.

Emboldened by being tolerated, this organization admittedly seeks to gain control of this Government. Indeed, mere adherence to the prescribed religious creed is not enough—membership in the klan is the standard by which a candidate's fitness for office is determined. Already I have been branded the tool of some mighty, secret, sinister, religious power. Gentlemen, my religious beliefs are as little the concern of the public as are my preferences in diet. I have never consciously violated a single right of the lowliest of my fellow men. That, I take it, is the measure by which a man is best judged. I am proud of my country, my State, and my constituency, and in my list of friends I count hosts of men and women of every religious belief, and some with none, I dare say. Perhaps these, too, will find favor on judgment day. Catholic, Protestant, and Jew you will find numbered among the dead in Flanders. In the great State of New York, an empire in itself, you will find examples of patriotism equal to any. That State contains 10,000,000 people, of every kind and shade of religious belief.

I can not avoid the conclusion that some wise Providence placed at our hands an argument for every righteous plea. I am thinking of Lord Baltimore and his Catholic colony in Maryland, the Puritan elders in New England, far from Catholic, yet not tolerant of Roger Williams, who must settle in Rhode Island. Then the Quakers in Pennsylvania, and all those elsewhere who endured the stormy seas and winter in a strange land rather than compromise on matters of conscience.

Lest there be a romantic misconception that the klan is the descendent of the old klan of the South, may I remind you that Thomas Dixon, author of the "Klansman," which invested reconstruction days with an air of romance, has entirely abjured the Ku-Klux Klan of to-day. Again, on this subject, my colleagues of the South, when you pause to admire in reverence the noble group in stone that will adorn the face of Stone Mountain as an eternal monument to the old South's regard for those who gave their all that freedom of conscience be theirs in civil matters, perhaps you will in fancy see the spirit of Father Ryan, a Catholic priest of Georgia, and Theodore O'Hara, of Kentucky, hovering over your beloved leaders. For these were your own poets laureate in the secession days, and every line they wrote breathes love of country.

How dare anyone raise a religious issue in this country! When did the recent consciousness of religious difference begin? For years I have been intimately associated with men whose creed is still unknown to me, so little does it matter. I have sat at table with some whose ways in such things were not mine. I have clasped hands with others whose path was along different ways, perhaps, but I dare say we all are bound for the same place, though we go by different roads. Never has a difference of religious practice made any difference in our associations. How can any man be so absurd as to surrender his intelligence to such ridiculous ideas as are advocated by the klan? Let us free our country from such undignified mummery. I am sure the Constitution and the Declaration of Independence are a better guarantee of happiness than the tar pot and feather pillow. Life, liberty, and the pursuit of happiness are more precious than klans, kleagles, and klonciliums.

It is hard to resist the impulse to laugh at the spectacle of grown men in nightshirts and nightcaps, but these men are dangerous. Loss of the sense of humor is characteristic of loss of mental balance. And these hordes of misguided men, at the order of a few self-constituted authorities, are a menace. Out of their mouths, when they accuse others of plots and treason, their perfidy is revealed, for "as a man thinketh in his heart so is he." They attribute to others the very desire that secretly possesses their own hearts. Not so much is their danger in direct action, but the spread of the intolerance idea is dangerous. Where men before were unconscious of religious differences and mingled in good fellowship there will be a barrier raised, on trifles, it is true, but hatred will replace the congeniality of citizenship we long have known. The most bitter wars of long ago were religious wars; the saddest conflicts of history have been internal civil wars. We must not fail to stamp out the smallest spark that might advance a great destroying fire.

This Nation was born out of our rebellion against the political tyranny of a king. Shall it be said that in our land we tolerate the religious tyranny of a klan?

Mr. Speaker and my colleagues, I have tried to show the great importance of the situation that is being brought about—a most unwarranted, unjustified, and un-American conspiracy, by large numbers, whose organized strength is said to be far-reaching. I consider it my duty to ask your consideration of these things and to invite your assistance in destroying this menace. The klan would like you to believe that the ancient fraternity of Masons is in sympathy and identified with its activities. But this is not so. It has been officially repudiated and was personally denied by so eminent a Mason as

the distinguished Senator from Alabama. Likewise the Elks officially disapprove of the klan.

In New York City a series of instructive and inspiring lectures were held under the arrangement of the Masonic order. With a high Masonic official occupying the chair, a prominent Catholic priest, a distinguished Protestant clergyman, and a learned Hebrew rabbi were invited to speak each alternate week. This is an inspiring example of the brotherhood of man and a practical illustration of the freedom of conscience guaranteed our people. In national convention the American Legion refused indorsement of the klan program. I refer to these facts because in at least one publication devoted to klan matters an attempt is made to create the impression that these fraternities are in cooperation with the klan, and there is absolutely no justification in fact for such an impression.

Lest you be inclined to belittle the seriousness of these conditions, let me remind you that already many municipal and State offices have been obtained by men who were avowed candidates of the klan in certain sections of this country. A governor was elected and later removed, and it is said a certain Senator holds his seat by dispensation of the sovereigns of this invisible empire. I hope it may not be for want of proper consideration that serious consequences will outgrow the activities of a secret, ambitious, and lawless organization. And because it is the Ku-Klux Klan this time, the Know-Nothings last time, and the Know-It-Alls next time I have drawn a bill, "the anti-intolerance act," which is now in committee. I have been most careful in drawing this bill, so that it shall apply only to cases where the circumstances are such as I have spoken on. No individual, no secret fraternity, and no publication is prevented from conducting its affairs as it may choose so long as it does not violate our Constitution and our Bill of Rights.

The Government of the United States is still strong enough to guarantee the rights and to enforce respect for those rights of every citizen. Remember that Washington in his letter to the Jews of Newport not only expressed his strong desire that every citizen should enjoy religious liberty according to his individual conscience, but he added the important phrase, "and should be protected in worshiping God according to the dictates of his conscience." I am asking you, my colleagues, to give ear to the words of Washington—"should be protected"—and as it is the function of government to protect, I am sure you will support this anti-intolerance bill at the proper time.

What I have said here will be soon forgotten; but listen to Him who said:

Heaven and earth shall pass away, but my words shall not pass away.

And now, klansmen everywhere, hear this in reverence and awe. Bow your heads and stay your hands, for the Man of Mercy has said:

Love ye one another, for that is all the law and the prophets.

And though His hand holds no slaver's whip nor torturer's fire, yet must His Word prevail.

Love ye one another and dwell in peace—

so saith the Law of God and the law of the United States.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its Chief Clerk, announcing that the Senate had insisted upon its amendments to the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SMOOT, Mr. MCLEAN, Mr. CURTIS, Mr. SIMMONS, and Mr. JONES of New Mexico as the conferees on the part of the Senate.

PURCHASE OF THE CAPE COD CANAL

Mr. SNELL. Mr. Speaker, I call up a privileged report from the Committee on Rules, House Resolution 278.

The Clerk read as follows:

House Resolution 278

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3933, for the purchase of the Cape Cod Canal property, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by those favoring and opposing the bill, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment the committee shall arise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SNELL. Mr. Speaker, this resolution provides for the consideration of the bill H. R. 3933, which is to approve a contract entered into by the Secretary of War with the Boston, Cape Cod & New York Canal Co. for the purchase of the Cape Cod Canal in accordance with a previous act of Congress. This resolution, if adopted, provides for three hours general debate, and after that the bill to be considered under the general rules of the House.

In discussing this canal-purchase proposition I am not going into an extended argument in regard to the advantages from a humanitarian standpoint, from the standpoint of the great commerce along the coast, nor discuss its importance as a connecting link in the intercoastal water system, nor shall I speak of it from the standpoint of national defense. But I am going to talk for a few moments to show you the exact law and what the real status of this contract for the purchase of the canal is at the present time, and show that the Secretary of War in presenting this contract to the House for its consideration at this time is following the exact direction and instruction of Congress itself. The Secretary of War is doing exactly what Congress told him to do.

In the first place, in the naval bill passed in 1916, the Secretary of the Navy was authorized to get information in regard to this canal, but the first definite act as far as Congress is concerned was on August 8, 1917, when the river and harbor bill became law. It carries this provision:

It directed the Secretaries of War, Navy, and Commerce to investigate the Cape Cod Canal with a view of its acquisition by the Government as a toll-free canal, and authorized the Secretary of War to negotiate for the purchase of the property at a satisfactory price and enter into a contract for the purchase, subject to the ratification and appropriation by Congress.

It provided further that if he could not do that, then, through the Department of Justice, to institute and carry to completion proceedings for condemnation.

That was the first definite start toward the purchase of the canal. The Federal Government made the start and definitely directed the Secretaries of War, Commerce, and Navy to perform certain specific acts in regard to this canal. It is the completion of this act that we have before us at the present time.

Mr. MCKEOWN. Will the gentleman yield?

Mr. SNELL. Not just yet; I want to follow this down through to the present time and then I will be glad to yield. The United States Army engineers made a definite report that the canal was worth $10,000,000 on July 3, 1918, and on July 25, 1918, by special proclamation by President Wilson, the canal was taken over by the Government.

Mr. FREAR. Mr. Speaker, it occurs to me this is an important question and deserves a better audience, and I suggest the absence of a quorum.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. It is clear there is no quorum present.

Mr. SNELL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Griffin	Montague	Sears, Nebr.
Bacharach	Harrison	Moore, Ohio	Seger
Bankhead	Howard, Okla.	Moores, Ind.	Simmons
Boies	Huddleston	Morin	Snyder
Burdick	Hull, Tenn.	Morris	Steagall
Byrnes, S. C.	Hull, Morton D.	Mudd	Strong, Pa.
Canfield	Hull, William E.	Murphy	Sweet
Clark, Fla.	Johnson, Ky.	O'Brien	Taber
Cole, Ohio	Kahn	O'Connell, N. Y.	Tague
Collins	Kelly	O'Sullivan	Taylor, Colo.
Connolly, Pa.	Kiess	Park, Ga.	Upshaw
Corning	Kincheloe	Peavey	Vare
Croll	Kurtz	Perkins	Vinson, Ky.
Curry	Kvale	Rainey	Ward, N. Y.
Doyle	Langley	Ransley	Ward, N. C.
Drane	Larson, Minn.	Reed, W. Va.	Wason
Eagan	Leatherwood	Robinson, Iowa	Welsh
Edmonds	Lehlbach	Rogers, N. H.	Williams, Tex.
Funk	Linthicum	Rosenbloom	Wilson, Miss.
Garrett, Tex.	McKenzie	Rouse	Winter
Gernn	McNulty	Sanders, N. Y.	Wood
Gibson	Magee, Pa.	Schafer	Zihlman
Gilbert	Manlove	Scott	
Goldsborough	Miller, Ill.	Sears, Fla.	

The SPEAKER. Three hundred and thirty-nine Members have answered to their names; a quorum is present.

Mr. SNELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

TAXATION OF LUMBER COMPANIES

Mr. SCHALL. Mr. Speaker, I ask unanimous consent to extend in the RECORD a statement in reference to my Resolution 301.

The SPEAKER. The gentleman from Minnesota ask unanimous consent to extend in the RECORD his remarks relative to his Resolution 301. Is there objection? [After a pause.] The Chair hears none.

Mr. SCHALL. Mr. Speaker, there was published in some of the Minnesota daily papers on May 9 a statement made by E. W. Backus, president of the Backus-Brooks Co., International Lumber Co., Minnesota & Ontario Power Co., and various allied companies, in which he commented upon H. Res. 301, offered by me on May 7, and the statement made by me at that time.

One of my reasons for bringing to the attention of the House the matter of the enormous underpayment of taxes by the Backus-Brooks companies running back as far as 1917 was the fact that by understating their income in their returns as filed they had saved, and the Government had lost, a vast amount of interest—for instance, interest for six and five years respectively on the amounts which have already been found to have been underpaid for 1917 and 1918. The amount of this interest alone at 6 per cent would be nearly $500,000, to say nothing of interest on the still larger amounts which I understand may be found to be still due for years subsequent to 1918.

Mr. Backus in his statement says:

> Another thing. He [Mr. SCHALL] suggests that by this delay our companies have been able to save upward of $1,000,000 in interest. Anyone having the slightest knowledge of the Federal tax laws knows that this is absurd. Whenever it is found that a taxpayer owes additional taxes for earlier years, no matter how small the amount, he is obliged to pay interest from the time that the tax should originally have been paid.

This assertion by Mr. Backus may accomplish its evident purpose and fool some of the people of his State, but to anyone conversant with the revenue laws and presumably to every Member of Congress a statement such as this, made with complete and reckless disregard of the facts, will sufficiently characterize the accuracy and purpose of Mr. Backus's whole statement.

His only purpose is apparently to discredit my resolution and my purpose and motives in offering it. To accomplish this Mr. Backus has been willing to make any statement, no matter how rash or absurd.

The fact is that there has never been up to the present time any provision in any United States revenue law requiring the payment of interest on deficiencies in the payment of income or profits taxes. Every taxpayer—and there are many of them—who has been required upon examination of his returns to pay additional assessments for "deficiency" over and above his original return knows that no interest has ever been added.

The revenue acts of 1917 and 1918 provided for a penalty of 5 per cent and 1 per cent a month for refusal to pay a tax after the same became due and after notice of and demand for the same, but this does not apply in the case of additional assessments until the latter are actually made and notice thereof given to the taxpayer. In the act of 1917 there was provided a penalty for a false or fraudulent return—100 per cent of the amount of the deficiency in addition to a specific penalty.

In the 1918 act it was provided that in case there was a deficiency—

> if the return is made in good faith and the understatement of the amount in the return is not due to any fault of the taxpayer, there shall be no penalty because of any such understatement.

It was also provided that if the understatement was due to negligence on the part of the taxpayer but without intent to defraud, there should be added as a part of the tax 5 per cent of the total amount of the deficiency plus interest at the rate of 1 per cent per month on the amount of the deficiency. This provision, however, has in actual administration been practically a dead letter, as it has been almost impossible for the Internal Revenue Bureau to charge lack of good faith and negligence in cases where there has not been actual and positive fraud. The act of 1918 also provided a penalty for a false or fraudulent return with intent to evade the tax, this penalty being 50 per cent of the amount of the deficiency in addition to a specific penalty.

It is not true, and never has been true, that (as stated by Mr. Backus)—

> whenever it is found that a taxpayer owes additional taxes for earlier years * * * he is obliged to pay interest from the time the tax should have originally been paid.

Just the contrary is true, and no one with the slightest inclination toward accuracy of statement could ever have stated otherwise.

This failure to provide for or permit the commissioner to add interest to amounts found to have been underpaid has been a feature of all previous laws of which unscrupulous taxpayers have taken the greatest advantage, which has resulted in the loss of enormous amounts to the Government. It is a defect which would for the first time be remedied if the revenue bill—H. R. 6715—now pending before the Senate becomes a law. That bill as passed by the House provided (sec. 274, subdivision (f)) that—

> interest upon the amount determined as a deficiency * * * shall be assessed at the same time as the deficiency, shall be paid on notice and demand from the collector, and shall be collected as a part of the tax at the rate of 6 per cent per annum from the date prescribed for the payment of the tax.

No such provision, or any provision bringing about the same results, can be found in any previous revenue act.

Assessment for a deficiency exceeding $1,300,000 has already been made against the Backus companies. This assessment has been made, as I am informed, after at least three years of almost continuous investigation by the department and numerous hearings and conferences with the taxpayer. Mr. Backus knew when he made his statement that no interest had been charged or added by the department, and that if he had paid the assessment (as he has refused to do) he would have paid only what should have been paid in the years 1918 and 1919, without one cent of interest added.

I recognize that the department makes many claims and assessments for additional amounts due, and that in many, if not most, of these cases there is a legitimate difference of opinion between the taxpayer and the department.

Mr. Backus's whole statement is cunningly and deliberately framed to give the impression that he is but one among the many taxpayers having "honest disputes" with the Internal Revenue Bureau; but one of many who are honestly trying to cooperate with the bureau to expedite the ascertainment of the correct tax liability for the earlier years. That there is any honest or legitimate dispute with respect to substantially all of the amount of the additional assessments already made, I emphatically deny. The fact that after years of investigation and after affording these companies every opportunity to be heard these enormous additional assessments have been made for 1917 and 1918 is at least very good prima facie evidence that something was radically wrong in the original returns.

I charge and believe that an investigation will show:

1. That the amount of the tax liability disclosed on the original returns and paid at that time was but a pitiful fraction of the entire amount now found to be due.

2. That no fair and legitimate attempt was made to disclose the true income in the original returns.

3. That the differences between the original returns and the corrected returns are in many instances so gross and startling that no honest or legitimate attempt could be or has been made to justify the original returns.

4. That—to specify but one of these instances—the depletion charge claimed for timber cut by these companies was at least twice the amount that could be justified by any evidence or process of reasoning; and that the difference was so great as to preclude the claim that there was an honest difference of judgment.

5. That the Backus companies have not cooperated with the Internal Revenue Department in any way to facilitate or expedite the ascertainment of the true tax liability; on the contrary, by delay and refusal to furnish information and the furnishing of untrue and misleading information, they have placed every obstacle in the way of a correct and speedy determination.

6. That further investigation of physical property and conditions (upon which Mr. Backus lays great stress in his statement) now being made by the department does not in the slightest degree involve or affect the tax liability for the earlier years—1917 and 1918.

7. That by the character of the original returns, by absurd, unfounded, and dilatory claims, by his refusal to pay additional taxes when assessed, resulting in the unusual necessity to file the liens already filed to collect these amounts, Mr. Backus and his companies have defied, treated with contempt, and evaded the revenue laws of the United States.

If these things are true, the Congress, the people of Mr. Backus's State, and all taxpayers, small and great, are entitled to know them, and the investigation provided for in my resolution is the only way in which to bring them to light. Such investigation will serve also, perhaps, to emphasize the defects in the present law, if it is true that under the present law Mr. Backus and his companies are absolved from paying even interest on the deficiencies. It may also serve to explain the reason, if any, why none of the penalties above referred to have been assessed against these companies for 1917 and 1918.

CAPE COD CANAL

Mr. SNELL. Mr. Speaker, I will continue to give some of the facts in regard to the canal project. On July 23, 1918, the Board of Army Engineers on Rivers and Harbors reported favorably the purchase of the canal at $10,000,000. On July 25, two days after this special report from the Board of Engineers, by special proclamation of President Wilson the canal was taken over by the Government and placed by him under the jurisdiction and control of the United States Railroad Administration. On November 19, 1918—that is, after the armistice was signed—President Wilson wrote another letter to the Secretary of the Navy, and I wish the gentlemen of the House would listen to the reading of this letter, as it has an important bearing on the whole question:

MY DEAR MR. SECRETARY: By an act of Congress of August 8, 1917, as you may remember, authorization was given for a committee composed of the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce to investigate the advisability of the acquisition of the Cape Cod Canal by the Government. If they should decide in favor of its acquisition, the Secretary of War is authorized either to make contracts for its purchase or, in the event that a satisfactory contract can not be arranged, to institute condemnation proceedings through the Attorney General.

That is the direct order of President Wilson. He goes on further to say:

It seems to me from every point of view desirable that we should acquire the canal and maintain it as a genuine artery, and I would be very much obliged if the committee thus designated would get together at an early date and proceed with this business in any way that they may think best. I am writing to the same effect to the Secretary of the Navy and the Secretary of Commerce.

Mr. McKEOWN. Will the gentleman yield?

Mr. SNELL. Let me continue and then I will yield.

Mr. BLANTON. What is the date?

Mr. SNELL. November 19, 1918. On January 17, 1919, Secretary of War Baker offered $8,250,000 for the canal property. Three days later the company declined this offer as being far below its actual cost and insufficient for them to pay their obligations on account of the construction of the canal. Then January 26, six days later, the Secretary of War advised the canal company that the Attorney General had been directed to institute proceedings of condemnation. There is a logical trend right straight down through to show that the Federal Government intended to take over this canal in accordance with the act of Congress that was passed on August 8, 1917. Court proceedings were taken, and resulted in the jury rendering a verdict assessing the value of the canal and its appurtenances at $16,801,201.11, from which must be deducted $170,000, awarded by the jury to the United States Railroad Administration during the period of Federal control. After the award was made then the Government began to back water, appealed the case, tried to turn the canal back to its owners, and so forth. Then we entered into a long period of negotiations, and nothing definite was done until June 29, 1921, when a contract was entered into between Secretary of War Weeks and the canal company for the purchase of the property by the Government, including 932 acres of land not covered in the original proceedings, at an agreed price of $11,500,000, and by a provision in this contract that was made at that time, on July 29, 1921, when the people who owned the canal believed there was no doubt but what the Government would carry out its end of the contract, they agreed to run, operate, and maintain the canal for the Government until such time as the contract arrangements were completed. Now, a bill was introduced in Congress December 12, 1921, to carry out the provisions of this contract. This bill was reported favorably by the Committee on Interstate and Foreign Commerce and a rule was granted for its consideration in the latter part of the last Congress, but in that legislative jam it did not come up for consideration. The Committee on Interstate and Foreign Commerce took this matter up again in the present Congress. They again made a favorable report, and the Rules Committee has granted a rule for its consideration at this time. Now, as I look at this whole proposition it is simply this: It is not a question of whether I want the canal or you want the canal; it is a question of whether the United States Government will carry out its contract that was made in good faith with the people who owned the Cape Cod Canal. That is the only question that is before us to-day. The Secretary of War has done exactly what he was instructed to do and nothing more, and during all of that time every administration—three separate administrations—have approved the purchase of this canal, and in all the hearings there was not a single man appearing before the committee opposing it. Now, the question is fairly up to this House whether at this time you will carry out a fair and square and legal contract or not. It seems to me there is only one thing to do, and that is to buy the canal.

Mr. McKEOWN. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. McKEOWN. Has the gentleman any assurance that the Secretary of War has changed his attitude toward the toll business of the Government, like the Panama Railroad, so as to be in accord with operating this canal?

Mr. SNELL. I never asked him; I do not know, sir.

Mr. McKEOWN. Can the gentleman tell us whether they will operate this canal free of tolls?

Mr. SNELL. Yes. This is to be expressly a toll-free canal, the and Secretary of War is doing only what this Congress directed him to do, and nothing else.

Mr. LITTLE. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. LITTLE. I want to say to the gentleman from Oklahoma [Mr. McKEOWN] that the Secretary of War has in fact testified that he thought the Cape Cod Canal should have been built by the Government in the first place. So that answers the gentleman's question.

Mr. McKEOWN. What is the difference between the price proposed to be paid in this bill and the amount that Secretary Baker said the property was worth?

Mr. SNELL. Secretary Baker made an offer of $8,250,000, and the people owning it refused it, because it cost over $13,000,000 to build.

Mr. WINSLOW. Mr. Speaker, will the gentleman yield there for a moment?

Mr. SNELL. I yield.

Mr. WINSLOW. In the river and harbor act of 1909, Sixtieth Congress, second session, in section 4 of the bill, it was provided that no tolls or operating charges whatever should be collected from any vessel passing through any lock, canalized river, or other work constructed for the use and benefit of navigation and belonging to the United States, or that might thereafter be acquired or constructed, with a proviso in the case of the Panama Canal, so that if we take this over under the existing statute it must be free of tolls.

Mr. SNELL. In a duly authorized court the people who own this canal were given a judgment of over $16,000,000 for it.

Mr. BLANTON. To be absolutely fair—and I am sure the gentleman from New York wants to be——

Mr. SNELL. Yes; I want to be——

Mr. BLANTON. That was set aside by the courts on an appeal by the Government.

Mr. SNELL. It has been in the courts ever since.

Mr. BLANTON. But it was set aside by the appellate court, was it not?

Mr. SNELL. I do not think it was set aside by the appellate court; but there was a petition for a retrial, and that was granted.

Mr. BLANTON. It has never been retried. It is in statu quo.

Mr. WINSLOW. That is by agreement between the Government and the owners.

Mr. KINDRED. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. KINDRED. Quite aside from the question of price, is it not a fact that this waterway is absolutely needed to perfect our system of intercoastal waterways in order to avoid loss of life and of property and for naval and navigation purposes?

Mr. SNELL. Yes; that is true. But I was trying merely to put just the actual facts as far as the contract is concerned before the House.

Mr. KINDRED. As a member of the Committee on Rivers and Harbors I have studied the question, and I consider it absolutely paramount for naval and navigation purposes.

Mr. SNELL. Yes. Mr. Speaker, I reserve the balance of my time. I yield 30 minutes to the gentleman from Wisconsin [Mr. NELSON].

The SPEAKER. The gentleman from Wisconsin is recognized for 30 minutes.

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks, because I want to incorporate certain things.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. FREAR. Mr. Speaker, I think my colleague is entitled to a full House, and I am not quite sure if he has that or not. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and twenty-one Members are present. A quorum is present.

Mr. NELSON of Wisconsin. Mr. Speaker, the gentleman from New York [Mr. SNELL] has just given an outline of a few of the points in the history of this Cape Cod Canal project. The gentleman from Massachusetts [Mr. WINSLOW], having put the Cape Cod Canal bill through his committee, came before the Rules Committee to get a rule; needless to say, he got it promptly. As the gentleman from New York said, last year the gentleman from Massachusetts performed the same feat. But during the closing days of the session his bill failed of consideration. The distinguished minority leader [Mr. GARRETT of Tennessee] and the gentleman from Alabama [Mr. HUDDLESTON] advised me of what was taking place, and with others I was on guard, watching for this bill. I spoke to a member of the steering committee about it and was told that it had been sidetracked. He spoke as if he thought himself entitled to praise for this disposition of it. I agreed with him and congratulated him heartily.

Last week I opposed granting this rule. No rule, as I see it, should be reported unless there is reason to believe it is desired by a preponderance of votes in the House. Now, I venture to assert, and I hope the House will bear me out, that there is not only no sentiment for this bill but, on the contrary, the sentiment is adverse.

I can not believe, speaking frankly, that my conservative colleagues, Republican or Democrat, will support this huge unwarranted expenditure. How can they "save their face" and vote for it in view of presidential vetoes of soldier bills?

The distinguished chairman of the Appropriations Committee [Mr. MADDEN] has told me that he will fight this enormous expense with all his might. I give my conservative colleagues credit for too much political sagacity to vote for this measure at the risk of their political lives. Of course, no progressive of any party would think for a moment of voting for it and make so ugly a blot on a good record. I desire to use parliamentary language in characterizing legislation. This is difficult when I study this measure. This is special-interest legislation in full bloom.

Consider now the pitiful state of some Wall Street financiers. Who constitute the Cape Cod Canal Co.? Who are to be the beneficiaries of this bill? To whom are we to vote millions of relief? We find them on page 179 of the hearings. Here they are:

F. R. Appleton, 26 East Thirty-seventh Street, New York; August Belmont, 45 Cedar Street, New York; DeWitt C. Flanagan, 228 West Seventy-first Street, New York; C. C. Tegethoff, 39 Broadway, New York; L. F. Loree, 32 Nassau Street, New York; Eugene Klapp, 84 Pine Street, New York; F. de C. Sullivan, 61 Broadway, New York; F. D. Underwood, 50 Church Street, New York; H. P. Wilson, 50 Broad Street, New York; W. A. Harriman, 39 Broadway, New York.

They are all from New York. They are the big capitalists, the big financiers. The president, principal bondholder and stockholder is August Belmont.

The directory of directors in the city of New York shows the number of corporations with which these Cape Cod directors are connected. Belmont is an officer or director in the following 16 combinations of big business: Cape Cod Canal Co.; the Appraisals Corporation; Audit Co. of New York; Bank for Savings in New York; Degnon Realty & Terminal Improvement Co.; Interborough Consolidated Corporation, chairman of board; Interborough Rapid Transit Co., chairman of board; Long Island Electric Railway Co.; Long Island Railroad Co.; Louisville & Nashville Railroad Co.; Matawok Land Co.; Metropolitan Opera & Real Estate Co.; New York and Long Island Traction Co.; New York and Queens County Railway Co.; Rapid Transit Subway Construction Co., chairman; Westchester Racing Association, president and director.

Mr. C. C. Tegethoff is an officer or director in the following 14 corporations: Secretary-treasurer and director of Sinnemahoning Iron & Coal Co.; Acme Engineering & Contracting Co.; Arden Water Co.; Bobwhite Chemical Corporation; Furnaceville Iron Co.; Golden Reward Consolidated Gold Mining & Milling Co.; Harriman National Bank; Cape Cod Canal Co.; Harriman Research Laboratory; One hundred and sixty-five East Sixtieth Street Corporation; Opazel Laboratories (Inc.); Phelps & Perry (Inc.); South American Steamship Corporation; Southern Pacific Railroad Co. of Mexico; Standard Safe Deposit Co. of New York; United States Express Co., secretary and director.

Mr. L. F. Loree is an officer or director of the following 26 corporations: President of the Delaware & Hudson Co.; Albany & Susquehanna Railroad Co.; Albright Coal Co.; American Surety Co.; Capitol Railway Co.; Chamber of Commerce of the State of New York; Cape Cod Canal Co.; Champlain Transportation Co.; Chateaugay & Lake Placid Railway Co.; Cohoes Railway Co.; Erie Railroad Co.; Hudson Coal Co.; Kansas City Southern Railway Co.; Lake George Steamship Co.; Mechanics & Metals National Bank; Mexican-American Steamship Co.; Mexican Central Railway Co. (Ltd.); National Railroad Co. of Mexico; National Railways of Mexico; New York, Ontario & Western Railway Co.; Northern Coal & Iron Co.; Seaboard Air Line Railway Co.; Southern Pacific Co.; Wells, Fargo & Co.; Wheeling & Lake Erie Railway Co.

Mr. Eugene Klapp, of the firm of Parsons, Klapp, Brinckerhoff & Douglass (Inc.), 84 Pine Street, represents also Cape Cod Canal Co., Parklap Construction Co.

Mr. F. deC. Sullivan represents the Adams Express Co.; American Sumatra Tobacco Co.; Curtis International Turbine Co.; Degnon Realty & Terminal Improvement Co.; Interborough Rapid Transit Co.; Cape Cod Canal Co.; National Surety Co.; New York Railways Co.; North Butte Mining Co.; Rapid Transit Subway Construction Co.; Subway Realty Co.; West Bay Naval Stores & Lumber Co.

Mr. F. D. Underwood, president and director Erie Railroad Co., is also in Buffalo Creek Railroad Co.; Chatham and Phoenix National Bank, of the city of New York; Cape Cod Canal Co.; First National Bank of Wauwatosa, Wis.; Lehigh & Hudson River Railway Co.; New York, Susquehanna & Western Railroad; Pennsylvania Coal Co.; Southern Pacific Co.; and Wells, Fargo & Co.

Mr. H. P. Wilson, of H. P. Wilson & Co., New York, represents California Electric Generating Co.; Cape Cod Canal Co.; Great Western Power Co.; Quenelda Graphite Corporation; Vernes Chemical Co.; and Western Power Corporation.

Mr. W. A. Harriman, chairman board of directors of American Ship & Commerce Corporation, sits on the board of the American Hawaiian Steamship Co.; American Railway Express Co.; Arden Farms Dairy Co.; Atlantic Friut Co.; Atlantic Mail Corporation; Guaranty Trust Co., of New York; Harriman Industrial Corporation; Cape Cod Canal Co.; Illinois Central Railroad Co.; Merchant Shipbuilding Corporation; National Surety Co.; Railroad Securities Co.; Union Pacific Railroad Co.; United American Lines; Wells, Fargo & Co.; William Cramp & Sons Ship & Engine Building Co.; and Wright Aeronautical Corporation.

Mr. F. R. Appleton, director of National Park Bank, of New York.

Mr. DeWitt C. Flanagan is a director of Cape Cod Canal Co. He was the principal landowner.

Here we have Belmont connected with 16 big combinations; L. F. Loree, 23; Eugene Klapp, 4; Sullivan, 11; Underwood, 9; and Harriman, 18.

We are to vote relief of $11,500,000 to these Wall Street speculators to help them out of a bad bargain. They want to unload on Uncle Sam. This is not a loan. This is not a gift. If is worse than a loan and far worse than a gift. It would pay us to give them $11,500,000 outright. The Congress would save more than twice the amount of the gift by so doing. We would save future burdens of upkeep, and future costs of repair and enlargement double and quadruple this amount to furnish these interests free toll.

No rule, in my opinion, should be given for the consideration of a bill unless there is some emergency to justify its being given priority over other meritorious measures.

But what is the emergency here? The only emergency that appeared before the committee was the gentleman from Massachusetts [Mr. WINSLOW], astute, ponderous, and resourceful. Oh, there is pressure here, gentlemen; there is strong pressure. What is it? Legislative pressure, to get it by before the jam of the short session; financial, to save current losses to these New York financiers; and political, Uncle Sam's money spent in this Cape Cod deal will affect votes in Massachusetts.

I am against a rule at any time and in every case for this kind of legislation. It is special interest in its worst form. I have seen some specimens of class legislation—ship subsidy and the like—but in my long term this is the worst, the sheerest, and the rankest special-interest legislation I can recall.

Now, consider the subject: Unloading on Uncle Sam. Get the fact that these financiers are asking Congress for relief. Congress does not want their property. Who would be the best authority as to this fact? The Secretary of War. Why? Because he is the man to whom they have to go for a tentative contract. He has knowledge first-hand of the facts; facts of experience, facts of record, facts of observation. Now, what did the Secretary of War, Mr. Baker, say? Listen to his words:

These gentlemen built this canal; they thought it was going to be a great commercial success; they found it was more expensive to build than they had anticipated. They found very great difficulty in tempting people to use it. * * * And so they came to the conclusion that there was not enough liveliness to their hope of large commercial success to justify their continuing to carry the burden, and so they came to Congress. * * * They have been seeking to get the Government to take this burden off their shoulders, and they have said, "We were patriotic in doing this; were trying to build a great highway for the commerce of the Nation, and we find that the burden is so great that private enterprise ought not to be asked to sustain the losses that are involved in carrying it to a profitable status." And therefore they said, "Being a public work, Congress ought to take this off our shoulders."

Here we have a clean-cut statement of the former Secretary of War of the process of unloading this burden on Uncle Sam.

Let us consider the extent of the present plight of a "busted bit of big business." The stock of the Cape Cod Canal Company is worse than worthless—busted. It has never paid dividends. We might give the money away, and we would be better off, as I shall show you, than if we give them the $11,500,000.

On this point I quote from the hearings. Here is the testimony of Mr. H. P. Wilson, vice president of the Cape Cod Canal Co. and the great water-power magnate, before the committee:

The CHAIRMAN. If this trade which has been under discussion with the Government should be executed, would it not appear that after the canal company had paid its debts there would be nothing left for the stockholders.

Mr. WILSON. Yes, sir; there is not a dollar of value left in the stock. It is wiped out.

The CHAIRMAN. It is wiped out, and there is $3,500,000 more of indebtedness?

Mr. WILSON. Yes, sir.

The CHAIRMAN. So that, if you got $11,500,000 from the property, $6,000,000 of it would go to redeem the bonds turned over to the Government?

Mr. WILSON. Yes, sir.

The CHAIRMAN. Which they would assume, and it would take a further sum of $5,500,000 to pay the debts, or their equivalent?

Mr. WILSON. In so far as the $5,500,000 would go.

The CHAIRMAN. There would be about $3,000,000 more?

Mr. WILSON. Yes, sir; we owe to-day approximately $8,500,000.

The CHAIRMAN. So that the value of the paper is all that you have left in the stock?

Mr. WILSON. Yes, sir. The construction company would be wiped out in the same way. I am dealing with the construction company because all of the financing was done by the construction company. The capital of the construction company went into the construction of the canal. This construction company reached a point where it could go no further ahead, and it had to go out and borrow money from private sources to finish the canal. The point I want to make clear is that at the present time, in addition to the $6,000,000, which represents the first mortgage upon this property, the canal company and the construction company are in debt to the extent of $8,500,000, against which this contract provides $5,500,000.

The CHAIRMAN. Do you include in that $8,500,000 the stock as an obligation?

Mr. WILSON. No, sir; we actually borrowed that amount of money, and the stock is not worth a dollar.

The CHAIRMAN. If you should make this trade and have $5,500,000 left in cash, in order to liquidate at 100 cents on the dollar, you would have to pay out that amount and $3,000,000 more?

Mr. WILSON. Yes, sir.

Let me give you a graphic picture. If we make them a gift of $5,500,000—I say gift because no one would take this ditch off their hands but the Government—if we turned into these empty stocks money from the United States Treasury at the rate of $1 per second for 63 days there would still be a deficit of unpaid bills of $3,500,000.

That is the way this construction company worked. It looks like a wrecking company, it seems to me, more than anything else. Think of financiers getting into a hole like this. Belmont and the rest of them are in that, too. The testimony of Mr. Wilson is that Belmont holds $150,000 or $200,000 of bonds, and admitted that he held only $50,000 worth.

The bonds resting upon such hollow foundations are, of course, unmarketable. Doubless some of the other Wall Street magnates hold like blocks of bonds, but bonds are also held in small lots by citizens of Massachusetts. I quote from the hearings:

Mr. GRAHAM. Who sold the bonds?

Mr. WILSON. My recollection is that the construction company sold them. There is a small amount of these bonds that were not sold.

Mr. GRAHAM. Were they sold to small holders or did you sell them to men like Mr. Belmont individually?

Mr. WILSON. I should say offhand—I will give you those figures—that Mr. Belmont, perhaps, had $150,000 or $200,000 of bonds. I personally bought $50,000 of the bonds, and I have personally bought $25,000 of the stock of the construction company. I paid 97.5 for the bonds, and I paid cash for the construction company's stock at par.

Mr. GRAHAM. Did some broker in some place handle the bonds?

Mr. WILSON. No, sir; they were never sold through a broker.

Mr. GRAHAM. Were they sold locally in Massachusetts?

Mr. WILSON. In Massachusetts and in New York.

Mr. GRAHAM. People bought one or two bonds?

Mr. WILSON. Yes, sir; there are holdings of 1 or 2 bonds; 5 and 10 bonds.

Mr. GRAHAM. What denomination?

Mr. WILSON. One thousand dollar coupon bonds.

(Hearings, pp. 147, 148.)

It is in the testimony that bonds of the canal company amounting to $2,875,000 are held by the construction company, because they can not market them.

Mr. LAGUARDIA. Will the gentleman yield right there?

Mr. NELSON of Wisconsin. No; pardon me, I would like to finish my statement first. If I start yielding to one I will have to yield to others.

Finally, to cap the climax of their plight, the income from tolls will not meet the interest on bonds and the upkeep of the canal company.

Oh, it is a beautiful proposition for Uncle Sam, is it not? Figure the interest: Six million dollars at 5 per cent would be $300,000. Then, the upkeep is more than $150,000 or $200,000; and there is a deficit every year, and they want to get rid of that deficit quick. They want us to take it over. This is the proposition which is to be unloaded on Uncle Sam to-day—bold, brazen in its boldness.

Now we understand the emergency. They had to increase the toll recently, which will, of course, discourage the toll-paying trade. Should not Congress have pity on these disappointed Wall Street financiers? How can Congress unmoved behold them in this dreadful financial ditch? Surely, in a pitiful case like this, Government ownership is highly needed. That would not be socialism but patriotism.

Behold a friend to the rescue! Nothing like having a friend in need, especially in Congress. Oh, yes; these gentlemen had a friend in Congress over in the other Chamber. It was the Senator from Massachusetts, the Hon. John W. Weeks. He gets an amendment put on the rivers and harbors bill, a little $5,000 innocent item, too insignificant to be objected to; but there is in it the language quoted by the chairman of the Rules Committee, artful language, permitting the War Department not only to investigate this project but to make contracts—tentative, truly; a contract subject to ratification by Congress.

Here is the place where we can stop this business—"subject to ratification by Congress and appropriation." On this week's rider they predicate the claim of moral obligation. Of course, there is no legal obligation. The gentleman from Massachusetts [Mr. WINSLOW] has the bill here, and we are to sign on the dotted line and help them out.

This little $5,000 item went through and now it is "a moral obligation." There is the Government—i. e., Mr. Weeks—putting this little joker in, and so there is "a moral obligation" to help these gentlemen out and take over this bad bargain and loot the Treasury.

Talk about the "powers that prey," the "predatory interests" that Roosevelt spoke about. Here we find them busily engaged on the job.

Of course, during the war these gentlemen got in their most effective work. There was some war scare about a German submarine. They rushed to President Wilson, and he ordered the United States Railroad Administration to take over this water route, just as he ordered taking over the railroads. But we did not hear of any moral obligation on the Government to keep the railroads. We were told of our moral obligation to give them back. Why is not that also true as to this canal? Had it been profitable, would they not have stressed the moral obligation to give it back?

But pressure was brought to bear on the Secretary of War to make a contract, which he might do under the Weeks rider, a tentative contract. After employing accountants to find out exactly what had been put into this hole, Mr. Baker said he would not give more than $8,250,000. He stuck to it under pressure.

A condemnation suit was begun up there. They did get an award by a local jury, as the gentleman has said, but the Court of Appeals looked it over—and I have read their decision—and they said, "This item should not have been in, and that item should not have been in"—Belmont, for instance, got $50,000, and Henry Taft got another $50,000 for attorney's fees.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. NELSON of Wisconsin. I just declined to yield and hope the gentleman will excuse me, because I do not want to be discourteous by yielding for one interruption and not for another.

The jury awarded Belmont and his friends between fourteen and sixteen millions by including all kinds of collateral expenditures. The court of appeals reviewed this award and vacated it. There the job rests to-day. The canal company has tried its best to impose this burden on the Government and failed.

Behold an old friend to the rescue again, not in Congress now but in the Cabinet. The gentleman who got this nice little joker in the rivers and harbors bill now meets with Vice President Wilson, of the Cape Cod Canal Co., and at once gives him three and a quarter million dollars more than Baker said it was worth. Mr. Weeks signs the contract, and we are to ratify it to-day. Moral obligations, you see, all the way through; but if it was not a moral obligation that we should keep the railroads, what is the moral obligation to keep the canal? If that canal had been profitable, would they be now talking about a moral obligation? The moral obligation then would be to return it to these gentlemen so they could make more money.

Now, let us look at some of the camouflage, sugar-coating, that they give to this measure. In war it is patriotism; in peace it is national defense. Fortunately, however, Secretary of War Baker cut off any possibility for such pretense by printing in the hearings statements of the General Navy Board and of the Board of Rivers and Harbors Engineers. Listen to this authoritative statement as to the need of this ditch for national defense:

GENERAL NAVY BOARD

The expense of rendering the Cape Cod Canal available to all types of naval vessels not only requires a considerable expenditure for enlarging it but also additional continuing expense for the maintenance of such increased size, and an even greater expenditure for the defenses that should be given an important military waterway at a salient of our coast. Such large additional expenditures are not warranted by the apparent increased military advantages of having the canal available for the passage of ships requiring a depth of over 25 feet at mean low water.

The board has no doubt of the advantages of a sufficient depth and width to permit the passage of battleships. It adheres, however, to its previous expressions to the effect that military necessity is not sufficiently great to warrant the department in urging the expenditure of public funds to that end.

UNITED STATES BOARD OF ENGINEERS FOR RIVERS AND HARBORS

The Board of Engineers for Rivers and Harbors has no data upon which it can assign a definite value to the canal for these naval uses. As the canal is a going concern and now available for military and naval uses upon payment of reasonable tolls, there is no urgency for acquisition of the canal for these purposes unless it is deemed essential to enlarge it to accommodate capital ships of the Navy, which is apparently not the case. The value of public ownership for any uses that can be made of the present canal would obviously be due to the saving of tolls on Government vessels.

Both of these boards of experts say that this military defense argument can not be sustained. The expenditure is too great. But if we take it over and add enormously to the expense, then the claim will be that we must erect fortifications to protect it, for these gentlemen are adepts at spending money.

Now, consider the cost to the Government of relieving these Wall Street financiers of their bad bargain. Obviously there is the first cost of $11,500,000, right off the bat.

Then there is 5 per cent for bonds on $6,000,000, which is $300,000 per annum; then the upkeep of the canal, which under Government auspices would be from $250,000 to $500,000 a year more; and if we enlarge the canal nobody can calculate the amount under $1,000,000 a year; and finally the cost of repairs on the enlargement, according to conservative estimates of their own witness, would be double this sum, and, in the opinion of a Member from this very district, it would cost at least $50,000,000. In making this statement in the House Mr. Walsh was not prejudiced in favor of the Government against his own district.

Now, let us consider some more of the flimsy pretenses set forth to justify this enormous expense.

This project, they say, is necessary to save life. It is a perilous thing to pass around Cape Cod. Lives are lost. Such general statements as made one might think that heartbreaking tragedies were happening daily. What are the facts? In the hearings Mr. GRAHAM of Illinois made this inquiry of Colonel Burr, the engineer in charge:

Mr. GRAHAM of Illinois. Right along that line, Colonel, I was struck with the statements prepared. I think, by the Coast Guard officers and which are delineated on that map over there, and which show that in 10 years there have been 32 lives lost in that stretch of water around the cape, including the Block Island Sound and up that coast, as I understand it. Is that an extraordinary loss of life in a 10-year period for a similar extent of coast?

Colonel BURR. If it means the coast from Block Island around Cape Cod, I should say it was an exceptionally small average.

Mr. GRAHAM. That is what the statement showed. It shows 32 lives lost in that time.

Think of it, only three lives lost per year. Why, the Mississippi River or even one of the lakes of Madison is more perilous, and these lives may have been lost fishing. There is no proof that they were lost because of commerce. So much for the life-saving argument.

Now, consider the alleged destruction of property. But again the hearings do not give us any figures on the subject for obvious reasons. We find some captain saying that at a certain time there was a storm. I quote his language:

Capt. W. H. HALEY. I noticed on your chart a few circles representing Vineyard Haven. I laid in Boston in November, 1898, undergoing the annual steamboat inspection through a severe gale of wind, and came out of Boston after the gale and came down on Nantucket Shoals when all the lightships, with the exception of the Nantucket lightship, had gone adrift.

There were no guides in there. I went on Nantucket Shoals and up into Vineyard Haven where we ran across one of the vessels disabled. There were 38 or 39 vessels which had foundered and gone ashore in Vineyard Haven in that same gale. (Hearings, p. 38.)

Now this is all the evidence presented of loss of property. But there are other facts of record which are significant on this point:

If there is little loss of life, there is proportionate little loss of property. As the toll rate was only 6 cents per ton, if there were any danger of loss of property, the captains of ships and vessel owners could go through the canal rather than around the cape, which they do not do. The Government has constructed a very safe channel at great expense around the cape. Here is the clincher: The insurance rates, and trust me the insurance companies know, are the same, testifies Colonel Burr, whether the vessel goes through the canal or around the cape. These facts show how hollow is the claim that the Government should take over this ditch for any property-saving purpose.

Mr. Speaker, let us now consider another aspect of the special-interest nature of this legislation. I called your attention to the real beneficiaries, the financiers of Wall Street, who seek relief from a bad investment. These gentlemen are interested in coal mines, interested in steamboats, interested in carrying passengers and freight. The Metropolitan Steamship Co., says Mr. Weeks, paid one year $150,000 in tolls. The Eastern Steamboat Co. paid in one year as much as $193,000 in toll. Indeed, this company has ships passing through the

canal daily carrying passengers. The average cost for toll of a 3,000-ton steamer carrying passengers is about $300 per trip. These financiers, many of them, have coal barges transporting coal up through the canal. With a toll-free canal they would be saved expense, but would the people get cheaper coal? Oh, no! Mr. Calvin Austin, the president of the Eastern Steamship Co., frankly confessed that the steamboat companies alone would get the benefit. I quote from the hearings:

The CHAIRMAN. Would that contribute to any appreciable extent to the cost of the coal in the New England region?

Mr. AUSTIN. The cost of coal in New England?

The CHAIRMAN. Or ought it to do so?

Mr. AUSTIN. The cost of coal in New England is largely on the freight, but I do not know how they work that.

Mr. HOCH. What sort of freight does your company handle?

Mr. AUSTIN. All general merchandise.

Mr. HOCH. Do you handle any coal?

Mr. AUSTIN. No, sir.

Mr. HOCH. Any cotton?

Mr. AUSTIN. Yes, sir.

Mr. HOCH. Where do you ship your cotton from usually?

Mr. AUSTIN. From New York. It is delivered to us by the Southern Line.

Mr. HOCH. Do you handle any cotton through this canal?

Mr. AUSTIN. We operate all of our ships now through the canal.

Mr. HOCH. Can you give us any figures or any ideas that would be understandable to a layman as to the percentage that the tolls probably add? For instance, take a cotton shipment from Savannah to Boston?

Mr. AUSTIN. The tolls are based on the tonnage of the ship. We pay over 10 cents per gross ton on the passenger ships running. They are about 7,000 gross tons and cost $742 a night. On freight ships it is 6 cents, I think, and that would be about $112 or $115 more.

Mr. HOCH. Well, take a shipment of cotton; can you give us some idea as to what the present toll means with reference to a cotton shipment from Savannah to Boston?

Mr. AUSTIN. No; I could not do that.

Mr. HOCH. Could you give us any approximation or any idea about that?

Mr. AUSTIN. No; no more than you could. That is all figured in our cargo. We do not take one cargo of cotton, but we take everything that is to be shipped.

Mr. HOCH. Suppose the tolls were taken off; what would the significance of that be with reference to the price of the cotton, either to the man who sold the cotton or the man who bought it?

Mr. AUSTIN. The steamship company would be benefited.

Mr. HOCH. Would anybody else reap any benefit except the steamship company?

Mr. AUSTIN. I do not think so in that case. If we had free tolls, we would not have to pay $193,000 as we did last year.

Mr. HOCH. Do you mean to say that the toll has nothing to do with the price that the buyer pays for the cotton that goes through the canal?

Mr. AUSTIN. I do not look at it in that way.

Mr. HOCH. Is there any other charge that is put upon that cotton that the buyer does not have something to do with? How does it happen that the toll has nothing to do with the price of the cotton?

Mr. AUSTIN. There is a rate established on that cotton from the shipping point to the point of destination, and if it was brought by the Clyde Line or the Mallory Line from Texas and turned over to us, the rates would be the same.

Mr. HOCH. In your view of it, then, the mills in Connecticut would pay as much for the cotton if they had free tolls as they do now?

Mr. AUSTIN. Yes; unless they reduced the freight rate.

(Hearings, pp. 45–46.)

Moreover, this Cape Cod Canal is a local affair. The larger vessels prefer to pass up farther into the ocean. This is not a national, but a State matter. Massachusetts has the option of taking over the canal. Bills have been before the Massachusetts Legislature, but Massachusetts is too wise to do this. It is so much easier to unload on Uncle Sam. He is to furnish free toll to these profiteers at an average expense of at least $1,000,000 annually. The Wall Street interests can not afford to sink more millions into this enterprise, even with the payment of heavy tolls. But they would have the Government operate the canal free of toll.

So I say that in my long experience as a Member of the House this measure is the sheerest, rankest, and most wicked special-interest legislation that I can recall. Ship subsidy shines brightly side by side with this job.

The gentleman from Massachusetts [Mr. WINSLOW] puts it through his committee and gets the rule promptly. The Barkley bill can not get out, except we batter down the door. Section 15a can not be repealed to save farmers from excessive freight rates. But the Cape Cod Canal deal gets through the Committee on Interstate and Foreign Commerce, gets a rule from the Rules Committee, and is backed by the power of Massachusetts in Congress and in the Cabinet.

But, Mr. Speaker, powerful as is Massachusetts, I would not like to see the President, a Massachusetts man, veto the Bursum pension bill and sign this Winslow bill. It seems to me he can not do it and succeed himself in the White House.

Gentlemen, let us line up, and if we are for this Cape Cod Canal deal then we certainly are devotees of big business and special interests. I believe that no progressive will mar his record by voting for such legislation. I have fought ship subsidy and many other special-interest bills, but this seems about as bold and bad as any in all my experience. [Applause.]

Mr. BERGER. Will my colleague and friend yield?

Mr. NELSON of Wisconsin. Yes.

Mr. BERGER. Will my colleague and friend explain one thing? The gentleman has studied the bill and I have not, and I think a great deal of his judgment. Is the canal necessary and is it useful to commerce and will it protect life and property as claimed by its promoters?

Mr. NELSON of Wisconsin. So far as it is necessary, it is serviceable now. With a rate of 6 cents a ton or 10 cents per passenger now, anybody who wants to can go through this canal. But these gentlemen when they find they can not get the Government to take it over, repair, and fix it up for them, with free toll, are still bondholders; they are still stockholders and will run it somehow. So far as necessity is concerned, therefore, I say no. I have shown you that the people will not get the benefit. The steamship companies, the coal companies carrying coal through there, want to get free tolls where they are now paying upward of $200,000 apiece annually.

Mr. BERGER. One more question. The gentleman from Wisconsin is, of course, aware that the Panama Canal was originally constructed on a stock-jobbers' proposition, and there were a great many scandals. There was a Credit Mobilier—the de Lesseps Co.—and there were big scandals. Finally the United States Government took it over, and it is one of the great canals of the world and a blessing to commerce and a very necessary highway of the world. The gentleman knows how short it is. Is this a similar proposition on a small scale?

Mr. NELSON of Wisconsin. In one case you have to come through from the Atlantic to the Pacific. But this, well, according to their own testimony, a fast steamer will save four hours and a slow sailing vessel will save eight hours, but the captains now prefer to go outside—through the channel that we spent money on just outside. This is simply a ditch. Now, listen. If it had been a great necessity for the people they would have used it; but they would not pay the 6 cents a ton, and they prefer to go around, and that is why it is a failure.

It has developed more rock than was expected and more current, so they have got to get the rock out, and they have got to have locks put in in all probability, two types being proposed.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. NELSON of Wisconsin. Yes.

Mr. LAGUARDIA. In response to the inquiry made by the gentleman from Wisconsin, is it not true that the opposition to this bill is not based upon the fact of whether this canal is necessary or not, but it is based upon the one fact that the owners have their remedy at law, and when they were defeated in the appellate court they abandoned that and come here to get what the court would not give them?

Mr. WINSLOW. No; that is absolutely unfair and wrong.

Mr. LAGUARDIA. The record will speak for itself.

Mr. WINSLOW. The gentleman can not bring on a line.

Mr. NELSON of Wisconsin. I think the gentleman will debate that question later. I yield to the gentleman from North Dakota.

Mr. BURTNESS. Assuming there was no canal there at the present time, and the proposition came up as to whether the Government for the purpose of encouraging transportation facilities there on the eastern coast, and for the purpose of providing a waterway saving considerable mileage of boats through there, and the proposition was of considering the advisability of building this, would the canal be meritorious or not?

Mr. NELSON of Wisconsin. Possibly that might be debatable, but here we have these financiers of Wall Street, whose names I have given. They have found this to be a failure, but they have it and they can use it. Why take the burden off their hands? [Applause.]

Having leave to revise and extend my remarks, I append to them this condensed résumé of my speech given to the press the day following its delivery. This I do at the request of Members and for future use.

President Roosevelt coined the terms "the predatory interests" and the "powers that prey." Yesterday these freebooters of finance had a field day in the House of Representatives.

They put through the Cape Cod Canal deal, a most striking example of the greedy grasp on legislation of corporate self-interest enriching itself at the expense of the Public Treasury, doing so with the bipartisan aid of "faithful" Representatives in Congress.

This Cape Cod Canal job is a significant illustration of the fact that Wall Street has, when it pleases to exert it, a bipartisan hold upon both Republican and Democratic regulars, and demonstrates the need of an independent progressive group in the Congress to protect the interests of the public.

DEAL IS SUMMARIZED

The Cape Cod Canal deal may be summed up briefly.

The well-known Wall Street financier, August Belmont, capitalist, politician, Democrat, with eight other colleagues high in the financial district of New York City, each of them an officer or director in from 7 to 26 different corporations, are directors of the Cape Cod Canal Co.

This business speculation was undertaken shortly before the World War started, but proved a financial failure. It cost more to construct than was expected.

Commerce would not make use of it under the toll charged. In short, it became a tragic bit of busted big business.

The stock of the company never paid dividends and is worse than worthless. The debt of the company not only wipes out the value of the stock but leaves a debt of over $3,500,000.

The canal company's bonds are also unmarketable. Blocks of bonds are held by Belmont and his Wall Street associates, ranging in various sums, and some bonds were sold to Massachusetts and New York people.

CONSTRUCTION ORGANIZATION

The Canal Construction Co., made up of the same group of financiers, was created under the laws of Maine to construct the canal.

It looks more like a wrecking than a construction company, judged by the debts contracted, a fine sample of high finance. This agent of the company holds $2,500,000 in bonds which are not marketable.

The annual toll income does not meet the interest on the bonds and the upkeep of the canal. Deficit follows deficit.

Facing this plight these representatives of big business planned to unload the ditch on Uncle Sam.

They are interested in steamships carrying various kinds of freight to Boston. Some steamship companies pay toll yearly above $150,000 a year.

Free toll is given to these steamship companies by this Cape Cod Canal deal, an annual saving to some ranging as high as $200,000 in toll fees. The people will not get a bit of the benefit.

Of course these steamship owners are right on the job, too, to push this deal through Congress under various masks—life-saving, protecting property, and furthering commerce.

FRIENDS IN ALL CAMPS

A feature of this deal is the way their friends in Congress and in the Cabinet smoothed the way to the public purse. Seven years ago John W. Weeks was their friend in the Senate.

He got a rider put on the rivers and harbors bill calling for an expenditure of only $5,000, but which rider served as a joker to commit the Government to survey this ditch, to permit the Secretary of War to enter into tentative contract for its purchase, or to start condemnation proceedings subject to ratification by Congress. This Weeks rider has been worked hard by the Cape Cod Canal Co. to put this deal through.

Under the cover of the World War these gentlemen persuaded President Wilson to take over the canal for war purposes. They tried to get Secretary of War Baker to give them a contract.

After he had a firm of accountants looking into the actual money put into the canal he fixed the price in a tentative contract at $8,250,000. The canal company refused. Condemnation proceedings began; the jury awarded a large sum.

The Government appealed, and the court of appeals reversed the award because excessive, and there the unloading stopped. Bear in mind that this rider made the contract subject to ratification by Congress.

Unfortunately for the country the successor of Newton Baker as Secretary of War is the same Senator John W. Weeks who got the rider put into the appropriation bill. He promptly agrees to give these gentlemen $11,500,000 for the ditch, a sum $3,250,000 in excess of what Baker said was a fair price. Army Engineers in river and harbor work estimate the canal is worth not over $2,500,000 for the purposes of commerce.

GIVEN RIGHT OF WAY

To get the consent of Congress, Mr. WINSLOW, of Massachusetts, chairman of the Committee on Interstate and Foreign Commerce, rushes through a bill in his committee and gets promptly a rule to give it a right of way over other legislation in Congress.

Last year, because of the jam, the Cape Code Canal deal was sidetracked, but promptly this year Mr. WINSLOW repeats the performance, gets the bill through his committee, and obtains a rule rushing the bill ahead of legislation desired by the American people.

The Howell-Barkley bill, for instance, had to be forced out of Mr. WINSLOW's committee by a discharge rule. It is desired by labor to safeguard industrial peace in the operation of railroads.

Farmers are clamoring for the repeal of so-called section 15a of the Esch-Cummins bill in order that freight rates may be reduced so that they can send their freight to market. But these bills were pigeonholed in this committee and now are being brought out by battering down the door of the Winslow committee with discharge rules.

Yesterday a vote was had which is significant. The Republican regulars were for the bill. Public ownership, socialism, Government in business—all of these slogans are forgotten, all talk of economy is lost sight of. The Republican chairman of the Appropriations Committee, Mr. MADDEN, warned them, as did the ranking Democrat, Mr. BYRNS, of increasing deficits, but this Cape Cod Canal is in the interest of big business. This is for the relief of these financial magnates of Wall Street, so they voted solidly for this raid upon the Treasury.

IMMENSE SUMS INVOLVED

The initial cost is $11,500,000; the annual expense is about $500,000 per year. To repair and enlarge it, according to Mr. WALSH, a Member from this very Cape Cod district, will cost $50,000,000 at least.

The Wall Street interests can not afford to sink more millions into this enterprise, even with the payment of heavy tolls. But they would have the Government operate the canal free of toll.

Three Progressive Republicans exposed the deal. So did a like number of Progressive Democrats, but Democratic leaders kept quiet. We were warned that there would only be a straw opposition on the Democratic side, which happened.

The secret is Belmont, the big Tammany Democrat, one of the angels of the Democratic Party. In vain will the votes be scanned to find a Representative from New York City against this measure, other than the Progressive LAGUARDIA.

Even at that the bill could not have passed but for logrolling, a deal in pork. Muscle Shoals votes were gotten among the Democrats; also a number of pork-barrel river and harbor projects lined up Democrats, especially a $16,000,000 Texas project now before the House. Progressives know that this last deal is another tragic waste of funds as far as commerce is concerned.

In short, the deal was put through by a narrow margin of 149 to 131. Not a Progressive Republican voted for the deal, and it was announced on the floor as a "steal."

So I say, here we have an illustration of the need of independent progressives in the House. Here we have an illustration of the "powers that prey," the bipartisan government of the predatory Wall Street interest with its control, when it wants to put over a deal, of the regulars of both the Republican and Democratic Parties.

Should this deal get through the Senate, which is unlikely, will President Coolidge sign it with the pen that vetoed the Bursum pension bill, for the sake of economy?

The story of the Cape Cod Canal deal will be told on many a stump this campaign.

The SPEAKER. The time of the gentleman has expired.

Mr. SNELL. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD. Mr. Speaker and gentlemen of the House, this proposition has been before this body for some considerable time. In so far as its virtue is concerned, I am convinced it is meritorious. Had it not been so President Wilson would not have recommended it away back in 1918. It was also recommended by President Harding, and it is recommended now by President Coolidge. The question that was propounded by the gentleman from North Dakota to Mr. NELSON, I think, was a vital one,

and if properly answered would have been an answer as to what our attitude should be. Would we build this thing if we were entering upon a project of building a system of deep waterways? I am convinced that if the facts set forth in the report are true that we would answer in the affirmative. I am convinced that we are under a moral obligation, if not under a legal obligation, to carry out the contract entered into by the present Secretary of War.

All of the gentlemen who have made an investigation concerning the facts of this case have agreed that we should take over this property. The only difference has been with reference to the price, and I apprehend that that may be the only difference before this body to-day. As to whether the price is right or not I do not profess to know, but I will rely upon the judgment of those who have been charged with the responsibility of ascertaining what is a just price not only by President Wilson but by President Harding and President Coolidge. And there is another thing that appeals to me. It has been the dream of the century that some time in some way we will have not only intercoastal waterways but we will have throughout this country deep waterways to effect and facilitate transportation. To my mind one of the best things that can happen to solve the difficulties of the farmers of this country to-day is transportation. We have a dream in our country that one of these times we will have a deep waterway from the Lakes to the Gulf. I believe it is possible. The engineers tell us that it is possible. If that be so, one of the best guaranties of our desire and our intention to complete this system of waterways is to take over this thing which has been recommended not only by the Presidents, three of them in number, not only by the Secretary of War under two administrations, but by the engineers upon whom we must depend with reference to practicability, with reference to feasibility, and with reference to economical investment. So that to my mind this is the hour and this is the time when we should manifest our intention by taking over this project which has been so highly recommended, to enter upon a program of deep-waterway improvements.

Mr. SHERWOOD. I would like to ask the gentleman this question: Has General Beach recommended it?

Mr. WOOD. General Beach has recommended it, and every other engineer in the War Department has recommended it and advised its feasibility.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. SNELL. Mr. Speaker, how much more time have I?

The SPEAKER. The gentleman has 10 minutes.

Mr. SNELL. I yield nine minutes to the gentleman from Massachusetts [Mr. WINSLOW].

The SPEAKER. The gentleman from Massachusetts is recognized for nine minutes.

Mr. WINSLOW. Mr. Speaker and gentlemen of the House, if I were to undertake in the 10 minutes which I have to reply seriatim and in kind, if I were willing to put in words a reply to the remarks of the gentleman from Wisconsin [Mr. NELSON] about this canal, I would not be able to begin it, to say nothing of completing it. I have heard from soap-box orators and others who depend upon their pipe dreams for facts, on many occasions, strange and interesting stories, but never from anybody undertaking to discuss a real business problem have I heard so many misstatements, misconceptions, and wrong conclusions as we have had poured out to us in dramatic style to-day.

Mr. NELSON of Wisconsin. I challenge you to point out a single fact that is mistaken.

Mr. WINSLOW. Give me a list of people in Massachusetts who own securities in this canal. Who are they? Let us hear who they are. You can take your own time later and do it. When you get through with that, we will have another question to propound.

I can not go into the details of this. There are two problems before this House. One is not to abuse the committee. The history of this project is clear and straightforward, and was begun long before the present incumbent was chairman of the committee or a member of the committee. I do not propose to allow any man to insinuate against the good faith and bona fides of a man like Secretary Weeks. He may have made mistakes; he may have committed the awful crime of being industrious and successful in this life; but no man has been found who is able on facts to go out and cast aspersions upon him by reason of wrongdoing on his part. [Applause.] Moreover, he has nothing to do with the case. He is not on trial, and his honesty is not at stake. Neither am I on trial, nor is my honesty at stake. But do not depend upon my say-so. Depend upon the facts of the record and the testimony given under oath.

Here we have two problems to consider. The first one is, Shall we, after this opportunity given, have this Congress determine whether or not it will support the Government of the United States, which has acted under a mandate of Congress through its own legislation? A fair show is due to everybody involved, whether they are plutocrats of Wall Street or great brewers from Wisconsin; we do not care who they are. They are entitled to a fair show, and the outlook is that they will not get it under present conditions.

This bill was brought before our committee earlier in the session. We did not have hearings on it, and why? Because, with the exception of six members of the committee, all the others had been through it in hearings. But those six agreed that they would read the testimony of the hearings and have private converse with me for explanation, and abide thereby. We went through that program, and I have yet to hear any of those new Members complain that he did not have ample opportunity of learning all the facts. And in order that we might get to the Barkley bill and other bills, we passed through this Cape Cod bill quickly, and put it on the calendar, and then held it back until the appropriation bills and other important bills were well-nigh finished. Now give us a chance to bring this bill before the House. Do not say, "We do not care a hurrah for what the Sixty-fifth Congress did, or what President Wilson did, or what President Harding did or recommended with respect to the fulfillment of a contract. We do not care what Secretary Baker or Secretary Daniels or Secretary Redfield or the committee in the present Cabinet said about it. We are going to cut your throat."

The only man who ever cast any aspersion on the honesty of this purpose and who is in the House at this moment is the gentleman from Wisconsin [Mr. NELSON]. If any one of you can point out where he stated a well-grounded fact concerning this proposition you will point out a fact that I could not comprehend. The gentleman from Wisconsin may have spoken to the gallery, but I do not think Members of the House here, whatever their mental level may be, will say, "We will not give you a chance to tell your story." That is what we want. We will take our chances on the merits of the case. If a majority of this House says it is a bad bargain, we will not cry "baby." But in defense of the Government itself, and in defense of the good name of Congress itself, we of the committee charged with the business of bringing this bill out, not as ours but as a bill representing three administrations, want to have this thing settled and done with.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a question?

Mr. WINSLOW. I will yield.

Mr. BLANTON. After Secretary Baker submitted this matter to the Department of Justice and they entered condemnation proceedings, what authority had Secretary Weeks for making a contract? Did it not take it out of his hands?

Mr. WINSLOW. Not at all.

Mr. BLANTON. I would like to hear about that.

Mr. WINSLOW. I would like to report on that. It was mentioned here a moment ago.

Mr. BLANTON. I just want to know the legal features of it.

Mr. WINSLOW. I am not strong on the legal features of it. I am not trained that way. But I understand the English language, and I think I can show that to you.

Mr. FREDERICKS. Mr. Speaker, will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. FREDERICKS. How does the price that it is contemplated the Government will pay compare with the actual cash expended by those who put the project into the condition it is now in?

Mr. WINSLOW. If I have time enough to do that, I will do it. But I do not want to send a ball over the plate and then dispute the decision of the umpire. [Laughter.]

Mr. FREDERICKS. What is the price named in this bill?

Mr. WINSLOW. Eleven million five hundred thousand dollars, of which $5,500,000 is for the property, which will go to pay some of the debts of the company, and $6,000,000 to the holders of the bonds less the value of 922 acres of land, which I believe is worth about $300,000, and $100,000 to be left in cash in the treasury of the company for the Government.

Mr. FREDERICKS. What amount of money has this company expended in putting the thing in the shape it is in now? Have you the figures?

Mr. WINSLOW. In connection with that you get into a matter of accounting. It is one of those questions which I should have a little time to explain, in fairness to the gentleman, in

fairness to myself, and in fairness to the House, because that is the controversy on which Secretary Baker put forth the claim that he was being asked to pay too much. But his own accountants, who are Price, Waterhouse & Co., of New York, a great concern, retained by the Government and paid by the Government, have shown a cost investment, according to their way of looking at it, of over $12,000,000.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. SNELL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. NELSON of Wisconsin) there were—ayes 109, noes 27.

Mr. NELSON of Wisconsin. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eighty-five Members are present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 228, nays 96, answered "present" 6, not voting 102, as follows:

YEAS—228

Abernethy	Dickstein	Kerr	Porter
Ackerman	Doughton	Ketcham	Pou
Allen	Driver	Kindred	Prall
Allgood	Dyer	King	Purnell
Almon	Elliott	Knutson	Quayle
Andrew	Evans, Mont.	Kurtz	Ragon
Anthony	Fairchild	Lankford	Rainey
Aswell	Fairfield	Larson, Minn.	Raker
Bacon	Faust	Lazaro	Rathbone
Barbour	Favrot	Lea, Calif.	Reece
Beers	Fenn	Leatherwood	Reed, N. Y.
Begg	Fish	Leavitt	Richards
Berger	Fisher	Lindsay	Rogers, Mass.
Bixler	Fleetwood	Lineberger	Romjue
Black, N. Y.	Foster	Logan	Sanders, Ind.
Bland	Fredericks	Longworth	Sandlin
Bloom	Free	Lozier	Sears, Fla.
Bowling	Freeman	Luce	Sinnott
Boyce	French	Lyon	Smith
Boylan	Frothingham	McDuffie	Smithwick
Briggs	Fuller	McFadden	Snell
Britten	Gallivan	McLaughlin, Mich.	Speaks
Browne, N. J.	Garber	McLaughlin, Nebr.	Sproul, Ill.
Brumm	Garrett, Tex.	McLeod	Stalker
Buchanan	Gasque	McSweeney	Stengle
Buckley	Gifford	MacGregor	Stephens
Burdick	Glatfelter	Major, Ill.	Strong, Kans.
Burtness	Graham, Pa.	Mansfield	Strong, Pa.
Burton	Green, Iowa	Mapes	Sullivan
Butler	Greene, Mass.	Martin	Swing
Cable	Griest	Mead	Swoope
Campbell	Hadley	Merritt	Taber
Cannon	Hardy	Michener	Temple
Carew	Haugen	Miller, Wash.	Thompson
Casey	Hawes	Milligan	Tilson
Celler	Hawley	Mills	Timberlake
Chindblom	Hayden	Minahan	Tincher
Christopherson	Hickey	Moore, Ohio	Tinkham
Clancy	Hill, Ala.	Moore, Va.	Treadway
Clarke, N. Y.	Hill, Md.	Morgan	Underhill
Cleary	Hoch	Morrow	Vestal
Cole, Iowa	Holaday	Murphy	Vincent, Mich.
Collier	Hooker	Nelson, Me.	Wainwright
Colton	Hudspeth	Newton, Minn.	Watres
Connery	Hull, Iowa	Newton, Mo.	Watson
Cooper, Ohio	Hull, William E.	O'Brien	Weaver
Cramton	Jacobstein	O'Connell, R. I.	Weller
Crowther	Jeffers	O'Connor, La.	Wertz
Cullen	Johnson, Ky.	O'Connor, N. Y.	White, Me.
Cummings	Johnson, S. Dak.	O'Sullivan	Williams, Ill.
Dallinger	Johnson, Tex.	Oliver, Ala.	Wilson, La.
Darrow	Johnson, Wash.	Oliver, N. Y.	Winslow
Davey	Jost	Paige	Wood
Deal	Kearns	Parker	Woodruff
Dempsey	Kelly	Patterson	Wurzbach
Denison	Kendall	Perlman	Wyant
Dickinson, Iowa	Kent	Phillips	Young

NAYS—96

Arnold	Davis, Tenn.	Johnson, W. Va.	Mooney
Ayres	Dickinson, Mo.	Jones	Moore, Ga.
Beck	Dominick	Keller	Morehead
Bell	Dowell	Kopp	Nelson, Wis.
Black, Tex.	Drewry	Kunz	Nolan
Blanton	Evans, Iowa	LaGuardia	Oldfield
Brand, Ga.	Frear	Lampert	Parks, Ark.
Browne, Wis.	Fullbright	Lanham	Peery
Browning	Fulmer	Larsen, Ga.	Quin
Bulwinkle	Gardner, Ind.	Lee, Ga.	Ramseyer
Byrns, Tenn.	Garner, Tex.	Lilly	Rankin
Clague	Garrett, Tenn.	Little	Rayburn
Connally, Tex.	Greenwood	Lowrey	Reed, Ark.
Cook	Harrison	McClintic	Roach
Cooper, Wis.	Hastings	McKeown	Robsion, Ky.
Crisp	Hill, Wash.	McReynolds	Rubey
Crosser	Howard, Nebr.	Major, Mo.	Sabath
Davis, Minn.	James	Michaelson	Sanders, Tex.
Schall	Sumners, Tex.	Tillman	White, Kans.
Schneider	Swank	Tucker	Williamson
Shallenberger	Taylor, W. Va.	Underwood	Wilson, Ind.
Sinclair	Thatcher	Vinson, Ga.	Wingo
Sproul, Kans.	Thomas, Ky.	Voigt	Woodrum
Stedman	Thomas, Okla.	Wefald	Wright

ANSWERED "PRESENT"—6

Busby	Madden	Tydings	Wolff
Carter	Salmon		

NOT VOTING—102

Aldrich	Gilbert	Miller, Ill.	Sites
Anderson	Goldsborough	Montague	Snyder
Bacharach	Graham, Ill.	Moore, Ill.	Steagall
Bankhead	Griffin	Moores, Ind.	Stevenson
Barkley	Hammer	Morin	Summers, Wash.
Beedy	Hersey	Morris	Sweet
Boies	Howard, Okla.	Mudd	Tague
Box	Huddleston	O'Connell, N. Y.	Taylor, Colo.
Brand, Ohio	Hudson	Park, Ga.	Taylor, Tenn.
Byrnes, S. C.	Hull, Morton D.	Peavey	Upshaw
Canfield	Hull, Tenn.	Perkins	Vaile
Clark, Fla.	Humphreys	Ransley	Vare
Cole, Ohio	Kahn	Reed, W. Va.	Vinson, Ky.
Collins	Kiess	Reid, Ill.	Ward, N. Y.
Connolly, Pa.	Kincheloe	Robinson, Iowa	Ward, N. C.
Corning	Kvale	Rogers, N. H.	Wason
Croll	Langley	Rosenbloom	Watkins
Curry	Lehlbach	Rouse	Welsh
Doyle	Linthicum	Sanders, N. Y.	Williams, Mich.
Drane	McKenzie	Schafer	Williams, Tex.
Eagan	McNulty	Scott	Wilson, Miss.
Edmonds	McSwain	Sears, Nebr.	Winter
Fitzgerald	MacLafferty	Seger	Yates
Funk	Magee, N. Y.	Sherwood	Zihlman
Geran	Magee, Pa.	Shreve	
Gibson	Manlove	Simmons	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Gibson (for) with Mr. Busby (against).
Mr. Curry (for) with Mr. Rouse (against).
Mr. Corning (for) with Mr. Funk (against).
Mr. O'Connell of New York (for) with Mr. Park of Georgia (against).
Mr. Upshaw (for) with Mr. Kvale (against).
Mr. Tague (for) with Mr. Wolff (against).
Mr. Shreve (for) with Mr. Morris (against).
Mr. Humphreys (for) with Mr. Collins (against).

Until further notice:

Mr. Madden with Mr. Carter.
Mr. Magee of New York with Mr. Bankhead.
Mr. Kahn with Mr. Clark of Florida.
Mr. Manlove with Mr. Kincheloe.
Mr. Bacharach with Mr. Wilson of Mississippi.
Mr. Graham of Illinois with Mr. Barkley.
Mr. Boies with Mr. Linthicum.
Mr. Kiess with Mr. Doyle.
Mr. Hudson with Mr. Box.
Mr. Sears of Nebraska with Mr. McNulty.
Mr. Aldrich with Mr. Eagan.
Mr. Sweet with Mr. Taylor of Colorado.
Mr. Vare with Mr. Huddleston.
Mr. Cole of Ohio with Mr. Sherwood.
Mr. Welsh with Mr. Byrnes of South Carolina.
Mr. Winter with Mr. Goldsborough.
Mr. Connolly of Pennsylvania with Mr. Watkins.
Mr. Schafer with Mr. Hull of Tennessee.
Mr. Reid of Illinois with Mr. Canfield.
Mr. Peavey with Mr. Howard of Oklahoma.
Mr. Seger with Mr. McSwain.
Mr. Morin with Mr. Gilbert.
Mr. Fitzgerald with Mr. Drane.
Mr. Scott with Mr. Stevenson.
Mr. Morton D. Hull with Mr. Ward of North Carolina.
Mr. Ransley with Mr. Montague.
Mr. Lehlbach with Mr. Steagall.
Mr. Mudd with Mr. Croll.
Mr. Perkins with Mr. Rogers of New Hampshire.
Mr. Magee of Pennsylvania with Mr. Hammer.
Mr. Taylor of Tennessee with Mr. Geran.
Mr. Rosenbloom with Mr. Sites.
Mr. Brand of Ohio with Mr. Griffin.
Mr. Miller of Illinois with Mr. Vinson of Kentucky.
Mr. MacLafferty with Mr. Williams of Texas.

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

Mr. WINSLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3933) for the purchase of the Cape Cod Canal property, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3933, with Mr. CRAMTON in the chair.

The Clerk read the title of the bill.

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. WINSLOW. Mr. Chairman, no arrangement has been made as to control of the time.

The CHAIRMAN. The rule provides that there shall be not to exceed three hours of debate, to be equally divided for and against. The gentleman from Massachusetts, I assume, is in favor of the bill and will be recognized for one hour and a half.

Mr. BLANTON. Mr. Chairman, that can not be done in committee. I make the point of order that can only be done in the House.

The CHAIRMAN. The limitation upon the time has been fixed, but not the control of the time.

Mr. GARRETT of Tennessee. Mr. Chairman, if the gentleman will permit me a moment, of course, I know the time has passed for arranging for control of the time, but in the interest of orderly procedure, the three hours should be controlled.

Mr. BLANTON. Certainly.

Mr. GARRETT of Tennessee. Just a moment. An agreement can not be entered into in Committee of the Whole and yet it should be. It seems to me that the gentleman from Massachusetts should control one hour and a half and the gentleman from Texas, the ranking member of the Committee on Interstate and Foreign Commerce, opposed to the bill, should control one hour and a half.

Mr. TILSON. There is nothing to hinder that if there is unanimous consent.

Mr. SANDERS of Indiana. If the gentleman from Tennessee will yield, I suggest that in the absence of any specific direction by the House, the question of control may be made in the committee by unanimous consent. The question of control of time can not be extended because that is specifically fixed by the House.

Mr. GARRETT of Tennessee. The gentleman thinks control of the time can be so fixed.

Mr. TILSON. By unanimous consent.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent that the time for general debate may be controlled one-half by the gentleman from Massachusetts [Mr. WINSLOW] and one-half by the gentleman from Texas [Mr. RAYBURN].

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the control of the time may be given one-half to the gentleman from Massachusetts [Mr. WINSLOW] and one-half to the gentleman from Texas [Mr. RAYBURN]. Is there objection?

Mr. WOLFF. I object, but will withhold it.

Mr. BLANTON. Mr. Chairman, I reserve the right to object in order to ask a question.

The CHAIRMAN. Does the Chair understand objection has been made?

Mr. BLANTON. Mr. Chairman, I reserve the right to object. All I want is 10 minutes against the bill. I was promised time against the rule by the gentleman from New York [Mr. SNELL], but through an arrangement which he made with the gentleman from Wisconsin he had to give my time to him. I would like to have 10 minutes against this bill out of the one hour and a half. If I can get a little time against the bill, that is all I want.

Mr. RAYBURN. Mr. Chairman, I will say to the gentleman that I have seven men who have already spoken for time; but if I have any time left I will yield it to the gentleman from Texas, but, of course, I am making no contract about that.

Mr. BLANTON. I shall not object, Mr. Chairman. I am sure the gentleman will yield me time, if possible.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and it is so ordered. The gentleman from Massachusetts is recognized for an hour and a half.

Mr. WINSLOW. Mr. Chairman and members of the committee, years ago, in 1873, the first move was made by the United States toward the establishment of internal and intercoastal waterways. Since that time the policy of the Government has been to develop transportation by water from time to time until now we have quite a considerable amount of water transportation under the control of the United States, both intercoastal and internal.

The United States has been buying up or building waterways and they now have quite a number covering many parts of the country. As yet there has been no registered protest against the existence of any one of those that the United States has bought up or developed.

We have the Chesapeake and Delaware waterway, the Chesapeake and Albemarle, Beaufort, N. C., to Jacksonville, Charleston to Windsor, Wapoo Cut, Beaufort, S. C., to St. Johns River, Indian River, Appalachicola River, Santa Rosa Sound, Mobile Bay, Mississippi River, Galveston to Corpus Christi, St. Marys Falls, Lake Huron, Black Rock Canal in the Niagara River, Sturgeon Bay and Green Bay with Lake Michigan Ship Canal in Michigan, the Kanawha waterway on Lake Superior, the Illinois and Mississippi waterway in Illinois, Louisville and Portland in Kentucky, Colbert Shoals Canal in Tennessee, Muscle Shoals Canal, Cascade Canal in Oregon, Dalles and Toledo Canal in Oregon, Willamette Falls in Oregon, Lake Washington Ship Canal in Seattle, and the Government has spent or has arranged to spend on these canals all the way from a few hundred thousand dollars up to $24,000,000.

The Government has bought privately owned canals and developed them and built others. We have before us now for the consideration of Congress in the immediate future three distinct waterway problems which I believe are in the interest of the transportation of the entire country. It is not fair to say that any one of these canals which I have mentioned is strictly a local undertaking. Each contributes to local development, to be sure, but each, nevertheless, helps some locality to reach out and get into every part of the United States and each helps every part of the United States to get to the locality of each waterway. The issue is national, and it is only the narrow mind that is prepared to say that any one of these canals is not a national proposition.

We have, for instance, coming up in a few days the Mississippi River barge canal bill, with reference to forming a corporation to operate the Mississippi River barge canal business.

It is a most meritorious undertaking and was reported out of the committee by a very large vote; I think, unanimously. It is a proposition not to make a waterway but to incorporate the Big Warrior and Mississippi River barge business in such a way that it can do business and go on and try out the inland-waterway proposition, and it is well worth the cost for the country to try this water system of transportation. It can only be tried out by putting the canal company in such shape so that it can handle its business efficiently.

Mr. McKEOWN. Will the gentleman yield?

Mr. WINSLOW. Not now. If the Mississippi undertaking is worked out and another link is put along the shore of Texas, as I shall explain, the great fabricators of iron and steel in Pittsburgh can get down the Ohio from Pittsburgh and other cities, and down the Mississippi River from St. Paul to New Orleans, and can send freight through the Louisiana and Texas Canal. When finished, as it ought to be, it will carry us up to the Mexican border, and those who have studied the subject know that the Mexican Government is waiting and has for a long time been waiting for us to deliver shipments to the Mexican border by waterway. Mexico will then make a canal of its own which would mean that you could load a barge in Pittsburgh, Cincinnati, or Paducah and run straight through the Texas country without any discharge whatever.

The Mississippi River barge matter, I think you all know and likely have a better idea of it than of the proposed Louisiana and Texas canal project. That matter is before the River and Harbor Committee. It is not my purpose to forestall the action of any committee or butt into its undertaking. To my mind, that Louisiana and Texas canal project is an exceedingly meritorious proposition, and it ought to go through. It ought to be supported by our Government. There is a little stretch between the Sabine River and Galveston Bay, where there is a canal proposed to be built that will make a continuous line from Mobile to Louisiana and New Orleans, to Corpus Christi, and then later on to the Mexican border.

Mr. HUDSPETH. Will the gentleman yield?

Mr. WINSLOW. For a brief question.

Mr. HUDSPETH. How much is to be appropriated for the intercoastal canal from Corpus Christi to New Orleans?

Mr. WINSLOW. I do not know; I am not concerned myself about the cost of that. I am not concerned as much about the cost as I am of the importance and necessity of building the canal. There is another project under way which will eventually go through, and that is cutting across the top of the peninsula of Florida. When that is done, you can start anywhere on the coast of Texas and come up into our country until you reach this dangerous point on the Atlantic coast that has been known for all time as the graveyard of the Atlantic. Shall it not be built, because somebody locally far away does not like it?

We could send wares all the way down through this system, and we could get shipments cheaper from Pittsburgh than we

can get them now from Pittsburgh to Massachusetts by rail. All the projects I have named are meritorious and ought to be put through. Now, to get down to the discussion of this important Cape Cod Canal.

Mr. BLANTON. Will the gentleman yield?

Mr. WINSLOW. My heart prompts me to yield, but I do not like to get sidetracked in my limited time. I will hurry through as fast as I can, and then I will yield.

Mr. BLANTON. The gentleman has shown that he is a good fisherman with the bait he is offering.

Mr. WINSLOW. Well, does the gentleman bite? [Laughter.] The Cape Cod Canal is no new proposition. I am not going through the long history of it; but it is interesting to know that in George Washington's time there was an effort to get through Cape Cod territory. Somebody asked why did not George get through, and why did not the engineers later get through. There are two reasons, and the main one has been that the mechanical devices which would enable them to get through with anything like a normal and reasonable expense were not sufficiently developed. In later times they have been.

Mr. SHERWOOD. Will the gentleman tell us what is the depth of the canal?

Mr. WINSLOW. At present it is 25 feet. Later on I shall approach that subject in some detail. As time went on, times without number, they undertook to get through Cape Cod, but it was not until much later that a company thought they saw their way to build and complete the canal in view of the development in building such public works. A company was organized, men with money went into it, and who in heaven's name would expect to accomplish anything of that kind without the participation of men with money. You can not pay for a canal with paper bags. It takes capital to do it. Men of courage and capital went into it. They opened the canal on the 14th of August, 1914. I remember it with pleasure, because I happened to be one of those who went through when it was opened with appropriate ceremonies—not now possible. [Laughter.]

On the 14th of August they opened the canal when the depth was 12 feet. It was suitable only for small draft boats. There was no idea of making it pay, but, of course, there was an idea of getting a little something back from the shallow draft boats. The owners never had a chance to try out the canal. The opening up of that canal came along, and, mind you, November 16, after the canal was opened on August 14 the Government of the United States, through the behest of the Secretary of the Navy and the Secretary of War, began to look about to see for what sum the canal could be bought.

I will say for the benefit of the opponents and proponents alike that so far as I know and so far as I have heard there never has been anyone who has ever testified or said in conversation or otherwise that at any time before the Government reached out for a price that the owners of the Cape Cod Canal offered it or tried to sell it to anybody whatsoever. If there is a man in this House who has the information which I do not have, which he will substantiate with references, I will take his word for it; but in the absence of such I am not willing to take the broad statement of anybody from the beginning up to this minute that the canal company ever made an initial move to sell.

Mr. NELSON of Wisconsin. If the gentleman will allow me to interrupt. Secretary Baker said so, and I read his own words.

Mr. WINSLOW. I say I do not dispute it, but I ask for the record. "Say so" will not go with me in a statement of facts. If anyone has the record, I will bow to it; but in the absence of it I can not consider the argument. I could hang everybody here on "say so" if I traveled in various districts. [Laughter and applause.]

I am dealing with facts which are substantiated by witnesses, and not statements which a man may make because he believes them and which he is not able to carry through with demonstration. I hurry over this. The Secretary of War asked for a price. He got $13,000,000 handed back to him. He did not like it, and then meanwhile he had an accounting made at Government expense by his own accountants, as I have described. In due time, after the President of the United States, Woodrow Wilson—now I am a little bit ahead. While the war was on we took over the canal by presidential proclamation for war purposes. Before it was given up by the United States and turned back into the hands of the owner the Secretary of War was unable to buy it; he could not agree on the price, so he fell back on Congress's mandate in law that we could purchase it for so-and-so, and if we could not obtain it privately we could go into a court in condemnation proceedings. Secretary Baker went into court and, instead of getting the canal for $8,250,000, the court said, "No; if you please, $16,850,000 less $150,000 for deferred maintenance." By the way, you remember Congress said, "If you can not buy it like a horse trader, buy it through the court." The Secretary went to the court, and the court gave an award.

The other parties to the trade said, "Nothing doing; you will have to go back into the court and go before the court of appeals in Washington," and the verdict was, I think, set aside—I am untrained in technical legal expressions—but, however expressed, a new trial was ordered on the ground of improper testimony. Under the law the Cabinet committee, the Democratic administration, Wilson's Secretary of War, Secretary of the Navy, and Secretary of Commerce, unanimously agreed—I have plenty of testimony to show even under oath—that we ought to have the canal. President Wilson's committee finally said we ought to get it for less money, so they undertook condemnation. Meanwhile the administration changed, and after the court of appeals had ordered a new trial this new Cabinet came in, a Cabinet of Warren G. Harding, and a new Cabinet committee made a trade and set up a contract which was entered into, I believe, in absolutely good faith, and it provided for $11,500,000 with which to get not only the canal property as originally comprehended but also 932 acres of adjoining land most valuable to the canal property, and $100,000 was to be reserved in cash on the trade when the contract should be executed.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. WINSLOW. I will.

Mr. JACOBSTEIN. Under what authority, if the gentleman please, was that contract agreed to?

Mr. WINSLOW. Under the authority of the act of Congress of August 8, 1917. It was made under the act of Congress which said, "Go buy it." That was in President Wilson's time. Within two weeks after the armistice was signed the Government ordered or directed Secretary of War Baker to buy the canal, in accordance with the provision of law which I have stated, and make a genuine artery, not for war purposes alone, not for stragetic purposes alone, but for all purposes as a genuine artery, and under that direction of President Wilson the committee, under the leadership of the Secretary of War, tried to buy it. They did not get their price, so they went to the court. They did not get something that pleased them, so they kicked over and finally managed to get an order for a new trial, and that new trial was under way when the Harding administration came in, and automatically the Secretary of War, the Secretary of the Navy, and Secretary of Commerce of the Harding administration succeeded to the responsibilities of their predecessors. They picked this negotiation up again and communed with the owners of the canal, and they arrived at the price and the terms which appear in the contract. I happened to be chairman of the Committee on Interstate and Foreign Commerce at the time, and my name as chairman of the committee, automatically—not from any residence of mine in Massachusetts but in accordance with the common practice of the Congress for the chairman to put his name at the head of purely administration bills—and that is why my name appears as that of the introducer of the bill. Moreover, I am not sleeping with bloated stock and bond holders of New York and Massachusetts. [Laughter.]

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. JACOBSTEIN. Has there been any change in the ownership of the canal?

Mr. WINSLOW. None whatever. It is now being operated by the canal company in the interest of the Government until the time comes for the disposition of the contract. At one time the Government did not want to run the canal. They disputed its ownership, and the company did not want to run it, as it denied ownership, and the canal was run for a while by a man "for whom it might concern." When the contract was established the canal company, which was familiar with the operation, was asked by the United States Government to run it pending the action of Congress on the contract as otherwise agreed to, and that situation exists now. No money is diverted to the treasury of the canal company and no receipts spent for a couple of years, except for maintenance and upkeep.

Mr. JACOBSTEIN. No new financial interests have come in?

Mr. WINSLOW. No; and meanwhile the canal company owners have been compelled to pay out of their own pockets the interest on $6,000,000 in bonds.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. ABERNETHY. I am for the canal, because it is a part of the inland waterway scheme which the Government is undertaking to operate from Boston down to the Gulf. But I would like to have an answer to a question raised on this side of the House, that at one time the owners of the canal undertook to accept $9,000,000 for it. That item got into a river and harbor bill in the Senate. Now they want $11,500,000. Will the gentleman explain that?

Mr. WINSLOW. I will, according to my best recollection, and I will call on the gentleman from New York [Mr. DEMPSEY] for correction, if any need be made.

The Committee on Interstate and Foreign Commerce reported out a bill carrying in round numbers $11,500,000 for the canal. When the river and harbor bill was put in in the last Congress it pleased the Senate through a conference to bring in a rider on that bill—perhaps a matter beyond their jurisdiction; but they brought in an item for $9,000,000, clipping off two million and a half from the amount named by the Committee on Interstate and Foreign Commerce in its bill. When that report came in the Committee on Interstate and Foreign Commerce resisted it, for this reason: They were not aware of the fact that the owners of the canal had ever consented to any reduction of the $11,500,000. They were not aware of the fact that the committee of the President had any notice of the proposed reduction or that they agreed to it as a wise course.

Our committee presented its views to the House, and the Committee on Rivers and Harbors presented its views, and by a vote of the House it was decided that the item naming $9,000,000 had better be stricken out of the river and harbor bill, and it was referred back to conference and so it was dropped out. That is the whole story, is it not?

Mr. DEMPSEY. Yes; that is a correct statement.

Mr. WINSLOW. I would like to add, with such pleasure as may be connected with this experience, that neither the Cabinet nor the President discussed the wisdom of cutting off the $2,500,000.

Mr. DEMPSEY. Yes; that is correct.

Mr. ABERNETHY. Mr. Chairman, will the gentleman again yield?

Mr. WINSLOW. Yes.

Mr. ABERNETHY. The owners, as I understand, never agreed to that?

Mr. WINSLOW. No. The Senate, for reasons sufficient to itself, clipped off $2,500,000. We never raised it up. They cut it down.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. OLIVER of Alabama. This is a segment of an intercoastal canal project which the Government has in view, and is in accordance with the provision reported by the Committee on Rivers and Harbors in connection with the project now entertained of an intercoastal canal?

Mr. WINSLOW. Yes. This is of importance to the Government, which has favored this matter as an absolute necessity for the Government; a project which Secretaries Baker, Redfield, Daniels, Weeks, Denby, and Hoover, and Presidents Wilson, Harding, and Coolidge, and engineers of the Army and Navy, and admirals ad libitum favored.

I could give you a whole line of Government and expert indorsers of it here, with quotations necessary to prove the statement. You will. I am sure, take my word that they have indorsed the purchase of the canal as a desirable thing all the time, and there has been only one contention about it, and that has been as to the price. Never until this morning have I heard anybody suggest that it would not be a desirable acquisition to the Government for three reasons: First, as a commercial proposition, and then again from the standpoint of strategic position for war purposes, and again for the humane considerations, which we will undertake to develop in due time.

Mr. BLANTON. The gentleman spoke of President Wilson and his cabinet being heartily in favor of this proposition. I would like to ask the gentleman to explain this for my benefit. President Wilson and his cabinet were in absolute authority in August, 1917. They could pass any kind of a bill they wanted. Why was it necessary for Secretary Weeks in the Senate to put this matter as a rider on an appropriation bill for a Democratic administration? Why did they not have some one acting for themselves to put it on?

Mr. WINSLOW. Maybe they could not find any Democrat who knew half as much about it as Senator Weeks. [Laughter.]

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield for another question?

Mr. WINSLOW. Yes.

Mr. JACOBSTEIN. You stated there were three reasons, and you mentioned as first the commercial reason.

Mr. WINSLOW. Yes.

Mr. JACOBSTEIN. Did you mean by that that even though the private company could not operate it profitably the Government could, giving free tolls?

Mr. WINSLOW. That is one of the reasons.

Mr. JACOBSTEIN. You would not regard that as a commercial enterprise?

Mr. WINSLOW. Yes.

Mr. JACOBSTEIN. The Government would not make it pay, would it?

Mr. WINSLOW. By charging an admission fee?

Mr. JACOBSTEIN. Yes.

Mr. WINSLOW. It can not make any of those things pay. Long Island is not paying and New York Harbor is not paying.

Mr. JACOBSTEIN. It is not as a purely commercial proposition, then?

Mr. WINSLOW. No more than is Ambrose Channel. But you New York people do not want to lose that channel nor have the Government abandon it.

Mr. JACOBSTEIN. It is not to be used with tolls for shipping?

Mr. WINSLOW. No. Under existing law they can not run canals with tolls, except the Panama Canal.

Mr. JACOBSTEIN. One more question. Reference was made in the debate to the transfer of jurisdiction of this matter from the Committee on Rivers and Harbors to the Committee on Interstate and Foreign Commerce. As a new Member, I would like to have the gentleman explain how it got to the Committee on Interstate and Foreign Commerce instead of the Committee on Rivers and Harbors.

Mr. WINSLOW. If the gentleman regards the question as germane and important, and if he will call upon me, I will tell him all about it.

Mr. JACOBSTEIN. In debate it was stated there was an implication somewhere of motive for transferring it.

Mr. WINSLOW. No, no. That happened in the Senate, and we are not accountable for any strange vagaries of theirs. [Applause.]

Mr. WILLIAMSON. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. WILLIAMSON. What is the approximate width and depth of this canal at the present time?

Mr. WINSLOW. The average depth is 25 feet. It is deeper at one end than at the other, on account of the way the water runs, due to the movement of the tides. I am very glad to go on in this way, because it shows what the Members are interested in, but it will break up the continuity of a running statement by me. The depth at mean low water now is 25 feet. They propose—the engineers of the Army, through whom everybody has worked, and whose figures are accepted—to have a depth of 35 feet. It is the opinion of General Goethals and others that with a depth of 35 feet, in connection with the tides twice a day, it will make it possible for a warship of 40 feet draft to go through the canal.

Mr. WILLIAMSON. How much additional will it cost to give this canal a depth of 35 feet and a width of 200 feet?

Mr. WINSLOW. The estimate of the engineers was about $10,000,000.

Mr. WILLIAMSON. Can this canal be operated without locks?

Mr. WINSLOW. There has been only one engineer who suggested locks, and that was Colonel Burr, of the Army.

Mr. WILLIAMSON. What is the approximate difference in the height of Cape Cod and Buzzard's Bay—the level?

Mr. WINSLOW. I think the gentleman from Massachusetts [Mr. GIFFORD] can tell you about that, but I think, 7 feet.

Mr. GIFFORD. Five feet.

Mr. UNDERHILL. That is at flood tide?

Mr. WINSLOW. Are there any other questions at this moment?

Mr. McKEOWN. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. McKEOWN. I would like to know what the attitude of Secretary Weeks is now on the Warrior River proposition. I noticed the other day that he was in favor of disposing of that proposition.

Mr. WINSLOW. I am not going to waste any more time on Warrior River. I have told you I think it is a fine thing, and I think Secretary Weeks is one of the strongest men in support of it.

Mr. McKEOWN. But I noticed in the papers that he was going to sell it.

Mr. WINSLOW. I do not care to yield further as to the Warrior River. I will help the gentleman fry those fish later but not now.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. SHALLENBERGER. Did I understand the gentleman to say that the rider carrying $9,000,000, which was put on in the Senate, was put on at the instance of Senator Weeks at that time?

Mr. WINSLOW. No; that was long before and he was not there.

Mr. SHALLENBERGER. But the $11,500,000 appropriation was his?

Mr. WINSLOW. No; that was made up by a committee of three—the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce, acting for the Harding administration.

Mr. SHALLENBERGER. My point was whether the Senator had agreed to the $9,000,000.

Mr. WINSLOW. No.

Mr. MANSFIELD. If the gentleman will permit, I want to suggest to the gentleman from Nebraska [Mr. SHALLENBERGER] that the Senate did not put it in at $9,000,000; they put it in at $11,500,000, but the conferees—the gentleman from New York [Mr. DEMPSEY] was one of the conferees—suggested $9,000,000 in the conference.

Mr. WINSLOW. However it was, it was not accepted by the House at the time.

Now, the time has been flying. I could show you—and I would like to get permission to extend my remarks if it is possible to obtain that permission now.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. WINSLOW. We can give you, as to the value for war purposes, the testimony of many engineers, beginning with General Goethals. We can take in Admiral Benson. We have Colonel Hodges; we have Gen. Leonard Wood; we have General Murray; General Black; General Beach; Admiral Chester; Admiral Knight, and I do not know how many others, but all have contributed their direct testimony to the effect that it is of high importance, and the particular thing which all emphasize is that if you can have that canal you can run up the Atlantic coast and clear up from the South with torpedo destroyers, submarines, and so on, without getting into rough water, and they can come in through Long Island Sound and into Massachusetts Harbor and run away from any attack which can be made outside. We had such an experience during the war, when some barges were shot up by a German submarine which skinned across the ocean and bobbed up outside of Cape Cod. That submarine shot up some of these barges from Philadelphia, or Baltimore or Norfolk. The barges would never go out that way if they had this canal as a matter of commerce.

We have more ships going through the Cape Cod Canal than there are going through the Panama Canal every year. We do not get the tonnage because they carry very big ships through the Panama Canal, but we have great numbers of coastwise small boats, many pleasure boats and hundreds of little fishing smacks which are used by men who get their living from pulling fish out of the water and carrying them to Boston. Then, too, more people—not more people, because there are now excursion steamers going through the Panama Canal—but when you come to the number of vessels, my recollection is that there are about twice as many going through the canal at Cape Cod as through the Panama Canal.

Mr. CLAGUE. Will the gentleman please explain the saving in distance?

Mr. WINSLOW. I will. New York is down this way and the coast runs off here [indicating on map]. Cape Cod is this part down here [indicating]. All of these black marks [indicating] indicate marine disasters of one kind or another, involving property or lives or both.

There have been hundreds and hundreds of them which have not been recorded here for the reason that the data have not got into the hands of the Government departments such as the Coast Guard, which keeps these records.

Long Island Sound comes up here, and they go either outside, of Block Island or inside. That is a very bad place, but it is in the middle of the ocean, and, of course, you can not canal that; but they do work along there in comparatively smooth water. Then they strike Buzzards Bay, which is almost landlocked. It is a safe place for little catboats and other boats used for pleasure purposes in the summer. All this land around here [indicating] is very valuable for summer residences and is selling fast for that purpose. The land which would be obtained here at Cape Cod is also very valuable for that sort of purpose as well as for terminals of railroads.

They come up through Buzzards Bay, where there is a deep channel for a warship without any danger of being hit, and then the dredging begins out here, perhaps 3 or 5 miles until you get into the canal proper. Then they go on through there.

You have asked the distance it saves. If ships come in through here and wiggle around through this very rough place and come around here the saving is about 65 or 70 miles according to the chances that are taken. Mighty few of them, in any weather that looks heavy, ever go near Nantucket or ever come near this point down here. They go off here sometimes 50 or 100 miles in bad weather and an ordinary coasting steamer would stand off there 50 to 70 miles. Bear in mind that between here and Spain there is not anything to interrupt the breezes and the rolls of the ocean are tremendous there. As they steer off around this cape, they go into Boston. It is a question of the chances the mariner is willing to take, the size of his vessel, and so forth and the weather, as to whether this distance is around 60 or 70 miles or 100 miles.

You must understand that a great deal of the business that comes here is coal. We are not able in New England to get sufficient coal over the railroad lines in the wintertime and I do not know that we could get sufficient coal in the summer time to store for winter and many barges come up here from Norfolk, from Philadelphia, from Baltimore and from New York, bearing coal, frequently three tows behind a tug.

If the weather gets bad, they put in at a harbor like this or they come around the cape. If the cape trip is their trip, they may stay there a fortnight before they get out, because of rough water or fog. But they do not lose time like that. There is hardly a day in the year when they can not scoot up here and go along the coast to Boston or go to Portland.

Mr. WOODRUFF. Will the gentleman yield just there?

Mr. WINSLOW. Yes.

Mr. WOODRUFF. Has the canal ever frozen over since it was built?

Mr. WINSLOW. I believe it has frozen over, but there never has been a time when they could not clear it out with what they call a ramming boat.

Mr. WOODRUFF. An ice breaker?

Mr. WINSLOW. An ice breaker. I do not know that they have ever lost a day.

Mr. UNDERHILL. An ordinary tug will break it.

Mr. WINSLOW. They have never lost a day, have they, Mr. GIFFORD?

Mr. GIFFORD. No.

Mr. SUMMERS of Washington. The legend on the map seems to indicate that the wrecks marked on the map occurred prior to 1903. Can the gentleman explain to us why the map is not revised to date, and how many wrecks have occurred since that date?

Mr. WINSLOW. Yes, sir; I can tell you that exactly. The casualties from around Cape Cod for the period following that up to 1924—this is reported by the Coast Guard April 30, 1924—instances of assistance, 895.

Mr. NELSON of Wisconsin. Is that information in the hearings?

Mr. WINSLOW. No; it is information privately obtained.

Mr. NELSON of Wisconsin. Is there anything in the hearings on that?

Mr. WINSLOW. On these later dates?

Mr. NELSON of Wisconsin. On the loss of property?

Mr. WINSLOW. Oh, yes.

Mr. NELSON of Wisconsin. Can the gentleman refer to it?

Mr. WINSLOW. It is in the report and probably in the hearings. I can not say too positively about the hearings, but I will give you that information if you like just as soon as I finish.

Instances of assistance, 895; persons on board, 8,685; lives lost, 66; value of the property involved, $38,570,760.

From 1875 to 1924 there are recorded 1,473 marine disasters in the Cape Cod area. But, mind you, it is not all a matter of having a disaster. It is not all a question of a casualty. If people get out there and are strung up in the rigging in times of stormy weather and suffer mental anguish and all the fear that goes with marine disasters, it is a matter to be considered as well as just waiting for somebody to die.

Mr. SUMMERS of Washington. Let me understand the gentleman. Would the first figures quoted apply from 1903 to the present time?

Mr. WINSLOW. 1880 to 1903 are the figures here, and then the figures I read are since that time.

Mr. SUMMERS of Washington. The gentleman then went back to 1875 and gave some figures, which was rather confusing.

Mr. WINSLOW. I went back there to group together the total of marine disasters.

Mr. RAKER. Will the gentleman yield for a question?

Mr. WINSLOW. Certainly.

Mr. RAKER. Where is Woods Hole as marked on the plat?

Mr. WINSLOW. It is right here [indicating].

Mr. RAKER. It may not be important, and possibly is not, but you have a wharf and a railroad leading from there which runs directly to Boston, have you not?

Mr. WINSLOW. Yes, sir.

Mr. RAKER. But that is insufficient to carry the coal, if you should unload it at Woods Hole and take it on into Boston. That is a fact, is it not?

Mr. WINSLOW. Oh, they could not handle anything at Woods Hole. It is just an inlet, about large enough for a steamer and a yawl to get in and turn around and get out. It is a little rock pocket.

Mr. RAKER. That is only for the purpose of passenger traffic?

Mr. WINSLOW. Yes; and for boats to land for that area around there.

Mr. RAKER. There is a railroad running from Boston to Woods Hole, because I have been over it.

Mr. WINSLOW. That is quite right.

Mr. RAKER. But it would not answer the purposes of transportation of heavy freight.

Mr. WINSLOW. Oh, no; and here is the trouble. In the matter of coal, they would have to bring it to Boston either by rail or by water, and then they would have to transfer it on to rail again and carry it on down to Woods Hole, and then they would have to transfer it and put it on the barges. The handling would be worth more than the coal.

Now, I will not undertake to go into the humane features of it. We come to the financial proposition, and the only objection I have ever heard which appealed to me as being a real argument. I want to address myself briefly to that. Secretary Baker on January 17, 1919, offered $8,250,000 for the property. It is safe to say that when the committee of the Cabinet unanimously agreed to it he thought he was justified in offering something for it; otherwise he would be subject to discredit, and I do not discredit him. He might be wise enough in trying to get it as cheaply as he could. The Government had the books of the Cape Cod Canal Co. and went over them. The accountants paid by the Government brought in an appraisal of upward of $12,000,000. The canal company knew what they had put in there and what the account was and they declined Mr. Baker's offer. They went to the courts and got an award of $16,801,201.11. The trial was in progress and is being delayed by consent of counsel of both litigants by agreement.

The Government never had the canal, although it then directed the operation and has ever since. The canal company has had no real proper use of the canal. If you will take the amount of $8,250,000 which Secretary Baker offered and which might have gone into the coffers of the canal company, and which if it had gone into the coffers of the canal company would have represented an interest charge to the Government, you will find on a basis of 6 per cent interest, compounded semiannually, on $8,250,000 from the time Mr. Baker offered it up to the 7th of May, 1924, it would have amounted to $13,168,864. Secretary Baker's offer plus simple interest would come to $12,748,750, which would represent his personal idea of the value of his offer. In addition to that, you should hitch on for the benefit of the Government $100,000 which must be left in the Treasury. Then you must take into consideration the land item of $300,000, and there you have a proposition which shows that after all the committee of the Harding administration and the Coolidge administration have not been very far from the Baker offer when you consider the offer plus the interest accruing up to the time of making the contract.

We are almost down to the price of Secretary Baker, so if anyone wants to come in and say that Mr. Baker's offer was enough, the proposition is how much was money worth from that time to this, and you will get to a point which will establish the value of the canal as a good buying proposition for the Government. Mr. Chairman, how much time have I used?

The CHAIRMAN. The gentleman has used 47 minutes.

Mr. THATCHER. Will the gentleman yield?

Mr. WINSLOW. I will.

Mr. THATCHER. Does Mr. Baker's offer include the land?

Mr. WINSLOW. No; the land was not in it.

Mr. THATCHER. How much land is there there?

Mr. WINSLOW. Nine hundred and thirty-two acres, which is appraised at about $300,000. There is plenty of land for widening the canal without buying any more.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. WINSLOW. I will.

Mr. JACOBSTEIN. What is the physical condition of the canal to-day compared with what it was when Mr. Baker made the offer?

Mr. WINSLOW. I do not know that I am wise enough to tell the gentleman that. I have gone through it many times; but whatever the condition is now, it would not amount to enough in the way of being of less value in the light of what must be done to make it so that large ships can go through as contemplated. There may have been some misplaced sand or a rock rolled down from the riprap since Mr. Baker's offer; and, on the other hand, they may have improved it.

Mr. UNDERHILL. It has been improved; some rocks have been taken out. I was through there last summer, and the captain of the vessel told me that it was in much better condition than it had ever been before.

Mr. FOSTER. Will the gentleman yield?

Mr. WINSLOW. I yield.

Mr. FOSTER. After the armistice the Wilson administration was attempting in good faith to secure the canal.

Mr. WINSLOW. Yes; they were acting in good faith and trying to get the canal.

Mr. FOSTER. When the war was over they did not abandon it, but tried to secure it.

Mr. WINSLOW. Yes; that same year after the armistice Mr. Wilson told the Secretary of War to "go to it" and either get it by purchase or condemnation.

Mr. FOSTER. And they were still engaged in that when the change of administration came.

Mr. WINSLOW. Yes; although the Government tried to turn it over to the owners, but they would not take it because, they said, under the law proceeding it was not theirs and, as a matter of fact, the canal never has gone back to the owners.

Mr. O'CONNELL of Rhode Island. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. O'CONNELL of Rhode Island. Would not the use of the canal result in a great decrease in freight rates for shippers?

Mr. WINSLOW. I think there would be a general rate reduction, because the ship companies would go through there and cut off hundreds of miles, and it would inevitably have a tendency to bring down freight rates.

Mr. JACOBSTEIN. One further question. When the Government attempted to dispose of Muscle Shoals we disregarded the money invested by the Government in that project. We did not consider the market value, apparently, of that property when we were to turn it over to a private individual. Now, when a private individual wants to turn something over to the Government, we have to consider the money invested in that project. There does not seem to be the same application in those two cases, and I was wondering how the gentleman would square that.

Mr. WINSLOW. I never can square a Government operation in a financial deal of any kind, and never could. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman and gentlemen of the committee, my opposition to this bill is based on the method employed in bringing this matter before us and the procedure followed rather than the merits of this particular canal. Now, I will concede for the sake of argument that the canal at this point is useful to navigation. I concede that it is the policy of our Government to build canals and operate them. That perhaps is more than some of my colleagues sponsoring this particular bill will do. The distinguished chairman of the committee made a statement in which he said that it is not a matter of price which brings this proposition into the House, and on that point I take issue. I have before me, gentlemen, the Federal Reporter, volume 271, and on page 877 you will find reported the case of United States *v.* Cape Cod & New York Canal Co. The Circuit Court of Appeals, First Circuit, reversed the award granted in the court below after a trial by jury. It has been pointed out on the floor of this House many times that it is not the function of the legislative branch of the Government to control the courts, and I submit that the reason that this bill is now before us is because the award of the jury was re-

versed by the circuit court, and under the law of the case as laid down by the circuit court nothing like the original award of $16,000,000 could possibly be obtained by the owners of this canal. They know it, and the effort is now being made to get $11,500,000. The distinguished chairman pointed out that it was not a matter of price. It was pointed out by the chairman that it was not reversed on any question of the value, and, gentlemen, I will ask you to take the trouble to read the opinion of the court, and, by the way, the opinion of the court is the soundest, most logical, and the fairest opinion that was handed down in all of the war cases involving questions of valuation. It is the one case in which every State and municipality of this country has relied in litigation on rates for public utilities and where property was taken during and since the war for public use.

Pursuant to the proclamation of the President on July 8, 1918, the canal was taken over by the United States Government on July 25, 1918, as a war measure. The Government was in possession and controlled the canal at the time the condemnation proceedings were instituted and remained in control of the canal up to March 1, 1920, when it was turned back to the canal company.

There seems to have been some negotiations for the purchase outright of this property. Just how necessary the canal was as a war measure I personally do not know. That is a question which does not particularly concern us at this moment. Whether the Government went after the canal or the canal people went after the Government—that, too, we may disregard at this time. There was testimony at the trial to indicate that the Government did make use of this canal during the war. The war is over. That it is the policy of this Government to develop the waterways of the country, to own and operate canals, I have just stated. But whether we are to establish a policy that a venture which was originally intended to be operated by private capital but has turned out to be a financial failure owing to its high cost of promotion, costly financing, overissuance of stock, is to be dumped on the Government; that is the question which we are to decide to-day. It is conceded by the proponents of this measure that under private operation this canal is a financial failure. We have heard repeated statements of how useful this canal is, but, on the other hand, that ships will not avail themselves of the use of the canal owing to the toll charges which the company must maintain. We know, too, that the canal requires widening and dredging, entailing expenditure of several million dollars. Although a reasonable toll is charged, ships would rather go around the cape and risk the dangers and storms than to pay a regular toll for the use of the canal. I state unhesitatingly that if we were voting an initial appropriation for the digging of this canal by the Government, I would cheerfully vote for it, but I hesitate to accept this bill, and I feel it is my duty to oppose it because we are paying not only for the actual cost of digging and building this canal but are asked to pay for enormous costs of promotion, financing, and water—I mean water in the stock, not in the canal. Let us for a moment see just what happened.

Mr. O'CONNELL of Rhode Island. Before the trial in 1917, a representative of the firm of Price, Waterhouse & Co., internationally known, testified and got the figures for the Government, and said it cost $13,765,000; and they were employed by the Army engineers.

Mr. LAGUARDIA. There is not a lawyer in this House but knows that you can get certified accountants to testify to any valuation desired, just as you can get medical experts to testify both ways.

After an apparent failure to negotiate a private sale, the Government instituted condemnation proceedings on April 1, 1919, in the United States district court, to acquire this property under the river and harbor act of August 8, 1917. The canal company filed its answer, and the Old Colony Trust Co. appeared in the action, claiming an interest in the property in the nature of a mortgage dated January 1, 1910, in the sum of $6,000,000, and asking that its rights be protected and compensation paid to it. The trial took place in the months of October and November, 1919. The issues submitted to the jury were—

1. The value of the property and franchise sought to be determined.

2. The amount fairly and reasonably chargeable to the Canal Co. on account of dredging and other work done by the United States while the canal was in control of the United States Railroad Administration.

Substantially the question was the value of the property plus franchise less expenditures by the Government which resulted in enhancing the value of the property. The jury rendered a verdict of $16,801,201.11 and credited the Government with the amount of $150,000, which under the issues was to go in reduction of the general verdict.

Judgment was entered on the 3d day of August, 1920, and from that judgment the Government prosecuted a writ of error. In its assignment of error the Government complained that the court erred, (1) in the admission of evidence, (2) in its charge to the jury, (3) in its refusal to grant certain requests for instructions, and (4) in the substance and form of the decree entered. It has been suggested that the errors assigned by the Government in its appeal and the subsequent reversal by the appellate court has nothing to do with the price and award of the jury. It has been repeatedly stated that this reversal was due to technicalities of law and that the award made by the jury was not questioned and that a new trial would result in a like award. I take issue with such statements. I deny that such is the case. Gentlemen, the errors assigned, as I will proceed to show you, were based on the testimony which was permitted to go to the jury on the question of valuations, the very crux of this action. Errors were made in permitting testimony to go to the jury on franchise values. The court erred in charging the jury on law of valuation. That was the only issue really that the jury had to decide, and when the appellate court reversed the decision of the court below on errors of admission of testimony and the court's charges to the jury, that in itself takes the very foundation upon which the respondents based their whole theory of valuation.

A Mr. Johnson qualified as an expert on the history and theory of canal transportation and as having special knowledge of canals and inland waterways, both in this country and in Europe, with reference to the amount of business they did and the tolls they charged. The purpose of this testimony was to establish the franchise value of the canal. Mr. Johnson did not testify as to what it cost the company to construct the canal, not at all. He testified to the prospective future business of the canal; he testified to the tonnage which would go through this canal in order to establish the progressive growth in the company's business, upon which the profits of the canal could be ascertained not only for the present time, but in the future. The future estimated profits were then taken and capitalized and that amount added to the value of the property of the canal.

Mr. Johnson testified that in 1909, 26,465,000 gross vessel tons passed around the cape and that the gross vessel tonnage per annum during the war which passed through the canal and around the coast was 18,108,893 tons. Then Mr. Johnson, as an expert, was asked what, in his opinion, the future coastwise traffic would be—mark you, not what would go through the canal, but what the future coastwise traffic would be—and he said that he predicted the coastwise traffic would return to normal within three years. He assumed the tonnage would be 26,000,000 in 1923—and you will remember he was testifying in October or November of 1919—and he estimated it would reach 34,500,000 tons in 1933. Mr. Johnson also looked further into the future and estimated that in 1943 the increase would carry the figures to 46,200,000 tons. Then Mr. Johnson, as an expert witness, was asked how much of this 46,200,000 tons would go through the canal, and let me read you the testimony of the witness—Mr. Johnson's own words:

> The most reliable estimate that I can make of the future growth of the traffic of a canal like the Cape Cod Canal is by predicting for it such a rate of increase as has actually been experienced by canals who have run their history for 20, 30, and 40 years, whose history is a matter of record. * * * The best method I know of to estimate the probable development of a canal like the Cape Cod Canal is to consider—and I shall be very brief about it—the actual experience of some other canals, and I have selected the Suez, the Manchester, and the Kiel Canals.

Just pause for a moment to see how far-fetched and remote was the theory upon which this expert witness based his testimony. He assumes tonnage for 1923 based upon tonnage of 1909; tonnage that went around the cape, not through the canal. Then to estimate the growth of the canal's business as far ahead as 1943 he goes to the Suez Canal in Egypt, to the Kiel Canal in Germany, and to the Manchester Canal in England. He applies the percentage of growth of tonnage of these canals in far-off distant lands, each of the three canals an important highway of traffic in the world's commerce, and applies the percentage of growth of these canals to the tonnage he assumed in 1919 would go around the cape in 1923. After he testifies to his figure of 46,000,000—to be correct, his figure was 47,357,000 tons—in this flimsy, unscientific, unprecedented manner, then they proceeded to multiply the 47,000,000 tons by so much a ton toll, deducted their estimated expense, and then capitalized the profits way up to 1943.

The court permitted all of that to go to the jury and the jury naturally took that into consideration.

The testimony was admitted over the objection of Government's counsel. The circuit court of appeals held that the testimony was improper, that the basis and theory of the witness was too remote and could by no stretch of the imagination be applied to the franchise value of this property. Gentlemen, that strikes at the very heart of the value of this property, and that is one of the reasons the court set it aside and that is one of the reasons that the bondholders and Mr. Belmont dared not go back to a new trial, because no such fantastic testimony would be admitted and no such far-fetched theory would be admitted and no such exaggerated value of franchise can possibly be presented to a new jury. For that reason I say that the value of the property is directly involved by the decision of the appellate court. The appellate court, after reviewing in detail Professor Johnson's testimony, pointing out how the jury was misled, concluded by saying: "We are therefore of the opinion that the evidence under consideration given by Professor Johnson was incompetent and should not have been received."

In order to establish the tolls charged by this company and apply the rate to the speculative tonnage estimated by the witness Johnson, the company called Mr. Calvin Austin, of the Eastern Steamship Co., and the court permitted to be introduced in evidence an alleged contract between the canal company and the Eastern Steamship Co. prepared in 1916 relative to tolls for the year 1917. The terms of this proposed contract were put in evidence over the objection of Government's counsel to establish the tolls charged and as bearing upon the useful or potential value of the canal property, based upon the estimated tonnage as far ahead as 1943. But this proposed contract, it was disclosed, had never been signed and accepted by the steampship company. The appellate court held that the steamship company having never sanctioned the proposed contract, the evidence was inadmissible and that the court erred in receiving it. Does that not go to the amount awarded by the jury? If this contract which was never executed, fixing a toll which was never received by the canal company and this toll is multiplied by tonnage which the canal company could never expect to get through its canal, and that amount was capitalized and added to the value of property, how could anyone say that the question of value did not enter into the decision of the appellate court?

I will not bore you with all the assignment of errors, but I do believe I should give you just one or more examples of the evidence offered in this case upon which I base my statement, that the award was exorbitant and not warranted by the testimony and that the ruling of the appellate court so held and laid down the law of the case in such unmistakable terms that a new trial could not come anywhere near the amount originally granted.

For instance, General Goethals, of Panama Canal fame, was called as an expert witness for the purpose of showing the value of the canal property. General Goethals was asked to state his opinion as to the value of the canal, giving due consideration to the different elements of value which has been submitted, some of it erroneously, and especially to the potential earning capacity of the canal as estimated by Professor Johnson. The testimony of General Goethals was admitted over the objection of the Government and the Government took an exception on the ground that the opinion of General Goethals was predicated upon the acceptance of Professor Johnson's figures as to the potential earning capacity of the canal. The general, on cross-examination, qualified his estimates of the future prospective earnings of the canal by stating his figures were not based entirely upon Professor Johnson's figures, and that he did not know the professor's figures until after he had decided on his own estimate. That qualification saved part of the general's testimony.

Then the company, at the trial, proceeded to prove the value on the theory of the cost of reproduction. The theory that has cost the people of the United States hundreds of millions of dollars in the last seven years and has put hundreds of millions of dollars into the pockets of holders of watered stock and bondholders, covering property that had to be taken by the Government, State, or municipalities for public use. It is this theory of reproduction, gentlemen, that has worked havoc with rates of public utilities and on this artificial, illogical theory of reproduction, accepted by the courts, the people of the United States are paying millions of dollars in excessive telephone, gas, electric, and transportation rates. I do not want to digress on that subject at this time. It would take too much of my time, gentlemen, to give you my personal experience as an official of the city of New York and what this theory of reproduction cost really means to the people of this country. To get back to our case, witnesses took the stand and testified as to the cost of the canal, not when it was built, but as to the cost to reproduce the canal in 1919.

Mr. GALLIVAN. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. GALLIVAN. The gentleman referred to the cost of reproduction and to the fact that the appellate court reversed the decision because certain evidence was admitted which should not have been admitted. What was the cost of reproduction as given by the experts for the canal owners?

Mr. LAGUARDIA. I will tell you in just a minute.

Mr. GALLIVAN. Was it not in the neighborhood of $25,000,000?

Mr. LAGUARDIA. Yes; I am coming to that, I will say to the gentleman.

Mr. SANDERS of Indiana. The jury did not follow that valuation, and if it were resubmitted to the jury there is not any supposition that it will?

Mr. LAGUARDIA. If it is resubmitted to the jury in accordance with the opinion of the appellate court, the gentleman knows they can not put any such reproduction cost without qualification in evidence. They can not put any speculative profit in evidence and capitalize that. The gentleman knows that. The gentleman knows that the case must be tried in accordance with the law laid down by the appellate court.

Mr. MADDEN. Does the law, as a matter of fact, give anybody the right to compromise without a trial of the case? They have got to try this case before they can settle it?

Mr. LAGUARDIA. Yes; in accordance with the act of August, 1917. I believe, gentlemen, they do not want to go back to a trial of this case.

Mr. MADDEN. Then the case is not properly before us?

Mr. LAGUARDIA. Exactly. Now to continue—Patrick McGovern, a contractor, who duly qualified as an expert on the cost of construction, testified that in his estimation it would cost to reproduce the canal in 1919 $27,980,729, and General Goethals, who likewise qualified as an expert, testified that in his opinion the cost of reproducing the canal in 1919 would be $25,832,245, if the work was done by the Government by "force account," or $30,716,081.75 if done by a private contractor, and if by a private corporation obliged to finance the project by floating stocks and bonds about $40,000,000. Before this evidence was introduced, counsel for the Government requested the court not to admit the evidence unless it was supported by affirmative proof on the part of the canal company that the reproduction of the canal at present prices was a reasonable commercial proposition; that in the absence of such evidence the court should take judicial cognizance of the enormous increase in the cost of work of this sort between the time when the canal was built and the cost April 1, 1919. In answer to this the court said:

> So the question before me is whether I can say as a matter of fact—and it is nothing but a question of fact—that in this case the circumstances are so peculiar that reproduction cost is of no significance. I am not prepared to do it.

The court erred in permitting the unqualified estimates on the cost of reproduction to be submitted to the jury.

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. TINCHER. Then the only objection which the gentleman has to this bill is the amount involved?

Mr. LAGUARDIA. To the method. I think another jury ought to pass upon this in accordance with the opinion laid down by the appellate court.

Mr. TINCHER. Suppose their decision should be $16,000,000?

Mr. LAGUARDIA. That is impossible on the evidence admissible in accordance with the law.

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. JACOBSTEIN. The gentleman says it is here prematurely. The gentleman says he wants it submitted to the courts again and that he does not object to the price but to the procedure which brings the matter before us prematurely?

Mr. LAGUARDIA. I do object to the price. I venture to say that it would not be here if the award had not been reversed by the circuit court of appeals.

As I have stated before, the court's decision is, to my mind, the best decision on the subject of reproduction cost theory ever rendered by any court during all of these years that we have been troubled with inflated prices of material and labor caused by the war. I desire to call the attention of the gentle-

men to whom I have yielded in the course of these remarks, who are of the impression, first, that the reversal of the jury award was based upon technicalities and errors of law but had nothing to do with the amount awarded by the jury, and, second, to reiterate what I have said before, that the reversal takes the very foundation from the award of the jury, and that under no circumstances could a jury give anything like an award of $16,000,000 if this case ever goes back for a new trial under the rules laid down in this opinion. Permit me to read to you what the court said on the theory of reproduction as testified by the witnesses McGovern and General Goethals:

The evidence which the canal company offered shows that reproduction prices as of April 1, 1919, were, due to war conditions, about 100 per cent above the actual cost of the canal; and the question is whether, under such circumstances, the court below should have declined to admit the evidence of reproduction cost, unless he was satisfied from evidence produced that a reasonable man would undertake to reproduce the canal at present prices as a commercial proposition, or whether the evidence should have been submitted to the jury, with instructions that they should not consider it on the question of market value, unless they were satisfied by a balance of probabilities that a reasonable man would undertake to reproduce the property at present prices, or whether the evidence should have been submitted to the jury, with the single instruction that they might consider it and allow it such weight as they thought it was entitled to, disparaged, as it might be, by proof introduced by the Government. (See Colburn v. Groton, 66 N. H. 151, 28 Atl. 95, 22 L. R. A. 763; Jaques v. Chandler, 73 N. H. 376, 382, 62 Atl. 713.)

While it is customary to admit evidence of reproduction cost as bearing upon the question of value, the rule seems to be subject to certain limitations. In the Minnesota Rate cases, 230 U. S. 352, 452; 33 Sup. Ct. 729, 761 (57 L. Ed. 1511, 48 L. R. A. (N. S.) 1151, Ann. Cas. 1916A, 18), Mr. Justice Hughes, speaking on this subject, said:

> "The cost of reproduction method is of service in ascertaining the present value of the plant, when it is reasonably applied and when the cost of reproducing the property may be ascertained with a proper degree of certainty. But it should not justify the acceptance of results which depend upon mere conjecture."

In that case, the court thought, in view of the length of time which had elapsed since the railroad was built and the material development of property and changes in the community since that time, that to attempt to estimate what would be the actual cost of acquiring the right of way over which the railroad was located, on the assumption that the railroad was not there, was to indulge in mere speculation, and that such a method of ascertaining present value under the conditions shown should not be made use of. The question then is, If we assume that the cost of reproducing the canal may be ascertained with a proper degree of certainty, can the rule permitting the introduction of such evidence be reasonably applied in times of abnormal prices, in the absence of proof that a reasonably prudent man would purchase the property or undertake its construction at reproduction prices?

It seems to us that this is a necessary limitation upon the application or use of the rule when construction prices are abnormal, and that the court below either should have passed upon the preliminary question of fact himself, or submitted it to the jury, with instructions that they should not consider the evidence of reconstruction cost upon the question of value unless they were satisfied that a reasonably prudent man would purchase or undertake the construction of the property at such a figure. When the cost of reproduction is taken into consideration as evidence of value, if the original property has depreciated, proper deduction therefor should be made in the evidence submitted to the jury.

Then the court said:

As the evidence of McGovern and General Goethals was admitted generally and without limitation and without and deduction for depreciation, the court erred in so doing.

I believe the opinion of the court fully answers the doubt expressed by some of my colleagues and fully contradicts the theory upon which this bill has been sustained, namely, that a fair award was made by the jury and that the reversal had nothing to do with the amount and that a new trial would result in a jury awarding the same amount. Nothing could be further from the fact.

Gentlemen, there are several other assignment of errors considered and reviewed by the appellate court, with which I will not tire you. I believe that sufficient has been taken from the opinion of the circuit court of appeals which, when considered with the history of this canal and with the bill now before us, to convince us that we should not embark at this time upon a policy to take over a project which would never have been offered to the Government had it been profitable and a financial success. A comparison to what has been said on the floor of this House on the necessity of this canal and its convenience to navigation, which I do not deny, but coupled with the admission that ships can not pay the toll and that it can not possibly be operated profitably unless it is a Government-operated canal, to be used free of charge, with the testimony of the experts at the trial as to the value of the franchise based upon annual profits on the future tonnage going through this canal and the future capitalized earnings, will convince not only this House but any jury that there is no likelihood of a $16,000,000 award being repeated. It is our duty to vote down this bill and not establish a vicious and bad precedent.

Mr. OLIVER of Alabama. The gentleman believes that the courts will regard the act, which undertook to authorize condemnation proceedings and provided a suspension of the damages until the award is approved, as legal?

Mr. LAGUARDIA. Well, we must assume that our own act is legal. We can not do otherwise.

The CHAIRMAN. The time of the gentleman from New York has expired. Does the gentleman from Texas [Mr. RAYBURN] ask for further recognition at this time?

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAYBURN. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. McKEOWN].

The CHAIRMAN. The gentleman from Oklahoma is recognized for 15 minutes.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, I am very grateful to the distinguished gentleman from Texas [Mr. RAYBURN], who is kind enough to yield me this time; a gentleman who, on account of his modesty, never gets the full credit for the many splendid things he does in Congress.

The question here is, Shall the United States at this time embark on the matter of purchasing this canal? If I were in favor of buying this canal, I would not be in favor of buying it now, in the present condition of the Treasury of the United States and the present condition of the country. If I had been in favor of this proposition, I would favor postponing it until a date when the condition of the Treasury of the United States warranted the expenditure of the money and the condition of the people of the United States was such that the purchase would meet with their approval.

I have no fault to find with the improvement of rivers and harbors or in the reclamation of arid lands, wherever the same can be done without detriment to the great interests of the taxpayers of the United States. But whenever a bill lays so heavy a burden upon the Treasury as this bill does at this time, it is the duty of every Congressman, no matter what the interests are in his own district, to vote against a measure of this kind. Appeals are being made here to members of the Committee on Rivers and Harbors or Members affected by river and harbor legislation.

Fifteen days ago, and not exceeding that, the press of this country carried a statement from the Secretary of War to the effect that he wanted to sell the Warrior River barges, he wanted to sell the Panama Railroad, and he wanted to sell all the property of the United States that is used as if privately owned. Then you find this attempt to support this proposition because you may have something more beneficial than the Warrior River.

In the first place, there is watered stocks and bonds to the amount of over $2,000,000. Gentlemen say they want facts, and that is what I am going to address myself to. A man named Flanagan paid out $475,000 for a right of way and for lands for this canal, and he received in payment in securities, bonds, and stocks $1,650,000, making a profit of $1,175,000. Then we have here the cost of financing this proposition, which is a high-finance cost. We find it cost $1,006,250 to finance it. And how was it financed? A corporation was organized for $10,000 under the laws of the State of Maine. Then they organized a canal company for $1,000,000. Then the company which was organized under the laws of the State of Maine for $10,000 let a contract to another company organized as the Canal Construction Co. to dig the canal, and the result of it was they received $12,000,000 in the way of $6,000,000 in stock and $6,000,000 in bonds.

Mr. NELSON of Wisconsin. Will the gentleman yield?

Mr. McKEOWN. I prefer to make my statement first.

Mr. NELSON of Wisconsin. I wish the gentleman would tell the House that Belmont is the main holder of the stocks and bonds.

Mr. WINSLOW. Is the gentleman willing to permit me to make a suggestion to him?

Mr. McKEOWN. I am willing to have corrections made if any are necessary.

Mr. WINSLOW. I think the gentleman is wrong in one thing. They are not selling the Government stocks except the bonds. They are selling the bonds. They are not selling the stock of the company, but they are selling the property, which is a very different matter.

Mr. McKEOWN. I will try to get at what the value of the property is. That property was bought in by the canal company, or the construction company made a deal with this $10,000 corporation. They were to get $6,000,000 in stock and $6,000,000 in bonds. Now, what did they do? They bid it in and built it. How much money did they put in that proposition? They put in that proposition a little over $6,000,000. They put in directly $6,100,000. That is the amount of money they directly put into the project, and they put in indirectly $142,650. The total amount invested was $6,243,150. In all that total there are lawyers' fees and expenses. In the first place, there are legal expenses charged up to this project of $122,960.28, and there are administration costs of $260,462.76. The court said they wanted to charge up $50,000 a year for six and a half years for services for financing the company.

Now, what are the facts? They say they had a contract with the Government. They never had any contract, and their records show they never had any contract. They tried to make a contract with the Government, and they tried to make a contract out of the proposition. What happened? Well, when Mr. Baker offered them every cent it was worth and made every allowance possible, he offered them a sum exceeding $8,000,000. Then Price, Waterhouse & Co. made an investigation and an audit to see exactly how much money was invested in that canal. That company reported to Mr. Baker the exact amount. And as I tell you now, as shown by these auditors, there is not to exceed $6,243,150 invested in the canal.

When they went into court to try the case, what did they try it on? Not on the basis of what was actually invested in the canal, but they went on to try the case upon the theory as to what such a canal as that ought to cost under the circumstances of the time and the occasion. But the court held that was not the proper measure of its value; that the proper measure of value of the property was its reasonable market value at the time the Government was going to take it over. Every man here knows that the measure of damages is the reasonable market value of the property when they take it over.

Now, let us see further. They say—and I am reading from the record——

Mr. MANSFIELD. Will the gentleman yield?

Mr. McKEOWN. In just a second.

Mr. MANSFIELD. Then the cost was not the market value?

Mr. McKEOWN. Well, they could not find any market value. If they can find a market value they can go now and establish it in the court.

Mr. GALLIVAN. Will the gentleman tell us where he gets the figures of six million and odd as the estimate from Price, Waterhouse & Co.?

Mr. McKEOWN. Well, I get them from the hearings, the direct cost as shown on page 83 of the hearings.

Mr. GALLIVAN. Up to what date?

Mr. McKEOWN. That was the direct cost up to the time that they were calling upon Secretary Baker to make an audit to see what he should offer for the property. That is on page 83 of the hearings.

Mr. GALLIVAN. I have figures from Price, Waterhouse & Co. as of the 31st of August, 1917, amounting to $13,763,605.

Mr. McKEOWN. I will say to the gentleman that is just like the hearings show the difference between Secretary Baker's statement as to how much the canal was losing and Secretary Weeks's statement as to how much the canal was making. It is just that difference between them. It is just a matter of juggling figures.

Mr. GALLIVAN. This is a matter of investment and not of price.

Mr. McKEOWN. Yes; and that $13,000,000 includes additional items. It includes, for instance, interest on $6,000,000 of its outstanding bonds; discount on $2,000,000 of notes issued to fund indebtedness; loss of interest on paid-in cash capital of construction company; income-tax payments; contingent claims—obligations incurred through negligence in sinking a ship in the canal. They have us charged up with that. Then there is a difference in the fiscal account between the Government and the canal company. On one hand the canal company is claiming $1,000,000 against the United States for damages for operating expenses, and, on the other hand, the Government is claiming some $500,000 for claims against this company for money expended. In addition to that, when the Government of the United States was operating the canal, we went to work and spent there for dredging purposes, through an appropriation obtained through the Rivers and Harbors Committee of the House, something like $150,000.

Mr. WINSLOW. Will the gentleman yield for information? That is all taken care of and wiped out in the proposed adjustment.

Mr. McKEOWN. If the contract goes through, then they are going to square the claim of the company against the claim of the Government.

Mr. WINSLOW. In section 1 you will find the whole matter is squared off.

Mr. McKEOWN. That is just what I am saying.

Mr. WINSLOW. You do not say it though; you say something else.

Mr. McKEOWN. You are going to square the claim of this company against the claim of the Government.

Here is the proposition as shown by the facts in this case. If you want to buy the canal as a coastal water project, all right, well and good; and I will say to you that the condition as to loss of life on the coast of Massachusetts can not appeal to any man stronger than it appeals to me. I realize what the women of that country give in the way of the lives of their husbands and sons to the sea in the operation of the business of our country; but, gentlemen, this is a proposition you are dealing with as the representatives of the taxpayers of the United States. The whole country is involved, and are you going to pay more for this piece of property than it is worth? Are you going to pay more for a defunct ditch up in Massachusetts than they have invested in it?

Mr. STEVENSON. Will the gentleman yield?

Mr. McKEOWN. Yes, sir.

Mr. STEVENSON. In reference to the destruction of life there, whether the Government buys the canal or not, the canal is now there, is it not, and is going to stay there?

Mr. McKEOWN. Of course. Here is what will happen and here is what you are buying? You are not buying just the canal as it stands. You are buying a project, on account of which you will have to deepen the canal to 35 or 40 feet, and that will entail a large expenditure. I think the gentleman was very conservative in his figures. The engineers say the cost will be $9,000,000 and the gentleman from Massachusetts has said $10,000,000, which is a fair proposition. You are going to make an investment, not of $11,500,000, but you are going to make an investment of $20,000,000 for this piece of property, because you can not operate it as it now stands without the risk of great damages on account of the current that comes into that canal which makes the vessels hard to steer in going through there, and they are continually having damages up there on account of the way the vessels in the canal operate on account of the tide.

If you decide to pay $11,500,000 for it, you ought at least to reduce that sum by $2,047,500 and take all the watered stock out of it, because these bondholders, in many instances, got the bonds, and the stock was thrown in. The record shows here that in some instances it was thrown in, and the company was organized at only $10,000.

Mr. UNDERHILL. Will the gentleman yield?

Mr. McKEOWN. Yes, sir.

Mr. UNDERHILL. The stock is not worth a cent, never was, and never will be.

Mr. MADDEN. Neither are the bonds.

Mr. McKEOWN. The bonds are outstanding. The proposition was to make $12,000,000 out of it. The stock is worth something here, because it takes $6,000,000 of it to make up the $12,000,000. If it is not worth anything, then cut this down to $6,000,000 and you will come nearer having the price of the canal.

Mr. BYRNS of Tennessee. Does not the gentleman think that the fact that the stock is not worth anything is one reason why they want to sell it to the Government?

Mr. GALLIVAN. I wonder if that is the reason President Wilson asked that it be seized.

Mr. BYRNS of Tennessee. President Wilson took it over during the war.

Mr. GALLIVAN. President Wilson wrote a letter after the war asking that the property be seized.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WINSLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, I am not a member of the committee that reported this bill and am therefore not as familiar with the case as those who have conducted the hearings. I have, however, had some connection with this matter in previous years.

When the authorization was put in the rivers and harbors bill in 1917, I was in close touch with the action of the committee and of Congress at that time, and was an advocate of it. In the river and harbor bill, a year ago last September, this measure had been embraced in that bill as a Senate amendment. I happened to be one of the conferees on that bill and had some occasion to look into it more fully than I I had done previously.

In this connection I want to answer a little more fully the question asked a while ago by the gentleman from New York [Mr. JACOBSTEIN]. What was the question he asked when the gentleman from Massachusetts [Mr. WINSLOW] was speaking?

Mr. O'CONNELL of Rhode Island. About the commercial value?

Mr. MANSFIELD. No; he asked why the matter was in the river and harbor bill, and also before the Committee on Interstate and Foreign Commerce at the same time.

Mr. WINSLOW. If the gentleman will suffer an interruption, I think he asked why the Senate put it in, and that turned out to be inaccurate information from me.

Mr. MANSFIELD. Yes. I will state that this project was not put in the bill by the House, but after the river and harbor bill had passed the House and had gone to the Senate. It was put in there as a Senate amendment, and at the time it was so placed in the river and harbor bill, this bill which we are now considering was with the Committee on Interstate and Foreign Commerce. No Member of this House was responsible for this project having been placed in the river and harbor bill at that time. It was done by the Senate, acting in accordance with its own rules and its own judgment.

The question was asked if the Senate did not put it in at a cost of $9,000,000. That is an error. It was placed in the bill by the Senate at $11,500,000, just the amount embraced in this bill. We in conferance, acting arbitrarily, on our own responsibility, and without the knowledge or consent of the owners of this canal, decided that we would report the bill in conference at $9,000,000, with the hope that the owners would accept it if it went through. They have never indicated that they would accept that amount, and no one, so far as I know, has any reason to believe that they would do so.

It is not a question of what this canal cost. It is not a question of what it would cost to reproduce it to-day. The question is, What is it worth to the American Nation as an instrument of commerce and for the purposes of war in the event that we should unfortunately be thrown into another war? [Applause.] What is its value to the American Nation to-day? That is the question. If you go back to what it cost before the war, General Beach, Chief of Engineers, stated to our committee three weeks ago that the cost of reproducing these things to-day is more than double what it was prior to the war. Everything pertaining to dredging and work upon the rivers and harbors and canals has more than doubled, according to the Chief of Engineers' testimony. Suppose the canal did cost only eight or nine million dollars before the war, you could not reproduce it to-day for $20,000,000. I believe that is an absolute fact. Here you have an opportunity to secure it for $11,500,000, which is perhaps not more than one-half of the cost of reproduction.

Now, is it worth that to the American Nation? If so, then we are letting a bargain slip if we let this opportunity go by.

Mr. LINEBERGER. Will the gentleman yield?

Mr. MANSFIELD. I will.

Mr. LINEBERGER. Is it not a fact that if this project was submitted to-day to the Committee on Rivers and Harbors, it would receive a favorable consideration as a new project?

Mr. MANSFIELD. I can not answer for any other member of the commiteee; but as for myself, I say that it would receive my favorable consideration.

Mr. ABERNETHY. The gentleman is the ranking Democratic member on that committee, is he not?

Mr. MANSFIELD. I am.

Mr. LINEBERGER. I have talked with many members of that committee, and I have not found a single man who is opposed to it.

Mr. MANSFIELD. I think the gentleman is correct in that. Now, gentlemen, this is not a party question; it is not a sectional question. It is a national question. The freights that go around Cape Cod and freights that go through this canal are not the property of any particular section of this country. Massachusetts is not the only State nor the only section in the United States that is interested in the great bulk of freight that goes up there, which consists principally of coal and cotton, and return cargoes of manufactured goods.

The country in which I live is the great cotton-producing section of the South. We produce in the South normally about 12,000,000 bales of cotton yearly. About one-third of that is exported, about one-third is manufactured in New England, and about one-third is manufactured in the Southern and Southeastern States. That cotton does not go from Texas, Alabama, and the other cotton States by rail to Massachusetts. It goes by boat. It goes by ship in the coastwise trade. It is bound to go through this canal, or it is bound to take the hazardous route around Cape Cod, one or the other.

Mr. UNDERHILL. Will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. UNDERHILL. There is one other alternative, and that is to lay off Martha's Vineyard for three or four weeks until the weather clears up.

Mr. MANSFIELD. Yes; and those fogs are very disastrous up there. Now, gentlemen, I want to read to you what a Democratic Cabinet officer said about this matter: Secretary Redfield in the Senate hearings in 1919 corrected a statement made by Senator SIMMONS, of North Carolina, in regard to the dangers of Cape Hatteras and called attention to the fact that Senator SIMMONS was mistaken in assuming that Cape Hatteras was the most dangerous section along the Atlantic coast. Secretary Redfield said that from 1834 to 1859, inclusive, along Cape Cod there had been 827 marine disasters, involving 4 steamers, 492 schooners, and various other vessels, and that the average annual loss was nearly $600,000. According to the records of the United States Life Saving Service—and that was under his direction—during the 28 years from July 1, 1875, to May, 1903, there were 687 wrecks on and near Cape Cod, involving property valued at $10,105,350. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. RAYBURN. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. WOLFF].

Mr. WOLFF. Mr. Chairman and gentlemen of the House, this is one of the first occasions upon which I have attempted to address this membership. I have listened to the eloquent address and tribute to this canal by my friend from Texas [Mr. MANSFIELD], and I appreciate what he has said. But I want to say to you, my friends, that there are other things to be considered here. As I look over this House and I see the membership here who are continually hallooing "Economy," especially my colleague from Texas on this side, I think that this is one of the places where we should practice economy. [Applause.]

I know something about this little old canal that we are talking about over in Massachusetts. I know something about conditions over there, and I know that this is one of the grafts that some people are figuring on putting over on this Congress. That little old canal does not amount to anything. That little old canal involves, when it comes down to the real facts, a real investment of something like $200,000. That is what it amounts to. But you are asking this great Government to invest $11,500,000 to put over a steal. [Applause.] I want to say to the gentleman from Massachusetts and his committee——

Mr. DEAL. Will the gentleman yield?

Mr. WOLFF. I can not. I have only a few minutes. I want to say to the gentleman from Massachusetts, who heads that great committee of this House, that I have listened to him from the floor of this House tell us about certain things. I want to say to him that the other day there was a petition presented that asked to take away from his committee a bill that involved 110,000,000 people of the United States, which involved 4,000,000 working people of these United States, that he was not interested in at all. [Applause.] It involved 110,000,000 people of the United States, because I want to say to you that the transportation proposition of these United States is the biggest proposition that we have to deal with here to-day. That great committee refused to allow that bill to come out——

Mr. WINSLOW. Mr. Chairman, I ask that the gentleman be called to order.

Mr. WOLFF. The committee did not allow that bill to come out——

Mr. WINSLOW. I ask that the gentleman be called to order.

The CHAIRMAN. The gentleman from Missouri will proceed in order.

Mr. WOLFF. All right. I am talking about this bill. This I know is a steal, an absolute steal. It represents an absolute valuation of $200,000, a steal of over $11,300,000 for a few people in Massachusetts, and I want to say to you that I do not condone that steal.

Mr. DENISON. Mr. Chairman, I ask that the gentleman's words be taken down.

Mr. WOLFF. I have only five minutes, if the gentleman will yield me five minutes of his time——

Mr. BLANTON. Withdraw it.

Mr. WOLFF. No; that is a steal, and I refuse to withdraw it.

Mr. DENISON. Mr. Chairman, I ask that the words be taken down.

The CHAIRMAN. The gentleman from Missouri will suspend. The gentleman from Illinois demands that the gentleman's words be taken down. The Clerk will report the words.

Mr. WOLFF. I say this thing is a steal.

The CHAIRMAN. The gentleman will be seated until the question is decided.

Mr. WOLFF. All right; I will leave it to the House to say whether it is a steal or not. I say it is a steal.

The CHAIRMAN. The gentleman from Missouri will suspend and be seated until a decision is reached as to his words.

Mr. WOLFF. All right; I am listening now. Mr. Chairman, I make the point of order there is no quorum.

Mr. CHINDBLOM. Mr. Chairman, I make the point of order the gentleman has no right to the floor. He should be seated and maintain his seat.

Mr. SANDERS of Indiana. Mr. Chairman, a Member who has been called to order by another gentleman can not proceed until he is further recognized by the Chair?

The CHAIRMAN. No. The gentleman from Missouri will take his seat until the matter is disposed of.

Mr. WOLFF. Mr. Chairman, I withdraw my statement regarding the gentleman from Massachusetts [Mr. WINSLOW].

The CHAIRMAN. The gentleman from Missouri withdraws his statement.

Mr. DENISON. Mr. Chairman, then I withdraw the request.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri may be allowed to proceed.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WOLFF. Mr. Chairman, I ask that I be allowed to proceed for five minutes.

Mr. SPROUL of Illinois. I object.

The CHAIRMAN. Objection is made.

Mr. RAYBURN. Mr. Chairman, two minutes of the gentleman's time has been taken by this discussion, and I yield two minutes to the gentleman.

The CHAIRMAN. The Chair will state to the gentleman from Texas that the time of the gentleman from Missouri had expired, and the Chair was about to so announce when the demand was made by the gentleman from Illinois, so that none of his time was taken up by the controversy. Does the gentleman from Texas yield further time to the gentleman from Missouri?

Mr. WINGO. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. While the rule is very clear that whenever a Member uses language that is objected to he can not continue his remarks, that does not deprive him of his constitutional right to call for a quorum. I am only thinking of it as a precedent, not caring about this particular case.

The CHAIRMAN. The gentleman from Illinois has withdrawn his demand.

Mr. WINGO. Has the gentleman from Missouri withdrawn his point of no quorum?

The CHAIRMAN. I think so.

Mr. WOLFF. I have withdrawn my point, providing, Mr. Chairman——

The CHAIRMAN. The gentleman from Illinois having withdrawn his demand, the gentleman from Missouri has the right to make the point of no quorum.

The CHAIRMAN. Does the gentleman from Texas [Mr. RAYBURN] yield further time to the gentleman from Missouri?

Mr. WOLFF. I understand that I have two minutes more.

The CHAIRMAN. The gentleman from Texas has not yielded further time to the gentleman.

Mr. WOLFF. The gentleman from Texas yielded to me two additional minutes.

The CHAIRMAN. Did the gentleman from Texas yield two additional minutes?

Mr. RAYBURN. Yes; I yield to the gentleman two additional minutes.

The CHAIRMAN. The gentleman from Missouri is recognized for two minutes.

Mr. WOLFF. Mr. Chairman and gentlemen of the House, I do not want to be obnoxious. This is one of the few times that I have asked leave to occupy this floor.

I say to you candidly that while I have withdrawn my remarks regarding the gentleman from Massachusetts [Mr. WINSLOW], I really do not believe that this proposition should pass. I do not believe that the people of this great country of ours, when they are calling for economy, when the President of the party represented on that side of the House—your President—says that the Bursum bill should not pass—the bill that provides for and takes care of your old soldiers, of their widows and orphans; when your President says that we are looking to economy and vetoes that bill; when he is going to veto the bill that takes care of our ex-service men of this last war; when he is going to condemn an expenditure of money that takes care of the men who carried the guns and fought the battles of this country on an economy plea, God help you fellows the next time! I am not for any President who stands to veto a bill that would take away the rights of the men who carried the guns and fought the battles of this country.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. WOLFF. I would like to have a minute more. I ask unanimous consent to revise and extend my remarks in the RECORD.

Mr. SPROUL of Illinois. I object.

Mr. WOLFF. I am glad the gentleman objected. I am glad to hear from the gentleman.

Mr. RAYBURN. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. FREAR] 10 minutes.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 10 minutes.

Mr. FREAR. Mr. Chairman and gentlemen of the House, for many years I have been opposed to the proposal to buy what is known as the Cape Cod Canal, and I would not be consistent unless I expressed my opposition to the bill now before us carrying $11,500,000 with which to buy another worthless canal. It is in no way a personal matter. I admire the chairman of this committee and consider him a personal friend. I think he is one of the shrewdest men I have ever met. No other man could have made the speech he has made on this floor to-day and have secured the strength for this bill that he has worked so hard to win. I see the gentleman from Massachusetts now supported by his delegation, all favoring this bill. But it is outside of Massachusetts he has extended his appeal. He has covered all of Florida. Is there a gentleman from Florida present who does not understand that the intercoastal waterway of which Chairman WINSLOW so eloquently spoke is connected with this project? The Louisiana delegation has its projects, as he has well said. The gentleman has also mentioned Texas. Texas has its waterways also to remember. I was on the River and Harbor Committee for a number of years. I happen to know something about this Cape Cod Canal from my viewpoint, and it can rest on its own merits or demerits.

The Members from the Mississippi Valley are told about the barge canal that is in the mind of the chairman of the Interstate Commerce Committee. There is not a section of the country where your sympathies could be touched upon that has not been enlisted by his appeal to-day. All to help the Cape Cod Canal. I do not know, however, but that it is proper when you are trying to secure support for a desperate case with a bill like this. I have no prejudice personally to urge against it.

Mr. DEAL. Mr. Chairman, will the gentleman yield for a moment?

Mr. FREAR. Not at this time. I hope the gentleman will get time for himself.

I have followed this canal-purchase plan for years; years before it was taken up by the Government during the war. It was taken over in 1917 by the Government during the strenuous days of the war. We then took over everything—railroads, waterways, and everything. Practically all were released after the war, and that is no justification for this position in which we are sought to be placed to-day.

Here is a bill calling for an immediate expenditure reaching $11,500,000. According to the statement of one of the strongest

Members we have ever had on this floor from Massachusetts—Joe Walsh, whom we all admired personally—when he was a Member he said in his judgment the expense will reach $50,000,000 eventually. I do not think that is a wide guess when you consider how these projects grow, and that is apart from a heavy annual expense for maintenance. A few feet in width of a project below water enhances the cost enormously. This canal is 8 miles long. Already they say it has cost $20,000,000, or would cost $20,000,000 and more to reproduce it as it is, so that if we double the present size of the canal as proposed it means an everlasting continuing expense as well as a heavy initial expense when we build it to meet plans already proposed by the report. What are we going to get for this $50,000,000 expenditure? What return do the taxpayers of the Government receive?

This property, according to the report of the Army engineers, is worth just $2,500,000. I am quoting from the official report. For purposes of commerce—and I quote from the report, which has not been questioned, on page 22—the figure given is $300,000 annual income now derived from tolls; only a moderate commerce on this 8-mile canal. Based on that, the engineers' report is as follows:

> Capitalized at 4 per cent it corresponds to a capital investment of $2,500,000. This amount, therefore, is apparently an upper limit of any justifiable expenditure by the United States to acquire public ownership for commercial purposes.

That is to say, $2,500,000 is apparently an upper limit that the United States is justified in paying for this canal that is here held at $11,500,000 and will cost $50,000,000 eventually.

Not an ordinary figure but an "upper limit," a maximum "of any justifiable expenditure." So say the Government engineers.

The bill before us carries over four and one-half times the amount recommended by the Army engineers as the "upper limit."

"Justifiable" is the word the Army engineers use.

> Two million five hundred thousand dollars is the upper limit of any justifiable expenditure by the United States to acquire public ownership for commercial purposes.

How can we in good conscience ignore that report if we at any time decide to buy the canal to help out these bondholders?

Now, if you are going to put it on the basis of war value, or if you expect to have war a few days from now and you need to run submarines through the canal, I concede it may have another value, but that is not considered in any appraisal given to us. These are the figures of the Army engineers who had no interest in misrepresenting, and I warn you gentlemen that this bill can not be defended.

It has been stated to us that this canal is needed to avoid dangers to life. Some 32 lives were lost in 10 years, according to the report by ships rounding Cape Cod. There are more people killed on the streets in Washington every year by automobiles by far than have lost their lives in 10 years around this cape. According to the statistics, the number is only 32 at Cape Cod in 10 years, and it runs nearly one a week in Washington, or nearer 500 killed or to be killed on the Capital City's streets in 10 years. I presume in Boston every year the number killed on the streets by automobiles is far greater than the 32 lost around the cape in 10 years.

The gentleman who preceded me spoke about the difficulty in getting consideration for the Barkley conciliation bill affecting several million railway men. I was one of those who supported the plan, when we signed a petition under the rule and secured 150 names to it, of bringing the bill out upon the floor.

I thought it was the right thing to do. I felt they had a right to be heard, and it was the only way we could get the bill out from the committee presided over by the gentleman from Massachusetts [Mr. WINSLOW]. I say to the House, Republicans and Democrats alike—because we have no political choice in this bill or ought not to have—is it not a sad commentary upon the House of Representatives when this bill is brought out for the expenditure of $11,500,000 from the Treasury of the United States by the chairman of that same committee, and given consideration, and we can not get the Barkley bill out with a petition of 150 names, so as to have consideration? Make your own excuses and explanations, but that is the situation which confronts us now. Let the responsibility rest where it belongs.

The gentleman who was responsible for signing this so-called contract is the same man who had more to do with this canal purchase than anyone else when he was a Senator from Massachusetts—Senator Weeks. He was then in the Senate pressing hard upon the Congress for the purchase of the canal. Presumably I might press what I believed to be a meritorious matter, if interested in one, from my own State, and my own State has the second largest harbor in the United States.

But when this offer was rejected by his predecessor, then Mr. Weeks took his pen and as Secretary of War signed an approval to tie up the Government to this proposition, as I have stated, to pay these stockholders $11,500,000 out of the Government Treasury when the Army engineers of Secretary Weeks's own department had placed the highest limit to be paid at $2,500,000, and it is dear at any price.

Now, say this bill is finally passed and it goes to the White House. The gentleman who preceded me made some significant remarks. I do not care to continue in the same vein at all, but I say to you gentlemen, suppose this bill is presented to the President, who has just declared we must have economy in this country when he vetoed the Bursum pension bill, should we not hesitate about passing a bill of this kind up to him for his signature, even if it is primarily a Massachusetts project? The Bursum bill was vetoed, but many of us are going to vote for that bill notwithstanding the veto if given opportunity to do so. The President raised the point that we have got to economize. How can he justify a Bursum bill veto and then sign a $50,000,000 cost to the Government by this Cape Cod Canal bill.

Mr. NELSON of Wisconsin. The Bursum bill failed to-day by one vote in the Senate to carry over the veto.

Mr. FREAR. So the veto, according to the statement of my colleague, will stand. The Bursum bill, giving relief to men, women, and children, for service of Civil War veterans, now in need, was vetoed on the ground of economy. Sentiment moves us quite frequently, and we vote for such propositions, because we do not always stop on the ground of economy when rewarding patriotism, but that bill could and will be defended where this bill can not. Here is a proposition that is one of extravagance at any time, and $11,500,000, running up to $50,000,000, is a considerable amount to put through at this time, when the President warns the country of our need for economy. Another bill is going to be vetoed, we are informed. It is now in the hands of the President, passed overwhelmingly by both Houses. There can not be any question about it, because everybody tells us it will be vetoed. That is the so-called soldiers' bonus bill, and it is to be vetoed also on the ground of economy. Other bills are going to be vetoed if they succeed in getting through Congress—the postal employees' bill and others, we are informed—on the ground of economy. Yet we are asked to vote for $11,500,000 at this time on a bill for which Army engineers recommended $2,500,000 as the outside limit, to take over eleven millions from the Treasury when we are having so much bitter criticism aimed at Congress.

Congress is criticized to-day more than ever before in recent history for extravagance. Unjustly, I feel, at times. I do not believe the press has the right to make many unwarranted statements, but how can we justify at this time the Cape Cod Canal expenditure, reaching ultimately $50,000,000, with the people asking for tax reduction and with so many important measures vetoed on the ground of economy? Yet to-day we are asked to vote for this indefensible proposition by the proponents of the bill, who enlist the support of pending river and harbor projects all over the country. Some of my friends would like to have very many waterways adopted. They have projects that may rest for passage or defeat with their support of the Cape Cod Canal bill. We are asked to adopt a proposition here which accommodates only 20 per cent of the water traffic around Cape Cod to-day. Eighty per cent goes outside the cape by the same route it has gone for four centuries and will go hereafter, whether the Government buys this canal or not. Before we buy this canal we may well hesitate. The reasons are obvious.

A legal question has been discussed by the gentleman from New York [Mr. LAGUARDIA], and his suggestions as to the legal rights seem to be very well grounded. We have no right at this time, based upon the record, to take the matter away from the court. This proposition should be decided by the court before any action is taken here. Later we are required to affirm or reject the court's decision. By what right do we act now?

I regret very much that this matter has ever been brought up, and I may want to offer an amendment at the proper time.

A gentleman came to me yesterday very much interested and said, "Will Congress pursue the dog-in-the-manger attitude by refusing to permit this thing to be settled?" I said, "No; not for a moment. Let us get through with it. Let us quitclaim all interest we have, if any, in the project and allow the parties to present their claims, if any, before the Claims Committee and give them back this tremendously valuable property

for which they ask $11,500,000, but which the Board of Engineers says is worth only $2,500,000," at an outside figure to the Government. The canal owners ask us to ratify Secretary Weeks's offer made in their behalf.

On what ground are we going to justify this tremendous expense when taking the money out of the Treasury at this time?

Mr. DEAL. Will the gentleman yield now?

Mr. FREAR. Yes.

Mr. DEAL. Does the gentleman favor the passage of the McNary-Haugen bill?

Mr. FREAR. I do, if it is the only agricultural aid bill offered, for this reason——

Mr. DEAL. Carrying $200,000,000.

Mr. FREAR. No; it will not carry anything like that amount. I do favor some proposal to aid farmers of the country for this reason: Men are leaving their farms and—if the Chairman will excuse me for answering the question, which is not related to the canal subject—men are leaving their farms all over the West, all over the western country because they are buying in a protected market and they are selling their surplus goods, which fix the price, in a free market and they can not remain on the farm. [Applause.]

Now, that is all there is to it. It is not a question of sentiment, it is a question of necessity, and, my friend, if you knew how some of these people are situated——

Mr. DEAL. That applies more particularly——

Mr. FREAR. There are over 100 banks in one State I know that have failed because every man who leaves the farm takes with him his obligations to the bank, and takes with him the local business, and everything becomes wiped out in some of the counties. Many States are in distress and are pleading for relief.

Mr. DEAL. I do not doubt the accuracy of the gentleman's statement.

Mr. FREAR. That has nothing to do with this canal project, but I would give the farmers relief when the emergency is so great; immediately, if possible to do so. I would give anyone such relief as was necessary, but there is no immediate relief warranted in this canal project for anyone, because for four centuries these people have been in the same situation they are in to-day, sailing around the cape as they will do for centuries to come, and this canal is dear at any price.

Mr. DEAL. But the relief which the gentleman wishes to give comes more particularly from the section from which he comes.

Mr. FREAR. No; not particularly; because the people where I live are just as well to do as the people of Virginia and just as able to take care of themselves. Theirs is a dairy country; and, in fact, they raise as much tobacco, possibly, as the people in the State of the gentleman from Virginia, or very nearly so. They are a fairly prosperous people, if any agricultural districts are prosperous to-day, but disaster and bankruptcy to thousands of farmers in other parts of the country are felt by all and injure all.

Mr. DEAL. Then they do not need the $200,000,000.

Mr. FREAR. I am speaking here for the people of the whole United States, not for any locality, when urging some form of farm relief, and speaking for the Government and for the Treasury of the United States when deploring this Treasury raid of $11,500,000 to buy a useless canal, and I am not speaking for Virginia or for Wisconsin or for any individual State.

Mr. DEAL. Virginia is not asking for it.

Mr. FREAR. I refuse to yield any further.

I feel this question is too important and too big for the Members of Congress to view from any local point of view, and for that reason I stand here to express my opposition to a bill that in my judgment ought to be defeated.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back one minute.

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. LARSEN].

Mr. LARSEN of Georgia. Mr. Chairman and gentleman of the committee, we have heard a great deal to-day from the Republican side of the House as to the action taken by the Democratic Secretary of War, Baker, regarding the purchase of the Cape Cod Canal. It is rather amusing to note the great confidence which the gentlemen on that side of the House now seem to have in Mr. Baker. Contrast, if you please, the great confidence they display at this time with that which they manifested in days that have gone.

I had the privilege of serving in the House with Hon. Joseph Walsh, of Massachusetts, a Republican, who then represented the district in which Cape Cod Canal is located. He was one of the greatest statesmen and one of the most brilliant men that Massachusetts has furnished this assembly within recent years. I want to offer his testimony, delivered on the floor of the House, against the testimony offered by the gentleman from Massachusetts to-day. I want you to know what he thought and said concerning this proposition when it first came before the House. This was back in 1917, when the House had under consideration the conference report on the rivers and harbors appropriation. The gentleman from North Carolina [Mr. SMALL], then chairman of the committee, speaking on the measure, was interrupted by Judge Walsh, who said:

> I should like to ask the chairman of the committee why it is that in the Cape Cod Canal item it requires three Cabinet officers to enter into negotiations for the purchase of that ditch, while in the negotiations for the purchase of the Chesapeake & Delaware Canal, the matter is confined to the Secretary of War alone.

Mind you, they call it a canal to-day.

Mr. SMALL said:

> In answer to the gentleman I would say that, in accordance with the general precedents it should have been confined to the Secretary of War alone.

Mr. Walsh, again speaking, said:

> Does the gentleman mean to say that the House Committee on Rivers and Harbors merely relied upon the two Senators from Massachusetts in putting this into the bill?

Mind you, gentlemen, when the matter was put in at that time, there had been no hearing on it. The then Senator Weeks, now Secretary of War, had simply introduced a bill in the Senate authorizing the purchase of this ditch, as it was then denominated by Judge Walsh, and without any hearing the Senate permitted him to tack it on as a rider.

The gentleman from North Carolina, referring to Judge Walsh, said:

> May I ask the gentleman, in reply, is he opposed to this item in the conference report?

Referring to the canal matter.

Mr. Walsh replied:

> I have voted against the bill. I expect to vote to recommit it, and I also expect to vote against it in the conference report.

The gentleman from North Carolina then said, "To this particular item?" And Judge Walsh replied:

> I am opposed to this item because it will involve an expenditure of over $50,000,000 before this Government gets any benefit from it.

The RECORD shows "applause." It probably came from the Republican side.

Mr. DENISON. Will the gentleman yield?

Mr. LARSEN of Georgia. Yes.

Mr. DENISON. I would like to state that the gentleman from Massachusetts, Mr. Walsh, on further investigation of this matter changed his views entirely and was in favor of it.

Mr. LARSEN of Georgia. I heard the gentleman from Massachusetts at a later day. He represented the district in which this "ditch" was then located. He was then the Representative, and of course we understand that when the pressure was put upon him by his constituents and influential authorities, he was not so insistent, but I do not believe that any man, even the distinguished gentleman from Illinois, able as he is, can point to a single sentence uttered by Mr. Walsh which will show that he has reversed his opinion. He simply permitted or tolerated without denouncing it as he did in the first instance.

The gentleman from Texas, advocating the passage of the bill, referred to it as a great military proposition. He is an able Representative and a fine gentleman, but I imagine he is as poor a soldier as the balance of us. At any rate, I would rather have the opinion of some man engaged in that particular line of work, and I quote from those in such service. I quote from a letter from the General Board of the Navy, dated August 19, 1916. It is found in section 17 of the report of the Board of Engineers for Rivers and Harbors, on page 222 of the hearings, and is as follows:

> The expense of rendering the Cape Cod Canal available to all types of naval vessels not only requires a considerable expenditure for enlarging it but also additional continuing expense for the maintenance of such increased size, and an even greater expenditure for the defenses that should be given an important military waterway at a salient of our coast. Such large additional expenditures are not warranted by the apparent increased military advantages of having the canal available for the passage of ships requiring a depth of over 25 feet at mean low water.

The board has no doubt of the advantages of a sufficient depth and width to permit the passage of battleships. It adheres, however, to its previous expressions to the effect that military necessity is not sufficiently great to warrant the department in urging the expenditure of public funds to that end.

Ah, gentlemen, is there anyone who in the face of this report, made by the War Department, can urge the proposition as a military necessity? You can not justify it in that way nor in any other way.

Now, let us see what happened before the present Secretary of War came into the position he now holds. First of all the Government employed experts to investigate the matter. Price, Waterhouse & Co., of New York were employed, and they found that the total cost of the canal was $6,243,171.01. By adding interest, taxes, and so forth, they found that, with all things considered, it did not exceed $8,265,743.04. Upon these figures and by this report, made and paid for at public expense, the then Secretary of War, Mr. Baker, recommended that the canal be purchased at $8,200,000. But, mark you, when Newton D. Baker went out of office and was succeeded by the present distinguished gentleman, who was then Senator from Massachusetts, the matter is again brought before Congress and we are asked to authorize purchase at $11,500,000.

It is the same canal for which Secretary Baker would give only $8,200,000. It is the same canal which cost $6,243,171.01 at most, including interest, taxes, and so forth, $8,265,743.04. It is no better now than it was then. We are asked to purchase it because private individuals who control it are unable to make it a paying investment. We are asked to purchase it because August Belmont and his associates who promoted its construction were mistaken as to the amount of revenue it would yield. Unless the Government buys it at a price far in excess of its cost or worth promoters will not receive enormous sums, and the bondholders in Massachusetts and on Wall Street, in New York, may lose a few million dollars.

The report of the Board of Engineers says the canal is worthless unless it is made a lock canal, and estimates this cost at $16,000,000. Then they say it must be given a depth of 30 feet and a width of 200 feet. So you see Mr. Walsh was not far from right when he said the ditch would cost $50,000,000 before this Government gets any benefit from it.

The Government has no use for the canal. The report of the engineers shows this fact. If we get it under the provisions of this bill, we will pay far more than it cost or is worth. You must remember that the valuation placed upon it by the court in the condemnation proceeding was set aside and the judgment reversed because the method of valuation was erroneous and because it was not based upon costs of construction.

The President has recently vetoed the Bursum bill and refused to give relief to the Spanish-American War veterans, who are in need and have suffered great discrimination, because of claim of desire to economize in the expenditure of Government funds. Let us see what he does with this bill should it come before him.

We do not need the property, the sale is not at a reasonable price, and I can not agree to levy such great additional tax burden upon the country, especially at this time.

Mr. WINSLOW. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman, when I came to Congress I had some definite ideas in regard to appropriations from the Public Treasury. My experience has shown me that I was pretty nearly all wrong in those ideas. The first illustration of that fact was brought particularly to my attention when I was appointed on a special committee to go down into the lower Mississippi Valley when the Mississippi River was at flood. It had always seemed to me that the people of the States should take care of their own problems. I found a mighty river flowing by and through the States of Mississippi, Arkansas, Missouri, and Louisiana, with which they could not cope. They had no jurisdiction whatever over the source from which the torrent of water came, exceeding in volume that of Niagara Falls, and which was destroying the property of the people there. The source was from 35 other States. And so I learned my first lesson in national problems. I came back here to Congress, made a report, and that report carried an appropriation exceeding $40,000,000 to relieve the situation of the people in the States which were suffering from the flood. Since that time it has been my privilege and pleasure to travel abroad throughout the length and breadth of many States in this great country and view their problems.

I have seen irrigation projects; I have seen water-power projects; I have seen harbor projects; I have seen improvements on public works and on road construction in which the Government was interested and to which the Government appropriated various sums of money for the benefit of all the people of the country. Now, there is not a drop of water from Massachusetts that goes into the Mississippi River, not a drop, but it was my pleasure, and I believe it was only justice to the people of Mississippi when every Member from Massachusetts voted for something to protect the people of the Mississippi Valley. So it has been with many of these projects. Now, we are not asking this for Massachuetts. We consider it a national problem. What is going to be the result? We will pay this money back to the Government in a little while with the trade that will come between Canada, New England, Texas, Louisiana, Alabama, Georgia, and Virginia. A line of steamers will be established and put in operation almost as soon as the bill becomes a law. Just at this season of the year when all the Northern States are suffering for green stuff a line of steamers can start from Galveston, pick up fruit and vegetables there, come along to New Orleans, Mobile, Savannah, and Norfolk, bring those things we crave to our doors and get a very good price for them, and in return——

Mr. CONNERY. Will the gentleman yield?

Mr. MADDEN. Will the gentleman yield?

Mr. CONNERY. I will yield to the gentleman from Illinois.

Mr. MADDEN. I suppose they will come up all the way by the inside route.

Mr. UNDERHILL. I trust so, in time.

There is another proposition; we will drop the vegetable proposition; we will take cotton. Cotton is a staple article of production in all of the States I have mentioned.

I realize the importance of the cotton crop in the South and its manufacture into the finished product up in New England. How are you shipping it now? By freight; and you are paying twice, three, and four times by rail that you would by water. It is a much cheaper proposition to ship your raw product by water, and you will get a better price for your cotton, and you will pay a lower price for your manufactured goods in return.

The total traffic passing through the canal during 1923 was as follows:

Number of vessels		6,771
Gross tonnage of these vessels	tons	4,051,869
Cargo carried	do	1,389,457
Passengers carried through canal		116,309

It will be seen from the tonnage of the vessels using the canal that most of them are small. This is accounted for by the fact that the canal is not capable of handling large vessels, and it is questioned to-day whether it is a safe channel for vessels more, if anything, over 18 feet draft, brought about by filling in from the banks, tidal causes, and so forth.

In report No. 1016, May 18, 1922, made by the Committee on Interstate and Foreign Commerce of the House of Representatives upon the purchase of the Cape Cod Canal property, the following estimate of traffic was made:

The probable increase of traffic passing Cape Cod, either going around the Cape or going through the canal, for the decade between 1920 and 1930 will be approximately 21 per cent, and for the succeeding decade 18 per cent. Applying these percentages, the probable traffic passing Cape Cod in 1930 will be between thirty and thirty-five million gross tons, and in 1940 between thirty-five and forty million gross tons. These estimates are based upon statistics covering growth of population and production in New England over a period as far back as 1890, but principally for the years between 1897 and 1916, inclusive.

So you see the great commercial value this will be to the whole country.

Mr. McKEOWN. Will the gentleman yield?

Mr. UNDERHILL. I can not yield. I want to come back to this proposition. Massachusetts is not asking a dollar for irrigation purposes, Massachusetts is not asking a dollar for the development of her white coal resources; Massachusetts is not asking for a dollar for flood control or river development, for road building——

The CHAIRMAN. The time of the gentleman has expired.

Mr. UNDERHILL. May I have one minute more?

Mr. WINSLOW. I yield the gentleman one more minute.

Mr. UNDERHILL. As a member of the Flood Control Committee I recently voted to report out of that committee 18 bills for investigation and survey of streams in States, every one of them west of the Mississippi River, every one of them for the benefit of the people far from the State I represent in part. Now I am not pleading for Massachusetts any more than I am for Texas or Louisiana or Alabama, Georgia, Virginia, or any other State. I am pleading more for the proposition which I believe to be a national benefit in the first place, to be a business proposition which will pay for itself in time, and I am

pleading for it most of all as a humanitarian proposition. I know the people down on the cape. I have lived among them a part of the year for 25 years, I have seen the widows and the fatherless children, and I know their sacrifices and sorrows of the past and their hope for the future. They are giving their work and their lives down through that section in order that the rest of you may have those things that you can not get without transportation by sea. I could make a plea for those people who go down to the sea in ships which would stir your hearts had I time to go into details, and you would vote for the bill if it cost twice as much. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. WINSLOW. I yield five minutes to the gentleman from Missouri [Mr. NEWTON].

Mr. NEWTON of Missouri. Mr. Chairman and gentlemen, I presume I represent a constituency as little concerned about Cape Cod as any part of the country. But I regard this as a part of one of the projects of a great national policy. I do not think that in passing upon matters of this kind we ought to allow sectionalism to interfere with our judgment. I think this is a meritorious project. I think it unpardonable to-day for the United States to refuse to own a project of this character. There is a great deal of commerce in Boston, in Portland, Me., and in this section of the country in the northern extremity of the eastern border of the United States that necessarily must find a market in the interior or southern part of the country. This canal is a part of a great highway along our seaboard and crosses one of nature's barriers that extends out into the sea. When the weather is rough the ships have to go miles out into the ocean in order to pass around Cape Cod. It is quite dangerous and hazardous. There is no question that commerce will be greatly benefited and that products will be carried cheaper to the consumer that are manufactured in the New England States if they are permitted to make this short cut along the shore line in order to get more directly and quickly to the markets.

Mr. McKEOWN. Will the gentleman yield?

Mr. NEWTON of Missouri. I will.

Mr. McKEOWN. Does the gentleman know of any product going through that canal we get a reduction on?

Mr. NEWTON of Missouri. Yes; I know there are products that go through that canal, such as cotton goods, shoes, and many other products, that are manufactured in Boston and that section of the country. Some of them come in competition with goods manufactured in the Middle West; and if I were going to look at this project from a selfish standpoint, I would want to cut off that competition. But I think that we ought to look at these things from a national standpoint. I think this Government ought to own that short-route canal.

New England has got to get her coal in large measure from the Pittsburgh district. That coal can be loaded onto barges and taken up through this short cut with perfect safety, with a much shorter haul and at a cheaper rate.

They talk about using the railways from Boston to New York. What are the facts? The average railway freight rate of this country last year, according to the records of the Interstate Commerce Commission, was 10.78 mills per ton-mile, while the average ocean rate was 3 mills per ton-mile. There can not be any excuse for not trying to conserve the cost of transportation in the way that would be afforded in this particular case. We improved the Monongahela River from Pittsburg upstream at an expense of $20,000,000. The coal that went down the Monongahela River to Pittsburgh from the upper reach of the river last year saved to that city in freights something like $27,000,000. They haul coal at 15 cents per ton, while the railroads charge 80 cents per ton.

We are trying to build up the merchant marine of this country. We have spent over $2,000,000,000; and here we have a barrier, forcing our ships to go through dangerous shoals, where there are numerous rocks strewn in the way, and far out to sea, going from port to port on our coast. There is no question but that the Government ought to own this canal and will own it eventually and will make it toll free. I can not see any reason why we should not own it now.

They say the price is too high. I am not sure about that. We might try to get it cheaper if we can. But the evidence indicates that those people have paid out $14,000,000 in the construction of this canal; that $16,000,000 would be needed to reproduce the work; and that a jury, hearing evidence for more than six weeks, hearing experts on both sides, where the Government was represented by able counsel, brought in a verdict fixing its value at $16,801,201. I think the project ought to be adopted. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WINSLOW. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman from Massachusetts has 18 minutes remaining, and the gentleman from Texas [Mr. RAYBURN] has 29 minutes remaining.

Mr. RAYBURN. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. BLANTON. Mr. Chairman, as an expert disciple of Izaak Walton, the distinguished chairman of this committee [Mr. WINSLOW] appears in a new rôle. There is not in any of your districts finer speckled-bass fishing than there is in mine. If he were to come down to my district this summer and use the same judgment he has exhibited here to-day in selecting his bait and in casting his hook, I doubt whether there would be a speckled bass left in my district. He would catch them all.

There is not another man in this House who is abler or more genial, more courteous, than that gentleman. He is a bully good fellow. That is what he is. And if he would reduce the expense of this project down to the $8,250,000, which was offered to Mr. Secretary of War Baker, I would vote for his bill. But he will not do that, and he is going to have to do that in order to get my vote. Of course, he will not have it.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret I can not. I have only five minutes.

Now they say there is a moral obligation on the part of this Congress to uphold this contract. If there were, I would support the bill. But there is not. Mr. Weeks, when Senator, put this matter as a rider on an appropriation bill in the Senate. The gentleman from Massachusetts [Mr. WINSLOW] suggested we did not have anybody able enough to draw such an amendment. That may be so. But we had a President and a Cabinet and an administration that was able enough to win the war with your help.

Mr. WINSLOW. And they were all for this project.

Mr. BLANTON. They were all for this project; at $8,250,000, but not at $11,500,000; and it was a Republican who put it on as a rider over in the Senate. President Wilson instructed the Secretary of War to acquire this property, and if he could not, to have it condemned by the Department of Justice, and the action taken to be ratified by Congress.

He offered $8,250,000. That was refused, and then he turned it over to the Department of Justice. He thereby lost jurisdiction over it when he did that. The War Department had no more jurisdiction over it after Secretary Baker turned it over to the Department of Justice, and the contract that Mr. Weeks as Secretary of War afterwards entered into, after he became a cabinet officer and had left the Senate, was executed without any authority of law whatever, and is in no way binding on Congress. There is no sort of question about that. Who will contend that he did have authority? It had passed out of his hands.

Let me say this: After the Government buys this canal, we are going to have to spend $10,000,000 at least to put this canal in order. There is no question about that.

Mr. MADDEN. Over $20,000,000.

Mr. BLANTON. But the chairman [Mr. WINSLOW], the distinguished fisherman, says $10,000,000.

Mr. WINSLOW. I challenge anybody to show that it will cost more than $10,000,000.

Mr. BLANTON. I do not believe that the gentleman would try to mislead us. I am willing to accept his statement. But it will cost us $10,000,000 more, he says, to put this in order. That makes $21,500,000 that we are putting into this project, if you please. I am not willing to spend that much money in it. I hope the gentleman will admit an amendment to reduce this total purchase price to $8,250,000. That is as much as we ought to pay for it. [Applause.]

Mr. WINSLOW. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. GALLIVAN].

The CHAIRMAN. The gentleman from Massachusetts is recognized for five minutes.

Mr. GALLIVAN. Mr. Chairman, for the life of me I can not see any occasion in the world for anybody having a spasm over this bill. I want the attention for the moment of the brilliant young barrister from New York [Mr. LAGUARDIA], who read to us a portion of the decision of the appellate court.

I want to go this far with this young lawyer from New York. Suppose that this is a compromise of a lawsuit. Is he the kind of a lawyer who is unwilling to settle outside of court when he

can get a much more reasonable figure outside of court than he gets from a jury? Why, gentlemen, this is the affirmation of a contract entered into, not by one Secretary, may I say to my friend from Texas [Mr. BLANTON], but of a contract entered into by three Secretaries of this administration; and they are appointed by an act of Congress to negotiate for the purchase of this canal; do not overlook that fact.

Do not forget, Mr. Chairman, that the jury rendered a verdict of $16,800,000 upon the condemnation proceedings. By the contract I have referred to the Secretaries have been able to agree to the payment of but $5,500,000 in cash.

Mr. MANSFIELD. Will the gentleman yield?

Mr. GALLIVAN. Yes.

Mr. MANSFIELD. And the gentleman from New York [Mr. LAGUARDIA] intimated that he would rather leave it to a Massachusetts jury than to this Congress to fix the price, did he not?

Mr. GALLIVAN. Well, I do not know but what I might myself if I were one of the canal owners.

Mr. BLANTON. If you would put Joe Walsh on it, I would be willing, too.

Mr. GALLIVAN. Not alone has the verdict been reduced by more than $5,000,000, but the Government has compelled the owners to deed 1,000 acres of land not included in the original condemnation proceedings, and these properties are worth in the vicinity of $100,000. They would not get this treatment from a jury.

Yes, there is a humane side to it. And whether the Cape Cod Canal has its inlet or outlet in Massachusetts or elsewhere I am one of those who believe that this great project should be under the control of Uncle Sam.

Why, Mr. Chairman, there is no place on the entire Atlantic coast line more dreaded by the mariner than that portion embracing Cape Cod. This is due primarily to severe storms, winds, strong currents, shoals, and thick fogs which almost constantly prevail there. It is one of the most treacherous coasts in the world. Ships not routed through the canal are frequently tied up in Vineyard Haven and other harbors anywhere from one day to two weeks, lying at anchor waiting for a chance to get over the shoals. The records show over 1,000 marine disasters to ships going around the cape between 1880 and 1903. From July 1, 1907, to June 30, 1917, a period of 10 years, casualties to vessels passing Cape Cod, including Nantucket Shoals, Nantucket Sound, Marthas Vineyard, and Vineyard Sound, involved vessels to the number of 326 of a total tonnage of 190,105 and of property valued at $12,761,920. Of this total property involved $1,653,770 in value was lost. During the same period the lives of 3,900 persons on board these vessels were imperiled, and the records show that 32 lives were lost.

The Government has long recognized the extreme danger to navigation in this locality. For many years it has maintained 13 life-saving stations between Monomy Point and Wood End, Cape Cod, a distance of about 40 miles.

During the fiscal year ended June 30, 1920, the assistance rendered by United States Coast Guard steamers and stations from Cuttyhunk to Provincetown involved the saving of life and property, and shows the value of vessels in jeopardy to have been $16,477,000.

Mr. MADDEN. Will the gentleman yield?

Mr. GALLIVAN. I always yield to my respected chairman.

Mr. MADDEN. I wonder why the State of Massachusetts did not carry out its contract and buy this canal instead of turning it over to the Government of the United States to buy?

Mr. GALLIVAN. Because the Government, away back in the days of George Washington, wanted the canal there. He was the first man who wanted the Government to have a canal there, and the last President of the United States who issued orders was the lamented Woodrow Wilson, when he instructed his Secretary of War, Mr. Baker, to begin condemnation proceedings at once.

Mr. MADDEN. But the gentleman from Massachusetts knows that there was a contract between the State of Massachusetts and the owners of this canal under which the State was to buy it.

Mr. GALLIVAN. Well, if there was such a contract—and I do not know it—I repeat what I said a moment ago, that a great waterway like this, which means so much to humanity, should be owned by the Federal Government, whether it be in Massachusetts, in Texas, in California, or on the coast of the State of Washington. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GALLIVAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. UNDERHILL. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. HOWARD].

The CHAIRMAN. The gentleman from Nebraska is recognized for 10 minutes. [Applause.]

Mr. HOWARD of Nebraska. Mr. Chairman and gentlemen of the committee, I appear not for the purpose of praising nor of condemning the proposition now before the House in toto. I do sincerely hope that some day our Government may own and operate a canal in the place designated under the pending legislation.

My object for the moment is to direct attention to the general situation in the country, and whether the voting of these millions of dollars for this improvement is more to be desired than the voting of other millions to relieve distress in other parts of our country.

If I were inclined to deal with a serious subject facetiously—which I am not—I might dismiss it all by saying to you gentlemen—and particularly to my magnificent friend from Massachusetts, in charge of the bill—that I like codfish, and I am for them generally; but for the moment I prefer first to cater to the needs of the cornfield canaries. But I do not want to discuss it facetiously. I want to call your attention ever so earnestly, my friends, on both sides—and I always try to speak to both sides rather than to one side—that we have been assembled in Congress for many months. Every one of us, I think, came here with the earnest understanding that the greatest need of the hour in a legislative way was something for the relief of agriculture. We have accomplished nothing; we have appropriated not a dollar to aid agriculture. Oh, it is true we did create a lot of new official positions, with some kind of a French name attached to them, and a comfortable salary, also. We did that in the name of helping agriculture; but aside from that I know of nothing we have done.

I am interested in the humane proposition here. I went over this map with my friends from Massachusetts and I asked them the meaning of all these little black spots on the map.

They told me that each of the black spots represents a locality in the waters where some ship went down to death. That is sad. But, my friends, if I were desirous of bringing tears to your eyes in this moment I could point to 10 little black spots all over the agricultural zone for every one that you have here, and I could tell you that every black spot marked the failure of somebody on an American farm.

Mr. MACLAFFERTY. Will the gentleman yield?

Mr. HOWARD of Nebraska. Yes.

Mr. MACLAFFERTY. Has the gentleman a remedy to propose?

Mr. HOWARD of Nebraska. Yes.

Mr. COLE of Iowa. What is it?

Mr. HOWARD of Nebraska. For the agricultural situation?

Mr. COLE of Iowa. Yes.

Mr. HOWARD of Nebraska. Oh, if I had my way I would bring in a bill looking not to the relief of agriculture next month or next year, but for the immediate relief of agriculture. I speak to you from the standpoint of one who has never indorsed the principle of the Government giving cost plus to anybody.

Mr. MACLAFFERTY. Will the gentleman yield?

Mr. HOWARD of Nebraska. Certainly.

Mr. MACLAFFERTY. Has not the gentleman the privilege of bringing in such a bill?

Mr. HOWARD of Nebraska. Oh, yes; but I have been unable to get it.

Mr. MACLAFFERTY. But you can bring in such a bill?

Mr. HOWARD of Nebraska. I could if I had the ear of the Rules Committee.

Mr. MACLAFFERTY. Here is a distinct remedy proposed for an evil that exists.

Mr. HOWARD of Nebraska. Oh, yes; but let me finish my statement, since the gentleman has asked me for my remedy. Here is my remedy, following my statement that I do not believe, as a governmental principle, in cost plus for any man or any institution in our country; but here our Government has for years given cost plus to the railroads and kindred organizations, and now, for my part, I am in favor of giving just a little bit of cost plus to agriculture. I want to give agriculture a chance to get up to that cost-plus trough and get its nose in there deep enough to get just a little bit of its share of cost plus, and if I could have had my way I would

have brought out of the Committee on Agriculture long, long ago some bill looking to that good end. But I have not had that influence with the Committee on Agriculture which I might desire, and hence I know now that I shall not have opportunity to vote for any such bill. Why? Because my good President and your good President has declared that everything must be subordinated to the one great end of economy. He has vetoed our pension bill in the name of economy, and I understand, and unhappily I bear the news to you, that only an hour ago the Senate failed by one vote to pass the bill over the presidential veto.

Standing here on the eve of another presidential veto—and I do not state it on my own authority, but upon the authority of many of you administration leaders—we are going to have another dose of economy; and if economy be the watchword, men, under what manner of reasoning can we ask each other to vote for a proposition of this kind at this time?

My friends when I came down here I had been studying to some extent this problem of inland waterways, and I talked with a number of western Representatives, and we agreed that it ought to be dealt with by the Government and favorably. I would like to ask the direct question here of any gentleman on the floor who has been talking to me with reference to my support of the general inland waterways program, Is this bill a part of that program?

Mr. ABERNETHY. Yes; it is a part of it.

Mr. HOWARD of Nebraska. It is a part of it?

Mr. ABERNETHY. It is a part of it, and that is the reason I am voting for it.

Mr. HOWARD of Nebraska. Then if it be a part of that program I want to serve notice that I shall have to withhold my vote for another year or two from that program, because, after listening to the statement made here by that magnificent fellow from Wisconsin, showing the character of this plan to take money out of the Treasury at the present time when our President tells us that economy is so much to be desired, I can not give my consent to indorsing it, and if the general inland waterways program be part and parcel of this program I think I shall have to do a little more studying of that program before I shall promise my vote to any part of it.

My friends, I want to be free—oh, I want to be altogether free—from any thought or suspicion of a sectionalistic mind when I shall be legislating here, and I am dealing with nothing of the kind in mind. I tell the gentleman from Massachusetts frankly I hope to live to see the day when this canal shall be owned and operated by the parent Government, but, after listening to the statement of the gentleman from Wisconsin, I could not vote for the bill at the present time.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. WINSLOW. Mr. Chairman, I yield two minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman and fellow Members of the House, I wish to state first of all that I am not interested in the United States Government taking over this canal to pay back the gentlemen who dug this canal or who are responsible for the digging of this canal, but I am interested in the canal and what it means as a national proposition and to the people of New England. The gentleman from Massachusetts mentioned how the ships have to go outside of Nantucket Island and stay there sometimes for three weeks, if necessary, until the weather abates, and then go up in and around the cape and get into Boston Harbor. We in New England know well how the people suffered last year from a lack of coal. Coal had to come in by rail from the western part of the State of Massachusetts, in through New York State, a little narrow neck of the bottle, and while the people of New England were freezing waiting for coal which the railroads could not move to them, especially those of us who lived in the eastern part of the State, other ships and coal barges were off Nantucket Island waiting to get into Boston Harbor.

As I say, I am not interested in all these millionaires they have been talking about, Mr. August Belmont, or any of these New York financiers—they do not mean anything in my young life at all, as I have had plenty of opportunity to show by my vote this session—but I am interested in the Cape Cod Canal, and in what it is going to mean to the people of Massachusetts, to the people of Maine, all of New England, and right on down the Atlantic seaboard, as has been mentioned, to the people of Florida and so on over to Texas.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WINSLOW. Mr. Chairman, I would like to inquire if the gentleman from Texas has any more speakers.

The CHAIRMAN. The gentleman from Texas has 14 minutes remaining and the gentleman from Massachusetts has 11 minutes.

Mr. CROSSER. I do not think the gentleman from Texas is going to use any more time.

Mr. WINSLOW. With the understanding that the gentleman from Texas has no more speeches, I will yield the remainder of my time to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I am a native of the region through which this canal passes, and for a long time have looked forward to having an opportunity to say something to the Congress on the subject. But after a debate lasting as long as this one has and after all the points which have already been brought out, I can not say all that I intended.

As a dweller on Cape Cod I have to-day learned a lot of facts from Wisconsin and Oklahoma that are surprising, but the most surprising fact I have learned—and it must have surprised many of you as well—was that my immediate predecessor from the sixteenth district of Massachusetts, Judge Walsh, was opposed to this canal purchase. I want you all to know that if he were here in my stead to-day, he would be urging the passage of this bill, as I am. About 10 days ago he told me that he did say something against the proposition, but he told me that it was in war times when the Government was spending money lavishly and wastefully. Now the occasion is different. I can not imagine Judge Walsh being opposed to this purchase or ratification—why, practically every person in that whole section is in ardent favor of it, for they know the need. If I had had the least idea that he was going to be quoted adversely to the measure, as he has been, I should have his affidavit to this effect.

I have lived on Cape Cod all my life and continually heard the harrowing stories of shipwrecks and drownings off our coast. Being very fully informed on that particular aspect of the case I could spend ten times the time that is mine on it and in what lawyers call "boring for water." But I do not intend to do so. However, it did hurt a little when it was said a few moments ago, "You have your canal, why not make use of it?" I want to call your attention to the fact that only a little more than a month ago the *Wyoming*—a magnificent vessel, one of the last of the six masters, and the pride of the State of Maine—was lost off Cape Cod with all on board because, drawing 29 feet of water, she could not use the canal in its present state and was forced to make the trip around the cape. When you gentlemen estimate the expense of this measure, how are you going to measure what the lives of those men alone were worth?

The gentleman from Wisconsin [Mr. NELSON] on April 10 told us about the little alcove over in the Congressional Library where there are a thousand volumes on the moral law. It was there, I suppose, that he prepared his to-day's speech, filled with criticism, witticisms, and sarcasm. Some time in that seclusion and his hours of meditation perhaps the spirits of those lost seamen and countless others will visit and chide him.

In the present condition of the canal, only 25 per cent or less of the shipping will use it, and the manifold dangers of the outside route remain a menace to the larger vessels as of old.

You may have forgotten, but we of Cape Cod have not, the thrill we had during the late war when a German submarine suddenly appeared off our coast and sunk several coal barges. Instantly all of the shipping was frightened away from the outide route and tried to get through this inland waterway. Within three or four days thereafter the Government seized the canal as a pressing war-time measure, and at a tremendous and wasteful expense attempted to put it into proper shape to meet the conditions, while it was simultaneously being operated to its maximum capacity.

After an agitation for the building of this waterway by the Government, which had extended through generations, it had finally been forced to take it over. What was the spark that caused the blaze resulting in the building of the Panama Canal? Was it not the fact that the Oregon was forced to sail all the way around Cape Horn to join the Atlantic fleet during the war with Spain? It was a similar spark, the dire need of sending our shipping through a safe and short inland route which caused the Government to take over the Cape Cod Canal.

While I have not the time to present lengthy arguments, I want to say to you that the people whom I represent have been demanding of me, in no uncertain terms, what the Government intends to do in this matter so vital to them, and what really is the Government? There are three departments in our Government. They know that the executive branch

has, in good faith, done its full duty therein. The case has also been through the judicial department and the courts have rendered a verdict in the condemnation proceedings. Now, it alone remains for the Congress to act in accordance with its moral obligation. It should to-day likewise do its duty. We will be getting for $11,500,000 what would to-day cost $25,000,000. I was personally present at the trial of the case and heard the expert witnesses who testified to that fact.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. GIFFORD. My time has so nearly expired that I must ask the gentleman to allow me to continue.

The CHAIRMAN. The gentleman declines to yield.

Mr. GIFFORD. We are getting a wonderful bargain, in fact. If this canal were not already built, it would cost that great sum to construct. It has deteriorated a little, of course, but not so much as has been pictured here to-day. I am pleading not so much for those ocean-going steamships we have to have in order to carry the commerce of the Nation, and which may go around that ocean graveyard off Cape Cod with reasonable safety, but I am speaking on behalf of the small ships and barges. What a crime it is to send men on coal barges around that section of the cape in rough weather! I have particularly in mind the story of one of my near neighbors. After following the sea as captain of a sailing vessel most of his life he was forced to take a barge job when steam drove the old schooners almost from the seas. In order really to appreciate what it is to make that trip on a barge in bad weather you must experience it, but I wish that you could hear that captain tell of one such trip when they were wrecked, clung to the wreckage for more than 24 hours and finally his own son was swept off and drowned before his eyes. It is incidents like that which make the humanitarian side of this question appeal to me above all others, and it should be an important factor in your considerations. Yes; our Government has for a long time been very derelict in its plain duty to its sailor citizens. This canal should have been built 50 years ago. Now we have the opportunity to acquire it and should not let that opportunity slip.

I want to say a word for the private capital involved. Sarcastic reference has been made to the men in Wall Street who were interested in constructing this canal. Some of us happen to know that the ancestors of August Belmont lived on Cape Cod. We, at least, believe that he was actuated by high motives and for the public good when he risked his money in the untried venture. I hold no brief for the private owners, but my belief is that having been recommended by the various other departments of the Government and fully considered by the committee which has reported it, it should pass as it stands, and that it carries the proper sum for them to receive. [Applause.] Mr. Chairman, I ask leave to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the contract dated July 29, 1921, executed by the Boston, Cape Cod & New York Canal Co., and transmitted to Congress by the Secretary of War and printed in House Document No. 139, Sixty-seventh Congress, second session, is hereby ratified on condition that such company files with the Secretary of War its consent in writing that paragraph 8 of such contract be amended to read as follows:

"8. The payment of the amount herein agreed to be paid, or any part of same, to the said canal company is to be upon the express condition that the Boston, Cape Cod & New York Canal Co. waives, in writing, any and all claims of any nature whatsoever that it may have against the President, the Director General of Railroads, or the United States, and upon such release the Director General of Railroads shall release the company from any claim or demand against the company growing out of Federal control."

Mr. BURTNESS. Mr. Chairman, I have an amendment which I desire to offer.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 9, after the word "that," strike out the word "paragraph" and insert in lieu thereof the following: "Paragraph 5 and"; also at the end of line 10 insert a new paragraph in quotation marks reading as follows:

"5. The company offers to sell the canal to the United States for $8,255,000, as follows: $2,255,000 in cash, payable when Congress ratifies this agreement and upon delivery of deed of conveyance as provided herein and the assumption by the United States of the payment of the bonds mentioned in paragraph 2, including interest coupons maturing on and after January 1, 1922."

Mr. BURTNESS. Mr. Chairman and gentlemen of the committee, in passing upon this question I have tried to pass on it very much in the light of the suggestion made by the gentleman from Alabama [Mr. HUDDLESTON] in the minority report in the quotation I am going to give you, which is found on page 20:

The purchase of Cape Cod Canal has the same status for congressional action as would have a measure for the construction of the canal at the beginning. Its status is the same for our practices as though a proposal for the construction of a canal was now being brought forward for the first time.

I regard that attitude as eminently fair and proper. After considering the evidence that has been offered in favor of the proposal for acquiring the Cape Cod Canal, I am for the Government procuring it at the earliest possible date, and I think the very best argument that can be submitted is the map which is shown here, both from a commercial benefit and from a humanitarian benefit. It is strictly in accord with the development of water transportation, both on inland waterways and coastwise; but that does not mean that I am one of those who is willing to jump at any suggestion whenever it is offered.

I think I have tried fairly to consider this proposition thoroughly, and I am convinced that as a matter of fairness, under all the conditions up there, taking into consideration actual values and the condition of the canal, that the amount of $11,500,000 is not fair to the Government, and I have suggested by my amendment the payment of $8,265,000. I am not so certain but what the amount ought to be about $10,000,000. At any rate, I want to quote from the hearings some of the testimony which, to my mind, indicates why one or the other of those suggested sums should be considered rather than $11,500,000. I want to say that if the amendment I have proposed is voted down I hope to offer another for $10,000,000.

Mr. BEGG. Will the gentleman yield for a question?

Mr. BURTNESS. I can not just now. On May 29, 1918, the Board of Engineers for Rivers and Harbors rendered its report to the Chief of Engineers of the United States Army, and after setting out the total amount found by the firm of accountants as to the claims of the cost of the canal, amounting, in all, to $13,053,000, the report says this:

The board has studied the various items making up these amounts and has reached the conclusion that the sum of $8,265,743.04 may properly be included in toto in determining a fair and reasonable estimate of the cost of the canal. What part, if any, of the indirect expenditures represented by the $4,787,410.67 should be included is a matter not readily determined. The board has carefully considered the various items comprising this sum and has reached the conclusion that a reasonable allowance for the Flanagan rights of way and franchise and for the development expenses as represented by the losses amounting to $1,527,198.42 experienced prior to August, 1917, in building up a traffic warrants appraising the fair cost of the canal in round numbers at $10,000,000, as based upon the reported expenditures. This is intended to cover all property rights and franchises of whatever description acquired by the company in connection with this enterprise, whether directly used for canal purposes or otherwise.

And so the record is full of facts sustaining that contention. In the report of Price, Waterhouse & Co., the accountants who went over the books of the company, you will find that those accountants reported that $8,265,743 in fact constituted the construction cost of the canal.

Permit me also to quote very briefly from the report of the Chief of Engineers.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. BURTNESS. Mr. Chairman, I ask unanimous consent to proceed for five more minutes.

The CHAIRMAN. The gentleman from North Dakota asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. BURTNESS. This is what the Chief of Engineers says to the Secretary of War:

The board has given careful study to the financial statements contained in Appendix A of the report on survey, from which it appears that the direct cost of actual construction amounted to $6,248,171.01, the indirect cost to $1,274,459.63, and the interest and taxes during construction to $748,112.40, thus giving a total cost of construction amounting to $8,265,743.04, not including amounts paid in capital stock for rights and franchises or for services in promotion, organization, engineering, financing, etc., nor discount on securities, loss or deficit on operations, and damage claims, amounting in all to $4,787,410.67. The total expenditures on the canal (see Exhibits E and EE

of Appendix A) are thus reported to be $13,053,153.71 up to August 31, 1917, counting the payments with stocks and bonds at par. The board believes that the sum of $8,265,743.04 may be properly included in toto in determining a fair and reasonable estimate of the cost of the canal, and that reasonable allowance for the rights of way and franchises and for the development expenses in building up a traffic warrants appraising the fair cost of the canal in round numbers at $10,000,000, as based upon the reported expenditures. * * *

Now, an estimate is also found in the evidence as to how much it would have cost the Government to have built this canal, if constructed at the same time, regardless of the figures that are found in the books of the canal company. That estimate you will find on page 286, made by one M. W. Lewis on November 13, 1918. I quote a tabulation therefrom, as follows:

Direct costs:		
Excavation, at 25.6 cents		$3,842,165.96
Slope protection		279,112.65
Land		537,493.38
		4,658,771.99
Breakwater		504,076.66
Bridges		521,088.85
Railway changes		190,463.72
Highway changes		62,502.01
Equipment		181,993.71
		6,118,896.94
Superintendence, inspection, and contingencies, 20 per cent		1,223,779.39
Total		7,342,676.33

Then he says:

By adding to the above the work done at the approaches (3,000,000 cubic yards) the above estimate is increased $768,000, or to a total of $8,110,000.

The above estimate does not include the cost of approximately 1,000 acres of land, franchises, and other rights obtained from Mr. Flanagan. So the situation is this, as it seems to me: If you want to pay the fair cost of construction and of overhead expense and the interest on necessary expenditures during the time of construction and pay nothing for the franchises that were held by this man Flanagan or for some land that he turned over, the figure of $8,765,000 proposed in the present amendment would be about right. If you want to pay for the franchises and the land that is included in this proposition, the total amount, according to the report of the engineers of the Army, should not exceed $10,000,000; and it does not seem to me right and proper that we should give to these people a million and a half dollars, or more, even if it is true that they have lost not only that million and a half but several times that much.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BURTNESS. In a moment. My amendment is simply a duplication of section 5 of the offer made by this company.

Mr. WAINWRIGHT. Was there any cash payment in addition to this $8,265,000? In other words, is it not a question whether a part of that $4,000,000 was in cash?

Mr. BURTNESS. I do not know whether all of it was paid in cash or not; I do not recall. But the $4,000,000 is made up of a large number of items—cost of franchises, stock, promotion fees, attorneys' fees, including claims for damages, and everything of that nature—made during the time this canal was in the process of construction. The engineering fees were very large. I am not in a position to judge exactly, so perhaps I ought not to make the assertion, but in my judgment the engineering fees and every item of that sort, which were included in the $13,000,000, were positively exorbitant.

At any rate, I for one am willing to accept the judgment and advice of the Chief of Engineers of the Army, as given in the report made to the Secretary of War, and especially so after the report had been made on the records of the company itself, as disclosed by the audit of the accountants and also by the Board of Engineers of the rivers and harbors organization, all having that same general end in view.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SANDERS of Indiana and Mr. MADDEN rose.

The CHAIRMAN. The gentleman from Indiana [Mr. SANDERS] has the preferential right and is recognized.

Mr. SANDERS of Indiana. Mr. Chairman, the gentleman from North Dakota [Mr. BURTNESS], a very able member of our committee, has indicated to the House that after an investigation of this proposition he was thoroughly convinced that the Cape Cod Canal should be taken over, and that the only objection he has to the bill is the amount. He says he is going to offer this amendment to decrease the amount to $8,250,000, and if that is not agreed to he is going to offer an amendment carrying $10,000,000.

Mr. Chairman, I want to call particular attention to the status of this legislation. The Congress authorized the Secretary of War to negotiate a contract for the purchase of this canal, and in the event of the failure of those negotiations to institute condemnation proceedings by the use of the Attorney General. The Secretary of War undertook to agree and offered the amount which the gentleman proposes to put in the bill. That amount was rejected by the company; condemnation proceedings were instituted and the jury rendered a verdict of $16,800,000. The Government, discontented with that award, appealed, and not because the verdict was excessive, Mr. Chairman, but for technical reasons that case was reversed and sent back to the Federal court for retrial. The Secretary of War having this proposition in hand did what an individual would do. He proceeded under the authority he had to negotiate and said:

I have offered the canal company $8,250,000; the jury has rendered a verdict of $16,800,000; I am going to negotiate further.

And he did negotiate further, and has arrived at a contract for $11,500,000. It is proposed by the gentleman from North Dakota [Mr. BURTNESS] to send this back with an amendment which practically kills the bill, because we have no assurance that any such contract will be entered into. On the contrary, we have every assurance that the amount fixed by the amendment will be again rejected. So that those who are in favor of closing this matter ought to immediately vote against the amendment offered by the gentleman from North Dakota and support this measure as it is, carrying the amount which has been agreed to by the Secretary of War, who has had full authority. The engineers under him have been merely reporting to him, and he reports to us that this is the best that can be done, and the contract includes rights of considerable value in addition to the rights which were proposed to be given for the original amount of $8,250,000.

So I suggest, Mr. Chairman, that it is absolutely necessary, if we are to have this legislation, for us to leave the amount as it is now written in the bill.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. MADDEN. Mr. Chairman and gentlemen, whatever may be the ultimate necessity for the purchase of this canal, we are living in a period when every dollar of the public money should be conserved and no dollar expended for any purpose except that which is an essential need of the hour. No one will claim that this project is an emergency, nor will anyone deny that it can be postponed without any injury to any cause; no one will dare deny that the amount proposed to be paid is excessive. I assert it is. If but $6,000,000 or a little more has been expended by the promoters of this canal, I ask you why we should be called upon to pay $11,500,000. I ask you why there is danger in adopting the amendment offered by the gentleman from North Dakota [Mr. BURTNESS]. We are asked not to adopt it because, forsooth, we must not send the question back. If the proposal he makes is just, what harm can be done by sending it back?

If the proposal made by the committee is unjust, why should we adopt it? Oh, they have argued sentimentally. They say that every dot upon this map means a loss of life. That is no argument on the merits of the proposal. One gentleman here even argued that you could start a ship from Galveston and go all the way to Boston on the inside route. That was one of the arguments, and that is as good an argument as most of the arguments that have been made on the merits of the question.

Gentlemen, we have $300,000,000 of obligations facing us over and above the revenues at the disposal of the Government, and, under the pending revenue act now in conference, there will be created a deficit of $450,000,000; yet we run wildly into the expenditure of unnecessary millions. Is there anyone, anywhere, willing to speak a word for economy?

Mr. MILLS. Will my friend from Illinois yield?

Mr. MADDEN. No; I do not want to yield just now.

Is there anyone willing to represent the people in their demand for lower taxation? You can not help but admit that if you continue to pile up the expenses, you must levy new taxes. You can not go before the American people and plead that you did not understand the question. You understand that every dollar appropriated by this Congress must be raised by tax levy, and you can not say to the American people, "We thought we were conserving your interests when we made the

appropriation, and we forgot that it was necessary to raise the money by taxation." You can not plead that.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WINSLOW. Mr. Chairman, I move to strike out the last two words.

I quite agree with the preceding speaker and I applaud him for continuing to be the good, old, faithful watchdog of the Treasury; but there are conditions in business which are worth considering, even if it becomes a pull to get the wherewithal to meet them, and one of them is good faith.

The Government of the United States, by what it has done in this case, has crowded the owners against the wall; and when it crowded them by virtue of condemnation proceedings and got a good licking in the courts, it proceeded to crowd them again and got them against the wall once more, and then under the decision of the court of appeals a new trial was ordered. Later comes along the Government once more, through its authorized agents, authorized by Congress, and says, "Now, let us not go to the expense of litigation and a great, big fight; let us have the canal run along until Congress can come together and pass on our trade with you," and thus it has come to pass.

Meanwhile there has been no income to the canal company. It has all been diverted to the care of the canal or saved in the Treasury for the Government. The owners of the canal, those who hold the stock and are entitled to vote, have paid the bond interest out of their own pockets. Now, it is not good faith for the Government of the United States and the Congress to delay the agony longer. If we do not want to put this bill through, let us say so good and plenty and be done with it, and let the canal company go back to the court and try out its cause, without hanging on them the way a dog will keep a rat going for an indefinite period, but let us do it in a businesslike way and let the Government be an example of good business and not be a terror to everybody who has anything to do with it.

Mr. TINCHER. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. TINCHER. Is the suit instituted by the Government still pending?

Mr. WINSLOW. It is pending, and it is being delayed from time to time by agreement of counsel on both sides.

Mr. TINCHER. If we turn down the proposition of compromise that has been agreed to, then another jury in the same locality that tried the case before will be impaneled and will fix the amount.

Mr. WINSLOW. Just so, and we may get another $16,000,000 instead of $11,500,000.

Mr. McLAUGHLIN of Michigan. Is there anything out of the ordinary in that suit to make it obligatory on the Government to accept the verdict of the jury in fixing the amount?

Mr. WINSLOW. I think they have the ordinary recourse to law.

Mr. McLAUGHLIN of Michigan. And the Government can accept the verdict or not, as it pleases?

Mr. WINSLOW. No; when the court finally decides and all the steps have been taken that the Government can take to get out from under, then they will have to pay.

Mr. McLAUGHLIN of Michigan. Ordinarily, in a case of this kind, the one against whom the verdict is rendered can accept it or not. Of course, if he takes the property he must pay, but he can wash his hands of the whole thing and say, "The verdict is too high, I refuse to pay it."

Mr. WINSLOW. But the Congress of the United States has ordered it bought. Do not forget that. The order has been put in by Congress to buy this property, by private arrangement or through condemnation. Therefore the Government must take the canal one of these days when through the operation of the courts a decision as to purchase price is established.

Mr. O'CONNELL of Rhode Island. Mr. Chairman and gentlemen, I rise in opposition to the amendment of the gentleman from North Dakota, and I base my objection on two grounds: First, I am firmly convinced that if the amount suggested by him is substituted for the amount provided in the bill there will be no purchase of the Cape Cod Canal. Second, I am opposed to it because I am satisfied, from reading the rivers and harbors act, approved August 8, 1917, which gives authority to examine and appraise the value of the works and franchises of the Cape Cod Canal and to negotiate and contract for its purchase, that if we make any change in the figures provided in the offer of the Cape Cod Canal Co., made on July 29, 1921, and accepted on the same date in behalf of the United States Government by the Secretary of War, that we have no authority under any other provision of the act of August 8, 1917, or of any other special act or general law, to purchase this canal. That act provides in part that if, in the judgment of the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce, the price of such canal is reasonable and satisfactory, and its acquisition is agreed upon by all three Secretaries, that the Secretary of War is authorized to make a contract for the purchase of the same at the option of the United States, subject to future ratification and appropriation by the Congress; or, in the event of inability to reach a satisfactory agreement as to price, to take it over by condemnation proceedings. We tried the condemnation proceedings and they have failed. Now there is only one other way and we must take it on the ratification by Congress of the existing contract.

The ratification by Congress is a condition subsequent. There must be a previously existing bona fide contract which has been executed by some official in behalf of the United States Government and by the Cape Cod Canal Co. The only contract in existence is the one of $11,500,000, made on July 29, 1921, by the officials of the Cape Cod Canal Co. and accepted on behalf of the Government by the Secretary of War. We are now asked to ratify that contract. There is no other contract in existence that we can ratify, and if we substitute the figures proposed by the gentleman from North Dakota, or any other figures except the exact figures of the contract, in the terms of the offer made and the acceptance of that offer, then we have nothing to act upon under authority conferred by the act of August 8, 1917, which is the only source of authority for the proposed purchase.

It is simply a means of putting this proposition to sleep, of administering to it a deadly sleeping potion. This waterway is sadly needed. It is in truth a part of the intercoastal system of this country and it should be accepted. In my opinion, the figures are reasonable and much less than the actual cost of construction. [Applause.]

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto be closed in five minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate on the section and all amendments thereto close in five minutes. Is there objection?

Mr. McLAUGHLIN of Michigan. Reserving the right to object, I should like a couple of minutes.

Mr. WINSLOW. Mr. Chairman, I will modify my request and make it eight minutes.

The CHAIRMAN. The gentleman from Massachusetts modifies his request and asks unanimous consent that all debate on the section and amendments thereto close in eight minutes. Is there objection?

Mr. PARKS of Arkansas. I object.

Mr. McKEOWN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. McKEOWN to that of Mr. BURTNESS: Strike out the figures "$11,500,000" and insert in lieu thereof "$6,243,150."

Mr. McKEOWN. The bill will be ratified on condition they would strike out $11,500,000 and insert $6,243,150.

Mr. BURTNESS. How about the $5,500,000 of bonds?

Mr. McKEOWN. We will come to that; we will come to that later. I am in favor of the gentleman's amendment if we do not get this.

Mr. BURTNESS. I raised that point because it is plain you change the amount——

Mr. McKEOWN. It is how you come at it. Here is the proposition. They talk about a contract. Here is the contract; I have it here. The contract provides that this will be a contract whenever it is approved by the Congress. There is no contract now. We can change this proposition, and here we are making a counter offer. The gentleman makes a counter offer to them. There is no binding contract; we are not bound to accept this at all, and if we do accept it why pay more than the actual value of the property? Gentlemen talk about a lawsuit and wanting to go to a jury. Let it go to a jury. I am willing to go to a jury upon the rules as set forth by the court. What were those rules? The rules were the measure of the value of the property damages, which was the value of the property and not what somebody says it would probably cost, such as they had—expert witnesses such as General Goethals and other persons who testified this canal would cost $20,000,000 or $30,000,000, but it said the cash market value of that property.

Mr. BURTNESS. If the gentleman will allow a suggestion. If even that award under the law was passed by Congress in 1917, permit me to quote one line:

The acceptance of the award in said proceedings to be subject to future ratification and appropriation by Congress.

Mr. McKEOWN. There is nothing binding here now. I make this proposition, and it is a fair proposition: Put in a proposition to pay them six or eight million dollars, and if you make the proposition, if you put it in, you will never hear any kick about not accepting it. They will accept it, and you will save to the Government some two or three millions of dollars, which, as the evidence shows in this case, is watered stock. Why, here is a man who only paid $470,000 for the rights of way in all this land, and yet he gets back in bonds over $1,360,000. Here is a law firm in New York which drew $50,000 a year for five years you are going to pay back. Here is another proposition of high finance of $1,006,000, and the Congress of the United States, in view of the condition of the Treasury at this time, is it willing to go on record with the taxpayers of the country that you are to pay over money for lawyers' fees, high financial propositions of $1,006,000, instead of paying the value of the property itself?

Mr. O'CONNELL of Rhode Island. If the gentleman will substitute any other figures than the figures here, what existing contract does he ratify?

Mr. McKEOWN. We will not have a contract like we have now. We have none now. We only have an offer and acceptance. They make an offer of $11,500,000, and Congress in turn makes an offer of $8,500,000 or $8,000,000, whatever it is, and it is up to them to accept or reject it. No contract can be made unless the two minds meet on the proposition.

Mr. WINSLOW. Mr. Chairman, I move that all debate on this section and all amendments thereto close in six minutes.

The CHAIRMAN. The gentleman from Massachusetts moves that all debate on the pending section and all amendments thereto close in six minutes.

The question was taken, and the motion was agreed to.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, in order to get recognition I rise in opposition to the motion of the gentleman from Oklahoma. The gentleman from Massachusetts [Mr. WINSLOW] gave me what I think is a wrong impression. I think he must have given the House a wrong impression as to the status of that lawsuit to the effect that the amount of the verdict of the jury might be far in excess of $11,500,000 and it would be binding upon the Government. Quoting from the law I find that it authorizes the "Attorney General to institute and carry to completion proceedings for the condemnation of said canal and its appurtenances, the acceptance of the award in said proceedings to be subject to future ratification and appropriation by Congress."

That is a contradiction of the statement made by the gentleman from Massachusetts as I understood him. I wish to say only one thing more. We have here the report of the Chief of Engineers, whose duty it is to investigate, examine, and report on every proposed river and harbor and waterway project in the country. I represent a harbor district, have had not a little experience with the Corps of Engineers, and have the highest respect for it. I know that in every matter which they consider their decision is accepted by the Congress as absolutely final and conclusive. It is futile for anyone interested in a project to try to get approval of it or money from the Federal Treasury contrary to the report of the Chief of Engineers. It is a matter of official record that during the last 20 years not one dollar of public money has been spent on any kind of river or harbor or waterway proposition anywhere from the Federal Treasury contrary to the report of the Chief of Engigineers. We are asked here to override and disregard altogether the reports and recommendations of the Chief of Engineers respecting the Cape Cod Canal, to disregard his estimate of its value and his opinion and advice as to the necessity and desirability of the Federal Government acquiring title to it.

The CHAIRMAN. The question is on agreeing to the substitute offered by the gentleman from Oklahoma [Mr. McKEOWN].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from North Dakota [Mr. BURTNESS].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. BLANTON. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas demands a division.

The committee divided; and there were—ayes 60, noes 85.

So the amendment was rejected.

Mr. BURTNESS. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from North Dakota.

The Clerk read as follows:

Amendment offered by Mr. BURTNESS: Page 1, line 9, after the word "that," strike out the word "paragraph" and insert in lieu thereof the following: "paragraphs 5 and"; also, at the end of line 10 insert a new paragraph in quotation marks, reading as follows:

"5. The company offers to sell the canal to the United States for $10,000,000, as follows: $4,000,000 in cash, payable when Congress ratifies this agreement and upon delivery of deeds of conveyance as provided herein, and the assumption by the United States of the payment of the bonds mentioned in paragraph 2, including interest coupons maturing on and after January 1, 1922."

Mr. BURTNESS. There are one or two minutes left, are there not?

The CHAIRMAN. Three minutes remain.

Mr. BURTNESS. Mr. Chairman, the amendment I have now proposed is identical with the last one, except that I have inserted "$10,000,000" instead of "$8,265,000" and have made the necessary allowances for the amount to be paid in cash. That is on the theory that the additional $1,735,000 would pay for the franchise and for the land that was owned by this man named Flanagan prior to the organization of the corporation with which you are dealing. So if this amendment is adopted you pay not only for the construction of the canal and all the overhead expense and the interest during the time the canal was under construction, but you would also pay for all the land that goes with it and for all the franchises that were held by the individuals who dealt originally with the corporation.

Now, this situation is exactly as it was put to you a moment ago by the distinguished gentleman from Michigan [Mr. McLAUGHLIN]. It is simply a question whether you are going to turn down the recommendation of the Chief of Engineers as to the amount that the canal actually did cost; also whether you are going to disregard the evidence submitted to the committee, as found in the hearings, of what the canal would have cost if the Government had built it, or whether you are going to accept an arbitrary figure based upon nothing particularly definite, but offered merely as a compromise calculation between what it cost and what the jury happened to award in war times after improper instructions from the court and after improper evidence had been submitted to it. That is the sole question before you, and I ask you to vote for the amendment. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from North Dakota.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. BURTNESS. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 72, noes 85.

Mr. BURTNESS. Mr. Chairman, I demand tellers on that vote.

The CHAIRMAN. The gentleman from North Dakota demands tellers. Those who desire to have this vote taken by tellers will rise and stand until they are counted. [After counting.] Only 18 gentlemen have risen, not a sufficient number.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. That the sum of $5,500,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Secretary of War, for the acquisition by purchase, in accordance with the terms of such contract, modified as provided in section 1 of this act, of the Cape Cod Canal and other property referred to in paragraph 1 of such contract.

Mr. BYRNS of Tennessee. Mr. Chairman, I want to ask the indulgence of the committee for just a few minutes at this late hour.

I do not profess to be any more anxious to see economy practiced than any other Member of the House, and certainly I have no greater responsibility than any other Member of the House. There are many reasons why I would like to support this bill, particularly on account of the fact that some of my friends on the floor, and they are very good friends of mine, are very warmly in favor of it.

I have been appealed to by the arguments which have been made from the humanitarian standpoint, both as to the loss of lives and as to the loss of property, but I am reminded of the fact that we now have a canal there. If there was not a canal already there, I might, even at the expense which is involved at this particular time, favor the digging of a canal.

But we now have a canal there, and certainly I do not think, when we are facing a large deficit, as has been stated upon the floor of this House this afternoon, that this is the time to take this property off the hands of the stockholders, for whom the gentleman from Massachusetts so passionately argued a few minutes ago, abandoning, it seemed to me, in large measure his previous argument. I say, I do not think we should relieve the stockholders of this property merely because they have upon their hands a losing proposition. They did not dig this canal with the original idea that the United States Government was going to take it off of their hands, but they now find that they have a proposition which is losing money, and they come and ask the Government to relieve them of that financial loss.

I read a statement made by a distinguished Senator a day or so ago, a gentleman who knows as much about tax matters and financial matters as any Member of Congress, and he said that when this new tax measure is passed—if enacted as it is now in conference—the Government is going to lose $470,000,000 in revenue. We are told that is going to mean a $150,000,000 deficit, as was stated by the gentleman from Illinois, the chairman of the Appropriations Committee, a while ago, and that is not taking into consideration the additional burdens Congress is voting every day upon the Public Treasury and upon the people.

Let me tell you some of these additional burdens and what this great so-called economy Congress has done by way of legislating up to this time and in adding to the regular appropriations which have been carried in the appropriation bills. Many of the measures which I am going to recite to you are measures which we all might favor and would like to see enacted into law, but they are costing the people millions of dollars which have got to be met by increased taxes, for there is no other way you can meet them.

Let me read some of them to you. I have made these notations while sitting in my seat here this afternoon, simply from memory. There may be other measures which could be added. I am going to give you these figures in round numbers, as I say, from my memory.

The Bursum bill was passed which would have added $58,000,000 annually to the expenditures of the Government. That bill was vetoed, it is true, by the President, and I understand the President's veto was sustained by the Senate this afternoon. I am wondering what the President, in view of his claim that he vetoed that measure on the ground of economy, is going to do with this particular bill when it reaches the doors of the White House.

The bonus bill, which carried, according to the arguments made here when it was on the floor, an ultimate cost to the Government of $2,100,000,000. The actuary of the American Legion has stated since, so the papers tell us, that it will cost $3,200,000,000, and the Treasury has estimated it will ultimately cost the Government as much as $4,800,000,000.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for three more minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for three additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNS of Tennessee. The loan to the German people carrying $10,000,000; the loan to the farmers of New Mexico, carrying $1,000,000; the increase for the employees of the House and Senate, carrying $360,000; the increase under the reclassification measure to the employees of the Government in the District of Columbia and in the field, which will amount to $8,000,000 and possibly $10,000,000 or $12,000,000; the increase which will be made to the postal employees under a bill which is shortly to be reported to the House, which, it is stated, will amount to $65,000,000; the increase to the teachers and the police and fire departments of the District of Columbia, $2,000,000; the increase made the other day by the bill passed by the House for new hospitals, $6,500,000; roads in the national parks, $2,500,000; reforestation, $2,500,000; vocational rehabilitation, $4,000,000, to be spent in four years, with $75,000 a year for administration; veteran legislation now pending which will probably pass, and which no doubt ought to be passed, which will cost $40,000,000, so estimated. There are other measures carrying authorizations for appropriations which I do not just at this moment recall. For this proposition, which is not urgent and which is not needed at this time, either from a humanitarian standpoint or from any other standpoint, we are asked to obligate the Government to spend $5,500,000 in cash and to obligate it to assume $6,000,000 of bonds, and it is stated by the gentleman from Massachusetts the project will ultimately cost $10,000,000 in addition, and some say $15,000,000 to $25,000,000 more in order to put it in proper shape. This is a rather remarkable record for the House, in view of its repeated claims of economy. Remember, all these sums are in addition to the regular appropriations, and will, to that extent, increase the deficit.

Gentlemen, you upon the Republican side of the House are responsible, as the majority in this House, and I leave it to you whether you are going to add this additional $11,500,000, with all that may come after it, to the present burdens of the people. [Applause.]

Mr. WINSLOW and Mr. WOOD of Indiana rose.

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in eight minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate on the pending section and all amendments thereto close in eight minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. WOOD. Mr. Chairman, I have listened with a great deal of interest to the speech just made by my friend and colleague from Tennessee. I believe that my record, together with the record of the gentleman from Tennessee, has been for economy, but sometimes a fault can be found in false economy. We have been advocating for years the development not only of our intercoastal waterways but our interstate waterways.

If we are to be guided by the figures that may be given, like those that have been given by the gentleman from Tennessee on the expenditures of this Government, we will never dig any canals and we will never build any waterways. It is the same old story that has been heard from the beginning of this Government down to this time against public improvement, and I was a little bit amazed at the gentleman from Tennessee in view of what has transpired in a very few weeks past. I heard the gentleman, with all the eloquence at his command, with all the ingenuity of which he is capable, pointing out the great advantages that might come by reason of accepting the Muscle Shoals proposition. I am not here for the purpose of making invidious comparisons. I am here though contending that that which is best for all our country ought to be the thing that we should try to subserve.

I am in favor of the intercoastal proposition. I am in favor of the St. Lawrence proposition. It has been the dream of our section and the dream of the West and of the Northwest to realize by accomplishment a deeper waterway from the Lakes to the Gulf, and if we are ever going to commence upon that program we will never have a better opportunity than now. By our action to-day will be determined our course for the future in regard to deep waterways improvement.

The cost involved in this measure, while it seems great, is not so enormously great in comparison with the possibilities of accomplishment. We are constantly reminded here of the necessity of improving our transportation facilities. We are constantly reminded of the excessive rates that are being charged by the railroads of the country. If we are ever going to reduce them, if there is any medium by which that can be done, it can best be accomplished by providing cheap waterway transportation.

We should not only consider the outlay at the present moment but should visualize, if possible, the resulting consequences in the future. It strikes me there never was a time more opportune than now for the commencement of the thing which has been the dream and hope of every section and all our people throughout all this country. The people of New England have this in mind. The people of New York have this in mind. They have also in mind waterway transportation by reason of the improvement of the St. Lawrence system. We people in the Middle West and West and Northwest have as our dream the consummation of the deeper waterway scheme from the Lakes to the Gulf.

We are now at the crucial point of determining whether we are going to enter upon this program or whether we are not going to enter upon it. I know this is a critical time. I know something of the burden of taxation resting upon our people, but there will always be a burden of taxation that will be with us ever; but we must progress and through our progression make it possible to reduce our burden of taxation.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. FISH. Mr. Chairman, the gentleman from Tennessee [Mr. BYRNS], who has just spoken, thinks very little of giving Henry Ford $100,000,000 worth of Government property, but he feels it is inopportune to spend $11,500,000 of Government money to pay for the Cape Cod Canal and fulfill

a lawful agreement entered into by the Secretary of War. What I have to say applies more to Republicans because we are the administration, or at least represent the administration. I feel that we can afford to be honest before election just as well as after election. We are confronted with an honest obligation that should have been fulfilled several years ago. It is no use to say that it is not opportune, and postpone consideration until after election. If it is honest, let us act honestly now. If it is unjust and unfair, let us vote it down. Do not let us do anything illogical because it is not opportune to appropriate the money on account of some vague apprehension of its effect on the presidential campaign. Let us do the honest and fair thing and have done with this bill.

The whole motive against this bill can be summed up in two words—August Belmont. Since when has it been the American policy to stand out against a man because he has been successful in business. Since when has it been the Republican or Democratic policy to deny credit to a man who has been energetic, industrious, and successful in financial matters? I have known August Belmont for 20 years. He is not a constituent of mine; he belongs to the opposite party, but I know of no more public-spirited man or patriotic American citizen. He was no war profiteer; he was commissioned as a major of Cavalry during the war, and his two sons were in the service. He invested his money in ditches over the ground and under the ground. He had faith in the American people. He built the subway under New York. He dug the Cape Cod Canal and made navigation safer and easier. He promoted commerce and industry, and yet the whole motive, the only objection I have heard to this bill has been that August Belmont is the biggest stockholder, and some Members of Congress instead of commending want to penalize him simply because he is affiliated with Wall Street and has been a successful business man. [Applause.]

The Clerk completed the reading of the bill.

Mr. WINSLOW. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CRAMTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 3933) for the purchase of the Cape Cod Canal, and for other purposes, had made no amendment thereto, and had directed him to report the bill to the House with the recommendation that the bill do pass.

The SPEAKER. By the rule the previous question is ordered, and the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. NELSON of Wisconsin. And on that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 150, nays 131, answered "present" 6, not voting 145, as follows:

YEAS—150

Abernethy	Dickstein	Hudspeth	Nelson, Me.
Aldrich	Doughton	Hull, William E.	Newton, Mo.
Allgood	Driver	Humphreys	O'Connell, R. I.
Almon	Dyer	Jeffers	O'Connor, La.
Andrew	Elliott	Johnson, Wash.	O'Connor, N. Y.
Aswell	Fairchild	Kearns	Oliver, Ala.
Barbour	Fairfield	Ketcham	Oliver, N. Y.
Begg	Favrot	Kindred	Paige
Bixler	Fish	King	Parker
Black, N. Y.	Fisher	Lankford	Phillips
Bland	Fitzgerald	Larson, Minn.	Prall
Bloom	Fleetwood	Lazaro	Purnell
Bowling	Foster	Leatherwood	Quayle
Box	Freeman	Lindsay	Ragon
Boyce	French	Logan	Raker
Boylan	Frothingham	Longworth	Reece
Briggs	Gallivan	Lozier	Reed, N. Y.
Brumm	Gasque	Luce	Richards
Cable	Geran	Lyon	Rogers, Mass.
Carew	Gifford	McDuffie	Sanders, Ind.
Celler	Graham, Pa.	MacGregor	Sandlin
Chindblom	Greene, Mass.	Major, Mo.	Sears, Fla.
Clarke, N. Y.	Hadley	Mansfield	Sinnott
Cleary	Hammer	Mapes	Smith
Collier	Hardy	Martin	Smithwick
Connery	Hawes	Mead	Snell
Cooper, Ohio	Hawley	Merritt	Sproul, Ill.
Cullen	Hayden	Miller, Wash.	Stedman
Dallinger	Hickey	Mills	Stengle
Darrow	Hill, Ala.	Minahan	Stephens
Deal	Hill, Md.	Moore, Ga.	Strong, Pa.
Dempsey	Hoch	Moore, Va.	Sullivan
Denison	Hooker	Morgan	Swing
Thompson	Underhill	Wertz	Wood
Tilson	Vaile	Williams, Ill.	Wurzbach
Timberlake	Vestal	Wilson, La.	Wyant
Tinkham	Weaver	Wingo	
Treadway	Weller	Winslow	

NAYS—131

Ackerman	Dowell	McClintic	Salmon
Allen	Drewry	McFadden	Schafer
Arnold	Evans, Iowa	McKeown	Schneider
Ayres	Frear	McLaughlin, Mich.	Shallenberger
Bacon	Fulbright	McLaughlin, Nebr.	Sherwood
Beck	Fulmer	McLeod	Sites
Beers	Garber	McReynolds	Speaks
Bell	Gardner, Ind.	McSweeney	Sproul, Kans.
Black, Tex.	Garrett, Tenn.	Magee, N. Y.	Stalker
Blanton	Glatfelter	Major, Ill.	Stevenson
Brand, Ga.	Green, Iowa	Michaelson	Summers, Tex.
Brand, Ohio	Greenwood	Michener	Swank
Browne, N. J.	Griest	Milligan	Taber
Browne, Wis.	Harrison	Mooney	Taylor, Tenn.
Browning	Hastings	Moore, Ohio	Taylor, W. Va.
Bulwinkle	Hill, Wash.	Morehead	Temple
Canfield	Holaday	Murphy	Thatcher
Cannon	Howard, Nebr.	Nelson, Wis.	Thomas, Ky.
Casey	Jacobstein	O'Sullivan	Tillman
Christopherson	James	Oldfield	Underwood
Clague	Johnson, S. Dak.	Parks, Ark.	Vincent, Mich.
Clancy	Johnson, Tex.	Peery	Voigt
Cole, Iowa	Jones	Perlman	Wainwright
Connally, Tex.	Keller	Quin	Watres
Cook	Kent	Ramseyer	Wefald
Cooper, Wis.	Kopp	Rankin	White, Kans.
Cramton	Kurtz	Rathbone	Williams, Mich.
Crosser	Lampert	Roach	Williamson
Cummings	Lanham	Robinson, Iowa	Wilson, Ind.
Davey	Larsen, Ga.	Robsion, Ky.	Woodruff
Davis, Minn.	Leavitt	Romjue	Woodrum
Davis, Tenn.	Little	Rubey	Wright
Dickinson, Mo.	Lowrey	Sabath	

ANSWERED "PRESENT"—6

Berger	Byrns, Tenn.	LaGuardia	Rayburn
Burtness	Dominick		

NOT VOTING—145

Anderson	Fuller	McNulty	Seger
Anthony	Funk	McSwain	Shreve
Bacharach	Garner, Tex.	MacLafferty	Simmons
Bankhead	Garrett, Tex.	Madden	Sinclair
Barkley	Gibson	Magee, Pa.	Snyder
Beedy	Gilbert	Manlove	Steagall
Boies	Goldsborough	Miller, Ill.	Strong, Kans.
Britten	Graham, Ill.	Montague	Summers, Wash.
Buchanan	Griffin	Moore, Ill.	Sweet
Buckley	Haugen	Moores, Ind.	Swoope
Burdick	Hersey	Morin	Tague
Burton	Howard, Okla.	Morris	Taylor, Colo.
Busby	Huddleston	Morrow	Thomas, Okla.
Butler	Hudson	Mudd	Tincher
Byrnes, S. C.	Hull, Morton D.	Newton, Minn.	Tucker
Campbell	Hull, Iowa	Nolan	Tydings
Carter	Hull, Tenn.	O'Brien	Upshaw
Clark, Fla.	Johnson, Ky.	O'Connell, N. Y.	Vare
Cole, Ohio	Johnson, W. Va.	Park, Ga.	Vinson, Ga.
Collins	Jost	Patterson	Vinson, Ky.
Colton	Kahn	Peavey	Ward, N. Y.
Connally, Pa.	Kelly	Perkins	Ward, N. C.
Corning	Kendall	Porter	Wason
Crisp	Kerr	Pou	Watkins
Croll	Kiess	Rainey	Watson
Crowther	Kincheloe	Ransley	Welsh
Curry	Knutson	Reed, Ark.	White, Me.
Dickinson, Iowa	Kunz	Reed, W. Va.	Williams, Tex.
Doyle	Kvale	Reid, Ill.	Wilson, Miss.
Drane	Langley	Rogers, N. H.	Winter
Eagan	Lea, Calif.	Rosenbloom	Wolff
Edmonds	Lee, Ga.	Rouse	Yates
Evans, Mont.	Lehlbach	Sanders, N. Y.	Young
Faust	Lilly	Sanders, Tex.	Zihlman
Fenn	Lineberger	Schall	
Fredericks	Linthicum	Scott	
Free	McKenzie	Sears, Nebr.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Gibson (for) with Mr. Busby (against).
Mr. Curry (for) with Mr. Rouse (against).
Mr. Corning (for) with Mr. Funk (against).
Mr. O'Connell of New York (for) with Mr. Park of Georgia (against).
Mr. Upshaw (for) with Mr. Kvale (against).
Mr. Porter (for) with Mr. Dominick (against).
Mr. Tague (for) with Mr. Wolff (against).
Mr. Shreve (for) with Mr. Morris (against).
Mr. Butler (for) with Mr. Collins (against).
Mr. Patterson (for) with Mr. Peavey (against).
Mr. Griffin (for) with Mr. Wilson of Mississippi (against).
Mr. Burton (for) with Mr. LaGuardia (against).
Mr. MacLafferty (for) with Mr. Crisp (against).
Mr. Newton of Minnesota (for) with Mr. Rayburn (against).
Mr. Vare (for) with Mr. Byrns of Tennessee (against).
Mr. Jost (for) with Mr. Johnson of West Virginia (against).
Mr. Morin (for) with Mr. Free (against).
Mr. Wason (for) with Mr. Croll (against).

Additional general pairs until further notice:

Mr. Reid of Illinois with Mr. Williams of Texas.
Mr. White of Maine with Vinson of Georgia.
Mr. Swoope with Mr. Bankhead.
Mr. Anthony with Mr. Kerr.
Mr. Madden with Mr. Carter.

Mr. Mudd with Mr. Eagan.
Mr. Dickinson of Iowa with Buchanan.
Mr. Faust with Mr. Lea of California.
Mr. Magee of Pennsylvania with Lee of Georgia.
Mr. Scott with Mr. Garrett of Texas.
Mr. Sinclair with Howard of Oklahoma.
Mr. Dyer with Mr. Gilbert.
Mr. Campbell with Mr. Evans of Montana.
Mr. Burdick with Mr. Hull of Tennessee.
Mr. Watson with Johnson of Kentucky.
Mr. Ward of New York with Mr. Tucker.
Mr. Beedy with Mr. Rainey.
Mr. Crowther with Mr. Thomas of Oklahoma.
Mr. Hersey with Mr. O'Brien.
Mr. Bacharach with Mr. Pou.
Mr. Simmons with Mr. Drane.
Mr. Kelly with Mr. Kunz.
Mr. Britten with Mr. Lilly.
Mr. Fredericks with Mr. Huddleston.
Mr. Hudson with Mr. Sanders of Texas.
Mr. Kendall with Reed of Arkansas.
Mr. Penn with Mr. Tydings.
Mrs. Nolan with Mr. Buckley.

Mr. DOMINICK. Has the gentleman from Pennsylvania, Mr. PORTER voted?

The SPEAKER. He did not.

Mr. DOMINICK. I wish to withdraw my vote of "no" and answer "present." If Mr. PORTER were present, he would vote "aye" and I would vote "no."

Mr. LAGUARDIA. Did the gentleman from Ohio, Mr. BURTON vote?

The SPEAKER. He did not.

Mr. LAGUARDIA. I withdraw my vote of "no," as I have a pair with the gentleman from Ohio. If he were present, he would vote "aye."

Mr. LEA of California. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. LEA of California. I do not believe I quite reach it.

Mr. CONNERY. Mr. Speaker, my colleague, Mr. TAGUE, was unable to be present and requested me to say that if he were present he would vote aye on the Cape Cod Canal.

The result of the vote was announced as above recorded.

On motion of Mr. WINSLOW, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. BLANTON. Mr. Speaker, I insist on a division of the motion.

The SPEAKER. There can be no division of the question to lay the motion on the table.

Mr. BLANTON. The gentleman moved first to reconsider the vote, and I ask for a vote on that.

The SPEAKER. And then moved to lay on the table, and the question comes on the motion to lay on the table.

Mr. BLANTON. Well, I will not insist on it.

INTERIOR DEPARTMENT BILL

Mr. CRAMTON. Mr. Speaker, I present a conference report for printing under the rule.

Mr. BLANTON. I make the point of order there is no quorum present. I withhold it for a moment.

The SPEAKER. The gentleman from Michigan presents a conference report on a bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 5078) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1925.

The SPEAKER. Ordered printed under the rule.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KVALE, for the balance of the week, on account of important business.

To Mr. DOYLE, for five days, on account of important business.

To Mr. STENGLE, for an indefinite period, beginning May 15, on account of important business.

Mr. RANKIN. Mr. Speaker, I wish to ask for leave of absence of my colleague, Mr. COLLINS, for a couple of days. He is detained unavoidably.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

THE PUBLIC BUILDINGS SITUATION

Mr. BOX. Mr. Speaker, I ask unanimous consent to extend my remarks on the public building situation.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BOX. Mr. Speaker and gentlemen of the House, because the Congress and administration do not seem to appreciate the acuteness of the need for the erection of Federal buildings in which to transact public business at many places in the country outside of the District of Columbia, and because the people of those points do not generally understand why the Government persistently fails to provide these necessary buildings I am occupying this space in the RECORD for the purpose of making this statement for the information of the House and the people.

There is a continuous, loud clamor in Washington for the spending of additional millions for the construction of a great memorial bridge, many public buildings, and similar improvements in the District of Columbia. There is doubtless need for some additional buildings here which should receive consideration; but the commercial interests of Washington cause much of this noise to be made. They want these vast sums spent here for business reasons. Those who clamor for these buildings in Washington seem to forget the urgent needs of the country while considering the liberal or lavish use of money to adorn the Capital City. Large expenditures by the Government here for Washington improvements will increase business and the price of real estate, but Members of the House and Senate and others who favor such a course need to have their attention recalled to the fact that the Federal funds come from the people of the United States and must be expended for the benefit of every part of the country.

There is now, and for several years has been, an urgent need of courthouse and post-office buildings all over the Nation. No general public buildings bill and no individual bill authorizing the construction of such buildings as these has been enacted since 1913—before the beginning of the World War. Many of the buildings authorized and appropriated for then have not yet been constructed by the Treasury Department, which lets the contracts for the erection of such buildings, supervises their construction, and controls the expenditure of the funds appropriated for that purpose by Congress.

In the second district of Texas, which I have the honor to represent, the need of housing for Government business is distressing. I have three bills providing for such buildings pending before the House Committee on Public Buildings and Grounds. So often and urgently have I pressed upon the chairman and some members of that committee the needs of my people in this respect that I have doubtless made myself troublesome, but the distressing need among my constituents compels me to urge that they be granted relief. I take this method of again calling the attention of each member of that committee to the acute situation at those points in that district.

At Beaumont, a city of some 50,000 people, handling great volumes of all kinds of business, is located an important division of the United States court for the eastern district of Texas, with its retinue of necessary officers. The customs service at that point is extensive and increasing with the great increase of foreign trade passing through that and adjacent ports. The prohibition enforcement officers, internal revenue forces, and other Government agencies all require office and working room at Beaumont. The post-office business and forces have doubled and trebled since the erection of the present building. The city of Beaumont itself has more than doubled in population and made still greater increases in the volume of business handled.

The result has been the piling up of a greatly increased amount of Government business, handled by the several Government agencies mentioned, and others without sufficient room for its handling. At my instance the Chief Architect in the Department of the Treasury, some two or three years ago, sent an expert to survey the housing situation and Government business at Beaumont. After a thorough survey he officially reported that the present building there, even at that time, was not quite half sufficient to meet the requirements. The business has increased since then. The situation now is even worse. The Government is trying to rent space in buildings near by in which to handle Government business. It is bad for the taxpayers and for all concerned for the United States to pay heavy rents and have Government activities scattered here and there with the division, confusion, and inefficiency thereby produced. I have had this bill for the relief of that situation pending through several sessions of Congress and have urged its consideration in every possible way. That bill, with all others introduced by me and every one of my colleagues, has remained on the calendar of the Committee on Public Buildings and Grounds without consideration and, of course, unreported.

The city of Lufkin is thriving and growing and now has more than 5,000 people without a Federal building in which to handle its post office and other Government business. When I became a Member of this House five years ago I introduced a bill for the purchase of a site and the erection of a building at

Lufkin. That, too, has had my diligent attention. Every effort has been made to get the committee and Congress to act favorably on it; yet it, like all of the hundreds of bills introduced by the 435 Members of the House, has remained on the committee calendar, unconsidered and unreported.

Five years ago I introduced a bill for the purchase of a site for a building at Jacksonville, but it has shared the same fate as all the others. During the present Congress, because of the continued growth of Jacksonville and the increasing volume of post-office business handled there, I introduced another bill authorizing both the acquisition of a site and the erection of a building. Notwithstanding every effort, it has remained, like all the others from Texas and every other State, dormant in the Committee on Public Buildings and Grounds.

Every Member of the House and Senate knows, and every citizen should be advised, that no such bill has any chance to be passed through the House and Senate and be approved by the President until it has been considered and favorably reported by the Committee on Public Buildings and Grounds. It is equally well understood by all who are informed that even if it were possible to get a favorable report from the committee on one or two isolated buildings from a single district it would be impossible to even get it up for consideration in the House, where the other 434 Members, all of whom have similar bills, are the judges as to what measures will be considered or passed. They will not tolerate the passage of bills providing for other districts and slighting theirs. I know, and am sure my intelligent constituents know, that a public buildings bill is only possible when it makes sufficient provision for the general needs of the country to command the support of majorities of both Houses and the approval of the President. The most influential Member of the House or Senate is not exempt from this rule. Hon. FREDERICK H. GILLETT, the Speaker himself, whose position and power approaches that of the President and Vice President, is not able to avoid the operation of this rule. He has had pending for some years a bill for the relief of an acute situation in the city of Springfield, Mass., but his people have been compelled to wait, just as my people have. No more progress has been made in the consideration of or toward the passage of the Speaker's bill than has been made in the consideration of mine.

Every one of the 18 Members of Congress from Texas, including the 1 Republican, has had the same experience that I and all the other Members of Congress from other States have had.

Since Texas became a State, some 80 years ago, four Federal buildings have been erected within the second Texas congressional district—ours—as the result of the continued and able efforts of a long line of able Representatives, including such men as Reagan, Stuart, Cooper, Brooks, and Dies. The Federal buildings within the second congressional district are located at Beaumont, Port Arthur, Nacogdoches, and Marshall. One was authorized for Orange 11 years ago. It has not yet been erected, but we hope to get it built within the next year. Other Texas districts have not fared better.

The first congressional district of Texas, represented by Hon. EUGENE BLACK, has four Federal buildings. The post-office building at Paris burned in 1916. A one-story post office was constructed on the ruins of the old building and temporarily covered out of funds appropriated in 1917 in the emergency created by the fire. Temporary quarters are rented for the use of the Federal court. No new courthouse or general Federal building has been erected since the fire, because the funds have not been provided.

The third congressional district of Texas, represented by Hon. MORGAN G. SANDERS, has obtained three Federal buildings during the history of the State. Mr. SANDERS has had bills pending for the erection of Federal buildings in six cities in the district, none of which have been reported or passed.

The fourth congressional district of Texas, represented by Hon. SAM RAYBURN, has seven Federal buildings. No new buildings have been authorized during the last 11 years.

The fifth congressional district of Texas, represented by Hon. HATTON W. SUMNERS, has three Federal buildings. Mr. SUMNERS has had bills pending for the erection of a Federal building at Dallas, none of which have been reported or passed since 1913, though the need is said to be great.

The sixth congressional district of Texas, represented by Hon. LUTHER A. JOHNSON, has had bills pending for the erection of Federal buildings in three cities in the district, none of which have been reported or passed.

The seventh congressional district of Texas, represented by Hon. CLAY STONE BRIGGS, has two Federal buildings, located at Galveston and Palestine. Mr. BRIGGS has had bills pending for the erection of Federal buildings in four cities in the district, none of which have been reported or passed.

The eighth congressional district of Texas, represented by Hon. DANIEL E. GARRETT, has four Federal buildings. No new buildings have been authorized for that district in a dozen years, though said to be badly needed.

The ninth congressional district of Texas, represented by Hon. JOSEPH J. MANSFIELD, has five Federal buildings. Mr. MANSFIELD has had bills pending for the erection of Federal buildings in five cities in the district, none of which have been reported or passed.

The tenth congressoinal district of Texas, represented by Hon. JAMES P. BUCHANAN, has four Federal buildings. Mr. BUCHANAN has had bills pending for the erection of Federal buildings in two cities in the district, none of which have been reported or passed.

The eleventh congressional district of Texas, represented by Hon. TOM CONNALLY, has four Federal buildings. Mr. CONNALLY has had bills pending for the erection of Federal buildings in two cities in the district, none of which have been reported or passed.

The twelfth congressional district of Texas, represented by Hon. FRITZ G. LANHAM, who is the Texas member of the Committee on Public Buildings and Grounds, has three Federal buildings, located at Fort Worth, Weatherford, and Cleburne. Mr. LANHAM has had bills pending for the erection of Federal buildings in three cities in the district, none of which have been reported or passed. The Texas member of this committee knows this general situation well. He has heard so much about the needs of Beaumont, Lufkin, and Jacksonville that he could not forget them if he would. I know he is our friend and will do his utmost to help us.

The thirteenth congressional district of Texas, represented by Hon. GUINN WILLIAMS, has four Federal buildings. Mr. WILLIAMS has had bills pending for the erection of a building at Bowie, which, like the others, has remained unreported and unpassed.

The fourteenth congressional district of Texas, represented by Hon. HARRY M. WURZBACH, the only Texas Republican in Congress, has four Federal buildings. Mr. WURZBACH has had bills pending for the erection of Federal buildings in three cities in the district, none of which have been passed or even reported.

The fifteenth congressional district of Texas, represented by Hon. JOHN N. GARNER, who has served in Congress some 22 years, has four Federal buildings. Mr. GARNER has had bills pending for the erection of Federal buildings in six cities in the district, none of which have been reported or passed since 1913.

The sixteenth congressional district of Texas, represented by Hon. C. B. HUDSPETH, has four Federal buildings. Mr. HUDSPETH has had bills pending for the erection of Federal buildings in three cities in the district, none of which have been passed or reported.

The seventeenth congressional district of Texas, represented by Hon. THOMAS L. BLANTON, has had no bills for the erection of Federal buildings for post offices or courthouses in the district reported or passed since 1913.

The eighteenth congressional district of Texas, represented by Hon. MARVIN JONES, has one Federal building. Mr. JONES has had bills pending for the erection of buildings but has been unable to get any of them passed or reported.

The second congressional district of Texas, which I have the honor to represent, has four Federal buildings, which is a little above the average for Texas congressional districts, and these buildings in our own district and in all the others are not the work of present Congressmen chiefly, but are the result of the efforts of all the above-mentioned men, such as Mills, Coke, Bailey, Reagan, Cooper, the Culbersons, the Sheppards, the Lanhams, and all of the strong men who have represented Texas in the upper and lower Houses during the nearly 80 years of our statehood.

The average length of service of the present Texas delegation in Congress is greater than my own, yet they have not been more fortunate than I have in getting their public buildings' bills passed.

Among the Texas cities now asking and thus far failing to secure Federal buildings are Huntsville, Crockett, Athens, Mineola, Kaufman, Wills Point, Henderson, Kerrville, Gilmer, Pecos, Big Springs, Gatesville, Hamilton, Stephenville, Dublin, Texas City, Mexia, Bryan, Groesbeck, Seguin, Kenedy, Bowie, Lufkin, and Jacksonville. Among the larger cities having older Federal buildings which have been outgrown and are now insufficient, which have asked for enlarged Federal buildings and failed to obtain them, are Beaumont, Fort Worth, Galveston, Dallas, and Houston.

This condition of old, outgrown and overcrowded Federal buildings insufficient to meet present needs and the inability of hundreds of flourishing young cities to obtain any at all extend not only over all Texas but throughout the United States.

All of the Members of this House and of the Senate from all of the States have had the same experience. In hundreds of places the most urgent needs of public buildings have gone unsupplied. I have already referred to the fact that the Speaker of this House has had exactly the same experience met by me and all of my Texas colleagues.

Under the present Budget system the passage of a bill authorizing a public building does not provide the funds necessary. The money must be provided by an additional bill making the appropriation for the building. Even after that is done the immediate erection of the building is not assured. As just stated, we are just now securing the erection of a building at Orange which was authorized and appropriated for 11 years ago. After bills are passed authorizing the erection of buildings and others making appropriations for the purpose, the letting of the contracts and the expenditure of the money is in charge of the Secretary of the Treasury, who acts through the Supervising Architect of the Treasurer's office. That department often waits years before erecting buildings.

There are now scores, possibly hundreds, of buildings authorized and appropriated for 10 or more years ago which remain unconstructed. Doubtless this is caused by the heavy demands made upon the taxpayers by the expenses of the war and in part by the fact that the cost of building has very greatly increased since these bills were passed, so that funds then ample are now insufficient.

Members of this House, the country generally, and my own intelligent constituents particularly, should be frankly told these facts in order that they may know conditions exactly as they are. When many flourishing young cities expect to secure immediate authorizations and appropriations for public buildings and their prompt erection, it is well to remember that Federal buildings are nothing like as numerous as is generally understood, and that in the whole history of Texas, covering 80 years, the second district of Texas, an older section of the State and having at least its average share of these buildings, has been able to secure only four within 75 or 80 years, through the efforts of my numerous and able predecessors. Public buildings are not nearly so easily secured as is commonly supposed. I sincerely regret that I am not able to assure my constituents that my public buildings bills for their relief will be immediately passed and approved by the President and thereafter appropriations made and thereafter contracts for the erection of the buildings promptly let.

I am doing my utmost to present their claims, and I hope for success, but I can not truthfully say that relief is sure to come at once. However, my colleagues of the Committee on Public Buildings and Grounds, and particularly the Texas member, Hon. FRITZ G. LANHAM, and the chairman, know with what diligence I have presented this need of the flourishing and ambitious young cities of my district which really need these buildings for the transaction of Government business. It is to be hoped that the condition of the Public Treasury will be such, and the views of the House organization and administration and majorities in both Houses of Congress will be such, that substantial progress can soon be made. This line of improvement has been falling further and further behind and the need becoming more and more acute. It will take the Government years to catch up with its building program, and the sooner it takes it up again the better it will be for the branches of the Government service and the needy communities involved.

I make this statement through the columns of the CONGRESSIONAL RECORD in an effort to impress upon both branches of Congress and all concerned in the administration of the Government with the urgent need not only of my constituents, which to me are special, but the whole country, and to advise my constituents and all others who read this part of the record of the situation as it is.

ADJOURNMENT

Mr. WINSLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p. m.) the House adjourned until to-morrow, Wednesday, May 14, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

472. A communication from the President of the United States, transmitting a communication from the Secretary of the Navy, submitting an estimate of appropriation in the sum of $24,333.16, to pay 19 claims for damages for which Navy vessels were found to be responsible, which have been adjusted and which require an appropriation for their payment (H. Doc. No. 274); to the Committee on Appropriations and ordered to be printed.

473. A communication from the President of the United States, transmitting two communications from the Secretary of the Navy, submitting an estimate of appropriation in the sum of $3,115.03, to pay 13 claims, which he has adjusted and which require an appropriation for their payment (H. Doc. No. 275); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MILLER of Washington: Committee on Naval Affairs. H. R. 8263. A bill to authorize the accounting officers of the Treasury to pay to certain supply officers of the regular Navy and Naval Reserve Force the pay and allowances of their ranks for services performed prior to the approval of their bonds; without amendment (Rept. No. 717). Referred to the Committee of the Whole House on the state of the Union.

Mr. MADDEN: Committee on Appropriations. H. R. 9192. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and for other purposes; without amendment (Rept. No. 718). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. S. 2930. An act reaffirming the use of the ether for radio communication or otherwise to be the inalienable possession of the people of the United States and their Government, and for other purposes; with an amendment (Rept. No. 719). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 5261. A bill to repeal and reenact chapter 100, 1914, Public, No. 108, to provide for the restoration of Fort McHenry, in the State of Maryland, and its permanent preservation as a national park and perpetual national memorial shrine as the birthplace of the immortal "Star Spangled Banner," written by Francis Scott Key, for the appropriation of the necessary funds, and for other purposes; with amendments (Rept. No. 720). Referred to the Committee of the Whole House on the state of the Union.

Mr. CABLE: Committee on Election of President, Vice President, and Representatives in Congress. H. R. 8956. A bill to prevent corrupt practices in congressional elections; with amendments (Rept. No. 721). Referred to the House Calendar.

Mr. ELLIOTT: Committee on Elections No. 3. A report in the contested-election case of Gorman *v.* Buckley (Rept. No. 722). Referred to the House Calendar.

Mr. McSWAIN: Committee on Military Affairs. S. 1557. An act to give military status and discharges to the members of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany; with amendments (Rept. No. 727). Referred to the Committee of the Whole House on the state of the Union.

Mr. SINNOTT: Committee on the Public Lands. H. R. 6651. A bill to add certain lands to the Umatilla, Wallowa, and Whitman National Forests, in Oregon; with an amendment (Rept. No. 728). Referred to the Committee of the Whole House on the state of the Union.

Mr. LAGUARDIA: Committee on the Post Office and Post Roads. H. R. 6942. A bill establishing transmission and carrying of mail by airplanes and flying machines; with amendments (Rept. No. 729). Referred to the Committee of the Whole House on the state of the Union.

Mr. LAGUARDIA: Committee on the Post Office and Post Roads. H. R. 7064. A bill to encourage commercial aviation and to authorize the Postmaster General to contract for Air Mail Service; without amendment (Rept. No. 730). Referred to the Committee of the Whole House on the state of the Union.

Mr. FAIRCHILD: Committee on Foreign Affairs. H. R. 7558. A bill to authorize the payment of an indemnity to the Government of Norway on account of losses sustained by the owners of the Norwegian steamship *Hassel* as the result of a collision between that steamship and the American steamship *Ausable;* with an amendment (Rept. No. 731). Referred to the Committee of the Whole House on the state of the Union.

Mr. REED of New York: Committee on Industrial Arts and Expositions. H. J. Res. 199. A joint resolution authorizing

an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington; with amendments (Rept. No. 732). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on the Public Lands. H. J. Res. 210. A joint resolution for the relief of delinquent homesteaders on the Fort Assinniboine abandoned military reservation; without amendment (Rept. No. 734). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOCH: Committee on Interstate and Foreign Commerce. H. J. Res. 141. A joint resolution directing the Interstate Commerce Commission to take action relative to adjustments in the rate structure of common carriers subject to the interstate commerce act and the fixing of rates and charges; without amendment (Rept. No. 735). Referred to the Committee of the Whole House on the state of the Union.

Mr. WYANT: Committee on Interstate and Foreign Commerce. H. R. 9176. A bill granting the consent of Congress to the counties of Marion and Florence, in the State of South Carolina, to construct a bridge across the Peedee River at or near Allisons Ferry, S. C.; with an amendment (Rept. No. 736). Referred to the House Calendar.

Mr. WILLIAMS of Michigan: Committee on the Public Lands. H. R. 7144. A bill to relinquish to the city of Battle Creek, Mich., all right, title, and interest of the United States in two unsurveyed islands in the Kalamazoo River within the corporate limits of said city; with amendments (Rept. No. 738). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 3388. A bill to place the name of Paul Crum on the muster rolls of Company E, First Regiment Nebraska Infantry, United States Volunteers; with an amendment (Rept. No. 723). Referred to the Committee of the Whole House.

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 6554. A bill to correct the military record of Harry D. Rayburn; without amendment (Rept. No. 724). Referred to the Committee of the Whole House.

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 7508. A bill for the relief of Ramon B. Harrison; with an amendment (Rept. No. 725). Referred to the Committee of the Whole House.

Mr. COLE of Iowa: Committee on Foreign Affairs. H. J. Res. 249. A joint resolution to authorize certain officers of the United States Marine Corps to accept from the Republic of Haiti "The medal for distinguished service"; without amendment (Rept. No. 726). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on Claims. H. R. 5759. A bill for the relief of James F. Abbott; with an amendment (Rept. No. 733). Referred to the Committee of the Whole House.

Mr. WILLIAMS of Michigan: Committee on the Public Lands. H. R. 8226. A bill granting a patent to the First State Savings Bank of Gladwin, Mich.; with amendments (Rept. No. 739). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on War Claims was discharged from the consideration of the bill (H. R. 8326) to confer jurisdiction upon the Court of Claims to hear and determine the claim of the lawful heirs of Matilda Picotte, and the same was referred to the Committee on Indian Affairs.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MADDEN: A bill (H. R. 9192) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. HUDSPETH: A bill (H. R. 9193) to establish a national park in the State of Texas; to the Committee on the Public Lands.

By Mr. LILLY: A bill (H. R. 9194) to increase the limit of cost of the public building at Williamson, W. Va., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. TABER: A bill (H. R. 9195) to prevent the shipment of impure coal between the States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WAINWRIGHT: A bill (H. R. 9196) to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide a permanent national training school for the blind; to the Committee on World War Veterans' Legislation.

By Mr. RATHBONE: A bill (H. R. 9197) for the purchase of a site for a Federal building at Roodhouse, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. ANDREW: A bill (H. R. 9198) providing for the conveyance to the city of Gloucester, in the State of Massachusetts, of property known as Old Fort Defiance; to the Committee on Military Affairs.

By Mr. WILSON of Louisiana: A bill (H. R. 9199) to prevent the pollution by oil of navigable rivers of the United States; to the Committee on Rivers and Harbors.

By Mr. CRAMTON: Joint resolution (H. J. Res. 264) authorizing the restoration of the Lee Mansion in the Arlington National Cemetery, Va.; to the Committee on the Library.

By Mr. O'CONNOR of New York: Resolution (H. Res. 310) providing for the appointment of a committee of Members of the House of Representatives to investigate the matter of telephone rates and service in the United States and in particular the relationship between the American Telephone & Telegraph Co. and its subsidiaries; to the Committee on Rules.

By Mr. WHITE of Maine: Resolution (H. Res. 311) providing for the consideration of S. 2930, a bill reaffirming the use of the ether for radio communication or otherwise to be the inalienable possession of the people of the United States and their Government, and for other purposes; to the Committee on Rules.

By Mr. GRAHAM of Pennsylvania: Resolution (H. Res. 312) for the consideration of H. R. 7650, a bill to amend the Judicial Code; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW: A bill (H. R. 9200) granting a pension to Lillian Skidmore; to the Committee on Invalid Pensions.

By Mr. BROWNE of New Jersey: A bill (H. R. 9201) for the relief of Frederick MacMonnies; to the Committee on Claims.

By Mr. CELLER: A bill (H. R. 9202) for the relief of Herman Lincoln Chatkoff; to the Committee on Military Affairs.

By Mr. DOUGHTON: A bill (H. R. 9203) granting a pension to Letcher Caudill; to the Committee on Pensions.

By Mr. DREWRY: A bill (H. R. 9204) granting six months' pay to Constance D. Lathrop; to the Committee on Naval Affairs.

By Mr. FRENCH: A bill (H. R. 9205) granting an increase of pension to James Fogle, jr.; to the Committee on Invalid Pensions.

By Mr. GERAN: A bill (H. R. 9206) to renew and extend certain letters patent to John V. Rice, jr.; to the Committee on Patents.

By Mr. GREENWOOD: A bill (H. R. 9207) granting an increase of pension to William A. Daniels; to the Committee on Pensions.

By Mr. KETCHAM: A bill (H. R. 9208) granting a pension to Linna L. White; to the Committee on Pensions.

By Mr. LEAVITT: A bill (H. R. 9209) for the relief of George A. Robertson; to the Committee on Claims.

By Mr. NELSON of Maine: A bill (H. R. 9210) granting a pension to Eva M. Roberts; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 9211) granting a pension to Julia L. Hawkins; to the Committee on Invalid Pensions.

By Mr. RATHBONE: A bill (H. R. 9212) granting a pension to Leamon Bunch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9213) granting a pension to Mary Jane Howes; to the Committee on Invalid Pensions.

By Mr. STEPHENS: A bill (H. R. 9214) granting a pension to Eugene C. Dempsey; to the Committee on Pensions.

Also, a bill (H. R. 9215) granting a pension to Katherine D. White; to the Committee on Invalid Pensions.

By Mr. TABER: A bill (H. R. 9216) granting a pension to Mrs. Ira Dibble; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 9217) granting a pension to Mary E. Adams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9218) granting a pension to Matilda Higgins; to the Committee on Invalid Pensions.

By Mr. WARD of New York: A bill (H. R. 9219) granting a pension to James O. Dunnagan; to the Committee on Invalid Pensions.

By Mr. ZIHLMAN: A bill (H. R. 9220) granting a pension to Mary Virginia Reed; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2743. By the SPEAKER (by request): Petition of members of the Centerville Grange, Klickitat County, Wash., favoring the McNary-Haugen bill; to the Committee on Agriculture.

2744. By Mr. BARBOUR: Petition signed by residents of Tulare County, Wash., protesting against any amendment of the national prohibition act; to the Committee on the Judiciary.

2745. By Mr. CELLER: Petition of the American Legion, Sergeant Jasper Post No. 13, Washington, D. C., favoring a joint resolution proposing the adoption of the Star-Spangled Banner as the national anthem; to the Committee on the Judiciary.

2746. By Mr. GALLIVAN: Petition of Maj. M. J. O'Connor Camp, No. 4, United Spanish War Veterans, South Boston, Mass., urging passage of the Bursum pension bill over the President's veto; to the Committee on Pensions.

2747. Also, petition of postal employees, Boston, Mass., urging early and favorable action on House bill 9035; to the Committee on Rules.

2748. By Mr. MADDEN: Petition of citizens of the city of Chicago, Ill., favoring legislation that will permit the withdrawal from Lake Michigan by the Sanitary District of Chicago of 10,000 cubic feet of water per second; to the Committee on Rivers and Harbors.

2749. By Mr. RAKER: Fifty-seven letters from Tacoma, Wash., in re changing name of Mount Rainier to Mount Tacoma; to the Committee on the Public Lands.

2750. Also, petitions of San Francisco Press Club; Rapid Blue Print Co., Los Angeles, Calif; Edison Electric Appliance Co., Ontario, Calif., and Leon Israel & Bros. (Inc.), San Francisco, Calif., in re San Carlos dam bill; to the Committee on Indian Affairs.

